

ONTARIO ENERGY BOARD

**IN THE MATTER OF an Application for Multi-Year Natural
Gas Demand Side Management Plan (2022 to 2027)**

**INTERROGATORIES OF
THE BUILDING OWNERS AND MANAGERS ASSOCIATION ("BOMA")**

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2-BOMA-1-GEC/ED

Ref: Exhibit L.GEC/ED.1/page 6

Preamble:

Reference to “the province’s 2018 Environment Plan “*commits Ontario to achieving a GHG emissions reduction target of 30 percent below 2005 levels by 2030...and includes action to work with the Ontario Energy Board and natural gas utilities **to increase the cost-effective conservation of natural gas** to simultaneously reduce emissions and **lower energy bills.**”*

Question(s):

1. Given that emissions reductions (and lower customer bills) require absolute reductions in natural gas consumption, and that EGI has reported that only about 15% of annual savings are measured at the meter, is it recommended that gas savings for commercial buildings should be, to the greatest practical extent, verified at the meter and that DSM programs and M&V processes be designed accordingly?
2. Given the emerging evidence that natural gas consumption tends to increase over time in buildings which are not subject to conservation action, and that such increases within portfolios and segments (including K-12 schools) can substantially offset gains due to DSM programs in other buildings, is it recommended that emphasis be placed on strategic energy management programs covering whole portfolios?

9d-BOMA-2-STAFF.1

Ref: Exhibit L.OEB Staff.1/page v

Preamble:

Choice of Metrics Recommendation 7: “simplifying the performance incentive structure using a main metric based on net benefits for 70% of the incentive amount.”

Question(s):

1. Given that EGI has reported that only about 15% of annual savings are measured at the meter, should gas savings for commercial buildings included in net benefits be, to the greatest practical extent, verified at the meter?
2. Given the increasing availability of publicly reported data for individual commercial market segments, should overall province-wide actual savings be included in net benefits?

10c-BOMA-3-STAFF.2

Ref: Exhibit L.OEB Staff.2/page ii

Preamble:

Optimal Suite of Programs – Commercial Sector Recommendations 21 and 22: “Evaluate the effectiveness and extent of current account management for large and medium customers and encourage account managers to push to create multi-year Memoranda of Understanding outlining specific energy commitments. Alternatively, expand the Energy Performance (Whole Building P4P) program to include all large C&I customers; and Consider adding RCx/SEM/Energy Manager programs.”

Question(s):

1. Given the growing evidence that a substantial share of the achievable gas savings is to be found in improved building operations, maintenance and controls and that owners need technical support over a number of years to identify, implement and make permanent these savings, should these recommendations be merged into an integrated program offering with expanded account management, dedicated owner support, savings measured at the meter and full integration with the IESO?
2. Is there any reason in your opinion that this type of programming could not be expanded into commercial office and retail segments (like the IESO’s EPP)?

10c-BOMA-4-STAFF.2

Ref: Exhibit L.OEB Staff.2/page iii

Preamble:

Optimal Suite of Programs – Commercial Sector Recommendation 31: “Offer financial incentives on Commercial New Construction, in addition to training and workshops.”

Question(s):

1. Given the growing evidence that many new buildings designed to exceed code fail to operate efficiently post construction, should part of the incentive be held back until design performance levels are achieved?

10j-BOMA-5-ED

Ref: Exhibit L.ED.1 page 16

Preamble:

“There are four options for commercial buildings considered in this review: a) Air source heat pumps (ASHPs) with electric backup heating, b) hybrid heating systems that use an ASHP with a natural gas furnace as backup, c) ground source heat pumps (GSHP) that are also fully electrified,

and d) gas heat pumps of various configurations (GHP: e.g. absorption, engine driven and thermal compression technologies).”

Question(s):

1. Has consideration been given to electric heat pumps which recycle internally generated heat (without necessarily being supplemented with air- or ground-source heat), which are increasingly used to great effect in hospitals (such as Humber River and Mackenzie Vaughan) and being considered for commercial office buildings as part of net zero planning?

9g-BOMA-6-GEC_ED

Ref: Exhibit L.GEC/ED.1/page 18

Preamble:

Section III Performance Incentives: “The inclusion of both savings and participation metrics for the Energy Performance program is inappropriate since this program should stand on its own merits, in terms of energy savings and/or other benefits provided, relative to other programs that could serve the same customers. Incentive dollars allocated to this metric should be allocated instead to savings metrics.”

Question(s):

1. While BOMA fully supports the principle that actual gas savings should be the predominant measure of effectiveness, and also that, to the greatest practical extent, savings should be measured at the meter rather than by assumption and calculation, should some degree of participation incentive be considered for this new and unfamiliar approach, which BOMA considers to be a major advancement over traditional programs, to ensure it receives the focus necessary to get it successfully off the ground?

9d-BOMA-7-STAFF.1

Ref: Exhibit L.OEB STAFF.1 page 26

Preamble:

“In the 2015-2020 DSM Framework, the OEB expressed its interest in exploring a “pay-for-performance” structure, in which “both budget recovery and shareholder incentive payments would be included in one single rate (\$/m3) and paid to the utility based on final net natural gas savings.” This type of mechanism is very uncommon... and ...we do not believe that this type of model is this best approach for Ontario. Most of the theoretical benefit of the pay-for-performance approach (encouraging aggressive efficiency savings and the pursuit of all cost-effective efficiency possible) can be achieved through thoughtful design of more traditional performance incentive mechanisms.”

Question(s):

1. Please relate Enbridge's proposed Energy Performance program to this assessment and whether this recommendation applies to that program. If so, how would "thoughtful design" achieve the intended results of that program?