

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B).

IN THE MATTER OF an Application by Enbridge Gas Inc. (“Enbridge Gas”) pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998*, for an Order approving its Demand Side Management Plan for 2022-2027

WRITTEN ARGUMENT OF THE LOW-INCOME ENERGY NETWORK

May 19, 2022

I. INTRODUCTION

- 1 The Low-Income Energy Network (“LIEN”) is a network representing the intersection of interests related to low-income consumers and energy and sustainability. LIEN represents approximately 70 member groups across Ontario. LIEN’s focus is on reducing the energy bills of all low-income consumers and providing low-income consumers with the opportunity to better manage their energy bills. In so doing, LIEN addresses customer care matters, commodity prices and rates, and demand side management (“DSM”) and conservation and demand management (“CDM”) matters. LIEN helps to ensure that low-income consumers across Ontario have access to conservation programs, technologies

and services as well as conservation education, and realize the environmental, energy and economic benefits associated with the more efficient use of energy.

- 2 LIEN has previously been engaged in consultations with Enbridge Gas (as well as Union Gas Limited) on the development of their 2015-2020 DSM Plans. Additionally, LIEN appreciates that Enbridge engaged with low-income consumer associations on the development of its 2022-2027 DSM Plans.¹
- 3 LIEN is overall supportive of Enbridge Gas' proposed 2022-2027 DSM Plan, and recognizes and emphasizes the importance of reducing natural gas consumption and lowering energy bills for Ontarians, including low-income natural gas consumers.
- 4 However, LIEN identifies five key areas in Enbridge Gas' Proposed DSM Plan for 2022-2027 that, in LIEN's view, require improvement:
 - (a) Enbridge Gas' Low Income DSM Program should not in any circumstance require or permit that "low or upfront costs" be borne by low-income customers
 - (b) Enbridge Gas should track expenditures and data related to non-energy upgrades and measures taken regarding health and safety hazards
 - (c) Enbridge Gas should commit to reporting on the distribution of low-income program participants by program type and geography

¹ Exhibit I.17.EGI.PP.48 Page 2 of 4 (PDF page 76).

- (d) Enbridge Gas' Low Income DSM Program budget does not sufficiently reflect the overall increase of the total DSM Budget for 2022-2027, and
- (e) Enbridge Gas should commit to holding a feedback session with low-income stakeholders every six months to foster streamlined and ongoing consultation to refine its programs.

5 In its letter dated April 11, 2022, the OEB highlighted several key themes to assist parties in formulating their submissions. LIEN's submissions follow the OEB's suggestions and focus on:

- (a) the OEB's highlighted themes in the OEB's April 11, 2022 letter
- (b) the OEB's Decision on Issues List and Procedural Order No. 3, and
- (c) Enbridge Gas' Argument-in-Chief dated April 29, 2022.

II. **ISSUE 5 – DSM POLICY/FRAMEWORK**

A. LIEN SUPPORTS SEVERAL PROPOSED MEASURES/FEATURES

6 LIEN supports several of Enbridge Gas' proposed measures in and other features of Enbridge Gas' Low Income DSM Programs and DSM Plan, including the following (but with additional features/details where indicated below):

- (a) **Ring-Fencing:** LIEN supports Enbridge Gas "ring-fencing" the low-income DSM budget to ensure allocated funds are spent in the low-income market²

² Oral hearing final transcripts (Volume 1) dated March 28, 2022, page 118.

- (b) **Collaboration with IESO:** LIEN supports Enbridge Gas continuing to coordinate and collaborate with IESO to harmonize low-income program delivery and requirements;³ LIEN encourages Enbridge Gas and IESO to look for further ways to expand low-income measure offerings and services, including sharing costs of non-energy upgrades to allow for energy efficiency upgrades that will benefit low-income and other consumers
- (c) **Cost-Effectiveness:** LIEN supports Enbridge Gas continuing to apply a program screen for low-income programs based on the TRC Plus cost test⁴ with cost-effectiveness results lower than the 0.7 threshold, and also continue to approve low-income programs that do not meet this threshold. LIEN highlights that many jurisdictions recognize the importance of low-income programs to a utility's DSM portfolio and customer base, and do not require meeting a cost-effectiveness test
- (d) **Financial Performance Incentives:** LIEN supports Enbridge Gas continuing to receive financial performance incentives to align achieving low-income savings targets with Enbridge Gas' objectives and to incentivize Enbridge Gas to achieve low-income savings targets.

