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Enbridge Gas Inc.
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VIA EMAIL and RESS

July 9, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ritchie Murray:

**Re: Enbridge Gas Inc. (“Enbridge Gas” or the “Company”)
Ontario Energy Board (“OEB”) File No. EB-2024-0198
2026 Demand Side Management (“DSM”) Plan Application
Updated Pre-Filed Evidence**

Pursuant to the OEB’s Procedural Order No. 4 dated July 3, 2025, enclosed please find Enbridge Gas’s updated pre-filed evidence for the above-noted Application, which includes the additional information requested by the OEB.¹ The additional information is provided at Exhibit D.

If you have any questions, please contact the undersigned.

Sincerely,

Haris Ginis
Technical Manager, Regulatory Applications

cc: Dennis O’Leary (Aird & Berlis LLP, Enbridge Gas Counsel)
Lawren Murray (OEB Counsel)
Michael Bell (OEB Staff)
Intervenors (EB-2024-0198)

¹ OEB Procedural Order No. 4, July 3, 2025, p.4.

EXHIBIT LIST

A – ADMINISTRATION

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B – 2026 DSM PLAN

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Exhibit C – RESPONSES TO PROCEDURAL ORDER NO.3 DIRECTIONS

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Exhibit D – RESPONSES TO PROCEDURAL ORDER NO.4 DIRECTIONS

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D	1	1	Response to Procedural Order No. 4 Directions Attachment 1 – Residential Program TRC-Plus (Excel)

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, as amended;

AND IN THE MATTER OF an application by Enbridge Gas Inc. pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving its 2026 Demand Side Management Plan.

APPLICATION

1. Enbridge Gas Inc. (“Enbridge Gas” or the “Company”) was established through the amalgamation of Enbridge Gas Distribution Inc. and Union Gas Ltd. on January 1, 2019, pursuant to the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.16. Enbridge Gas carries on the business of selling, distributing, transmitting, and storing natural gas in Ontario and undertakes Demand Side Management (“DSM”) activities.
2. On November 29, 2024, Enbridge Gas filed its 2026-2030 DSM Plan application and evidence under EB-2024-0198. On March 15, 2025, the Government of Canada announced that it will be setting the Federal Carbon Charge (“FCC”) to zero (effectively removing the FCC) as of April 1, 2025.¹ On March 20, 2025, prior to the interrogatory phase of the proceeding, Enbridge Gas filed a letter requesting that the OEB place the application in abeyance to provide the Company with the time needed to assess the impact that the removal of the FCC has on the application. On March 24, 2025, the OEB issued a letter accepting Enbridge Gas’s request and placed the 2026-2030 DSM Plan application into abeyance.
3. On May 2, 2025, Enbridge Gas filed a letter stating that the Company did not believe the OEB would be in a position to issue a decision on an updated 2026-2030 DSM Plan application until at least Q1 2026 (up to 6 months later than Enbridge Gas’s requested date for a decision of September 30, 2025). To avoid any interruption to

¹ <https://canadagazette.gc.ca/rp-pr/p2/2025/2025-03-15-x2/pdf/g2-159x2.pdf>

DSM programming, Enbridge Gas stated that it believed it would be necessary to request that the OEB roll forward the approved 2023-2025 DSM Plan to the 2026 program year. Enbridge Gas stated that it expected it would file its 2026 DSM Plan application by May 30, 2025, and that the Company believed the OEB could issue a rollover decision for 2026 DSM activities by September 30, 2025.

4. On May 13, 2025, the OEB issued Procedural Order No. 3 which, among other things, directed Enbridge Gas to file additional evidence as part of its 2026 DSM Plan application. On May 23, 2025, Enbridge Gas filed a letter requesting an extension for the filing of its 2026 DSM Plan application to June 20, 2025, to provide the Company with the time needed to develop and file the additional evidence. On May 28, 2025, the OEB issued a letter accepting Enbridge Gas's request for an extension to June 20, 2025.
5. Accordingly, Enbridge Gas hereby applies to the OEB pursuant to Section 36 of the *Ontario Energy Board Act, 1998*, for an order or orders approving the Company's 2026 DSM Plan Application ("2026 DSM Plan" or the "Application"), which reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan with no modifications to the DSM Framework.
6. Enbridge Gas further applies to the OEB for the following:
 - a. Approval of the DSM programs for 2026 including the Residential Program, the Low Income Program, the Commercial Program, the Industrial Program, the Large Volume Program, the Energy Performance Program, and the Building Beyond Code Program;
 - b. Approval of the DSM budget for 2026, to include the budget into rates for 2026, and to continue to use the Deferred Participant Costs mechanism for 2026 for the Whole Building Pay for Performance Offering, the Residential Savings by Design Offering, and the Affordable Housing Savings by Design Offering; and,

- c. Approval of the DSM scorecards for 2026 and of the DSM shareholder incentive mechanism and amounts for 2026.
7. Any components of the OEB-approved 2023-2025 DSM Plan that are not explicitly addressed herein are proposed to continue unchanged for 2026.
8. To avoid any interruption to DSM programming, Enbridge Gas respectfully requests final approval from the OEB for this roll forward Application by September 30, 2025. If a decision on 2026 DSM activities is not issued by September 30, 2025, Enbridge Gas will be required to make difficult decisions with respect to the implementation of its DSM programs in the later part of 2025 and into 2026. This could involve suspending DSM programs and spending, including for programming that is jointly delivered with the Independent Electricity System Operator ("IESO"). Enbridge Gas submits that this outcome would not be in the public interest. It is important to note that the ramping-down/ramping-up of DSM programming is not something that can be done instantaneously and without additional costs and negative impacts to DSM program results, customers, and industry partners.
9. As the 2026 DSM Plan reflects a one-year extension (i.e. a roll forward) of the OEB-approved 2023-2025 DSM Plan with no modifications to the DSM Framework, and to avoid unnecessary delays, ratepayer costs, and regulatory burden, Enbridge Gas respectfully requests that this roll forward proceeding advance directly to written submissions from OEB staff and intervenors, followed by the Company's reply submission.
10. Following a final OEB decision for 2026 DSM activities, Enbridge Gas intends on filing a comprehensive multi-year DSM Plan application for the 2027 DSM program year and beyond, as discussed at Exhibit C, Tab 5, Schedule 1.

a) The Applicant: Haris Ginis
Technical Manager, Regulatory Applications

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b) The Applicant's Counsel: Dennis M. O'Leary
Aird & Berlis LLP

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Dated: June 20, 2025

ENBRIDGE GAS INC.

Haris Ginis

Haris Ginis
Technical Manager, Regulatory Applications
Regulatory Affairs

2026 DSM PLAN

1. This evidence is organized as follows:
 1. 2026 DSM Plan Background and Overview
 2. 2026 DSM Plan Components
 - 2.1 Programs
 - 2.1.1 Cost-Effectiveness
 - 2.2 Budget
 - 2.2.1 Allocation Methodology
 - 2.2.2 Deferred Participant Costs
 - 2.3 Performance Scorecards and Targets
 - 2.4 DSM Shareholder Incentives and Incentive Structure
 - 2.4.1 End-of-Term Natural Gas Reduction Incentive
 3. Conclusion

1. 2026 DSM Plan Background and Overview

2. On November 29, 2024, Enbridge Gas filed its 2026-2030 DSM Plan application and evidence under EB-2024-0198. At the time, Enbridge Gas acknowledged the uncertainty associated with the Federal Carbon Charge (“FCC”) continuing as planned until 2030 and the potential impact a change may have on the application:¹

Enbridge Gas recognizes the political and public policy risk associated with the Federal Carbon Charge continuing as planned until 2030. Any changes to the Federal Carbon Charge could materially impact the design and delivery of Enbridge Gas’s 2026-2030 DSM Plan and the ability for the Company to achieve the proposed targets. Given the uncertainties associated with the Federal Carbon Charge (for example, whether changes will occur, the timing of any changes, and the scope of alternative policies that could replace it) it is

¹ Enbridge Gas 2026-2030 DSM Plan Application, November 29, 2024, Exhibit C, Tab 1, Schedule 2, para.7.

premature for Enbridge Gas to speculate how its proposed 2026-2030 DSM Plan could be impacted. If information becomes known regarding changes to the Federal Carbon Charge, Enbridge Gas will assess the information at that time to determine whether they result in a material impact to the Company's 2026-2030 DSM Plan and will notify the OEB whether any subsequent action is required.

3. On March 4, 2025, the OEB issued Procedural Order No. 1 which, among other things, set out the initial procedural steps for the 2026-2030 DSM Plan application including timelines for interrogatories, expert evidence, a technical conference, and a settlement conference. The OEB also set out its expectation that a hybrid oral hearing would take place in late July to early August 2025 and that final arguments from parties would be expected for late August to early September 2025.
4. On March 15, 2025, the Government of Canada announced that it will be setting the FCC to zero (effectively removing the FCC) as of April 1, 2025.²
5. On March 20, 2025, prior to the interrogatory phase of the proceeding, Enbridge Gas filed a letter requesting that the OEB place the 2026-2030 DSM Plan application in abeyance to provide the Company with the time needed to assess the impact that the removal of the FCC has on the application.
6. On March 24, 2025, the OEB issued a letter accepting Enbridge Gas's request and placed the 2026-2030 DSM Plan application into abeyance. The OEB also suspended all procedural steps set out in Procedural Order No. 1.
7. On May 2, 2025, Enbridge Gas filed a letter stating that as a result of: (i) the Government of Canada's decision to set the FCC to zero effective April 1, 2025; (ii) the impact the change has on Enbridge Gas's 2026-2030 DSM Plan application that is before the OEB; (iii) the time needed for Enbridge Gas to comprehensively assess

² <https://canadagazette.gc.ca/rp-pr/p2/2025/2025-03-15-x2/pdf/g2-159x2.pdf>.

the change and to prepare/file the necessary evidence updates; and (iv) the procedural time needed for the OEB to issue a decision on the 2026-2030 DSM Plan application, the Company did not believe the OEB would be in a position to issue a decision on an updated 2026-2030 DSM Plan application until at least Q1 2026 (up to 6 months later than Enbridge Gas's requested date of September 30, 2025). More specifically, the procedural timelines set out in Procedural Order No. 1 included 5 ½ months from the filing of interrogatories on Enbridge Gas's evidence (March 27, 2025)³ to the date the OEB expected that final arguments from parties could be filed (early September 2025).⁴ Assuming the filing of an updated multi-year DSM Plan application by May 30, 2025, a 5 ½ month timeline would result in the filing of Enbridge Gas's final argument in late November 2025. Taking into consideration the OEB's holiday timeout period,⁵ a final OEB decision on an updated 2026-2030 DSM Plan application (inclusive of 2026 DSM activities) would likely be issued some time in Q1 2026.

8. Enbridge Gas went on to state that if a decision on 2026 DSM activities is not issued by September 30, 2025, Enbridge Gas would be required to make difficult decisions with respect to the implementation of its DSM programs in the later part of 2025 and into 2026. This could involve suspending DSM programs and spending, including for programming that is jointly delivered with the Independent Electricity System Operator ("IESO"). Enbridge Gas submitted that this outcome would not be in the public interest. Enbridge Gas also noted that the ramping-down/ramping-up of DSM programming is not something that can be done instantaneously and without additional costs and negative impacts to DSM program results, customers, and

³ OEB Procedural Order No. 1, March 4, 2025, p.11.

⁴ OEB Procedural Order No. 1, March 4, 2025, p.10.

⁵ OEB Letter, 2025-2026 Fiscal Year Holiday Timeout Period, April 14, 2025: "The Ontario Energy Board (OEB) holiday timeout period for the 2025-2026 fiscal year will be from December 20, 2025, to January 4, 2026, inclusive, which coincides with the Ontario Ministry of Education's public school winter break."

industry partners. As a result, to avoid any interruption to DSM programming, Enbridge Gas stated that it believed it would be necessary to request that the OEB roll forward the approved 2023-2025 DSM Plan to the 2026 program year. Enbridge Gas stated that it expected it would file its 2026 DSM Plan application by May 30, 2025, and that the Company believed the OEB could issue a rollover decision for 2026 DSM activities by September 30, 2025. Enbridge Gas further stated that if the Company determined that additional time is needed to file the 2026 DSM Application, it would advise the OEB at the earliest opportunity.

9. On May 13, 2025, the OEB issued Procedural Order No. 3 which, among other things: (i) directed Enbridge Gas to file additional evidence as part of its 2026 DSM Application as set out on page 2 of the Procedural Order, and (ii) directed Enbridge Gas to file its 2026 DSM Plan Application on or before May 30, 2025 and to inform the OEB if the Company anticipates any delays by May 23, 2025.
10. On May 23, 2025, Enbridge Gas filed a letter stating that given the scope of the additional evidence which the Company has been directed to file relative to the time afforded to develop and file the evidence (12 business days between Procedural Order No. 3 and May 30, 2025), the Company required an extension for the filing of its 2026 DSM Application to June 20, 2025.
11. On May 28, 2025, the OEB issued a letter accepting Enbridge Gas's request for an extension for the filing of its 2026 DSM Application to June 20, 2025.
12. Enbridge Gas's primary focus continues to be to avoid any interruption to DSM programming in Ontario. As noted above, if a decision on 2026 DSM activities is not issued by September 30, 2025, Enbridge Gas will be required to make difficult decisions with respect to the implementation of its DSM programs in the later part of 2025 and into 2026. DSM program continuity is essential to a successful and

sustained energy conservation market in Ontario. Natural gas customers require certainty that the support and incentives associated with their energy efficiency projects/investments, which may currently be in the planning or financing phases, are not in jeopardy. It is equally important that Enbridge Gas and DSM industry partners (including trade allies and service providers) have sufficient clarity with respect to 2026 DSM activities without any confusion, delays or interruptions in the availability of energy conservation programming.

13. To avoid any interruption to DSM programming, Enbridge Gas is proposing a 2026 DSM Plan that reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan with no modifications to the existing DSM Framework. The proposal allows for an orderly transition to the next multi-year DSM Plan for 2027 and beyond, while maintaining the momentum of current energy conservation efforts that are supporting homes and businesses to become more energy efficient and to reduce their natural gas consumption.
14. The Government of Canada's decision to set the FCC to zero (announced 3 ½ months after Enbridge Gas filed its 2026-2030 DSM Plan application), and the corresponding impact it had to this proceeding, was well beyond the Company's control. Notwithstanding the reasons for the circumstance, in Enbridge Gas's view, the straightforward nature of the Company's proposed 2026 DSM Plan (i.e., a one-year extension of the OEB-approved 2023-2025 DSM Plan) enables the OEB to issue a decision on 2026 DSM activities by September 30, 2025, avoiding any interruption to DSM programming in the later part of 2025 and into 2026.
15. Following a final OEB decision for 2026 DSM activities, Enbridge Gas intends to file a comprehensive multi-year DSM Plan application for the 2027 DSM program year and beyond, as discussed at Exhibit C, Tab 5, Schedule 1.

2. 2026 DSM Plan Components

16. Enbridge Gas is proposing a 2026 DSM Plan that reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan, as described in further detail below, with no modifications to the existing DSM Framework. Any components of the OEB-approved 2023-2025 DSM Plan that are not explicitly addressed herein are proposed to continue unchanged for 2026.

2.1 Programs

17. Enbridge Gas proposes the same seven programs (including their underlying offerings) for 2026 as were approved by the OEB in its 2023-2025 DSM Plan Decision:

- a. Residential Program
- b. Low Income Program
- c. Commercial Program
- d. Industrial Program
- e. Large Volume Program
- f. Energy Performance Program
- g. Building Beyond Code Program

18. Enbridge Gas is responsible to make decisions on any adjustments to the design and delivery of its DSM programs and offerings, within the parameters established by the OEB.⁶ Enbridge Gas has continued to evolve its DSM programs and offerings based on lessons learned and in consideration of evaluation results, to respond to changing market conditions, to balance cost-effectiveness, and to pursue collaboration opportunities with the IESO and other parties. As such, over time, Enbridge Gas has modified incentive levels and measures, and approaches to

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.26.

market as necessary and within the parameters established by the OEB in its 2023-2025 DSM Plan Decision and DSM Framework.⁷

19. Enbridge Gas has not made any adjustments to the design and delivery of its OEB-approved 2023-2025 DSM programs that extend beyond the parameters established by the OEB. Furthermore, Enbridge Gas is not proposing to make any adjustments to the design and delivery of its DSM programs for 2026 that extend beyond the parameters established by the OEB.

20. Please refer to Exhibit C, Tab 3, Schedule 1 for information regarding the aspects of the OEB-approved 2023-2025 DSM Plan that have changed.

2.1.1 Cost-Effectiveness

21. The DSM Framework states that “DSM programs should be screened using the Total Resource Cost-Plus (“TRC-Plus”) test”⁸ and “[f]or a program to be deemed cost-effective, it must achieve a screening threshold benefit/cost ratio of 1.0 or greater.”⁹ Furthermore, “[t]o recognize that the Low Income natural gas DSM program may result in important benefits not captured by the TRC-Plus test, this program should continue to be screened using a lower threshold value of 0.7.”¹⁰

22. The DSM Framework also states:

Some programs, although beneficial when reviewed from a broader perspective, may not pass a cost-effectiveness screening threshold of 1.0.
The Board will consider these programs on a case-by-case basis. To

⁷ Modifications to programs and offerings are detailed annually in Enbridge Gas’s DSM Annual Reports. These reports serve to inform the OEB and parties of Enbridge Gas’s year-over-year progress in the implementation of its DSM Plans.

⁸ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.25.

⁹ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.26.

