

October 28, 2021

Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Attention: Christine Long, Registrar and OEB Secretary

Dear Ms. Long:

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

We are writing as counsel to Enbridge Gas Inc. ("**Enbridge Gas**") in response to the letter dated October 26, 2021 forwarded to the Ontario Energy Board ("**OEB**") by counsel to Environmental Defence ("**ED**"), Mr. Kent Elson.

Mr. Elson references the federal government's Greener Homes Grant Program ("**GHGP**") and suggests that major revisions to some of Enbridge Gas's DSM program offerings are required as a result, including the Residential Whole Home offering ("**HER**") and possibly some of its multi-unit residential building program offerings. Mr. Elson has suggested that Enbridge Gas update its evidence and amend its program offerings to reflect the GHGP.

As noted in Enbridge Gas's evidence, the Company was aware of the federal governments intentions to initiate the GHGP at the time that it prepared its Application. At the time of filing the Application the GHGP was only in its infancy and specific details of the GHGP were not yet known, with the details of any potential working relationship between the operator of the GHGP, Natural Resources Canada ("**NRCan**") and Enbridge Gas to be negotiated. As such, Residential program offerings as proposed in the Application were developed on the basis of Enbridge Gas not having an agreement with NRCan.

At the present time, Enbridge Gas is in confidential negotiations with NRCan. If successful, these negotiations may result in the utilization of the HER program offering budget in conjunction with the GHGP Ontario budget to co-fund a joint program offering in Ontario, potentially increasing the incentives received by program participants for their implementation of energy efficiency measures, or increasing the number of program participants, or some combination of both.

It should be noted that the Assistant Deputy Minister of Energy for Ontario, Kelly Brown, wrote to the Assistant Deputy Minister of NRCan, Mollie Johnson, by a letter dated September 3, 2021. In this letter, Assistant Deputy Minister Brown stated:

It is my understanding that a key principle of the Government of Canada in terms of its program delivery is to implement the programs in such a manner as to not displace or duplicate provincial programs. We are very supportive of this approach.

In Ontario, Enbridge Gas Inc. ("Enbridge") delivers a Home Efficiency Rebate program, which, similar to the federal Greener Homes Grant, offers financial rebates for eligible measures such as insulation to homeowners who enroll in the

program and complete energy assessments using an NRCan-qualified energy advisor. This program is funded through Ontario natural gas ratepayers, and is an important part of the company's Demand Side Management (DSM) Plan, as approved and overseen by the Ontario Energy Board (OEB) – Ontario's independent energy regulator. Enbridge is also the primary natural gas distributor in the province, serving 99% of Ontario's natural gas customers. Three-quarters of Ontario homes are heated by natural gas as their primary fuel source.

I would therefore like to take this opportunity to communicate the Ministry of Energy's support for NRCan's consideration of Enbridge for co-delivery of the federal Greener Homes Grant in Ontario. We acknowledge that Enbridge is an independent corporate entity and, by copy of this letter, also wish to reflect the Ministry's support to Enbridge in its co-operative and collaborative efforts to participate with NRCan in the co-delivery of programming¹.

Enbridge Gas remains optimistic that an agreement will be reached with NRCan later this year or early next year. Until an agreement is reached, Enbridge Gas believes that it is appropriate to proceed with the OEB's consideration of the HER program offering as filed as this is the program offering which Enbridge Gas proposes to operate in the event that an agreement with NRCan is not reached. If an agreement is reached, Enbridge Gas will update its evidence and the Residential program as required. Until an agreement is reached, the Company has no basis on which to update the evidence. Enbridge Gas does not anticipate at this time that material changes will be proposed to the allocation of the HER program offering within the Residential budget as is consistent with the principle of the GHGP not displacing existing programming. The Company also believes the performance metrics as filed will be unaffected.

It is also important to note that the GHGP will have virtually no impact on Enbridge Gas' multi-unit residential building program offerings, as Multi-unit residential buildings (over three storeys or over 600 m² in footprint) are not Eligible Primary Residences under the GHGP. Accordingly, the statement by Mr. Elson in his letter that the GHGP likely applies to multi-unit residential buildings is incorrect.

Enbridge Gas notes that all of the items mentioned by Mr. Elson were known at the time the OEB determined the procedural timelines.

Conclusion

Enbridge Gas believes that it is premature to update the evidence that relates to the Residential HER program offering until an agreement has been reached with NRCan. No extension in the OEB's procedural timetable is therefore necessary nor appropriate at this time.

¹ ADM's letter of September 3, 2021. See Attachment 1 to this letter.

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Yours truly,

AIRD & BERLIS LLP

A handwritten signature in blue ink, appearing to read 'Dennis O'Leary', with a stylized flourish at the end.

Dennis O'Leary

DMO/vf

Ministry of Energy

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Conservation and Renewable Energy Division

Division de l'efficacité énergétique et des énergies renouvelables

September 3rd, 2021

Mollie Johnson, Assistant Deputy Minister,
Natural Resources Canada (NRCan)
580 Booth Street, Ottawa
Ontario K1A 0E4

Dear Mollie:

I am writing to you to congratulate you on the launch of the Greener Homes Grant program in May of this year and to encourage Natural Resources Canada ("NRCan") to co-ordinate its program with already established programs in Ontario. It is my understanding that a key principle of the Government of Canada in terms of its program delivery is to implement the programs in such a manner as to not displace or duplicate provincial programs. We are very supportive of this approach.

In Ontario, Enbridge Gas Inc. ("Enbridge") delivers a Home Efficiency Rebate program, which, similar to the federal Greener Homes Grant, offers financial rebates for eligible measures such as insulation to homeowners who enrol in the program and complete energy assessments using an NRCan-qualified energy advisor. This program is funded through Ontario natural gas ratepayers, and is an important part of the company's Demand Side Management (DSM) Plan, as approved and overseen by the Ontario Energy Board (OEB) – Ontario's independent energy regulator. Enbridge is also the primary natural gas distributor in the province, serving 99% of Ontario's natural gas customers. Three-quarters of Ontario homes are heated by natural gas as their primary fuel source.

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Alignment with Greenhouse Gas (GHG) Reduction Targets

Importantly, a close coordination between federal and provincial program administrators can reduce negative impacts to the performance of programs, and reducing duplication of benefits and the measurement of results, such as eliminating double dipping for incentives by participants and double counting of results by program administrators, to maximize the prudent use of funds as well as the achievement of energy and greenhouse gas savings. This

approach should support co-ordinated and coherent program delivery as well as program assessment, evaluation and measurement models for both the province and NRCan.

Supporting Ontario's Economic Recovery

The Ministry recognizes that coordination between federal and provincial programs is in the best interest of Ontarians, program customers, the supply chain of vendors and contractors in Ontario (including energy advisors), and aligns with NRCan principles for the Greener Homes Program.

In summary, I believe that NRCan's co-operative approach involving exploring co-delivery of the Greener Homes Program with Enbridge is highly supportive of the above-noted principles and has the potential to assist Ontario and Canada in achieving larger program results than either could achieve without that co-operative approach.

I hope this letter is of assistance to you and look forward to NRCan's continued efforts to help achieve common policy objectives, while delivering value for Ontarians.

Sincerely,

A handwritten signature in dark ink, appearing to be 'KB' followed by a long, horizontal, wavy line.

Kelly Brown
Assistant Deputy Minister, Ontario Ministry of Energy

c: Stephen Rhodes, Deputy Minister, Ministry of Energy
Malini Giridhar, Vice President, Business Development and Regulatory Affairs,
Enbridge Gas Inc.