



Enbridge Gas Inc.

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

PROCEDURAL ORDER NO. 2

October 18, 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.

A Notice of Hearing was issued on May 12, 2023. Procedural Order No. 1 was issued on June 9, 2023. As part of Procedural Order No. 1, the OEB included its decision on intervention requests and requests for cost eligibility. The OEB also set out a schedule for interrogatories and for making submissions related to Enbridge Gas' request to seek approval to clear 2021 deferral and variance account balances related to the delivery of DSM programs.

Through interrogatories, an intervenor requested Enbridge Gas to recalculate the claimed cumulative cubic meters saved and 2021 shareholder incentives assuming all recommendations of the eTools Boiler Tool Validation study (eTools validation study) had been implemented prior to the beginning of 2021.¹ The eTools validation study was conducted for the OEB by DNV GL (Evaluation Contractor), who undertook a billing analysis to assess the accuracy of eTools to estimate natural gas savings following the implementation of energy-efficiency boiler upgrades.² The eTools validation study recommended that an 84% realization rate (eTools validation study realization rate) be applied to evaluate aggregate eTools boiler gross savings, after the implementation of the following two adjustments:

- a. eTools advancement projects should not utilize the current 73% thermal efficiency default value, rather site-specific values (supported by documentation) should be utilized. If documented site-specific values are not available, the efficiency values identified in this study, 80.1% for space heating and 81.8% for domestic hot-water heating, should be utilized by implementers and evaluators.

¹ EB-2023-0062, Interrogatories to Applicant from School Energy Coalition, June 23, 2023

² EB-2015-0245, eTools Boiler Validation Study, March 17, 2023

- b. Site-specific documentation verifying any anticipated controls or setpoint changes should be gathered by Enbridge after boiler system commissioning. If documentation verifying controls changes are unavailable, then the installed systems should be assumed to utilize the same controls and setpoints as the existing systems.³

In its response to this interrogatory, Enbridge Gas provided updated calculations for the claimed 2021 cumulative natural gas volume savings and shareholder incentive amounts to show the impacts of applying the eTools validation study realization rate.⁴ Enbridge Gas did not indicate whether the additional adjustments from the eTools validation study were implemented prior to applying the realization rate, as recommended in the eTools validation study.⁵

On September 13, 2023, the OEB requested Enbridge Gas to:

- (i) confirm whether it had applied the additional adjustments from the eTools validation study during 2021 program year implementation or in its response to intervenor interrogatories, and
- (ii) file updated calculations that incorporate the recommended eTools adjustments, had they not been previously incorporated.⁶

On September 20, 2023, Enbridge Gas responded to the OEB's request.⁷ In its response, Enbridge Gas indicated that it did not apply the additional eTools adjustments during 2021 program implementation and that it did not apply the additional recommended adjustments to all applicable 2021 projects when calculating the impacts in its interrogatory response. Enbridge Gas also identified that it does not have the resources required to apply the recommended adjustments to all 2021 applicable projects, and that applying those recommended adjustments would take approximately 546 person-hours to complete.

The OEB has determined that it requires updated calculations for the 2021 cumulative natural gas savings volumes and shareholder incentive amounts, which reflect all pertinent adjustments recommended in the eTools validation study. The validation study was under way going into the 2021 DSM program year and the expectation was that the study results would inform the calculation of the natural gas savings volumes and related incentive payment. The OEB has also determined that the Evaluation Contractor is best positioned to create the necessary data samples and complete the ensuing calculations to produce updated 2021 cumulative natural gas savings volumes and

³ EB-2015-0245, eTools Boiler Validation Study, March 17, 2023

⁴ EB-2023-0062, Interrogatory Response from Applicant, Exhibit I.SEC.1, July 14, 2023

⁵ EB-2015-0245, eTools Boiler Validation Study, March 17, 2023, Executive Summary, pg. 3

⁶ EB-2023-0062, Correspondence, September 13, 2023

⁷ EB-2023-0062, Submission, September 20, 2023

corresponding shareholder incentive amounts. This determination is based on the Evaluation Contractor's experience producing annual verified program results, including those for the 2021 program year, and the fact that it conducted the eTools validation study.

OEB staff will engage the Evaluation Contractor to calculate the updated 2021 cumulative natural gas savings volumes and shareholder incentive amounts. Enbridge Gas will provide the necessary information and data for the updated calculations, as requested by the Evaluation Contractor. Once completed, the Evaluation Contractor will provide the updated 2021 cumulative natural gas volume savings and shareholder incentive amount calculations to Enbridge Gas for filing with the OEB.

After the updated calculations are filed, parties can provide comments on the updated calculations in accordance with the timeline set out in this Procedural Order.

In the meantime, Enbridge Gas' application has been put in abeyance, effective immediately, pending the filing of the updated calculations and related submissions.

IT IS THEREFORE ORDERED THAT:

1. Enbridge Gas Inc. shall provide all information and data requested by the Evaluation Contractor to facilitate the re-calculation of the 2021 cumulative natural gas volume savings and shareholder incentive amounts, based on adjustments recommended in the eTools validation study.
2. Enbridge Gas Inc. shall file with the OEB and serve on all intervenors the updated 2021 cumulative natural gas volume savings and shareholder incentive amount, upon receipt from the Evaluation Contractor.
3. Enbridge Gas Inc., intervenors, and OEB staff shall file with the OEB and serve on all parties any comments on the updated 2021 cumulative natural gas volume savings and shareholder incentive amount calculations by no later than fourteen days after the calculations are filed.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0062** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Alexander Di Ilio at alexander.diilio@oeb.ca and OEB Counsel, Lawren Murray at lawren.murray@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **October 18, 2023**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar