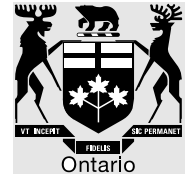


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BY E-MAIL

October 22, 2021

Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. – EB-2021-0002
Application for new DSM Framework and 2022-2027 DSM Plan**

In accordance with Procedural Order No. 3, please find attached OEB staff's interrogatories in the above noted proceeding.

Yours truly,

Josh Wasylyk
Project Advisor – Application Policy & Conservation

cc: All parties in EB-2021-0002

OEB Staff Interrogatories
2022-2027 Demand Side Management Framework and Plan Application

Enbridge Gas Inc.
EB-2021-0002

October 22, 2021

Issue 3 – Industry Best Practice

3.OEB Staff.1

Reference: Exhibit D, Tab 1, Schedule 1,

Enbridge Gas outlines and discusses the various central components of its proposed DSM plan, including the guiding principles each proposal link to and some discussion on how various proposals were developed and why they are being proposed.

- a) Please discuss and provide any analysis, research and/or studies Enbridge Gas conducted of other jurisdictions in North America that offer natural gas energy efficiency programs. In your response, please discuss if and how Enbridge Gas considered information from other jurisdictions on new and emerging trends, program design concepts and the integration of new technologies as it developed its DSM plan.

Issue 5 – DSM Framework

5.OEB Staff.2

Reference: Exhibit C, Tab 1, Schedule 1, p. 11

Enbridge Gas has included the following in the target section of the proposed DSM Framework: “It is anticipated that net annual natural gas savings targets (m³), will be set for most resource acquisition type programs offerings.”

- a) Please discuss if net annual refers to first-year natural gas savings or if this simply refers to the net savings, which could be cumulative lifetime savings, following the evaluation of program results.

5.OEB Staff.3

Reference: Exhibit C, Tab 1, Schedule 1, p. 11

Enbridge Gas has proposed that scorecard achievement be set for individual metrics at three levels: one at 50%, 100% and 150%.

- a) Please provide live calculations that compare the earned shareholder incentive over the 2016-2020 program years under the current performance incentive structure with the proposed incentive structure referenced above, which starts at 50% instead of 75%.
- b) Please discuss if, as proposed, shareholder incentive amounts will only begin to be earned after performance passes the 50% threshold, as opposed to 50% of the shareholder incentive designated to that scorecard being earned once the initial threshold is met.

5.OEB Staff.4

Reference: Exhibit C, Tab 1, Schedule 1, p. 13

Enbridge Gas has included a proposed target adjustment mechanism which includes productivity factor adjustments and adjustments for inflation.

- a) Please discuss the impacts of inflation and on the target adjustment mechanism and the process for determining the annual inflation factor should the amount not be fixed for the term of the framework.
- b) Please discuss how the proposed target adjustment mechanism ensures continual growth and increased natural gas savings from the beginning of the term to the end.
- c) Please comment on what impacts and considerations would need to be given to a target adjustment mechanism that could only result in targets equal to or greater than the previous year.
- d) Please discuss how Enbridge Gas's proposed target adjustment mechanism addresses no performance on a particular metric and/or scorecard.
- e) Please discuss if Enbridge Gas considered any alternative target adjustment options or various mechanisms to set targets, including end-of-term targets with annual milestones, similar to the former electricity Conservation First Framework target structure. In your response, please discuss if Enbridge Gas would be open to a structure where it was only required to meet targets at the end of 2027, but had the opportunity to earn annual shareholder incentives based on annual milestones.
- f) Please discuss the considerations and impacts required in the event that the OEB determined it more appropriate to set fixed annual program scorecard

targets as opposed to annually adjusted targets based on the prior year performance and future year spend.

5.OEB Staff.5

Reference: Exhibit C, Tab 1, Schedule 1, pp. 13-14

Enbridge Gas proposed that the annual maximum shareholder incentive be consistent with the combined maximum amount of the legacy utilities, which is \$20.9 million. Further, Enbridge Gas has proposed this amount be increased annually for inflation.

- a) Please discuss if Enbridge Gas considered a shareholder incentive that did not include an annual maximum cap, but rather continued so long as Enbridge Gas was able to continue to achieve incremental cost-effective natural gas savings. In your response, please provide Enbridge Gas's assessment of this structure of performance incentive amounts.
- b) Please discuss the impact of lowering the overall annual shareholder incentive amount to something between \$10m-\$15m.

5.OEB Staff.6

Reference: Exhibit C, Tab 1, Schedule 1, p. 15

Enbridge Gas has proposed to maintain the budget re-allocation provision that has been included in the OEB's DSM policy frameworks for several terms. This includes the flexibility to transfer up to 30% of approved funding between approved programs during the course of a program year and informing the OEB at the end of the year.

- a) Please discuss the impacts of revising the terms of the budget allocation provision under the following scenarios:
 - i. A maximum of 15% of approved program funds can be transferred between approved programs
 - ii. A maximum of 50% of approved offering funds can be transferred between offerings within the same program
 - iii. No approved program and/or offering budget can fall below 50% of the total approved amount without approval from the OEB

5.OEB Staff.7

Reference: Exhibit C, Tab 1, Schedule 1, p. 24

Enbridge Gas proposed to establish a materiality threshold of \$1 million that will be used to address the reasonableness of re-allocating approved DSM resources to potential IRP activities where there is overlap in the resources required to administer the

IRP programs. Enbridge Gas also proposed that if an IRP plan(s) is projected to reduce DSM plan results of any single DSM scorecard by more than 10% in a given year, Enbridge Gas will be required to file an application to adjust the DSM plan targets accordingly.

- a) Please discuss the impact on DSM administration and IRPA design and roll-out of increasing the materiality threshold to \$2m or decreasing the materiality threshold to \$0.5m.
- b) Please clarify how IRP plan(s) may result in a reduction to DSM plan targets/results. In your response, please discuss why the baseline level of achievement wouldn't be the established DSM savings levels with IRP achievement stacked onto DSM savings.
- c) Please discuss the process related to achievement of DSM scorecard targets under the following scenarios:
 - i. If an IRP plan(s) be projected to reduce DSM plan results by less than 10%.
 - ii. If an IRP plan(s) is approved mid-year with projected impacts to DSM scorecard that are greater than 10% but there is insufficient time to file an application to adjust DSM targets.
- d) Please discuss if any changes to a DSM scorecard could potentially be addressed through an IRPA application as opposed to a separate application related to the DSM scorecards.

5.OEB Staff.8

Reference: Exhibit C, Tab 1, Schedule 1, p. 26

Enbridge Gas has proposed to maintain the reporting date for providing its Draft DSM Annual Report to OEB Staff by April 1st of the year following the DSM program year being reported on.

- a) Please discuss the ability and any limitations or challenges to providing the Draft DSM Annual Report earlier than April 1st, for example, by February 1st or March 1st of the following year. In your response, please discuss an option where Enbridge Gas only provides the draft results to OEB staff and the OEB's Evaluation Contractor and does not provide a full Draft Annual Report.
- b) Please discuss if the new DSM tracking systems and the merger between legacy UG and EGD provide a greater ability to provide program data in a more efficiency and expedited manner.

5.OEB Staff.9

Reference: Exhibit C, Tab 1, Schedule 1, pp. 27-28

Enbridge Gas has listed the proposed components of the DSM Annual Report.

- a) Please confirm that the DSM Annual Report will include the following information that is currently contained within the DSM Annual Report. If this information cannot be provided, please discuss the reasons:
 - i. Annual and long-term DSM budgets at the portfolio, program and offering level dating back 10 years
 - ii. DSM spending as a percentage of distribution revenue dating back 10 years
 - iii. Shareholder incentive amounts available and earned dating back 10 years
 - iv. Annual and long-term natural gas savings targets at the portfolio and scorecard level dating back 10 years
 - v. Total annual and cumulative natural gas savings as a percent of total annual natural gas sales (gross and net) dating back 10 years
 - vi. Actual annual gas operating revenue dating back 10 years
 - vii. Total natural gas sales volumes dating back 10 years
 - viii. Number of customers by customer type and rate class dating back 10 years

5.OEB Staff.10

Reference: Exhibit C, Tab 1, Schedule 1, p. 28 and 30

Enbridge Gas has included the language from the OEB's December 1, 2020 letter that states "...the OEB expects that all process evaluations undertaken by Enbridge Gas will be included in the OEB's EM&V Plan."

- a) Please confirm that at a minimum, Enbridge Gas will discuss all planned process evaluations with OEB staff, the EAC and the EC and will ensure the OEB's EM&V Plan accounts for all process evaluations.
- b) Please provide a list of all process evaluations undertaken by program since 2015 including a brief description, objectives, conclusions, and the actions Enbridge Gas undertook following the process evaluation.
- c) Please discuss Enbridge Gas's position regarding the accountability of process evaluations. In your response, please comment on the possibility of the OEB being responsible for both impact and process evaluations throughout the 2022-2027 DSM term.

