



DECISION AND ORDER

EB-2021-0002

ENBRIDGE GAS INC.

**Application for Multi-Year Natural Gas Demand Side Management
Plan (2022 to 2027)**

BEFORE: Michael Janigan
Presiding Commissioner

Anthony Zlahtic
Commissioner

Patrick Moran
Commissioner

December 16, 2022

The Ontario Energy Board (OEB) heard an application from Enbridge Gas Inc. (Enbridge Gas) that proposed a new multi-year plan to provide natural gas customers with access to programs to conserve and use natural gas more efficiently. Enbridge Gas's application sought approval of natural gas conservation and energy efficiency programs between 2022 to 2027 as well as an updated policy framework.

The OEB convened a public hearing process that included the filing of expert evidence, an oral hearing, and written argument and reply submissions. On November 15, 2022, the OEB issued its Decision and Order on Enbridge Gas's proposed DSM plan and policy framework. All documentation in this proceeding, including Enbridge Gas's evidence, questions from interested stakeholders, daily transcripts of the oral hearing, written arguments and the OEB's Decision and Order are on the OEB's [website](#) under file number EB-2021-0002.

As part of its Decision and Order, the OEB provided Enbridge Gas "...an opportunity to review the OEB's findings, specifically with respect to the calculation of updated budget figures and revised targets solely to confirm that the calculations have been done correctly. However, the record is now closed. This review is not for Enbridge Gas to comment on the merits of any of the OEB's findings or to elicit any changes. Following the review of Enbridge Gas's response, the OEB will make any necessary changes and issue an updated Decision and Order if required."¹

The OEB received comments from Enbridge Gas on November 28, 2022. The OEB has determined that the corrections identified by Enbridge Gas warrant an update to the initial Decision and Order. These changes are set out below. Revised Schedules are included in the Appendices.

¹ OEB Decision and Order, November 15, 2022, p. 93

1 RESPONSES TO ENBRIDGE GAS'S COMMENTS

1.1 Program Targets

2023 Residential Program Net Annual Gas Savings Scorecard Targets

Enbridge Gas indicated that the OEB's approved 100% target for the 2023 Residential Program Scorecard of 22,135,911 m³ is overstated and based on pre-filed evidence that was subsequently updated by Enbridge Gas on February 18, 2022.²

Enbridge Gas noted that the updated evidence highlighted the need to adjust the 2023 Residential Program Scorecard 100% target to account for an adjustment that considers the level of uninstalled smart thermostats offered as part of the Smart Home program offering. Enbridge Gas noted that this correction would result in the proposed Residential Program Target at 100% to be 13,637,865 m³ as opposed to 14,757,274 m³ and would be consistent with how the OEB determined final verified program results as part of the evaluation process.

Enbridge Gas indicated that if accepted, this change would result in a corrected 2023 Residential Program Scorecard 100% target of 20,456,798 m³.

Findings

The OEB does not approve a revision to the Residential Program target. The OEB appreciates that Enbridge Gas's update to the proposed Residential Program target came about as a result of applying data from the OEB's DSM program evaluation process. The target approved in the OEB's Decision and Order was determined taking into consideration all evidentiary updates and considered all components of the Residential Program offerings, including new elements that accompany the joint Enbridge Gas and Natural Resources Canada residential whole home program offering. These include the introduction of new measures as well as the option for smart thermostats to now be installed in both the whole home program offering and the smart home program offering. When determining the revised Residential Program target, the OEB's expectation was, and remains to be, that overall savings results will be higher than that proposed by Enbridge Gas. The underperformance of the smart thermostat program in the last year of the current DSM plan was not a sufficient basis for reducing

² Updated evidence filed February 18, 2022, Exhibit D, Tab 1, Schedule 3, p. 4

the metric, as proposed by Enbridge Gas in its February 18, 2022 update, for the new DSM plan that begins in 2023. The OEB expects that any shortfalls due to previous smart thermostat installation rates being less than 100% will be improved or offset due to increased program activity, greater measure availability, heightened program awareness, and increased funding for many measures. Based on these reasons, the originally approved Residential Program 100% target for 2023 of 22,135,911 m³ will remain unchanged.