¹⁰ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.26.

recognize that all programs may not pass the TRC-Plus test, the utility should ensure its overall DSM portfolio has a TRC-Plus ratio of 1.0 or greater.¹¹

23. The overall DSM portfolio for 2025 is forecast to result in a TRC-Plus ratio of greater than 1.0.¹² Since the 2026 DSM Plan reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan, the overall DSM portfolio for 2026 is also expected to result in a TRC-Plus ratio of greater than 1.0.
24. The 2025 Residential Program is forecast to result in a TRC-Plus ratio of less than 1.0.¹³ Similarly, the 2026 Residential Program is also expected to result in a TRC-Plus ratio of less than 1.0.
25. Despite the expectation that the 2026 Residential Program will result in a TRC-Plus ratio of less than 1.0, Enbridge Gas is proposing to roll forward the OEB-approved Residential Program to 2026 for several reasons.
26. First, as noted above, the DSM Framework does not prohibit the inclusion of programs that are expected to result in a TRC-Plus ratio below 1.0, provided the overall DSM portfolio is expected to result in a TRC-Plus ratio above 1.0. The overall 2026 DSM portfolio is expected to satisfy this requirement, with an expected TRC-Plus ratio above 1.0.
27. Second, despite having an expected TRC-Plus ratio below 1.0 in 2026, the Residential Program is fundamentally the same program that was approved by the

¹¹ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.31.

¹² Exhibit C, Tab 2, Schedule 3.

¹³ Exhibit C, Tab 2, Schedule 3.

OEB in its 2023-2025 DSM Plan Decision¹⁴ which resulted in TRC-Plus ratios of less than 1.0 in 2023¹⁵ and 2024.¹⁶

28. Third, the 2026 Residential Program is expected to result in an improved TRC-Plus ratio compared to the OEB-approved program in 2025. More specifically, the Residential Program in 2025 includes:¹⁷

- a. Participants from the Home Efficiency Retrofit-Plus (“HER+”) Offering;¹⁸
- b. Participants from the replacement Home Efficiency Retrofit (“HER”) Offering;¹⁹ and,
- c. Participants from the Home Renovation Savings (“HRS”) Program.²⁰

29. In comparison, the Residential Program in 2026 is expected to primarily include participants from the HRS Program, with a very small number of participants from the HER and HER+ Offerings. As discussed at Exhibit C, Tab 2, Schedule 3, the HER+ Offering negatively influences the cost-effectiveness of the Residential Program. With fewer participants from the HER+ Offering included in the 2026 program relative to the 2025 program, the cost effectiveness of the Residential Program is expected to improve in 2026 relative to 2025.

¹⁴ Exhibit C, Tab 3, Schedule 1, Section 4.

¹⁵ DNV 2023 Natural Gas Demand-Side Management Annual Verification Final Report, March 21, 2025, p.4 ([link](#)).

¹⁶ Enbridge Gas Draft 2024 Demand Side Management Annual Report, April 1, 2025, p.59 ([link](#)).

¹⁷ See Exhibit C, Tab 3, Schedule 1, Section 1.1 for further details regarding the evolution of the Residential Program.

¹⁸ Although NRCan discontinued new entrants into the Canada Greener Homes Grant in Q1 2024, many participants who were already enrolled completed their participation in the program throughout 2025.

¹⁹ The replacement HER Offering began in 2024 following the discontinuation of participants into the HER+ Offering and continued into 2025.

²⁰ The HRS Program is the residential one-window program jointly delivered between Enbridge Gas and the IESO, which began in early 2025.

30. Fourth, a comprehensive regulatory review of the Residential Program would likely require a lengthy and resource-intensive process. One factor that Enbridge Gas expects will need to be considered in a comprehensive review of the Residential Program is the Government of Canada's decision to set the FCC to zero effective April 1, 2025, which has impacted the TRC-Plus cost effectiveness of the Residential Program²¹ as well as the consumer operational economics of electric heat pumps.²² Realistically, a comprehensive review of these and other factors related to the Residential Program cannot be completed before a September 2025 OEB decision date for 2026 DSM activities.²³
31. It is also important to note that the Residential Program is the natural gas contribution to the residential one-window program (i.e., the HRS Program) currently being jointly undertaken by Enbridge Gas and the IESO, and any changes to the Residential Program will need to ensure Enbridge Gas can continue to support the natural gas component of the HRS Program.
32. Regarding the Low Income Program, the 2025 program is forecast to result in a TRC-Plus ratio above the 0.7 threshold for low income programs²⁴ as per the DSM Framework.²⁵ Similarly, the 2026 Low Income Program is also expected to result in a TRC-Plus ratio above 0.7.

²¹ This impact is illustrated at Exhibit C, Tab 2, Schedule 3, para. 4, where the 2025 TRC-Plus ratio forecast for the Residential Program is 0.62 with the Federal Carbon Charge set to zero, compared to 1.15 with the Federal Carbon Charge included.

²² See Exhibit C, Tab 2, Schedule 2.

²³ See Exhibit C, Tab 3, Schedule 1, Section 5 for a discussion regarding why an in-depth review of the 2026 DSM Plan Application is not necessary or appropriate.

²⁴ Exhibit C, Tab 2, Schedule 3.

²⁵ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.31.

33. The Commercial, Industrial and Large Volume Programs are forecast to result in a TRC-Plus ratio of greater than 1.0 in 2025²⁶ and are expected to remain above 1.0 in 2026.
34. The Energy Performance Program is forecast to result in a TRC-Plus ratio below 1.0 in 2025 and is expected to remain below 1.0 in 2026; however, the total net benefits for this program are relatively small.²⁷ Furthermore, the program is fundamentally the same program that was previously approved by the OEB and the negative cost-effectiveness forecast for 2026 is consistent with the negative cost-effectiveness forecast for the program when it was proposed by Enbridge Gas and approved by the OEB within its 2023-2025 DSM Plan Decision.
35. The TRC-Plus test is not applicable to the Building Beyond Code Program. As per the DSM Framework: “Some programs, such as market transformation and pilot programs are not amenable to a mechanistic screening approach and should be reviewed on a case-by-case basis instead”.²⁸

2.2 Budget

36. Enbridge Gas proposes that the annual budget for the 2026 DSM program year will be based on the final 2025 DSM budget, escalated for inflation. The final 2025 DSM budget is established using the OEB-approved budget setting methodology for the 2023-2025 DSM Plan. The inflation factor used to derive the proposed 2026 budget is 2.4%, which is the annual average Consumer Price Index (“CPI”) percentage change (not seasonally adjusted).²⁹ This results in a proposed 2026 total DSM

²⁶ Exhibit C, Tab 2, Schedule 3.

²⁷ Exhibit C, Tab 2, Schedule 3.

²⁸ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.26.

²⁹ Statistics Canada Consumer Price Index: Annual review, 2024 ([link](#)).

budget of \$199,797,689, and is provided in further detail at Exhibit B, Tab 1, Schedule 1, Attachment 1.

2.2.1 Allocation Methodology

37. The 2026 budget will be allocated to rate classes in a manner that is consistent with the OEB-approved 2025 budget allocation methodology.

2.2.2 Deferred Participant Costs

38. The DSM Framework allows Enbridge Gas to account for funds associated with meeting future program commitments in the Demand Side Management Variance Account (“DSMVA”) at the time the participant enrolls in the offering until such time as the performance eligibility period has expired. These future financial commitments include both incentive and program costs and are collectively referred to as Deferred Participant Costs (“DPC”).³⁰ Enbridge Gas proposes to continue to use the DPC mechanism in the DSMVA for 2026 participants entering the Whole Building Pay for Performance Offering, the Residential Savings by Design Offering, and the Affordable Housing Savings by Design Offering, consistent with the 2023-2025 DSM Plan.

2.3. Performance Scorecards and Targets

39. Enbridge Gas proposes the same seven scorecards and scorecard designs for 2026 as were approved by the OEB in its 2023-2025 DSM Plan Decision:³¹

- a. Residential Program Scorecard
- b. Low Income Program Scorecard

³⁰ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p. 35-36.

³¹ EB-2021-0002, OEB Decision and Order (reissued December 16, 2022), November 15, 2022, Revised Schedule C.

- c. Commercial Program Scorecard
- d. Industrial Program Scorecard
- e. Large Volume Program Scorecard
- f. Energy Performance Program Scorecard
- g. Building Beyond Code Program Scorecard

40. For the 2023-2025 DSM Plan, certain scorecards use the Target Adjustment Mechanism (“TAM”) to establish the subsequent year’s targets. Enbridge Gas proposes this continues for 2026. The following five scorecards use the TAM to establish the subsequent year’s targets:

- a. Residential Program Scorecard
- b. Low Income Program Scorecard
- c. Commercial Program Scorecard
- d. Industrial Program Scorecard
- e. Large Volume Program Scorecard

41. For the remaining two scorecards (the Energy Performance Program Scorecard and the Building Beyond Code Program Scorecard), the OEB approved fixed targets for each year of the 2023-2025 DSM Plan term. Enbridge Gas proposes that the OEB-approved targets for 2025 be used for 2026 for these scorecards (except for the Whole Building Pay for Performance (“P4P”) Net Annual Gas Savings (m³) target which the Company proposes to escalate for 2026), as described in further detail below.

42. For programs with fixed targets, the budgets and targets are linked to reflect the specific planned activities for that year. Increasing the fixed targets from 2025 to

2026 would require increasing the budgets from 2025 to 2026 by more than just inflation, as achieving the increased fixed targets would require a corresponding increase to the total financial commitments paid to participants in these offerings. Since the 2026 budget is proposed to be consistent with the OEB-approved 2025 budget with no increases (other than to reflect inflation), it is appropriate for the 2026 fixed targets to remain consistent with the OEB-approved 2025 fixed targets with no increases (except for the Whole Building P4P Net Annual Gas Savings (m³) target, which is explained further below).

43. Regarding the Whole Building P4P Offering, this offering involves engagement from participants over multiple years. As a result, the natural gas savings for the offering in a given year reflects the savings achieved by all active participants in that year (including participants that entered the offering in previous years), starting from year two of their respective performance periods. Due to the design of this offering, it is appropriate to use the same methodology to establish the 2026 target that was used to establish the 2025 target, which results in escalating the target from 250,000 m³ in 2025 to 375,000 m³ in 2026. This is demonstrated in Table 1.

Table 1
100% Target P4P Net Annual Gas Savings (m³)

Line No.	Program Year	Participants 100% Target	Net Annual Gas Savings (m ³) 100% Target			
			2023* (OEB-approved)	2024 (OEB-approved)	2025 (OEB-approved)	2026 (Proposed)
1	2023	25		125,000	125,000	125,000
2	2024	25			125,000	125,000
3	2025	25				125,000
				125,000	250,000	375,000

*Based on the offering's design, energy savings for P4P begins in Year 2 (i.e., 2024)

44. Please refer to Exhibit B, Tab 1, Schedule 1, Attachment 2 for the proposed 2026 scorecards and targets.

2.4 DSM Shareholder Incentives and Incentive Structure

45. Enbridge Gas proposes to set the 2026 maximum shareholder incentive amount based on the same OEB-approved methodology used to set the 2025 maximum shareholder incentive amount. The proposed maximum shareholder incentive for 2026 is \$23,748,328, as shown in Table 2.

Table 2
Proposed 2026 DSM Shareholder Incentive ("DSMSI")

2023 OEB-approved DSMSI (a)	2024 DSMSI (b) = (a) x (1 + 6.8% CPI inflation)	2025 DSMSI (c) = (b) x (1 + 3.9% CPI inflation)	2026 DSMSI (d) = (c) x (1 + 2.4% CPI inflation)
\$20,900,000	\$22,321,200	\$23,191,727	\$23,748,328

46. Enbridge Gas also proposes the same incentive allocation by scorecard and incentive structure for 2026 as were approved by the OEB in its 2023-2025 DSM Plan Decision and in alignment with the DSM Framework. The proposed 2026 shareholder incentive allocation by scorecard and the proposed 2026 shareholder incentives by scorecard (maximum and at 100% target) are shown in Table 3.

Table 3

Proposed 2026 DSM Shareholder Incentive (“DSMSI”) Allocation by Scorecard and Proposed
2026 DSMSI by Scorecard (Maximum and at 100% Target)

Line No.		DSMSI Allocation	2026 DSMSI Available (Maximum)	2026 DSMSI (at 100% Target)
1	Residential	22%	\$5,224,632	\$2,089,853
2	Low Income	22%	\$5,224,632	\$2,089,853
3	Commercial	22%	\$5,224,632	\$2,089,853
4	Industrial	22%	\$5,224,632	\$2,089,853
5	Large Volume	3%	\$712,450	\$284,980
6	Energy Performance	1%	\$237,483	\$94,993
7	Building Beyond Code	8%	\$1,899,866	\$759,946
8			\$23,748,327	\$9,499,331

*Not all values may compute exactly due to rounding.

2.4.1 End-of-Term Natural Gas Reduction Incentive (“EOTNGRI”)

47. In its 2023-2025 DSM Plan Decision, the OEB established a new EOTNGRI (in addition to the annual shareholder incentive related to program scorecards discussed above).³² Enbridge Gas is eligible for the EOTNGRI if, at the end of the 2023-2025 DSM Plan term, the total volume of natural gas sold to Enbridge Gas’s Ontario customers in 2025 is 1.5% less than the total volume of natural gas sold to Enbridge Gas’s Ontario customers in 2022 on a weather normalized basis.

48. Enbridge Gas is not expecting to earn a shareholder incentive related to the EOTNGRI during the 2023-2025 DSM Plan term. Specifically, the EOTNGRI targeted a 1.5% reduction in total natural gas volume over the three-year term; however, by the end of 2024 alone, the weather normalized total volume of natural gas consumed by Enbridge Gas customers increased by 5.1% relative to 2022.³³

³² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.62.

³³ Enbridge Gas Draft 2024 Demand Side Management Annual Report, April 1, 2025, p.61 ([link](#)).

49. Enbridge Gas proposes that the EOTNGRI concludes as planned at the end of 2025 and is not extended to 2026. Enbridge Gas did not design nor propose the EOTNGRI and the Company does not have knowledge as to the rationale for setting the EOTNGRI 1.5% target for 2025. As a result, Enbridge Gas cannot reasonably propose how a new EOTNGRI target should be set for 2026; however, the Company acknowledges that the OEB may wish to establish a new EOTNGRI target for 2026 as part of its decision on 2026 DSM activities.

3. Conclusion

50. Enbridge Gas is proposing a 2026 DSM Plan that reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan with no modifications to the existing DSM Framework. In light of the Government of Canada's decision to set the FCC to zero (announced 3 ½ months after Enbridge Gas filed its 2026-2030 DSM Plan application) and the corresponding impact it had to the 2026-2030 DSM Plan application, the Company submits that the straightforward nature of the proposed 2026 DSM Plan enables the OEB to issue a decision on 2026 DSM activities by September 30, 2025, avoiding any interruption to DSM programming in the later part of 2025 and into 2026.

51. A one-year extension of the OEB-approved 2023-2025 DSM Plan to 2026 is supported by the comprehensive and robust regulatory proceeding that led to the approval of the 2023-2025 DSM Plan and the DSM Framework (EB-2021-0002). Furthermore, significant information regarding the current DSM Plan as it is being delivered today, including how it has evolved since it was approved by the OEB in November 2022, is provided at Exhibit C, Tabs 2 and 3.

52. While Enbridge Gas acknowledges that several parties may wish to explore the 2026 DSM Plan Application through a comprehensive regulatory process, the Company submits that the OEB approvals issued in EB-2021-0002, along with the

evidence provided with this Application, is sufficient for the OEB to issue a decision on 2026 DSM activities without a lengthy or complicated regulatory process. The more appropriate venue for a comprehensive review of DSM Plans in Ontario is the upcoming 2027+ DSM Plan application. Please see Exhibit C, Tab 3, Schedule 1, Section 5 for a discussion regarding why an in-depth review of the 2026 DSM Plan Application is not necessary or appropriate.

Table 1
Proposed 2026 DSM Budgets

DSM Budget Item	2025 Final ¹ (a)	2026 Proposed (b) = (a) x [1+ 2.4% CPI Inflation]
Residential Program	\$ 84,573,226	\$ 86,602,983
Residential Whole Home	\$ 73,056,631	\$ 74,809,990
Residential Single Measure	\$ 5,123,733	\$ 5,246,703
Residential Smart Home	\$ 4,413,347	\$ 4,519,267
<i>Residential Administrative Costs</i>	\$ 1,979,515	\$ 2,027,023
Low-Income Program	\$ 25,508,331	\$ 26,120,531
Home Winterproofing	\$ 15,951,375	\$ 16,334,208
Affordable Housing Multi-Residential	\$ 7,921,726	\$ 8,111,848
<i>Low-Income Administrative Costs</i>	\$ 1,635,230	\$ 1,674,475
Commercial Program	\$ 27,885,571	\$ 28,554,824
Commercial Custom	\$ 13,110,306	\$ 13,424,953
Prescriptive Downstream	\$ 2,703,376	\$ 2,768,257
Direct Install	\$ 5,288,582	\$ 5,415,508
Prescriptive Midstream	\$ 2,686,598	\$ 2,751,076
<i>Commercial Administrative Costs</i>	\$ 4,096,709	\$ 4,195,030
Industrial Program	\$ 19,783,002	\$ 20,257,794
Industrial Custom	\$ 15,393,093	\$ 15,762,527
<i>Industrial Administrative Costs</i>	\$ 4,389,910	\$ 4,495,267
Large Volume Program	\$ 3,069,990	\$ 3,143,670
Direct Access	\$ 2,829,613	\$ 2,897,523
<i>Large Volume Administrative Costs</i>	\$ 240,378	\$ 246,147
Energy Performance Program	\$ 1,331,352	\$ 1,363,305
Whole Building Pay for Performance	\$ 1,216,814	\$ 1,246,018
<i>Energy Performance Administrative Costs</i>	\$ 114,538	\$ 117,287
Building Beyond Code Program	\$ 12,590,248	\$ 12,892,414
Residential Savings by Design	\$ 6,394,843	\$ 6,548,319
Commercial Savings by Design	\$ 1,781,117	\$ 1,823,864
Affordable Housing Savings by Design	\$ 3,159,517	\$ 3,235,346
Commercial Air Tightness Testing	\$ 675,833	\$ 692,053
<i>Building Beyond Code Administrative Costs</i>	\$ 578,937	\$ 592,832
Program Subtotal	\$ 174,741,720	\$ 178,935,521
Administration Costs	\$ 12,486,383	\$ 12,786,056
Portfolio Administration	\$ 9,509,631	\$ 9,737,862
System Maintenance & Improvements	\$ 1,131,845	\$ 1,159,009
Municipal Engagement	\$ 1,844,907	\$ 1,889,185
Evaluation and Regulatory Costs	\$ 4,301,011	\$ 4,404,235
EM&V	\$ 2,942,797	\$ 3,013,424
Regulatory & Stakeholdering	\$ 792,292	\$ 811,307
Process and Market Evaluation	\$ 565,923	\$ 579,505
Research and Development Costs	\$ 3,585,816	\$ 3,671,876
Research Innovation Fund	\$ 2,886,205	\$ 2,955,474
Market Data	\$ 699,612	\$ 716,402
Portfolio Subtotal	\$ 20,373,211	\$ 20,862,168
Total	\$ 195,114,931	\$ 199,797,689

*Not all values may compute exactly due to rounding.

