

Enbridge Gas 2023-2027 Demand Side Management Application Presentation Day Compendium

EB-2021-0002

March 24, 2022

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Compendium Guide

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3	OEB DSM Letter: Objectives	DSM Letter IRP Framework
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1.

Enbridge Gas 2023-2027 Demand Side Management Application

Presentation to Ontario Energy Board



EB-2021-0002
March 24, 2022

Notes:

2.



How Did We Get Here?

➤ "While we would be supportive of increasing cost-effective ratepayer funding of natural gas conservation in Ontario, it is recognized that the OEB must balance ratepayer interests regarding bill impacts with the level of natural gas savings pursued."

- [Joint Letter](#) from Ministries, November 27, 2020

➤ "The OEB invites Enbridge Gas to file a comprehensive multi-year DSM plan application for the OEB to review new conservation programs, budgets, and targets for the post-2021 period."

- OEB, [DSM Letter](#), December 1, 2020

Related Links:

- [Table of Related Proceedings and Timelines](#)
- [Joint Letter](#)
- [DSM Letter](#)


Main Points from Slide:

- Enbridge Gas has been provided specific guidance and direction

Notes:

3.

OEB DSM Letter: Objectives



- Primary:
 - **ratepayer-funded** natural gas DSM is ***assisting customers*** in making their homes and businesses more efficient in order to help better ***manage their energy bills***. ***[emphasis added]***
- Secondary:
 - Help lower overall average annual natural gas usage
 - Play a role in meeting Ontario's greenhouse gas reductions goals
 - Create opportunities to defer and/or avoid future natural gas infrastructure projects [Note: IRP Framework decision, page 34]

Reference: OEB [DSM Letter](#), December 1, 2020

Related Links:


- [DSM Letter](#)
- [IRP Framework](#)

Main Points:

- Rate-payer funded programs should benefit gas customers
- IRP Framework decision supersedes DSM Letter with respect to IRP in DSM

Notes:

4.



OEB DSM Letter: Direction Provided

- Modest budget increases
 - *"Over the course of the 2015-2020 term, annual OEB-approved natural gas conservation budgets have doubled from the previous levels.... The OEB anticipates modest budget increases to be proposed by Enbridge Gas...." [emphasis added]*
- Customer focused
 - *"The OEB expects that all requests for ratepayer-funding to support DSM programs be accompanied by detailed evidence that shows how the programs will benefit Ontario's natural gas customers...." [emphasis added]*
- Seek to modify current programs and new programs to optimize results
- Propose additional metrics to ensure all segments of market are reached
- Where possible, coordinate delivery of DSM programs with CDM programs

Reference: OEB [DSM Letter](#), December 1, 2020

4

Related Links:

- [DSM Letter](#)

Main Points from Slide:

- Modest budget increases referenced from current levels and clearly emphasizes balancing bill impacts

Notes:

5.

2023-2027 DSM Plan Application Summary



- Based on guidance and direction received Enbridge Gas proposed a plan that:
 - Includes a **DSM framework** that builds on the existing OEB approved framework
 - Covers **5-year term** with **mid-point assessment** for plan adjustments required in evolving environment
 - Recognizes economic environment for **gas customers**, limiting base year **bill impacts** to about 2-3% with **formulaic budget increases** thereafter
 - Includes **broad range of programs** to reach diverse set of **gas customers'** needs
 - Integrates and **enhances successful existing programming** elements
 - Introduces **new programming** to help Ontario transition to low carbon future policies and technologies
 - Includes a **strong OEB governance structure** through innovative incentive model


Reference: Exhibit F, Tab 1, Schedule 3 for bill impacts

Related Links:

- [Exhibit F, Tab 1, Schedule 3](#)

Notes:

6.



Proposed Framework – Notable Items

- Largely an extension of 2015-2020 DSM Framework, adjusted to reflect:
 - Feedback received through OEB-led DSM Framework Consultation
 - Updates from subsequent OEB proceedings
 - Changes occurring in the current energy environment
- Standalone document amalgamates multiple documents
 - No end date proposed – OEB Budgetary guidance no longer in framework
 - Extended guiding principle of collaboration with CDM to any other funding entity that has significant overlap in policy objectives

Reference: Exhibit C, Tab 1, Schedule 1

6

Related Links:

- [Mandate Letter](#)

Main Points from Slide:

- This is the fifth DSM Framework and policies are well developed and understood

Notes:

7.

DSM Plan Budget

- Responsive to:
 - DSM Letter
 - Joint Letter
 - Environmental Plan guidance
 - Mandate Letter
- 5-Year Term
- 2023 Base Year: \$142M, approx. 6.5% increase over 2022
- 2024-2027 Proposal:
 - Program Budget: 3% policy growth + 2% inflation
 - Portfolio Overhead: 2% inflation only
 - DSMI: < inflation

Five Year 2023+ DSM Multi Year Plan Portfolio Budget					
	2023	2024	2025	2026	2027
Base Year	\$123,400,000	\$130,065,000	\$136,596,750	\$143,429,738	\$150,601,225
Program Budget	Formulaic increase of 3% (3% policy growth + CPI inflation) over year prior				
Portfolio Admin, Evaluation, Research & Development	\$16,360,000	\$16,727,200	\$17,101,764	\$17,483,779	\$17,873,655
	Formulaic increase of CPI inflation over year prior				
Five Year 2023+ DSM Multi Year Plan Maximum Incentive					
Annual Scorecards and Annual Net Benefits Maximum Incentives	\$19,890,000	\$20,287,800	\$20,688,054	\$21,107,627	\$21,529,576
	Formulaic increase of CPI inflation over year prior				
Low Carbon Transition Scorecard and Long Term GHG Reduction Target*	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
	No increase over year prior				

* These values represent the maximum incentive available pro-rated over 5 years, however the Low Carbon Transition Scorecard is only available in 2027 and 2027, and the long term GHG Reduction is only available in 2027.

Reference: Exhibit D, Tab 1, Schedule 1, Table 1; Exhibit D, Tab 1, Schedule 2, Table 1 & 2 (abridged for presentation)

Related Links:

- [Exhibit D, Tab 1, Schedule 1, Table 1](#)
- [Exhibit D, Tab 1, Schedule 2, Table 1](#)
- [Exhibit D, Tab 1, Schedule 2, Table 2](#)

Main Points from Slide:

- Program Budget (direct customer benefits) has the largest increase
- Portfolio Overhead has a lower increase
- DSMI has the smallest increase

Notes:

8.

Budget Allocations

- Major Sectors (Res+ LI, Commercial + Industrial) initial budget allocations aligned with modest bill impacts
- Newest programming starts historically low and allocated policy growth to manage ramp up period
- Expect some in-term changes due to emerging policies, to be included in mid-point assessment application

Key Reference:

- I.6.EGI.STAFF.13 c): Sensitivity analysis shows targets are strongly non-linear with budget increases

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Table 2: 2023-2027 Five-Year DSM Plan

DSM Budget Category	2023 Base Year	2024	2025
Residential Program	\$40,804,802	\$41,762,686	\$42,597,940
Low Income Program	\$22,987,685	\$23,447,439	\$23,916,388
Commercial Program	\$25,262,775	\$25,626,242	\$26,138,767
Industrial Program	\$17,828,114	\$18,184,676	\$18,548,370
Large Volume Industrial Program	\$2,766,624	\$2,821,957	\$2,878,396
Energy Performance Program	\$1,221,656	\$1,222,739	\$1,247,194
Building Beyond Code Program ¹	\$8,437,503	\$9,546,354	\$21,272,696 to be reassessed
Low Carbon Transition Program ¹	\$4,590,841	\$7,482,907	
Program Subtotal	\$123,900,000	\$130,095,000	\$136,599,750

Reference: Exhibit D, Tab 1, Schedule 1, Table 2 (abridged for presentation)

Related Links:

- [Exhibit D, Tab 1, Schedule 1, Table 2](#)
- [I.6.EGI.STAFF.13](#)

Main Points from Slide:

- Modest budget increases allocated proportionally to major sectors and program types

Notes:

9.

Annual Scorecard Targets



- All scorecard metrics consistent with program offering designs
- Target Adjustment Mechanism ("TAM")
 - Formulaic adjustment sets future year targets to reflect the best available information and most recent experience at time of adjustment
 - Scorecards definition means target adjustments to now be by sector
- Target-setting challenges:
 - Incrementality/diminishing returns
 - Changing baselines, cost-effectiveness
 - Anticipated/Potential Market Changes

Table 2: 2023 Annual Scorecard Targets

Offering(s)	Metric	Metric Weighting	Lower Band (50%) ¹	2023 100% Target	Upper Band (150%) ¹
Residential Program Scorecard					
Residential Whole Home Residential Single Measure Residential Smart Home	Net Annual Gas Savings (m³)	100%	6,818,933	13,637,865	20,456,798
Low Income Program Scorecard					
Home Weatherproofing	Single Family Net Annual Gas Savings (m³)	50%	1,436,388	2,872,796	4,309,194
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%	2,507,802	5,015,604	7,523,406
Commercial Program Scorecard					
Commercial Custom Prescriptive Downstream Direct Install Prescriptive Midstream	Large Customer Net Annual Gas Savings (m³) ²	50%	7,720,641	15,441,281	23,161,922
	Small Customer Net Annual Gas Savings (m³) ²	50%	4,457,031	8,914,062	13,371,094
Industrial Program Scorecard					
Industrial Custom	Net Annual Gas Savings (m³)	100%	25,188,493	50,376,987	75,565,480

Reference: Exhibit D, Tab 1, Schedule 3, Table 2 (abridged for presentation)

Related Links:

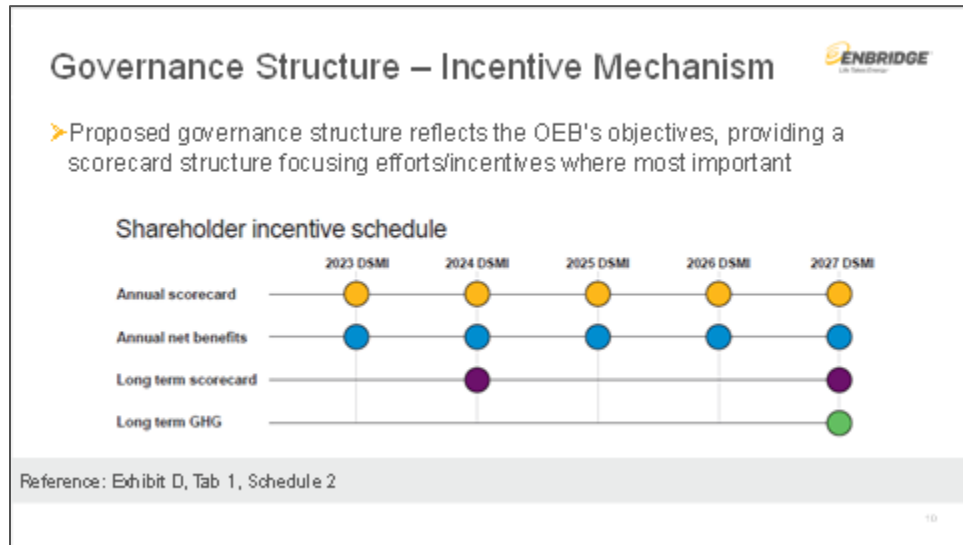
- [Exhibit D, Tab 1, Schedule 3, Table 2](#)

Main Points from Slide:

- Continue using TAM as previously directed by OEB

Notes:

10.



Related Links:

- [Exhibit D, Tab 1, Schedule 2, Infographic](#)
- [Exhibit D, Tab 1, Schedule 2, Table 1](#)
- [Exhibit D, Tab 1, Schedule 2, Table 2](#)

Main Points from Slide:

- The incentive mechanism is the OEB's governance structure to guide the utility without the need for micromanagement

Notes:

11.

Annual Scorecard Design



- Removed DSMI proportionality to budget and used fixed weightings – to reflect OEB priorities
- Mainly defined Annual Scorecards at Sector level
- Proposed Budget is to hit 100% target

Key Reference:

- I.8.EGI.STAFF.18: Shows 'back-cast' of historical results in proposed scorecard structure
- Demonstrates proposed targets are reasonable

Table 5: 2023 Annual Scorecards

Annual Scorecard	DSMI Allocation	DSMI below 50% Score	DSMI at 100% Score	DSMI at 150% Score
Residential Program	22.0%	\$0	\$1,458,600	\$2,917,200
Low Voltage Program	22.0%	\$0	\$1,458,600	\$2,917,200
Commercial Program	22.0%	\$0	\$1,458,600	\$2,917,200
Industrial Program	22.0%	\$0	\$1,458,600	\$2,917,200
Large Volume Program	3.0%	\$0	\$19,890	\$39,780
Energy Performance	1.0%	\$0	\$66,300	\$132,600
Building Beyond Code Program	8.0%	\$0	\$530,400	\$1,060,800
Total	100.0%	\$0	\$6,630,000	\$13,260,000

Reference: Exhibit D, Tab 1, Schedule 2, Table 5 (abridged for presentation)

11

Related Links:

- [Exhibit D, Tab 1, Schedule 2, Table 5](#)
- [I.8.EGI.STAFF.18](#)

Main Points from Slide:

- Weightings are fixed to reflect OEB priorities

Notes:

12.

Annual Net Benefits

- Structured as per feedback received in Mid-term review from stakeholders
- Targets middle of range with proposed budget levels
- Incentive weighted to higher achievement levels (asymmetrical)
- Ensures focus on optimization of all spend through customer lens
- Annual maximum DSMI weighted 1/3 Net Benefits, 2/3 on Annual Scorecards



Table 11: Net Benefits Shared Savings Illustration

Net Benefits		2023 Forecast Estimate	
Max Annual Shared Savings		\$6,630,000	
Forecasted 2023 Net Benefits (\$) Result 1,2		\$364,502,976	
Net Benefit Range	Percentage of Net Benefits Shared	Max Annual DSMI By Range	Forecasted Calculated Incentive By Range
\$0M - \$100M	0.00%	\$0	\$0
\$100M - \$200M	1.00%	\$1,000,000	\$1,000,000
\$200M - \$300M	1.25%	\$1,250,000	\$1,250,000
\$300M - \$400M	1.50%	\$1,500,000	\$967,545
\$400M - \$500M	2.00%	\$2,000,000	\$0
\$500M+	2.50%	\$880,000	\$0
Total		\$6,630,000	\$3,217,545

Reference: Exhibit D, Tab 1, Schedule 2, Table 11

12

Related Links:

- [Exhibit D, Tab 1, Schedule 2, Table 11](#)
- [I.8.EGI.STAFF.18](#)

Main Points from Slide:

- Based on feedback received from stakeholders in Mid-term review

Notes:

13.

Long Term Scorecard

- Scorecard structure and calculations consistent with annual scorecards
- Measured over more than one year consistent with the program design goals




Table 12: Long Term Scorecard: Low Carbon Transition Program

2023-2024 Long Term Scorecard	Offering(s)	Metric	Metric Weighting	DSM below 50% Score	DSM at 100% Score	DSM at 150% Score
Low Carbon Transition Program	Residential Low Carbon	Number of Installations (Residential Heat Pumps)	25%	\$0	\$400,000	\$600,000
		Number of Contractors Trained (Residential Heat Pumps)	25%			
	Commercial Low Carbon	Number of Installations (Commercial Heat Pumps)	25%			
		Number of Engineers Trained (Commercial Heat Pumps)	25%			

1. Low Carbon Transition Programs for 2025-2027 to be reassessed at the mid-point assessment.

Reference: Exhibit D, Tab 1, Schedule 2, Table 12

13

Related Links:

- [Exhibit D, Tab 1, Schedule 2, Table 12](#)

Notes:

14.

Long Term GHG Scorecard

- **Responsive to OEB**
encouragement to develop longer term target for term
- Sets **stretch factor** on first year target
- Set as a **binary target** – no DSMI for not hitting the long-term stretch goal




Table 13: Long Term (Five-Year) GHG Reduction Target

Target Development	
2023 Forecast Portfolio Gross Annual m ³	241,630,442
kg CO ₂ e / m ³ of Natural Gas	1.874
Year 1 (2023) Gross Annual GHG (tonnes)	452,832
Years	5
Stretch Factor	15%
Long Term (Five-Year) GHG Reduction Target - (tonnes)	2,603,786

Table 14: Long Term (Five-Year) GHG Reduction DSMI

Long Term GHG Reduction DSMI Scenario Analysis			
	Achieve Less than 100% Target	Achieve 100% of Target	Achieve Greater than 100% Target
Sum of 2023-2027 Gross Annual GHG Reduction Achievement		2,603,786	
Long Term (Five-Year) GHG DSMI Earned	\$0	\$5,000,000	\$5,000,000

Reference: Exhibit D, Tab 1, Schedule 2, Tables 13 and 14


Related Links:

- [Exhibit D, Tab 1, Schedule 2, Tables 13 and 14](#)

Notes:

15.

DSM Programming Portfolio



- Enbridge Gas's comprehensive DSM Plan will continue to play an important role in actions related to natural gas conservation and provincial GHG emission policy.
- **Customer-centric** approach, focused **primarily on gas reductions** in:
Residential, Low Income, Commercial, Industrial, Large Volume Industrial
 - Fully integrated in terms of program requirements, processes and accounting practices
 - Enhancements to current programming that is working well
 - Increased choice and flexibility for customers
 - Expansion of core capabilities and resources where necessary


Reference: Exhibit E, Tab 1, Schedule 1

15

Notes:

16.


New Construction: Building Beyond Code



➤ *"Federal, provincial, and territorial governments will work to develop and adopt increasingly stringent model building codes, starting in 2020, with the goal that provinces and territories adopt a "net-zero energy ready" model building code by 2030."*

- Pan-Canadian Framework on Clean Growth and Climate Change
- Canada's Plan to Address Climate Change and Grow the Economy

➤ Encouraging new construction sector to **advance construction practices**, meet the needs of municipalities' GHG reduction targets and **supporting adoption of higher step code** in Ontario



Reference: Exhibit E, Tab 2, Schedule 2

16

Main Points from Slide:

- Utility is filling role to support increasing codes over time

Notes:

17.

Low Carbon Transition

- NRCan Report – Paving the Road to 2030 and Beyond: Market transformation road map for energy efficient equipment in the building sector
 - Identifies market transformation needs for space and water heating to reduce energy use by at least 35% through next generation equipment technologies
 - Supporting the Pan-Canadian Framework
- Fulfilling **Key Stakeholder Role** for Utilities in fostering adoption and awareness of **new technology and energy options** to transition Ontario to a low carbon future

Stakeholder	Key Initiatives					
	MRP for Product Development	MRP for Laboratory and Field Testing	Demonstration	Information & Awareness	Training, Incentives	Codes & Standards
NRCan	●	●	●	●	●	●
Provincial and Territorial Governments	●	●	●	●	●	●
Federal Laboratories	●	●				
Research Organizations	●	●				
ENERGY EFFICIENCY Organizations	●	●	●	●	●	●
Manufacturers	●	●	●	●	●	●
Builders / Contractors			●	●	●	
Industry Organizations*	●	●	●	●	●	●
Codes / Standards Organizations			●			●

● denotes leading role and ● denotes supporting role for key activities.

Reference: Exhibit E, Tab 3, Schedule 1

Main Points from Slide:

- Filling role to support the Pan-Canadian Framework

Notes:

18.

Collaboration with CGHG Program



- Company & NRCan negotiating collaboration on **province wide residential program** based on following principles:
- **Duplication** with similar programs in the same market is **not in the interest of customers**/constituents or the entities offering programs
- **New programming** entering a market **should not displace existing** programming for the same/similar policy goals
- Customer **rebates announced** with committed term **should not be reduced**

Objective: *jointly fund an Ontario wide program providing the ultimate benefit to both participants and achievement of common policy goals*

Reference: EGI Letter, February 25, 2022, Attachment 2

18

Related Links:

- [EGI Letter February 25, 2022, Attachment 2](#)

Notes:

19.

