ENBRIDGE GAS INC.
DSM MULTI-YEAR PLAN AND FRAMEWORK

Written Interrogatories of Enbridge Gas Inc. to

Green Energy Coalition and Environmental Defence

(Exhibit L.GEC.ED.1)

Issue 6

6-EGI-1-GEC-ED.1

Reference:

Exhibit L.GEC.ED.1, page 5

Preamble:

Enbridge's proposed plan will produce less savings than even the most constrained scenario analyzed in the 2019 Achievable Potential Study – despite spending twice as much as the study's assumed budget constraint.

Question:

It was stated in the 2019 Integrated Ontario Electricity and Natural Gas Achievable Potential Study, p. 116 that budgets were created without taking into account program design and delivery considerations, as well as without an assessment of free ridership. Additionally, portfolio overheads were not taken into consideration.

It was further stated that "When proposing a budget for a future DSM or CDM portfolio or program based on the potential scenarios included in this potential study, a program delivery agent should consider incremental program costs to account for future program net-to-gross (NTG) ratios and fixed portfolio overhead costs with supporting rationale and evidence."

a) Does the Energy Futures Group ("EFG") agree that the above statements are accurate and if so, does EFG agree that a direct comparison drawn between the Enbridge Gas DSM Plan and the 2019 APS should be qualified by these considerations as they impact the reliability of the comparison. If not, why not. Explain in detail.

b) The approximate weighted average net to gross ratio is 0.5 used in Enbridge Gas's forecast, using this net to gross value and using $18,360,000 for the Portfolio Overhead, provide the calculations for an adjusted budget as per the 2019 APS study instructions, stating all assumptions.

6-EGI-2-GEC-ED.1

Reference:

Exhibit L.GEC.ED.1, page 9

Preamble:

"Enbridge has proposed to spend $142.3 million on its DSM programs in 2023, increasing to $170.5 million in 2027. As Figure 2 shows, in inflation-adjusted terms, the 2023 spending level is actually lower than the Company's actual DSM spend in 2018 and 2019. The Company's planned spend does not reach the 2019 levels until 2026. The 2027 value is about 4% higher than 2019."

Question:

a) Please confirm, EFG is both aware of the nature of the DSMVA and the allowance to spend 15% more than budget within certain conditions.

b) Please confirm, EFG is aware that the 2018 and 2019 figures being compared to include utilization of the budget overspend provisions.

c) Please confirm that the appropriate comparison to the 2018 and 2019 actual DSM spend, would be to use the proposed budget (ex. $142.3M in 2023) plus a 15% allowance for overspend.

Issue 6

6-EGI-3-GEC-ED.1

Reference:

Exhibit L.GEC.ED.1, page 14

Preamble:

It should be noted that the Achievable Potential Study concluded that natural gas savings of 14% could be cost-effectively achieved from DSM programs over the 12-year period from 2019 through 2030.

Question:

a) Please confirm or correct footnote 20, as it appears to reference a different report.

b) Please confirm the 2019 APS data that shows the cost to achieve 14% natural gas savings is approximately $7 Billion. Reference OEB's 2019 Achievable Potential Study, Tab 09a.

In following an approach to gross up budgets as mentioned in a previous question the APS suggests that "When proposing a budget for a future DSM or CDM portfolio or program based on the potential scenarios included in this potential study, a program delivery agent should consider incremental program costs to account for future program net-to-gross (NTG) ratios and fixed portfolio overhead costs with supporting rationale and evidence."

c) Following these instructions, please provide a total program cost for the 14% natural gas savings.

d) Please list all assumptions being made, with reference to the 2019 APS and provide all calculations.

Issue 8

8-EGI-4-GEC.ED.1

Reference:

Exhibit L.GEC.ED.1, page 30

Preamble:

Enbridge's proposed shared savings mechanism should be scrapped with shareholder incentive dollars allocated instead to savings metrics.

Question:

With reference to EFG's commentary in this report suggesting Enbridge Gas's proposed shared saving mechanism should be "scrapped":

a) Please confirm that the introduction of a wholly similar Shared Savings Mechanism was specifically proposed by Mr. Neme in September 2018 and illustrated in a presentation provided to OEB Staff and interested parties as part of the Mid-Term Review. A copy of the relevant slides from this presentation was included at Enbridge Gas' IRR, Exhibit I.8.EGI.STAFF.18, Attachment 1.

b) Please confirm that Joint Comments of Environmental Defence and the Green Energy Coalition Re Phase I of the Post-2020 DSM Framework Consultation submitted to the OEB on June 27, 2019 included the following (reflecting similar comments from a number of stakeholders): "Shareholder incentives should align consumer and utility interest and encourage maximizing total net benefits for consumers" (page 4).

c) Please clarify why Mr. Neme representing GEC/ED has repeatedly previously advocated for the adoption of a Net Benefits, proposing that all or a portion of shareholders incentives be paid as a growing percent of net benefits, however in the expert evidence submitted here Mr. Neme is now opposing the inclusion of a net benefits based incentive.

Issue 10b

10b-EGI-5-GEC.ED.1

Reference:

Exhibit L.GEC.ED.1, page 39-40

Preamble:

Limiting the level of new gas fired equipment in low-income housing will lower the likelihood that low-income households will be the ones footing a disproportionate share of future natural gas distribution bills as the energy industry addresses climate concerns through electrification."

Question:

a) Please confirm EFG recommends that financial incentives should not be made available to Low Income customers who choose to upgrade to higher efficient natural gas equipment that would result in an immediate cost savings?