5.OEB Staff.11

Reference: Exhibit C, Tab 1, Schedule 1, p. 35

Enbridge Gas has proposed the process for determining when changes to input assumptions should be applied to its program results and targets.

- a) Please clarify what is meant by the highlighted text in the following excerpt “any changes to NTG adjustments for offerings with one-to-one implementation approaches are applied retroactively...”.
- b) Please confirm what Enbridge Gas is referring to when it notes that “verification adjustments are retroactively applied for all situations, assuming the verification methodology aligns with the program offering’s OEB-approved gross measurement methodology.” In your response, please discuss what verification methodology would not align with the gross measurement methodology.
- c) Please confirm that the delivery mechanism selected by Enbridge Gas for a particular offering can impact the installation rate of measures – for example, direct install vs self install.
- d) Please confirm that Enbridge Gas has proposed its suite of programs based on a number of factors, including balancing overall costs and resources required to implement its proposed DSM plan, including the cost associated with various delivery mechanisms.
- e) In Table 1: Retroactive vs. Prospective Application of Input Assumptions and Adjustment Factors to Results, please confirm what Enbridge Gas is referring to when it included the example “unique savings calculations determined by the utility”. Would eTools calculations fall under this definition? Please include all tools, calculators or processes that would be included.

5.OEB Staff.12

Reference: Exhibit C, Tab 1, Schedule 1, p. 57

As part of Enbridge Gas’s proposed DSM EAC Terms of Reference, it outlines the roles and accountabilities for all EAC members.

- a) Please confirm that Enbridge Gas understands that the Evaluation Contractor hired by the OEB may undertake impact evaluations, but likely will not execute all impact evaluations.

Issue 6 – DSM Budget

6.OEB Staff.13

Reference: Exhibit D, Tab 1, Schedule 1, pp. 9-15

Enbridge Gas has provided its proposed DSM budgets in a series of tables.

- a) Please provide an MS Excel file that includes actual DSM spending at the offering, scorecard, and portfolio level for the 2015-2021 (draft/estimate) program years, OEB-approved budget for 2022 and proposed budget for 2023-2027 broken out by incentive
- b) e costs, promotion costs, delivery costs and admin costs, similar to Tables 4-8. Please also include portfolio level costs, budgets and proposals for administration, evaluation and regulatory and research and development. Please also include program subtotals, portfolio subtotals and total rows, similar to Table 4-8.
- c) Please discuss and provide any sensitivity analysis conducted by Enbridge Gas in the development of its DSM plan, including any scenarios where budgets were significantly increased for programs for C&I customers that offer the greatest potential and deliver the most cost-effective savings.
- d) Please provide an MS Excel file that shows all administration, evaluation and regulatory costs, and research and development costs from 2015-2021 (draft/estimates if required), 2022 budgeted and 2023-2027 proposed. In your response, please discuss how Enbridge Gas's proposed administration costs should be compared and considered when reviewing recent administration costs from the legacy utility structure.
- e) Please discuss the decision to dedicate the largest portion of the budget to the Residential and Low Income programs as opposed to the Commercial and Industrial Programs.
- f) Please consolidate Tables 4-8 into a single MS Excel file and add 2015-2021 actual spending (estimates for 2021 if necessary) and budgeted 2022 amounts. In doing so, please endeavor to align previously approved offerings with the newly proposed as best as possible.
- g) Please discuss the rationale for the relatively significant promotion costs for the Residential Smart Home offering.
- h) Please discuss why the Industrial Program has zero non-incentive costs assigned to it. In your response, reconcile the discussion in the program section (Exhibit E, Tab 1, Schedule 5) which notes that Industrial customers often lack the resources or technical expertise to identify and develop the business case for efficiency improvements, leading to the program to be designed with Enbridge Energy Solution Advisors to work with customers on a one-to-one basis.

- i) Please discuss the process Enbridge Gas follows when promotion, delivery and/or administration costs are less than budgeted in any year. In your response, please indicate if lower non-incentive costs get transferred to incremental incentive costs to continue to drive program performance or if any non-incentive cost savings are retained by Enbridge Gas.

6.OEB Staff.14

Reference: Exhibit D, Tab 1, Schedule 1, p. 16, Table 9

Enbridge Gas outlines the split between funding for large and small commercial customers in the Commercial program from 2023-2027 in Table 9.

- a) Please discuss the rationale for proposing similar annual budgets for large and small commercial customers.

6.OEB Staff.15

Reference: Exhibit D, Tab 1, Schedule 1, p. 18, Table 11

Enbridge Gas has outlined its proposed staffing levels for 2023 and 2024 including proposed full-time equivalent staffing levels for each of its proposed program and where not able to allocate directly to a program, at the portfolio level.

- a) Please discuss the proposal to dedicate 0.5 FTEs to the Energy Performance Program. In your response, please discuss the ability of 0.5 FTE will have in ensuring this program is successful, has proposed levels of participation and achieves the results that Enbridge Gas has proposed. Please also discuss how Enbridge Gas will avoid the lower than anticipated levels of activity from its legacy Energy Performance offerings as part of the 2015-2021 term.
- b) Please discuss if, and how, resources from one program are shared and reallocated during a program year. In your response, please indicate if there are any programs that are first priority to share resources with other programs should they be required. For example, if more assistance is required on the Low Income Multi-Family offering, resources from the Commercial program that have worked on the Custom Commercial offering are considered first due to the similarity in offering elements.
- c) In Table 12, Enbridge Gas highlights that an additional 9.8 FTEs are added to the 2023 budget over and above that which was approved for 2021. Please list and describe the specific titles, roles and average compensation levels for each of the incremental LTEs proposed.
- d) Please discuss the roles, responsibilities and activities that the proposed 61 FTEs included in the portfolio subtotal will undertake.

- e) Enbridge Gas discusses the new work it plans to undertake with Municipalities in their coordination and development of community energy plans and has dedicated one FTE to this work. Please discuss if additional resources from other programs will be required to ensure adequate resources are available to conduct a significant amount of data analysis and analytics required, which Enbridge Gas has indicated is new analysis not previously conducted, manage relationships with municipalities representatives (of which there are 340 in the province), work directly with staff at various municipalities and ensure sufficient reporting and documentation.
- f) Please discuss and provide documentation that shows the cost of third-party consultant work Enbridge Gas has retained in each year from 2015-2021 in support of its DSM efforts, the scope of each consultant's work, the term they have been retained for and the costs for each contract.
- g) Please discuss the relationship between the size of each proposed program and the staffing levels required to administer each program. In your response, please discuss the impact of increasing activity on each program (spending and results), and at what point are additional staff or how staffing levels scale with the size of each program.
- h) Please discuss and provide documentation that show the areas of the DSM portfolio where costs are largely fixed and are not subject to changes in the level of programming, including any fixed costs related to staffing and resources.
- i) Please provide a table (or two tables, one for each legacy utility), similar to the one below, that provides information from 2015-2021 (2021 estimate or draft if required) that shows the OEB-approved staffing costs, actual staffing costs and the variance (by program if available).

	2015			2016			(2017-2021 Program years...)
	Approved Budget	Actual Spending	Variance	Approved Budget	Actual Spending	Variance	
Residential Program							
Commercial Program							
Low-Income Program							
(All other programs and portfolio level)							

- j) Please discuss what happens to any staffing amounts above or below budget.
- k) Please discuss the compensation package provided to staff working on DSM, including available incentives and bonuses related to meeting scorecard targets, achieving certain shareholder incentive thresholds and any other incentives available to staff. Please also discuss if non-DSM employees also receive any form of compensation, for example through bonuses, as a result of the achievement of annual DSM scorecard targets.
- l) Please provide an expanded version of the table at Exhibit D, Tab 1, Schedule 1, Attachment 1, p. 1 (the response to Exhibit I.STAFF.4 from the 2021 DSM proceeding). In the expanded table, please include information for the 2023 program year and list all proposed DSM staffing roles, under each program and at the portfolio level (similar to how Figure 1 at Exhibit D, Tab 1, Schedule 1, p. 19 is shown), the assigned title to each staff, a brief description of their role and responsibility and the average base compensation level for all DSM personnel, and the average maximum available annual incentive or bonus available for all DSM personnel.

Issue 7 – Cost Recovery Approach

7.OEB Staff.16

Reference: Exhibit D, Tab 1, Schedule 1, p.2

Enbridge Gas has proposed to continue its annual full cost recovery process related to DSM program amounts incurred in that year, consistent with historical practices.

- a) Please discuss if Enbridge Gas considered any alternative cost recovery approaches for this DSM term, including amortizing some or all DSM costs. In your response, please include any internal analysis and any research conducted.