CGHG – Impact on DSM Plan Proceeding

➤ Enbridge Gas notes:

- Proposed DSM Framework, program portfolio, scorecards are appropriate regardless of outcome of negotiations
- Expected implementation timeline is for 2022, beyond scope of current application

➤ Outcomes:

- Agreement with NR Can, the Company expects:
 - *No change* to proposed budget or budget flexibility requirements
 - *No change* to the scorecard structure and metrics
 - *Possible change* to Residential target based on final forecast and attribution agreement
- No agreement: no change to proposed DSM Plan, proposed residential program is valid

➤ Commitment: file update with any target adjustments once agreement finalized
(no different from expectations if agreement was reached in middle of a plan term)

Reference: EGI Letter, February 25, 2022, Attachment 2

19

Related Links:


- [EGI Letter February 25, 2022, Attachment 2](#)

Main Points from Slide:

- Enbridge Gas is supporting emerging policy direction

Notes:

20.



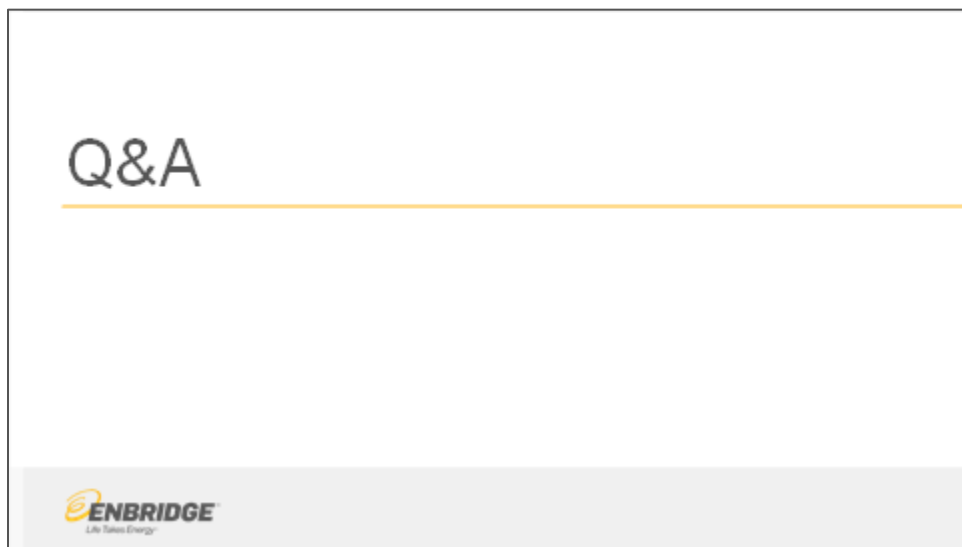
Summary

- Enbridge Gas proposed DSM Plan application is responsive, thoughtful, balanced, and appropriate for Ontario gas customers
- Seeking OEB approval of the DSM Plan including:
 - Proposed DSM Framework
 - Formulaically increasing Budget Envelope for 5-year term
 - Limited Mid-point assessment w/Company application for required changes
 - Broad based Program Portfolio, serving Ontario gas customers
 - OEB Governance structure based on innovative incentive mechanism

20

Notes:

21.



Notes:

Table of Related Proceedings and Timelines

Date	Item	Source	Content
21-May-19	OEB Letter	EB-2019-0003 - Framework Consultation	Initiated a consultation process that the Ontario Energy Board (OEB) is undertaking to develop a Demand Side Management (DSM) framework for natural gas distributors beginning in 2021.
13-Jun-19	Phase 1 Stakeholder Meeting	EB-2019-0003 - Framework Consultation	OEB received input on the scope of the consultation and the goals and objectives
27-Nov-19	EGI 2021 Rollover Submission	EB-2019-0271 - 2021 Rollover	Enbridge Gas requests that the OEB issue an extension of the current 2015-2020 DSM Framework for one year (effective January 1, 2021 to December 31, 2021) by April 2, 2020.
28-Jan-20	Phase 2 Stakeholder Meeting	EB-2019-0003 - Framework Consultation	to seek input on the consultation plan and general framework ideas.
16-Jul-20	OEB 2021 Rollover Decision and Order	EB-2019-0271 - 2021 Rollover	Approving a one-year extension for Enbridge Gas Inc. to continue delivering DSM programs under the existing framework throughout 2021.
27-Nov-20	<u>Joint letter</u> Ministry of Energy and Ministry of Environment	EB-2019-0003 - Framework Consultation	<i>“While we would be supportive of increasing cost-effective ratepayer funding of natural gas conservation in Ontario, it is recognized that the OEB must balance ratepayer interests regarding bill impacts with the level of natural gas savings pursued.”</i>
1-Dec-20	OEB DSM Letter	EB-2019-0003 - Framework Consultation	<i>“The OEB invites Enbridge Gas to file a comprehensive multi-year DSM plan application for the OEB to review new conservation programs, budgets, and targets for the post-2021 period.”</i>

Ministry of Energy, Northern Development and Mines Letter ("Joint Letter"), November 27, 2020

**Ministry of Energy,
Northern Development
and Mines**

Office of the Associate Minister
of Energy

77 Grenville Street, 10th Floor
Toronto ON M7A 2C1
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**Ministère de l'Énergie,
du Développement du Nord
et des Mines**

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MC-994-2020-1084

November 27, 2020

Ms Susanna Zagar
Chief Executive Officer
Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto ON M4P 1E4

Dear Ms Zagar:

As the Ontario Energy Board (OEB) proceeds with its efforts to address the continued availability of demand side management (DSM) programs following the expiry of the existing 2015-2020 Framework and the approved DSM programs for 2021, we would like to take this opportunity to communicate the Ontario government's current policy objectives related to the environment and to economic recovery from the COVID-19 pandemic.

2018 Environment Plan Natural Gas Targets

As you know, the Made-in-Ontario Environment Plan was released in November 2018. The plan is our government's roadmap to preserving and protecting our land, air, and water, addressing litter and reducing waste, and supporting the people of Ontario as we work towards reducing greenhouse gas (GHG) emissions.

The Environment Plan commits Ontario to achieving a GHG emissions reduction target of 30 percent below 2005 levels by 2030, in line with Canada's 2030 target and includes an 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."

The Environment Plan also acknowledges the important role of natural gas conservation programs in achieving our provincial GHG emissions reduction target. To that end, the plan includes an estimate of the potential for actions related to natural gas conservation, with ratepayer-funded natural gas DSM being one component of this. We are therefore writing to clarify that this estimate is not intended to be a prescriptive target that the OEB would be required to facilitate through ratepayer-funded natural gas DSM programs. We do note, however, that it reflects the success of past energy conservation efforts and some of the detailed achievable potential analysis conducted to support DSM programs that lower energy bills for consumers in the long run.

We recognize that the OEB's objectives for natural gas, as defined in the *Ontario Energy Board Act, 1998*, include both "to protect the interests of consumers with respect to prices..." and "to

.../cont'd

-2-

promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances". While we would be supportive of increasing cost-effective ratepayer funding of natural gas conservation in Ontario, it is recognized that the OEB must balance ratepayer interests regarding bill impacts with the level of natural gas savings pursued.

We know there is no one single environmental approach or solution that fully addresses the needs of all provinces, regions or communities. That is why our plan will continue to evolve as a living document to address the environmental priorities of Ontarians as new information, ideas and innovations emerge. The Ministry will consider the latest research and models to estimate costs of actions and the impacts of policies on GHG emissions. These estimates will continue to evolve as policies and commitments in the plan are finalized and implemented.

Supporting Ontario's Economic Recovery

The COVID-19 pandemic has had a significant impact on natural gas consumers and Ontario's economy. Our government recognizes that natural gas DSM programs help consumers manage their energy costs and are an important contributor to Ontario's economy. Ensuring that an appropriate level of DSM programming remains available to natural gas customers without interruption will assist them in managing their energy costs, and can also help to defer future natural gas infrastructure needs.

Alignment with Energy Affordability Program (EAP)

The government is renewing electricity conservation programming for low-income households. Pursuant to a recently issued Order in Council and Minister's Directive, the Independent Electricity System Operator (IESO) will be launching a new Energy Affordability Program in January 2021 to deliver the benefits of two existing programs, the Affordability Fund Program and the Home Assistance Program, which are ending in 2020. As part of this renewal, the eligibility criteria of this new program are being updated. The government encourages the OEB to consider supporting the alignment of the eligibility criteria between the new Energy Affordability Program and any natural gas low-income programs.

Conclusion

We hope this clarification is helpful to you and your stakeholders. We look forward to the OEB's continued support to help achieve Ontario's policy objectives, while delivering value for Ontario natural gas customers.

Sincerely,



Minister Bill Walker
Associate Minister of Energy



Jeff Yurek
Minister of the Environment, Conservation
and Parks

- c: Hon. Greg Rickford, Minister of Energy, Northern Development and Mines
Stephen Rhodes, Deputy Minister, Energy, Northern Development and Mines
Serge Imbrogno, Deputy Minister, Ministry of Environment, Conservation and Parks
Bonnie Lysyk, Auditor General of Ontario
Alex Wood, Assistant Deputy Minister, Climate Change and Resiliency Division
Kelly Brown, Assistant Deputy Minister, Conservation and Renewable Energy Division

OEB Letter (“DSM Letter”), December 1, 2020



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL AND WEB POSTING

December 1, 2020

To: All Rate-regulated Natural Gas Distributors
All Participants in EB-2019-0003

Re: Post-2020 Natural Gas Demand Side Management Framework
Board File Number: EB-2019-0003

The Ontario Energy Board (OEB) has determined that the best approach for approving a post-2021 Demand Side Management (DSM) plan is for the OEB to consider it through an application process. For that reason, the policy consultation is being concluded. Through this letter, the OEB is inviting Enbridge Gas Inc. to develop and file a comprehensive DSM plan application for DSM programs starting in 2022. The application should include proposed targets, budgets, and programs for the next multi-year DSM plan term. This letter also provides Enbridge Gas with initial guidance to assist it in developing its application, although the proposals made by Enbridge Gas will ultimately be at the discretion of the company.

Background

The OEB began a policy consultation, to be completed in stages, through a [letter](#) dated May 21, 2019. Following a Phase 1 Stakeholder Meeting on June 13, 2019 to receive input on the scope of the consultation and the goals and objectives, the OEB [indicated](#) that it would undertake a comprehensive review of the current framework for the purpose of establishing a new framework.

In a [letter](#) issued on December 19, 2019, the OEB initiated Phase 2 of the consultation and provided a draft consultation plan identifying topics for discussion. The OEB held a Phase 2 Stakeholder Meeting on January 28, 2020 to seek input on the consultation plan and general framework ideas.

On July 16, 2020, the OEB issued a [Decision and Order](#) approving a one-year extension for Enbridge Gas Inc. to continue delivering DSM programs under the existing framework throughout 2021.

OEB Direction

Given the passage of time, and in an effort to achieve efficiencies and increase the timeliness of OEB approval of a new multi-year natural gas DSM plan, the OEB is concluding the consultation process in favour of an adjudicative process. The OEB invites Enbridge Gas to file a comprehensive multi-year DSM plan application for the OEB to review new conservation programs, budgets, and targets for the post-2021 period. With the existing 2015-2020 DSM framework set to expire on December 31, 2020, forgoing additional pre-hearing consultation will allow the process to be streamlined through the OEB's adjudicative process. The OEB and interested parties will have the opportunity to undertake a detailed review and comprehensive analysis of the application in order to assess the value and merit of all proposals related to ratepayer-funded DSM programs. This will ensure that the initial goal of the policy consultation, which was to undertake a comprehensive review of the central elements of a DSM plan, can still be achieved.

Enbridge Gas's DSM plan application should be informed by the results of the 2015-2020 DSM plans, the OEB's [Mid-Term Review Report](#), the 2019 [Achievable Potential Study](#), information received through the post-2020 DSM consultation to date, and the government's policies and commitments in the Environment Plan as they continue to evolve, including as expressed in the November 27, 2020 [letter](#) from the Associate Minister of Energy and the Minister of the Environment, Conservation and Parks to the OEB regarding the Ontario government's current policy objectives related to DSM.

The OEB's overall objectives for ratepayer funded DSM and key guidance on the main elements of natural gas DSM plans are provided below to allow Enbridge Gas to develop an application for a new multi-year DSM plan that will be subject to a hearing by the OEB. The panel of commissioners hearing the application, however, will ultimately make its decision based on the evidence and arguments before it.

Objectives and Costs of Ratepayer-Funded Natural Gas DSM

As part of Phase 1 of the OEB's consultation, the OEB received written comments from 25 stakeholders regarding the goals and objectives of ratepayer-funded DSM. Following its review and consideration of the submissions, the OEB is of the view that the primary objective of ratepayer-funded natural gas DSM is assisting customers in making their homes and businesses more efficient in order to help better manage their energy bills.

In working towards the primary objective, Enbridge Gas's future ratepayer-funded DSM plan should also consider the following secondary objectives:

- Help lower overall average annual natural gas usage
- Play a role in meeting Ontario's greenhouse gas reductions goals
- Create opportunities to defer and/or avoid future natural gas infrastructure projects¹

These secondary objectives balance input received from stakeholders and refine the objectives included in the former 2015-2020 DSM framework. The OEB is of the view that these secondary objectives are important considerations that a well-planned and effectively implemented DSM plan can help achieve.

Over the course of the 2015-2020 term, annual OEB-approved natural gas conservation budgets have doubled from the previous levels approved for the 2012-2014 term, up to approximately \$140 million per year by the end of the current term. With COVID-19 creating many financial hardships, energy conservation has a role in helping to reduce energy costs and assist customers in managing their energy bills. The OEB anticipates modest budget increases to be proposed by Enbridge Gas in the near-term in order to increase natural gas savings, and expects Enbridge Gas to seek to improve the cost-effectiveness of programs. However, the appropriate level of ratepayer funding expended for DSM programs must weigh the cost-effective natural gas savings to be achieved against both short-term and long-term customer bill impacts.

The OEB expects that all requests for ratepayer-funding to support DSM programs be accompanied by detailed evidence that shows how the programs will benefit Ontario's natural gas customers, help reduce overall natural gas usage and costs, and contribute towards meeting the Government's goals to reduce greenhouse gas emissions.

DSM Programs

Based on the OEB's evaluated results of the 2015 to 2018 DSM programs, while still cost-effective, the level of natural gas savings achieved through DSM programs for each dollar spent has been decreasing. This may be related to Enbridge Gas striving to

¹ DSM can avoid or defer infrastructure passively (by reducing overall natural gas use and infrastructure needs) or actively (by targeting specific infrastructure projects). The OEB has an ongoing hearing that is considering Enbridge Gas's proposed Integrated Resource Planning framework (EB-2020-0091). As part of that proceeding, the OEB will decide on the relationship between the IRP framework and future utility DSM plans and the extent to which Enbridge Gas will be expected to meet this secondary objective as part of its future DSM plan.

meet a number of different priorities, programs being extended to harder-to-reach customers, and recent updates to outdated assumptions.

The OEB expects Enbridge Gas to seek out elements of current programs that can be modified and consider new programs in order to optimize overall program results to make the best use of ratepayer funding. When reviewing its current suite of programs and potential future programs, Enbridge Gas is expected to consider input received through the post-2020 DSM framework consultation, lessons learned from the past six years of activity, the OEB's evaluation reports and recommendations from the Evaluation Contractor, stakeholder feedback from the Mid-Term Review consultation and the recent 2021 DSM plan proceeding, the 2019 Achievable Potential Study, as well as the Government's Environment Plan as it continues to evolve.

For example, Enbridge Gas is encouraged to find ways to increase the natural gas savings from its programs by reducing free ridership, targeting key segments of the market, including low-income and on-reserve First Nations communities, and customers with significant room for efficiency improvements, and strategically incenting customers to achieve more savings. Consistent with the OEB's direction provided in the OEB's [Mid-Term Review Report](#), Enbridge Gas is expected to be actively screening potential program participants thoroughly, and actively seeking out customers who can most greatly benefit from the programs, thereby ensuring program funds are used as efficiently as possible. Further, the OEB expects that all programs continue to be cost-effective as defined in the Mid-Term Review Report.

Additionally, consistent with the [Ministerial Directive](#) issued to the Independent Electricity System Operator (IESO) on September 30, 2020, the OEB expects that Enbridge Gas will endeavor to coordinate the delivery of DSM programs with electricity CDM programs where possible, including modifying the participant eligibility requirements of its current low-income program in order to be consistent with the electricity income-tested CDM program eligibility requirements. The centralization of electricity CDM programs under the IESO may lead to new opportunities for DSM-CDM collaboration and a greater level of overall energy savings. The OEB expects Enbridge Gas to file evidence addressing linkages to the new electricity CDM framework and to identify opportunities for efficiencies, program cost reductions, and increased natural gas savings.

Targets, Metrics and Shareholder Incentives

The OEB completed an updated Achievable Potential Study in October 2019. The study was integrated with the IESO with the objective of identifying and quantifying energy

savings (electricity and natural gas), greenhouse gas emissions reductions and associated costs from demand side resources for the period from 2019 to 2038. While not determinative, the OEB expects that the findings from the study will be used to inform future natural gas DSM plans.

Further, the OEB is generally supportive of continuing the use of a utility shareholder incentive as a reward for meeting or exceeding performance targets. The OEB expects that future performance be assessed relative to measurable, outcome-based metrics. Additional metrics should also be proposed to ensure all segments of the market are reached and small volume, low-income customers and on-reserve First Nations communities are well-served. The OEB encourages Enbridge Gas to develop a longer-term natural gas savings reduction target, separate from the annual targets, that it will work to achieve by the end of the next multi-year DSM term.

Evaluation, Measurement and Verification

The OEB will continue to provide annual oversight of DSM programs through its role in leading the evaluation, measurement and verification (EM&V) activities. The OEB expects that all future process evaluations undertaken by Enbridge Gas will be included in the OEB's EM&V Plan. These evaluations assess the design and delivery of programs, and all scope of work documents and deliverables will be reviewed by the OEB's Evaluation Advisory Committee and the OEB's Evaluation Contractor.

Additionally, as part of its application for a new multi-year DSM plan, Enbridge Gas is expected to provide information on how it has refined its processes and improved its tracking databases, as recommended by the OEB's Evaluation Contractor, to support the OEB's evaluation process, reduce costs and increase efficiencies.

Term

The OEB expects that Enbridge Gas's new multi-year DSM plan will be for a minimum term of three years up to a maximum of six years, including 2022. Enbridge Gas may consider it necessary to maintain some elements from its 2021 DSM Plan as part of its proposed 2022 DSM Plan to potentially act as a transition to the next multi-year DSM plan. Enbridge Gas should specify in its DSM Plan application by when approval of its 2022 DSM Plan would be required in order to ensure program continuity. Alternatively, Enbridge Gas may file a separate application for 2022.

Next Steps

At a minimum, the OEB expects Enbridge Gas to submit an application for a new DSM plan that includes proposed targets, budgets, programs, and performance metrics no later than May 1, 2021.

As the OEB's main objective for DSM is relevant to all Ontario natural gas customers, the OEB encourages EPCOR Natural Gas Limited Partnership to consider filing its own DSM plan. The OEB appreciates that any DSM plan filed by EPCOR would need to be devised and assessed in a different manner than that of Enbridge Gas, however, the objectives outlined in this letter are still relevant to EPCOR.

The OEB thanks all participants for their contributions to the consultation. A Notice of Hearing for Cost Awards regarding the remaining activities not yet addressed will be issued separately.

Yours truly,

Original Signed By

Christine E. Long
Registrar

EB-2020-0091 (Integrated Resource Planning Proposal) Decision and Order Excerpt, July 22, 2021

Ontario Energy Board

EB-2020-0091
Enbridge Gas Inc.

appropriate. However, Enbridge Gas stressed that a more permanent solution would be needed for the longer term.

Menu/Listing of IRPAs

Several parties, including Energy Probe, FRPO, and OEB staff, indicated that a listing or menu of IRPAs being considered by Enbridge Gas would be useful.

OEB staff suggested that Enbridge Gas should be required to develop and maintain a document on the best available information on IRPAs, filed with Enbridge Gas's annual IRP report. OEB staff suggested that the information provided could include the types of IRPAs, estimates of cost, peak demand savings, status in Ontario, potential role and relevance to Enbridge Gas's system, and learnings from pilot projects and other jurisdictions. OEB staff submitted that this would assist Enbridge Gas and other parties as a starting point for consideration of IRPAs for specific system needs and assist the OEB in its review of Enbridge Gas's consideration of alternatives in Leave to Construct/IRP Plan applications. Enbridge Gas agreed that a proposed record of information on available demand-side IRPAs would be a useful addition to the annual IRP Report; however, Enbridge Gas suggested that supply-side options were too situation-specific to include in the report.