³ Oral hearing final transcripts (Volume 1) dated March 28, 2022, pages 9-10.

⁴ Enbridge Gas Argument-in-Chief dated April 29, 2022, page 19.

B. LOW-INCOME CUSTOMERS SHOULD NOT BEAR ANY COSTS

7 It is LIEN's position that low or upfront costs should not be borne by low-income customers in any circumstance.⁵

8 At the oral hearing, Enbridge Gas stated its commitment to offering measures that do not require upfront costs be borne by qualified low-income customers. Enbridge also confirmed that currently, all measures are proposed at no-cost for low-income customers (individuals), and where some cost is incurred, it is borne by property management or social housing providers.⁶

9 At the oral hearing, Enbridge Gas also testified that where Enbridge Gas identifies an opportunity for a new measure that requires some upfront costs from a low-income customer, Enbridge Gas would present the rationale behind the opportunity, and discuss with stakeholders before implementing the measure.⁷ LIEN appreciates Enbridge's suggestion but submits that no costs for low-income offerings/measures should be borne by low-income consumers in any circumstance.

10 As such, LIEN proposes that Enbridge Gas' DSM Framework, s. 7.2, include the following modified language:

...income qualified natural gas DSM programs, accessible to low income natural gas consumers, should include the following features:

- *...Require no upfront costs to the income qualified energy consumer.⁸*

⁵ Enbridge Gas' Application dated September 29, 2021, Exhibit C, Tab1, Schedule 1, page 18 of 66 (PDF page 57).

⁶ Oral hearing final transcripts (Volume 1) dated March 28, 2022, pages 110-111.

⁷ Oral hearing final transcripts (Volume 1) dated March 28, 2022, pages 110-111.

⁸ Enbridge Gas' Application dated September 29, 2021, Exhibit C, Tab1, Schedule 1, page 18 of 66 (PDF page 57).

C. ENBRIDGE GAS SHOULD TRACK EXPENDITURES AND DATA RELATED TO NON-ENERGY UPGRADES AND HEALTH AND SAFETY MEASURES

11 LIEN submits that Enbridge Gas should track expenditures and data related to non-energy upgrades and measures taken regarding health and safety hazards (including to address health and safety hazards and where health and safety hazards prevented such measures/upgrades from being installed). LIEN appreciates that Enbridge Gas has committed to doing so through its delivery agents beginning in 2022.⁹

12 In addition, LIEN proposes that Enbridge Gas expand the list of Low Income DSM program features under Enbridge Gas' DSM Framework, s. 7.2 to include the above.

D. ENBRIDGE GAS SHOULD REPORT ON DISTRIBUTION OF PARTICIPANTS ACROSS LOW-INCOME PROGRAMS BY PROGRAM AND GEOGRAPHY

13 LIEN proposes that Enbridge Gas commit to reporting on the distribution of low-income program participants by program type and geography. This will allow Enbridge Gas and stakeholders to evaluate the extent to which low-income customers across Ontario have or do not have adequate access to available low-income programs and are participating in such programs.

III. ISSUE 6 - BUDGET

14 LIEN supports Enbridge Gas's DSM budget increase of approximately 7.7% over the 2020-2022 budget levels, and Enbridge's proposal to escalate:

- (a) the 2023 base year budget of \$142.26 million by an inflation factor, and
- (b) a portion of the budget for programs by an additional 3% annually.¹⁰

⁹ Exhibit I.5.EGI.LIEN.3 Page 1 of 1 (PDF page 455).

¹⁰ Enbridge Gas Argument-in-Chief dated April 29, 2022, page 24.

15 However, LIEN has concerns that Enbridge Gas' Low Income DSM Program budget does not sufficiently reflect the overall increase of the total DSM Budget for 2022-2027.¹¹

16 At the oral hearing, Enbridge Gas testified that the total Low Income DSM Program budget in 2023 (\$21,514,043) is lower than in 2022 (\$23,099,212), and it will not be until 2027 that the total Low Income DSM program budget will return to the 2022 level.¹² Additionally, Enbridge Gas' proposed budget for the Low Income Program is 21% of the total programs budget. In contrast, the budget for the Low Income Program was previously 27% and 24% of the total programs budget in 2014 and 2016, respectively.¹³

17 LIEN submits that there should be additional allocation of the total DSM budget for 2022-2027 allocated towards Low Income DSM programs. The budget for Low Income DSM programs in each of the years 2023 to 2027, at the very least, should remain consistent with the 2022 levels, plus inflation.

