

# Elson Advocacy

March 13, 2025

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

Dear Ms. Marconi:

**Re: Enbridge Gas 2026-2030 Demand Side Management Plan  
EB-2024-0198**

I am writing on behalf of Environmental Defence Canada (“EDC”) and the Green Energy Coalition (“GEC”) to provide reply comments on the draft issues list.

## **Alternative Design and Delivery Agents**

EDC and the GEC support the request of the School Energy Coalition to add an issue exploring whether it is appropriate that Enbridge be the sole entity to design and deliver DSM programs. This is a very important issue that warrants being addressed separately.

This issue was partly addressed in the previous DSM proceeding, but under issue 16 (program coordination). In that proceeding, Environmental Defence outlined the following potential benefits of Enbridge seeking to contract with the Independent Electricity System Operator (“IESO”) to lead the design of gas DSM programs. Those included the following:

- Avoiding the conflict of interest of a utility that profits from pipelines being responsible for programming that would reduce or eliminate the need for pipelines;
- Enabling a fuel-neutral approach;
- Enabling the benefits of a fuel-neutral approach, such as economic efficiency, rationality, and cost-effectiveness;
- Access to low-cost government financing for program cost amortization;
- Avoiding the cost of shareholder incentives;
- Administrative savings;
- Ease of access for customers (i.e. a one-stop-shop);

- Maintaining access to Enbridge data and customer communications channels;
- Greater consideration of electrical system impacts; and

Environmental Defence also argued that the OEB has the jurisdiction to direct that ratepayer-funded DSM be designed or delivered by a third party. There is precedent for the OEB directing utilities to contract out for certain services. For instance, the OEB's Framework for Energy Innovation process was focused on distributed energy resources that would be contracted from third parties and not utility owned. The direction to contract out DSM program design would simply be an extension of the OEB's role in setting gas rates and providing conditions on DSM programming funded by rates.

Other parties also addressed this as part of issue 16. The OEB summarized their submissions as follows in its decision:

Among the recommendations included consideration to a central, independent agency delivering energy efficiency and conservation programs, that Enbridge Gas contract with the IESO to have the IESO lead the design of DSM programs with programs all delivered jointly, and that Enbridge Gas be required to enter into comprehensive partnerships with the IESO, municipalities and other relevant stakeholders. All of these suggestions were premised on the same basic principles of maximizing the cost- effectiveness of programs, achieving the highest level of energy savings and providing the greatest value to customers.<sup>1</sup>

The OEB decided not to direct full integration “at this time” while also leaving open the option of “fully integrated” conservation and efficiency programs in the future.<sup>2</sup>

Although this issue can be addressed as part of issue 16 as in the previous proceeding, the importance of the issue warrants separate listing on the issues list.

## Issue 14

EDC and GEC support the requests of the Consumers Council of Canada regarding issue 14. That request is excerpted below for ease of reference:

The issue as proposed is – *Are Enbridge Gas's proposed changes to the evaluation, measurement and verification of natural gas savings appropriate?*

The Council is proposing the following wording – *Is the proposed evaluation, measurement and verification (EMV) of natural gas savings appropriate?* This change will ensure that parties have an opportunity to consider all components of the EMV process, not just the changes proposed by Enbridge Gas.

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<sup>1</sup> EB-2021-0002, Decision and Order, November 15, 2022, p. 88-89.

<sup>2</sup> *Ibid.* p. 9.

## DSM Framework

Enbridge argues that any review of the DSM framework and broader DSM issues should be restricted and ruled out of scope. Enbridge's concerns should be addressed by creating a separate phase in this proceeding, not by disallowing more fundamental changes to the DSM framework. That separate phase could address those fundamental issues while the first phase focuses on the details necessary to get a 2026-2030 plan in place.

It is important that there be a venue for more significant changes to the DSM framework, including the possibility of different design and delivery agents. This is particularly the case as DSM programs expand and because DSM is increasingly important due to the energy transition. It would be shortsighted to rule out options to make DSM more effective and cost-effective simply because they involve higher levels of change.

However, we acknowledge that it is important that DSM programming be in place for 2026-2030 and that more fundamental changes to the DSM framework cannot be implemented in the 2026-2030 plan. However, this can be addressed by considering more fundamental issues in a separate phase that proceeds on a different timeframe or after the first phase.

Enbridge justifies its request to scope out fundamental changes to the DSM framework by reference to certain comments in the SAG Report. However, those comments do *not* support scoping those issues out as Enbridge implies. Indeed, those comments highlight the importance of addressing wider issues and simply suggest that this take place on a different track that occurs "simultaneous" with or "immediately following" consideration of the plan elements.<sup>3</sup> This cannot be achieved by simply scoping out these important issues.

A procedural pathway involving phases to this proceeding can ensure that these important issues are addressed, fulfill the SAG's recommendation, and address Enbridge's timing concerns.

Yours truly,



Kent Elson

cc: Parties in the above proceeding

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<sup>3</sup> "Non-utility members agreed that should participants in Enbridge's next multi-year DSM plan proceeding raise policy concerns (for example, regarding the primary objective of DSM, reasonableness of guiding principles, or other structural items), that these be addressed separately, either **simultaneous** to the DSM plan application proceeding (but not directly applicable) or **immediately following** the OEB's decision. This way, updated policy direction will be available to inform Enbridge's DSM planning efforts for its next multi-year plan."