

November 6, 2024

Josh Wasylyk
Ontario Energy Board
2300 Yonge Street, 27th floor, P.O. Box 2319
Toronto, ON M4P 1E4

Sent Via Email: josh.wasylyk@oeb.ca

Re: Enbridge Gas, Inc., Draft 2026+ Natural Gas Demand Side Management Plan

Dear Mr. Wasylyk:

On behalf of Housing Services Corporation (HSC), I am providing the enclosed input to inform the 2026+ Natural Gas Demand Side Management (DSM) Plan and budgets currently in development by Enbridge Gas, Inc.

HSC is a non-profit organization with a provincially legislated mandate to support Ontario's approximately 1,400 community housing providers and 47 municipal service managers and district social services administration boards in providing safe, affordable rental housing across the sector's 250,000 community housing units.

Due to an Enbridge administrative error, HSC did not have the opportunity to contribute to the summer 2024 consultations for Enbridge's incoming 2026+ DSM plan and budgets. As such, Enbridge recommended that we provide our comments directly to the Ontario Energy Board (OEB).

As a sector specifically dedicated to low-income rental households, community housing is a key target for Enbridge's Income-Qualified programs for all building types. We encourage the OEB and Enbridge to ensure the following recommendations are incorporated in Enbridge's upcoming 2026+ DSM Plan and budgets to maximize the natural gas savings potential in the community housing sector.

Recommendations:

- 1) Increase budgets for all Income-Qualified single-family and multi-unit residential building programs to align with major equipment replacement opportunities and to address the disproportionate impact of utility costs on community housing providers and their tenants.**

During its October 3, 2024, consultation, Enbridge reported that 2026-2030 budgets were proportionately increased for all customer groups. This approach does not recognize that low-income customers are disproportionately impacted by utility costs and that community housing offers the greatest "bang-for-buck" results in this space.

Budgets for all Income Qualified programs should be increased to reflect an equitable approach to this group and recognize the high savings potential in our sector.

In particular, the October 3, 2024, draft budget for the Affordable Housing Multi-Residential (AHMR) Program allocates 14 to 25 percent of resources to Promotion and Delivery. If Enbridge leverages established sector channels, such as municipal Service Managers, District Social Services Boards, and HSC, to promote the programs, funds could be more impactfully invested in Incentives.

HSC understands that recent regulatory changes impacted Enbridge's ability to incentivize boilers. However, HSC's capital equipment replacement data on over 94,000 community housing units indicates enormous savings potential on other gas equipment. We extrapolated our data to Ontario's 250,000 community housing units to highlight examples of major gas equipment needing replacement to 2030:

Sample Measure	2024-2030 Capital Replacement Needs
Make-up Air Units	\$145 Million
Water Heaters	\$206 Million
Fin-tube and Hydronic Heating	\$105 Million

Appropriately targeted incentives could better enable housing providers to incorporate energy efficiency in planned retrofits. The AHMR Program budget could be doubled or tripled to realize these opportunities.

For single family and town homes specifically, \$148 million in furnaces will need replacement by 2030, indicating that the expected heat pump program and Home Winterproofing (HWP) draft budgets will be over-subscribed.

2) Add building envelope measures to Income-Qualified programs to set the stage for right-sizing gas heating equipment on its renewal.

The community housing sector does not have access to the funding required to maintain the portfolio in a good state of repair over the long-term. As a result, building envelope retrofits are often deferred, resulting in avoidably higher energy demand. Enbridge should integrate building envelope measures in its programs to help community housing providers reduce their space heating needs to optimize the benefits of replacing gas heating equipment.

Based on our data extrapolation, we identified strong potential for envelope measures across all building types:

Measure	2024-2030 Capital Replacement Needs
Windows	\$1.2 Billion
Exterior Doors	\$423 Million
Exterior Cladding	\$60 Million

Given these numbers, it makes sense to incentivize building envelope measures within both AHMR and HWP. If Enbridge prefers to undertake an AHMR pilot first, we recommend an initial building envelope incentive budget of \$25 million, on top of an increased regular AHMR budget and to be expanded year over year.

3) Establishing a dedicated program stream for community housing that supports a whole portfolio, whole building approach.

Community housing providers serve low-income households, in a range of building types with a mix of payment arrangements. In most cases, the utilities are paid by the housing provider, in others by the tenant.

HSC commends Enbridge on its work with the Independent Electricity System Operator (IESO) to deliver the HWP and Energy Affordability Program (EAP) for single-family and town homes under a single window. Because Enbridge's AHMR and HWP are segmented by building type, housing providers will still have to access each program separately, resulting in application fatigue and missed savings.

We recommend that Enbridge work internally and with the IESO to establish a single dedicated program stream for community housing. This approach could streamline programs, accommodate a range of building types within a whole portfolio approach, focus on reducing consumption, and integrate energy audits, capacity building, re/retro/commissioning, strategic energy management, training, and other supports. This approach should achieve greater depth of savings and program uptake.

With existing energy and asset management supports and relationships across the sector, HSC would be pleased to meet with you to discuss how DSM program objectives can best be achieved in community housing. Please contact me, hwong@hscorp.ca, or our designated intervenor, Myfanwy Parry, mparry@hscorp.ca.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Howie Wong'.

Howie Wong
Chief Executive Officer

CC: Enbridge Gas, Inc. – Deborah Bullock, Craig Fernandes, Daniel Johnson, Scott Hicks