



BY EMAIL

April 11, 2022

To: All parties in EB-2021-0002

Re: Written Submissions

Enbridge Gas Inc. – 2022-2027 Natural Gas Demand Side Management Plan and Framework

As part of [Procedural Order No. 6](#), the OEB outlined its general expectations for submissions from parties in relation to Enbridge Gas's application for approval of a natural gas demand side management (DSM) framework and multi-year DSM plan from 2022 to 2027. As part of Procedural Order No. 6, the OEB indicated that Enbridge Gas's argument-in-chief should clearly describe what the OEB is being asked to approve. For intervenors and OEB staff, the OEB indicated that their submissions should clearly outline specific framework elements and DSM plan and program components that they want the OEB to establish or approve.

At the conclusion of the [oral hearing](#) on Friday, April 1, 2022, the OEB noted that further guidance would be provided to assist parties in preparing their submissions. This letter provides additional guidance related to certain issues.

As part of [Procedural Order No. 3](#), the OEB provided the Final Issues List for this proceeding. In total, there are 18 issues, many with related sub-issues. The OEB acknowledges that for many parties, submissions will be focused on only those issues that are most important to its constituents. However, as highlighted through written interrogatories, questions at the Technical Conference, Presentation Day and cross-examination at the oral hearing, there are some key themes that have emerged in this proceeding. These are discussed below to assist parties in formulating their submissions.

Topics Related to Issues 2, 3 and 5 – DSM Policy

Enbridge Gas has proposed a DSM policy framework. Parties have asked Enbridge Gas a number of questions on several related items, including advancing electrification through natural gas DSM programs, restricting or providing incentives for non-gas-fired equipment, and providing DSM program assistance to non-gas customers or customers that would no longer rely on the natural gas system. The OEB is interested in submissions from parties on these topics.

Topics Related to Issue 4 – Term

Enbridge Gas has proposed that the OEB approve its DSM plan until the end of 2027. In this proceeding, there have been significant evidence and questions concerning the length of an appropriate term for Enbridge Gas's DSM plan. There is also a related issue of the expected scope and results of a mid-term review that has been proposed by Enbridge Gas. Considerations that may be relevant to submissions on these issues include (i) program stability, (ii) the ability to assess results and implement appropriate changes, (iii) changes in commodity costs and inflation, and (iv) evolving environmental and climate policy objectives. In addition to these considerations, the OEB is also interested in submissions from parties on what changes, if any, should be made to stakeholder consultation, governance and evaluation processes to allow the OEB to assess the efficacy of the DSM plan and framework and allow for the ability to make changes to DSM budgets and program commitments as appropriate.

Topics Related to Issue 7 – Cost Recovery

Issue 7 asks if Enbridge Gas's proposed cost recovery approach is appropriate. As part of this proceeding, expert witnesses filed evidence and gave testimony to the considerations of amortizing DSM costs. Parties may wish to provide their submission on (i) whether there should be amortization of DSM costs; and (ii) if so, the various components of an amortization approach, such as term of recovery, return for the utility shareholders and what interest rate should be applied.

Topics Related to Issue 10 – Programs

In the technical conference and the oral hearing, a major focus of questions was the status of Enbridge Gas's negotiation with Natural Resources Canada for the delivery of a joint residential program throughout Ontario. Given that negotiations between Enbridge Gas and Natural Resources Canada are ongoing, many of the specific details of the potential joint program are not available.

As part of submissions, parties may want to consider addressing how, if at all, the final agreement between Enbridge Gas and Natural Resources Canada should be reviewed by the OEB and what impact, if any, this outstanding negotiation should have on the requested approval for Enbridge Gas's proposed residential program, either before or after the Decision. Submissions on this topic should be made under Issue 10(a) – *Are Enbridge Gas's proposed program offers for residential customers appropriate?*

Additionally, with respect to *Issue 10 – Has Enbridge Gas proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding?*, parties may wish to address Enbridge Gas's proposed programs, including, mix of measures and technologies, including as noted above, whether financial incentives should be available for gas-fired measures or fuel switching measures, whether Enbridge Gas's incentives should be combinable with incentives from other programs, and if any programs fail to meet the objectives outlined in the

OEB's December 1, 2020 letter and the Minister's mandate letter to the OEB dated November 15, 2021.

As part of Issue 10(e), Enbridge Gas's proposed Large Volume program, parties may want to consider addressing the appropriateness of these customers being afforded the ability to opt-out of the program and requirements of such a provision, including any cost allocation considerations.

The OEB is mindful that many of these topics will already be top of mind to some parties. However, the OEB does not expect these topics to be addressed by all parties as the focus of submissions should be consistent with each party's interests related to the constituents it represents. While this letter is intended to highlight certain key topics that have emerged in this proceeding, it is not intended to limit parties' submissions on the issues as set out on the final issues lists.

With respect to page limits, the OEB reminds intervenors and OEB staff that submissions should be no longer than 50-pages total. For Enbridge Gas, the OEB previously acknowledged that due to the large number of parties in this proceeding, that Enbridge Gas's reply submission may exceed the 50-page limit if necessary to respond to different arguments, but that the OEB expects Enbridge Gas to consider brevity in its reply submission.

Yours truly,

Nancy Marconi
Registrar