

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B, as amended;

AND IN THE MATTER OF an application by Enbridge Gas Inc. pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, for an order or orders approving its Demand Side Management Plan for 2022-2027.

APPLICATION

1. Enbridge Gas Inc. (“Enbridge Gas” or the “Company”), was formed by the amalgamation of Enbridge Gas Distribution Inc. (“EGD”) and Union Gas Limited (“Union”), on January 1, 2019 pursuant to the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16. Enbridge Gas carries on the business of selling, distributing, transmitting, and storing natural gas in Ontario. The Company also undertakes Demand Side Management (“DSM”) activities.
2. Prior to amalgamation EGD and Union were operating DSM programs under a regulatory framework governing DSM activities in Ontario’s natural gas sector which was initially established in 1993 under EBO 169-III.
3. On May 21, 2019 the Ontario Energy Board (“OEB”), initiated the initial phase of the OEB’s Framework Consultation process (EB-2019-0003) (the “DSM Consultation”). The purpose of the DSM Consultation was to establish a new DSM Framework that would replace the DSM Framework originally approved for the 2015-2020 time period in EB-2014-0134¹. The 2015-2020 Framework was set to expire on December 31, 2020 but was extended by one year with the OEB approval of the Company’s 2021 DSM Plan Application (EB-2019-0271).

¹ EB-2014-0134, OEB Report of the Board Demand Side Management Framework for Natural Gas Distributors (2015-2020) (December 22, 2014).

4. On December 1, 2020, the OEB issued a letter (the “DSM Letter”)² to, *inter alia*, Enbridge Gas communicating that it had concluded the DSM Consultation in favour of an adjudicative process and invited Enbridge Gas to file a comprehensive multi-year DSM plan application for the post-2021 period.

5. On May 3, 2021, Enbridge Gas filed this application which consisted of a proposed DSM Framework (“Proposed Framework”) effective 2022, and a six-year DSM Plan for 2022-2027 (“DSM Plan”). On August 26, 2021, the OEB issued a Decision and Order extending the existing 2015-2021 DSM Framework and Enbridge Gas’s 2021 DSM Plans for the EGD and Union rate zones for one year, effective January 1, 2022 to December 31, 2022. This Decision and Order further provided that Enbridge Gas may make updates to its pre-filed evidence related to its 2023-2027 DSM activities in response to the OEB’s Decision on 2022 DSM activities. By Procedural Order #3 dated September 9, 2021, the OEB set September 30, 2021 as the date by which Enbridge Gas shall file any updated evidence in response to the OEB’s Decision on 2022 DSM activities. Enbridge Gas has accordingly updated this Application to exclude any reference to 2022 and to amend the evidence such that it is only applicable for the 2023-2027 DSM Plan years. /u

6. Enbridge Gas seeks approval of this updated Application which has two distinct sections: /u
 - Section 1: Proposed DSM Framework effective 2023 (“Proposed Framework”)
 - Section 2: Proposed 2023-2027 Multi Year DSM Plan (“DSM Plan”)

7. Although there are two separate sections, the Proposed Framework and the proposed DSM Plan need to be reviewed and evaluated together as the Proposed Framework underpins the proposed DSM Plan.

² EB-2019-0003, OEB Letter Post-2020 Natural Gas Demand Side Management Framework (December 1, 2020).

8. The Proposed Framework is in large part an extension of the 2015-2020 Framework but has been adjusted to reflect feedback received from the DSM Consultation which began on May 21, 2019 and ended with the issuance of the DSM Letter on December 1, 2020. The Proposed Framework also incorporates changes Enbridge Gas believes are appropriate given its long standing experience delivering DSM programming and given the changes occurring in the current energy environment.
9. The proposed DSM Plan is for a five-year term which allows for long term planning and program continuity, stability for the utility to commit to energy conservation efforts, as well as certainty for customers and other market participants of sustained DSM support across Ontario. It also minimizes the administrative time and effort of additional regulatory review. The Company proposes a mid-point assessment, to take effect in 2025, of those program offerings and metrics which are anticipated to likely require adjustments at that time for the reasons set out in this Application. /u
10. In order for Enbridge Gas to maintain DSM program continuity into January 2023 and the 2023 program year, the Company would need to receive final approval from the OEB for this Application by August 31, 2022. This would provide assurance to the Company and prospective DSM participants of program continuity which is an essential requirement for a successful, sustained and prosperous energy conservation market. This is consistent with both the joint letter from the Ministries of Environment and Energy to the OEB that stated, “Ensuring that an appropriate level of DSM programming remains available to natural gas customers without interruption will assist them in managing their energy costs, ...”³. /u
11. The five-year DSM Plan budget is structured with the proposed 2023 budget as the “base budget envelope” for the five-year DSM Plan and an escalation methodology which will increase the budget envelope in each year of the plan /u

³ MC-994-2020-1084, Ministry of Energy, Northern Development and Mines, Office of the Associate Minister of Energy Letter to the Ontario Energy Board (November 27, 2020), p. 2. <https://www.oeb.ca/sites/default/files/ENDM-MECP-letter-to-OEB-20201127.pdf>

formulaically. Enbridge Gas notes that under the current Framework, the OEB set the parameters for the maximum budget which the legacy utilities could propose in their multi-year plans in the framework which the OEB approved before the legacy utilities were required to prepare and file their multi-year plans. In this proceeding, the annual budgets and associated multi-year plans will be reviewed and considered within the same proceeding. It is however important to note that Enbridge Gas developed its DSM Plan based upon the proposed budget envelope. If there is a material change to the budget envelope, it may require significant and perhaps wholesale changes to the portfolio of program offerings.

12. Enbridge Gas hereby applies to the OEB, pursuant to the provisions of the *Ontario Energy Board Act, 1998*, as amended, and the OEB's Rules of Practice and Procedure for a final Decision and Order in relation to this Application by August 31, 2022. /u
13. The persons affected by this Application are the customers resident or located in the municipalities, police villages, and Indigenous communities served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf, Enbridge Gas distributes, transmits or stores gas. It is impractical to set out the names and addresses of all the customers because they are too numerous.
14. Enbridge Gas requests that all documents relating to this application and its supporting evidence, including the responsive comments of any interested party, be served on:

The Applicant:

Regulatory Contact:

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Dated: September 29, 2021

ENBRIDGE GAS INC.

Asha Patel
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