7.OEB Staff.17

Reference: Exhibit F, Tab 1, Schedule 1, p.3

Enbridge Gas has provided the cost an average residential customer in each of its three rate zones will pay for DSM in 2023. For EGD rate zone, annual costs will be \$21.15 (or \$1.76/month – or 2.0% of the bill), Union South \$19.14 annually (or \$1.60/month – or 2.2% of the bill), and Union North \$12.96 annual (or \$1.08/month – 1.1% of the bill).

- a) Please provide an updated version of the average cost to a typical residential customer in each of the three rate zones that consider all cost elements (DSMVA, LRAMVA and DSMSI). In your response, please use the following

assumptions: that Enbridge Gas meets 150% of its 2023 targets across all programs, achieves the maximum net benefits incentive (resulting in the maximum proposed shareholder incentive), lost revenues consistent with recent verified program results, and the maximum 15% DSMVA overspend allowance.

- b) Please confirm that the amounts allocated to residential customers in each rate zone corresponds to the level of program activity in that rate zone. If not, please discuss how overall residential DSM costs are allocated to each of the rate zones.
- c) Please confirm that increases to commercial, industrial, large volume or energy performance programs would not have an impact on total cost of DSM to residential customers.

Issue 8 – Shareholder Incentive

8.OEB Staff.18

Reference: Exhibit D, Tab 1, Schedule 2, pp.2-5 and pp.12-13

Enbridge Gas has proposed a revised performance incentive structure that includes shareholder incentives dedicated to various targets – both short term and long term, scorecard related and net benefits driven.

- a) Please provide the following example shareholder incentive calculations that are based on the proposed incentive structure (including the maximum incentive amount of \$19.89m) and using the 2016 to 2020 program year results (including draft 2020 results if final verified results are not yet published):
 - i. Calculate the annual scorecards achievement and net benefit incentives from the 2016-2020 program years using the proposed incentive structure (the net benefits should use the proposed structure outlined in Table 10: Net Benefits Shared Savings Schedule).
 - ii. Using an even allocation of the proposed maximum incentive amount of \$19.89m to each of the annual scorecard incentives and net benefits incentive amounts.
 - iii. Using an allocation of 25% to the annual scorecard incentives and 75% to net benefits incentive amounts.
- b) Please discuss the impact of shifting a greater portion of the maximum shareholder incentive from the annual scorecards to overall net benefits.
- c) Please discuss the benefits of the proposed approach that includes most of the shareholder incentive resulting from the annual scorecards dedicated to gas savings (88%) and the net benefits incentive that is entirely based on gas savings. In your response, discuss how this does not represent a significant

overlap in incentives that rewards Enbridge Gas for the same savings in two incentive mechanisms.

- d) Please discuss the benefit of the proposed approach that weights each net benefit range equally, particularly the lower ranges.
- e) Please discuss the impact of shifting the majority of the percentage of net benefits shared to savings in the higher ranges in an effort to provide an incentive for Enbridge Gas to pursue significantly greater net benefits, for example:

Net Benefit Range	% of Net Benefits Shared	Max Annual Incentive By Range
\$0-100M	0.00%	\$0
\$100-200M	0.25%	\$250,000
\$200-300M	0.25%	\$250,000
\$300-400M	0.50%	\$500,000
\$400-500M	2.50%	\$2,500,000
\$500M+	3.75%	\$3,130,000
TOTAL		\$6,630,000

Issue 9 – Scorecards

9.OEB Staff.19

Reference: Exhibit D, Tab 1, Schedule 2, p.4

Enbridge Gas has proposed structuring its Annual Scorecards Incentive by applying 50% of the maximum shareholder incentive tied to that scorecard awarded for a weighted scorecard performance of 100%.

- a) Please discuss the rationale for splitting the available incentive amounts between 50-100% and 100-150% evenly, as opposed to the former structure of the OEB-approved incentive design where 40% was available between 75-100% and 60% was available for achievement above 100% up to a maximum of 150% for each scorecard.
- b) Please provide example shareholder incentive calculations that compare the Annual Scorecard shareholder incentives earned during the 2016 to 2020 program years (including draft 2020 results if final are not published) with the proposed structure that has 50% of incentives available between 50-100% of achievement and 50% available between 100-150% achievement.

9.OEB Staff.20

Reference: Exhibit D, Tab 1, Schedule 2, pp.7-11

Enbridge Gas has included the proposed metrics, metric weightings and DSMI allocations in Tables 5-9.

- a) Please discuss the decision to propose net annual gas savings as a metric, as opposed to the current OEB-approved net cumulative gas savings. In your response, please discuss how shifting from net cumulative gas savings to net annual gas savings will produce results that will provide long-term gas savings.
- b) Please discuss the decision to propose to only allocate 1% of the DSMI to the Energy Performance Program. In your response, please discuss how Enbridge Gas will ensure that resources are dedicated to ensuring the program receives sufficient attention to drive whole building pay for performance results.

9.OEB Staff.21

Reference: Exhibit D, Tab 1, Schedule 2, pp. 15-16

Exhibit D, Tab 1, Schedule 3, p. 12

Enbridge Gas has proposed a Long Term GHG reduction target to be measured at the end of the five-year term. It has allocated \$5 million dollars to this target and it will only be earned if the target is achieved or exceeded.

- a) Please confirm that the Long Term GHG reduction target is the projected 2023 gross annual natural gas savings (m3) multiplied by five (the number of years of the proposed term) multiplied by 15% (the proposed stretch factor).
- b) Please confirm that in the event the annual natural gas savings targets for the approved DSM plan are revised, that there will need to be a corresponding revision to adjust the Long Term GHG reduction target.
- c) Please confirm that once all targets are approved, including program scorecard and Long Term GHG reduction targets, the Long Term GHG reduction target is fixed and will not adjust even if annual program scorecard targets are adjusted.
- d) Please discuss the impact of increasing the stretch factor to 25% or 50%.

9.OEB Staff.22

Reference: Exhibit D, Tab 1, Schedule 3, p.1

Enbridge Gas notes that its annual targets have been based on a number of inputs, including its own analysis, and discussions with various stakeholders and market participants.

- a) Please discuss Enbridge Gas's analysis of participation levels and provide any documentation developed internally or by an expert for Enbridge Gas, including models or regression analysis, studies or surveys that looked at past programs and future program projections, including population growth, building stock supply and degradation, new technologies, incremental costs.
- b) Please discuss and provide Enbridge Gas's jurisdictional scans that were aimed at determining how key program elements related to targets compared with similar jurisdictions.

9.OEB Staff.23

Reference: Exhibit E, Tab 4, Schedule 7, p. 2

Enbridge Gas notes that it retained Posterity to build a mirror model of the 2019 APS.

- a) Please provide the Posterity model that was developed for Enbridge Gas.

9.OEB Staff.24

Reference: Exhibit D, Tab 1, Schedule 3, p.1

Exhibit E, Tab 4, Schedule 7, p. 2

Enbridge Gas notes that it developed its annual scorecard targets with a number of inputs including broad consideration of the 2019 Achievable Potential Study. Enbridge Gas also notes that the 2019 APS does not directly align with Enbridge Gas's programs, which is why it had Posterity conduct additional analysis to help inform future planning activities, including the development of this application.

- a) Please provide any analysis Enbridge Gas conducted, or was conducted for Enbridge Gas, that extracts information from the 2019 APS to applies it to Enbridge Gas's program structures. Within your response, please discuss and show how future potential identified in the 2019 APS, including measures, costs, budgets and natural gas savings were incorporated into Enbridge Gas's proposed program budgets, participation levels, and natural gas savings.

- b) Please provide a working MS Excel file that documents all Enbridge Gas verified DSM results and program dollars spent, by program and in aggregate, from 2010 to 2020.
- c) Please provide a working MS Excel file that compares, at the program and/or sector level, historical DSM natural gas savings from 2018-2020, draft/targeted results for 2021-2022 program years, and targets for the 2023-2027 program years with the constrained, semi constrained and max achievable scenarios in the 2019 APS for the years 2019-2027). In this response, please show the two data sets in one chart per sector so that it is clear how actual performance has compared to APS forecasted achievement levels.

9.OEB Staff.25

Reference: Exhibit D, Tab 1, Schedule 3, p. 7

Enbridge Gas has listed its proposed scorecard metrics and targets for each program for the 2023 program year, or base year, of its multi-year plan.

