

**EB-2021-0002**

**Enbridge Gas Inc.**

**Multi-Year Demand Side Management Plan  
(2022 to 2027)**

**FRPO COMPENDIUM**

**Oral Hearing**

**EGI PANEL 1**



**Asha Patel**  
Technical Manager, Regulatory  
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**Enbridge Gas Inc.**  
500 Consumers Road  
North York, Ontario  
M2J 1P8

December 16, 2021

**VIA EMAIL and RESS**

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

Dear Christine Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)  
Ontario Energy Board (OEB) File: EB-2021-0002  
Multi-Year Demand Side Management Plan (2022-2027)  
2022 DSM Plan Year Low Income Eligibility Criteria and Updated Evidence for  
Multi-Year Demand Side Management Plan**

Please see the attached correspondence from Enbridge Gas on updates to the eligibility criteria for privately owned market rate multi-residential buildings in the Affordable Housing Multi-Residential offering for the 2022 DSM Plan Year.

In addition, Enbridge Gas is filing updates to one Exhibit as set out in Table 1:

Table 1

<b>Exhibit Reference</b>	<b>Update</b>
E-1-3 page 19, para 49	Removed the criteria "Existence of Rent Geared to Income ("RGI") or rent supplement contracts(s) with the designated service manager office". Added "municipal" in addition to federal and provincial.

Please contact the undersigned if you have any questions.

Yours truly,

Asha Patel  
Technical Manager Regulatory Applications

cc: Dennis O'Leary (Aird and Berlis)  
EB-2021-0002 (Intervenors)



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2300 Yonge Street, 27<sup>th</sup> Floor  
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Dear Christine Long:

**RE: Enbridge Gas Inc. (Enbridge Gas)  
Ontario Energy Board (OEB) File No.: EB-2021-0002  
2022 DSM Plan**

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On May 3, 2021, Enbridge Gas filed its Multi-Year DSM Plan (2022-2027) which included updates to the eligibility criteria for privately owned market rate multi-residential buildings in the Affordable Housing Multi-Residential (“AHMR”) offering. On August 26, 2021, the OEB issued a Decision and Order related to 2022 Natural Gas DSM Activities which ordered the continuation of Enbridge Gas’s 2021 DSM Plans for legacy EGD and Union Gas rate zones for 2022.<sup>1</sup> Enbridge Gas subsequently refiled an updated Application which removed the 2022 DSM Plan year, making the Multi-Year DSM Plan applicable for 2023-2027.

As a result of the above, the eligibility criteria for privately owned market rate multi-residential buildings in the AHMR offering for 2022 is currently based on the approach in the 2015-2020 DSM Framework and Plan. This Letter is to inform the OEB and to confirm to applicable stakeholders that the Company will implement changes to eligibility criteria for both legacy DSM Plans in the 2022 DSM Plan year for privately owned market rate multi-residential buildings in the AHMR offering. Specifically, Enbridge Gas is harmonizing the eligibility criteria market rate for AHMR only. Enbridge Gas is not making any other changes to the approved programs or to the approved legacy DSM Plans.

The harmonized eligibility criteria effective for the 2022 DSM Plan year for Enbridge Gas are:

Privately owned multi-residential building that can demonstrate one of the following criteria:

- Privately owned multi-residential building owner or property manager must confirm, based on rent roll review, that at least 30% of the units are rented at less than 80% of the median market rent, as determined by the Canadian Mortgage and Housing Corporation;

OR

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<sup>1</sup> EB-2021-0002, EGI DSM Multi-year Plan and Framework Application (September 29, 2021), Exhibit E, Tab 1, Schedule 3, pp. 19-20.

- The building has participated in a federal, provincial, or municipal affordable housing funding program in the last 5 years.

All privately owned building owners or operators must also sign an agreement to forego Above Guideline Increase (“AGI”).

Enbridge Gas is making the above changes for the following reasons as it benefits low income customers:

- Harmonization of eligibility criteria across the legacy utility rate zones improves customers' experience and reduces confusion.
- Current legacy EGD uses outdated Statistics Canada data to support its current geo-targeted approach. The Company is not confident the current criteria will appropriately identify privately owned buildings with incidence of low-income tenants and the Company wants to ensure low income program funds are directed to the right customers.
- Customers would be well-served by eligibility criteria that align with criteria used in other government affordable housing programs to enhance stack-ability of program funds, cross-promotion and qualifications among programs.

Enbridge Gas believes these criteria, adopted from the eligibility criteria of several Canadian Mortgage and Housing Corporation (CMHC) affordable housing programs, is based on the best available information in the market today.<sup>2,3</sup> The current eligibility criteria used in the legacy EGD rate zone is based on data that is outdated and is less relevant to the demographic make-up of communities today. Enbridge Gas is updating the eligibility criteria for the 2022 DSM Program Year as it is in the best interest of low-income customers. Enbridge Gas stakeholdered these changes over the course of three meetings and gained support to move forward with the changes from the majority of participating stakeholders.

At the November 30, 2021 Stakeholder meeting, Enbridge Gas held a presentation with interested stakeholders and intervenors to review the proposed eligibility criteria in more depth and to understand if there was support for moving forward with harmonized eligibility criteria for the 2022 DSM program year. An invitation went out to all low income intervenors and some additional stakeholders<sup>4</sup>. **The stakeholders and intervenors who participated were: LIEN, FRPO, VECC, and CMHC.** Meaningful discussion was held during the presentation. **LIEN, VECC, and CMHC supported not delaying updating the eligibility criteria given the benefits for low-income customers as stated above.** Enbridge Gas notes it had also previously presented the proposed eligibility changes to stakeholders in March of 2021 and received positive feedback.<sup>5</sup>

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<sup>2</sup> [Federal Lands Initiative for Affordable Housing | CMHC \(cmhc-schl.gc.ca\)](https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/co-investment-fund)

<sup>3</sup> <https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/co-investment-fund>

<sup>4</sup> The parties who were invited to the stakeholder meeting were: FRPO, LIEN, VECC, LPMA, GEC, CHRA and CMHC.

