

# AGORA

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Sent by Email

August 9, 2023

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, ON M4P 1E4  
Attention: Registrar

Dear Ms. Marconi:

**Re: EB-2023-0062 – 2021 Demand Side Management Deferral and Variance  
Account Disposition Application by Enbridge Gas Inc. – SBUA's submission**

We are counsel to the Small Business Utility Alliance (SBUA). Please find enclosed SBUA's written submission in the above-noted proceeding.

Yours truly,



**Myriam Seers**  
Agora

cc. All parties in EB-2023-0062

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O. 1998, c. 15,  
Schedule B, as amended;

**AND IN THE MATTER OF** an application by Enbridge Gas Inc. for the disposition  
of 2021 Demand Side Management Deferral and Variance Accounts.

**EB-2023-0062**

**SMALL BUSINESS UTILITY ALLIANCE  
ARGUMENT**

**A. THE APPLICATION**

1. Enbridge Gas Inc. has applied to the Ontario Energy Board for the disposition of 2021 Demand Side Management Deferral and Variance Accounts to be implemented in alignment with other rate changes through the Quarterly Rate Adjustment Mechanism (QRAM), effective as soon as October 1, 2023.

**B. SMALL BUSINESS UTILITY ALLIANCE ARGUMENT**

2. The Small Business Utility Alliance ("SBUA") submits that:
  - (a) Enbridge Gas Inc. should apply the results of the eTools validation study to its 2021 DSM program results, according to the recommendation provided by the OEB staff. Therefore, OEB should approve the DSM program results by recalculating the 2021 scorecard achievements and subsequent shareholder incentive balances based on an 84% realization rate.
  - (b) Enbridge Gas Inc. should apply the recommendations provided by the Evaluation Contractor, DNV, in its 2021 Natural Gas Demand-Side Management Annual Verification Report. Therefore, OEB should order Enbridge Gas Inc. to follow those recommendations and apply them in the short future.

### **The eTools validation study and its impact on the 2021 DSM program results**

3. As part of its mandate, the Evaluation Contractor, DNV, issued on January 31, 2023, the Etools Boiler Tool Validation Study,<sup>1</sup> the objective of which was:<sup>2</sup>

*“(...) to provide guidance to the OEB on whether eTools can be relied on to estimate savings for projects completed through EGI’s approved DSM programs and relied on by the OEB for use as part of future evaluation activities and ultimately as part of final verified natural gas results that are used to assess EGI’s performance relative to OEB-approved metrics.”*

4. The conclusions of this study show that eTools are a good estimation calculator that provides an estimate of aggregate savings closer to those from billing analysis and superior to other boiler savings estimation models:<sup>3</sup>

*“eTools is a sophisticated engineering-based estimation calculator that exceeds industry standard practice and generates local knowledge of implementation practices. There are no other boiler savings estimation models that are known to be more accurate, nor any known to be in development.”*

5. SBUA submits that the results of the eTools validation study should be applied in this proceeding and, therefore to the 2021 DSM program results, which implies recalculating the 2021 scorecard achievements and subsequent shareholder incentive balances based on an 84% realization rate, since the modeling software would have been overestimating savings from boiler installations, this is, providing information that is not completely accurate.

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<sup>1</sup> Document which was provided by Enbridge Gas Inc. according to the request made by both School Energy Coalition and Small Business Utility Alliance.

<sup>2</sup> Enbridge Gas Inc. responses to interrogatories. Exhibit I. SEC. 1, Attachment 1, Page 4 of 57.

<sup>3</sup> Enbridge Gas Inc. responses to interrogatories. Exhibit I. SEC. 1, Attachment 1, Page 5 of 57.

6. According to the responses provided by Enbridge Gas Inc., the recalculation would generate a reduction of 30,414,591 m<sup>3</sup> and a reduction of the shareholder incentive of \$282,390, which would be more appropriate than the calculations initially provided by the applicant.
7. In this regard, it is necessary to mention that, although Enbridge Gas Inc. says that<sup>4</sup> *“these values have not been verified by the Evaluation Contractor and there are outstanding questions about the application of these values that are expected to be confirmed in the 2022 audit”*, the OEB should not ignore the impact of the study issued by DNV. Therefore, if need be, it should provide the opportunity for the Evaluation Contractor to verify the calculations given by Enbridge Gas Inc. and other measures required but not approve the program results knowing the mentioned impact.

#### **The recommendations made by the Evaluation Contractor**

8. As part of its mandates, the Evaluation Contractor, DNV, issued on November 1, 2022, the 2021 Natural Gas Demand-Side Management Annual Verification Report<sup>5</sup> providing its opinion on:<sup>6</sup>

*“the achieved natural gas savings, lost revenue, shareholder incentive, and cost effectiveness of the DSM programs offered by Enbridge and Union for the calendar year ending December 31, 2021”*

9. In this report, the Evaluation Contractor issued several findings and recommendations, some of which have been issued previously in other annual verification reports. By way of example, since 2015 the Evaluation Contractor has recommended developing, maintaining, and using an electronic summary of the Technical Resource Manual. In the same way, since 2016 the Evaluation Contractor has recommended third-party documentation for each required element for all-non savings metrics to be collected, requested, and delivered.

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<sup>4</sup> Enbridge Gas Inc. responses to interrogatories. Exhibit I. sec. 1, page 2 of 2.

<sup>5</sup> Document which was provided by Enbridge Gas Inc. according to the request made by Small Business Utility Alliance in its interrogatories.

<sup>6</sup> Enbridge Gas Inc. responses to interrogatories. Exhibit I. SBUA. 1, Attachment 1, Page 7 of 198.

10. In that sense, SBUA submits that the OEB should require Enbridge Gas Inc. to follow those recommendations and apply them in the near future in order to avoid these kinds of recommendations being repeated over the years without any action being taken.

Submitted on behalf of the Small Business Utility Alliance.