

Elson Advocacy

April 29, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas 2022-2027 Demand Side Management Plan
EB-2021-0002**

I am writing on behalf of Environmental Defence in response to Enbridge's letter of April 22, 2024.

Environmental Defence strongly supports a resumption of residential energy efficiency programming as soon as possible. We question why a resumption of programming must wait until June 1, 2024 as Enbridge proposes. That would amount to approximately four months since the program shut down on February 5, 2024. We therefore ask that Enbridge be directed to resume programming by May 6, 2024, or as soon thereafter as possible.

It is very important that the programming be restarted immediately. The abrupt and unexpected closure of the program is a disaster for the energy auditors and advisors that are necessary for success in residential energy efficiency programming going forward. The situation will likely have already made some leave the sector and dissuaded others from pursuing this line of work. Program resumption is needed to avoid further damage to the residential energy efficiency sector.

It is also critical that programming be available for the sake of customers who need it now. Energy efficiency programming lowers energy bills. For every \$1 invested, customers reap \$3.24 in benefits on average, mainly through gas savings.¹ This accounts for all of the costs of the DSM measures, including both the customer and utility portion of the costs. Enbridge estimated that customers would reap **\$3.4 billion** in lifetime benefits from its proposed 2023-2027 DSM programming.² The majority of these benefits are through reduced gas consumption, which

¹ EB-2021-0002, Transcript Volume 1, p. 171, ln. 10.

² *Ibid.* p. 171, ln. 26.

directly lowers gas bills.³ These \$3.4 billion in benefits are net of free ridership, meaning these benefits are actually attributable to the spending in question.⁴

The continued suspension in programming will result in higher-than-necessary energy bills and unhappy customers. A number have made complaints to the OEB already. Although the proposed rebate levels are too low, something is better than nothing, and it is better to get the program going again while improvements are considered.

The continued suspension will also result in lost opportunities. These arise when customers replace equipment or undertake renovations without choosing the most energy efficiency options due to the lack of incentives. Once the equipment has been purchased or the renovations have taken place, the opportunity to generate energy bill savings has been lost.

Enbridge asks for confirmation that no formal approval or hearing is required for it to resume its programming. Worryingly, it appears that Enbridge may not resume its programming until that confirmation is received. We therefore ask the OEB to provide that confirmation as soon as possible. In our submission, no OEB approval is required to continue to provide programming. The opposite is true. Approval should have been sought to *stop* the program, as doing so was inconsistent with the OEB's DSM decision, which mandated a broad range of energy efficiency programming for residential customers with the aim of lowering energy bills.⁵

Once confirmation has been provided for the program to resume as soon as possible, we ask that the OEB issue guidance regarding the correct interpretation of the OEB's November 15, 2022 decision as it relates to the DSM budget in this situation. Enbridge states that it has no funding for 2024 for its resumed DSM programming.⁶ It therefore plans to withhold incentive payments until 2025 so that it can access 2025 budget amounts. This is unacceptable and inconsistent with the OEB's DSM decision. Customers should not have to wait until 2025 to receive a rebate. That dampens the value of the incentive and frustrates customers. This will also mean that a significant portion of the 2025 budget will be absorbed by deferred 2024 spending. The only way to remain within budget for 2025 is to design a poor program with low incentives that will have low uptake. A low incentive program will also have high free ridership because the incentives will be too low to change behaviour, meaning most customers would have installed the measures regardless.

The OEB's DSM decision called for increased residential DSM spending to help customers lower energy bills, including the elimination of the 15% DSMVA cap. Although the decision did not explicitly foresee the end of the Greener Homes Grant, it cannot be interpreted as calling for a \$0 2024 DSM budget for a resumed program. Again, the joint program ended after approximately only one month of 2024 (on February 5, 2024). In the very least, the 2024 budget

³ *Ibid.* p. 165, lns. 13-18.

⁴ *Ibid.* p. 166, lns. 11-15. (After netting out the costs of the DSM measures and applying the 6.08% discount rate to the stream of future benefits, the net benefits to consumers are still \$1.8 billion. See *Ibid.* p. 172, lns. 3).

⁵ EB-2021-0002, Decision and Order, November 15, 2022, pp. 28-32.

⁶ Enbridge Letter, April 22, 2024, p. 4.

for this renewed program is equal to 11 months of the base residential budget. Although the uptake of the joint program was higher than expected, that does not justify a complete budget cut-off for the resumed program in 2024, and unreasonably low incentives going forward. That is diametrically opposed to the OEB's direction to provide higher incentives, achieve greater energy bill reductions, and devote additional investments to residential energy efficiency.⁷

The OEB may wish to hear from parties before providing guidance on this budget issue. We therefore ask that Enbridge be directed to resume its program immediately so customers at least have access to some programming. Guidance on the budget issue can follow subsequently.

Once the budget issue has been resolved, Enbridge should be directed to engage with stakeholders regarding program details, which could certainly be improved. Environmental Defence has already provided some concrete suggestions, and we hope to be able to engage further once the program has resumed.

Thank you for considering this matter.

Yours truly,



Kent Elson

Cc: Parties in the above proceeding

⁷ EB-2021-0002, Decision and Order, November 15, 2022, pp. 28-32.