- a) Please provide a MS Excel file that shows Enbridge Gas's verified DSM results for 2015-2020, OEB-approved targeted results for 2021 and 2022 and proposed targets for each offering and scorecard for 2023. Please make best efforts to align previously approved OEB offerings/scorecards with newly proposed offerings/scorecards.
- b) Please discuss, with greater detail and specificity, the process Enbridge Gas used to develop its proposed targets. In your response, please include a separate section that focuses on the development of targets for each individual offering and how those targets were rolled up into the scorecard target.
- c) Please discuss and provide any sensitivity analysis Enbridge Gas conducted on what alternative natural gas savings targets could be achieved with varying program budget levels for the residential, commercial and industrial sectors. As part of your response, please separate out the impact of increased budgets on each scorecard and discuss where increasing program budgets would achieve greater natural gas savings.
- d) Please discuss the areas of Enbridge Gas's DSM portfolio that it believes could benefit from greater funding levels due to high demand for programming, expert guidance and financial incentives to support efficiency upgrades.
- e) Please discuss the impact on Enbridge Gas's scorecard targets and overall natural gas savings if 50% of the residential budget was transferred to the custom Commercial and Industrial offerings.
- f) Please discuss what additional resources would be required for Enbridge Gas to increase its proposed activity to meet the GHG reduction goals attributed to

natural gas conservation programs as set out in the Government of Ontario's 2019 Environment Plan.

- g) Please discuss how Enbridge Gas's proposal would need to be adjusted in the event the OEB determined either of the following:
- i. Each annual program scorecard had fixed targets that were set at the outset of the term and did not adjust based on previous year performance or future year budget.
 - ii. That fixed 2027 natural gas saving target for each scorecard be set at the outset of the term with annual milestones that provided Enbridge Gas an ability to earn an annual shareholder incentive should it meet certain thresholds and an end-of-term incentive should the fixed targets be met and/or exceeded.

Please discuss in greater detail how Enbridge Gas developed its participant metrics included in the Energy Performance Program Scorecard and Building Beyond Code Program Scorecard.

9.OEB Staff.26

Reference: Exhibit D, Tab 1, Schedule 3, pp. 11-12

Enbridge Gas outlines the process for developing its Low Carbon Transition Program targets.

- a) Please provide all jurisdictional scans, or other research, completed by Enbridge Gas to inform its program scorecard targets.
- b) Please discuss in greater detail how Enbridge Gas developed its proposed 2023-2024 targets for the various metrics included in the Low Carbon Transition Programs.
- c) Please discuss any considerations or sensitivity analysis conducted in development of the proposed Low Carbon Transition Program metrics and targets.

Issue 10 – Suite of Programs

10.OEB Staff.27

Reference: Exhibit E, Tab 1, Schedule 1

Enbridge Gas has proposed a mix of programs that allow opportunities for customers of all sizes to receive incentive and/or education on natural gas efficiency. Within each of the larger programs are specific efficiency offerings that provide various incentives, education and outreach to customers.

- a) For each offering within each program category, please provide the following:
 - i. The need for each offering, including any market analysis conducted to identify gaps in product availability, pricing barriers, low adoption rates or lack of familiarity/understanding
 - ii. A list of the measures included and the customer incentives offered for each
 - iii. A discussion on how Enbridge Gas's proposal maximizes opportunities for natural gas savings

10.OEB Staff.28

Reference: Exhibit D, Tab 1, Schedule 4, p.2, Table 1

Enbridge Gas provides its forecast 2023 TRC-Plus and Net Benefits from its proposed suite of programs and offerings.

- a) Enbridge Gas has proposed that TRC-plus testing should be performed at the program and portfolio level (Framework, 10.3), however has provided TRC-plus results at the offering level in this table. At what level does Enbridge Gas believe TRC-plus testing should occur and why?
- b) Please discuss the drivers causing the Residential Single Measure offering to result in a TRC-Plus ratio of 1.19. In your response, please provide measure-level information, including incremental costs and estimated natural gas savings.
- c) Please discuss the impacts to cost effectiveness and net benefits, if any, of additional smart technologies being included in the Residential Smart Home offering as opposed to the offering simply incentivizing smart thermostats.
- d) Please discuss and show the cost-effectiveness inputs and calculations for the Low-Income Home Winterproofing offering. In your response, please discuss how this offering and the Residential Whole Home offering have the same TRC-Plus ratio.

Issue 10(a) – Residential Programs

10a.OEB Staff.29

Reference: Exhibit E, Tab 1, Schedule 2

Enbridge Gas has proposed a Residential Program with three offerings: the Whole Home, Single Measure and Smart Home offerings.

- a) Please provide net and gross savings estimates at the offering level.
- b) Please provide all workpapers and analysis showing all the measure level assumptions used to derive the proposed costs and savings in their native format with formulas intact.

10a.OEB Staff.30

Reference: Exhibit E, Tab 1, Schedule 2, p.2 & 9

Enbridge Gas notes that it is exploring efforts to support moderate income customers by coordinating with the IESO on the Smart Home offering.

- a) Please provide more details of this proposal, including if Enbridge Gas and the IESO have an agreement in place to conduct joint/combined delivery.

10a.OEB Staff.31

Reference: Exhibit E, Tab 1, Schedule 2, p.3

Enbridge Gas acknowledges the presence of the federal government's funding for residential customer energy efficiency upgrades, Natural Resource Canada's Greener Homes Programs.

Enbridge Gas acknowledges the CMHC program targeted at completed deep home retrofits through interest-free loans worth up to \$40,000.

Enbridge Gas proposes that the OEB allow flexibility in the design and delivery of its Residential program to best support all stakeholders and allow for coordinated and responsive DSM programming that can adapt with external efforts.

- a) Please discuss the communications Enbridge Gas has had with NRCAN on the roll-out of the federal program in Enbridge Gas's service territory. In your response, please discuss any overlap between the two programs.
- b) Please provide a detailed comparison, including offering delivery, measures included, and customer incentives between Enbridge Gas's proposed whole home offering and the NRCAN greener homes program.

- c) Please discuss the communications Enbridge Gas has had with CMHC and how Enbridge Gas's proposed program will interact with the CMHC program.
- d) Please provide a detailed comparison, including offering delivery, measures included, and customer incentives between Enbridge Gas's proposed whole home offering and the CMHC's program.
- e) Please discuss what specific flexibility Enbridge Gas is seeking approval from the OEB.
- f) Please discuss how Enbridge Gas's residential DSM program budget would be deployed should the OEB grant the request for additional flexibility.
- g) Please discuss how Enbridge Gas's residential DSM program scorecard, metrics and targets would be impacted should the OEB grant the flexibility requested. In your response, consider a scenario where program activity is 50% less than anticipated and 100% greater than anticipated due to the existence or removal of other similar programs in the market concurrently.

10a.OEB Staff.32

Reference: Exhibit E, Tab 1, Schedule 2, p.3

Enbridge Gas notes several barriers to the success of its proposed residential program, including customers unaware of the available efficiency upgrades and contractors who do not know the financial incentives available.

- a) Please provide a more detailed description of how Enbridge Gas will expand its customer engagement through additional customer facing energy literacy tools.
- b) Please discuss the level of resources and costs proposed to be directed at enhancing market engagement by leveraging client-contractor relationships.

10a.OEB Staff.33

Reference: Exhibit E, Tab 1, Schedule 2, p.11

Enbridge Gas describes the offering details for its Residential whole home offering.

- a) Please discuss the steps Enbridge Gas takes to ensure that the registered Energy Advisors delivering the offering use the NRCan energy modelling software as instructed by NRCan, including the proper use of all variables and consistent, accurate user inputs.
- b) Please discuss if customer will be offered the ability to install a heat pump (either electric or gas) as part of this program. If not, please discuss the rationale for the decision to disallow heat pumps.

- c) Please discuss if eligible customers may also participate in the NRCan Greener Homes program and the CMHC program. In your response, please discuss how Enbridge Gas proposes its program interact with these other programs from a customer standpoint.
- d) Please confirm that no measures will be offered as direct install measures as part of the Whole Home offering.
- e) The proposed offering includes an assessment incentive of \$550 for home owners that complete the pre- and post-project energy audits. What portion of the total assessment cost, on average, is paid by the offering?
- f) Please discuss if the offering addresses any pre-weatherization barriers such as health and safety measures.
 - a. If so, please describe the eligible measures and what portion of the cost of such measures is paid by the offering.
- g) Please discuss if there is a process that can be used by renters/landlords to participate in this offering.
- h) Please discuss how multi-family common areas are treated in this program, if at all. If not, please discuss if/how they are treated in any other offering.

10a.OEB Staff.34

Reference: Exhibit E, Tab 1, Schedule 2, p.12

Enbridge Gas outlines the available incentives/enables available to customers participating the whole home offering.

- a) Please provide specific protocols Enbridge Gas takes to ensure that contractors are documenting all events at a homeowner's residence accurately. In your response, please discuss how various inputs, including documentation of the installation of insulation, are verified by Enbridge Gas.
- b) Please provide a table that compares all the measures and levels of incentives offered as part of the new program to the incentives offered in the legacy EGD and legacy UG offerings. Please also include the total incentive amounts issued by Enbridge Gas for each measure since 2015 as well as the average incentive amount per customer since 2015.
- c) Please discuss how Enbridge Gas chose the proposed incentive levels, including the proposed bonus incentives for installing more than two measures.