<sup>5</sup> EB-2021-0002, EGI DSM Multi-year Plan and Framework Application (September 29, 2021), Exhibit E, Tab 4, Schedule 6, pp. 2-5.

As part of the stakeholder discussions, some stakeholders inquired and questioned the value of continuing to include the existence of the Rent Geared to Income or rent supplement contract(s) criteria as part of the new eligibility criteria. Enbridge Gas undertook some analysis and found that Rent Geared to Income and rent supplement contracts have not historically qualified many participants and agrees that this one criteria should be removed as per stakeholder feedback. In conjunction with this Letter, Enbridge Gas has filed an update to the Multi-Year DSM Plan (2023-2027), EB-2021-0002, to update the eligibility criteria consistent with this Letter.

In sum, given the benefits to low-income customers and the support received from stakeholders, Enbridge Gas, in its role as Program Administrator, is advising the OEB and stakeholders that the Company will implement the harmonized eligibility criteria for privately owned market rate multi-residential buildings as part of the AHMR offering in the 2022 DSM program year for all rate zones. Enbridge Gas commits to providing annual updates on the impact of the change to eligibility criteria to the OEB and stakeholders as part of the DSM Annual Reports, annual General DSM Stakeholder meetings, and if necessary, during the mid-point assessment.

Sincerely,

Asha Patel  
Technical Manager, Regulatory Applications

cc: Dennis O'Leary (Aird and Berlis)  
EB-2021-0002 (Parties)

# LUG Rent roll Analysis (Current vs 30/80 Rule)



Building Number*	Current Calculation	Building Qualify utilizing Current Calculation	Proposed Eligibility 30/80 Rule Calculation**	Building Qualify applying 30/80 Rule
1	58%	Yes	8%	No
2	100%	Yes	54%	Yes
3	100%	Yes	66%	Yes
4	32%	No	0%	No
5	100%	Yes	44%	Yes
6	58%	Yes	0%	No
7	58%	Yes	1%	No
8	57%	Yes	7%	No
9	48%	No	3%	No
10	62%	Yes	7%	No
11	85%	Yes	38%	Yes
12	75%	Yes	3%	No
13	92%	Yes	67%	Yes
14	100%	Yes	62%	Yes
15	100%	Yes	41%	Yes

\*Random sample only where building / rent information was available

\*\*At least 30% of the units must be less than 80% of the median market rent

# Summary Rent Roll Analysis

- Current eligibility is ensuring that 50% or greater of the units in a building are at or below the local CMHC average rental rates.
- Proposed eligibility is confirming that at least 30% of the units must be less than 80% of the median market rent as determined by CMHC.
- Enbridge conducted a sample of 15 past participants from the legacy Union Gas territory to identify what buildings that qualified from our current calculation to the recommended would qualify. After completion of the analysis, **7 qualified implementing the 30/80 Rule calculations for a success rate of 46%.**

ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-Housing Providers of Ontario (FRPO)

Interrogatory

**Issue 10**

Reference:

Exhibit E, Tab 1, Schedule 3, page 4

Preamble:

EGI evidence states: *“Low income programming encompasses the following important components:*

...

- *Turnkey, fully funded weatherization programming for income qualified residents of single family and low-rise social housing;”*

We would like to understand better the Low-income program and practices related to multi-family residential housing.

Question(s):

For the period of 2015-2020, please provide the low-income, resource acquisition savings for multi-family residential buildings. Please provide the results on an annual basis for each legacy utility/rate zone and categorized by social housing or privately-owned buildings.

- a) As a result of the savings provided, please comment on strategies that EGI believes will have greatest efficacy and ratepayer value.

Response

The following provides the cumulative natural gas savings (m3) for the low-income multi-family offering achieved each year. Best efforts were made to split results between private buildings and social/assisted buildings in Table 1 below as projects were not initially tracked in this manner for the EGD rate zone.



Table 1  
2015-2020 EGD Low-Income Multi-Family CCM Results

	2015	2016	2017	2018	2019	2020 (Draft Audit)
<b>Multi Family - Private</b>	30,234,908	39,805,482	17,015,729	57,876,344	43,040,811	31,944,866
<b>Multi Family - Social</b>	33,734,445	44,923,099	52,348,038	56,292,557	45,916,189	35,692,437
<b>Total</b>	<b>63,969,353</b>	<b>84,728,581</b>	<b>69,363,767</b>	<b>114,168,901</b>	<b>88,957,000</b>	<b>67,637,303</b>

Table 2  
2015-2020 Union Low-Income Multi-Family CCM Results

	2015	2016	2017	2018	2019	2020 (Draft Audit)
<b>Multi Family - Private</b>	7,402,426	8,151,190	4,363,656	6,573,109	4,774,193	8,316,698
<b>Multi Family - Social</b>	8,930,935	10,894,573	22,426,926	19,718,214	22,803,825	12,142,699
<b>Total</b>	<b>16,333,361</b>	<b>19,045,763</b>	<b>26,790,582</b>	<b>26,291,324</b>	<b>27,578,018</b>	<b>20,459,397</b>

a) Please see response to Exhibit I.10b.EGI.STAFF.42a.