

Elson Advocacy

July 19, 2021

Ms. Christine Long

Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Long:

**Re: Enbridge 2022 to 2027 Demand Side Management (“DSM”) Plan
EB-2021-0002**

I am writing on behalf of Environmental Defence pursuant to *Procedural Order #2* to provide a reply to Enbridge’s comments on the draft issues list in this proceeding.

Environmental Defence agrees with Enbridge’s proposed new issue regarding transition and implementation. With that exception, Environmental Defence submits that the Board should not adopt the other changes proposed by Enbridge as they are generally unnecessary and convoluted, and in some cases are problematic.

Unnecessary

The only topic that Enbridge raises that is not included in the existing issues list is transition and implementation. That is a reasonable topic to add. Enbridge’s remaining proposed changes are not necessary. The initial issues list adequately covers all other relevant topics.

Convoluted

Enbridge’s proposed changes are highly convoluted. They are too complex for Enbridge to even produce a tracked changes version of the list when we requested one. Making large-scale changes based on convoluted submissions is not in the interest of an efficient process.

Problematic

A number of changes proposed by Enbridge are problematic.

- Issue 2: On issue two, Enbridge appears to attempt to scope any examination of other jurisdictions to ones in Canada. There is no need to exclude leading jurisdictions in the United States.

- Issues 5/6: Enbridge argues that the concept of amortization must be dealt with as a preliminary issue because it would require a complete reworking of the application. We do not see how amortization alone would require a complete reworking. That would be concerning seeing as the OEB previously flagged amortization as an area for Enbridge to examine in the mid-term review. Enbridge should be doing work now to be ready for potential OEB decisions, including the adjustments needed for amortized DSM costs.
- Issue 7: Enbridge proposes to remove the wording which asks whether its proposed target adjustment mechanism “will ensure progressively greater performance.” There is no need to remove this wording.
- Issue 8: Enbridge proposes to replace the generic words “optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding” with a specific reference to the OEB’s letter of December 1, 2020. This change is regressive. The OEB’s letter of December 1, 2020 was not intended to set out a comprehensive or detailed standard to assess DSM programs. Referring solely to that letter as a yardstick is inappropriate. It will also cause unnecessary and fruitless debates about the meaning of the letter if the letter is treated as “the standard” with which to assess program offerings.
- Issue 14: Enbridge proposes to somewhat water down the wording on IESO coordination by replacing an issue asking whether there Enbridge will ensure programs are effectively coordinated to a more bland issue asking how Enbridge intends to coordinate. The reference to ensuring effective coordination in the original wording was positive and should remain.
- New issue: Enbridge proposes the following new issue:

Is Enbridge Gas’s proposed 2022 base budget envelope of \$136 million appropriate and align [sic] with OEB and Ontario government guidance for “modest budget increases” and “having regard to consumers’ economic circumstance”?

This is the most problematic of all the changes proposed by Enbridge. This new wording would cherry-pick short snippets from the OEB and Ministry’s letters while excluding more helpful and importance guidance from those letters. Enbridge’s proposed issue does not provide an accurate or representative view of the guidance as set out in those letters and should not be included in the issues list.

Finally, we would like to comment on Enbridge raising the possibility that it might withdraw and refile a new application down the road if the OEB orders material changes. Enbridge seems to use this “threat” to try to exclude any examination of significant changes. We should not avoid looking at significant changes simply because it will be a challenge to implement them. If the OEB decides that significant changes are warranted, it can decide at that time whether they are worthwhile in light of the time they will take to implement. Scoping out any significant changes is diametrically opposed to the OEB’s role as a regulator.

However, Environmental Defence strongly supports steps that can be taken now to avoid potential delay in the future. This can be done by asking Enbridge to provide DSM plan options at different budget levels. If we proceed as is, the OEB will find itself with essentially only one option for 2022-2027, namely the Enbridge plan or something close to it. Instead of picking between options A, B, or C, with varying levels of ambitiousness, or selecting an option from a cost curve, the OEB will in practice only have one option, subject to tweaks that are minor enough not to require sending Enbridge back to the drawing board. To remedy this, Enbridge should be directed to come back with multiple options for consideration. This issue is discussed in more detail in the Environmental Defence submissions on the 2022 DSM plan on page 12 (found at this [link](#)).

In sum, Environmental Defence submits that the draft issues list should be approved with the addition of Enbridge's transition and implementation issue, that the other changes proposed by Enbridge should not be adopted.

Yours truly,

A handwritten signature in blue ink, appearing to read 'K. Elson', written over a light blue horizontal line.

Kent Elson

cc: Participants in the above proceeding