Findings

Enbridge Gas is seeking OEB approval to use a wide variety of demand-side and supply-side IRPAs to meet identified needs/constraints.

Enbridge Gas has considerable experience with implementing demand-side solutions such as energy efficiency programs as part of its DSM Plans; however, the programs and measures in DSM Plans have been focused on reducing overall franchise-wide natural gas use for customers and increasing energy efficiency, rather than directed to targeted peak demand reduction to address system needs.

The OEB agrees that demand-side programming, including geotargeted energy efficiency, and demand response programs, should be part of the IRP Framework. The demand-side IRPAs are expected to target specific constrained areas and (among other objectives) encourage customers to reduce peak consumption. **In regard to the December 1, 2020 letter and the relationship between the IRP Framework and DSM Plans, the OEB finds that potential merging of DSM energy efficiency with programs aimed at reducing peak demand to meet system needs is premature.** Historically, the programs and measures in DSM Plans have been focused on reducing overall franchise-wide natural gas use for customers and increasing energy efficiency, rather

Ministry of Energy Letter (“Mandate Letter”), November 15, 2021

Ministry of Energy

Office of the Minister

77 Grenville Street, 10th Floor
Toronto ON M7A 2C1
Tel.: 416-327-6758

Ministère de l'Énergie

Bureau du ministre

77, rue Grenville, 10^e étage
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MC-994-2021-723

November 15, 2021

Mr. Richard Dicerni
Chair
Ontario Energy Board
2300 Yonge Street, 27th floor
PO Box 2319
Toronto ON M4P 1E4

Dear Mr. Dicerni:

Thank you for your letter dated July 27, 2021 presenting the Ministry of Energy (ENERGY) with the Ontario Energy Board's (OEB) 2021 Annual Report for the fiscal year ending March 31, 2021. I have accepted the Annual Report and tabled it with the Legislative Assembly of Ontario on September 28, 2021. The report should now be made available on the OEB's website (as required by our Memorandum of Understanding).

The 2020/2021 Annual Report captures the progress the OEB made toward modernization in the year that it transitioned to its new governance structure. The OEB's commitment to modernization is further reflected in the report card on the Mandate Letter that you submitted to me on September 20, 2021.

The Mandate Letter provided to the OEB on October 1, 2020 showed an ambitious multi-year agenda for a modernized OEB. I am pleased that the OEB has taken such significant steps to promote regulatory excellence within the organization. This work was accomplished while facing the challenges associated with the COVID-19 pandemic. This period saw the OEB adapt to a remote work environment while also moving quickly to support consumers experiencing difficulties with their energy bills and industry as it responded to the crisis. I want to thank you along with the OEB's leadership team, Commissioners and dedicated staff for the incredible work done in support of Ontarians over the past year.

As you begin planning for your next Business Plan, it is my responsibility as Minister to provide you with a renewed Mandate Letter to update you on the government's priorities for the energy sector and my expectations for the OEB for the upcoming three-year planning period. It is essential that the OEB continues to make progress in implementing the priorities of the 2020 Mandate Letter, including robust performance measurement, transparent engagement with stakeholders and red tape reduction.

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The OEB has incorporated these priorities into the Strategic Themes of its 2021/22 – 2025/26 Strategic Plan – evolving to become a top quartile regulator, driving energy sector performance, protecting the public and facilitating innovation. These themes remain both relevant and necessary as the OEB updates its Business Plan to reflect the priorities set out below.

The government's priorities for the energy sector are about promoting reliability, affordability, sustainability and consumer choice. I know that the OEB has begun grappling with important questions related to these priorities, such as how to consider greenhouse gas emissions and decarbonization within the energy sector activity that the OEB regulates. I have confidence in the OEB, its commitment to modernization and that it will set its priorities and undertake its work with an eye to addressing the challenges and opportunities facing Ontario's energy sector. Within that context, I would like to highlight some initiatives where the OEB's role in delivering these priorities will be critical over the next three years:

- The OEB should continue to prioritize its work facilitating and enabling innovation and adoption of new technologies where it makes sense for customers, including implementation of the government's Green Button and Community Net Metering initiatives. Developing policies that support the adoption of non-wires and non-pipeline alternatives to traditional forms of capital investment, where cost-effective, will be essential in maintaining an effective regulatory environment amidst the increasing adoption of Distributed Energy Resources. Work that is already underway, like the Framework for Energy Innovation, should continue. I am pleased with the increased co-ordination and collaboration with stakeholders, especially the Independent Electricity System Operator (IESO). This ongoing collaboration is critical to ensure that initiatives are evaluated and decisions are made with both cost and reliability in mind.
- Increased adoption of electric vehicles (EVs) is expected to impact Ontario's electricity system in the coming years and the OEB must take steps to facilitate their efficient integration into the provincial electricity system, including providing guidance to Local Distribution Companies (LDCs) on system investments to prepare for EV adoption. I am pleased that the OEB is participating in the government's Transportation Electrification Council. I will write to you in the near future on this matter, as it relates to the OEB's Regulated Price Plan (RPP) Roadmap to improve system efficiency and give customers greater control.
- The OEB has done extensive work studying dynamic pricing plans for Class B customers. As Ontario recovers from COVID-19-related economic hardships, we must find ways to support small businesses and give businesses the tools to keep energy prices low so as to not pass on those costs to consumers. I ask that the OEB work with the IESO to develop a plan to design and implement a dynamic pricing pilot to assess the benefits for non-RPP Class B customers.

.../cont'd

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- I expect to see the establishment of multi-year natural gas Demand Side Management (DSM) programming and the implementation of the OEB's Integrated Resource Planning framework for assessing demand-side and supply-side alternatives to pipeline infrastructure in meeting natural gas system needs. I would like to express my strong interest in a framework that delivers increased natural gas conservation savings and reduces greenhouse gas emissions. Conservation is a strong driver for cost savings for ratepayers, and with the introduction of carbon pricing, conservation can also transform homes and help protect ratepayers from the impact of the carbon tax. Natural gas conservation programs have delivered continued value for money for ratepayers – based on OEB-verified results for 2019, every dollar spent on natural gas DSM has resulted in up to \$3 in participant and social benefits.
- With regard to the next multi-year DSM programming period, it is important that the regulatory processes are optimized to increase efficiency so that they do not hinder Ontarians' access to the real savings that result from these programs. It is also important that the DSM Framework be implemented in a way that enables customers to lower energy bills in the most cost-effective way possible, and help customers make the right choices regardless of whether that is through more efficient gas or electric equipment. I also wish to stress the continued need to foster integration and alignment between natural gas and electricity conservation programs to find efficiencies and to facilitate a streamlined customer experience, where feasible. That said, I am pleased to see the continued collaboration between the IESO Conservation and Demand Management (CDM) and DSM programs in the low-income space and encourage further collaboration, as appropriate. Likewise, as communicated in a recent letter from the Ministry to the federal government encouraging collaboration between DSM and the new Canada Greener Homes Program, it is important that the OEB considers how to use Ontario's DSM programs to leverage these federal funds to benefit Ontario ratepayers.
- The *Supporting Broadband and Infrastructure Expansion Act, 2021* (Bill 257) received Royal Assent on April 12, 2021. This Act contains amendments to the *Ontario Energy Board Act, 1998* that, when proclaimed into force, would establish new authorities in support of the use of and access to electricity infrastructure for non-electricity purposes. As ENERGY considers how these authorities can support the government's objectives for rural broadband expansion, continued consultation and collaboration with the OEB will be essential.
- Modernizing and streamlining processes to reduce regulatory burden is vitally important to the work of an efficient and effective regulator. I am pleased that the OEB has taken steps in this direction in response to the 2020 Mandate Letter, including reviewing how filing requirements can be tailored to LDC size, releasing the Chief Commissioner's Plan with initiatives to enhance adjudicative processes and launching a review of the Reporting & Record-keeping Requirements.

.../cont'd

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These plans should continue, ensuring they reflect the feedback of stakeholders and deliver results in the coming fiscal year. The OEB should also continue its work reviewing intervenor processes to identify opportunities to improve the efficiency and effectiveness.

- The OEB should continue to ensure that the structure and operations of the distribution sector constantly evolve towards optimal efficiency. To that end, the OEB should explore opportunities to enable proactive investment in energy infrastructure, such as protection and refurbishment, where utilities can prove there are long-term economic and reliability benefits to ratepayers. In previous years, these efficiencies have been found both through utility mergers/acquisitions and with the formation of innovative partnerships between utilities. Considering this, I also ask that the OEB require LDCs with fewer than 30,000 customers to file information within their cost-of-service applications on the extent to which they have investigated potential opportunities from consolidation or collaboration/partnerships with other distributors.
- Over the coming year, the government will continue its review of Ontario's long-term energy planning framework to increase the effectiveness, certainty, transparency and accountability of energy decision-making in Ontario while protecting the interests of ratepayers. I want to thank OEB staff and leadership for their contribution to the process so far and look forward to continued collaboration as we consider an appropriate role for the OEB in long-term planning.

Through these priorities we can ensure that the OEB is continuing to deliver value for Ontario's energy consumers. We are confident that as we recover from the COVID-19 pandemic, the people of Ontario are going to unleash the economic growth that is necessary for job creation, prosperity and a stronger province.

This Mandate Letter is also my opportunity to provide you with the government's broad priorities for board-governed agencies. As part of the Government of Ontario, agencies are expected to act in the best interests of Ontarians by being efficient, effective and providing value-for-money to the people of Ontario. Our government's primary focus is to protect every life and every job we possibly can. Without healthy people, we cannot have a healthy economy. As you implement your modernization plan for the OEB, I ask that you do so in a manner consistent with Ontario's priorities for board-governed agencies that are appended to this Letter.

Finally, in the coming months, my staff will continue to work with the OEB to prepare for the conclusion of the two-year transition period related to the establishment of the new governance structure. I am confident that the OEB will emerge from the transition period in October 2022 in a strong position to fully deliver on its statutory responsibilities.

.../cont'd

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I thank you and your fellow board members for your continued support and for your valuable contributions. Should you have any questions/concerns regarding this Mandate Letter, please feel free to contact Karen Moore, Assistant Deputy Minister – Strategic, Network and Agency Policy Division at karen.moore@ontario.ca.

Sincerely,



Todd Smith
Minister

c: David Donovan, Chief of Staff to the Minister of Energy
Dominic Roszak, Deputy Chief of Staff to the Minister of Energy
Stephen Rhodes, Deputy Minister of Energy
Susanna Zagar, CEO, Ontario Energy Board

APPENDIX: Government of Ontario Priorities for Board-Governed Agencies

1. Competitiveness, Sustainability and Expenditure Management

- Operating within your agency's financial allocations;
- Complying with applicable direction related to supply chain centralization and Realty Interim Measures for agency office space;
- Leveraging and meeting benchmarked outcomes for compensation strategies and directives; and
- Working with the ministry, where appropriate, to advance the *Ontario Onwards Action Plan*.

2. Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting;
- Adhering to requirements of the Agencies and Appointments Directive, accounting standards and practices, and the *Public Service of Ontario Act* ethical framework and responding to audit findings, where applicable; and
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

3. Risk Management

- Developing and implementing an effective process for the identification, assessment and mitigation of risks, including planning for and responding to health and other emergency situations, including but not limited to COVID-19; and
- Developing a continuity of operations plan that identifies time critical/essential services and personnel.

4. Workforce Management

- Optimizing your organizational capacity to support the best possible public service delivery; and
- Modernizing and redeploying resources to priority areas when or where they are needed.

5. Data Collection

- Improving how the agency uses data in decision-making, information-sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery; and
- Supporting transparency and privacy requirements of data work and data sharing with the ministry, as appropriate.

6. Digital Delivery and Customer Service

- Exploring and implementing digitization or digital modernization strategies for online service delivery and continuing to meet and exceed customer service standards through transition; and
- Adopting digital approaches, such as user research, agile development and product management.

7. Diversity and Inclusion

- Developing and encouraging diversity and inclusion initiatives promoting an equitable, inclusive, accessible, anti-racist and diverse workplace;
- Demonstrating leadership of an inclusive environment free of harassment; and
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

8. COVID-19 Recovery

- Identifying and pursuing service delivery methods (digital or other) that have evolved since the start of COVID-19; and
- Supporting the recovery efforts from COVID-19.

Exhibit D, Tab 1, Schedule 1, Tables 1 and 2: 2023-2027 Five-Year DSM Budget Envelope and 2023-2027 Five-Year DSM Plan Budget

Updated: 2021-09-29
EB-2021-0002
Exhibit D
Tab 1
Schedule 1
Page 9 of 26
Plus Attachment

Table 1: 2023-2027 Five-Year DSM Budget Envelope

	2023 Base Year	2024	2025	2026	2027
Program Budget	\$123,900,000	\$130,095,000	\$136,599,750	\$143,429,738	\$150,601,225
	Formulaic increase of 5% (3% policy growth + CPI inflation) over year prior				
Portfolio Admin, Evaluation, Research & Development	\$18,360,000	\$18,727,200	\$19,101,744	\$19,483,779	\$19,873,455
	Formulaic increase of CPI inflation over year prior				
Total Budget Envelope	\$142,260,000	\$148,822,200	\$155,701,494	\$162,913,517	\$170,474,680

Table 2: 2023-2027 Five-Year DSM Plan Budget

DSM Budget Category	2023 Base Year	2024	2025	2026	2027
Residential Program	\$40,804,802	\$41,762,686	\$42,597,940	\$43,449,899	\$44,318,896
Low Income Program	\$22,987,685	\$23,447,439	\$23,916,388	\$24,394,716	\$24,882,610
Commercial Program	\$25,262,775	\$25,626,242	\$26,138,767	\$26,661,542	\$27,194,773
Industrial Program	\$17,828,114	\$18,184,676	\$18,548,370	\$18,919,337	\$19,297,724
Large Volume Industrial Program	\$2,766,624	\$2,821,957	\$2,878,396	\$2,935,964	\$2,994,683
Energy Performance Program	\$1,221,656	\$1,222,739	\$1,247,194	\$1,272,138	\$1,297,580
Building Beyond Code Program ¹	\$8,437,503	\$9,546,354	\$21,272,696 to be reassessed	\$25,796,143 to be reassessed	\$30,614,958 to be reassessed
Low Carbon Transition Program ¹	\$4,590,841	\$7,482,907			
Program Subtotal	\$123,900,000	\$130,095,000	\$136,599,750	\$143,429,738	\$150,601,225
Administration Costs	\$11,252,522	\$11,477,572	\$11,707,123	\$11,941,268	\$12,180,092
Evaluation and Regulatory Costs	\$3,878,000	\$3,953,520	\$4,032,590	\$4,113,242	\$4,195,507
Research and Development Costs	\$3,231,478	\$3,296,108	\$3,362,030	\$3,429,271	\$3,497,856
Portfolio Subtotal	\$18,360,000	\$18,727,200	\$19,101,744	\$19,483,779	\$19,873,455
Total	\$142,260,000	\$148,822,200	\$155,701,494	\$162,913,517	\$170,474,680

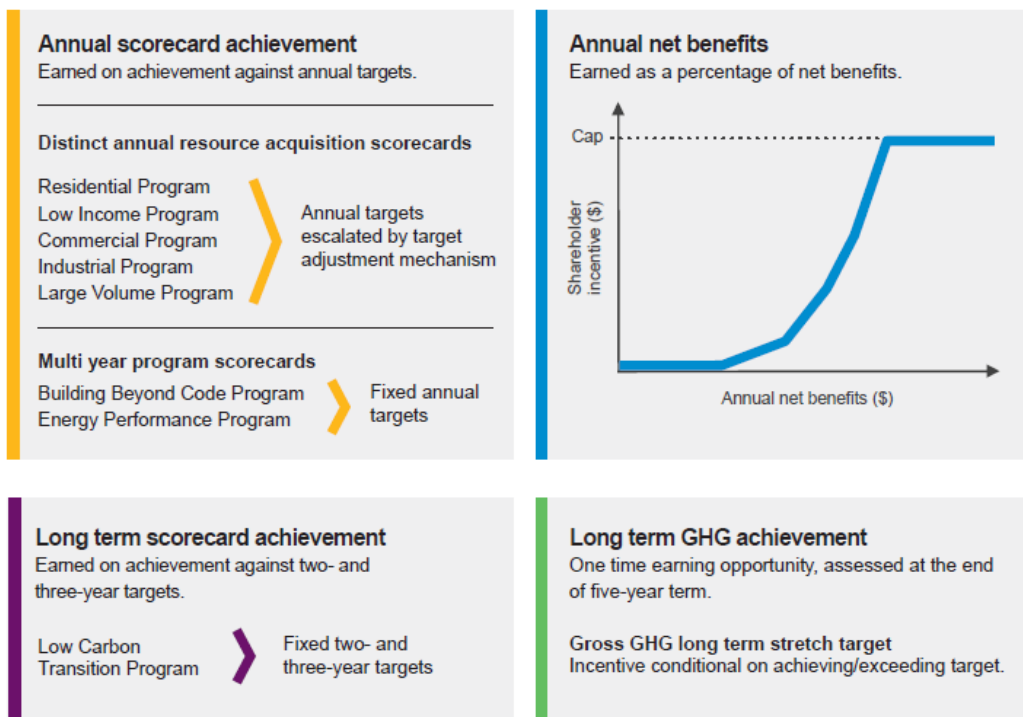
1. The Building Beyond Code and Low Carbon Transition budgets to be reassessed at the mid-point assessment.

Exhibit D, Tab 1, Schedule 2: Infographic

Enbridge Gas DSM Shareholder Incentives

Updated: 2021-09-29
EB-2021-0002
Exhibit D
Tab 1
Schedule 2
Page 2 of 16

Shareholder incentives (DSMI) align the Company with ratepayer interests and support multiple objectives achieved through four performance mechanisms.



Shareholder incentive schedule

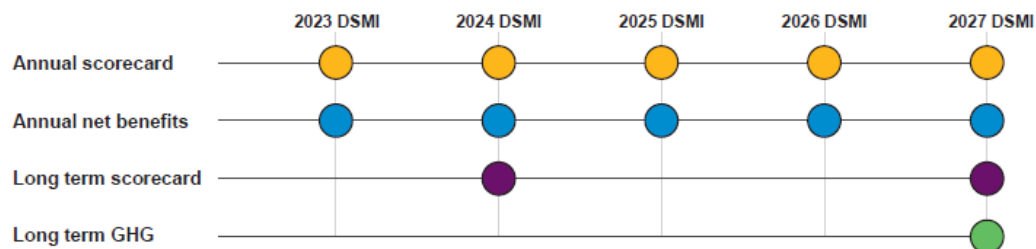


Exhibit D, Tab 1, Schedule 2, Table 1: Maximum Annual Shareholder Incentive

Updated: 2021-09-29
 EB-2021-0002
 Exhibit D
 Tab 1
 Schedule 2
 Page 3 of 16

Table 1: Maximum Annual Shareholder Incentive

	2023	2024	2025	2026	2027
Annual Scorecards Maximum Incentive	\$13,260,000	\$13,525,200	\$13,795,704	\$14,071,618	\$14,353,050
Annual Net Benefits Maximum Incentive	\$6,630,000	\$6,762,600	\$6,897,852	\$7,035,809	\$7,176,525
Total Annual Maximum DSMI	\$19,890,000	\$20,287,800	\$20,693,556	\$21,107,427	\$21,529,576

Exhibit D, Tab 1, Schedule 2, Table 2: Long-Term Shareholder Incentive Amounts

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Table 2: Long Term Shareholder Incentive Amounts

	2023	2024	2025	2026	2027	Five-Year Total
Low Carbon Transition Scorecard ¹	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
Long Term GHG Reduction Target ²	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Total Long Term Incentives	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$7,000,000

1. Achievement of the Low Carbon Transition Scorecard incentive is determined at the end of the 2024 program year and at the end of the 2027 program year. Re-assessed at the mid-point assessment.