18 LIEN's rationale is that the recent impacts of the COVID-19 pandemic, as well as other recent political and economic issues, have resulted in significant inflation within the province of Ontario, which directly and disproportionately impacts the province's low-income residents. Additionally, and due to inflation, it may be reasonably assumed that the percentage of people in Ontario that fall below low-income thresholds is

¹¹ Exhibit I.6.EGI.LIEN.6, Attachment 1, Page 1 of 1 (PDF page 69).

¹² Oral hearing final transcripts (Volume 1) dated March 28, 2022, pages 117-118.

¹³ Exhibit JT1.5 page 1 of 1 (PDF page 10).

increasing, and has resulted in ongoing issues related to housing affordability and availability.¹⁴

IV. ISSUE 17 – STAKEHOLDERING

19 STAKEHOLDER ENGAGEMENT AND FEEDBACK

20 LIEN appreciates that Enbridge engaged in consultations with low-income consumer associations, including holding individual meetings with low-income consumer associations to obtain insight into consumer needs and barriers for the development of the 2022-2027 DSM framework.¹⁵

21 Additionally, LIEN appreciates that Enbridge Gas commits to hosting an annual DSM Stakeholder Meeting to discuss achievements, challenges, updates and identify areas for improvement, throughout the multi-year term of its proposed DSM plan.¹⁶ LIEN also appreciates Enbridge Gas' commitment to solicit feedback outside of the annual DSM Stakeholder Meeting through discussions with key stakeholders, participant surveys, and ongoing stakeholder feedback sessions.¹⁷

22 LIEN believes Enbridge Gas should commit to holding a consultation to solicit feedback from low-income stakeholders, including LIEN, every six months.¹⁸ Frequent and consistent feedback will foster streamlined and ongoing communication, as Enbridge proposes, and allow Enbridge Gas to work efficiently with low-income stakeholders to improve benefits to low-income consumers.

¹⁴ See Vulnerable Energy Consumers Coalition's cross examination, oral hearing final transcripts (Volume 1) dated March 28, 2022, pages 120-121.

¹⁵ Exhibit I.17.EGI.PP.48 Page 2 of 4 (PDF page 76).

¹⁶ Exhibit I.17.EGI.EP.26 Page 1 of 1 (PDF page 74).

¹⁷ Technical Conference final transcript dated March 1, 2022, pages 117-118.

¹⁸ Oral hearing final transcripts (Volume 1) dated March 28, 2022, pages 115-116.

V. RELIEF SOUGHT

23 LIEN submits that the OEB should approve Enbridge Gas' proposed DSM Plans with the following conditions:

- (a) The feature concerning costs under Enbridge Gas' proposed Low Income Program considerations for its DSM Framework should be modified to say:

...income qualified natural gas DSM programs, accessible to low income natural gas consumers, should include the following features:

- *...Require no upfront costs to the income qualified energy consumer.¹⁹*

- (b) Enbridge Gas shall track expenditures and data related to non-energy upgrades and measures taken regarding health and safety hazards.

- (c) Enbridge Gas shall report on the distribution of low-income program participants by program type and geography.

- (d) Allocation of the total DSM budget for the 2022-2027 timeframe for Enbridge's Low Income DSM programs should increase by 10% plus inflation, which is consistent with Ontario's March 25, 2022 release including modelling for its 2030 emissions reduction target.²⁰ The budget for Low Income DSM programs in each of the years 2023 to 2027, at the very least, should remain consistent with 2022 levels.

¹⁹ Enbridge Gas' Application dated September 29, 2021, Exhibit C, Tab1, Schedule 1, page 18 of 66 (PDF page 57).

²⁰ Enbridge Gas Argument-in-Chief dated April 29, 2022, pages 10-11.

- (e) Enbridge Gas shall hold consultations to obtain feedback from low-income stakeholders, including LIEN, every six months.

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