2025 Energy Performance Program Scorecard, Participant Metric

Enbridge Gas indicated that through its review of the Decision and Order, it identified an error included in its response to an interrogatory³ that was ultimately relied upon by the OEB when determining the 2025 participants targets for the Whole Building Pay for Performance program offering (P4P) in the Energy Performance Program scorecard.

Enbridge Gas noted that upon its review it found that several of the targets it included in its interrogatory response were inconsistent with its pre-filed evidence. Enbridge Gas noted that it erroneously included a target for participants in 2025 of 50 when it should have been consistent with the pre-filed evidence that proposed annual participant targets in Years 1, 2 and 3 of the program of 25.⁴ Enbridge Gas noted that no targets were provided for 2025 in the pre-filed evidence as these had been proposed to be considered and set as part of the mid-term review. Further, due to the OEB approving the program as filed with no budget increases, Enbridge Gas submitted that it is not possible to double the 100% participant target in one year with only inflationary increases, particularly in respect of the P4P program offering which requires a substantial financial commitment per participant.

Findings

The OEB approves the proposed revision to the 2025 Number of Participants target in the Energy Performance Program scorecard based on an error in the interrogatory responses filed by Enbridge Gas that mistakenly doubled the participant target from that set out in the pre-filed evidence. This change is being made pursuant to section 41.02 of the OEB's *Rules of Practice and Procedure* which allows for the correction of a

³ Exhibit I.5.EGI.GEC.6, Attachment 1, p. 6

⁴ Exhibit D, Tab 1, Schedule 3, pages 3, 6-8, Tables 1-4

typographical error, error of calculation or similar error made in one of its orders or decisions.

The OEB has included a revised Schedule C (OEB-Approved DSM Program Scorecards, Metrics and Targets) with this Decision and Order. The revised Schedule C is the final OEB-approved Program Scorecards for the 2023 to 2025 program years.

2 DRAFT ACCOUNTING ORDERS

As part of the Decision and Order, the OEB ordered Enbridge Gas to file draft accounting orders for the approved DSM deferral and variance accounts. On November 28, 2022, Enbridge Gas filed draft accounting orders for the following DSM deferral and variance accounts:

- Demand Side Management Variance Account to track spending relative to approved budget.
- Lost Revenue Adjustment Mechanism Variance Account to track revenues that were not earned due to the natural gas savings from the DSM programs.
- Demand Side Management Incentive Deferral Account to record shareholder incentives earned by Enbridge Gas.
- Conservation Demand Management Deferral Account to track ratepayer share of all net revenues generated by DSM services provided for electric CDM activities.
- Natural Gas Reduction Incentive Deferral Account to record the actual end-of-term shareholder incentive amount earned by Enbridge Gas if its DSM programs result in the achievement of specific targeted natural gas sales reductions over the 2023 through 2025 DSM plan term.

OEB staff filed a submission supporting the approval of the draft accounting orders noting that Enbridge Gas has provided account descriptions consistent with those proposed in its application and direction provided by the OEB in its Decision and Order.

Findings

The OEB approves the draft accounting orders as filed. All DSM deferral and variance accounts are to be established effective January 1, 2023.

3 ORDER

THE OEB ORDERS THAT:

1. Enbridge Gas Inc. shall file with the OEB, and shall forward to intervenors and OEB staff, a draft Rate Order reflecting the OEB's findings in this proceeding on or before **Thursday, January 12, 2023**.
2. OEB staff and intervenors may file any comments on the draft Rate Order with the OEB and forward to all parties on or before **Wednesday, January 18, 2023**.
3. Enbridge Gas Inc. shall file any written reply comments with the OEB, and copy all parties, on or before **Tuesday, January 24, 2023**.