2. Achievement of the Long Term GHG Reduction Target incentive is determined at the end of the 2027 program year.

Exhibit D, Tab 1, Schedule 2, Table 5: 2023 Annual Scorecards

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Table 5: 2023 Annual Scorecards

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2023 Annual Scorecards	Offering(s)	Metric	Metric Weight	DSMI Allocation	DSMI below 50% Score	DSMI at 100% Score	DSMI at 150% Score
Residential Program	Residential Whole Home Residential Single Measure Residential Smart Home	Net Annual Gas Savings (m³)	100%	22.0%	\$0	\$1,458,600	\$2,917,200
Low Income Program	Home Winterproofing	Single Family Net Annual Gas Savings (m³)	50%	22.0%	\$0	\$1,458,600	\$2,917,200
	Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%				
Commercial Program	Commercial Custom Prescriptive Downstream Direct Install Prescriptive Midstream	Large Customer Net Annual Gas Savings (m³) ¹	50%	22.0%	\$0	\$1,458,600	\$2,917,200
		Small Customer Net Annual Gas Savings (m³) ¹	50%				
Industrial Program	Industrial Custom	Net Annual Gas Savings (m³)	100%	22.0%	\$0	\$1,458,600	\$2,917,200
Large Volume Program	Direct Access	Net Annual Gas Savings (m³)	100%	3.0%	\$0	\$198,900	\$397,800
Energy Performance Program	Whole Building Pay For Performance (P4P)	Number of Participants (P4P) ²	100%	1.0%	\$0	\$66,300	\$132,600
		Net Annual Gas Savings (m³) ²	0%				
Building Beyond Code Program	Residential Savings by Design	Number of Energy Star Homes ³	30%	8.0%	\$0	\$530,400	\$1,060,800
		Number of Net Zero Ready Homes ³	0%				
	Commercial Savings by Design	Number of Participants	30%				
	Affordable Housing Savings By Design	Number of Participants	30%				
	Commercial Air Tightness Testing	Number of Participants	5%				
		Number of Qualified Agents	5%				
			Total	100%	\$0	\$6,630,000	\$13,260,000

1. Large commercial customers have a three year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three year average annual consumption below 100,000 m³/yr.

2. Whole Building P4P metrics are weighted 50/50% except for year 1 (2023) which is 100/0% as no savings measured until year 2.

3. Residential SBD metrics are weighted 50/50% except for year 1 (2023) which is 100/0% as no Net Zero building until year 2.

Exhibit D, Tab 1, Schedule 2, Table 6: 2024 Annual Scorecards

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Table 6: 2024 Annual Scorecards

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2024 Annual Scorecards	Offering(s)	Metric	Metric Weight	DSMI Allocation	DSMI below 50% Score	DSMI at 100% Score	DSMI at 150% Score
Residential Program	Residential Whole Home Residential Single Measure Residential Smart Home	Net Annual Gas Savings (m³)	100%	22.0%	\$0	\$1,487,772	\$2,975,544
Low Income Program	Home Winterproofing	Single Family Net Annual Gas Savings (m³)	50%	22.0%	\$0	\$1,487,772	\$2,975,544
	Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%				
Commercial Program	Commercial Custom Prescriptive Downstream Direct Install Prescriptive Midstream	Large Customer Net Annual Gas Savings (m³) ¹	50%	22.0%	\$0	\$1,487,772	\$2,975,544
		Small Customer Net Annual Gas Savings (m³) ¹	50%				
Industrial Program	Industrial Custom	Net Annual Gas Savings (m³)	100%	22.0%	\$0	\$1,487,772	\$2,975,544
Large Volume Program	Direct Access	Net Annual Gas Savings (m³)	100%	3.0%	\$0	\$202,878	\$405,756
Energy Performance Program	Whole Building Pay For Performance (P4P)	Number of Participants (P4P)	50%	1.0%	\$0	\$67,626	\$135,252
		Net Annual Gas Savings (m³)	50%				
Building Beyond Code Program	Residential Savings by Design	Number of Energy Star Homes	15%	8.0%	\$0	\$541,008	\$1,082,016
	Residential Savings by Design	Number of Net Zero Ready Homes	15%				
	Commercial Savings by Design	Number of Participants	30%				
	Affordable Housing Savings By Design	Number of Participants	30%				
	Commercial Air Tightness Testing	Number of Participants	5%				
	Commercial Air Tightness Testing	Number of Qualified Agents	5%				
Total				100%	\$0	\$6,762,600	\$13,525,200

1. Large commercial customers have a three year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three year average annual consumption below 100,000 m³/yr.

Exhibit D, Tab 1, Schedule 2, Table 11: Net Benefits Shared Savings Illustration

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Table 11: Net Benefits Shared Savings Illustration

Net Benefits	2023 Forecast Estimate		
Max Annual Shared Savings	\$6,630,000		
Forecasted 2023 Net Benefits (\$) Result ^{1 2}	\$364,502,976		
Net Benefit Range	Percentage of Net Benefits Shared	Max Annual DSMI By Range	Forecasted Calculated Incentive By Range
\$0M - \$100M	0.00%	\$0	\$0
\$100M - \$200M	1.00%	\$1,000,000	\$1,000,000
\$200M - \$300M	1.25%	\$1,250,000	\$1,250,000
\$300M - \$400M	1.50%	\$1,500,000	\$967,545
\$400M - \$500M	2.00%	\$2,000,000	\$0
\$500M+	2.50%	\$880,000	\$0
Total		\$6,630,000	\$3,217,545

1. The value presented is a forecast of the 2023 Net Benefits and is provided to illustrate the Net Benefits shared savings earning opportunity (See Table 1 in Exhibit D, Tab 1, Schedule 4 for the TRC-Plus and Net Benefits Analysis for 2023).

2. Forecast 2023 TRC-Plus Benefits are calculated using 2021 Avoided Costs (best available at the time of plan submission).

Exhibit D, Tab 1, Schedule 2, Table 12: Long Term Scorecard: Low Carbon Transition Program

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Table 12: Long Term Scorecard: Low Carbon Transition Program

2023-2024 Long Term Scorecard	Offering(s)	Metric	Metric Weighting	DSMI below 50% Score	DSMI at 100% Score	DSMI at 150% Score
Low Carbon Transition Program	Residential Low Carbon	Number of Installations (Residential Heat Pumps)	25%	\$0	\$400,000	\$800,000
		Number of Contractors Trained (Residential Heat Pumps)	25%			
	Commercial Low Carbon	Number of Installations (Commercial Heat Pumps)	25%			
		Number of Engineers Trained (Commercial Heat Pumps)	25%			

1. Low Carbon Transition Programs for 2025-2027 to be reassessed at the mid-point assessment.

Exhibit D, Tab 1, Schedule 2, Tables 13 and 14: Long Term (Five-Year) GHG Reduction Target and Long Term (Five-Year) GHG Reduction DSMI

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Table 13: Long Term (Five-Year) GHG Reduction Target

Target Development	
2023 Forecast Portfolio Gross Annual m ³	241,639,442
kg CO ₂ e / m ³ of Natural Gas	1.874
Year 1 (2023) Gross Annual GHG (tonnes)	452,832
Years	5
Stretch Factor	15%
Long Term (Five-Year) GHG Reduction Target - (tonnes)	2,603,786

Table 14: Long Term (Five-Year) GHG Reduction DSMI

Long Term GHG Reduction DSMI Scenario Analysis			
	Achieve Less than 100% Target	Achieve 100% of Target	Achieve Greater than 100% Target
Sum of 2023-2027 Gross Annual GHG Reduction Achievement		2,603,786	
Long Term (Five-Year) GHG DSMI Earned	\$0	\$5,000,000	\$5,000,000

Exhibit D, Tab 1, Schedule 3, Table 2: 2023 Annual Scorecard Targets

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Table 2: 2023 Annual Scorecard Targets

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Offering(s)	Metric	Metric Weighting	Lower Band (50%) ¹	2023 100% Target	Upper Band (150%) ¹
Residential Program Scorecard					
Residential Whole Home Residential Single Measure Residential Smart Home	Net Annual Gas Savings (m ³)	100%	6,818,933	13,637,865	20,456,798
Low Income Program Scorecard					
Home Winterproofing	Single Family Net Annual Gas Savings (m ³)	50%	1,436,398	2,872,796	4,309,194
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m ³)	50%	2,507,802	5,015,604	7,523,406
Commercial Program Scorecard					
Commercial Custom Prescriptive Downstream Direct Install Prescriptive Midstream	Large Customer Net Annual Gas Savings (m ³) ²	50%	7,720,641	15,441,281	23,161,922
	Small Customer Net Annual Gas Savings (m ³) ²	50%	4,457,031	8,914,062	13,371,094
Industrial Program Scorecard					
Industrial Custom	Net Annual Gas Savings (m ³)	100%	25,188,449	50,376,897	75,565,346
Large Volume Program Scorecard					
Direct Access	Net Annual Gas Savings (m ³)	100%	4,650,000	9,300,000	13,950,000
Energy Performance Program Scorecard					
Whole Building Pay For Performance (P4P) ³	Number of Participants	100%	12.5	25	37.5
	Net Annual Gas Savings (m ³)	0%	0	0	0
Building Beyond Code Program Scorecard					
Residential Savings By Design ⁴	Number of Energy Star Homes	30%	725	1,450	2,175
	Number of Net Zero Ready Homes	0%	0	0	0
Commercial Savings By Design	Number of Participants	30%	14	28	42
Affordable Housing Savings By Design	Number of Participants	30%	9	18	27
Commercial Air Tightness Testing	Number of Participants	5%	2.5	5	7.5
	Number of Qualified Agents	5%	5	10	15

1. The calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts and the Scorecard Incentive will be calculated based on these precise thresholds.

2. Large commercial customers have a 3 year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers are below 100,000 m³/yr.

3. Whole Building P4P metrics are weighted 50%/50% except for yr. 1 (2023) which is 100%/0% as no energy savings are measured until yr. 2.

4. Residential SBD metrics are weighted 50%/50% except for year 1 (2023) which is 100%/0% as no Net Zero buildings until year 2.

Exhibit D, Tab 1, Schedule 3, Table 3: 2024 Annual Scorecard Targets

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Table 3: 2024 Annual Scorecard Targets

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Offering(s)	Metric	Metric Weighting	Lower Band (50%) ¹	2024 100% Target	Upper Band (150%) ¹
Residential Program Scorecard					
Residential Whole Home Residential Single Measure Residential Smart Home	Net Annual Gas Savings (m ³)	100%	TAM x 50%	TAM ³	TAM x 150%
Low Income Program Scorecard					
Home Winterproofing	Single Family Net Annual Gas Savings (m ³)	50%	TAM x 50%	TAM ³	TAM x 150%
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m ³)	50%	TAM x 50%	TAM ³	TAM x 150%
Commercial Program Scorecard					
Commercial Custom Prescriptive Downstream Direct Install Prescriptive Midstream	Large Customer Net Annual Gas Savings (m ³) ²	50%	TAM x 50%	TAM ³	TAM x 150%
	Small Customer Net Annual Gas Savings (m ³) ²	50%	TAM x 50%	TAM ³	TAM x 150%
Industrial Program Scorecard					
Industrial Custom	Net Annual Gas Savings (m ³)	100%	TAM x 50%	TAM ³	TAM x 150%
Large Volume Program Scorecard					
Direct Access	Net Annual Gas Savings (m ³)	100%	TAM x 50%	TAM ³	TAM x 150%
Energy Performance Program Scorecard					
Whole Building Pay For Performance (P4P)	Number of Participants (P4P)	50%	12.5	25	37.5
	Net Annual Gas Savings (m ³)	50%	62,500	125,000	187,500
Building Beyond Code Program Scorecard					
Residential Savings By Design	Number of Energy Star Homes	15%	1,000	2,000	3,000
	Number of Net Zero Ready Homes	15%	5	10	15
Commercial Savings By Design	Number of Participants	30%	16	31	47
Affordable Housing Savings By Design	Number of Participants	30%	11	21	32
Commercial Air Tightness Testing	Number of Participants	5%	3	6	9
	Number of Qualified Agents	5%	5	10	15

1. The calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts and the Scorecard Incentive will be calculated based on these precise thresholds.

2. Large commercial customers have a 3 year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers are below 100,000 m³/yr.

3. The 100% Target is calculated according to the TAM Methodology set out in the Proposed Framework, Exhibit C, Tab 1, Schedule 1, Section 5.2

Exhibit F, Tab 1, Schedule 3: 2023 DSM Bill Impacts

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ENBRIDGE GAS INC. 2023 - 2027 DSM Plan 2023 DSM Budget Bill Impacts														
Line No.	Rate Class	2022 DSM Budget in Rates (1)	2023 Proposed DSM Budget (2)	Change (%)	2021 Billing Units (10³m³)	2022 DSM Unit Rate (cents/m²)	2023 Proposed DSM Unit Rate (3) (cents/m²)	Representative Annual Billing Units (m²)	2023 DSM Amounts in Total Bill		2023 Budget Change Impact (\$ / customer)	April 2021 QRAM Total Bill (4) (\$)	2023 DSM Budget	
		(a)	(b)	(c)=(b-a)/(a)		(d)	(e)=(a/d)*100		(f)=(b/d)*100	(g)			Annual (\$)	Monthly (\$)
EGD Rate Zone														
1	Rate 1	39,406	45,112	14%	5,118,240	0.7699	0.8814	2,400	21.15	1.76	2.68	1,069	2.0%	0.3%
2	Rate 6	21,074	23,823	13%	4,923,001	0.4281	0.4839	22,606	109	9	13	8,088	1.4%	0.2%
3	Rate 9	3	-	-	-	-	-	-	-	-	-	-	-	-
4	Rate 100	-	-	-	34,607	-	-	339,188	0	0	-	99,893	0.0%	0.0%
5	Rate 110	2,208	2,531	15%	990,703	0.2228	0.2554	598,568	1,529	127	195	165,622	0.9%	0.1%
6	Rate 115	1,319	1,450	10%	486,459	0.2711	0.2982	4,471,609	13,332	1,111	1,208	1,145,755	1.2%	0.1%
7	Rate 125 (5)	110	166	51%	111,124	0.0991	0.1498	-	41,606	3,467	14,087	-	-	-
8	Rate 135	255	287	12%	63,812	0.4000	0.4494	598,567	2,690	224	296	150,203	1.8%	0.2%
9	Rate 145	1,147	1,178	3%	28,113	4.0814	4.1893	598,568	25,076	2,090	646	173,251	14.5%	0.4%
10	Rate 170	2,195	2,362	8%	276,738	0.7933	0.8535	9,976,120	85,144	7,095	6,007	2,352,250	3.6%	0.3%
11	Rate 200 (5)	38	40	6%	181,849	0.0210	0.0221	-	40,265	3,355	2,105	-	-	-
12	Rate 300 (5)	2	1	-59%	187	0.9800	0.4034	-	755	63	(1,079)	-	-	-
13	Total EGD	67,757	76,949											
Union South Rate Zone														
14	Rate M1	27,446	27,346	0%	3,142,868	0.8733	0.8701	2,200	19.14	1.60	-0.07	880	2.2%	0.0%
15	Rate M2	10,658	11,257	6%	1,340,433	0.7951	0.8398	250,000	2,099	175	112	67,744	3.1%	0.2%
16	Rate M4 (6)	4,765	5,145	8%	707,951	0.6731	0.7267	875,000	6,359	530	469	238,244	2.7%	0.2%
17	Rate M5 (6)	499	405	-19%	68,930	0.7238	0.5872	6,500,000	38,170	3,181	(8,879)	1,585,878	2.4%	-0.6%
18	Rate M7	2,034	2,214	9%	595,232	0.3418	0.3720	36,000,000	133,905	11,159	10,867	8,445,804	1.6%	0.1%
19	Rate M9	-	17	-	103,990	-	0.0162	6,950,000	1,128	94	1,128	1,119,963	0.1%	0.1%
20	Rate M10	-	0	-	391	-	0.0423	94,500	40	3	40	20,105	0.2%	0.2%
21	Rate T1	1,569	1,634	4%	444,974	0.3526	0.3672	11,565,938	42,465	3,539	1,684	2,721,662	1.6%	0.1%
22	Rate T2	4,725	4,783	1%	4,571,591	0.1034	0.1046	197,789,850	206,924	17,244	2,481	43,934,364	0.5%	0.0%
23	Rate T3	-	106	-	283,374	-	0.0375	272,712,000	102,249	8,521	102,249	42,468,987	0.2%	0.2%
24	Total Union South	51,698	52,906											
Union North Rate Zone														
25	Rate 01	6,625	6,030	-9%	1,023,451	0.6473	0.5892	2,200	12.96	1.08	-1.28	1,140	1.1%	-0.1%
26	Rate 10	3,127	3,264	4%	359,134	0.8706	0.9087	250,000	2,272	189	95	86,150	2.6%	0.1%
27	Rate 20	1,753	1,852	6%	686,307	0.2554	0.2699	15,000,000	40,478	3,373	2,161	3,837,257	1.1%	0.1%
28	Rate 25	-	75	-	80,723	-	0.0932	2,275,000	2,121	177	2,121	579,929	0.4%	0.4%
29	Rate 100	1,147	1,184	3%	1,089,225	0.1053	0.1087	240,000,000	260,964	21,747	8,170	65,692,840	0.4%	0.0%
30	Total Union North	12,652	12,405											
31	Total EGI	132,107	142,260											

Notes:

- (1) Updated to equal 2021 Board-approved DSM budget, consistent with what was included in the 2022 Rates application (EB-2021-0147, Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 10, p. 1).
- (2) Exhibit F, Tab 1, Schedule 2.
- (3) 2023 proposed DSM unit rates calculated based on 2021 billing units. At the time of filing the application, the available billing units to calculate DSM unit rates are for 2021.
- (4) Total sales service bill based on EB-2021-0070 (April 2021 QRAM) excluding cost/price adjustments. Total bill for Rate M9, Rate M10 and Rate T3 excludes the federal carbon charge.
- (5) Annual bill impact amounts for EGD Rate 125, Rate 200, and Rate 300 are for average customers in each rate class.
- (6) Rate M4 and Rate M5 DSM costs are pooled and reallocated in proportion to forecast volumes. Forecast volumes are updated through the annual rate setting proceedings.

Exhibit I.6.EGI.STAFF.13

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Plus Attachment

ENBRIDGE GAS INC.

Answer to Interrogatory from Ontario Energy Board (STAFF)

Interrogatory

Issue 6

Reference:

Exhibit D, Tab 1, Schedule 1, pp. 9-15

Question(s):

Enbridge Gas has provided its proposed DSM budgets in a series of tables.

- a) Please provide an MS Excel file that includes actual DSM spending at the offering, scorecard, and portfolio level for the 2015-2021 (draft/estimate) program years, OEB-approved budget for 2022 and proposed budget for 2023-2027 broken out by incentive
- b) e costs, promotion costs, delivery costs and admin costs, similar to Tables 4-8. Please also include portfolio level costs, budgets and proposals for administration, evaluation and regulatory and research and development. Please also include program subtotals, portfolio subtotals and total rows, similar to Table 4-8.
- c) Please discuss and provide any sensitivity analysis conducted by Enbridge Gas in the development of its DSM plan, including any scenarios where budgets were significantly increased for programs for C&I customers that offer the greatest potential and deliver the most cost-effective savings.
- d) Please provide an MS Excel file that shows all administration, evaluation and regulatory costs, and research and development costs from 2015-2021 (draft/estimates if required), 2022 budgeted and 2023-2027 proposed. In your response, please discuss how Enbridge Gas's proposed administration costs should be compared and considered when reviewing recent administration costs from the legacy utility structure.
- e) Please discuss the decision to dedicate the largest portion of the budget to the Residential and Low Income programs as opposed to the Commercial and Industrial Programs.

- f) Please consolidate Tables 4-8 into a single MS Excel file and add 2015-2021 actual spending (estimates for 2021 if necessary) and budgeted 2022 amounts. In doing so, please endeavor to align previously approved offerings with the newly proposed as best as possible.
- g) Please discuss the rationale for the relatively significant promotion costs for the Residential Smart Home offering.
- h) Please discuss why the Industrial Program has zero non-incentive costs assigned to it. In your response, reconcile the discussion in the program section (Exhibit E, Tab 1, Schedule 5) which notes that Industrial customers often lack the resources or technical expertise to identify and develop the business case for efficiency improvements, leading to the program to be designed with Enbridge Energy Solution Advisors to work with customers on a one-to-one basis.
- i) Please discuss the process Enbridge Gas follows when promotion, delivery and/or administration costs are less than budgeted in any year. In your response, please indicate if lower non-incentive costs get transferred to incremental incentive costs to continue to drive program performance or if any non-incentive cost savings are retained by Enbridge Gas.

