

**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.**

**Interrogatories of Housing Services Corporation**

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## **Interrogatories of Housing Services Corporation (HSC)**

*2. Does Enbridge Gas's 2023-2027 DSM Framework and DSM Plan adequately support energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to consumers' economic circumstances?*

### **Interrogatory # 2.HSC.1**

HSC has heard from numerous non-profit and municipal social housing providers that construction and building materials/equipment costs, as well as overall operating costs, have increased dramatically since the COVID-19 pandemic began. These increases have created serious financial pressures for social housing providers, forcing them to make hard decisions on capital improvements versus specific energy efficiency projects. Construction and materials/equipment costs have escalated dramatically in 2021 across all regions, outstripping even Canada's escalating Consumer Price Index (which was 4.1% as of August 2021). Additionally, social housing providers from northern Ontario have indicated that construction and materials/equipment costs are always higher in their regions relative to those in much of southern Ontario due to access and location.

Regional differences and current high inflationary increases, such as those for construction and capital equipment replacement costs, should be considered in the program budgets and targets. Enbridge is asked to address these considerations through higher budgets for AHMR and Home Winterproofing to offset the added challenges faced by already financially constrained low-income consumers including social housing providers in the current economic climate.

*3. Is Enbridge Gas's 2023-2027 DSM plan consistent with energy conservation industry best practices in Ontario and other relevant Canadian and U.S. jurisdictions?*

### **Interrogatory # 3.HSC.1**

Missing from Enbridge Gas's 2023-2027 DSM plan is a re-/retro-commissioning program or measure, such as is offered under Fortis BC's Continuous Optimization Program (<https://www.fortisbc.com/rebates/business/continuous-optimization>). A re-/retro-commissioning offering could target energy conservation opportunities in multi-residential buildings to improve the efficiency of energy-intensive systems such as heating, ventilation, and air conditioning as well as water-heating.

HSC's Energy Services Stakeholder Advisory Group, which is comprised of ~20 capital asset management staff at municipal social housing organizations from across Ontario, have indicated a need for a re-/retro-commissioning program for our sector. Many of the major space and water heating systems in social housing buildings were not commissioned in the first place, or it has been several years since their original commissioning, such that these systems are likely not operating optimally. These systems may not need full replacement such as could be supported by accessing Enbridge Gas's Affordable Housing Multi-Residential Program (AHMR) offering and instead may benefit from relatively simple tweaks, such as to their settings and scheduling. A re-/retro-commissioning offering would be especially effective for program participants wishing to install Building Automating Systems or Advanced Building Automating Systems, technologies that are not yet installed in many social housing buildings.

Enbridge Gas is asked to add a re-/retro-commissioning offering under the AHMR program for existing buildings to make such projects more affordable to social housing providers.

*6. Does Enbridge Gas's proposed budget, including program costs and portfolio costs result in reasonable rate impacts while addressing the OEB's stated DSM objectives in its letter issued on December 1, 2020, including having regard to consumers' economic circumstances?*

#### **Interrogatory # 6.HSC.1**

Enbridge Gas's proposed budget is inadequate in addressing DSM objectives particularly for low-income consumers including social housing providers, given the current economic climate of escalating construction and materials/equipment costs and Canada's Consumer Price Index, as noted in Interrogatory # 2.HSC.1. It also appears inadequate in ensuring alignment with the Made-in-Ontario Environment Plan. The comments in this Interrogatory also apply to:

*Issue #10. Has Enbridge Gas proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding?*

Enbridge Gas is asked to increase its budgets for its low-income programs.

*10. b. Are Enbridge Gas's proposed program offerings for low-income customers appropriate?*

#### **Interrogatory # 10.b.HSC.1**

Enbridge Gas's proposed Plan only includes building envelope offerings in programs for new construction. Retrofits to the building envelope help to improve thermal comfort and building air tightness, enabling building operators to extensively downsize the energy demand associated with their space heating systems. Instead of simply focusing on replacing space heating equipment of a certain size with a more efficient but same-sized equipment, as the current proposed AHMR program would do, a more effective and appropriate AHMR program should address the building envelope because of the potential to improve overall thermal comfort and achieve deeper gas savings.

Unfortunately, retrofits to the building envelope are expensive, and government programs supporting such work are limited, such that social housing providers are finding it challenging to undertake these retrofits. To fill this gap, Enbridge Gas needs to extend the whole home approach of its Home Winterproofing program to the AHMR program for existing buildings.

Enbridge Gas is asked to add measures for building envelope improvements to the AHMR program for existing buildings to better serve the program's target customers and achieve greater natural gas savings under the program. Measures should include windows, doors, air sealing, interior insulation, and exterior insulation including cladding and wall assembly systems that increase air tightness.

#### **Interrogatory # 10.b.HSC.2**

As noted in Interrogatory # 3.HSC.1, a re-/retro-commissioning offering is missing that would greatly benefit social housing providers. Enbridge is asked to add an offering for re-/retro-commissioning to its AHMR program for existing buildings.

**Interrogatory # 10.b.HSC.3**

Please refer to Interrogatory # 2.HSC.1. Enbridge is asked to increase budgets for AHMR and Home Winterproofing to address escalating construction and materials/equipment costs, high inflationary rates, and regional differences that are particularly constraining to low-income consumers including social housing in undertaking energy efficiency projects.