

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B; and in particular section 36 thereof;

AND IN THE MATTER OF an application by Enbridge Gas Inc. for an order or orders approving the cost consequences of Integrated Resource Planning (“IRP”) Plans for IRP Pilot Projects in the Town of Parry Sound, and the City of Sarnia and Town of Plympton-Wyoming.

APPLICATION

1. On July 22, 2021, the Ontario Energy Board (“OEB”) issued the first iteration of the IRP Framework for Enbridge Gas Inc. (“Enbridge Gas” or the “Company”) (EB-2020-0091, Appendix A). Section 12 of the IRP Framework states,

“Enbridge Gas is expected to develop and implement two IRP pilot projects. The pilots are expected to be an effective approach to understand and evaluate how IRP can be implemented to avoid, delay, or reduce facility projects”.

In accordance with the IRP Framework, Enbridge Gas hereby applies to the OEB pursuant to section 36 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B (the “Act”), for an Order or Orders approving the cost consequences of the IRP Plans for two “IRP Pilot Projects”, including approval to record the associated costs in the IRP costs deferral accounts.

2. The IRP Pilot Projects are designed to implement demand-side IRP Alternatives (“IRPAs”), including enhanced targeted energy efficiency (“ETEE”) programming and a residential demand response (“DR”) program in combination with supply-side IRPAs in the communities of Parry Sound (the “Parry Sound Pilot Project”) and the City of Sarnia and Town of Plympton Wyoming (the “Southern Lake

Huron Pilot Project”) in order to mitigate identified system constraints and associated facility reinforcement projects (as discussed in Exhibits B and D). The Pilot Projects will provide learnings on the selected IRPAs regarding future IRPA design, performance and potential for scalability.

3. The Parry Sound Pilot Project proposes to implement a suite of ETEE programming for residential, commercial and industrial customers in the Town of Parry Sound, including an enhanced version of existing Demand Side Management (“DSM”) offerings, a limited ETEE offering for electrification measures (featuring limited units of air source heat pumps and ground source heat pumps for residential only), and a new ETEE offering for Advanced Technologies (featuring limited units of simultaneous hybrid heating, gas heat pumps and thermal energy storage). Enbridge Gas also proposes to implement two supply-side IRPAs as part of the Parry Sound Pilot Project: (i) a negotiated increased pressure agreement from TC Energy (“TCE”); and (ii) CNG injection, to defer the system need during the Pilot Project term. The two supply-side IRPAs will ensure that Enbridge Gas can reliably meet system demand requirements (peak hour) while demand-side IRPAs (ETEE) are implemented and tested. The primary objectives of the Parry Sound Pilot Project are to develop an understanding of how ETEE programs impact peak hour flow/demand and to develop an understanding of how to design, deploy, and evaluate ETEE programs.
4. The Southern Lake Huron Pilot Project proposes to implement a suite of ETEE programming for residential, commercial and industrial customers in the City of Sarnia and the Town of Plympton-Wyoming, including an enhanced version of existing of DSM offerings with an increased focus on the commercial and industrial sector, as well as a residential DR program. Enbridge Gas also proposes to implement a supply-side IRPA as part of the Southern Lake Huron

Pilot Project: CNG injection, to defer the system need during the Pilot Project term. The supply-side IRPA will ensure that Enbridge Gas can reliably meet system demand requirements (peak hour) while demand-side IRPAs (ETEE and DR) are implemented and tested. The primary objectives of the Southern Lake Huron Pilot Project are to develop an understanding of how ETEE programs and DR programs impact peak hour flow/demand and to develop an understanding of how to design, deploy, and evaluate ETEE and residential DR programs.

5. Both Pilot Projects are proposed to be implemented with a term of 2023-2027, subject to the timing of receipt of a Decision and Order of the OEB approving the associated IRP Plans and their respective cost consequences (including accounting treatment). Enbridge Gas requests that the OEB issue its Decision and Order on the current Application by December 31, 2023, to allow sufficient time to develop, market and implement the demand-side programs in the Pilot Project areas in 2024 (see the proposed implementation schedule at Exhibit D, Tab 1, Schedule 1 and 2 for further detail). As described in Exhibit D, the Company requires at least four months, from the receipt of a Decision and Order of the OEB, to implement ETEE programming in the market. Additionally, the Company cannot commence with procurement of hourly metering devices for commercial and industrial customers in the Southern Lake Huron Pilot Project area until such time that the OEB approves the cost consequences of the Pilot Projects.
6. For ease of reference and to assist the OEB with preparation of the notice of application for the IRP Pilot Projects, a map of each of the IRP Pilot Project areas is included as Attachment 1 to this Exhibit.
7. If the OEB determines that it will conduct a hearing for this application, then Enbridge Gas requests that it proceed by way of written hearing in English.

8. Pursuant to section 36 of the Act, Enbridge Gas requests an Order or Orders of the OEB approving the cost consequences of the IRP Plans for the IRP Pilot Projects and the proposed accounting treatment to record costs of the same in the IRP costs deferral accounts for later disposition and recovery.¹ Additional details regarding Pilot Project costs, accounting and economics are set out in Exhibit E. Enbridge Gas is not seeking approval for other IRP Plan components contemplated by the OEB's IRP Decision such as the cost-benefit test (i.e. DCF+), incentives related to IRP alternatives and attribution of savings between IRP and Demand Side Management activities. Enbridge Gas will include evidence and proposals related to these items as part of the first non-pilot IRP Plan application. Enbridge Gas believes these issues do not need to be adjudicated as part of the IRP Pilot application.
9. To accommodate for uncertainty and flexibility in the Pilot Project budget, Enbridge Gas notes its understanding that the 25% cost adjustment threshold, as noted in the OEB's IRP Framework Decision,² will be applicable to the Pilot Projects, such that Enbridge Gas is not required to seek approval for cost adjustments within 25% of the total proposed Pilot Projects budget. Enbridge Gas notes its expectation that it will have flexibility in the allocation of annual budgets between the years included in the pilot term of 2023-2027. This flexibility will allow Enbridge Gas to be responsive to learnings and feedback and allow for adjustments to the program design as necessary.
10. Enbridge Gas requests that copies of all documents filed with the OEB in connection with this proceeding be served on it and on its counsel, as follows:

¹ EB-2020-0091 OEB Decision and Accounting Order (September 2, 2021), Schedule A; Deferral Account No. 179-385 and 179-386.

² EB-2020-0091, July 22, 2021, Appendix A, P.21

- (a) The Applicant: Brittany Zimmer
Senior Advisor, Leave to Construct
Applications
- Address: P.O Box 2001
50 Keil Drive N
Chatham, ON
N7M 5M1
- Telephone: (519) 436-5442
- E-Mail: EGIRegulatoryProceedings@enbridge.com
brittany.zimmer@enbridge.com
- (b) The Applicant's counsel: David Stevens
Aird and Berlis LLP
- Address: Brookfield Place, P.O. Box 754
Suite 1800, 181 Bay Street
Toronto, ON
M5J 2T9
- Telephone: (416) 863-1500
- Fax: (416) 863-1515
- E-Mail: dstevens@airdberlis.com

DATED at the City of Chatham, Ontario this 19th day of July 2023.

ENBRIDGE GAS INC.

Brittany Zimmer,
Senior Advisor, Leave to Construct Applications