¹ EB-2024-0111, Enbridge Gas 2024 Rebasing and IRM Draft Rate Order, November 4, 2024, Schedule 10.

Table 2
Derivation of Final 2025 Budgets

DSM Budget Item	Final 2024 Budget ² (a)	2024 DSM Decision ³ (b)	2025 DSM Decision ⁴ (c)	2% Inflation Removed (d) = (c/b) – 2%	Final 2025 Budget ⁵ (e) = (a) x [(d) + 3.9% CPI inflation]
Residential Program	\$ 78,855,831	\$ 75,477,660	\$ 79,517,263	103.4%	\$ 84,573,226
<i>Residential Whole Home</i>	\$ 67,771,524	\$ 64,891,524	\$ 68,719,405	103.9%	\$ 73,056,631
<i>Residential Single Measure</i>	\$ 4,931,409	\$ 4,709,772	\$ 4,803,967	100.0%	\$ 5,123,733
<i>Residential Smart Home</i>	\$ 4,247,687	\$ 4,056,780	\$ 4,137,916	100.0%	\$ 4,413,347
<i>Residential Administrative Costs</i>	\$ 1,905,212	\$ 1,819,584	\$ 1,855,976	100.0%	\$ 1,979,515
Low Income Program	\$ 24,550,848	\$ 23,447,439	\$ 23,916,388	100.0%	\$ 25,508,331
<i>Home Winterproofing</i>	\$ 15,352,623	\$ 14,662,617	\$ 14,955,869	100.0%	\$ 15,951,375
<i>Affordable Housing Multi-Residential</i>	\$ 7,624,376	\$ 7,281,707	\$ 7,427,341	100.0%	\$ 7,921,726
<i>Low Income Administrative Costs</i>	\$ 1,573,850	\$ 1,503,115	\$ 1,533,177	100.0%	\$ 1,635,230
Commercial Program	\$ 26,838,855	\$ 25,626,242	\$ 26,138,767	100.0%	\$ 27,885,571
<i>Commercial Custom</i>	\$ 12,618,196	\$ 12,047,197	\$ 12,288,141	100.0%	\$ 13,110,306
<i>Prescriptive Downstream</i>	\$ 2,601,901	\$ 2,484,962	\$ 2,534,661	100.0%	\$ 2,703,376
<i>Direct Install</i>	\$ 5,090,069	\$ 4,861,302	\$ 4,958,528	100.0%	\$ 5,288,582
<i>Prescriptive Midstream</i>	\$ 2,585,754	\$ 2,469,540	\$ 2,518,931	100.0%	\$ 2,686,598
<i>Commercial Administrative Costs</i>	\$ 3,942,935	\$ 3,763,241	\$ 3,838,506	100.0%	\$ 4,096,709
Industrial Program	\$ 19,040,425	\$ 18,184,676	\$ 18,548,370	100.0%	\$ 19,783,002
<i>Industrial Custom</i>	\$ 14,815,296	\$ 14,149,440	\$ 14,432,429	100.0%	\$ 15,393,093
<i>Industrial Administrative Costs</i>	\$ 4,225,129	\$ 4,035,236	\$ 4,115,941	100.0%	\$ 4,389,910
Large Volume Program	\$ 2,954,755	\$ 2,821,957	\$ 2,878,396	100.0%	\$ 3,069,990
<i>Direct Access</i>	\$ 2,723,400	\$ 2,601,000	\$ 2,653,020	100.0%	\$ 2,829,613
<i>Large Volume Administrative Costs</i>	\$ 231,355	\$ 220,957	\$ 225,376	100.0%	\$ 240,378
Energy Performance Program	\$ 1,281,378	\$ 1,222,739	\$ 1,247,194	100.0%	\$ 1,331,352
<i>Whole Building P4P</i>	\$ 1,171,140	\$ 1,117,500	\$ 1,139,850	100.0%	\$ 1,216,814
<i>Administrative Costs</i>	\$ 110,238	\$ 105,239	\$ 107,344	100.0%	\$ 114,538
Building Beyond Code Program	\$ 9,951,354	\$ 9,546,354	\$ 11,897,043	122.6%	\$ 12,590,248
<i>Residential Savings by Design</i>	\$ 4,909,760	\$ 4,715,000	\$ 6,051,588	126.3%	\$ 6,394,843
<i>Commercial Savings by Design</i>	\$ 1,406,328	\$ 1,347,000	\$ 1,680,385	122.8%	\$ 1,781,117
<i>Affordable Housing Savings By Design</i>	\$ 2,562,624	\$ 2,460,000	\$ 2,986,250	119.4%	\$ 3,159,517
<i>Commercial Air Tightness Testing</i>	\$ 515,436	\$ 492,231	\$ 636,055	127.2%	\$ 675,833
<i>Administrative Costs</i>	\$ 557,206	\$ 532,123	\$ 542,765	100.0%	\$ 578,937
Program Subtotal	\$ 163,473,447	\$ 156,327,067	\$ 164,143,420	103.0%	\$ 174,741,720
<i>Administration Costs</i>	\$ 12,017,693	\$ 11,477,572	\$ 11,707,123	100.0%	\$ 12,486,383
<i>Evaluation and Regulatory Costs</i>	\$ 4,139,568	\$ 3,953,520	\$ 4,032,590	100.0%	\$ 4,301,011
<i>Research and Development Costs</i>	\$ 3,451,219	\$ 3,296,108	\$ 3,362,030	100.0%	\$ 3,585,816
Portfolio Subtotal	\$ 19,608,480	\$ 18,727,200	\$ 19,101,744	100.0%	\$ 20,373,211
Total	\$ 183,081,927	\$ 175,054,267	\$ 183,245,164	102.7%	\$ 195,114,931

*Not all values may compute exactly due to rounding.

² EB-2024-0111, Enbridge Gas 2024 Rebasing and IRM Draft Rate Order, November 4, 2024, Schedule 10.

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule A.

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule A.

⁵ EB-2024-0111, Enbridge Gas 2024 Rebasing and IRM Draft Rate Order, November 4, 2024, Schedule 10.

Table 3
Derivation of Final 2024 Budgets

DSM Budget Item	2023 DSM Decision ⁶ (a)	2024 DSM Decision ⁷ (b)	2% Inflation Removed (c) = (b/a) – 2%	Final 2024 Budget ⁸ (d) = (a) x [(c) + 6.8% CPI inflation]
Residential Program	\$ 70,378,564	\$ 75,477,660	105.2%	\$ 78,855,831
Residential Whole Home	\$ 60,000,000	\$ 64,891,524	106.2%	\$ 67,771,524
Residential Single Measure	\$ 4,617,424	\$ 4,709,772	100.0%	\$ 4,931,409
Residential Smart Home	\$ 3,977,235	\$ 4,056,780	100.0%	\$ 4,247,687
Residential Administrative Costs	\$ 1,783,905	\$ 1,819,584	100.0%	\$ 1,905,212
Low Income Program	\$ 22,987,685	\$ 23,447,439	100.0%	\$ 24,550,848
Home Winterproofing	\$ 14,375,115	\$ 14,662,617	100.0%	\$ 15,352,623
Affordable Housing Multi-Residential	\$ 7,138,928	\$ 7,281,707	100.0%	\$ 7,624,376
Low Income Administrative Costs	\$ 1,473,642	\$ 1,503,115	100.0%	\$ 1,573,850
Commercial Program	\$ 25,262,775	\$ 25,626,242	99.4%	\$ 26,838,855
Commercial Custom	\$ 11,895,830	\$ 12,047,197	99.3%	\$ 12,618,196
Prescriptive Downstream	\$ 2,436,237	\$ 2,484,962	100.0%	\$ 2,601,901
Direct Install	\$ 4,765,983	\$ 4,861,302	100.0%	\$ 5,090,069
Prescriptive Midstream	\$ 2,421,117	\$ 2,469,540	100.0%	\$ 2,585,754
Commercial Administrative Costs	\$ 3,743,608	\$ 3,763,241	98.5%	\$ 3,942,935
Industrial Program	\$ 17,828,114	\$ 18,184,676	100.0%	\$ 19,040,425
Industrial Custom	\$ 13,872,000	\$ 14,149,440	100.0%	\$ 14,815,296
Industrial Administrative Costs	\$ 3,956,114	\$ 4,035,236	100.0%	\$ 4,225,129
Large Volume Program	\$ 2,766,624	\$ 2,821,957	100.0%	\$ 2,954,755
Direct Access	\$ 2,550,000	\$ 2,601,000	100.0%	\$ 2,723,400
Large Volume Administrative Costs	\$ 216,624	\$ 220,957	100.0%	\$ 231,355
Energy Performance Program	\$ 1,221,656	\$ 1,222,739	98.1%	\$ 1,281,378
Whole Building P4P	\$ 1,117,500	\$ 1,117,500	98.0%	\$ 1,171,140
Administrative Costs	\$ 104,156	\$ 105,239	99.0%	\$ 110,238
Building Beyond Code Program	\$ 8,437,503	\$ 9,546,354	111.1%	\$ 9,951,354
Residential Savings by Design	\$ 4,057,500	\$ 4,715,000	114.2%	\$ 4,909,760
Commercial Savings by Design	\$ 1,236,000	\$ 1,347,000	107.0%	\$ 1,406,328
Affordable Housing Savings By Design	\$ 2,138,000	\$ 2,460,000	113.1%	\$ 2,562,624
Commercial Air Tightness Testing	\$ 483,432	\$ 492,231	99.8%	\$ 515,436
Administrative Costs	\$ 522,571	\$ 532,123	99.8%	\$ 557,206
Program Subtotal	\$ 148,882,921	\$ 156,327,067	103.0%	\$ 163,473,447
Administration Costs	\$ 11,252,522	\$ 11,477,572	100.0%	\$ 12,017,693
Evaluation and Regulatory Costs	\$ 3,876,000	\$ 3,953,520	100.0%	\$ 4,139,568
Research and Development Costs	\$ 3,231,478	\$ 3,296,108	100.0%	\$ 3,451,219
Portfolio Subtotal	\$ 18,360,000	\$ 18,727,200	100.0%	\$ 19,608,480
Total	\$ 167,242,921	\$ 175,054,267	102.7%	\$ 183,081,927

*Not all values may compute exactly due to rounding.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule A.

⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule A.

⁸ EB-2024-0111, Enbridge Gas 2024 Rebasing and IRM Draft Rate Order, November 4, 2024, Schedule 10.

Proposed 2026 DSM Program Scorecards

Program and Offering(s)	Metric	DSMSI Allocation	Metric Weighting	Lower Band (75%) ¹	2026 Target (100%)	Upper Band (125%) ¹
Residential Program Scorecard						
Residential Whole Home	Net Annual Gas Savings (m³)	22%	100%	TAM x 75%	TAM ³	TAM x 125%
Residential Single Measure						
Residential Smart Home						
Low Income Program Scorecard						
Home Winterproofing	Single Family Net Annual Gas Savings (m³)	22%	50%	TAM x 75%	TAM ³	TAM x 125%
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)		50%	TAM x 75%	TAM ³	TAM x 125%
Commercial Program Scorecard						
Commercial Custom	Large Customer Net Annual Gas Savings (m³) ²	22%	50%	TAM x 75%	TAM ³	TAM x 125%
Prescriptive Downstream						
Direct Install	Small Customer Net Annual Gas Savings (m³) ²		50%	TAM x 75%	TAM ³	TAM x 125%
Prescriptive Midstream						
Industrial Program Scorecard						
Industrial Custom	Net Annual Gas Savings (m³)	22%	100%	TAM x 75%	TAM ³	TAM x 125%
Large Volume Program Scorecard						
Direct Access	Net Annual Gas Savings (m³)	3%	100%	TAM x 75%	TAM ³	TAM x 125%
Energy Performance Program Scorecard						
Whole Building Pay For Performance	Number of Participants	1%	50%	19	25	31
	Net Annual Gas Savings (m³)		50%	281,250	375,000	468,750
Building Beyond Code Program Scorecard						
Residential Savings By Design	Number of Energy Star Homes	8%	15%	2,069	2,759	3,448
	Number of Net Zero Ready Homes		15%	10	13	16
Commercial Savings By Design	Number of Participants		30%	26	34	43
Affordable Housing Savings By Design	Number of Participants		30%	18	25	31
Commercial Air Tightness Testing	Number of Participants		5%	5	7	9
	Number of Qualified Agents		5%	8	10	13

Notes:

1. The calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts and the Scorecard Incentive will be calculated based on these precise thresholds.
2. Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers are below 100,000 m³/yr.
3. The 100% Target is calculated according to the TAM methodology set out in Schedule E, DSM Framework, Section 5.2.

RESPONSES TO PROCEDURAL ORDER NO. 3 DIRECTIONS

1. On May 13, 2025, the OEB issued Procedural Order No. 3 which, among other things, directed Enbridge Gas to address several items within this Application.¹ The OEB's directions, and the references to Enbridge Gas's evidence in response to those directions, are provided in Table 1.

Table 1

OEB Directions in Procedural Order No. 3 and References to Enbridge Gas's Evidence

OEB Direction in Procedural Order No. 3	Reference to Enbridge Gas's Evidence
A clear description, detailed discussion of, and updated cost effectiveness data for the current DSM plan (including programs and offers) as it is being delivered in 2025.	Exhibit C, Tab 2, Schedules 1 to 3
A discussion that clearly defines what aspects of its approved 2023-2025 DSM plan have changed, the reasons for the changes, the overall impact of those changes to annual budgets, targets and cost-effectiveness. If the 2023-2025 DSM plan has changed, Enbridge Gas must discuss how the updated plan continues to align with the initial approval and rationale for why an in-depth review may not be required. This includes changes to the residential program following the closure of the Government of Canada Greener Homes Program and the introduction of the joint residential program with the Government of Ontario. Enbridge Gas is expected to respond to the OEB's direction in section 4(b) of Procedural Order No. 2 as part of its update.	Exhibit C, Tab 3, Schedule 1 including Attachments
The specific requests for proposals related to 2026 DSM activities, including any updated approvals required of the OEB, either to programs or direction in the OEB's DSM policy framework, with supporting rationale.	Exhibit C, Tab 4, Schedule 1
A detailed discussion regarding how and when an updated multi-year DSM plan will be developed and filed.	Exhibit C, Tab 5, Schedule 1

¹ OEB Procedural Order No. 3, May 13, 2025, p.2.

CURRENT 2025 DSM ACTIVITIES

1. This evidence is organized as follows:

1. 2025 Residential Program
 - 1.1 Residential Whole Home Offering
 - 1.2 Residential Single Measure Offering
 - 1.3 Residential Smart Home Offering
2. 2025 Low-Income Program
 - 2.1 Home Winterproofing Offering
 - 2.2 Affordable Housing Multi-Residential Offering
3. 2025 Commercial Program
 - 3.1 Commercial Custom Offering
 - 3.2 Prescriptive Downstream Offering
 - 3.3 Direct Install Offering
 - 3.4 Prescriptive Midstream Offering
4. 2025 Industrial Program
 - 4.1 Industrial Custom Offering
5. 2025 Large Volume Program
 - 5.1 Direct Access Offering
6. 2025 Energy Performance Program
 - 6.1 Whole Building Pay for Performance Offering
7. 2025 Building Beyond Code Program
 - 7.1 Residential Savings by Design Offering
 - 7.2 Commercial Savings by Design Offering
 - 7.3 Affordable Housing Savings by Design Offering
 - 7.4 Commercial Air Tightness Testing Offering

1. 2025 Residential Program

2. The Residential Program is currently the natural gas contribution to the one-window program being jointly undertaken by Enbridge Gas and the IESO, which provides residential customers with access to funding for incentives from Enbridge Gas's Residential DSM Program and from the IESO's Residential Save on Energy conservation program. The one-window program is branded to consumers as the Home Renovation Savings ("HRS") Program, which includes the following DSM offerings:

- i. The Residential Whole Home Offering (as part of the HRS Program stream that requires an energy assessment);
- ii. The Residential Single Measure Offering (as part of the HRS Program stream that does not require an energy assessment); and,
- iii. The Residential Smart Home Offering (as part of the HRS Program stream that does not require an energy assessment).

