ENBRIDGE GAS INC. 2024 REBASING APPLICATION

EB-2022-0200

ONTARIO ENERGY BOARD STAFF INTERROGATORIES ON EVIDENCE OF BUILDING OWNERS AND MANAGERS ASSOCIATION (EXHIBIT M3)

M3.Staff-1

Ref: BOMA Evidence, p. 1

Enerlife presents seven recommendations with respect to commercial, institutional, and multi-residential buildings.

a) Please clarify which of these recommendations Enerlife believes should be addressed within the current regulatory proceeding, having regard to the final issues list and the specific approvals that Enbridge Gas has requested.
b) Please clarify how Enerlife's recommendations were informed by the OEB's determinations in its recent decision on Enbridge Gas's multi-year DSM plan (EB-2021-0002), and whether Enerlife believes any of its recommendations are more appropriately addressed as part of the OEB's review of Enbridge Gas's next multi-year DSM plan, covering 2026-2030.

M3.Staff-2

Ref: BOMA Evidence, pp. 2-3; Exhibit 4, Tab 2, Schedule 3, p. 3

Enerlife discusses peak demand forecasts for commercial buildings, and also recommends the use of 15 degrees Celsius as the balance temperature for buildings. Enbridge Gas discusses its design criteria and approach to determining design demands.

a) Should Enerlife's proposal to use a 30% reduction by 2030 in weather normalized gas use for the commercial buildings' sector be adopted as an alternative forecast for 2030, what level of reduction in design day or design hour demand would Enerlife recommend Enbridge Gas use for the commercial sector? Would this be less than, equal to, or greater than the proposed 30% reduction in overall gas use? Please provide supporting rationale for Enerlife's recommendation.

b) Enbridge Gas is proposing that the design criteria be determined using the coldest day on record, as measured by heating degree days (HDDs) for a specified timeframe, adjusted for wind speed, and is proposing to change the base temperature used to calculate HDD to 15°C. Does Enerlife recommend changes to this approach, based on its experience with commercial buildings? If so, please describe and provide rationale.

M3.Staff-3

Ref: BOMA Evidence, p. 5; Exhibit 9, Tab 1, Schedule 1, Attachment 3, p. 18, 23

Enerlife proposes a 30% reduction in weather normalized gas use for the commercial buildings' sector relative to a 2019 baseline as an appropriate alternative forecast for 2030, based on the technical potential arising from top quartile target gas savings potential results, against which to test bill impacts, gas infrastructure investments and storage requirements for the rebasing models.

a) Enerlife notes the emissions reduction targets for the building sector in Canada's 2030 Emissions Reduction Plan as support for the proposed 30% reduction in gas use by 2030, as well as the technical potential arising from top quartile target gas savings potential results. Are there other factors that suggest to Enerlife that a 30% reduction in commercial sector gas volumes by 2030 has a reasonable likelihood of being achieved? If so, please describe.
b) Please clarify if BOMA is requesting the OEB to consider a volume forecast for 2030. If yes, please explain why a volume forecast for 2030 is relevant for setting 2024 rates.
c) Please confirm that the requested rate term in this application ends in 2028 and a volume forecast for 2030 will be considered in Enbridge Gas's next rebasing application.
d) Does Enerlife believe that the risk of natural gas volumes for Enbridge Gas's commercial customers being lower than forecast, and the subsequent impacts to operating revenues, within the rebasing term are sufficiently addressed through Enbridge Gas's proposed rate design and its requested deferral and variance accounts (e.g., the Volume Variance Deferral Account and the Lost Revenue Adjustment Variance Account)? Why or why not?

M3.Staff-4

Ref: BOMA Evidence, pp. 8-14; Exhibit 1, Tab 10, Schedule 4, pp. 5-7

Enerlife discusses practical pathways to net zero for commercial buildings, including air source and ground source heat pumps. Enbridge Gas describes its forecasting assumptions for changes to the general service customer forecast, which are based primarily on single-family residential buildings.

a) Based on its experience in the commercial sector, does Enerlife have a perspective on the energy transition assumptions Enbridge Gas has made for its customer forecast (assumptions for new construction, replacement, and exit of existing customers), and whether these assumptions are appropriate for the commercial sector? Please provide any additional context as to differences in the likelihood of buildings fuel switching entirely away from natural gas in the commercial sector versus the residential sector.
b) Should new commercial buildings elect to connect to the natural gas system, does BOMA expect that customer connection costs (e.g., based on size of gas line) will be reduced, relative to business-as-usual, due to the implementation of net zero measures and technologies?