Please quote file number, **EB-2021-0002** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Josh Wasylyk at Josh.Wasylyk@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, December 16, 2022

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

REVISED SCHEDULE C
NATURAL GAS DEMAND SIDE MANAGEMENT PLAN

APPROVED PROGRAM SCORECARDS

REVISED DECISION AND ORDER

ENBRIDGE GAS INC.

EB-2021-0002

DECEMBER 16, 2022

OEB-Approved DSM Program Scorecards, Metrics and Targets

			2023 Scorecard Targets				2024 Scorecard Targets				2025 Scorecard Targets			
Program and Offering(s)	Metric	DSMSI Allocation	Metric Weighting	Lower Band (75%) ¹	2023 Target (100%)	Upper Band (125) ¹	Metric Weighting	Lower Band (75%) ¹	2024 Target (100%)	Upper Band (125) ¹	Metric Weighting	Lower Band (75%) ¹	2025 Target (100%)	Upper Band (125) ¹
Residential Program Scorecard														
Residential Whole Home	Net Annual Gas Savings (m3)	22%	100%	16,601,933	22,135,911	27,669,889	100%	TAM x 75%	TAM ³	TAM x 125%	100%	TAM x 75%	TAM ³	TAM x 125%
Residential Single Measure														
Residential Smart Home														
Low Income Program Scorecard														
Home Winterproofing	Single Family Net Annual Gas Savings (m3)	22%	50%	2,154,597	2,872,796	3,590,995	50%	TAM x 75%	TAM ³	TAM x 125%	50%	TAM x 75%	TAM ³	TAM x 125%
Affordable Housing Multi- Residential	Multi-Residential Net Annual Gas Savings (m3)		50%	3,761,703	5,015,604	6,269,505	50%	TAM x 75%	TAM ³	TAM x 125%	50%	TAM x 75%	TAM ³	TAM x 125%
Commercial Program Scorecard														
Commercial Custom	Large Customer Net Annual Gas Savings (m3) ²	22%	50%	11,580,961	15,441,281	19,301,601	50%	TAM x 75%	TAM ³	TAM x 125%	50%	TAM x 75%	TAM ³	TAM x 125%
Prescriptive Downstream														
Direct Install	Small Customer Net Annual Gas Savings (m3) ²		50%	6,685,547	8,914,062	11,142,578	50%	TAM x 75%	TAM ³	TAM x 125%	50%	TAM x 75%	TAM ³	TAM x 125%
Prescriptive Midstream														
Industrial Program Scorecard														
Industrial Custom	Net Annual Gas Savings (m3)	22%	100%	37,782,673	50,376,897	62,971,121	100%	TAM x 75%	TAM ³	TAM x 125%	100%	TAM x 75%	TAM ³	TAM x 125%
Large Volume Program Scorecard														
Direct Access	Net Annual Gas Savings (m3)	3%	100%	6,975,000	9,300,000	11,625,000	100%	TAM x 75%	TAM ³	TAM x 125%	100%	TAM x 75%	TAM ³	TAM x 125%
Energy Performance Program Scorecard														
Whole Building Pay For Performance	Number of Participants	1%	100%	19	25	31	50%	19	25	31	50%	19	25	31
	Net Annual Gas Savings (m3)		0%	0	0	0	50%	93,750	125,000	156,250	50%	187,500	250,000	312,500
Building Beyond Code Program Scorecard														
Residential Savings By Design	Number of Energy Star Homes	8%	30%	1,088	1,450	1,813	15%	1,500	2,000	2,500	15%	2,069	2,759	3,448
	Number of Net Zero Ready Homes		0%	0	0	0	15%	8	10	13	15%	10	13	16
Commercial Savings By Design	Number of Participants		30%	21	28	35	30%	23	31	39	30%	26	34	43
Affordable Housing Savings By Design	Number of Participants		30%	14	18	23	30%	16	21	26	30%	18	25	31
Commercial Air Tightness Testing	Number of Participants		5%	4	5	6	5%	5	6	8	5%	5	7	9
	Number of Qualified Agents		5%	8	10	13	5%	8	10	13	5%	8	10	13

Notes:

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 Schedule E, DSM Framework, Section 5.2