1.1 Residential Whole Home Offering

Offering Details

3. Participation in the Residential Whole Home Offering consists of three separate activities:

- i) An initial home energy audit, called the pre-assessment, conducted by a Registered Energy Advisor through a program-approved Service Organization licensed by NRCan.
- ii) Installation of at least two eligible measures.
- iii) A final home energy audit, called the post-assessment, conducted by a Registered Energy Advisor through a program-approved Service Organization licensed by NRCan.

Target Market

4. The Residential Whole Home Offering is targeted to residential customers, subject to eligibility details outlined below.

Eligibility Criteria

5. To be eligible for the offering, a participant must be an Enbridge Gas customer with an active account and whose property is a single detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation primarily heated with a natural gas furnace or boiler.
6. Participants must own the home where the eligible measure will be installed (tenants cannot apply on behalf of the homeowner).
7. “New build” homes are not eligible (the new home must have been occupied for at least 6 months to be considered an eligible home).
8. Participation requires a pre-assessment prior to starting any retrofit work, and a post-assessment after the retrofits are completed. Pre- and post- assessments must be completed by a Registered Energy Advisor working with one of the program-approved Service Organizations.

Incentive/Enabling Activities

9. The HRS Program, which is the consumer-facing brand that the Residential Whole Home Offering is delivered through (along with IESO-funded incentives), uses eligibility categories, or “packages”, to determine the funding source for an applicant’s incentives. The distinguishing characteristics of these packages are detailed in Table 1.

Table 1
HRS Program (Residential Whole Home Offering): Eligibility Package Characteristics

Attribute	Package 1	Package 2	Package 3	Package 4	Package 5
Funding Source(s)	IESO Only	Enbridge Gas/IESO	Enbridge Gas Only	Enbridge Gas/IESO	Enbridge Gas Only
Primary Fuel Source (Electricity/Propane/ Oil/Wood or Natural Gas)	Electricity/Propane/ Oil/Wood	Natural Gas	Natural Gas	Natural Gas	Natural Gas
Fuel-switching to/from Enbridge Gas?	No	No	No	Yes	Yes
Is the home connected to the IESO Grid?	Connected	Connected	Not Connected	Connected	Not Connected
Maximum Incentive Available*	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000

Note:

*Incentive amounts may include funding from one or both of the Enbridge Gas's DSM Plan and IESO's eDSM Plan as detailed in Table 2 below.

Table 2:
HRS Program (Residential Whole Home Offering): Incentives

Qualifying Measure	Total Incentive	Package 1 (IESO Only)		Packages 2 and 4 (Enbridge Gas/IESO)		Packages 3 and 5 (Enbridge Gas Only)	
		Enbridge Gas Funded	IESO Funded	Enbridge Gas Funded	IESO Funded	Enbridge Gas Funded	IESO Funded
Attic							
Attic Insulation R12 or less (achieve R50)	\$1,500	\$0	\$1,500	\$1,500	\$0	\$1,500	\$0
Attic Insulation greater than R12 to R25 (achieve R50)	\$1,200	\$0	\$1,200	\$1,200	\$0	\$1,200	\$0
Attic Insulation greater than R25 to R35 (achieve R50)	\$900	\$0	\$900	\$900	\$0	\$900	\$0
Cathedral/Flat Roof Insulation R12 or less (achieve R20)	\$780	\$0	\$780	\$780	\$0	\$780	\$0
Cathedral/Flat Roof Insulation R25 or less (achieve R28)	\$780	\$0	\$780	\$780	\$0	\$780	\$0
Exterior Wall							
Wall Insulation (Add greater than R20 to 100% of building)	\$3,600	\$0	\$3,600	\$3,600	\$0	\$3,600	\$0
Wall Insulation (Add greater than R12 up to R20 to 100% of building)	\$2,100	\$0	\$2,100	\$2,100	\$0	\$2,100	\$0
Wall Insulation (Add R7.5 up to R12 to 100% of building)	\$1,200	\$0	\$1,200	\$1,200	\$0	\$1,200	\$0
Exposed Floor							
Exposed Floor Insulation (Add at least R20 min area of 11m² or 120ft²)	\$300	\$0	\$300	\$300	\$0	\$300	\$0
Basement							
Basement Insulation (Add greater than R22) to 100% of basement	\$1,500	\$0	\$1,500	\$1,500	\$0	\$1,500	\$0
Basement Insulation (Add greater than R10-R22) to 100% of basement	\$900	\$0	\$900	\$900	\$0	\$900	\$0
Insulate at least 80% of foundation header to add a min. of R20	\$300	\$0	\$300	\$300	\$0	\$300	\$0
Insulate at least 50% of entire basement slab by a min. of R5.5	\$500	\$0	\$500	\$500	\$0	\$500	\$0
Crawl Space							
Basement Insulation (Add greater than R22) to 100% Exterior Crawl Space	\$1,200	\$0	\$1,200	\$1,200	\$0	\$1,200	\$0
Basement Insulation (Add R10-R22) to 100% Exterior Crawl Space	\$600	\$0	\$600	\$600	\$0	\$600	\$0
Basement Insulation (Add greater than R24) to 100% Crawl Space Ceiling	\$1,200	\$0	\$1,200	\$1,200	\$0	\$1,200	\$0
Windows/Doors							
Each ENERGY STAR window, door, or skylight replaced	\$100	\$0	\$100	\$50	\$50	\$100	\$0
Air Sealing							
Air Sealing - Achieve Base Target	\$200	\$0	\$200	\$120	\$80	\$200	\$0
Air Sealing - Achieve 10% more above Base Target	\$250	\$0	\$250	\$180	\$70	\$250	\$0
Domestic Hot Water Heat Pump (Owned and Rental)							
ENERGY STAR Domestic Hot Water Heat Pump (DHW-HP)	\$500	\$0	\$500	\$500	\$0	\$500	\$0
EnerGuide Assessment							
Assessment Cost	\$600	\$0	\$600	\$400	\$200	\$600	\$0

10. The total incentive amount cannot exceed the total cost of the assessments and the retrofits completed by the participants. The incentive amount is adjusted in cases where it exceeds the cost of the audits and retrofits.

Metric

11. The primary metric for the Residential Whole Home Offering is net annual natural gas savings, measured in m³.

Gross Measurement

12. NRCan HOT2000 software, used in EnerGuide Mode, is required for estimating natural gas savings for participants in the Whole Home Offering. Homes are initially modelled based on the pre-retrofit state of the home and again based on the post-retrofit state of the home. All completed HOT2000 assessments and associated documentation are submitted to NRCan and must comply and pass their QA/QC processes before they are received by Enbridge Gas.

1.2 Residential Single Measure Offering

Offering Details

13. Participation in the Residential Single Measure Offering consists of the installation of an eligible single measure by a participating contractor. No pre- or post- assessment is required.

Target Market

14. The Residential Single Measure Offering is targeted to residential customers subject to eligibility details outlined below.

Eligibility Criteria

15. To be eligible for the offering, a participant must be an Enbridge Gas customer with an active account and whose property is a single detached house, semi-detached

house, row house, townhouse, or a mobile home with a permanent foundation primarily heated with a natural gas furnace or boiler.

16. Participants must own the home where the eligible measure will be installed (tenants cannot apply on behalf of the homeowner) and be the person responsible for the purchase of the eligible measure.
17. “New build” homes are not eligible (the new home must have been occupied for at least 6 months to be considered an eligible home).
18. Participation requires signing a Participant Agreement which is submitted to Enbridge Gas and the IESO by program-approved participating HVAC Contractors as part of the prospective participant’s Pre-Installation Application.
19. The home where the eligible measure will be installed must not have an existing heat pump system used for space heating (replacements of existing heat pump systems are not eligible for an incentive).

Incentive/Enabling Activities

20. Incentives for the HRS Program, which is the consumer-facing brand that the Residential Single Measure Offering is delivered through (along with IESO-funded incentives), are funded entirely by either the IESO or Enbridge Gas, depending on the applicant’s primary heating source, as detailed in Table 3 below.

Table 3
HRS Program (Residential Single Measure Offering): Incentives

Baseline Heating Fuel (prior to heat pump installation)	Equipment Ownership	Heat Pump Measures	Eligible Measure Incentive	Qualifiers	Funded By
Electricity/Oil/Propane/Wood	Rental	ccASHP Full Equipment	\$500/ton*	Up to \$2,000	IESO
		GSHP Full System	\$3,000	Flat Rate	
	Owned	ccASHP Full Equipment	\$1,250/ton*	Up to \$7,500	
		GSHP Full System	\$2,000/ton*	Up to \$12,000	
Natural Gas	Rental or Owned	ccASHP Full Equipment	\$500/ton*	Up to \$2,000	Enbridge Gas
		GSHP Full System	\$3,000	Flat Rate	

Note:

* Incentives for ccASHPs are calculated based on the total rated heating capacity at 8.3 C° (47 F). Incentives for owned GSHPs for electrically heated homes or those primarily heated with oil/propane/wood are calculated based on closed loop heating capacity. For GSHPs categorized as open loop only, the incentive is calculated based on the open-loop heating capacity.

Metric

21. The primary metric for the Residential Single Measure Offering is net annual natural gas savings, measured in m³.

Gross Measurement

22. The offering uses the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

1.3 Residential Smart Home Offering

Offering Details

23. The Residential Smart Home Offering provides residential Enbridge Gas customers with an incentive to support the purchase of smart control devices. Currently, the offering provides an incentive for qualifying smart thermostats, which control

temperature settings to drive incremental energy savings to a customer's space heating load.

24. The offering is delivered using an online incentive platform that connects two incentive delivery mechanisms: instant retail incentives and post-purchase incentives. Instant retail incentives are provided directly upon purchase to the customer at participating retailers or e-commerce sites. Post-purchase incentives are available to participants after purchasing a qualifying device from any retailer or participating contractor. Multiple delivery channels (i.e., in store, online, or through a contractor) improves customer access to the offering by providing flexibility in participation options.
25. In addition to the HRS Program collaboration, Enbridge Gas coordinates delivery with the IESO's Energy Affordability Program ("EAP"), targeting moderate income customers. This allows IESO's EAP participants with natural gas heating to benefit from enhanced Enbridge Gas incentives for the purchase of smart thermostats. The IESO supports lead generation and income qualification for measure uptake. Participants receive a coupon which they can provide to participating retailers to receive an enhanced instant incentive beyond the standard residential offering.

Target Market

26. The Residential Smart Home Offering is targeted to residential customers subject to eligibility details outlined below, with an increased incentive for customers who qualify as moderate income.

Eligibility Criteria

27. To be eligible for the offering, a participant must be an Enbridge Gas customer with an active account and installing the device in a residential property that is a single

detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation primarily heated with a natural gas furnace or boiler.

28. A participant cannot have previously received a smart thermostat incentive, discount or device from Enbridge Gas, Save on Energy or the Home Renovation Savings Program.

29. As part of the collaboration with the IESO EAP, an enhanced incentive is available to customers who meet income eligibility qualification in line with the IESO Tier 2 income qualification under IESO's EAP guidelines. Specifically, to qualify for Tier 2 (or "moderate income") support, the participant must:

- Be an individual who owns, rents or leases a residence in Ontario and is listed as the primary or secondary utility account holder;
- Not meet the eligibility for Tier 1 support; and
- Must be above the Low-Income cut-off, but at or below the Moderate-Income cut-off displayed below:

Table 4
Smart Home Offering Moderate-Income Eligibility

Number of People in the Home	Low-Income Household Income Before Tax	Moderate-Income Household Income Before Tax
1	\$47,090	\$69,763
2	\$66,595	\$98,659
3	\$81,561	\$120,831
4	\$94,179	\$139,524
5	\$105,295	\$155,993
6	\$115,345	\$170,882
7+	\$124,586	N/A

Incentive/Enabling Activities

30. Eligible participants receive a \$75 incentive towards the purchase of a qualifying smart control device. For participants who qualify as moderate income, an additional incentive of \$50 (funded by the IESO) is provided, for a maximum total incentive of \$125. Throughout the year, Limited Time Offers ("LTOs") may be implemented to drive incremental results.
31. Incentives provided to participants through the HRS Program are funded entirely by either the IESO or Enbridge Gas, depending on the applicant's primary heating source.
32. To receive the instant retail incentive, customers must apply for the discount code before purchase, using the offering's instant rebate tool. The discount can be redeemed in the following ways:
- In-store at select contracted retailers.
 - Online at select contracted retailers and manufacturer web stores.
33. To redeem the post-purchase retailer incentive:
- Participants need to apply for the incentive within 60 days following the purchase of the device.
 - Participants must provide a clear invoice showing the purchase date, device model, pre-tax cost of the thermostat as its own line item, and retailer.
 - The device must not be a used, open-box, or refurbished model.
 - The pre-tax cost must not be less than the incentive amount.
 - If approved, the incentive is applied as a credit on the customer's Enbridge Gas bill, or as a cheque if they are not an Enbridge Gas customer.
34. Customers may also access the incentive by working with a participating contractor.

Metric

35. The primary metric for the Residential Smart Home Offering is net annual natural gas savings, measured in m³.

Gross Measurement

36. The offering uses the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

2. 2025 Low-Income Program

2.1 Home Winterproofing Offering

Offering Details

37. The Home Winterproofing offering includes a free in-home energy assessment and weatherization services at no cost or low cost to the participant and addresses some health and safety measures as needed.

38. The Home Winterproofing offering provides support to single families on fixed incomes, those who rely on income assistance programs, and those who are generally most vulnerable to increases in energy prices. Enbridge Gas works with community-based organizations to promote and deliver the offering and leverages municipalities and associations active in the community to raise awareness. Enbridge Gas coordinates delivery with the Low-Income Energy Assistance Program ("LEAP"), wherein LEAP administrators are trained to prequalify and guide LEAP recipients to the Home Winterproofing offering.

39. The offering is delivered by third-party Delivery Agents ("DAs") across the franchise. DAs are responsible for customer intake, income qualification, pre and post energy assessments, and the installation of beneficial upgrades. DAs have access to a

health and safety budget to complete minor improvements where barriers may exist to inhibit a customer's ability to participate in the offering.

Target Market

40. The target market for the Home Winterproofing offering includes:

- All single family social and assisted housing, including co-operative and nonprofit housing.
- Residents in private single family (low-rise) dwellings who meet income qualification and eligibility criteria.
- Residents of on-reserve First Nations communities who meet income qualification and eligibility criteria.

Eligibility Criteria

41. To be eligible for Home Winterproofing, participants must be an Enbridge Gas residential income-eligible customer, as defined below.

42. Enbridge Gas and the IESO annually align low income qualification screening criteria with the Tier 1 eligibility income criteria outlined in the IESO Energy Affordability Program. To qualify for low income (Tier 1) support, the participant must be:

- i) A resident of an eligible social or assisted housing property, which, for the purposes of DSM income qualified programming, includes:
 - Non-profit providers of social or assisted housing under a federal, provincial or municipally funded program, and includes, without limitation, non-profit corporations governed by the Housing Services Act 2011 (as amended or any successor legislation).
 - Public housing corporations owned by municipalities directly or through local housing corporations.

- Non-profit housing co-operatives as defined in the Co-operative Corporations Act.
- Non-profit housing corporations that manage or own residential (including multi-residential) buildings developed under the “Affordable Housing Program.”
- Non-profit organizations, or municipal or provincial governments that manage or own residential (including multi-residential) supportive housing, shelters and hostels.

OR

- ii) An individual who owns, rents, or leases a residence in Ontario and meets ONE of the following criteria:
- Has an annual household income for the previous year that does not exceed 135% of the most recent Statistics Canada before-tax Low Income Measurement. As of December 2024, this would equate to the following limits:

Table 5
HWP Offering Income Eligibility

Number of People in Household	Before-Tax Household Income
1	\$47,090
2	\$66,595
3	\$81,561
4	\$94,179
5	\$105,295
6	\$115,345
7+	\$124,586

- Received one of the following types of assistance in the past 12 months:
 - Allowance for Survivors

- Guaranteed Income Supplement
- Allowance for Seniors
- Ontario Works
- Ontario Disability Support Program (“ODSP”)
- Healthy Smiles Ontario Child Dental Program
- Received a Low-Income Energy Assistance Program grant or were part of the Ontario Electricity Support Program (“OESP”) within the last 12 months.
- Qualified to participate in IESO’s Tier 1 Energy Affordability Program during the past 12 months.

OR

- iii) A resident or an on-reserve First Nation single family home that can demonstrate one of the following:
 - A letter from Band Housing confirming that community income thresholds are within income eligibility criteria, or
 - Confirmation that the community has participated in IESO’s Tier 1 Energy Affordability Program during the past 12 months.

Incentive/Enabling Activities

43. The Home Winterproofing offering includes the following supports and services at no cost to participants:

- Pre-retrofit and post-retrofit energy assessments.
- Direct install of measures such as showerheads, aerators, adaptive thermostats, and pipe wrap.
- Weatherization services addressing identified deficiencies in the home, such as draft proofing and insulation upgrades to basements, walls and attics.
- Minor health and safety measures: A free carbon monoxide detector is installed in the home if there is none present during the pre-retrofit

assessment. DAs have access to a health and safety budget to address minor issues or barriers that are posing health and safety risks to both residents and contractors that may otherwise prohibit participation in the offering. Examples of previous expenses in this category include:

- Mold testing
- Minor window repairs to mitigate water penetration through a window
- Installing baffles in the attic
- Ceiling ventilation
- Bathroom exhaust fan installation
- Animal feces or dead animal removal
- Insulation removal due to feces or mold
- Vermiculite testing

Metric

44. The metric for the Home Winterproofing offering is net annual natural gas savings, measured in m³.

Gross Measurement

45. NRCan HOT2000 software, used in General Mode, is currently required for estimating natural gas savings achieved from weatherization improvements of participants in the Home Winterproofing offering. Homes are initially modelled based on the existing state of the home and again after upgrades have been installed in the home.

