

ENBRIDGE GAS INC.

Answer to Undertaking from
Environmental Defence (ED)

Undertaking

Tr: 157

(a) to respond to questions in exhibit K2.4; (b) to confirm Guidehouse applied taxes to the electricity costs, but not the gas costs, even though they are both taxed.

Response:

The responses to parts (a) and (b) below have been provided by Guidehouse Inc. (Guidehouse) and are in regard to the model outputs reported by Guidehouse within its memo dated May 19, 2023, referenced by ED within its compendium, Exhibit K2.4. The memo was filed by Enbridge Gas at Attachment 2 of the Company's May 31, 2023 updated interrogatory response to Exhibit I.ED.16 within the Hidden Valley Community Expansion Project proceeding¹.

It should be noted that the analysis/conclusions provided by Enbridge Gas within its above-mentioned interrogatory response did not rely on the model inputs/outputs used by Guidehouse for the memo. Rather, the Company used the Guidehouse spreadsheet model (filed at Attachment 3 of the interrogatory response) in conjunction with more precise model inputs to establish its analysis/conclusions. As a result, Guidehouse's responses to ED's questions will differ in some instances from Enbridge Gas's responses to similar questions. Please refer to the complete response to EB-2022-0249 Exhibit I.ED.16 for detailed information regarding the Company's analysis/conclusions, including the inputs used by Enbridge Gas.

Consistent with the direction provided by the OEB within its Procedural Orders No. 3 and 4 for the Hidden Valley Community Expansion Project proceeding², Enbridge Gas will respond to similar questions from ED as part of the Company's argument-in-chief for that proceeding to be filed on July 25, 2023³, and will provide those responses in an updated response to this undertaking at that time.

¹ EB-2022-0249

² Ibid.

³ The OEB allowed Enbridge Gas the option of filing a single argument-in-chief for three community expansion projects: Hidden Valley (EB-2022-0249), Selwyn (EB-2022-0156), and Mohawks of the Bay of Quinte (EB-2022-0248).

The following responses have been provided by Guidehouse:

a)

1. Confirmed. Gas consumption was assumed to be maintained to support other appliances – DHW, stove, clothes dryer, fireplace, etc. As a result, monthly charges for electricity and natural gas were considered neutral and not accounted for in this analysis.
2. Confirmed. The utility rates used in the analysis reflect current rates at the time the analysis was completed and do not account for any future utility rate impacts.
3. Confirmed.
4. Confirmed. The hybrid configuration includes an electric heat pump with a back-up natural gas furnace. Analysis of air conditioning impacts were not in scope for this study. However, the cooling performance from the hybrid heating qualified product list ranges from SEER 17-21, which is consistent with the market performance for cold climate heat pumps. Whether it's a hybrid heating system that is installed or an all-electric cold climate heat pump, the cooling load will be satisfied with comparably efficient cooling equipment. As a result, any potential cooling savings would be expected to be neutral for this analysis.
5. Confirmed. The savings presented in this analysis relate to annual operation costs only and do not consider upfront costs to convert the home to an all electric configuration. In order to completely disconnect from gas, a number of additional steps will likely have to be taken including upgrading any gas appliances (DHW, stove, clothes dryer, fireplace, etc.), upgrading the electric panel and potentially other electric infrastructure within the home, and capping existing gas connections. "Savings" attributed to avoided monthly customer gas charges would be relative to the total costs needed to go all electric. These additional costs can vary widely and are outside the scope of this analysis.

b) Enbridge Gas provided cost data to Guidehouse for this analysis. A more detailed response to this question will be provided by Enbridge Gas in its update to this undertaking response at a later date.