Response

- a) b), and f)

Please see Attachment 1.

It is critical to note that while Enbridge Gas has endeavored to align previously approved programs as well as administration and portfolio costs with the newly proposed programs, administration and portfolio costs as best as possible, there are multiple footnotes in the attachment that outline the challenges with this comparison. As the budgets and spending were tracked differently between the two legacy utilities, there are many cases where Enbridge Gas has attempted to combine numbers but the reader should be warned a direct comparison is often not reasonable. In addition, there are new programs proposed and other programs that do not continue, as well as changed in the way costs are proposed to be tracked which also make comparisons challenging.

- c) Enbridge Gas provides the following analysis on budget/target sensitivity which allows comparison between analysis of the 2019 Achievable Potential Study and analysis conducted by the Company for the Residential, Low Income, Commercial and Industrial programs. The results are broadly consistent in demonstrating that there is a strongly non-linear relationship between incremental budgetary levels or

spend and incremental results which is an expected result, where conservation programs have an increasing marginal cost per unit as budgets are increased. Stated differently, and as demonstrated below, an increase in the budget by say 20% will not result in an increase in natural gas savings of 20% as the cost of achieving greater savings increases in a non-linear fashion. The marginal cost of achieving additional savings increases further in a non-linear fashion as the size of the budget increase grows making additional savings that much more costly.

It should also be noted that in the case of a materially large increase in budget relative to what has been proposed, the existing portfolio of program offerings may not be able to acceptably accommodate such levels of spending. It is quite likely that Enbridge Gas would need to consider the introduction of additional program offerings as the current portfolio of offerings may not be able to accommodate such increased spending from an operations/market perspective and/or because additional incremental savings would no longer be cost effective.

Enbridge Gas reviewed the Online 2019 APS data files¹, and utilized the net cubic meters and net total budget figures shown to calculate the net cost per cubic meter for each of the Residential, Commercial and Industrial sectors for both Scenario A and Scenario C as shown in the table below. This shows the average cost per unit for each of these scenarios.

Table 1: 2019 APS Scenario A and Scenario C net cost per cubic meter

From APS Online files	APS Scenario A			APS Scenario C		
	Net M3	Net \$	Net \$/M3	Net M3	Net \$	Net \$/M3
2023						
Residential ¹	31,738,358	\$ 18,109,260	\$0.57	39,124,756	\$ 42,508,692	\$1.09
Commercial	42,514,097	\$ 30,052,031	\$0.71	45,295,028	\$ 49,208,075	\$1.09
Industrial ²	46,954,518	\$ 31,072,136	\$0.66	61,837,488	\$ 83,702,576	\$1.35
Total	121,206,972	\$ 79,233,428	\$0.65	146,257,273	\$ 175,419,343	\$1.20

However, Scenario C results in the APS encompass all of the Scenario A results and more (i.e. the scenarios overlap and Scenario A is a portion of Scenario C). In order to understand the incremental cost per unit above the Scenario A results, the Company has calculated the difference between the two scenarios and normalized this output per unit to demonstrate the implied incremental cost for results above Scenario A but included within Scenario C.

¹ 2019 Conservation Achievable Potential Study, IESO (December 18, 2019). <https://www.ieso.ca/2019-conservation-achievable-potential-study>

Table 2: Incremental cost per cubic meter Scenario C above Scenario A

Calculation from APS Online file	Incremental (Difference between Scenario C and Scenario A)		
2023	Net M3	Net \$	Net \$/M3
Residential ¹	7,386,398	\$ 24,399,431	\$3.30
Commercial	2,780,932	\$ 19,156,044	\$6.89
Industrial ²	14,882,971	\$ 52,630,439	\$3.54
Total	25,050,301	\$ 96,185,915	\$3.84

¹Residential sector in APS includes single family detached, semi/row, low-income single detached semi/row, multi-residential and low income multi residential

²Industrial sector includes Large Volume customers.

Enbridge Gas notes that the 2019 APS study shows very different average cost per unit under different scenarios, and the incremental cost per unit between the scenarios demonstrates a strong non-linear relationship of results to budgetary level across all of the sectors. In other words, increases in budget allocations to each of the sectors would be expected to achieve a less than proportional increase in results. Scenario A for example, which was portrayed as the business-as-usual scenario in the 2019 APS, shows a Total average cost of \$0.65/m³ across all sectors, but the incremental cost above Scenario A up to the Scenario C budget has a Total average cost of \$3.84/m³. Put another way, each unit of incremental result over and above Scenario A is expected to cost about 6 times as much as the average for the Scenario A budget level. This strong nonlinearity also exists across all sectors. The Company notes that this dynamic is expected as marginal costs are strongly non-linear.

Enbridge Gas notes the following caveats for using the 2019 APS info in comparison to the following analysis from the Company:

- APS shows net results and the Company is uncertain of the underlying assumptions on the net to gross values, and therefore the results cannot be directly compared to DSM actual results or the proposed DSM Plan
- As noted in Exhibit E, Tab 4, Schedule 7 the Company has highlighted many discrepancies in the granular details for the 2019 APS. Enbridge Gas suggests this is one reference point that should be considered but not solely relied upon for decision making purposes.

In the tables below, Enbridge Gas has provided a sensitivity analysis related to DSM budget levels at the program level for its core resource acquisition programs, Residential, Low Income, Commercial, and Industrial. In the analysis, Enbridge Gas provides an estimate of the incremental results that are achievable in 2023 for the following two scenarios:

Table 3: A 10% increase in each program budget individually

Table 4: A 20% increase in each program budget individually

Table 3: Sensitivity scenario - +10% Budget Increase by Sector

	+10% Budget Increase by Sector					
	Incentive Costs (incremental)	Promotion Costs (incremental)	Delivery Costs (Incremental)	Admin Cost (incremental)	*TOTAL BUDGET (Incremental)	Incremental net m3
Residential Program	\$ 3,288,630	\$ 670,000	\$ 121,850	\$ -	\$ 4,080,480	1,364,694
Whole Home	\$ 2,262,987	\$ 200,000	\$ 111,450		\$ 2,574,437	387,956
Single Measure	\$ 538,144	\$ 100,000	\$ 10,400		\$ 648,544	41,327
Smart Home	\$ 487,500	\$ 370,000	\$ -		\$ 857,500	935,410
Low Income Program	\$ 1,096,719	\$ 599,400	\$ 602,649	\$ -	\$ 2,298,768	376,443
Home Winterproofing	\$ 305,713	\$ 376,000	\$ 467,671		\$ 1,149,384	92,047
Affordable Housing MR	\$ 791,006	\$ 223,400	\$ 134,978		\$ 1,149,384	284,396
Commercial Program	\$ 1,089,916	\$ 175,180	\$ 1,045,181	\$ 216,000	\$ 2,526,277	1,369,471
Commercial Custom	\$ 678,754	\$ 54,000	\$ -		\$ 732,754	813,309
Prescriptive Downstream	\$ -	\$ -	\$ -		\$ -	-
Direct Install	\$ -	\$ -	\$ -		\$ -	-
Prescriptive Midstream	\$ 411,162	\$ 121,180	\$ 1,045,181		\$ 1,577,523	556,162
Industrial Program	\$ 1,492,011	\$ 20,800	\$ -	\$ 270,000	\$ 1,782,811	3,357,692
Industrial Custom	\$ 1,492,011	\$ 20,800	\$ -		\$ 1,512,811	3,357,692

Table 4: Sensitivity scenario - +20% Budget Increase by Sector

	+20% Budget Increase by Sector					
	Incentive Costs (incremental)	Promotion Costs (incremental)	Delivery Costs (Incremental)	Admin Cost (incremental)	*TOTAL BUDGET (Incremental)	Incremental net m3
Residential Program	\$ 6,737,410	\$ 1,180,000	\$ 243,550	\$ -	\$ 8,160,960	2,297,660
Whole Home	\$ 4,841,060	\$ 400,000	\$ 222,750		\$ 5,463,810	775,913
Single Measure	\$ 1,146,350	\$ 200,000	\$ 20,800		\$ 1,367,150	82,654
Smart Home	\$ 750,000	\$ 580,000	\$ -		\$ 1,330,000	1,439,093
Low Income Program	\$ 2,322,342	\$ 1,024,400	\$ 1,155,796	\$ 95,000	\$ 4,597,538	718,406
Home Winterproofing	\$ 617,438	\$ 701,000	\$ 932,831		\$ 2,251,269	184,010
Affordable Housing MR	\$ 1,704,904	\$ 323,400	\$ 222,965		\$ 2,251,269	534,396
Commercial Program	\$ 3,174,012	\$ 293,787	\$ 1,260,756	\$ 324,000	\$ 5,052,555	2,011,306
Commercial Custom	\$ 678,754	\$ 54,000	\$ -		\$ 732,754	813,309
Prescriptive Downstream	\$ -	\$ -	\$ -		\$ -	-
Direct Install	\$ 2,084,096	\$ 118,607	\$ 215,575		\$ 2,418,278	641,835
Prescriptive Midstream	\$ 411,162	\$ 121,180	\$ 1,045,181		\$ 1,577,523	556,162
Industrial Program	\$ 3,084,023	\$ 49,600	\$ -	\$ 432,000	\$ 3,565,623	4,949,075
Industrial Custom	\$ 3,084,023	\$ 49,600	\$ -		\$ 3,133,623	4,949,075

An explanation of the details and assumptions made for the sensitivity analysis is provided below for each of the Sectors.

Residential

Efforts to increase results in the Residential Program will require investment in marketing initiatives to advance program awareness and project lead generation, as well as incremental project rebates in order to increase the conversion of leads to projects. These incremental project acquisition costs will result in a higher percentage of incremental spend relative to savings, as demonstrated in the sensitivity analysis where a 10% increase in program budget is anticipated to yield an 9.2% increase in overall gas savings associated within the Residential Program. Estimated savings growth based on a 10% increase to program budget is based on the following assumptions:

- Smart Home: Incremental participation would be driven by enhanced multi-medium promotional efforts such as radio, digital and direct mail channels, to increase awareness and in turn measure adoption.

- Single Measure and Whole Home offerings: Increased average rebates coupled with enhanced promotional efforts would be leveraged to drive further awareness and uptake of these offerings.

Similar to the 10% incremental budget scenario, further market penetration will require even greater investment in marketing and enabling rebates, therefore, a 20% increase to program budget is anticipated to result in a 15.6% increase in gas savings across the Residential Program.

Low Income

Incremental results in the Low Income Program would be driven by efforts to extend reach of programming to a broader group of customers. This would require a combination of targeted promotional efforts, enhanced incentives and educational outreach initiatives, resulting in a higher incremental cost per incremental project. Enbridge Gas estimates that a 10% increase in the program budget can generate an additional 4.8% in gas savings results across the Low Income Program.

Estimated savings growth based on a 10% increase to program budget is based on the following assumptions:

- Home Winterproofing: Marketing efforts would be ramped up through enhanced sponsorships with associations as well as targeted communications initiatives to enhance awareness and engagement in the offering. Incremental budget would also be allocated to Delivery Agents to resolve Health and Safety issues that may have otherwise prevented customers from participating in the offering. Finally, additional budget would be allotted to Delivery Agents to enable them to deliver incremental results.
- Affordable Housing: Enhanced sponsorships with associations and targeted marketing initiatives to identify and reach specific sub-segments of the market would be leveraged to increase awareness and engagement in the offering. Limited time increased incentive offers (Limited Time Offers or LTOs) would also be introduced to drive further participation among housing providers who lack funds to rank energy efficiency as a priority. Finally, additional budget would be allocated to support energy audits in an effort to help customers identify new opportunities, including the potential for retro-commissioning measures.

In a 20% incremental budget scenario, an even greater investment in promotional efforts and enabling initiatives would be required to reach further into the most vulnerable segments of the Low Income customer base. Furthermore, an incremental resource addition (Energy Solutions Advisor) would be required to broaden reach among smaller multi-residential buildings. Based on the analysis

conducted, a 20% increase in program budget is estimated to result in the achievement of a 9.1% increase in overall program savings results.

Commercial

Enbridge Gas's path to driving incremental results over the next framework term is based on influencing additional projects through the various Commercial offerings in a way that balances the priorities of the proposed DSM framework, such as encouraging widespread customer participation, serving small volume customers, and minimizing lost opportunities. This can be achieved through a combination of incremental company resources above what was originally proposed, incremental incentives to reduce cost barriers, and enhanced engagement with service providers who support bringing these Commercial offerings to customers. The incremental savings achievable through these enhanced efforts will not be proportionate to the cost. As such, a 10% increase to program budget is estimated to be able to achieve a 5.6% increase in overall program gas savings.

Estimated savings growth based on a 10% increase to program budget is centered on the following assumptions:

- **Commercial Custom:** The addition of two Energy Solutions Advisors would be proposed to broaden reach of the offering, with an anticipated incremental contribution 0.8 MM m³ annually in net savings. This is a 20% reduction relative to the per capita productivity built into the proposed plan due to the expected decrease in average project size with the additional, likely smaller, projects being targeted. A 20% increase in average incremental project incentive cost was also forecasted to accommodate the expectation that smaller projects would need additional incentive support.
- **Midstream:** a 20% increase in units in the foodservice track was assumed based on an increase in incentives, marketing, and promotion efforts.

In a 20% incremental budget scenario, additional investments beyond the 10% scenario described above, would be allocated towards the Direct Install offering in an effort to further engage the small commercial customer base. This would involve increasing incentive coverage to up to 100% of incremental project costs, and engaging additional service providers to extend reach of the offering, which in turn would require an incremental company resource to administer and oversee. Based on the incremental initiatives proposed in the 10% scenario coupled with the proposed additional emphasis on Direct Install measures, Enbridge Gas estimates that a 20% increase to program budget would generate an 8.3% increase in natural gas savings.

Industrial

The ability to achieve incremental results through the Industrial Program is based on influencing additional projects through the Custom Offering. Energy Solutions Advisors ("ESAs") are responsible for working directly with customers to support custom projects. Therefore, efforts to increase projects would require additional ESAs. Furthermore, with incremental projects, additional company resources would be required to evaluate the projects. Enbridge Gas already assumed an incremental three ESAs and one incremental program evaluation resource as part of the DSM Plan (reference Exhibit D, Tab 1, Schedule 1 in the staffing discussion). Any incremental resources above those filed in the DSM Plan are assumed to be able to contribute less savings per capita based on the assumption that broader penetration of the industrial customer base would result in supporting smaller projects. Furthermore, based on the proposed tiered incentive structure, smaller projects will cost more per cube. As a result, a 10% increase in the Industrial Program budget is anticipated to yield a 6.7% increase in program gas savings.

Estimated savings growth based on a 10% increase to program budget is centered on the following assumptions:

- **Industrial Custom:** The addition of two Energy Solutions Advisors would be proposed to broaden reach of the offering, with an anticipated incremental contribution of 2.8 MM m³ annually. This represents a 20% reduction relative to the average per capita productivity assumptions built into the DSM plan. A partial resource for program evaluation would also be proposed to accommodate the incremental projects. Remaining incremental budget would be allocated towards LTOs to drive additional project uptake.

In a 20% incremental budget scenario, an additional two ESAs would be proposed above those proposed in the 10% scenario, with an estimated 30% reduction in average per capita productivity relative to assumptions built into the DSM Plan. An incremental dedicated evaluation resource would also be required to accommodate the forecasted additional projects. Finally, average incentive costs per incremental project would rise based on reduced average project size, and incremental spend on LTOs would be required to support additional project uptake. Based on these assumptions, a 20% increase in program budget is estimated to yield a 9.8% increase in overall program gas savings.

- d) See the response to part f) above. As outlined in the response to part f) it is not possible to do a direct comparison of administration costs as they were tracked differently in the EGD and Union rate zones and as a result are different in the proposed budget for 2023. Careful review of the footnotes in part f) is required to understand these differences.

- e) Please see response at Exhibit I.6.EGI.CCC.10b.
- g) The Smart Home offering's promotion budget reflects how customers learn of the offering, about the technology and are motivated to take action. Leads are driven primarily through the customer directly as opposed to the influence of market actors. The promotional cost for the Residential Smart Home offering will support overall reach, penetration and adoption beyond early adopters by building the required knowledge for the technology and driving awareness of the program and available rebates.
- h) As outlined in Exhibit D, Tab 1, Schedule 1, page 11, Table 4, the Industrial Program has promotional costs and administrative costs assigned in addition to incentive costs. There are no delivery costs assigned to the program because the program is delivered by Energy Solutions Advisors who are employees of Enbridge Gas.

As outlined in Exhibit E, Tab 1, Schedule 5, page 6, paragraph 16, "Enbridge Gas's ESAs work with customers as an extension of their team, and provide support to help identify, quantify and develop an implementation plan for efficiency projects." Part of this support would involve assisting customers in putting together figures to support a business case.

- i) When promotion, delivery or administration costs are forecast to be lower than the approved budget, Enbridge Gas will endeavor to use these funds to drive results. For example, if a program is performing above target, Enbridge Gas would first look to reallocate underspent promotion dollars before accessing the 15% overspend allowance. If Enbridge Gas cannot identify a useful application of the underspend, the dollars would be returned to ratepayers, as outlined in the DSMVA section of Exhibit C, Tab 1, Schedule 1, pages 50-51. At no time, would any underspend be retained by the Company.