46. Direct install prescriptive measures use the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

2.2 Affordable Housing Multi-Residential (“AHMR”) Offering

Offering Details

47. The AHMR offering includes a mix of prescriptive, custom, and direct install measures depending on the needs of the customer. The offering also funds an energy assessment component for an in-depth evaluation of the building’s energy usage to assist building owners and property managers who are unsure of where to start.

48. The AHMR offering is delivered through:

- i) Enbridge Gas Energy Solutions Advisors (“ESA”). ESAs work directly with social housing providers and eligible private building owners. ESAs maintain on-going relationships with social housing providers and key accounts to develop custom solutions, adopting a holistic, or “building as a system” approach wherever possible. ESAs also work with municipalities and building associations to build awareness and identify opportunities.
- ii) Third Party Agents. Third party agents are contracted by Enbridge Gas to install the direct install measures for eligible customers.
- iii) Business Partners. Business partners are engaged to support identification of opportunities. These include equipment distributors; HVAC contractors; manufacturer representatives; engineering firms and energy consultants.

Target Market

49. The AHMR offering targets:

- all social and assisted housing providers including non-profit social housing providers, non-profit housing co-operatives, non-profit housing corporations, supportive housing, and shelters.
- owners/managers of privately owned multi-residential buildings that meet the eligibility criteria supporting high incidence of low-income tenants.

Eligibility Criteria

50. Participants must be an Enbridge Gas low-income qualified multi-unit residential building (“MURB”) customer, as defined below.

51. To be eligible for participation in the offering, buildings must fall under one of the following classifications:

- Social and Assisted Housing, for the purposes of Enbridge Gas Low Income programming this includes:
 - Non-profit providers of social or assisted housing under a federal, provincial, or municipally funded program, and includes, without limitation, non-profit corporations governed by the Housing Services Act, 2011 (as amended, or any successor legislation);
 - Public housing corporations owned by municipalities directly or through local housing corporations;
 - Non-profit housing co-operatives as defined in the Co-operative Corporations Act;
 - Non-profit housing corporations that manage or own residential (including multi-residential) buildings developed under the “Affordable Housing Program”; and
 - Non-profit organizations, or municipal or provincial governments that manage or own residential (including multi-residential) supportive housing, shelters, and hostels.

OR

- Privately owned multi-residential buildings that can demonstrate one of the following criteria:
 - Privately owned multi-residential building owner or property manager must confirm, based on rent roll review, that at least 30% of the units are rented

at less than 80% of the median market rent, as determined by the
Canadian Mortgage and Housing Corporation ("CMHC");

OR

- The building has participated in federal, provincial, or municipal affordable housing funding program in the last five years.

Incentive/Enabling Activities

Table 6
AHMR Offering Incentives

Technology	Customer Incentive	Service Provider Incentive (\$/Unit)
Direct-Install		
Heat Reflector Panels	Free	N/A
<u>Energy Assessments</u>	Up to \$8,000 per building, an annual maximum limit of \$40,000 per housing providers	N/A
<u>Custom Incentives</u>		
All technologies (all subsectors)	\$2.50 per annual m ³ of natural gas saved, up to a maximum of \$200,000 or 75% of incremental cost	\$400/project
Limited-Time Offer (all subsectors, all technologies)	\$3.00 per annual m ³ of natural gas saved, up to a maximum of \$200,000 or 75% of the incremental cost	\$400/project
Non-Part 3 buildings (all subsectors, all technologies)	\$3.00 per annual m ³ of natural gas saved, up to a maximum of \$200,000 or 75% of the incremental cost	\$400/project
<u>Fixed Incentives</u>		
Condensing Make-Up Air Units (constant speed, minimum 1,500 CFM to a maximum of 14,000 CFM per unit)	\$0.60/CFM	\$100
Condensing Make-Up Air Units (two speed, minimum 1,500 CFM to a maximum of 14,000 CFM per unit)	\$1.10/CFM	\$100
Condensing Make-Up Air Units (variable frequency drive (VFD), minimum 1,500 CFM to a maximum of 14,000 CFM per unit)	\$1.15/CFM	\$100
Condensing Storage Water Heaters (greater than 75 kBTU/hr)	\$0.80/annual m ³ of natural gas saved	\$100
Condensing Instantaneous (Tankless) Water Heaters (75 kBTU/hr or greater)	\$1.00/annual m ³ of natural gas saved	\$100

Table 6 (Continued)*
AHMR Offering Incentives

Technology	Customer Incentive	Service Provider Incentive (\$/Unit)
Energy Recovery Ventilators (no existing ERV or not required by Code, 55% to 64% sensible heat recovery effectiveness)	\$2.75/CFM	\$100
Energy Recovery Ventilators (no existing ERV or not required by Code, 65% to 74% sensible heat recovery effectiveness)	\$3.30/CFM	\$100
Energy Recovery Ventilators (no existing ERV or not required by Code, 75% to 84% sensible heat recovery effectiveness)	\$3.70/CFM	\$100
Energy Recovery Ventilators (no existing ERV or not required by Code, 85% or greater sensible heat recovery effectiveness)	\$4.00/CFM	\$100
Energy Recovery Ventilators (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$1.00/CFM	\$100
Energy Recovery Ventilators (improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$1.25/CFM	\$100
Energy Recovery Ventilators (improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$1.50/CFM	\$100
Heat Recovery Ventilators (no existing HRV or not required by Code, 55% to 64% sensible heat recovery effectiveness)	\$2.15/CFM	\$100
Heat Recovery Ventilators (no existing HRV or not required by Code, 65% to 74% sensible heat recovery effectiveness)	\$2.50/CFM	\$100
Heat Recovery Ventilators (no existing HRV or not required by Code, 75% to 84% sensible heat recovery effectiveness)	\$2.90/CFM	\$100
Heat Recovery Ventilators (no existing HRV or not required by Code, 85% or greater sensible heat recovery effectiveness)	\$3.30/CFM	\$100
Heat Recovery Ventilators (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$0.75/CFM	\$100
Heat Recovery Ventilators (Improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$1.10/CFM	\$100
Heat Recovery Ventilators (Improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$1.50/CFM	\$100
In-suite Energy Recovery Ventilator (no existing HRV or not required by Code, 55% to 64% sensible heat recovery effectiveness)	\$175/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Energy Recovery Ventilator (no existing HRV or not required by Code, 65% to 74% sensible heat recovery effectiveness)	\$200/unit	5% of the total customer incentive per building. One service provider incentive payment per building.

Table 6 (Continued)*
AHMR Offering Incentives

Technology	Customer Incentive	Service Provider Incentive (\$/Unit)
In-suite Energy Recovery Ventilator (no existing HRV or not required by Code, 75% to 84% sensible heat recovery effectiveness)	\$225/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Energy Recovery Ventilator (no existing HRV or not required by Code, 85% or greater sensible heat recovery effectiveness)	\$250/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Energy Recovery Ventilators (improved effectiveness 65% to 74% sensible heat recovery effectiveness)	\$75/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Energy Recovery Ventilators (improved effectiveness 75% to 84% sensible heat recovery effectiveness)	\$125/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Energy Recovery Ventilators (improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$175/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Heat Recovery Ventilators (no existing HRV or not required by Code, 55% to 64% sensible heat recovery effectiveness)	\$150/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Heat Recovery Ventilators (no existing HRV or not required by Code, 65% to 74% sensible heat recovery effectiveness)	\$175/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Heat Recovery Ventilators (no existing HRV or not required by Code, 75% to 84% sensible heat recovery effectiveness)	\$200/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Heat Recovery Ventilators (no existing HRV or not required by Code, 85% or greater sensible heat recovery effectiveness)	\$225/unit	5% of the total customer incentive per building. One service provider incentive payment per building.

Table 6 (Continued)*
AHMR Offering Incentives

Technology	Customer Incentive	Service Provider Incentive (\$/Unit)
In-suite Heat Recovery Ventilators (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$40/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Heat Recovery Ventilators (Improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$90/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
In-suite Heat Recovery Ventilators (Improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$150/unit	5% of the total customer incentive per building. One service provider incentive payment per building.
Hybrid RTU <32 kbtu/hr	\$1,500/unit	\$100
Hybrid RTU 33 to 77 kbtu/hr	\$3,000/unit	\$100
Hybrid RTU 78 to 110 kbtu/hr	\$4,500/unit	\$100
Hybrid RTU 111 to 200 kbtu/hr	\$8,500/unit	\$100
Hybrid RTU ≥ 201 kbtu/hr	\$50/kbtu/hr	\$100

Metric

52. The metric for the AHMR offering is net annual natural gas savings, measured in m³.

Gross Measurement

53. Custom Projects: This offering uses several customized approaches as the basis for natural gas savings (m³) gross measurement, examples include engineering calculations and energy modelling, as determined appropriate by Enbridge Gas technical experts. For commonly implemented measures, standard calculators have been developed such as eTools to ensure that common baseline assumptions and calculation methodologies are applied across similar project types.

54. Prescriptive and direct install measures use the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

3. 2025 Commercial Program

3.1 Commercial Custom Offering

Offering Details

55. Enbridge Gas ESAs continue to be the primary delivery channel for the offering.

They have long-standing relationships working directly with large customers, key accounts and strategic business partners such as engineering firms and other service providers to develop custom solutions that meet various operational and budgetary needs of participants.

56. Key elements of the Commercial Custom offering design include:

- Knowledge Development – Customers have access to a variety of case studies and webinars to create awareness and interest in energy saving opportunities and highlight industry best practices.
- Opportunity Identification – ESAs provide estimated project savings calculations, based on engineering principles, to customers and strategic business partners that can be used to develop a business case in support of the project.
- Implementation planning – ESAs work with customers in developing implementation plans and can suggest a shortlist of service providers, allowing customers to independently make the final selection.
- Financial incentives – Monetary support helps reduce upfront costs associated with identifying, measuring, procuring, and installing high-efficiency measures.

Target Market

57. The Commercial Custom offering is targeted to commercial customers across the Enbridge Gas franchise, subject to eligibility details outlined below.

Eligibility Criteria

58. To be eligible for the offering, a participant must be an Enbridge Gas commercial customer.¹

Incentive/Enabling Activities

59. In addition to technical expertise, the following financial incentives are available to participants.

Table 7
Commercial Custom Offering Incentives

Item	Commercial Customers										
New Equipment Installation, Equipment Retrofit, and Process Optimization Projects	For commercial, non-institutional customers: \$0.25/m³ for estimated gross annual natural gas savings, up to 50% of the incremental project cost, to a maximum of \$100,000 per project. Institutional customers (hospitals, universities, colleges, military bases, district energy providers) are subject to a tiered incentive structure, as follows: \$0.25/m³ for estimated gross annual natural gas savings for the first 400,000 m³ and \$0.10/m³ for estimated gross annual natural gas savings above 400,000 m³, up to 50% of the incremental project cost, to a maximum of \$500,000 per project.										
Energy Assessments (HVAC audits, controls audits, thermal surveys, facility air balances, benchmarking activities, equipment upgrade analyses, Meters)	50% of eligible audit costs, to a maximum defined by the building's consumption in the previous calendar year: <table border="1" data-bbox="625 1396 1377 1610"> <thead> <tr> <th>Previous Calendar Year Natural Gas Consumption at the Project Site (m³)</th><th>Maximum incentive for the Project Site</th></tr> </thead> <tbody> <tr> <td>≥100,000 and <300,000</td><td>\$1,500</td></tr> <tr> <td>≥300,000 and <1,500,000</td><td>\$2,500</td></tr> <tr> <td>≥1,500,000 and <3,000,000</td><td>\$6,000</td></tr> <tr> <td>≥3,000,000</td><td>\$10,000</td></tr> </tbody> </table>	Previous Calendar Year Natural Gas Consumption at the Project Site (m ³)	Maximum incentive for the Project Site	≥100,000 and <300,000	\$1,500	≥300,000 and <1,500,000	\$2,500	≥1,500,000 and <3,000,000	\$6,000	≥3,000,000	\$10,000
Previous Calendar Year Natural Gas Consumption at the Project Site (m ³)	Maximum incentive for the Project Site										
≥100,000 and <300,000	\$1,500										
≥300,000 and <1,500,000	\$2,500										
≥1,500,000 and <3,000,000	\$6,000										
≥3,000,000	\$10,000										

60. Throughout the year, Enbridge Gas may implement LTOs to drive incremental results.

¹ Commercial customers include MURBs, municipalities, universities, schools, hospitals and other non-industrial businesses. Industrial customers and Low Income Multi-Residential customers are targeted through the Industrial and Low Income Programs respectively.

Metric

61. The metric for the Commercial Custom offering is net annual natural gas savings, measured in m³.

Gross Measurement

62. This offering uses several customized approaches as the basis for natural gas savings (m³) gross measurement, examples include engineering calculations and energy modelling, as determined appropriate by Enbridge Gas technical experts. For commonly implemented measures, standard calculators have been developed such as eTools to ensure that common baseline assumptions and calculation methodologies are applied across similar project types.

3.2 Prescriptive Downstream Offering

Offering Details

63. The Prescriptive Downstream offering is delivered to customers through Enbridge Gas ESAs who work directly with customers; including key accounts, municipalities and larger commercial customers, as well as through service providers, which allows for a broader reach than could be accomplished by an internal sales force alone.

64. Key elements of the Prescriptive Downstream offering design include:

- Knowledge Development – Customers and service providers have access to case studies, collateral, and workshops to create awareness and interest in prescriptive measures and the offering.
- Implementation planning – ESAs can connect customers with service providers.
- Financial incentives – Monetary support helps reduce upfront costs associated with procuring and installing high-efficiency measures.

Target Market

65. The Prescriptive Downstream offering targets all commercial and industrial customers.

Eligibility Criteria

66. To be eligible for the offering, a participant must be an Enbridge Gas commercial or industrial customer.

67. Qualifying products and customer premises must meet the requirements as outlined in the current version of the TRM applicable to the program year.

Incentive/Enabling Activities

Table 8
Prescriptive Downstream Offering Incentives

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
Air Curtain (pedestrian doors, no vestibule, 3'x7') *	\$300	\$100	\$50
Air Curtain (pedestrian doors, no vestibule, 6'x7') *	\$400	\$100	\$50
Air Curtain (pedestrian doors, no vestibule, 6'x8') *	\$500	\$100	\$50
Air Curtain (pedestrian doors, with vestibule, 3'x7') *	\$200	\$100	\$50
Air Curtain (pedestrian doors, with vestibule, 6'x7') *	\$300	\$100	\$50
Air Curtain (pedestrian doors, with vestibule, 6'x8') *	\$400	\$100	\$50
Air Curtain (shipping doors, dock-in, 8'x8', 8'x9', 8'x10')	\$2,750	\$100	\$50
Air Curtain (shipping doors, dock-in and drive-in, 10'x10')	\$3,250	\$100	\$50
Air Curtain (shipping doors, drive-in, 12'x12')	\$5,000	\$100	\$50
Air Curtain (shipping doors, drive-in, 14'x14')	\$7,500	\$100	\$50
Air Curtain (shipping doors, drive-in, 16'x16', 18'x18', 20'x20')	\$8,750	\$100	\$50
Condensing Make-up Air (Constant speed, Minimum 1,500 CFM to maximum 14,000 CFM per unit)	\$0.50/CFM	\$100	\$50
Condensing Make-up Air (2- Speed or VFD, Minimum 1,500 CFM to maximum 14,000 CFM per unit)	\$1.00/CFM	\$100	\$50

Table 8 (Continued)*
Prescriptive Downstream Offering Incentives

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
Demand Control Kitchen Ventilation (Retrofit, up to 5,000 CFM)	\$2,900	\$100	\$50
Demand Control Kitchen Ventilation (Retrofit, 5,001 to 10,000 CFM)	\$6,200	\$100	\$50
Demand Control Kitchen Ventilation (Retrofit, 10,001 to 15,000 CFM)	\$9,000	\$100	\$50
Demand Control Kitchen Ventilation (New construction, up to 5,000 CFM)	\$1,200	\$100	\$50
Demand Control Kitchen Ventilation (New construction, 5,001 to 10,000 CFM)	\$3,000	\$100	\$50
Demand Control Kitchen Ventilation (New construction, 10,001 to 15,000 CFM)	\$4,400	\$100	\$50
Demand Control Ventilation (with CO ² sensor)	\$700	\$100	\$50
Destratification Fan (12 to 18ft.)	\$3,000	\$100	\$50
Destratification Fan (20 to 24ft.)	\$4,000	\$100	\$50
Dock Door Seal (compression seal, 8'x8', 8'x9', 8'x10')	\$650	\$100	\$50
Dock Door Seal (shelter seal, 10'x10')	\$1,650	\$100	\$50
Energy Recovery Ventilator (ERV) (no existing ERV and not required by code, 55% to 64% sensible heat recovery effectiveness)	\$1.00/CFM, minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50
Energy Recovery Ventilator (ERV) (no existing ERV and not required by code, 65% to 74% sensible heat recovery effectiveness)	\$1.25/CFM, minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50
Energy Recovery Ventilator (ERV) (no existing ERV and not required by code, 75% to 84% sensible heat recovery effectiveness)	\$1.50/CFM minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50
Energy Recovery Ventilator (ERV) (no existing ERV and not required by code, 85% or greater sensible heat recovery effectiveness)	\$1.75/CFM minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50

