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August 9, 2023

**VIA E-MAIL**

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: EB-2023-0062 Enbridge Gas Inc. Disposition of 2021 DSM DVAs  
Final Submissions of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the final submissions of VECC. We have also directed a copy of the same to the Applicant.

Yours truly,

John Lawford

Counsel for VECC

Copy to: EGI

**EB-2023-0062**

**Enbridge Gas Inc.**

**Application for the disposition of 2021 Demand Side  
Management Deferral and Variance Accounts**

**VECC Submissions August 9, 2023**

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) on April 28, 2023, under section 36 of the Ontario Energy Board Act, 1998 seeking approval to clear 2021 deferral and variance account balances in three Demand Side Management (DSM) deferral and variance accounts, related to the delivery of natural gas conservation and energy efficiency programs.

The accounts which are the subject of this Application and the balances recorded are as follows:

**2021 DSM Deferral and Variance Account Balances**

<b>DSM Accounts</b>		<b>EGD Rate Zones</b>	<b>Union Rate Zones</b>
DSM Variance Account	DSMVA	\$1,862,404	-\$11,372,617
DSM Incentive Deferral Account	DSMIDA	\$4,961,553	\$1,469,503
LRAM Variance Account	LRAMVA	\$37,476	\$697,467
<b>Balance</b>		<b>\$6,861,433</b>	<b>-\$9,205,647</b>
Interest		\$203,040	-\$527,617
<b>Total Requested</b>		<b>\$7,064,473</b>	<b>-\$9,733,264</b>

Enbridge Gas proposes that disposition of these deferral and variance account balances be implemented in alignment with other rate changes through the Quarterly Rate Adjustment Mechanism (QRAM), effective as soon as October 1, 2023.

For a typical residential customer in the EGD rate zone with annual consumption of 2,400 m<sup>3</sup>, the estimated one-time billing adjustment charge is \$6.91. For a typical residential customer in the Union South rate zone with annual consumption of 2,200 m<sup>3</sup>, the estimated one-time billing adjustment is a refund of \$1.56. For a typical residential customer in the Union North rate zone with annual consumption of 2,200 m<sup>3</sup>, the estimated one-time billing adjustment is a refund of \$5.11.<sup>1</sup>

The gas utilities can access an additional 15% DSMVA overspend in the event they are able to reach 100% of their program scorecards, consistent with provisions of the DSM Framework and Filing Guidelines.<sup>2</sup> Enbridge Gas utilized this DSMVA mechanism to overspend on the Resource Acquisition scorecard in the EGD rate zone in the 2021 DSM program year. The scorecard achieved a pre-audit result of 114%, which is above the weighted scorecard target required for the 15% overspend to be accessed.<sup>3</sup>

<sup>1</sup> Application Cover Letter dated April 28, 2023

<sup>2</sup> EB-2015-0029 / EB-2015-0049 Union Gas Limited and Enbridge Gas Distribution Inc. Decision Page 57

<sup>3</sup> B-2-1 Page 1

Enbridge Gas did not utilize this DSMVA mechanism in the Union rate zones in the 2021 DSM program year.<sup>4</sup>

The 2021 program year had unique challenges brought on by the COVID-19 pandemic that began in March 2020. For example, the Low-Income Program offering for the EGD and Union rate zones was paused twice in 2021, from January 1 to February 15 and from April 7 to June 2, due to the COVID-19 pandemic and local health restrictions which limited the ability for Delivery Agents (DAs) to enter customer homes to perform energy assessments or retrofit work. The prevalence of low income is estimated at 13% for 2021.<sup>5</sup>

There is a debit balance in the DSMVA for the EGD rate zone and a credit balance in the DSMVA for the Union rate zones. The debit balance in the EGD rate zone can be attributed to the overspending in the resource acquisition program, whereas the significant credit balances in the Union rate zones reflect COVID-19 related impacts, that impacted the Union rate zones more than the EGD rate zones. VECC submits it was reasonable for EGI's DSM programs and spending to have been impacted by COVID-19.

VECC has reviewed the evidence and the submissions of OEB Staff. OEB staff submits that the proposed DSMVA, DSMIDA, and LRAMVA balances have been calculated consistent with the OEB's 2015-2020 DSM Guidelines and the OEB's Evaluation Contractor (EC) 2021 Annual Verification report.<sup>6</sup> VECC supports the recovery of the proposed DSMVA, DSMIDA and LRAMVA balances in the EGD and Union rate zones, subject to the comments below.

OEB staff further submits that the findings from the eTools Boiler Tool Validation Study (etools study) should be applied to the 2021 DSM shareholder incentive and lost revenue account balances for the EGD and Union rate zones.<sup>7</sup> In response to SEC-1, EGI recalculated the cumulative cubic meters saved assuming that all recommendations of the e-Tools study had been implemented prior to the beginning of 2021. EGI indicates that across all rate zones, application of the eTools study adjustment factor decreased 2021 claimed net cumulative gas savings by 30,414,591 m<sup>3</sup> or 2%. The shareholder incentive decreased by \$282,390 or 4.4%.<sup>8</sup> In its final submissions, SEC raised concerns about the calculation of the eTools adjustment.<sup>9</sup> VECC submits the findings from the eTools study should be applied to the 2021 DSM shareholder incentive and lost revenue account balances for the EGD and Union rate zones, subject to the resolution of the concerns raised by SEC.

All of which is respectfully submitted.

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<sup>4</sup> C-2-1 Page 2

<sup>5</sup> VECC-1; VECC-2

<sup>6</sup> OEB Staff Submission Page 4

<sup>7</sup> OEB Staff Submission Page 8

<sup>8</sup> SEC-1

<sup>9</sup> SEC Submission Dated August 8, 2023 Pages 1-2