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October 22, 2021

Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario M4P 1E4

Attention: Christine Long, Board Registrar

Dear Ms. Long:

**Re: Ontario Sustainable Energy Association's Interrogatories
Enbridge Gas Inc. Application for Multi-Year Natural Gas DSM Plan (2022-2027)
Board File No. EB-2021-0002**

Please see attached OSEA's interrogatories in the above-noted matter pursuant to the Ontario Energy Board's Decision on Issues List and Procedural Order No. 3, dated September 9, 2021.

Yours truly,



Raeya Jackiw

cc: Dan Goldberger, OSEA
Travis Lusney, Power Advisory LLC

Document #: 2034296

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 the Ontario Energy Board's proceeding on Enbridge Gas Inc.'s Application for a Multi-Year Natural Gas Demand Side Management Plan (2022-2027)

INTERROGATORIES OF ONTARIO SUSTAINABLE ENERGY ASSOCIATION ("OSEA")

October 22, 2021

6.OSEA.1

Reference: Exhibit D-1-1, Pages 10-15 of 26

Preamble: Enbridge Gas Inc.'s ("Enbridge") Multi-year Demand Side Management ("DSM") Plan budget includes a breakdown of costs for each DSM program. OSEA is interested in understanding in more detail how the budget sub-components are defined, constructed and influenced.

Questions:

- a) Please provide a detailed definition of each budget sub-category for Tables 4-8 of the DSM Plan budgets (i.e., Incentive Costs, Promotion Costs, Delivery Costs, and Administration Costs).
- b) The Administration Cost for the Energy Performance Program (E-1-7) and the Building Beyond Code Program (E-2-2) are a significantly higher portion of total program costs compared to other DSM programs proposed. Please provide a rationale with supporting evidence for the difference in Administration Costs for these programs.
- c) In the development of the DSM program budgets, did Enbridge take a top-down or bottom-up approach? For clarity, a top-down approach would establish an overall program budget based on escalation from previous budgets and then allocate budget to sub-categories. A bottom-up approach would select an optimal grouping of sub-category programs until additional program offerings were not

cost-effective or a net benefit to rate-payers. Please provide Enbridge's rationale for taking a top-down or bottom-up approach, and any analysis conducted by Enbridge to support same.

8B.OSEA.2

Reference: Exhibit D-1-2, Page 15-16 of 16

Preamble: Enbridge has proposed a long-term GHG reduction target incentive that accrues over the 5-year DSM term. The target reduction is 2,616,351 tonnes from 2023 to 2027.

Questions:

- a) Please explain Enbridge's rationale for using Gross Natural Gas savings to determine the GHG reduction target. Please explain why net natural gas savings was not used to determine the GHG reduction target.
- b) The GHG reduction incentive includes a single end of program assessment. Did Enbridge consider a two-step assessment for GHG reduction similar to the Low Carbon Transition program (e.g., a target and potential payout at the midpoint of the 2023-2027 DSM program)? If yes, please explain Enbridge's rationale for not including a two-step assessment for GHG reduction. If no, please explain why Enbridge did not consider a two-step assessment for GHG reduction.

10.OSEA.3

Reference: Exhibit D-1-4, Table 1

Preamble: Enbridge proposed multiple DSM programs in Enbridge's DSM Plan, and presented TRC-Plus ratios for each DSM program that exceed the 1.00 threshold. OSEA is interested in understanding which DSM programs were excluded from Enbridge's DSM Plan and Enbridge's reasoning for excluding these program.

Questions:

- a) Please provide a complete list of programs that Enbridge considered for the DSM Plan, including a brief description of each program.
- b) Please provide the TRC-Plus, Benefit and TRC-Plus Ratio calculations for all DSM programs assessed by Enbridge for inclusion in the DSM Plan. For any program with a TRC-Plus Ratio greater than 1.00 that was excluded by Enbridge

from the proposed DSM Plan, please provide Enbridge's reasoning for and analysis conducted to support Enbridge's decision to exclude the program.

- c) Did Enbridge perform any sensitivity analysis for DSM programs that did not meet the TRC-Plus Ratio threshold of 1.00? For example, if a program barely missed the threshold, did Enbridge consider errors, omissions or sensitivities that could have possibly increased the TRC-Plus Ratio above the threshold?
- d) Did Enbridge use the TRC-Plus Ratio to determine budget allocations? For example, Industrial Programs appear to offer the best TRC-Plus Ratio significantly compared to other programs. Did the TRC-Plus Ratio influence the amount of funds that Enbridge committed to the Industrial Programs? Please explain why Enbridge did or did not use TRC-Plus Ratios to determine budget allocation.

10J.OSEA.4

Reference: Exhibit E-3-1

Preamble: Enbridge's Low Carbon Transition program is influenced by NRCan's Paving the Road to 2030 and Beyond reports. OSEA is interested in understanding what NRCan recommendations were included in or excluded from Enbridge's DSM program proposal.