Table 8 (Continued)*
Prescriptive Downstream Offering Incentives

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
Energy Recovery Ventilator (ERV) In-Suite (no existing ERV and not required by code, 55% or greater sensible heat recovery effectiveness)	\$150 per unit, maximum \$50,000 per building	5% customer incentive	N/A
Energy Recovery Ventilator (ERV) (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$0.50/CFM minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50
Energy Recovery Ventilator (ERV) (improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$0.75/CFM minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50
Energy Recovery Ventilator (ERV) (improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$1.15/CFM minimum \$200 to a maximum of \$8,000 per unit	\$100	\$50
Energy Recovery Ventilator (ERV) In-Suite (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$50 per unit, maximum \$50,000 per building	5% customer incentive	N/A
Energy Recovery Ventilator (ERV) In-Suite (improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$100 per unit, maximum \$50,000 per building	5% customer incentive	N/A
Energy Recovery Ventilator (ERV) In-Suite (improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$150 per unit, maximum \$50,000 per building	5% customer incentive	N/A
Heat Recovery Ventilator (HRV) (no existing HRV and not required by code, 55% to 64% sensible heat recovery effectiveness)	\$0.50/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50
Heat Recovery Ventilator (HRV) (no existing HRV and not required by code, 65% to 74% sensible heat recovery effectiveness)	\$0.75/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50
Heat Recovery Ventilator (HRV) (no existing HRV and not required by code, 75% to 84% sensible heat recovery effectiveness)	\$1.00/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50

Table 8 (Continued)*
Prescriptive Downstream Offering Incentives

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
Heat Recovery Ventilator (HRV) (no existing HRV and not required by code, 85% or greater sensible heat recovery effectiveness)	\$1.25/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50
Heat Recovery Ventilator (HRV) In-Suite (no existing HRV and not required by code, 55% or greater sensible heat recovery effectiveness)	\$75 per unit, maximum \$25,000 per building	5% customer incentive	N/A
Heat Recovery Ventilator (HRV) (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$0.25/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50
Heat Recovery Ventilator (HRV) (improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$0.50/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50
Heat Recovery Ventilator (HRV) (improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$0.75/CFM, minimum \$200 to a maximum of \$5,000 per unit	\$100	\$50
Heat Recovery Ventilator (HRV) In-Suite (improved effectiveness, 65% to 74% sensible heat recovery effectiveness)	\$25 per unit, maximum \$25,000 per building	5% customer incentive	N/A
Heat Recovery Ventilator (HRV) In-Suite (improved effectiveness, 75% to 84% sensible heat recovery effectiveness)	\$50 per unit, maximum \$25,000 per building	5% customer incentive	N/A
Heat Recovery Ventilator (HRV) In-Suite (improved effectiveness, 85% or greater sensible heat recovery effectiveness)	\$75 per unit, maximum \$25,000 per building	5% customer incentive	N/A
Ozone Laundry (based on weight of laundry processed annually.	\$0.04/lb., up to \$15,000 per system	\$100	\$50
Hybrid RTU ≤ 32 kBtu/hr	\$1,000 per unit	\$100	\$50
Hybrid RTU 33 to 77 kBtu/hr	\$2,500 per unit	\$100	\$50
Hybrid RTU 78 to 110 kBtu/hr	\$4,000 per unit	\$100	\$50
Hybrid RTU 111 to 200 kBtu/hr	\$8,000 per unit	\$100	\$50
Hybrid RTU ≥ 201 kBtu/hr	\$40/kBtu/hr	\$100	\$50

Note:

* Enbridge Gas provides twice the Air Curtain incentive amount for double-door pedestrian doors.

68. Throughout the year, Enbridge Gas may implement LTOs to drive incremental results.

Metric

69. The metric for the Prescriptive Downstream offering is net annual natural gas savings, measured in m³.

Gross Measurement

70. The offering uses the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

3.3 Direct Install Offering

Offering Details

71. The Direct Install offering is designed to address the additional barriers faced by smaller customers to participating in traditional DSM programs such as lack of awareness, lack of comfort with new technologies, and lack of financial resources and internal capacity.

72. These barriers are addressed by providing customers with higher incentives and a turnkey solution requiring little time, effort, or internal expertise on the part of the customer.

73. To facilitate this turnkey solution, Enbridge Gas equips contracted service providers with the training and sales support tools to identify, qualify, quote, and install eligible measures.

Target Market

74. This offering is targeted primarily to smaller commercial and industrial customers; particularly independently owned and operated businesses, most of whom have never previously participated in a DSM offering.

Eligibility Criteria

75. To be eligible for the offering, a participant must be an Enbridge Gas commercial or industrial customer with no DSM participation in the last three program years.
76. Qualifying products and customer premises must meet the requirements as outlined in the current version of the TRM applicable to the program year.

Incentive/Enabling Activities

77. Shipping Door Stream: Eligible customers are provided with a site assessment, project recommendation, and the installation of shipping and receiving door equipment (e.g., air curtains and dock door seals), with up to 90% of total project cost covered for air curtains and 100% of the total project cost covered for dock door seals.

Table 9

Direct Install Offering Shipping Door Stream Incentives

Air Curtains	
Size	Maximum incentive
8'x8', 8'x9'	\$5,500/unit
8'x10'	\$5,700/unit
10'x10'	\$6,700/unit
12'x12'	\$9,000/unit
14'x14'	\$10,500/unit
16'x16'	\$12,000/unit
18'x18'	\$14,000/unit
20'x20'	\$15,000/unit
Dock Door Seals	
Size	Maximum incentive
8'x8', 8'x9', 8'x10'	\$2,000/unit
10'x10'	\$2,600/unit

78. Demand Control Kitchen Ventilation Stream: Eligible customers are provided with a site assessment of the customer's commercial kitchen and the installation of a demand control kitchen ventilation system that has temperature and/or optic sensors.

79. Between the Enbridge Gas and Save on Energy incentive, up to 90% of the total project cost is covered on standard installations.

Table 10

Direct Install Offering DCKV Stream Incentives

Demand Control Kitchen Ventilation	
Size	Maximum Incentive
0 – 5,000 CFM	\$14,500/unit
5,001 – 10,000 CFM	\$14,500/unit
10,001 – 15,000 CFM	\$17,500/unit

Metric

80. The metric for the Direct Install offering is net annual natural gas savings, measured in m³.

Gross Measurement

81. The offering uses the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

3.4 Prescriptive Midstream Offering

Offering Details

82. The Prescriptive Midstream offering is delivered through a contracted third-party delivery agent. The third-party delivery agent identifies and enrolls eligible distributors and retailers, then provides the necessary training to effectively promote and upsell energy efficient equipment. The third-party delivery agent also supports offering administration through their online portal. The portal is an essential component of the offering, providing customer/product validation, Qualified Product Lists ("QPL"), incentive processing, dashboard metrics and performance tracking. Key offering activities are outlined below:

- Outreach and enrollment – Targeting and encouraging distributors and retailers to enroll in the program offering through direct outreach and recruitment.
- Training and ongoing engagement – Training and customized marketing materials associated with the offering and efficiency measures are provided to engage distributor/retailer sales staff in supporting the offering and promoting eligible measures. Ongoing support is also provided to ensure the offering remains a focus for the distributor/retailer sales team.

- Program management and tracking – Participating distributors/retailers are provided with access to an online portal that simplifies the process of project qualification, submission, and incentive/performance tracking.

Target Market

83. The Prescriptive Midstream offering targets mid-market actors like distributors and retailers of the eligible equipment.

Eligibility Criteria

84. To be eligible for the offering, equipment must be installed at an Enbridge Gas commercial or industrial customer premise.

85. Qualifying products and customers must meet requirements as outlined in the TRM version applicable to the program year.

Incentive/Enabling Activities

Table 11
Prescriptive Midstream Offering Incentives

Technology	Distributor Incentive (\$/Unit)
<u>HVAC*</u>	
Condensing Tankless Water Heaters	\$700
Condensing Storage Water Heater; capacity >75kBtu/hr and ≤160kBtu/hr.	\$150
Condensing Storage Water Heater; capacity >160kBtu/hr and ≤250kBtu/hr.	\$550
Condensing Storage Water Heater; capacity >250kBtu/hr	\$700
Condensing Unit Heaters	\$1000
<u>Foodservice</u>	
ENERGY STAR Fryers	\$1,000
ENERGY STAR Steam Cookers	\$1,000
High-Efficiency Under-Fired Broilers	\$750
ENERGY STAR Convection Oven	\$750
ENERGY STAR Rack Ovens single	\$750
ENERGY STAR Rack Ovens double	\$900
ENERGY STAR Combination Oven	\$1,250
ENERGY STAR Griddles	\$1,250
ENERGY STAR Stationary Single Tank Door Dishwasher (both high and low temperature models)	\$600
High-Efficiency Conveyor Broiler <22"	\$1,250
High-Efficiency Conveyor Broiler 22"-26"	\$1,500
High-Efficiency Conveyor Broiler >26"	\$1,750
High-Efficiency Conveyor Oven <1,520in ²	\$250
High-Efficiency Conveyor Oven >1,520in ²	\$550

Note:

* There is a mandatory 60% passthrough to the end user for the Foodservice incentives listed.

Metric

86. The metric for the Prescriptive Midstream offering is net annual natural gas savings, measured in m³.

Gross Measurement

87. The offering uses the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

4. Industrial Program

4.1 Industrial Custom Offering

Offering Details

88. The Industrial Custom offering is primarily delivered to customers through Enbridge Gas ESAs. Customer outreach strategies and targeted communications initiatives such as technical publications, case studies, quarterly updates, and in-person or online workshops are also provided to customers to generate interest and awareness in the offering.

89. ESAs have developed long-standing relationships with industrial customers, supporting customers in the long-term strategic quantification and prioritization of energy efficiency opportunities in their facilities. This relationship is critical, especially for industrial customers who lack the time, resources and in some cases technical expertise required to identify, assess and facilitate implementation of energy efficiency opportunities. An ESA's ongoing influence can help foster a customer's focus on comprehensive energy management and continuous energy improvement leading to that customer undertaking DSM activities year over year, driving incremental efficiency over time.

90. ESAs provide many services to customers to identify and quantify energy efficiency opportunities, such as energy consumption analysis and load profiling, site-walk throughs, plant and equipment testing and assessments, thermal imaging, and submetering of equipment. Engineering analysis, which serves as the basis for understanding energy efficiency opportunities, is also offered to assist in the development of a strong business case to pursue efficiency projects.
91. When more detailed engineering analysis is required, ESAs can connect customers with specialized vendors and offer financial incentives to cover up to 50% of the costs associated with energy audits, studies, sub-metering and energy management information systems (“EMIS”) to help customers identify and quantify savings opportunities and justify project implementation.

Target Market

92. The Industrial Custom offering is targeted to industrial customers, subject to eligibility details outlined below.

Eligibility Criteria

93. To be eligible for the offering, a participant must be an Enbridge Gas industrial customer. Large Volume rate classes T2 and R100 in Union rate zones are ineligible for this offering. Industrial customers are non-residential customers involved in the production and/or enhancement of mercantile goods and/or the cultivation of plants and/or livestock.

Incentive/Enabling Activities

94. In addition to ESA technical expertise supporting the identification of energy efficiency projects, financial incentives covering up to 50% of the costs associated with third party audits, studies, and metering are available as follows:

Table 12
Industrial Custom Offering Opportunity Identification Incentives

Annual Natural Gas Consumption	Maximum Incentive
Less than 100k m ³	Not Eligible
100,000 m ³ to 299,999 m ³	\$1,500
300,000 m ³ to 1,499,999 m ³	\$2,500
1,500,000 m ³ to 2,999,999 m ³	\$6,000
3,000,000 m ³ to 9,999,999 m ³	\$10,000
10,000,000 m ³ or greater	\$20,000

95. Implementation incentives are calculated on a project basis and are based on estimated gross natural gas savings associated with the implementation of efficiency measures. The overall incentive is capped at \$250,000 per project and should not exceed 50% of the incremental project cost. The incentive is based on the following incentive structure:

Table 13
Industrial Custom Offering Implementation Incentives

Gross Natural Gas Savings	Manufacturing Sector	Agriculture Sector
Up to 50,000 m ³	\$0.30/m ³	\$0.10/m ³ new construction
50,001 m ³ or greater	\$0.15/m ³	\$0.20/m ³ retrofit projects

96. Throughout the year, Enbridge Gas may implement LTOs to drive incremental results.

Metric

97. The metric for the Industrial Custom offering is net annual natural gas savings, measured in m³.

Gross Measurement

98. This offering uses several customized approaches as the basis for natural gas savings (m³) gross measurement, examples include engineering calculations and energy modelling such as the USDA Agricultural Research Service's Virtual Grower, as determined appropriate by Enbridge Gas's technical experts.

5. 2025 Large Volume Program

5.1 Direct Access Offering

Offering Details

99. To encourage customers to participate in the offering and pursue cost-effective energy conservation opportunities, Enbridge Gas uses a direct access funding model. The direct access budget mechanism grants each customer access to an annual incentive budget. In this way, customers know how much funding they have available each program year, allowing them to appropriately plan expenditures to reduce annual energy usage in their facility.

100. In order to participate in the Direct Access offering, customers must:

- Submit an Energy Efficiency Plan (“EEP”), authored with the assistance of Enbridge Gas ESAs. The EEP serves as a roadmap allowing customers and Enbridge Gas to actively work together, driving energy efficiency projects at customers’ sites and facilities. Projects identified on the EEP are earmarked for funding.
- Work with Enbridge Gas ESAs to quantify and track annual natural gas savings achieved by each completed project.

101. If a customer elects not to submit an EEP or if the direct access budget funds are not fully earmarked or used by a certain date, the unallocated funds are dispersed via an aggregated pool approach. Funds transferred to the Large Volume Aggregate Pool are available to fund additional energy efficiency projects for all other customers on a first-come-first-served approach. The “use it or lose it” nature of the funding model is intended to focus the customer on the execution of the EEP and achieve energy savings.

Target Market

102. This offering is currently delivered to customers in Rate T2 and Rate 100 in the Union rate zones. These customers are generally classified as Industrial (steel, pulp and paper, auto manufacturers), chemical manufacturers and refineries. Gas fired electricity generators are excluded from the program.

Eligibility Criteria

103. Eligible participants are Enbridge Gas customers in Rate T2 and Rate 100 in the Union rate zones as of January 1st in a given program year, excluding gas-fired-generators.

Incentive/Enabling Activities

Table 14
Direct Access Offering Incentives

Item	Incentive
New Equipment Installation, Equipment Retrofit, Process Optimization Projects and Operational Improvement	Direct Access Funded: \$0.10 per gross annual m ³ saved, up to \$200,000* Aggregate Pool Funded: \$0.05 per gross annual m ³ saved, up to \$200,000*, subject to available LVAP
Engineering Assessments and Meters	50% of the cost, up to \$20,000
Customer Education	Provided, or funded, by Enbridge Gas

Note:

* Incentive cannot exceed 50% of incremental project cost.

Metric

104. The metric for the Direct Access Offering is net annual natural gas savings, measured in m³.

Gross Measurement

105. This offering uses a customized approach as the basis for natural gas savings (m³) gross measurement that is quantified by professional engineers and determined

relative to an Enbridge Gas approved baseline, incorporating the use of engineering calculations and/or process data. Due to the size, complexity and production variability of the customers participating in this offering, site meter-based analysis is not used.

6. 2025 Energy Performance Program

6.1 Whole Building Pay for Performance ("P4P") Offering

Offering Details

106. The Whole Building P4P offering is an Energy Performance program that captures metered savings results based on capital, operational and behavioural efficiency measures.

107. The offering targets customers with high energy intensity levels within defined homogeneous market segments (currently primary and secondary schools). In this segment, benchmarking can be reasonably applied, and empowers participants to improve their overall building performance, leveraging the enabling initiatives and performance incentives provided by the offering.

108. Enbridge ESAs have established long term relationships with customers and are responsible for engaging with target participants to promote the offering.

109. Enbridge Gas, working with a third-party delivery agent, is responsible for supporting the participants to achieve their building performance targets, including development of a baseline model, opportunity identification, implementation, monitoring and reporting.

110. The multi-year engagement of the Whole Building P4P offering can be broken out into three periods, each of which involves a variety of activities as detailed below:

1. Startup Period

- Application
 - Customers are pre-screened based on the eligibility criteria
 - Application form signed with specified 20% performance target goal
- Baseline Modelling
 - A baseline model is created using historical consumption data and adjusted for independent variables (i.e. weather, occupancy, etc.).
- Access to Interval Data
 - Any required meter upgrades are performed to allow for interval metering and monitoring or customer provides required access to data from Automatic Meter Reader (“AMR”) if already available.
- Opportunity Identification
 - Historical consumption patterns and building data is analyzed (i.e. via workshop), resulting in the identification and prioritization of opportunities detailed in a summary report provided to the participant.

2. Pay-for-Performance Periods (Multi-Year – 3 Years)

- Implementation
 - Technical support and guidance is available for participants throughout implementation of measures.
- Performance Measurement
 - Incremental savings relative to the baseline is determined via metered data measured annually as part of a measurement and verification process (“M&V”).
 - Performance incentive is provided if incremental savings are achieved based on M&V results

- If there are no incremental savings observed, a plan is developed with the participant to identify the cause and how to achieve savings the following year

3. Participation Completion

- Bonus Incentive
 - Bonus incentive is awarded based on participants' achievement relative to established performance targets.