2015 DSM Actual Spend	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2015 Total
Residential Program	\$11,861,620	\$1,473,250	\$0	\$3,150,606	\$16,485,476
Residential Whole Home	\$11,861,620	\$1,473,250			\$13,334,871
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$0	\$0			\$0
Low Income Program	\$10,972,819	\$2,228,611	\$0	\$2,742,053	\$15,943,482
Home Winterproofing	\$7,477,470	\$1,803,285			\$9,280,755
Affordable Housing Multi-Residential	\$3,495,348	\$425,325			\$3,920,674
Commercial Program	\$7,018,166	\$3,039,222	\$0	\$3,128,624	\$13,186,012
Commercial Custom ⁴	\$4,657,863	\$2,355,980			\$7,013,843
Prescriptive Downstream ⁵	\$2,360,304	\$683,241			\$3,043,545
Direct Install	\$0	\$0			\$0
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$6,027,554	\$647,600	\$0	\$2,203,683	\$8,878,837
Industrial Custom ⁷	\$6,027,554	\$647,600			\$6,675,154
Large Volume Program	\$2,219,151	\$4,134	\$0	\$863,933	\$3,087,218
Direct Access ⁸	\$2,219,151	\$4,134			\$2,223,285
Energy Performance Program⁹	\$0	\$0	\$0	\$0	\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$1,898,199	\$1,025,388	\$0	\$839,328	\$3,762,916
Residential Savings by Design	\$1,282,840	\$749,183			\$2,032,022
Commercial Savings by Design	\$615,359	\$275,105			\$890,464
Affordable Housing Savings By Design	\$0	\$1,101			\$1,101
Commercial Air Tightness Testing ³	\$0	\$0			\$0
Low Carbon Transition Program⁹	\$0	\$0	\$0	\$0	\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs⁹	\$737,891	\$462,449	\$0	\$438,868	\$1,639,208
School Energy Competition	\$0	\$0			\$0
Run It Right / RunSmart	\$0	\$0			\$0
Comprehensive / Strategic Energy Management	\$179	\$60,284			\$60,462
Optimum Home	\$736,172	\$282,464			\$1,018,637
Home Labelling (2015)	\$1,540	\$119,700			\$121,241
2015-2022 Other⁹	\$31,175	\$521,613	\$0	\$509,200	\$1,061,988
Energy Savings Kits (2015)	\$31,175	\$521,613			\$552,788
Furnace End-of-Life (2015-2022)	\$0	\$0			\$0
Indigenous (2015-2022)	\$0	\$0			\$0
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$40,766,576	\$9,402,267	\$0	\$13,876,294	\$64,045,137
Administration Costs				\$2,189,940	\$2,189,940
Portfolio Administration ²				\$2,189,940	\$2,189,940
System Maintenance & Improvements ¹⁰				\$0	\$0
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$1,341,532	\$1,341,532
EMS ¹²				\$1,341,532	\$1,341,532
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$382,130	\$382,130
Research Innovation Fund ¹²				\$382,130	\$382,130
Market Data ¹¹				\$0	\$0
Other				\$213,879	\$213,879
Achievable Potential Study				\$213,879	\$213,879
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$4,127,481	\$4,127,481
Total	\$40,766,576	\$9,402,267	\$0	\$18,003,775	\$68,172,617

See notes on final page

2016 DSM Actual Spend	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2016 Total
Residential Program	\$29,295,391	\$4,117,972	\$0	\$4,115,949	\$37,529,312
Residential Whole Home	\$27,670,896	\$4,075,714			\$31,746,610
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$1,624,495	\$42,258			\$1,666,753
Low Income Program	\$12,303,538	\$3,922,096	\$0	\$1,903,573	\$18,129,207
Home Winterproofing	\$8,747,695	\$3,384,246			\$12,131,941
Affordable Housing Multi-Residential	\$3,555,843	\$537,850			\$4,093,693
Commercial Program	\$11,615,102	\$1,849,844	\$0	\$2,786,758	\$16,251,704
Commercial Custom ⁴	\$5,205,540	\$843,121			\$6,048,661
Prescriptive Downstream ⁵	\$4,021,455	\$1,003,928			\$5,025,383
Direct Install	\$2,388,106	\$2,796			\$2,390,902
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$9,047,920	\$584,066	\$0	\$2,491,535	\$12,123,522
Industrial Custom ⁷	\$9,047,920	\$584,066			\$9,631,987
Large Volume Program	\$2,441,233	\$322	\$0	\$509,939	\$2,951,494
Direct Access ⁸	\$2,441,233	\$322			\$2,441,555
Energy Performance Program⁹	\$0	\$0	\$0	\$0	\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$3,915,426	\$1,240,297	\$0	\$820,623	\$5,976,347
Residential Savings by Design	\$2,747,934	\$721,187			\$3,469,121
Commercial Savings by Design	\$1,128,355	\$299,370			\$1,427,725
Affordable Housing Savings By Design	\$39,137	\$219,740			\$258,877
Commercial Air Tightness Testing ³	\$0	\$0			\$0
Low Carbon Transition Program⁹	\$0	\$0	\$0	\$0	\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs⁹	\$167,796	\$1,253,465	\$0	\$496,224	\$1,917,484
School Energy Competition	\$0	\$289,555			\$289,555
Run It Right / RunSmart	\$0	\$318,922			\$318,922
Comprehensive / Strategic Energy Management	\$155	\$146,803			\$146,958
Optimum Home	\$167,641	\$498,184			\$665,825
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other⁹	\$6,600	\$14,832	\$0	\$1,969	\$23,401
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$6,600	\$1,200			\$7,800
Indigenous (2015-2022)	\$0	\$13,632			\$13,632
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$68,793,007	\$12,982,893	\$0	\$13,126,570	\$94,902,471
Administration Costs				\$7,327,413	\$7,327,413
Portfolio Administration ²				\$2,364,580	\$2,364,580
System Maintenance & Improvements ¹⁰				\$4,962,833	\$4,962,833
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$2,825,581	\$2,825,581
EMS ¹²				\$2,825,581	\$2,825,581
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$949,046	\$949,046
Research Innovation Fund ¹²				\$949,046	\$949,046
Market Data ¹¹				\$0	\$0
Other				\$309,425	\$309,425
Achievable Potential Study				\$267,199	\$267,199
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$46,946	\$46,946
Miscellaneous Admin				-\$4,720	-\$4,720
Open Bill Project				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$11,411,465	\$11,411,465
Total	\$68,793,007	\$12,982,893	\$0	\$24,538,035	\$106,313,936

2017 DSM Actual Spend	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2017 Total
Residential Program	\$37,754,432	\$7,745,106	\$0	\$4,204,679	\$49,704,216
Residential Whole Home	\$36,413,673	\$7,606,546			\$44,020,218
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$1,340,759	\$138,560			\$1,479,319
Low Income Program	\$11,192,389	\$5,484,965	\$0	\$2,029,308	\$18,706,662
Home Winterproofing	\$6,035,878	\$4,936,478			\$10,972,356
Affordable Housing Multi-Residential	\$5,156,510	\$548,507			\$5,705,017
Commercial Program	\$12,188,022	\$3,690,745	\$0	\$3,311,619	\$19,190,386
Commercial Custom ⁴	\$4,960,679	\$1,345,499			\$6,306,179
Prescriptive Downstream ⁵	\$4,644,977	\$1,670,740			\$6,315,717
Direct Install	\$2,582,365	\$674,506			\$3,256,871
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$10,401,668	\$699,066	\$0	\$2,687,428	\$13,788,162
Industrial Custom ⁷	\$10,401,668	\$699,066			\$11,100,735
Large Volume Program	\$2,114,335	\$12,870	\$0	\$495,557	\$2,622,762
Direct Access ⁸	\$2,114,335	\$12,870			\$2,127,205
Energy Performance Program⁹	\$0	\$0	\$0	\$0	\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$5,624,320	\$1,727,766	\$0	\$1,029,655	\$8,381,741
Residential Savings by Design	\$3,484,596	\$731,697			\$4,216,284
Commercial Savings by Design	\$1,398,409	\$578,438			\$1,976,846
Affordable Housing Savings By Design	\$741,325	\$417,631			\$1,158,956
Commercial Air Tightness Testing ³	\$0	\$0			\$0
Low Carbon Transition Program⁹	\$0	\$0	\$0	\$0	\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs⁹	\$577,902	\$1,579,621	\$0	\$613,925	\$2,771,448
School Energy Competition	\$97,340	\$363,055			\$460,395
Run It Right / RunSmart	\$147,156	\$436,673			\$583,829
Comprehensive / Strategic Energy Management	\$37,720	\$390,252			\$427,972
Optimum Home	\$295,685	\$389,641			\$685,326
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other⁹	\$229,938	\$151,036	\$0	\$38,114	\$419,088
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$127,600	\$41,190			\$168,790
Indigenous (2015-2022)	\$102,338	\$109,846			\$212,185
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$80,083,005	\$21,091,195	\$0	\$14,410,285	\$115,584,485
Administration Costs				\$5,477,140	\$5,477,140
Portfolio Administration ²				\$2,911,324	\$2,911,324
System Maintenance & Improvements ¹⁰				\$2,565,816	\$2,565,816
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$4,231,599	\$4,231,599
EMS ¹²				\$4,231,599	\$4,231,599
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$1,332,768	\$1,332,768
Research Innovation Fund ¹²				\$1,332,768	\$1,332,768
Market Data ¹¹				\$0	\$0
Other				\$318,558	\$318,558
Achievable Potential Study				\$0	\$0
Energy Literacy				\$126,325	\$126,325
Integrated Resource Planning				\$192,233	\$192,233
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$11,360,064	\$11,360,064
Total	\$80,083,005	\$21,091,195	\$0	\$25,770,349	\$126,944,549

2018 DSM Actual Spend	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2018 Total
Residential Program	\$44,387,095	\$4,642,465	\$0	\$4,065,963	\$53,095,523
Residential Whole Home	\$43,059,030	\$4,392,103			\$47,451,133
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$1,328,065	\$250,362			\$1,578,427
Low Income Program	\$12,522,219	\$6,603,648	\$0	\$2,317,934	\$21,443,801
Home Winterproofing	\$6,285,794	\$5,810,219			\$12,097,013
Affordable Housing Multi-Residential	\$6,235,425	\$793,429			\$7,028,854
Commercial Program	\$13,804,710	\$2,467,458	\$0	\$3,431,082	\$19,703,249
Commercial Custom ⁴	\$6,442,233	\$631,569			\$7,073,802
Prescriptive Downstream ⁵	\$4,661,432	\$1,255,343			\$5,916,775
Direct Install	\$2,701,044	\$380,546			\$3,081,590
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$9,053,171	\$595,191	\$0	\$2,506,124	\$12,254,487
Industrial Custom ⁷	\$9,053,171	\$595,191			\$9,648,362
Large Volume Program	\$2,340,899	\$162	\$0	\$480,819	\$2,821,881
Direct Access ⁸	\$2,340,899	\$162			\$2,341,061
Energy Performance Program ⁹	\$0	\$0	\$0		\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$6,200,457	\$2,032,324	\$0	\$1,064,703	\$9,297,484
Residential Savings by Design	\$3,641,542	\$615,503			\$4,257,045
Commercial Savings by Design	\$1,632,578	\$590,967			\$2,223,545
Affordable Housing Savings By Design	\$926,337	\$825,853			\$1,752,191
Commercial Air Tightness Testing ³	\$0	\$0			\$0
Low Carbon Transition Program ¹	\$0	\$0	\$0		\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs ⁸	\$769,282	\$1,752,796	\$0	\$620,924	\$3,143,001
School Energy Competition	\$57,747	\$191,021			\$248,768
Run It Right / RunSmart	\$189,441	\$564,447			\$753,888
Comprehensive / Strategic Energy Management	\$43,094	\$629,133			\$672,227
Optimum Home	\$479,000	\$368,194			\$847,194
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other ⁸	\$61,965	\$92,639	\$0	\$17,930	\$172,534
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$0	\$0			\$0
Indigenous (2015-2022)	\$61,965	\$92,639			\$154,604
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$83,159,798	\$18,186,682	\$0	\$14,605,481	\$115,951,961
Administration Costs				\$6,393,820	\$6,393,820
Portfolio Administration ²				\$3,858,510	\$3,858,510
System Maintenance & Improvements ¹⁰				\$2,535,310	\$2,535,310
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$3,991,926	\$3,991,926
EMS/V				\$3,991,926	\$3,991,926
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$1,568,715	\$1,568,715
Research Innovation Fund ¹²				\$1,568,715	\$1,568,715
Market Data ¹¹				\$0	\$0
Other				\$1,370,965	\$1,370,965
Achievable Potential Study				\$0	\$0
Energy Literacy				\$467,107	\$467,107
Integrated Resource Planning				\$82,464	\$82,464
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$821,395	\$821,395
				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$13,325,426	\$13,325,426
Total	\$83,159,798	\$18,186,682	\$0	\$27,930,906	\$129,277,387

See notes on final page

2019 DSM Actual Spend	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2019 Total
Residential Program	\$47,245,920	\$3,899,177	\$0	\$4,078,394	\$55,223,490
Residential Whole Home	\$45,815,010	\$3,421,662			\$49,236,671
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$1,430,910	\$477,516			\$1,908,426
Low Income Program	\$15,750,922	\$6,522,965	\$0	\$1,996,968	\$24,270,854
Home Winterproofing	\$10,416,934	\$5,979,739			\$16,396,673
Affordable Housing Multi-Residential	\$5,333,988	\$543,226			\$5,877,214
Commercial Program	\$14,221,739	\$1,820,167	\$0	\$2,813,559	\$18,855,464
Commercial Custom ⁴	\$4,604,869	\$913,571			\$5,518,440
Prescriptive Downstream ⁵	\$3,757,142	\$867,216			\$4,624,359
Direct Install	\$5,859,728	\$39,379			\$5,899,107
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$10,592,909	\$295,114	\$0	\$2,501,842	\$13,389,866
Industrial Custom ⁷	\$10,592,909	\$295,114			\$10,888,024
Large Volume Program	\$2,684,479	\$131	\$0	\$403,996	\$3,088,606
Direct Access ⁸	\$2,684,479	\$131			\$2,684,610
Energy Performance Program ⁹	\$0	\$0	\$0		\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$6,410,031	\$1,907,215	\$0	\$944,756	\$9,262,002
Residential Savings by Design	\$3,535,740	\$642,664			\$4,178,404
Commercial Savings by Design	\$1,754,794	\$661,745			\$2,416,539
Affordable Housing Savings By Design	\$1,119,497	\$602,806			\$1,722,304
Commercial Air Tightness Testing ³	\$0	\$0			\$0
Low Carbon Transition Program ¹	\$0	\$0	\$0		\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs ⁸	\$819,593	\$1,467,813	\$0	\$634,726	\$2,922,132
School Energy Competition	\$16,800	\$238,913			\$255,713
Run It Right / RunSmart	\$227,837	\$454,138			\$681,976
Comprehensive / Strategic Energy Management	\$16,856	\$515,969			\$532,825
Optimum Home	\$558,400	\$258,793			\$817,193
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other ⁸	\$284,763	\$79,210	\$0	\$24,692	\$388,666
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$30,525	\$5,550			\$36,075
Indigenous (2015-2022)	\$254,238	\$73,660			\$327,899
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$98,010,356	\$15,991,794	\$0	\$13,398,933	\$127,401,082
Administration Costs				\$3,883,607	\$3,883,607
Portfolio Administration ²				\$3,541,362	\$3,541,362
System Maintenance & Improvements ¹⁰				\$342,245	\$342,245
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$4,456,427	\$4,456,427
EMS/V				\$4,456,427	\$4,456,427
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$2,227,737	\$2,227,737
Research Innovation Fund ¹²				\$2,227,737	\$2,227,737
Market Data ¹¹				\$0	\$0
Other				\$478,892	\$478,892
Achievable Potential Study				\$185,200	\$185,200
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$288,724	\$288,724
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$4,968	\$4,968
				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$11,046,663	\$11,046,663
Total	\$98,010,356	\$15,991,794	\$0	\$24,445,596	\$138,447,745

2020 DSM Actual Spend (Draft Audit)	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2020 Total
Residential Program	\$42,401,580	\$2,884,747	\$0	\$4,273,162	\$49,559,489
Residential Whole Home	\$40,078,808	\$2,197,411			\$42,276,219
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$2,322,772	\$687,336			\$3,010,108
Low Income Program	\$13,183,712	\$5,830,409	\$0	\$1,874,104	\$20,888,226
Home Winterproofing	\$8,147,303	\$5,382,747			\$13,530,050
Affordable Housing Multi-Residential	\$5,036,409	\$447,663			\$5,484,072
Commercial Program	\$11,811,443	\$1,640,582	\$0	\$2,632,678	\$16,084,703
Commercial Custom ⁴	\$7,280,758	\$521,711			\$7,802,469
Prescriptive Downstream ⁵	\$2,240,130	\$867,136			\$3,107,266
Direct Install	\$2,290,556	\$251,735			\$2,542,291
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$8,441,531	\$430,102	\$0	\$2,476,936	\$11,348,569
Industrial Custom ⁷	\$8,441,531	\$430,102			\$8,871,633
Large Volume Program	\$2,887,016	\$34,632	\$0	\$416,851	\$3,338,499
Direct Access ⁸	\$2,887,016	\$34,632			\$2,921,648
Energy Performance Program ⁹	\$0	\$0	\$0		\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$5,947,716	\$1,331,371	\$0	\$892,249	\$8,171,336
Residential Savings by Design	\$2,811,727	\$514,707			\$3,326,434
Commercial Savings by Design	\$1,987,481	\$246,188			\$2,233,669
Affordable Housing Savings By Design	\$1,148,508	\$570,476			\$1,718,984
Commercial Air Tightness Testing ³	\$0	\$0			\$0
Low Carbon Transition Program ¹	\$0	\$0	\$0		\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs ⁸	\$543,602	\$860,345	\$0	\$597,687	\$2,001,634
School Energy Competition	\$12,000	\$56,748			\$68,748
Run It Right / RunSmart	\$93,602	\$166,976			\$260,578
Comprehensive / Strategic Energy Management	\$10,000	\$469,100			\$479,100
Optimum Home	\$428,000	\$167,522			\$595,522
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other ⁸	\$0	\$66,900	\$0	\$4,686	\$71,586
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$0	\$0			\$0
Indigenous (2015-2022)	\$0	\$66,900			\$66,900
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$85,216,600	\$13,079,088	\$0	\$13,168,353	\$111,464,042
Administration Costs				\$3,374,634	\$3,374,634
Portfolio Administration ²				\$3,374,634	\$3,374,634
System Maintenance & Improvements ¹⁰				\$0	\$0
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$2,020,398	\$2,020,398
EMS/V				\$2,020,398	\$2,020,398
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$2,171,436	\$2,171,436
Research Innovation Fund ¹²				\$2,171,436	\$2,171,436
Market Data ¹¹				\$0	\$0
Other				\$6,225	\$6,225
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$6,225	\$6,225
				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$7,572,694	\$7,572,694
Total	\$85,216,600	\$13,079,088	\$0	\$20,741,047	\$119,036,736

2021 DSM Forecasted Spend ¹⁶	Incentive Costs	Promotion Costs	Delivery Costs ¹	Admin Costs ²	2021 Total
Residential Program	\$44,781,642	\$3,549,603	\$0	\$4,646,667	\$52,977,912
Residential Whole Home	\$42,411,977	\$2,574,620			\$44,986,597
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$2,369,664	\$974,983			\$3,344,647
Low Income Program	\$16,065,933	\$7,330,764	\$0	\$2,094,348	\$25,491,045
Home Winterproofing	\$10,849,600	\$5,794,300			\$16,643,900
Affordable Housing Multi-Residential	\$5,216,333	\$1,536,464			\$6,752,797
Commercial Program	\$18,297,500	\$2,709,500	\$0	\$3,549,877	\$24,556,877
Commercial Custom ⁴	\$9,679,500	\$1,150,500			\$10,830,000
Prescriptive Downstream ⁵	\$3,154,000	\$1,354,000			\$4,508,000
Direct Install	\$5,464,000	\$205,000			\$5,669,000
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$7,860,000	\$190,000	\$0	\$2,026,661	\$10,076,661
Industrial Custom ⁷	\$7,860,000	\$190,000			\$8,050,000
Large Volume Program	\$3,000,000	\$150,000	\$0	\$422,958	\$3,572,958
Direct Access ⁸	\$3,000,000	\$150,000			\$3,150,000
Energy Performance Program ⁹	\$0	\$0	\$0	\$0	\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$5,220,100	\$1,843,678	\$0	\$855,861	\$7,919,639
Residential Savings by Design	\$3,023,000	\$801,128			\$3,824,128
Commercial Savings by Design	\$1,185,500	\$429,500			\$1,615,000
Affordable Housing Savings By Design	\$1,011,600	\$613,050			\$1,624,650
Commercial Air Tightness Testing ¹⁰	\$0	\$0			\$0
Low Carbon Transition Program ¹¹	\$0	\$0	\$0	\$0	\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs ¹²	\$307,300	\$696,329	\$0	\$591,655	\$1,595,284
School Energy Competition	\$0	\$0			\$0
Run It Right / RunSmart	\$142,300	\$277,700			\$420,000
Comprehensive / Strategic Energy Management	\$165,000	\$205,000			\$370,000
Optimum Home	\$0	\$213,629			\$213,629
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other ¹³	\$0	\$0	\$0	\$0	\$0
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$0	\$0			\$0
Indigenous (2015-2022)	\$0	\$0			\$0
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$95,532,475	\$16,469,874	\$0	\$14,188,026	\$126,190,374
Administration Costs				\$3,951,718	\$3,951,718
Portfolio Administration ²				\$3,951,718	\$3,951,718
System Maintenance & Improvements ¹⁰				\$0	\$0
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$2,474,316	\$2,474,316
EM&V				\$2,474,316	\$2,474,316
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$2,398,663	\$2,398,663
Research Innovation Fund ¹²				\$2,398,663	\$2,398,663
Market Data ¹¹				\$0	\$0
Other				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$8,824,697	\$8,824,697
Total	\$95,826,175	\$16,176,174	\$0	\$23,012,723	\$135,015,071

