

## **SMALL BUSINESS UTILITY ALLIANCE (SBUA)**

Answers to Interrogatories from  
**Consumers' Council of Canada (CCC)**

### **6-CCC-1-SBUA.1**

Re: Ex. L.SBUA.1/p. 29

Green Energy Economics Inc. is proposing that the Commercial Program spending be increased by adding additional eligible measures and increasing the incentive levels paid to small businesses. To what extent should these spending levels be increased? Given the OEB has proposed modest budget increases in the near term (as set out in the December 1, 2020 letter) should these resources be diverted away from other programs. If so, which programs?

#### **Response:**

GEEG does not have a specific budget increase to suggest. To derive a specific budget increase would involve a multistep process of characterizing the new measures, conducting cost-effectiveness analyses, establishing the eligible markets, setting the appropriate incentive levels based on the incremental costs, and projecting the participation rates for the cost-effective measures on a yearly basis. This is beyond the scope of our evidence.

GEEG is not recommending diverting other program budgets for increases to budgets for small businesses. Each program should be looked at separately and determine whether the budgets are supporting the maximizing of TRC Plus net benefits for the markets that the programs are serving.

**Provided by:** Francis Wyatt, Theodore Love (GEEG)

**8-CCC-2-SBUA.1**

Re: Ex. L.SBUA.1/p. 31

Green Energy Economics Inc. has proposed; a) a reduction in the performance incentives for Enbridge to meet its targets as they are too generous; and b) to base the savings target on lifetime savings to promote longer-lived measures which provide more overall benefits.

1. On what basis has Green Energy Economics Inc. concluded that the performance incentives /shared savings mechanism is too generous;
2. How would Green Energy Economics Inc. structure a meaningful and fair performance incentive for Enbridge Gas Inc.?

**Response:**

1. The Target Adjustment Mechanism (TAM) allows for a performance incentive to be provided even when the originally projected savings are not met, if Enbridge underperformed in the previous year. Also, the threshold for receiving an incentive begins at meeting only 50% of the target. It's more typical for the threshold for receiving an incentive to begin at around 75% of the target.
2. GEEG would prefer that the performance incentive be based primarily on lifetime natural gas savings or alternatively on net benefits as Optimal Energy has proposed in its evidence. The yearly savings targets should be set in advance and not adjusted due to the previous year's performance, as proposed by Enbridge. In addition, GEEG would like for there to be elements of the performance incentive mechanism that provide a heavier weighting for acquiring savings in typically underserved markets such as small businesses and low-income customers.

**Provided by:** Francis Wyatt, Theodore Love (GEEG)