Target Market

111. Primary and secondary schools across Enbridge Gas franchise area.

Eligibility Criteria

112. Participant must be an Enbridge Gas commercial customer.

113. Participating site cannot participate in other commercial offerings simultaneously during the duration of the offering.

114. The participating building must have an existing Enbridge Gas meter that is compatible with pulse interval metering equipment or already has an Automatic Meter Reader ("AMR") that allows Enbridge Gas and its approved third-party delivery agent the required access to the building's interval data.

115. The building must have been operational without having undergone any capital retrofit upgrades between the beginning of the baseline period up to the start of the P4P Period.

Incentive/Enabling Activities

116. Annual performance incentive of \$0.30/m³ is awarded at the end of each performance period, on an annual basis based on the M&V of incremental gas savings at the meter relative to the baseline.
117. Bonus incentive of \$0.20/m³ is awarded at the end of the offering, if the participant stays enrolled throughout the offering duration and has achieved the 20% performance target or above based on the M&V of total gas savings at the meter relative to the baseline.
118. The maximum incentive (annual performance incentive + bonus incentive) per participant cannot exceed \$20,000.

Metric

119. There are two metrics for the Whole Building P4P offering:
- Number of participants enrolled in offering.
 - Net annual natural gas savings, measured in m³.

Gross Measurement

120. An eligible participant is claimed upon completion of the following:
- Baseline model completed and summarized in report approved by Enbridge Gas
 - Interval meter data is active and being collected (daily granularity)
 - Workshop completed with report summarizing site opportunities
 - Signed Application Form from customer
121. Annual natural gas savings are calculated based on comparing the Adjusted Baseline Model (“BM”) to Adjusted P4P Period consumption, evaluated at the end of each P4P Period (on an annual basis).

Annual Gas Savings (m³) Calculation:

- Year 1 P4P Annual Gas Savings (m³) = (BM - P4P1) at or above zero
- Year 2 P4P Annual Gas Savings (m³) = [(Lesser of BM or P4P1) - P4P2] at or above zero
- Year 3 P4P Annual Gas Savings (m³) = [(Lesser of BM or P4P1 or P4P2) - P4P3] at or above zero

Where:

- BM is the Adjusted Baseline Model Consumption
- P4P1 is the Adjusted P4P Year 1 Period Consumption
- P4P2 is the Adjusted P4P Year 2 Period Consumption
- P4P3 is the Adjusted P4P Year 3 Period Consumption

Baseline Model Requirements:

- Baseline Period should have a minimum 12 months of baseline history using utility data or interval data (if already available via customer) and should be based on the most recent 12 months of data. However, alternative Baseline Periods may be accepted if the most recent data is not representative of typical building operation.
- Baseline Model input/output granularity ranges from daily (most granular) to bi-monthly (least granular) intervals.
- Baseline Model should be a regression model that is derived based on metered gas consumption during the Baseline Period and is adjusted for independent variables to allow for adequate representation of the baseline gas consumption during the P4P Period.
- Baseline Model will be approved by Enbridge Gas prior to participant being enrolled into the program offering.
- Baseline Model, once approved, should not change for the balance of the program offering.

P4P Period:

- P4P Period is defined as a maximum 12-month period in which metered gas consumption is measured against the Baseline Model
- P4P period consumption should be adjusted for the same set of independent variables as applied to the baseline model.
- P4P Period data granularity will be at a minimum of daily intervals.

7. 2025 Building Beyond Code Program

7.1 Residential Savings by Design Offering

Offering Details

122. There are two participation paths in the program offering as outlined below and builders can participate in either one or both should they meet the required conditions for each path. A combination of internal sales resources and external third-party partners are leveraged to promote and deliver this program offering.

a) ENERGY STAR for New Homes (“ESNH”) or Equivalent Path

The ESNH or equivalent path focuses on limiting lost opportunities by motivating builders building in eligible municipalities to construct new homes to at least ESNH Version 17 or modelled equivalent performance (at least 20% better than Ontario Building Code (“OBC”) Supplementary Standard SB-12 2017).

Builders can participate in integrated design process (“IDP”) workshops that provide technical guidance on building to the ESNH standard and an overview of the participation requirements. Those that choose to participate in the ESNH path are eligible for an incentive of up to \$1,650 per home that meets the eligibility criteria as outlined above. Builders (inclusive of all subsidiaries) are only able to participate once per year and receive incentives of up to a maximum of 50 homes built in eligible municipalities.

b) Net Zero Energy Ready (“NZER”) Discovery Home Path

The NZER discovery home path focuses on working with builders on a one-to-one basis to consider new technologies and approaches to energy efficient construction and assists builders to design and build one discovery home to a NZER standard.

Participants are guided through a series of activities to support the design and construction of the NZER discovery home, including:

- Visioning session between the design team and IDP workshop facilitator.
- IDP workshop followed by an IDP workshop report that summarizes key outcomes for the design team.
- Associated trades training to ensure implementation meets designed outcomes.
- NZER discovery home incentive of \$15,000 per home. Builders (inclusive of all subsidiaries) are only able to participate once and receive a single incentive.

Target Market

123. For the ESNH or equivalent standard path, Enbridge Gas focuses on engaging builders in municipalities that have previously demonstrated low levels of penetration for homes built to these efficiency standards.

124. For the NZER discovery home path, Enbridge Gas focuses on engaging forward-thinking builders across its franchise territory interested in learning and taking on the challenge of designing and building a NZER discovery home.

Eligibility Criteria

125. ESNH path:

a) Municipality Eligibility:

- Enbridge Gas maintains a list of eligible municipalities based on the three-year performance criteria and updates the list before each program year.
- Municipalities in the Enbridge Gas franchise area where ESNH builds have been below 15% over the preceding three-years are eligible for this stream.
- Municipalities that have adopted a Green Development Standard (“GDS”) mandating ESNH or similar performance standards for new residential construction are removed from the eligibility list.

b) Builder Eligibility:

- Builders eligible to participate are those constructing new residential homes in eligible municipalities.
- Builder applicants are licensed as a builder/vendor with the Home Construction Regulatory Authority.
- Builders are not required to connect to the natural gas system to participate in the offering.

126. NZER path:

- Builders must not have previously participated in the NZER discovery home stream.
- The discovery home must be in design phase or earlier in the development process.
- Builders are not required to connect to the natural gas system to participate in the offering.

Incentive/Enabling Activities

127. ESNH Path:

- An incentive of \$1,650 per eligible home is available for up to 50 homes per year per builder.
- Eligible homes include those labelled to ESNH version 17 or modelled equivalent (20% better than OBC) built in eligible municipalities. Homes are not required to connect to the natural gas system.

128. NZER Path:

- A builder incentive of \$15,000 is available once the home has been certified to the Canadian Home Builders' Association ("CHBA") NZER standard.

Metric

129. ESNH Path:

- The number of homes built by participating builders in eligible municipalities to the ESNH or modelled equivalent level of energy efficiency (at least 20% better than 2017 OBC).

130. NZER Path:

- The number of homes built by participating builders to the NZER standard as defined by the CHBA Net Zero Labelling program.

Gross Measurement

131. ESNH Path:

- Provision of an incentive to the participating builder and counting the constructed home towards the ESNH homes-built metric requires label certification and/or energy modelling results to confirm that energy efficiency performance levels reach or exceed the ESNH standard or modelled equivalent (minimum 20% better than code).

132. NZER Path:

- Provision of an incentive to the participating builder and counting the constructed home towards the NZER homes-built metric requires label certification and/or energy modelling results that confirm energy efficiency performance in line with the CHBA Net Zero Labelling program.

7.2 Commercial Savings by Design (“SBD”) Offering

Offering Details

133. Commercial SBD is delivered to builders and developers by Enbridge ESAs who engage with municipalities, trade associations and key accounts to identify eligible new construction buildings. Participants are guided through a series of activities to support the adoption of higher efficiency building designs, including:

- Visioning Session between the design team and IDP workshop facilitator;
- Energy Modelling to create a baseline energy model to use during the IDP workshop and help set the IDP Efficiency Target, details included below under IDP Efficiency Targets;
- IDP Workshop followed by an IDP workshop report that summarizes key outcomes for the design team;
- Assessment of final design submitted for permitting to determine if the final design is anticipated to achieve the IDP efficiency performance target; and
- Post building participant survey to assess the impact the IDP workshop had on the final design, with feedback from the survey leveraged to support continuous improvement of the program offering.

134. Facilitation of IDP workshops and final design assessment is conducted through contracted third-party delivery agents.

135. IDP Efficiency Targets: IDP efficiency performance targets reflect the achievement of Thermal Energy Demand Intensity (“TEDI”) and Total Energy Use Intensity (“TEUI”) levels that result in the achievement of 25% above existing OBC, Supplementary Standard SB-10. Toronto’s Green Development Standards, known as Toronto Green Standards (“TGS”), for commercial and mid-to high rise residential buildings has established TEDI and TEUI levels consistent with the achievement of 25% above code and are leveraged as a basis for setting TEDI and TEUI targets.

136. In the case a participant’s baseline design prior to the IDP workshop is above code and/or any mandatory efficiency level set by the municipality, a target to achieve the higher of 10% above the baseline or 25% above code is set. For example, if the baseline building achieves a 20% above code efficiency level, the target efficiency level for the customer is the achievement of at least 30% above code. Conversely, if the baseline building achieves a 10% above code efficiency level, the standard 25% above code Commercial Savings by Design IDP target stands.

Target Market

137. Commercial SBD is targeted to commercial and multi-residential builders.

Eligibility Criteria

138. Commercial or multi-residential projects to be built subject to OBC Part 3, Part 10 or Part 11 building types.

139. Minimum threshold of 25,000 ft² contemplated per project as per the application form.

Incentive/Enabling Activities

140. Commercial SBD participants are guided through a series of activities to support the adoption of higher efficient designs, including:

Table 15
Commercial Savings by Design Offering Enabling Activities

Offering Activities	Description
Visioning Session	Energy modelling is conducted based on the existing project design information to create a baseline energy model for use during the IDP workshop.
IDP Workshop	A half-to-full day workshop wherein the team strategizes with sustainable building design experts to maximize the project's energy and environmental performance as demonstrated through preliminary baseline and live modelling exercises to compare the various design options.
Final Report	A final report that summarizes the findings of the workshop and associated energy modelling is provided to the design teams.
Verification of design for permitting	Final designs submitted for permitting are assessed by the delivery agent to determine whether the final design achieved the IDP workshop efficiency performance target.

141. To help offset the incremental professional consulting fees associated with participating in the IDP, subject to satisfying all offering requirements, the participant may be eligible to receive a Technical Assistance Incentive of \$4,000.

Metric

142. The number of participants who complete the IDP workshop and receive the Commercial Savings by Design report.

Gross Measurement

143. As defined for Metric.

7.3 Affordable Housing Savings by Design ("SBD") Offering

Offering Details

144. Affordable Housing SBD is delivered to customers through an internal sales team who leverage relationships developed with various stakeholders in the affordable housing and design communities, including municipal social housing providers, non-profit housing providers, and assisted housing providers, to identify eligible projects.

145. Participants are guided through a series of activities to support the adoption of higher efficient building designs, including:

- Visioning Session between the design team and IDP workshop facilitator.
- Energy Modelling to create a baseline energy model to use during the IDP workshop and help set the energy performance target - details as outlined below under energy performance targets.
- IDP Workshop followed by an IDP workshop report that summarizes key outcomes for the design team.
- Technical assistance incentive of up to \$7,500 is provided to participants following completion of the IDP workshop to offset consulting fees incurred because of design team member attendance.
- Energy performance incentive of \$1,000 per affordable housing unit, to a maximum of \$120,000 per project is provided to participants whose project designs meet the IDP Efficiency Target. 50% of the incentive is payable at the time of the building permit application, based on the energy performance of the design submitted for permit, and the remaining 50% is payable upon completion of construction, based on the energy performance of the as-built energy model.

146. Facilitation of IDP workshops and verification of energy performance of project designs at the permit and post-construction stages is conducted through contracted third-party delivery agents.

147. Energy Performance Targets: The energy performance targets reflect achievement equal to or above 20% better energy efficiency than required by the 2017 OBC.

148. In the case that a project will be constructed in a municipality that imposes a GDS requiring the achievement equal to or above 20% better than OBC, an incremental performance target of 5% above the respective GDS target is applied.

149. In the case a participant's baseline design prior to the IDP workshop is above code and/or any mandatory efficiency level set by the municipality, a performance target equivalent to the higher of 5% above the baseline or 20% above code is set.

150. For example, if the baseline project already achieves a 20% above code efficiency level, the target efficiency level for the participant is the achievement of at least 25% above code. Conversely, if the baseline project already achieves a 10% above code efficiency level, the standard 20% above code Affordable Housing Savings by Design IDP target stands.

Target Market

151. The offering is targeted to new construction affordable housing single family and multi-residential projects.

Eligibility Criteria

152. Project must be a new construction residential or multi-residential project or major renovation/change of use (OBC Part 3, Part 9, Part 10, Part 11).

153. Project site must be located within Enbridge Gas's franchise area.

154. Project must be in design development stage or the pre-development stage.

155. Project must be planning to complete construction within five years of signing the application form for multi-family projects, or within three years of signing the application form for single-family projects.

156. Participants are not required to connect to the natural gas system to participate in the offering.

157. Projects must qualify as Affordable Housing, including social housing providers, non-profit housing corporations and cooperatives, public housing corporations, supportive or transitional housing, shelters, hostels, or privately-owned market rate housing where at least 30% of units will be affordable (as defined by CMHC).

Incentive/Enabling Activities

158. Enbridge Gas pays the cost of the IDP workshop. In addition, Enbridge Gas provides a Technical Assistance Incentive of \$7,500 to the affordable housing provider to help offset the cost of professional consulting fees incurred by the housing provider to bring their design team to the workshop.

159. For both Part 3 and Part 9 developments, participants are eligible for an energy performance incentive of \$1,000 per affordable unit, up to a maximum of \$120,000 per project for meeting the offering's energy performance target (including any applicable stretch target). This incentive is provided to help offset the incremental cost of investing in higher energy efficiency measures and to motivate housing providers to follow through on implementing the design options discussed in the IDP workshop. For this reason, 50% of the incentive is payable at the time of building permit application, based on the energy performance of the design submitted for permit, and 50% is available upon completion of construction, based on the energy performance of the as-built model.

Metric

160. Number of participants that complete the IDP workshop and receive the Affordable Housing SBD report.

Gross Measurement

161. As defined for Metric.

7.4 Commercial Air Tightness Testing Offering

Offering Details

162. The Commercial Air Tightness Testing offering supports the new construction commercial community in adopting air tightness testing practices at crucial points in the pre-commissioning phase when air tightness can be measured and deficiencies in building envelope performance can be addressed that would otherwise have resulted in lower performance buildings and incremental energy consumption and costs to customers over the lifetime of the building. The Air Tightness Testing offering is delivered through a third-party delivery agent in coordination with internal Enbridge ESAs working collaboratively to identify, secure, and shepherd participants through the offering.

163. There are currently a limited number of practitioners with the knowledge, capability, and motivation to perform building air tightness testing. The Commercial Air Tightness Testing offering helps overcome these barriers by:

- Working with third-party experts to develop and articulate standard air tightness testing practices.
- Hosting training workshops and profiling case studies to grow market knowledge of best practices.
- Actively promoting qualified air tightness testing contractors through the offering to drive practitioner interest.
- Providing an incentive structure that motivates customers to actively engage in air tightness testing, creating demand for the service.

Target Market

164. Participants: Commercial Customers; Builders/Developers; Building Scientists / Engineering Firms / Architects.

165. Qualified Agents: Attendees must have work experience and/or educational background in building enclosure, energy modelling, architecture, sustainability, structural engineering and energy auditing.

Eligibility Criteria

166. Program participants:

- Commercial or multi-residential projects to be built subject to OBC Part 3, Part 10 or Part 11 building types.
- Project enclosure must be in a state to perform air tightness testing by the end of Q3 of 2025.
- Minimum threshold of 25,000 ft² contemplated per project as per application form.

167. Qualified agents:

- The training component of the offering is designed to support upskilling practitioners within the building envelope or building commissioning fields, and with an educational background in subjects including building enclosure, energy modelling, architecture, building sustainability, structural engineering, energy auditing, and general contracting.

Incentive/Enabling Activities

168. Program participants:

- Air Tightness Testing Incentive of \$0.50 per ft² to a maximum of \$30,000 per project, up to 80% of commissioning and reporting.
- Implementation Incentive to cover up to 50% of the cost to a maximum of \$15,000 for implementation initiatives to improve building envelope performance.

169. Qualified agents:

- Free educational air tightness testing virtual and in-person workshops delivered by contracted third-party facilitator.

Metric

170. The number of participants who implement air tightness testing and have submitted a copy of their air tightness testing report.

171. The number of qualified air tightness testing practitioners recruited and trained through the offering.

- To be considered a Qualified Agent participant, individuals must attend the workshop and complete the knowledge check testing.

Gross Measurement

172. As defined for Metric.

ELECTRIC HEAT PUMPS

1. This evidence is organized as follows:

1. Overview
2. Consumer Operational Economics of Electric Heat Pumps for Space Heating
3. Impacts to the Residential DSM Program

1. Overview

2. Enbridge Gas is proposing to continue offering incentives for electric cold climate air source heat pumps (“ccASHP”) for space heating as part of the 2026 DSM Residential Program. The proposal aligns with the overall approach to the 2026 DSM Plan Application (i.e., a one-year extension of the OEB-approved 2023-2025 DSM Plan, which included incentives for electric ccASHPs). The continuation of incentives for electric ccASHPs also supports consumer choice and preference regarding energy efficiency options, and enables continued collaboration with the Independent Electricity System Operator (“IESO”) through the one-window Home Renovation Savings (“HRS”) Program (where electric ccASHPs are a prominent component of the program).
3. It is important to note, however, that the Government of Canada’s decision to set the Federal Carbon Charge (“FCC”) to zero (effective April 1, 2025) has materially impacted the consumer operational economics of fuel switching from natural gas to electric ccASHPs for space heating. The purpose of this evidence is to provide an overview of the changing consumer operational economics of electric ccASHPs following the removal of the FCC, and the corresponding impacts to the Residential DSM Program.