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2022 DSM OEB Approved Budget ¹³	Incentive Costs ¹⁴	Promotion Costs ¹⁴	Delivery Costs ¹	Admin Costs ²	2022 Total
Residential Program	\$34,716,070	\$0	\$0	\$3,738,125	\$38,454,195
Residential Whole Home	\$30,953,200	\$0			\$30,953,200
Residential Single Measure ³	\$0	\$0			\$0
Residential Smart Home	\$3,762,870	\$0			\$3,762,870
Low Income Program	\$22,651,212	\$0	\$0	\$2,770,568	\$25,421,780
Home Winterproofing	\$15,110,859	\$0			\$15,110,859
Affordable Housing Multi-Residential	\$7,540,353	\$0			\$7,540,353
Commercial Program	\$25,228,652	\$0	\$0	\$4,937,438	\$30,166,090
Commercial Custom ⁴	\$8,305,957	\$0			\$8,305,957
Prescriptive Downstream ⁵	\$9,472,114	\$0			\$9,472,114
Direct Install	\$7,450,581	\$0			\$7,450,581
Prescriptive Midstream ⁶	\$0	\$0			\$0
Industrial Program	\$8,913,828	\$0	\$0	\$2,137,387	\$11,051,215
Industrial Custom ⁷	\$8,913,828	\$0			\$8,913,828
Large Volume Program	\$3,150,000	\$0	\$0	\$787,000	\$3,937,000
Direct Access ⁸	\$3,150,000	\$0			\$3,150,000
Energy Performance Program ⁹	\$0	\$0	\$0	\$0	\$0
Whole Building Pay For Performance (P4P)	\$0	\$0			\$0
Building Beyond Code Program	\$6,970,924	\$0	\$0	\$903,491	\$7,874,415
Residential Savings by Design	\$3,392,296	\$0			\$3,392,296
Commercial Savings by Design	\$2,122,068	\$0			\$2,122,068
Affordable Housing Savings By Design	\$1,456,560	\$0			\$1,456,560
Commercial Air Tightness Testing ¹⁰	\$0	\$0			\$0
Low Carbon Transition Program ¹¹	\$0	\$0	\$0	\$0	\$0
Residential Low Carbon	\$0	\$0			\$0
Commercial Low Carbon	\$0	\$0			\$0
Market Transformation & Energy Management Programs ¹²	\$3,433,971	\$0	\$0	\$850,852	\$4,284,823
School Energy Competition	\$520,200	\$0			\$520,200
Run It Right / RunSmart	\$629,209	\$0			\$629,209
Comprehensive / Strategic Energy Management	\$1,443,562	\$0			\$1,443,562
Optimum Home	\$841,000	\$0			\$841,000
Home Labelling (2015)	\$0	\$0			\$0
2015-2022 Other ¹³	\$1,365,000	\$0	\$0	\$146,680	\$1,511,680
Energy Savings Kits (2015)	\$0	\$0			\$0
Furnace End-of-Life (2015-2022)	\$917,000	\$0			\$917,000
Indigenous (2015-2022)	\$448,000	\$0			\$448,000
My Home Health Record (2015)	\$0	\$0			\$0
Program Subtotal	\$106,429,657	\$0	\$16,271,541	\$122,701,198	\$122,701,198
Administration Costs				\$3,842,000	\$3,842,000
Portfolio Administration ²				\$2,842,000	\$2,842,000
System Maintenance & Improvements ¹⁰				\$1,000,000	\$1,000,000
Municipal Engagement ¹¹				\$0	\$0
Evaluation and Regulatory Costs				\$4,520,056	\$4,520,056
EM&V				\$4,520,056	\$4,520,056
Regulatory & Stakeholdering ¹¹				\$0	\$0
Process and Market Evaluation ¹¹				\$0	\$0
Research and Development Costs				\$2,543,663	\$2,543,663
Research Innovation Fund ¹²				\$2,543,663	\$2,543,663
Market Data ¹¹				\$0	\$0
Other				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal	\$0	\$0	\$0	\$10,905,719	\$10,905,719
Total	\$106,429,657	\$0	\$16,271,260	\$133,606,917	\$133,606,917

2023 DSM Budget Item	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	2023 Total
Residential Program	\$32,484,644	\$3,148,484	\$3,591,449	\$1,580,225	\$40,804,802
Residential Whole Home	\$26,140,935	\$1,527,894	\$2,961,089		\$30,629,918
Residential Single Measure	\$3,557,834	\$804,590	\$255,000		\$4,617,424
Residential Smart Home	\$2,785,875	\$816,000	\$375,360		\$3,977,235
Low Income Program	\$15,615,383	\$3,345,600	\$2,553,060	\$1,473,642	\$22,987,685
Home Winterproofing	\$9,511,755	\$2,499,000	\$2,364,360		\$14,375,115
Affordable Housing Multi-Residential	\$6,103,628	\$846,600	\$188,700		\$7,138,928
Commercial Program	\$17,931,274	\$1,233,078	\$2,354,815	\$3,743,608	\$25,262,775
Commercial Custom	\$10,944,600	\$619,650	\$331,580		\$11,895,830
Prescriptive Downstream	\$2,140,029	\$133,008	\$163,200		\$2,436,237
Direct Install	\$4,326,363	\$276,420	\$163,200		\$4,765,983
Prescriptive Midstream	\$520,282	\$204,000	\$1,696,835		\$2,421,117
Industrial Program	\$13,464,000	\$408,000	\$0	\$3,956,114	\$17,828,114
Industrial Custom	\$13,464,000	\$408,000	\$0		\$13,872,000
Large Volume Program	\$2,499,000	\$51,000	\$0	\$216,624	\$2,766,624
Direct Access	\$2,499,000	\$51,000	\$0		\$2,550,000
Energy Performance Program	\$637,500	\$30,000	\$450,000	\$104,156	\$1,221,656
Whole Building Pay For Performance (P4P)	\$637,500	\$30,000	\$450,000		\$1,117,500
Building Beyond Code Program	\$2,818,600	\$1,393,432	\$3,702,900	\$522,571	\$8,437,503
Residential Savings by Design	\$1,600,000	\$900,000	\$1,557,500		\$4,057,500
Commercial Savings by Design	\$0	\$200,000	\$1,036,000		\$1,236,000
Affordable Housing Savings By Design	\$993,600	\$160,000	\$984,400		\$2,138,000
Commercial Air Tightness Testing	\$225,000	\$133,432	\$125,000		\$483,432
Low Carbon Transition Program ¹⁷	\$3,965,550	\$421,611	\$0	\$203,680	\$4,590,841
Residential Low Carbon	\$2,436,750	\$264,444	\$0		\$2,701,194
Commercial Low Carbon	\$1,528,800	\$157,167	\$0		\$1,685,967
Market Transformation & Energy Management Programs ¹⁸	\$0	\$0	\$0	\$0	\$0
School Energy Competition	\$0	\$0	\$0		\$0
Run It Right / RunSmart	\$0	\$0	\$0		\$0
Comprehensive / Strategic Energy Management	\$0	\$0	\$0		\$0
Optimum Home	\$0	\$0	\$0		\$0
Home Labelling (2015)	\$0	\$0	\$0		\$0
2015-2022 Other ¹⁹	\$0	\$0	\$0	\$0	\$0
Energy Savings Kits (2015)	\$0	\$0	\$0		\$0
Furnace End-of-Life (2015-2022)	\$0	\$0	\$0		\$0
Indigenous (2015-2022)	\$0	\$0	\$0		\$0
My Home Health Record (2015)	\$0	\$0	\$0		\$0
Program Subtotal	\$89,415,951	\$10,031,205	\$12,652,224	\$11,800,620	\$123,900,000
Administration Costs				\$11,252,522	\$11,252,522
Portfolio Administration				\$8,569,922	\$8,569,922
System Maintenance & Improvements				\$1,020,000	\$1,020,000
Municipal Engagement				\$1,662,600	\$1,662,600
Evaluation and Regulatory Costs				\$3,876,000	\$3,876,000
EM&V				\$2,652,000	\$2,652,000
Regulatory & Stakeholdering				\$714,000	\$714,000
Process and Market Evaluation				\$510,000	\$510,000
Research and Development Costs				\$3,231,478	\$3,231,478
Research Innovation Fund				\$2,601,000	\$2,601,000
Market Data				\$630,478	\$630,478
Other ²⁰				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal				\$18,360,000	\$18,360,000
Total	\$89,415,951	\$10,031,205	\$12,652,224	\$30,160,620	\$142,260,000

2024 DSM Budget Item	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	2024 Total
Residential Program	\$33,172,339	\$3,401,790	\$3,576,728	\$1,611,830	\$41,762,686
Residential Whole Home	\$26,701,756	\$1,748,788	\$2,933,761		\$31,384,304
Residential Single Measure	\$3,628,990	\$820,682	\$260,100		\$4,709,772
Residential Smart Home	\$2,841,593	\$832,320	\$382,667		\$4,056,580
Low Income Program	\$15,927,691	\$3,412,512	\$2,604,121	\$1,503,115	\$23,447,439
Home Winterproofing	\$9,701,990	\$2,548,980	\$2,411,647		\$14,662,617
Affordable Housing Multi-Residential	\$6,225,701	\$863,532	\$192,474		\$7,281,707
Commercial Program	\$18,289,899	\$1,257,740	\$2,315,362	\$3,763,241	\$25,626,242
Commercial Custom	\$11,163,492	\$632,043	\$251,662		\$12,047,197
Prescriptive Downstream	\$2,182,830	\$135,668	\$166,464		\$2,484,962
Direct Install	\$4,412,890	\$281,948	\$166,464		\$4,861,302
Prescriptive Midstream	\$530,688	\$208,080	\$1,730,772		\$2,469,540
Industrial Program	\$13,733,280	\$416,160	\$0	\$4,035,236	\$18,184,676
Industrial Custom	\$13,733,280	\$416,160	\$0		\$14,149,440
Large Volume Program	\$2,548,980	\$52,020	\$0	\$220,957	\$2,821,957
Direct Access	\$2,548,980	\$52,020	\$0		\$2,601,000
Energy Performance Program	\$637,500	\$30,000	\$450,000	\$105,239	\$1,222,739
Whole Building Pay For Performance (P4P)	\$637,500	\$30,000	\$450,000		\$1,117,500
Building Beyond Code Program	\$3,579,200	\$1,107,231	\$4,327,800	\$532,123	\$9,546,354
Residential Savings by Design	\$2,150,000	\$650,000	\$1,915,000		\$4,715,000
Commercial Savings by Design	\$0	\$200,000	\$1,147,000		\$1,347,000
Affordable Housing Savings By Design	\$1,159,200	\$160,000	\$1,140,800		\$2,460,000
Commercial Air Tightness Testing	\$270,000	\$97,231	\$125,000		\$492,231
Low Carbon Transition Program¹⁸	\$6,605,120	\$670,033	\$0	\$207,754	\$7,482,907
Residential Low Carbon	\$4,762,720	\$512,866	\$0		\$5,275,586
Commercial Low Carbon	\$1,842,400	\$157,167	\$0		\$1,999,567
Market Transformation & Energy Management Programs⁸	\$0	\$0	\$0	\$0	\$0
School Energy Competition	\$0	\$0	\$0		\$0
Run It Right / RunSmart	\$0	\$0	\$0		\$0
Comprehensive / Strategic Energy Management	\$0	\$0	\$0		\$0
Optimum Home	\$0	\$0	\$0		\$0
Home Labelling (2015)	\$0	\$0	\$0		\$0
2015-2022 Other⁹	\$0	\$0	\$0	\$0	\$0
Energy Savings Kits (2015)	\$0	\$0	\$0		\$0
Furnace End-of-Life (2016-2022)	\$0	\$0	\$0		\$0
Indigenous (2016-2022)	\$0	\$0	\$0		\$0
My Home Health Record (2015)	\$0	\$0	\$0		\$0
Program Subtotal	\$94,434,009	\$10,347,485	\$13,274,011	\$11,979,495	\$130,095,000
Administration Costs				\$11,477,572	\$11,477,572
Portfolio Administration				\$8,741,320	\$8,741,320
System Maintenance & Improvements				\$1,040,400	\$1,040,400
Municipal Engagement				\$1,695,852	\$1,695,852
Evaluation and Regulatory Costs				\$3,953,520	\$3,953,520
EM&V				\$2,705,040	\$2,705,040
Regulatory & Stakeholdering				\$728,280	\$728,280
Process and Market Evaluation				\$520,200	\$520,200
Research and Development Costs				\$3,296,108	\$3,296,108
Research Innovation Fund				\$2,653,020	\$2,653,020
Market Data				\$643,088	\$643,088
Other¹⁰				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal				\$18,727,200	\$18,727,200
Total	\$94,434,009	\$10,347,485	\$13,274,011	\$30,706,695	\$148,822,200

See notes on final page

2025 DSM Budget	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	2025 Total
Residential Program	\$33,835,785	\$3,469,825	\$3,648,262	\$1,644,067	\$42,597,940
Residential Whole Home	\$27,235,791	\$1,783,763	\$2,992,436		\$32,011,990
Residential Single Measure	\$3,701,570	\$837,096	\$268,302		\$4,807,967
Residential Smart Home	\$2,898,425	\$848,966	\$390,525		\$4,137,916
Low Income Program	\$16,246,244	\$3,480,762	\$2,656,204	\$1,533,177	\$23,916,388
Home Winterproofing	\$9,896,030	\$2,599,959	\$2,459,880		\$14,955,869
Affordable Housing Multi-Residential	\$6,350,215	\$880,803	\$196,323		\$7,427,341
Commercial Program	\$18,655,697	\$1,282,894	\$2,361,669	\$3,838,506	\$26,138,767
Commercial Custom	\$11,386,762	\$644,684	\$256,695		\$12,288,141
Prescriptive Downstream	\$2,226,487	\$138,381	\$169,793		\$2,534,661
Direct Install	\$4,501,148	\$287,587	\$169,793		\$4,958,528
Prescriptive Midstream	\$541,301	\$212,242	\$1,765,387		\$2,518,931
Industrial Program	\$14,007,946	\$424,483	\$0	\$4,115,941	\$18,548,370
Industrial Custom	\$14,007,946	\$424,483	\$0		\$14,432,429
Large Volume Program	\$2,599,960	\$53,060	\$0	\$225,376	\$2,878,396
Direct Access	\$2,599,960	\$53,060	\$0		\$2,653,020
Energy Performance Program	\$650,250	\$30,600	\$459,000	\$107,344	\$1,247,194
Whole Building Pay For Performance (P4P)	\$650,250	\$30,600	\$459,000		\$1,139,850
Building Beyond Code Program¹⁸	\$4,508,341	\$1,394,662	\$5,451,274	\$542,765	\$11,897,043
Residential Savings by Design					
Commercial Savings by Design					
Affordable Housing Savings By Design					
Commercial Air Tightness Testing					
Low Carbon Transition Program¹⁸	\$8,319,774	\$843,970	\$0	\$211,909	\$9,375,653
Residential Low Carbon					
Commercial Low Carbon					
Market Transformation & Energy Management Programs⁸	\$0	\$0	\$0	\$0	\$0
School Energy Competition	\$0	\$0	\$0		\$0
Run It Right / RunSmart	\$0	\$0	\$0		\$0
Comprehensive / Strategic Energy Management	\$0	\$0	\$0		\$0
Optimum Home	\$0	\$0	\$0		\$0
Home Labelling (2015)	\$0	\$0	\$0		\$0
2015-2022 Other⁹	\$0	\$0	\$0	\$0	\$0
Energy Savings Kits (2015)	\$0	\$0	\$0		\$0
Furnace End-of-Life (2016-2022)	\$0	\$0	\$0		\$0
Indigenous (2016-2022)	\$0	\$0	\$0		\$0
My Home Health Record (2015)	\$0	\$0	\$0		\$0
Program Subtotal	\$98,823,998	\$10,980,258	\$14,576,409	\$12,213,085	\$136,599,750
Administration Costs				\$11,707,123	\$11,707,123
Portfolio Administration				\$8,916,147	\$8,916,147
System Maintenance & Improvements				\$1,061,208	\$1,061,208
Municipal Engagement				\$1,729,769	\$1,729,769
Evaluation and Regulatory Costs				\$4,032,590	\$4,032,590
EM&V				\$2,759,141	\$2,759,141
Regulatory & Stakeholdering				\$742,846	\$742,846
Process and Market Evaluation				\$530,604	\$530,604
Research and Development Costs				\$3,362,030	\$3,362,030
Research Innovation Fund				\$2,706,080	\$2,706,080
Market Data				\$655,950	\$655,950
Other¹⁰				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal				\$19,101,744	\$19,101,744
Total	\$98,823,998	\$10,980,258	\$14,576,409	\$31,320,829	\$155,701,494

2026 DSM Budget	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	2026 Total
Residential Program	\$34,512,501	\$3,539,222	\$3,721,228	\$1,676,948	\$43,449,899
Residential Whole Home	\$27,780,507	\$1,819,439	\$3,052,285		\$32,652,230
Residential Single Measure	\$3,775,601	\$853,838	\$270,608		\$4,900,047
Residential Smart Home	\$2,956,393	\$865,946	\$398,335		\$4,220,674
Low Income Program	\$16,571,169	\$3,550,378	\$2,709,328	\$1,563,841	\$24,394,716
Home Winterproofing	\$10,093,951	\$2,651,958	\$2,509,078		\$15,254,987
Affordable Housing Multi-Residential	\$6,477,219	\$898,419	\$200,250		\$7,575,888
Commercial Program	\$19,028,811	\$1,308,552	\$2,408,902	\$3,915,276	\$26,661,542
Commercial Custom	\$11,614,497	\$657,578	\$261,829		\$12,533,903
Prescriptive Downstream	\$2,271,016	\$141,149	\$173,189		\$2,585,354
Direct Install	\$4,591,171	\$293,339	\$173,189		\$5,057,699
Prescriptive Midstream	\$552,127	\$216,487	\$1,800,695		\$2,569,309
Industrial Program	\$14,288,105	\$432,973	\$0	\$4,198,260	\$18,919,337
Industrial Custom	\$14,288,105	\$432,973	\$0		\$14,721,077
Large Volume Program	\$2,651,959	\$54,122	\$0	\$229,884	\$2,935,964
Direct Access	\$2,651,959	\$54,122	\$0		\$2,706,080
Energy Performance Program	\$663,255	\$31,212	\$468,180	\$109,491	\$1,272,138
Whole Building Pay For Performance (P4P)	\$663,255	\$31,212	\$468,180		\$1,162,647
Building Beyond Code Program¹⁸	\$5,498,943	\$1,701,107	\$6,649,063	\$553,621	\$14,402,734
Residential Savings by Design					
Commercial Savings by Design					
Affordable Housing Savings By Design					
Commercial Air Tightness Testing					
Low Carbon Transition Program¹⁸	\$10,147,849	\$1,029,413	\$0	\$216,147	\$11,393,409
Residential Low Carbon					
Commercial Low Carbon					
Market Transformation & Energy Management Programs⁸	\$0	\$0	\$0	\$0	\$0
School Energy Competition	\$0	\$0	\$0		\$0
Run It Right / RunSmart	\$0	\$0	\$0		\$0
Comprehensive / Strategic Energy Management	\$0	\$0	\$0		\$0
Optimum Home	\$0	\$0	\$0		\$0
Home Labelling (2015)	\$0	\$0	\$0		\$0
2015-2022 Other⁹	\$0	\$0	\$0	\$0	\$0
Energy Savings Kits (2015)	\$0	\$0	\$0		\$0
Furnace End-of-Life (2016-2022)	\$0	\$0	\$0		\$0
Indigenous (2016-2022)	\$0	\$0	\$0		\$0
My Home Health Record (2015)	\$0	\$0	\$0		\$0
Program Subtotal	\$103,362,593	\$11,646,977	\$15,956,701	\$12,463,467	\$143,429,738
Administration Costs				\$11,941,266	\$11,941,266
Portfolio Administration				\$9,094,469	\$9,094,469
System Maintenance & Improvements				\$1,082,432	\$1,082,432
Municipal Engagement				\$1,764,364	\$1,764,364
Evaluation and Regulatory Costs				\$4,113,242	\$4,113,242
EM&V				\$2,814,324	\$2,814,324
Regulatory & Stakeholdering				\$757,703	\$757,703
Process and Market Evaluation				\$541,216	\$541,216
Research and Development Costs				\$3,429,271	\$3,429,271
Research Innovation Fund				\$2,760,202	\$2,760,202
Market Data				\$669,069	\$669,069
Other¹⁰				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal				\$19,483,779	\$19,483,779
Total	\$103,362,593	\$11,646,977	\$15,956,701	\$31,947,246	\$162,913,517