Questions:

- a) Please provide a link for or copy of the report referenced in the footnote on Page 1 of 9 of Exhibit E-3-1 (Paving the Road to 2030 and Beyond: Market transformation road map for energy efficient equipment in the building sector, Energy and Mines Ministers' Conference, NRCan (August 2018)).
- b) Enbridge leverages three key barriers identified by NRCan (i.e., accessibility, awareness, and affordability) to assist in bringing new low carbon technologies to market. Did NRCan identify any other key barriers in its report? If so, please provide Enbridge's rationale for not addressing these barriers in the DSM application.
- c) There is a missing footnote number "6" on Page g 2 of 9 of E-3-1 relating to paragraph 3. Please provide the missing reference in the NRCan Road Map. If no NRCan reference is available, please provide a different reference for the claim made in paragraph 3.

15.OSEA.5

Reference: Exhibit C-1-2

Preamble: Over the Multi-year DSM program, Enbridge expects to launch Enhanced Targeted Energy Efficiency (“ETEE”) as part of Integrated Resource Planning (“IRP”) activities. Based on the OEB IRP Framework Decision,¹ ETEE’s will be developed separately from DSM program activities. OSEA is interested in Enbridge’s view on alignment of incentives and delivery of DSM programs and ETEE programs.

Questions:

- a) Enbridge has proposed that it would be incumbent on Enbridge to file an application to adjust the DSM Plan targets if an IRP program results in any single DSM scorecard changing by more than 10% in a given year. Please provide Enbridge’s reasoning for selecting the 10% threshold, and include any analysis or sensitivity assessments that Enbridge completed to arrive at the 10% threshold.
- b) Was a lower threshold considered by Enbridge? If yes, please provide Enbridge’s rationale and any analysis conducted supporting Enbridge’s decision to not use a lower threshold. If no, please explain why Enbridge did not consider a lower threshold.
- c) Please describe Enbridge’s understanding of the similarities and differences in incentives for Enbridge to pursue ETEEs and DSM programs. For example, are the funding periods for ETEE and DSM programs the same or different? Are the potential investor incentives or returns on ETEE and DSM programs expected to be the same or different? OSEA is interested in understanding potential conflicts from misaligned incentives that could hamper Enbridge’s ability to succeed in delivering the DSM programs and ETEE programs.
- d) How was the \$1,000,000 threshold for filing with the OEB for adjustments to the DSM Plan determined? Please explain Enbridge’s reasoning for selecting the \$1,000,000 threshold, including any analysis completed or references consulted by Enbridge in selecting the threshold.

¹ OEB Decision and Order in EB-2020-0091 (Enbridge Gas Inc. IRP Proposal) dated July 22, 2021, retrieved from: <https://www.oeb.ca/industry/policy-initiatives-and-consultations/natural-gas-integrated-resource-planning-irp>.

16.OSEA.6

Reference: Exhibit D-1-1, Page 26 of 26

Preamble: Municipalities are developing community energy plans to meet local policy objectives. In its application, Enbridge states that:

“Over the past few years, many Municipalities have reached out to Enbridge looking for support to develop their community energy plans, sit on committees, and attend Council meetings. Recognizing that this was an emerging trend that would continue to grow, a new team was established to focus on energy plan development and implementation with Municipalities. Existing team members were moved from other areas of Energy Conservation to staff this new group. As we start down this exciting path, it is clear that in addition to an external facing team, a significant amount of data analysis and analytics will be required at the municipal level in order to work with communities to determine how to best implement the ideas and plans that have created. This is a completely new way of looking at data for Enbridge as we have historically focused on the customer location in DSM and not at the community level. One incremental FTE has been identified to support the additional data analysis and analytics required.”

OSEA is interested in understanding more about Enbridge’s new energy plan development team and expanded data analytics capability.

Questions:

- a) Please provide further details on the new data analysis approach for community level DSM programs. Please provide examples of the changes Enbridge anticipates for its new data analysis approach over the Multi-year DSM program.
- b) Does Enbridge expect or intend to share data analysis and analytics with Municipalities and community energy plan developers? If so, please describe at a high-level Enbridge’s engagement approach for sharing this information with Municipalities.
- c) Has Enbridge surveyed or engaged Municipalities on their specific data analysis and analytics needs? If yes, please provide a summary of Enbridge’s survey/engagement results. If not, please explain why Enbridge has not directly engaged Municipalities on this issue, and confirm whether Enbridge will be engaging Municipalities going forward.

- d) Please describe the key opportunities and barriers for community energy plans in Enbridge's proposed DSM Plan. Specifically, please discuss how Enbridge's new data analysis will support community energy plan development and objectives.