10a.OEB Staff.35

Reference: Exhibit E, Tab 1, Schedule 2, p.13

Enbridge Gas notes it is conducted a pilot on virtual audits.

- a) Please provide more information on the virtual audit pilot, including the number of virtual audits included in the pilot, the general makeup of the customers selected to participate, the technology used for the virtual audit and if it is owned by Enbridge Gas, preliminary responses from customers.

10a.OEB Staff.36

Reference: Exhibit E, Tab 1, Schedule 2, p.16

Enbridge Gas notes it is still conducting research to inform the substantiation documents for the three insulation measures included in the proposed single measure offering.

- a) Please provide an update of the status of Enbridge Gas's research, including any draft substantiation documents.
- b) If not complete, please discuss the timeline to complete this research.
- c) Please provide more information on how the estimates included in the proposed single measure offering were developed.

10a.OEB Staff.37

Reference: Exhibit E, Tab 1, Schedule 2, p.17

Enbridge Gas notes it is still in the process of developing a custom calculator to estimate energy savings from professional air sealing installations.

- a) Please provide an update of the status of Enbridge Gas's development of the custom calculator, including the anticipated completion date.
- b) Please discuss the incremental costs for customers assuming customer incentive is \$450.

10a.OEB Staff.38

Reference: Exhibit E, Tab 1, Schedule 2, p.19

Enbridge Gas notes it will explore process evaluation topics throughout the term of the plan.

- a) Please discuss if Enbridge Gas will conduct a process evaluation early in the proposed single measure offering delivery. If not, how will Enbridge Gas ensure that the program is being delivered in the intended manner and are achieving the stated objectives and goals?

10a.OEB Staff.39

Reference: Exhibit E, Tab 1, Schedule 2, p.12

Enbridge Gas notes that customers participating in the Smart Home offering will receive a \$75 rebate toward the purchase of a smart thermostat.

- a) Please discuss if customers will be able to choose other smart technologies through the offering that impact electricity usage.
- b) Please discuss how Enbridge Gas choose the incentive amount of \$75.
- c) Please discuss if customers that participated in the whole home and/or single measure offer can also participate in the smart home offering.

Issue 10(b) - Low Income Program

10b.OEB Staff.40

Reference: Exhibit E, Tab 1, Schedule 3, p.6

Enbridge Gas notes that it's had discussions with the IESO about the possibility of a coordinated delivery of the single-family low-income offerings.

- a) Please provide an update of the status of these discussions.
- b) If an agreement on a coordinate delivery approach has not been reached, please discuss any challenges and difficulties.

10b.OEB Staff.41

Reference: Exhibit E, Tab 1, Schedule 3, p.8

Enbridge Gas notes that part of its target market are residents of on-reserve First Nations communities who meet income qualification and eligibility criteria.

- a) How many on-reserve First Nations customers does Enbridge Gas currently have?
- b) How many on-reserve First Nations customers have participated in either the legacy EGD or legacy UG low-income programs since 2015?
- c) How is Enbridge Gas planning on making its program known and accessible to customers of on-reserve First Nations communities? In your response, please discuss Enbridge Gas's marketing strategy, education and awareness plan and if an Energy Advisors will be or have been hired from on-reserve First Nations communities to help provide a trusted source for potential participants.

10b.OEB Staff.42

Reference: Exhibit E, Tab 1, Schedule 3, p.15

Enbridge Gas lists its target market for the Affordable Housing Multi-Residential offering.

- a) Please discuss the process Enbridge Gas will use to identify the multi-residential buildings that have the greatest potential for energy savings. In your response, please indicate what data Enbridge Gas uses when analyzing what customers to approach and what strategies it employs to ensure that program funds are used as effectively as possible.

Issue 10(c) - Commercial Program

10c.OEB Staff.43

Reference: Exhibit E, Tab 1, Schedule 4, pp. 1-6

Enbridge Gas notes the general composition of the commercial sector and limitations to participation for customers.

- a) Please discuss how Enbridge Gas used customer data, including, but not limited to, consumption data, building age, and DSM program participation, to form its program delivery strategy and resourcing plan to ensure the program optimizes performance through targeting commercial customers with the oldest buildings,

customers with limited past program activity, and buildings that use a higher proportion of natural gas relative to comparable buildings. In your response, please include all analysis, including anonymized customer data sets, used to arrive at the program proposal.

- b) Please discuss how the customer incentive levels and maximums for each commercial offering were developed and finalized.

10c.OEB Staff.44

Reference: Exhibit E, Tab 1, Schedule 4, p.5

Enbridge Gas notes that larger customers consuming more than 100,000 m3/year represent 5% of commercial accounts but 57% of annual commercial consumption.

- a) Please provide the proportion of program participants since 2015 that are new participants.

10c.OEB Staff.45

Reference: Exhibit E, Tab 1, Schedule 4, p.6

Enbridge Gas notes that, as shown in the Ipsos research survey of commercial customers, simplicity and low levels of effort and knowledge is key to engaging smaller customers.

- a) Please complete the following table with data from the Commercial & Industrial Direct Install offering for each year of the past DSM term.

Legacy Utility	OEB-Approved Budget	Actual Spend	Variance

- b) Please discuss the reasons for any years where spending was not at or above the OEB-approved budget.

10c.OEB Staff.46

Reference: Exhibit E, Tab 1, Schedule 4, p.7

Enbridge Gas notes that in its ongoing efforts to more effectively engage smaller, harder to reach customers, it will continue to enhance its relationships with these channels as they represent a more cost-effective means to do so.

- a) Please provide specific examples and process changes Enbridge Gas proposes to implement to better reach and engage with traditionally harder to reach, smaller commercial customers.

10c.OEB Staff.47

Reference: Exhibit E, Tab 1, Schedule 4, p.12

Enbridge Gas indicates it will initiate fast-feedback surveys with commercial customers that will allow for more direct and relevant project feedback.

- a) Please provide a copy of the fast-feedback survey. If not available, please provide specific examples of the kinds of questions that will be included.
- b) Please discuss how this survey will assist in lowering free ridership levels.
- c) Please discuss if Enbridge Gas will provide the survey to the OEB's EAC and EC for comment, if the program is approved.

10c.OEB Staff.48

Reference: Exhibit E, Tab 1, Schedule 4, p.20

Enbridge Gas suggests that free ridership studies are conducted every 2 years for the commercial custom program and that the focus of the studies should be based on areas where the offering design has been changed.

- a) Please specify the areas of the offering that have changed and where Enbridge Gas suggests the focus of the studies be placed. In your response, discuss how this compares to the most recent study in 2018.

10c.OEB Staff.49

Reference: Exhibit E, Tab 1, Schedule 4, p.22-26

Enbridge Gas outlines its proposed Direct Install offering.

- a) Please discuss Enbridge Gas's process for determining the measures included in this offering.
- b) Please discuss the customer's process of determining and evaluating what measures to install and what advice or guidance is provided by Enbridge Gas, if any.
- c) Please discuss the intake process for customers enrolling in this offering.
- d) Please discuss if there are any custom measures available as part of the Direct Install offering. If so, under what conditions or terms must customers agree to?

10c.OEB Staff.50

Reference: Exhibit E, Tab 1, Schedule 4, p.33

Enbridge Gas highlights the objectives and details of its proposed commercial prescriptive midstream offering.

- a) Please list and discuss the midstream programs in other jurisdictions that Enbridge Gas reviewed when developing its program. Please highlight the elements of other programs that Enbridge Gas has incorporated into its design and discuss the ways in which Enbridge Gas has used best practices and lessons learned from other jurisdictions in its proposed offering.

10c.OEB Staff.51

Reference: Exhibit E, Tab 1, Schedule 4, pp. 35-36

Enbridge Gas notes the evaluation activities it recommends for the midstream offering.

- a) Please discuss if Enbridge Gas supports a process evaluation of the midstream offering. In your response, please discuss Enbridge Gas's position on running a process evaluation during the first year of delivering the offering to ensure that it is being rolled-out in an effective manner.

Issue 10(d) - Industrial Program

10d.OEB Staff.52

Reference: Exhibit E, Tab 1, Schedule 5, pp. 9-10

Enbridge Gas notes that it has proposed a distinct industrial program to ensure appropriate effort and resources are allocated towards maximizing savings potential within the sector and driving deep savings.

- a) Please discuss the changes that will take place if the proposed industrial program is approved compared to the resources, planning, strategy and delivery of the combined custom C&I program in place during the 2015-2020 plan.
- b) Please discuss the specific ways that Enbridge Gas will work towards maximizing energy savings from industrial customers, including responding to responses to the Ipsos survey and in-depth interviews with customers, reallocating Enbridge Gas staff, savings potential analysis, reviewing and adjusting incentive levels, targeted sales, enhanced education/marketing component, and any other new or enhanced parameters.
- c) Please discuss the specific actions that Enbridge Gas will take to engage, educate, provide technical support and analysis to industrial customers all in an effort to enroll more industrial customers in its program.

10d.OEB Staff.53

Reference: Exhibit E, Tab 1, Schedule 5, p.13

Enbridge Gas proposed the following incentive structure for the industrial program:

- \$0.20/m³ saved for the first 50,000 m³ saved
 - \$0.10/m³ saved for each m³ saved beyond 50,000 m³
 - Note: savings capped at \$100,000 per project and should not exceed 50% of incremental project costs (unless in special cases).
- a) Please discuss and provide any analysis conducted prior to filing related to how changing the second tier of the incentive (savings over 50,000 m³) from \$0.05/m³ (in the previous DSM term) to \$0.10/m³ will impact the total incentive costs for the program on an annual basis, the average incentive cost for individual projects, and the overall savings projected from the program.
 - b) Please discuss if Enbridge Gas considered raising the overall incentive available per project or the maximum threshold of savings per project. In your response,

please indicate if any savings potential analysis was conducted. If so, please provide this analysis.

- c) Please discuss if these incentive levels were canvassed among industrial customers to get a sense of the ideal level of incentives and payback periods to attract more industrial customers, particularly those that have never participated.

10d.OEB Staff.54

Reference: Exhibit E, Tab 1, Schedule 5, p. 14

Enbridge Gas notes that it has proposed several enhancements to optimize overall performance and mitigate free ridership in the industrial custom offering.

- a) Please expand on what the proposed “fast-feedback surveys” will include and how Enbridge Gas will use the information from the surveys to help mitigate free ridership.
- b) Please discuss if this survey will be the same or similar to the survey used on commercial customers.
- c) Please discuss if Enbridge Gas will seek the OEB’s EAC and/or EC comments on the fast-feedback survey prior to launch.

10d.OEB Staff.55

Reference: Exhibit E, Tab 1, Schedule 4, p. 17

Enbridge Gas notes that it will explore process evaluation topics throughout the term of the plan.

- a) Please provide a list of all the process evaluations of the custom industrial offering that have taken place since 2015. In your response, please provide the full studies and summarize the conclusions.

Issue 10(e) – Large Volume Program

10e.OEB Staff.56

Reference: Exhibit E, Tab 1, Schedule 6, pp. 7

Enbridge Gas describes how the direct access model is administered.

- a) Please complete the table below summarizing large volume program activity since 2015. In your response, please include the number of large volume

customers eligible to participate in the program each year, how many customers actually participated, the average incentive amount accessed per customer, the average cost per customer directly related to this program, the average net annual and cumulative natural gas savings achieved, and the annual cost-effectiveness result of the program as a whole.

Historical Large Volume Program Activity						
	2015	2016	2017	2018	2019	2020
Number of Eligible Large Volume Customers						
Number of Large Volume Program Participants						
Average Annual Participant Incentive Paid						
Average Annual Non-incentive Program Costs per Customer						
Average Net Annual Natural Gas savings (m3) per Participant						
Average Net Cumulative Natural Gas Savings (m3) per Participant						
Large Volume Program Cost-Effectiveness						

10e.OEB Staff.57

Reference: Exhibit E, Tab 1, Schedule 6, pp. 7

Enbridge Gas outlines the incentive structure associated with the direct access offering.

- Engineering Feasibility Study: 50% funded up to \$10,000
- Process Improvement Study: 66% funded up to \$20,000
- Steam Trap Survey: 50% funded up to \$6,000
- Metering: 50% of meter costs funded up to \$5,000

In addition, for new and retrofit equipment, process optimization, and operational improvements, participants can receive:

- Direct Access Incentive Pool: \$0.10/m³ saved up to the lesser of \$100,000 or 50% of project costs, and
- Aggregate Pool: \$0.05/m³ saved up to the lesser of \$40,000 or 50% of project costs.

- a) Please provide a table that shows the actual incentives paid per project for each available funding stream noted above since 2015.
- b) Please provide a table similar to the one below for each year from 2015-2020. Please include in each annual table, the number of projects completed, and for each incentive stream: the number of projects that reached the maximum incentive cap for that stream, and the average incentive amounts unused per project

2015 Large Volume Program Incentive Information			
Incentive Stream	Total Number of Projects Completed	Number of Projects that Reached Incentive Maximum	Average Incentive Amount Remaining per Project Completed
Engineering Feasibility Study			
Process Improvement Study			
Steam Trap Survey			
Metering			
Direct Access Incentive Pool			
Aggregate Pool			

- c) Please explain how incentive levels and budget were selected for the enhanced Large Volume program, given the large amount of cost-effective savings available from large volume customers but also historically high free ridership levels for this program.
- d) Please discuss if large volume customers participating in the program are required to follow any project level measurement and verification protocols in order to receive funding (in addition to any third-party evaluations conducted by the utility or OEB).

10e.OEB Staff.58

Reference: Exhibit E, Tab 1, Schedule 6, p.8

Enbridge Gas indicates it has removed limitations on eligible measures from the large volume program in an effort to appeal to gas-fired electricity generators unique equipment needs.

- a) Please discuss the reasons for why these measures were initially excluded.

- b) Please discuss and provide any supporting documentation Enbridge Gas reviewed, including internal analysis used, to support the removal of all limitations on eligible measures.

10e.OEB Staff.59

Reference: Exhibit E, Tab 4, Schedule 6, pp. 7-9

As part of its discussion on stakeholder efforts in advance of filing its application, Enbridge Gas notes that feedback from large volume customers was “decidedly mixed”.

- a) Please discuss if Enbridge Gas considered revising this program and allowing those customers that do not see the need or value in the program as they are already focused on energy costs and efficiency to opt-out, subject to confirmation and assurances that they have or will completed a certain threshold of efficiency improvements.
- b) If Enbridge Gas has not considered an opt-out program design (e.g., customers can opt-out as long as they provide an energy plan and maintain the improvement schedule included within; participating customers pay for the level of programming they undertake and do not cross-subsidize other customers), please comment on the impact such a model may have on overall success of the program.

10e.OEB Staff.60

Reference: Exhibit E, Tab 1, Schedule 6, p.9

Enbridge Gas indicates that over the term of the plan it will explore process evaluations for the large volume program.

- a) Please discuss and provide a copy of all process evaluations Enbridge Gas (including legacy UG) have conducted in relation to the Large Volume Program.

Issue 10(f) – Energy Performance Program

10f.OEB Staff.61

Reference: Exhibit E, Tab 2, Schedule 1, p.3

Enbridge Gas notes that while the Whole Building P4P offering will initially target schools, it will explore the applicability of expanding the offering to other market segments over the course of the framework.

- a) Please discuss which segments of the market Enbridge Gas has considered. In your response, please discuss the key variables that should be similar across a market segment for this program to be successful. Please also discuss the amount of time required to scale this program up and make available more broadly, including implications on overall budget approvals, targets and incentives.

10f.OEB Staff.62

Reference: Exhibit E, Tab 2, Schedule 1, p.4

Enbridge Gas notes that any required meter upgrades will be performed to allow for interval metering and monitoring for the Whole Building P4P offering.

- a) Please discuss the costs to make these upgrades, who will be responsible for the costs and the funding source should Enbridge Gas bear responsibility for these costs.

10f.OEB Staff.63

Reference: Exhibit E, Tab 2, Schedule 1, p.3-5

Enbridge Gas describes the Whole Building P4P offering details.

- a) Please discuss the ways in which participants will be advised to make changes to positively impact their overall energy usage (e.g., equipment upgrades, building retrofits, operational changes, behavioral changes, etc.).
- b) Please discuss how Enbridge Gas will work collaboratively to provide a truly whole building opportunity to participants. In your response, discuss what entity will be the primary contact and the logistics of the coordinated effort.

10f.OEB Staff.64

Reference: Exhibit E, Tab 2, Schedule 1, p.7

Enbridge Gas notes that as part of the eligibility criteria for the Whole Building P4P offering, participant sites cannot simultaneously participate in other commercial offerings during the duration of their participation in P4P.

- a) Please discuss the process Enbridge Gas will follow to identify and engage the high priority schools that will be the primary target for this offering, including whether this process considers any learnings from the Schools Energy Competition offering in the last DSM term.
- b) Please discuss how Enbridge Gas will ensure that these priority schools do not enter into other commercial offers prior to the P4P launch.

10f.OEB Staff.65

Reference: Exhibit E, Tab 2, Schedule 1, p.7

Enbridge Gas outlines the incentive structure of the P4P offering, which includes:

- An annual incentive during the 3-year term of the offer of \$0.30/m³ based on M&V incremental gas savings relative to baseline
 - An end of term incentive of \$0.20/m³ based on M&V of total gas savings at the meter at the end of the offer relative to baseline.
- a) Please confirm that there is no incentive cap for participants.
 - b) Please provide Enbridge Gas's analysis of what the expected average level of incentives paid to each participant.
 - c) Please confirm that the end of term customer incentive is strictly based on the actual annual reduction on overall gas usage following participation in the program. If this is not correct, please clarify.