2027 DSM Budget	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	2027 Total
Residential Program	\$35,202,751	\$3,610,006	\$3,795,652	\$1,710,487	\$44,318,896
Residential Whole Home	\$28,336,117	\$1,855,827	\$3,113,330		\$33,305,274
Residential Single Measure	\$3,851,113	\$870,914	\$276,020		\$4,998,048
Residential Smart Home	\$3,015,521	\$883,265	\$406,302		\$4,305,087
Low Income Program	\$16,902,593	\$3,621,385	\$2,763,514	\$1,595,118	\$24,882,610
Home Winterproofing	\$10,295,830	\$2,704,998	\$2,559,259		\$15,560,086
Affordable Housing Multi-Residential	\$6,606,763	\$916,388	\$204,255		\$7,727,406
Commercial Program	\$19,409,388	\$1,334,723	\$2,457,080	\$3,993,582	\$27,194,773
Commercial Custom	\$11,846,787	\$670,729	\$267,065		\$12,784,581
Prescriptive Downstream	\$2,316,437	\$143,972	\$176,653		\$2,637,062
Direct Install	\$4,682,994	\$299,206	\$176,653		\$5,158,853
Prescriptive Midstream	\$563,170	\$220,817	\$1,836,709		\$2,620,696
Industrial Program	\$14,573,867	\$441,632	\$0	\$4,282,225	\$19,297,724
Industrial Custom	\$14,573,867	\$441,632	\$0		\$15,015,499
Large Volume Program	\$2,704,998	\$55,204	\$0	\$234,481	\$2,994,683
Direct Access	\$2,704,998	\$55,204	\$0		\$2,760,202
Energy Performance Program	\$676,520	\$31,836	\$477,544	\$111,680	\$1,297,580
Whole Building Pay For Performance (P4P)	\$676,520	\$31,836	\$477,544		\$1,185,900
Building Beyond Code Program¹⁸	\$6,554,379	\$2,027,607	\$7,925,247	\$564,693	\$17,071,926
Residential Savings by Design					
Commercial Savings by Design					
Affordable Housing Savings By Design					
Commercial Air Tightness Testing					
Low Carbon Transition Program¹⁹	\$12,095,569	\$1,226,992	\$0	\$220,470	\$13,543,032
Residential Low Carbon					
Commercial Low Carbon					
Market Transformation & Energy Management Programs⁸	\$0	\$0	\$0	\$0	\$0
School Energy Competition	\$0	\$0	\$0		\$0
Run It Right / RunSmart	\$0	\$0	\$0		\$0
Comprehensive / Strategic Energy Management	\$0	\$0	\$0		\$0
Optimum Home	\$0	\$0	\$0		\$0
Home Labelling (2015)	\$0	\$0	\$0		\$0
2015-2022 Other⁸	\$0	\$0	\$0	\$0	\$0
Energy Savings Kits (2015)	\$0	\$0	\$0		\$0
Furnace End-of-Life (2016-2022)	\$0	\$0	\$0		\$0
Indigenous (2016-2022)	\$0	\$0	\$0		\$0
My Home Health Record (2015)	\$0	\$0	\$0		\$0
Program Subtotal	\$108,120,065	\$12,349,387	\$17,419,037	\$12,712,736	\$150,601,225
Administration Costs				\$12,180,092	\$12,180,092
Portfolio Administration				\$9,276,360	\$9,276,360
System Maintenance & Improvements				\$1,104,081	\$1,104,081
Municipal Engagement				\$1,799,652	\$1,799,652
Evaluation and Regulatory Costs				\$4,195,507	\$4,195,507
EM&V				\$2,870,610	\$2,870,610
Regulatory & Stakeholdering				\$772,657	\$772,657
Process and Market Evaluation				\$552,040	\$552,040
Research and Development Costs				\$3,497,856	\$3,497,856
Research Innovation Fund				\$2,815,406	\$2,815,406
Market Data				\$682,450	\$682,450
Other²⁰				\$0	\$0
Achievable Potential Study				\$0	\$0
Energy Literacy				\$0	\$0
Integrated Resource Planning				\$0	\$0
Miscellaneous Admin				\$0	\$0
Open Bill Project				\$0	\$0
Portfolio Subtotal				\$19,873,455	\$19,873,455
Total	\$108,120,065	\$12,349,387	\$17,419,037	\$32,586,192	\$170,474,680

Exhibit I.8.EGI.STAFF.18

Filed: 2021-11-15
EB-2021-0002
Exhibit I.8.EGI.STAFF.18
Page 1 of 7
Plus Attachments

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board (STAFF)

Interrogatory

Issue 8

Reference:

Exhibit D, Tab 1, Schedule 2, pp.2-5 and pp.12-13

Question(s):

Enbridge Gas has proposed a revised performance incentive structure that includes shareholder incentives dedicated to various targets – both short term and long term, scorecard related and net benefits driven.

- a) Please provide the following example shareholder incentive calculations that are based on the proposed incentive structure (including the maximum incentive amount of \$19.89m) and using the 2016 to 2020 program year results (including draft 2020 results if final verified results are not yet published):
 - i. Calculate the annual scorecards achievement and net benefit incentives from the 2016-2020 program years using the proposed incentive structure (the net benefits should use the proposed structure outlined in Table 10: Net Benefits Shared Savings Schedule).
 - ii. Using an even allocation of the proposed maximum incentive amount of \$19.89m to each of the annual scorecard incentives and net benefits incentive amounts.
 - iii. Using an allocation of 25% to the annual scorecard incentives and 75% to net benefits incentive amounts.
- b) Please discuss the impact of shifting a greater portion of the maximum shareholder incentive from the annual scorecards to overall net benefits.
- c) Please discuss the benefits of the proposed approach that includes most of the shareholder incentive resulting from the annual scorecards dedicated to gas savings (88%) and the net benefits incentive that is entirely based on gas savings. In your response, discuss how this does not represent a significant overlap in incentives that rewards Enbridge Gas for the same savings in two incentive mechanisms.
- d) Please discuss the benefit of the proposed approach that weights each net benefit range equally, particularly the lower ranges.

- e) Please discuss the impact of shifting the majority of the percentage of net benefits shared to savings in the higher ranges in an effort to provide an incentive for Enbridge Gas to pursue significantly greater net benefits, for example:

Net Benefit Range	% of Net Benefits Shared	Max Annual Incentive By Range
\$0-100M	0.00%	\$0
\$100-200M	0.25%	\$250,000
\$200-300M	0.25%	\$250,000
\$300-400M	0.50%	\$500,000
\$400-500M	2.50%	\$2,500,000
\$500M+	3.75%	\$3,130,000
TOTAL		\$6,630,000

Response

- a) Please see the following tables displaying the annual shareholder incentives for the requested scenarios. For the benefit of the reader, the 2016-2020 original actual shareholder incentives achieved in the respective years are presented below, along with the percentage of the maximum shareholder incentive achieved.

Historical DSMI with Current (2015-2020 Framework) Method	2016	2017	2018	2019	2020 ¹
LEG	\$6,365,751	\$2,120,130	\$3,982,872	\$6,717,372	\$3,586,470
LUG	\$4,120,731	\$5,519,140	\$6,366,226	\$5,950,363	\$2,726,196
Total DSMI	\$10,486,482	\$7,639,270	\$10,349,098	\$12,667,735	\$6,312,667
% of maximum shareholder incentive	50.2%	36.6%	49.5%	60.6%	30.2%

¹. 2020 calculations are based on are draft audit results.

i)

Historical DSMI Recalculated with Proposed 2023+ Hybrid Method (66.7% Annual Scorecard & 33.3% Net Benefits shared savings)	2016	2017	2018	2019	2020 ¹
EGD Annual Scorecard	\$4,474,354	\$2,081,735	\$3,271,039	\$4,656,529	\$3,092,722
Union Annual Scorecard	\$3,145,609	\$4,010,523	\$4,469,683	\$4,172,206	\$2,511,067
Annual Scorecard DSMI	\$7,619,963	\$6,092,259	\$7,740,722	\$8,828,735	\$5,603,789
Net Benefits Shared Savings	\$1,774,981	\$1,543,661	\$1,490,472	\$2,627,210	\$1,178,443
Total DSMI	\$9,394,944	\$7,635,919	\$9,231,194	\$11,455,945	\$6,782,231

¹. 2020 calculations are based on are draft audit results.

ii)

Historical DSMI Recalculated with Proposed 2023+ Hybrid Method (adjusted for 50% Annual Scorecard & 50% Net Benefits shared savings)	2016	2017	2018	2019	2020 ¹
EGD Annual Scorecard	\$3,355,765	\$1,561,302	\$2,453,279	\$3,492,397	\$2,319,541
Union Annual Scorecard	\$2,359,207	\$3,007,893	\$3,352,262	\$3,129,155	\$1,883,300
Annual Scorecard DSMI	\$5,714,972	\$4,569,194	\$5,805,541	\$6,621,551	\$4,202,841
Net Benefits shared savings	\$1,774,981	\$1,543,661	\$1,490,472	\$2,627,210	\$1,178,443
Total shareholder incentive	\$7,489,953	\$6,112,855	\$7,296,013	\$9,248,761	\$5,381,284

¹: 2020 calculations are based on are draft audit results.

iii)

Historical DSMI Recalculated with Proposed 2023+ Hybrid Method (adjusted for 25% Annual Scorecard & 75% Net Benefits shared savings)	2016	2017	2018	2019	2020 ¹
EGD Annual Scorecard	\$1,677,883	\$780,651	\$1,226,640	\$1,746,198	\$1,159,771
Union Annual Scorecard	\$1,179,603	\$1,503,946	\$1,676,131	\$1,564,577	\$941,650
Annual Scorecard DSMI	\$2,857,486	\$2,284,597	\$2,902,771	\$3,310,776	\$2,101,421
Net Benefits shared savings	\$1,774,981	\$1,543,661	\$1,490,472	\$2,627,210	\$1,178,443
Total shareholder incentive	\$4,632,467	\$3,828,258	\$4,393,242	\$5,937,986	\$3,279,863

¹: 2020 calculations are based on are draft audit results.

- b) OEB Staff and some intervenors have asked various questions that commonly are seeking additional understanding or explanation for how/why the Company proposed a hybrid shareholder incentive structure detailed in Exhibit D, Tab 1, Schedule 2 and illustrated in the infographic at page 2 of that schedule. This response aims to address those collective interrogatories.

The OEB continues to support DSM programming as a means of substantially meeting its statutory objectives specifically including promoting energy conservation and energy efficiency. To deliver on this objective, the OEB has historically approved a performance mechanism that includes shareholder incentives to motivate and recognize performance as the gas utilities actively pursue OEB defined DSM goals, objectives and priorities. Given the scope of proposed DSM programming (with a budget of more than \$140 million beginning in 2023), there is clear rationale for a performance mechanism that provides appropriate governance on behalf of ratepayers. Both the 2015-2020 Framework and the Proposed Framework utilize a shareholder incentive model, budget weightings, scorecards and performance metrics as key components of the overall governance and performance structure. The OEB's approved scorecard structure and performance metrics are intended to provide direction as to key operating parameters, defining how

successful DSM Programs should be operated and is not solely for determination the shareholder incentive.

The OEB has continued, in its December 1, 2020 DSM Letter, to acknowledge the need and appropriateness for a shareholder incentive to attract management's attention and to incent the utilities to aggressively pursue DSM activities and generate results consistent with the approved framework and performance metrics. Enbridge Gas management would not accept putting the Company at risk of earning absolutely nothing to operate a suite of program offerings which will benefit ratepayers and society generally. The Company expects, as it has in the past, that the OEB will approve, DSM incentive methodologies and performance metrics that provide both clear operational guidance and appropriate opportunity for the Company to earn a shareholder incentive based upon the generation of reasonable results.

An incentive approach and performance metrics could be structured through various mechanisms but should ultimately support the objectives of the OEB and align with ratepayer interests. The various objectives, priorities, and key guidance principles Enbridge Gas has identified from the OEB's December 1, 2020 DSM Letter for DSM include:¹

- Assist customers in making their homes and businesses more efficient in order to help better manage their energy bills
- Help lower overall average annual natural gas usage
- Play a role in meeting Ontario's greenhouse gas reductions goals
- Create opportunities to defer and/or avoid future natural gas infrastructure projects
- Expectation for modest budget increases
- Expectation for improved cost-effectiveness of programs
- Seek out elements of current programs that can be modified and consider new programs in order to optimize overall program results to make the best use of ratepayer funding
- Show how programs will benefit Ontario's natural gas customers
- Consider input received through the post-2020 DSM framework consultation, lessons learned from the past six years of activity, the OEB's evaluation reports and recommendations from the Evaluation Contractor, stakeholder feedback from the Mid-Term Review consultation and the recent 2021 DSM plan proceeding, the 2019 Achievable Potential Study, as well as the Government's Environment Plan

¹ EB-2019-0003, OEB Letter Post-2020 Natural Gas Demand Side Management Framework (December 1, 2020)

- Target key segments of the market, including low-income and on-reserve First Nations communities, and customers with significant room for efficiency improvements
- Strategically incent customers to achieve more savings
- Actively seeking out customers who can most greatly benefit from the programs
- Endeavor to coordinate the delivery of DSM programs with electricity CDM programs where possible
- Provide all customer group the opportunity to participate in DSM programming suggesting metrics be proposed to ensure all segments of the market are reached
- Ensure small volume, low-income customers and on-reserve First Nations communities are well-served
- Develop a longer-term natural gas savings reduction target, separate from the annual targets, that it will work to achieve by the end of the next multi-year DSM term
- Expectation that the new multi-year DSM plan will be for a minimum term of three years up to a maximum of six years
- Expectation that future performance be assessed relative to measurable, outcome-based metrics

In response, Enbridge Gas has proposed a four pronged hybrid shareholder incentive opportunity as part of any overall rethinking of the performance incentive to align with the OEB's evolved objectives and expectations. The various relative weighting and thresholds encompassed in the four performance incentive opportunities represent the Company's best estimation of a sensible and reasonable effort to balance the performance metrics to reflect the underlying OEB priorities.

As detailed in evidence, \$1.4 million annually of the \$20.9 million maximum was allocated toward the achievement of the Long Term Scorecard Incentive (\$400,000 for each of five years) as detailed in Exhibit D Tab 1 Schedule 2 Page 13 and \$1 million for 5 years, or a total of \$5 million was allocated to the achievement of a Long Term GHG Reduction incentive as detailed in Exhibit D Tab 1 Schedule 2, page 15. Of the remaining maximum annual incentive, beginning with \$19.89 million in 2023, two-thirds were directed toward the achievement of annual gas savings targets as detailed in Exhibit D, Tab 1, Schedule 2, page 7, with the majority of the weighting focused evenly, 22% each, on the four major sectors (Residential, Low-Income, Commercial, Industrial) to ensure a continued and balanced focused across all customers groups. The remaining one-third of the maximum annual incentive is directed to a portfolio level Annual Net Benefits Shared Savings opportunity described in Exhibit D, Tab 1, Schedule 2, page 12. This component of the overall structure is intended to elevate the Company's focus on the achievement of overall net benefits and is responsive to calls from stakeholders to re-introduce efforts on

driving net benefits. Attachment 1 to this interrogatory includes relevant slides from a presentation from GEC/ED in September 2018 advocating for the inclusion of such an approach.

The Company believes the one-third/two-thirds weighting between the Net Benefits Shared Savings incentives and the Annual Scorecards Incentives provides an appropriate focus on the multiple objectives.

- c) As explained in part b), the proposed approach which encompasses a hybrid scorecard is intended to outline a performance governance model that splits the maximum shareholder incentive earning opportunity across a number of objectives and priorities both outlined by the OEB and raised by other interested parties prior to the development of this Application. In no way does the proposal overlap, to the contrary the hybrid scorecard proposal has divided the shareholder incentive such that it now provides a mechanism to ensure that the Company maintains an appropriate focus and balance across multiple objectives. The use of a multi-factored earning opportunity is not an uncommon approach in other jurisdictions.

d) & e)

The Annual Net Benefits shared savings mechanism has been incorporated to elevate the focus on the “how” the Company achieves gas savings reductions by putting in place a structure that evaluates the performance across the entire DSM portfolio inclusive of all costs and benefits to provide a shared savings opportunity for the utility based on optimization of net benefits achieved for ratepayers. Enbridge Gas recognizes that the bands or ranges and the payout percentages put forward in the Company’s proposal could encompass a multitude of possible combinations, however the Company believes it has put forward a proposal which is reasonable and fair. An illustration of the comparison earnings using this proposed approach vs. the current (2015-2020 DSM Framework) shareholder incentive mechanism make clear this proposal is entirely reasonable.

OEB Staff has asked a number of IRs suggesting moving “this” or pushing “that” feature of the various aspects of the hybrid shareholder incentive mechanism. The Company points out that as illustrated in the example calculations of the proposed model on the 2016-2020 earning comparison as requested by OEB Staff in part a above, Enbridge Gas has proposed an entirely reasonable approach which in fact would have resulted in lower earnings in 2016-2020, but regardless is intended to be responsive to calls for attention on net benefits in addition to a focus on long term goals, and a balanced delivery of DSM opportunities across customer groups including harder to reach, low income and small volume customers.

With response to the Annual Net Benefits shared savings component and the scenario proposed by OEB Staff in part e), if the shared savings mechanism inputs

are manipulated such that the thresholds/inputs are raised to such a degree as to make any reasonable incentive unachievable, then it is no longer an incentive at all.

Attachment 2 to this interrogatory response provides the excel tool used to calculate the Annual Net Benefits Shared Savings, allowing for modelling for adjusted ranges/thresholds.

Problem: No incentive to maximize net benefits

- Current model: utilities profit from meeting targets, but have:
 - No profit incentive to design optimal plans that **maximize net benefits**
 - No profit incentive to design the **most cost-effective** plans possible
 - Perverse incentives to propose **modest savings targets**
- Utilities are incentivized to *execute* DSM plans well, but not to *design and develop* optimal DSM plans

Solution: Incentivize maximization of net benefits & optimization

- Option 1: allow \$10M incentive cap to rise if UCT net benefits rise
 - E.g., for every X% increase in net benefits over the previous year the incentive cap rises by Y%
 - E.g. hold the current ratio of net benefits to the \$10M incentive pot constant
 - Incentives would still be earned for meeting targets, but the maximum incentives (~\$10M) could increase if more net benefits are achieved via better conservation plans over time
- Option 2: pay all or a portion of incentives as a growing percent of net benefits
 - Illustrative example:
 - 0% for the first \$100 million,
 - X% for the second \$100 million,
 - Y% for the third \$100 million, etc.
- Could be implemented now, but if it isn't, it should be flagged as a priority issue for the next DSM Framework

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EB-2021-0002
Exhibit I.8.EGI.STAFF.18
Attachment 2

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board (STAFF)

Attachment 2 has been provided in excel

EGI Letter February 25, 2022, Attachment 2

Filed: 2022-02-25, EB-2021-0002, Attachment 2, Page 1 of 4

Canada Greener Homes Grant Partnership

Status of Partnership Agreement



February 23, 2022

Filed: 2022-02-25, EB-2021-0002, Attachment 2, Page 2 of 4

General Principles

Principles agreed upon to date that will guide the agreement



- Letter from Ontario MOE to NRCan:
“..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.” **[emphasis added]**
- Customers/Constituents should have access to rebates already announced:
 - NRCan program requirements and rebates are applicable Canada wide. They can't be altered and must form the base for any collaborative program
- Duplicating similar program in market creates confusion, not in the interest of customers/constituents and requires the same resources to perform home audits.
 - Best outcome is a single program in market jointly funded and delivered in a collaborative fashion
 - Enbridge co-funding within budget level filed in DSM Plan application

Note: Both parties agree that all portions of a Partnership must be agreed to before there is any commitment by either party

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Partnership Program Details



Agreed to in principle

- Single program with rebates aligned with the level of the Canada Greener Homes Grant
- Funding and attribution to be handled on the back-end between NRCan and Enbridge (seamless to participants)
- Enbridge will deliver the program to all of Ontario regardless of if participants are an existing Enbridge customer or not. NRCan is retaining accountability for the delivery of Indigenous on-reserve programming, and as such it is not in scope for this agreement. Cost sharing expected to provide some program administrative efficiencies over two independent programs being delivered
- Enbridge will build and host application intake and will provide regular reporting to the Federal Gov't as required
- Program will be offered until the earlier of Dec. 31, 2027 or funding streams are exhausted

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Next Steps



Work in progress

- Details of funding and attribution
- Details of IT requirements, incremental tracking/reporting requirements, transfer payments and periodic financial reconciliation
- Details of Marketing/Communications, with coordination with the Province
- Finalization of forecast program costs and transition plan dependent on final details of above items
- Contribution Agreement to follow NRCan agreement with other provinces

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