

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

November 6, 2023

Re: EB-2022-0295 Enbridge Demand Side Management  
Pollution Probe Letter of Comment

Dear Ms. Marconi:

Pollution Probe is in receipt of the letter to the Ontario Energy Board (OEB) from School Energy Coalition (SEC) dated October 4, 2023 pertaining to Contestability and readiness to advance Demand Side Management (DSM) in Ontario. As outlined in the SEC letter the OEB Decision in the EB-2021-0002 confirmed that the status quo DSM approach is insufficient and will not meeting the needs of Ontario energy consumers. Action is urgently needed to get Ontario DSM on track to deliver the significant cost-effective DSM that is currently available and also to avoid the stranded/lost<sup>1</sup> DSM resulting from the current delivery approach. The urgent proactive needs outlined in the SEC letter should be commended to ensure Ontario receives the levels of cost-effective energy efficiency it needs and deserves.

The OEB formed the OEB DSM Strategic Advisory Group (SAG)<sup>2</sup> to take the necessary proactive action on enabling activities that will help advancing DSM in Ontario. The OEB envisioned that the SAG would be a proactive vehicle to conduct objective outreach, broad consultation and activities in advance of the next DSM proceeding. IESO is a member of the SAG, which provides an opportunity to make DSM more cost-effective<sup>3</sup> and integrated (i.e. coordinated fuel agnostic one-window approach for incentives and information). Ontario municipalities have also expressed ongoing interest to increase DSM in their communities in alignment with complimentary programs and community energy and emission plans<sup>4</sup>. Municipal programs, funding and partnerships was identified as an area of low hanging fruit for partnerships and delivery in EB-2021-0002 and the OEB Decision specifically acknowledged this as an area for

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<sup>1</sup> Lost opportunities have been prevalent as a significant number of new homes and retrofits are planned without sufficient or integrated energy efficiency program assistance. Examples also include recent projects filed with the OEB under Ontario's Natural Gas Expansion Program where DSM is not being proactively highlighted to new communities where significant expenditures and renovations would be required to accommodate incremental natural gas. See EB-2022-0249 PollutionProbe\_SUB\_20230808 for additional details. Similar examples include EB-2022-0248 and EB-2022-0156.

<sup>2</sup> EB-2022-0295 OEB-Ltr-DSM-Stakeholder-Advisory-Group-20230301

<sup>3</sup> Marketing and delivering programs in an integrated manner reduces fixed costs and increases overall results for Ontario consumers.

<sup>4</sup> Examples include EB-2021-0002 CityofOttawa\_LtrComment\_DSM\_October\_2021 and CAC\_Ltr of comment\_20220323

consideration. Unfortunately, there has been no tangible progress on these opportunities and enhanced focus from the OEB is required.

There is no debate that energy efficiency is the most cost-effective source of energy in Ontario. The Provincial Directive requiring the OEB to pursue all cost-effective energy efficiency has never been more relevant than today given the importance of persistent energy cost savings and the complimentary emissions reductions that DSM provides. Targeted DSM (essentially the same programs in a more concentrated geographic location) also has the added benefit of avoiding additional pipelines that are likely to become stranded assets.

Enbridge (collectively Enbridge Gas and Union Gas, pre-merger) have delivered DSM in Ontario since the 1990's and although there have been enhancements over the past three decades, the current approach is still only a small fraction of natural gas use in Ontario. Despite three decades of gas utility DSM delivery, there remain fundamental barriers restricting/limiting cost-effective delivery of DSM to existing and new gas customers<sup>5</sup>. The vast majority of DSM programs remain delivered in siloes, despite the Provincial and OEB calls over the past few decades to ensure that DSM programs are offered in partnership with IESO, municipalities and other Ontario delivery agents. The OEB's DSM SAG is well positioned to develop a systematic plan to resolve these issues in advance of the next DSM framework.

As outlined by SEC, advancing development and ramping up alternatives will take time and work must begin now. Waiting until 2025 is not a prudent option. One easy option would be for the OEB to direct OEB Staff in coordination with the OEB DSM SAG to undertake the following (directly or via appropriate consulting support) in the next few months:

- Develop an analysis of the program/delivery options to achieve the full DSM potential in Ontario, with an assessment of what will be required to enable each item before the end of the current DSM plan.
- Develop the supporting materials to support the options (may include consumer outreach options, partnerships, expressions of interest, consultations, etc.)
- Propose a recommended approach and plan for implementation.
- Additional recommendations to remove (now or in the future) the barriers constraining effective delivery of DSM and recommendations to ensure full coordination/delivery across all stakeholders (e.g. IESO, municipalities, etc.)
- An action plan and materials to enable promotion of energy efficiency options and incentives in Ontario municipalities, particularly communities with proposed gas expansion projects under the Ontario NGEP<sup>6</sup>.

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<sup>5</sup> One example of significant lost opportunities for new communities/customers is outlined in EB-2022-0249 PollutionProbe\_SUB\_20230808. Additional examples include E-2022-0248 and EB-2022-0156.

<sup>6</sup> Enbridge indicated that as the gas utility it does not promote non-gas options and serves customers on the understanding that these customers are sufficiently informed about the available energy and technology solutions and that they have chosen the alternative that best suits their needs [EB-2022-0200 2.6-Staff-81, part (c)]. Overall, the OEB has a responsibility to ensure all relevant information is provided to those consumers considering their energy options.



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Respectfully submitted on behalf of Pollution Probe.

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cc: Chris Humphries, OEB  
Susanna Zagar, OEB  
Members of the DSM SAG (via Josh Wasylyk, OEB)  
Malini Giridhar, EGI  
EB-2021-0002 Stakeholders