10f.OEB Staff.66

Reference: Exhibit E, Tab 2, Schedule 1, pp.8-9

Enbridge Gas provides the basis to measure gross savings from the P4P offering.

- a) Please discuss how changes to independent variables at each participating school will be factored into the regression model (e.g., pandemic shuts down operations, warmer or cooler weather, more/less occupants, reductions/additions

to the overall footprint of the building, etc.), and whether this analysis will reflect evaluation best practice (i.e. IPMVP Option C).

10f.OEB Staff.67

Reference: Exhibit E, Tab 2, Schedule 1, p.10

Enbridge Gas notes that it will be required to make future financial commitments related to participants undertaking activities over the course of their participation in the P4P offering.

- a) Please provide Enbridge Gas's analysis of the anticipated total annual deferred participant costs for this offering.

Issue 10(g) – Building Beyond Code Program

10g.OEB Staff.68

Reference: Exhibit E, Tab 2, Schedule 2

Enbridge Gas outlines and discuss the components of its proposed Building Beyond Code Program.

- a) Please discuss the necessity of this program considering that government policy is prioritizing more strict building code standards with the goal of net zero buildings within the next decade.
- b) Please provide any research materials and analysis produce by or for Enbridge Gas in preparation of its application that quantify the level of missed and lost opportunities by building developers and document the specific areas that remain unaddressed.
- c) Please provide any market effects or similar evaluation and/or study that Enbridge Gas conducted to evaluate and quantify the impact of its legacy New Construction programs have had on the building market in Ontario since the beginning of its New Construction programs dating back to 2012. In your response, please discuss and provide supporting documentation that highlights the impact of Enbridge Gas's programs (including legacy UG and EGD) have had on builder practices, the numbers of homes built to the standard of the New Construction programs' homes (both in aggregate and as a percentage of the builder's building stock on an annual basis) both during the years of participation and then following, and any ancillary benefits that have been quantified on non-participating builder's building practices and the number of homes non-participants have built to the standard of the New Construction programs' homes.

- d) Please discuss and provide any supporting materials that document the construction cost difference between homes and buildings built to the standards of this program vs OBC requirements.
- e) Please discuss and provide any supporting materials that document the sale price difference between homes and buildings built to the standards of this program vs OBC requirements.

10g.OEB Staff.69

Reference: Exhibit E, Tab 2, Schedule 2, p. 12-13

Enbridge Gas outlines the Energy Star for New Homes path for the Residential Savings by Design offering and indicates that it will help limit lost opportunities by motivating builders building in eligible municipalities.

- a) Please discuss why builders in all regions of the province are not eligible for this path.
- b) Please provide a list of eligible (or expected to be eligible) municipalities. In your response, please also provide an accompanying list of ineligible municipalities.
- c) Please discuss how builders operating in multiple regions/municipalities will be treated.

10g.OEB Staff.70

Reference: Exhibit E, Tab 2, Schedule 2, pp. 12-13

Enbridge Gas outlines the details for the Net Zero Energy Ready path for the Residential Savings by Design offering.

- a) Please discuss if prospective builders that have participated in past New Construction programs will be eligible for this program.
- b) Please clarify the level of incentive a participating builder may receive if participating in the NZER path. In your response, please consider a hypothetical scenario where a participating builder builds 100 homes that meet the program's requirements. Will this builder only be eligible for the \$15,000 incentive, or will it be eligible for an incentive of \$15,000 for each home it built to the NZER level?

10g.OEB Staff.71

Reference: Exhibit E, Tab 2, Schedule 2, p.18

Enbridge Gas outlines the details for its proposed Commercial Savings by Design offering.

- a) Please discuss and provide a copy of all process evaluations Enbridge Gas (including legacy UG) have conducted in relation to the Residential Savings by Design Program.

10g.OEB Staff.72

Reference: Exhibit E, Tab 2, Schedule 2, pp. 15-16

Enbridge Gas notes that there is a need for a deferred participant cost mechanism to track financial commitments made to account for future participant obligations due to the multi-year nature of the Residential Savings by Design offering.

- a) Please provide Enbridge Gas's analysis of the anticipated total annual deferred participant costs for each offering in this program.

10g.OEB Staff.73

Reference: Exhibit E, Tab 2, Schedule 2, p.16

Enbridge Gas indicates that over the term of the plan it will explore process evaluations for the Residential Savings by Design program.

- a) Please discuss and provide a copy of all process evaluations Enbridge Gas (including legacy UG) have conducted in relation to the Residential Savings by Design Program.

10g.OEB Staff.74

Reference: Exhibit E, Tab 2, Schedule 2, p.19

Enbridge Gas proposes a reduction in minimum square footage required for buildings to participate from 50,000 sq. ft to 25,000 sq. ft compared to the current DSM term.

- a) Please discuss and provide supporting data that shows how this change will impact the total number of potential builders eligible to enroll in the program.

- a) Please discuss the overall natural gas usage difference and potential for efficiency improvements between buildings that are 25,000 sq. ft. vs. those that are 50,000 sq. ft.

10g.OEB Staff.75

Reference: Exhibit E, Tab 2, Schedule 2, pp. 23

Enbridge Gas discuss the details and various aspect of the Affordable Housing Savings by Design offering.

- a) Please discuss the level of overlap between prospective participants (i.e. multi-residential buildings) in the Commercial SBD and Affordable Housing SBD offerings.
- b) Please discuss why this offering will only require a 5% increase above Green Development Standards (GDS) targets as opposed to the 10% of the Commercial SBD offer.

10g.OEB Staff.76

Reference: Exhibit E, Tab 2, Schedule 2, pp. 32

Enbridge Gas discuss the offering details and various aspect of the Commercial Air Tightness Testing offering.

- a) Please discuss and provide any supporting documentation for the customer incentives proposed as part of the offering. In your response, please include any studies, interviews or analysis conducted that document the average cost to implement corrective measures to commercial buildings post-construction.
- b) Please discuss why this offering will only require a 5% increase above respective GDS targets as opposed to the 10% of the Commercial SBD offer.

Issue 10(h) – Low Carbon Transition Program

10h.OEB Staff.77

Reference: Exhibit E, Tab 3, Schedule 1, pp. 3-5

Enbridge Gas outlines the details of its proposed Residential Heat Pump offering. Enbridge Gas notes that residential natural gas heat pumps are currently not available in North America and not expected to enter the Ontario market until 2024.

- a) Please provide any research Enbridge Gas conducted of similar heat pump programs being offered in other jurisdictions to help inform its proposed offering, including whether they include natural gas heat pumps or not.
- b) Please provide any analysis Enbridge Gas conducted in its development of this offering that shows the difference in GHG emissions reductions (both on an average household basis and on a total annual basis using the total projected number of participating households in a year) between installing the proposed natural gas heat pump versus an electric heat pump.
- c) Please provide any analysis Enbridge Gas conducted that show the price difference between natural gas heat pump and electric heat pumps.
- d) Please confirm that contractors, retailers and manufacturers in Ontario have little to no familiarity or experience with natural gas heat pumps.
- e) Please provide greater detail on how Enbridge Gas plans to engage with residential contractors to roll-out this offering.
- f) Please provide greater details on the specific incentives that will initially be available to participants.
- g) Please explain in what circumstances Enbridge Gas will promote an electric heat pump to a customer as part of this program rather than a natural gas heat pump, and vice versa. In your response, please discuss if Enbridge Gas will examine cost-effectiveness of installing a natural gas heat pump compared to an electric heat pump for prospective customers.
- h) Please discuss how Enbridge Gas will evaluate if a home is a good candidate for a natural gas heat pump?

10h.OEB Staff.78

Reference: Exhibit E, Tab 3, Schedule 1, pp. 3

Enbridge Gas notes that although the hybrid system with smart controls proposed as part of this offering is available in other parts of the world, these systems are not currently available in North America for a typical residential application.

- a) Please confirm that the technology to install a hybrid system without smart controls is readily available in Ontario (i.e. electric heat pumps), and that the benefits of this system may be achieved by manually switching between an electric heat pump in heating mode and a natural gas heating system (e.g. furnace).
 - i. If confirmed, please discuss why Enbridge Gas has proposed this program that is entirely focused on natural gas heat pumps when they won't be

available for several years, compared to hybrid heating systems which are currently viable solutions.

- b) Please provide any risk analysis conducted by Enbridge Gas that investigates any potential supply and/or availability issues related to the proposed hybrid system controls.

10h.OEB Staff.79

Reference: Exhibit E, Tab 3, Schedule 1, pp. 4

Enbridge Gas notes that it intends to monitor uptake throughout the residential heat pump offering and reevaluate incentive levels as required.

- a) Please provide more detail on the process Enbridge Gas will use to “monitor uptake”, when it will re-evaluate the incentive levels, what alternative incentive levels may be provided and the impact of alternative incentive levels will have on the overall program budget and cost-effectiveness, if any.

10h.OEB Staff.80

Reference: Exhibit E, Tab 3, Schedule 1, pp. 5

Enbridge Gas has proposed two metrics for this offering:

- Number of homeowner installations completed by participating contractors
 - Number of residential contractors that successfully complete required sales and installation training and complete at least one project installation.
- a) Please discuss why Enbridge Gas choose to focus its metrics on contractors as opposed to homeowners/participants, natural gas savings, and/or GHG reductions.

10h.OEB Staff.81

Reference: Exhibit E, Tab 3, Schedule 1, pp. 6

Enbridge Gas noted that it will explore process evaluation topics based on the evolving needs of the offering.

- a) Please discuss why Enbridge Gas did not propose a process evaluation plan with this new offering to ensure that the offering is being delivered as intended, is being received by the market as intended, is understood by the target market and is generally producing the results that were expected.

Issue 11 – Research and Development

11.OEB Staff.82

Reference: Exhibit E, Tab 4, Schedule 3

Enbridge Gas discuss its proposed Research and Innovation Fund with an annual budget of \$2.601M in 2023.

- a) Please provide a table that lists and describes all activities undertaken and funded through the R&D budget approved as part of the 2015-2020 DSM Decision.
- b) Please discuss if Enbridge Gas's proposed program budgets allow for the ability for Enbridge Gas to test new program designs without leveraging the Research and Innovation Fund amounts.
- c) If the current program budgets are not designed to test new program designs, please discuss how this testing would be practically undertaken and paid for. In your response, please provide a specific example related to a currently proposed program.
- d) Please discuss what will be involved in Enbridge Gas "sustaining and updating technical resources".
- e) Please discuss if Enbridge Gas has any proposed pilot programs it is considering.
- f) Please discuss if funding through the RIF is required in order to:
 - i. allow Enbridge Gas DSM staff to undertake research in order to support changes to input assumptions included in the TRM. In your response, please indicate the portion of historical R&D costs that have been assigned to this function.
 - ii. allow Enbridge Gas DSM staff to undertake field measurement research to develop and maintain calculators and modelling tools used to estimate natural gas savings for custom offers. In your response, please indicate the portion of historical R&D costs that have been assigned to this function.
 - iii. Conduct any other specific research that affects day-to-day delivery of proposed programs.

- g) Please provide a record of all the collaboration efforts undertaken between 2015-2021, the costs for each activity and the outcome of the effort.
- h) Please expand on the proposed \$0.63M assigned to Market Data and indicate what external tools, subscriptions and datasets of information this funding will be used to maintain. Please discuss if any of this information can be purchased or if it all requires continual membership and fees.

Issue 12 – EM&V

12.OEB Staff.83

Reference: Exhibit E, Tab 4, Schedule 1, pp. 3-7

Enbridge Gas recommends the OEB direct OEB staff to coordinate the development of Ontario DSM evaluation protocols, and that the protocols would clarify what evaluation methodologies are used in Ontario, including those that determine net-to-gross ratios.

- a) Please file evaluation protocols from the jurisdictions noted that are closest to what Enbridge Gas is recommending for Ontario.
- b) Please explain whether overlap would exist between what Enbridge Gas is proposing for evaluation protocols and the multi-year EM&V Plans, produced by an expert Evaluation Contractor, that the OEB already publishes on its Evaluation webpage, and if/how Enbridge Gas would propose to address the overlap in order to avoid duplication of efforts.
- c) Please confirm whether Enbridge Gas has suggested alternative net-to-gross methodologies through its role in the OEB's Evaluation Advisory Committee, which includes reviewing and providing input on evaluation methodologies.

Issue 13 – Input Assumptions, Cost-Effectiveness & Avoided Costs

13.OEB Staff.84

Reference: Exhibit E, Tab 5, Schedule 1, Attachment 1 and 2

Enbridge Gas has included a table that lists the NTG and EUL values for various sectors and technologies.

- a) Please confirm the sources of the NTG and EUL values included in these tables.

Issue 14 – Accounting Treatment

14.OEB Staff.85

Reference: Exhibit F, Tab 2, Schedule 1, p.3

Enbridge Gas has proposed to establish a Conservation Demand Management Deferral Account (CDMDA) to track and account for the ratepayer share of all net revenues generated by DSM services provided for electric CDM activities. Enbridge Gas notes that the ratepayer share is 50% of net revenues, using fully allocated costs. Balances in this account would be subject to simple interest.

- a) Please provide more details on the need for this deferral account.
- b) Please clarify and expand on the purpose of this account, specifically, what the following statement means: "...to track and account for **the ratepayer share of all net revenues generated** by DSM services provided for electric CDM activities."
- c) Please discuss the programs and/or offerings that will contribute to the net revenues recorded in this account.
- d) Please discuss if the ratepayer share of 50% as proposed is 50% of all net benefits generated by all electric CDM programs where Enbridge Gas has played a role in coordinating natural gas efficiency and conservation elements, or if it is 50% of all net benefits directly attributable to the natural gas savings from these activities.
- e) Please discuss the impacts of the OEB not approving this deferral account.

Issue 16 – Coordination with Electricity CDM and Other Programs

16.OEB Staff.86

Reference: Exhibit E, Tab 4, Schedule 4

Enbridge Gas provides some background related to its efforts to coordinate delivery and training of energy efficiency and conservation activities with the IESO.

- a) Please discuss specifically what Enbridge Gas requests related to "regulatory support in a DSM Framework that is adaptive to allow parties to be responsive to opportunities as they arise." Does this refer to the ability to access certain funding earmarked for collaboration efforts? Please discuss the process for how this would work and highlight the benefits and discuss any risks and how they can be addressed to ensure ratepayer funds are used prudently.
- b) Enbridge Gas requests that the OEB include a clear priority that the attribution of benefits between electricity and natural gas be maintained from the simplified approach first approved by the OEB in the 2006 generic proceeding: that all the

natural gas savings are attributed to rate-regulated natural gas utilities and vice versa for electricity savings. Please discuss if there have been instances where this hasn't been the practice.

- c) Please discuss what needs to happen (i.e., OEB approval, formal agreement with IESO, etc.) in order for Enbridge Gas to continue its coordinated work with the IESO, including the Capability Building and Training, Commercial Sector; Midstream Prescriptive, Commercial Sector; DCKV; Adaptive Thermostats.
- d) Please discuss if Enbridge Gas and the IESO will continue to partner on the Sustainable Schools Benchmarking Program if the Whole Building P4P offering receives OEB-approval.
- e) Please discuss what source of funding Enbridge Gas accesses to support its coordinate efforts with the IESO. Please list the funding source for all activities listed in Exhibit E, Tab 4, Schedule 4.
- f) Please discuss the timelines to finalize the province-wide coordinated delivery model between Enbridge Gas and the IESO for the single-family low-income offerings.
- g) Please discuss if the IESO has indicated its interest or ability to offer coordinated or joint delivery of the proposed Whole Building P4P offering.
- h) Please discuss, to the extent possible, Enbridge Gas's understanding of the IESO's timing related to the on-reserve Indigenous CDM program for commercial and institutional buildings owned and operated by Band-Council. Please discuss the amount of time required by Enbridge Gas to coordinate delivery so that on-reserve customers can address electricity and natural gas opportunities at the same time.

Issue 17 – Stakeholder Engagement

17.OEB Staff.87

Reference: Exhibit E, Tab 4, Schedule 6, pp. 7-8

When discussing its stakeholder efforts related to the proposed Whole Building P4P offering, Enbridge Gas noted that “some stakeholders maintained that the initially proposed performance target per building was too high.” Enbridge Gas noted that it incorporated this feedback into a more achievable but challenging building performance target in its proposed plan.

- a) Please indicate what Enbridge Gas's initial target was for the Whole Building P4P offering.

- b) Please discuss the reasons provided by stakeholders as to why the initial target would be too difficult to achieve.

17.OEB Staff.88

Reference: Exhibit E, Tab 4, Schedule 6, p.7

Enbridge Gas notes that feedback from a school board related to capital improvement plans and operational budget approvals has led to some consideration of the ideal design of the Pay for Performance offering.

- a) Please discuss if Enbridge Gas, along with its preferred vendor/delivery agent, has considered partnering directly with school boards, as opposed an ad hoc approach with individual schools, in an effort to reduce barriers that may exist when working with individual schools, so that consistent direction and messaging related to capital upgrades and efficiency improvements can be provided to all individual schools within various districts.