2. Consumer Operational Economics of Electric Heat Pumps for Space Heating

4. The consumer operational economics of fuel switching from natural gas to electric ccASHPs for space heating, which excludes upfront equipment costs, is primarily an outcome of: (i) the variable price ratio of electricity to natural gas, and (ii) the efficiency of the equipment. This is described in further detail below.

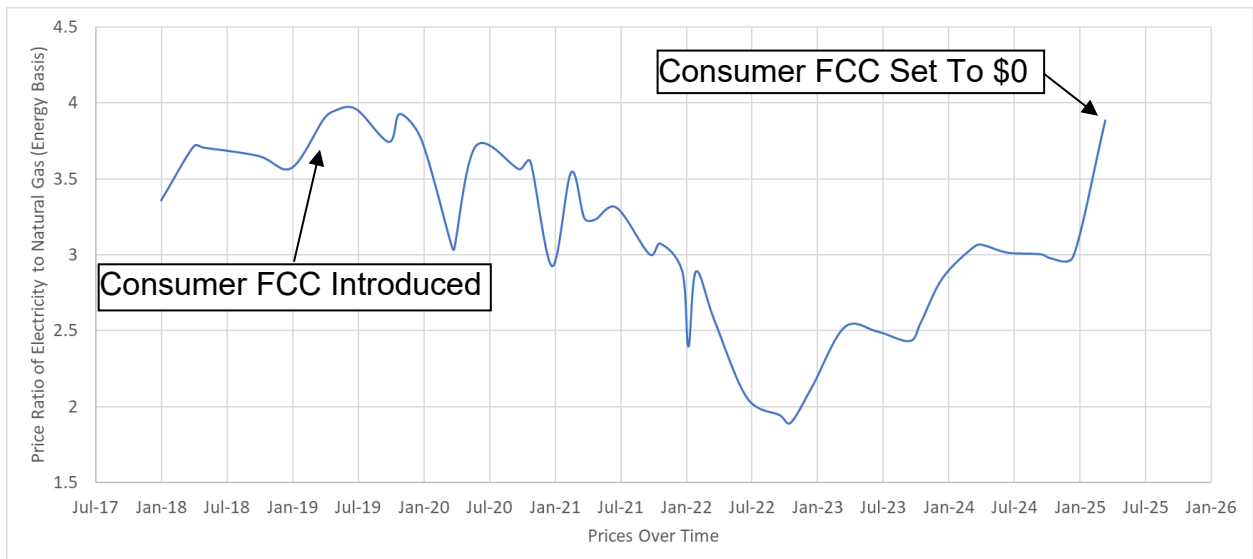
2.1 Variable Price Ratio of Electricity to Natural Gas

5. The variable price ratio of electricity to natural gas reflects the relationship between the variable price consumers pay for electricity versus the variable price consumers pay for natural gas, on an energetic basis. For example, if the variable price ratio of electricity to natural gas is 3, this means the variable price of electricity is three times as much as the variable price of natural gas, on an energetic basis.¹
6. Figure 1 illustrates the historical variable price ratio of electricity² to natural gas on an energetic basis, for a typical residential consumer in Toronto.

¹ The variable price ratio includes variable energy costs only. The variable price ratio does not include fixed energy costs or any capital costs associated with using the energy source.

² Including the Ontario Electricity Rebate.

Figure 1 – Historical Variable Price Ratio of Electricity to Natural Gas³



7. As displayed in Figure 1, for several years prior to the FCC being set to zero in April 2025 (i.e., between mid-2021 and early-2025) the variable price ratio of electricity to natural gas was between 2 and 3.5 for the typical residential consumer – this means the variable price of electricity was 2 to 3.5 times higher than the variable price of natural gas, on an energetic basis. With the FCC set to zero as of April 1, 2025, the variable price ratio of electricity to natural gas has increased to approximately 4 for the typical residential consumer – this means the variable price of electricity is now 4 times higher than the variable price of natural gas, on an energetic basis.

2.2 Equipment Efficiency

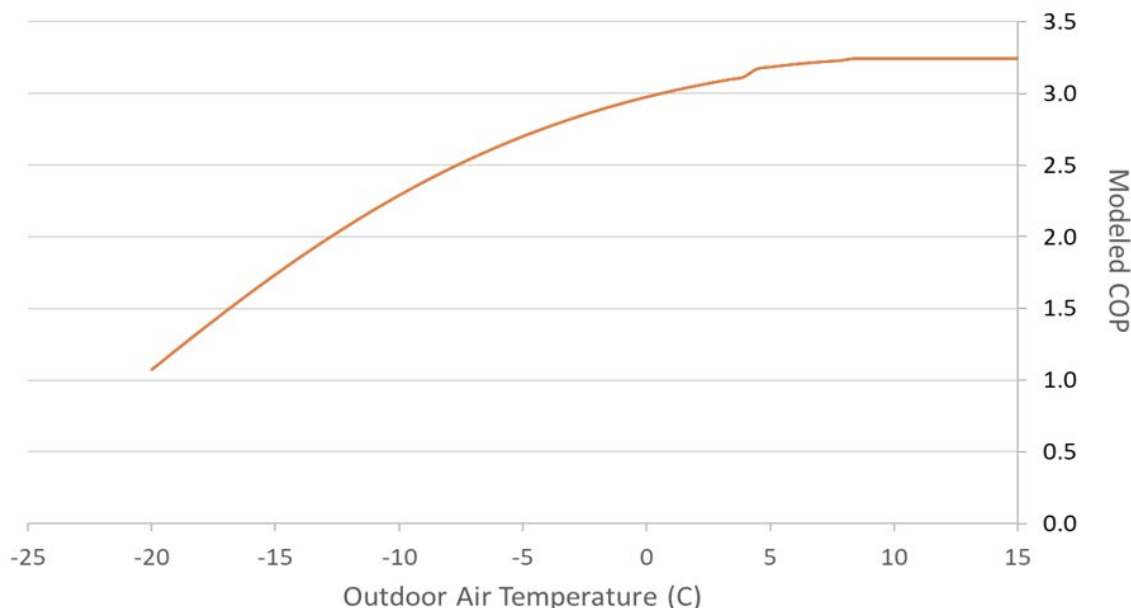
8. Electric ccASHPs operate by moving heat from one location to another (rather than generating heat through combustion, as is the case with natural gas furnaces). The efficiency of an electric ccASHP is commonly referred to as the coefficient of

³ It is important to note that the variable prices of electricity and natural gas used in Figure 1 reflect the variable prices for a typical residential consumer in Toronto and are provided for illustrative purposes only. The actual variable prices of electricity and natural gas for a specific consumer in Ontario can vary (for example, depending on the consumer's natural gas rate zone and/or their electricity rate, including as it relates to the time of day).

performance (“COP”). The COP is the effective efficiency of the equipment, reflecting the ratio of the heat output to the energy input. For example, a COP of 2 means two units of heat are output for every one unit of energy input. Electric ccASHPs can operate at COPs of higher than 2 for most of the heating season in Toronto, however their performance depends on the outdoor air temperature. Natural gas furnaces consistently produce nearly one unit of heat output for each unit of energy input regardless of the outdoor air temperature. This means that electric ccASHPs operate more efficiently than natural gas furnaces on an energetic basis.

9. Figure 2 illustrates the COP (y-axis) at different outdoor air temperatures (x-axis) for a typical electric ccASHP. As displayed in Figure 2, the COP of electric ccASHPs decreases as the outdoor air temperature decreases. This is because it becomes more energy intensive (less efficient) to move heat from the colder outdoor air temperature to the desired indoor air temperature.

Figure 2 – COP Curve for a Typical Electric ccASHP⁴



2.3 Variable Price Ratio of Electricity to Natural Gas vs. Equipment Efficiency

10. In general, in order for consumers to realize meaningful operational energy cost savings when fuel switching from natural gas to an electric ccASHP for space heating, the electric ccASHP is required to operate at a COP that exceeds the electricity to natural gas price ratio. If the electric ccASHP operates at a COP below the electricity to natural gas price ratio, the consumer could realize higher operational energy costs for space heating after converting to an electric ccASHP from natural gas.⁵

⁴ The COP curve is based on data from the Northeast Energy Efficiency Partnership (“NEEP”) database for electric ccASHPs for various equipment configurations. The COP curve also includes impacts of defrost cycle energy as standard COP curves will not include defrost cycle energy. The defrost cycle is when the electric ccASHP uses energy to prevent ice build-up on the exterior coils that would degrade the performance of the equipment. The energy used in the defrost cycle results in an operational cost to the consumer and therefore needs to be accounted for in the performance of the equipment.

⁵ This considers variable energy costs associated with space heating only. Fixed energy cost savings associated with full electrification extends beyond fuel switching for space heating (i.e., including fuel switching for water heating, appliances, etc.). Based on Enbridge Gas’s experience through its residential DSM program, almost all participant homes that install an electric ccASHP maintain their natural gas service.

11. As can be seen by comparing Figure 1 to Figure 2, there are no outdoor air temperatures where the COP of a typical electric ccASHP exceeds the current electricity to natural gas variable price ratio of 4. This means that, in general, consumers pay more in operational energy costs for space heating after converting to an electric ccASHP from natural gas.

3. Impacts to the Residential DSM Program

12. One of the main objectives of ratepayer funded DSM is to drive meaningful natural gas savings.⁶ The natural gas savings associated with a Residential DSM Program participant installing an electric ccASHP to displace natural gas-fired space heating depends on how the consumer chooses to operate the electric ccASHP (i.e., consumer behaviour). In turn, those choices can be influenced by the operational economics of using electric ccASHPs compared to natural gas furnaces (i.e., consumer operational economics). This is described in further detail below.

3.1 Consumer Behaviour

13. The amount of natural gas savings that a residential consumer realizes from operating an electric ccASHP for space heating using a hybrid system (i.e., natural gas furnace and electric ccASHP system) depends on the outdoor temperature at which the consumer switches from operating their electric ccASHP to operating their natural gas furnace (referred to as the outdoor switch-over temperature – above which the electric ccASHP is used for space heating and below which the natural gas furnace is used for space heating). Table 1 displays the annual natural gas savings that a typical Toronto residential consumer can realize by operating an electric ccASHP instead of a natural gas furnace, at various outdoor switch-over temperatures.

⁶ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.1.

Table 1
Annual Natural Gas Savings vs. Outdoor Switch-Over Temperature for a
Typical Residential Consumer in Toronto

Line No.	Outdoor Switch-Over Temperature	Annual Natural Gas Savings from Operating Electric ccASHP Above Outdoor Switch-Over Temperature
1	10 °C	25 m ³
2	5 °C	250 m ³
3	0 °C	760 m ³
4	-5 °C	1370 m ³
5	-10 °C	1675 m ³
6	-16 °C ⁷	1765 m ³

14. As illustrated in Table 1, the lower the outdoor switch-over temperature that is set by the consumer, the more hours in a year the electric ccASHP will be used instead of the natural gas furnace and, therefore, the higher the annual natural gas savings will be. Importantly, as described below, consumer operational economics can influence how consumers operate their electric ccASHP (in other words, which outdoor switch-over temperature they select).

3.2 Consumer Operational Economics

15. As discussed in Section 2 above, as a result of the removal of the FCC, there are currently no outdoor air temperatures where the COP of a typical electric ccASHP exceeds the current electricity to natural gas variable price ratio of 4. In other words, there may be few or no hours in a year where operating an electric ccASHP is less expensive than operating a natural gas furnace for space heating.

16. Furthermore, as illustrated in Figure 2, the lower the outdoor air temperature the lower the COP of the electric ccASHP. With the variable price ratio remaining constant regardless of outdoor air temperature, this means the lower the outdoor

⁷ Assuming all days in the year are above -16 °C, this scenario can be used to estimate the annual natural gas savings from using an electric ccASHP exclusively for space heating.

temperature the less economic it is for consumers to operate an electric ccASHP instead of a natural gas furnace for space heating.

17. The consumer operational economics of electric ccASHPs can influence how consumers operate their electric ccASHP (in other words, which outdoor switch-over temperature they select). In the scenario where there are no outdoor air temperatures where it is economic for consumers to operate their electric ccASHP instead of their natural gas furnace for space heating, consumers might not operate their electric ccASHP for space heating at all, which would result in no annual natural gas savings.
18. Despite the data suggesting that it is uneconomic for a typical consumer to operate their electric ccASHP at any temperature, in some instances a consumer may still choose to operate their electric ccASHP. Since the lower the outdoor temperature the less economic it is for consumers to operate their electric ccASHP, if a consumer were to operate their electric ccASHP they could be influenced to choose a relatively high outdoor switch-over temperature. A relatively high outdoor switch-over temperature would result in the electric ccASHP operating for limited hours in the year, and the consumer will therefore realize limited annual natural gas savings.⁸

3.3 Impacts to the Residential DSM Program

19. The Residential DSM Program currently provides an incentive of \$500 per ton of heat pump capacity for electric ccASHPs, or about \$1,000 for a typical electric ccASHP that is replacing an air conditioner (i.e., a 2-ton electric ccASHP). The incentive intends to cover approximately 50% of the incremental cost of the electric ccASHP compared to a similar capacity air conditioner. This leaves consumers with

⁸ For example, as can be seen in Table 1, operating an electric ccASHP at an outdoor switch-over temperature of 5°C would result in approximately 250 m³ of annual natural gas savings for a typical home in Toronto.

the requirement to pay for the remaining portion of the incremental cost for the electric ccASHP.

20. As discussed above, with potentially little to no savings being realized by operating an electric ccASHP for space heating, many consumers may not be willing to pay their portion of the upfront cost associated with the installation of an electric ccASHP. As a result, natural gas heated consumers who are economically focused could be less likely to participate, which would negatively impact the uptake of electric ccASHP incentives in the Residential DSM Program.
21. In order to generate natural gas savings forecasts for the Residential DSM Program, Enbridge Gas is required to make assumptions about how many participants will choose to install an electric ccASHP, as well as how those consumers will operate their electric ccASHP (i.e., whether they will operate the electric ccASHP for space heating, and if they do, at what outdoor switch-over temperature will they operate it). If consumers choose to operate their electric ccASHP for space heating at higher outdoor temperatures than assumed by Enbridge Gas (or choose not to use it for space heating at all), actual natural gas savings will be lower than forecasted, resulting in a higher program cost per unit of natural gas saved than forecasted.
22. The interrelated factors discussed above regarding electric ccASHPs (i.e., how consumer behaviour regarding the outdoor switch-over temperature impacts actual natural gas savings, and how the consumer's operational economics can influence this behaviour) demonstrates the significant challenges associated with forecasting participation and natural gas savings for the Residential DSM Program as it relates to electric ccASHPs.

23. Additionally, to ensure residential consumers are fully informed when making energy efficiency decisions for their home, the HRS Program website began providing a disclaimer regarding the potential consumer operational economics of electric ccASHPs. The disclaimer makes it clear that, with the FCC set to zero, the installation of an electric ccASHP could result in little to no energy cost savings for consumers, or in some cases, could increase their overall energy costs. See Exhibit C, Tab 2, Schedule 2, Attachment 1 for the disclaimer that is currently provided. This disclaimer may be updated over time.

HRS PROGRAM WEBSITE – DISCLAIMER REGARDING ELECTRIC HEAT PUMPS

Effective April 1, 2025, the Federal Carbon Charge (FCC) under the Greenhouse Gas Pollution Pricing Act has been set to zero. This action has changed the cost spread between natural gas and electricity significantly **[Footnote 1]**. As a result, this changes the economics of electric heat pump operation, particularly for natural gas customers who are looking to offset some or all of their space heating energy consumption with an electric heat pump. Natural gas customers who have installed or are planning to install an electric heat pump for space heating may experience increases in their home's total energy bills **[Footnote 2]**. The homeowner should work with their HVAC Contractor to ensure their equipment and controls have been/will be installed and set-up to meet their specific goals for space heating.

[Footnote 1]

The fuel price spread in Ontario without the FCC and including the Ontario Electricity Rebate (OER) is approximately 4:1 as of May 1, 2025. This means that electricity energy costs are approximately 4 times those of natural gas energy costs per unit of equivalent energy. This cost spread reflects energy pricing only and is based on the below published resources:

Electricity rates as of May 1, 2025, for select cities in ON:

- [Toronto Hydro](#)
- [London Hydro](#)
- [Thunder Bay](#)

Natural Gas supply prices as of May 1, 2025, for EGI rate zones in Ontario:

- [Enbridge Gas Distribution rate zone](#)
- [Union Rate Zones \(South, North East, North West\)](#)

To compare prices per unit of equivalent energy, measurements for natural gas consumption (m³) are converted into the same energy basis as electricity (kWh). [See conversion factors published by the Canada Energy Regulator.](#)

[Footnote 2]

The consumer economics of fuel switching from natural gas to electricity are largely dependent on the fuel price spread, the efficiency of the heat pump, and the difference in costs of purchasing and installing a heat pump relative to a conventional gas heating system.

The efficiency of heat pumps, which is expressed as a coefficient of performance (COP), typically ranges from 2-4 for air source heat pumps (Plumbing and HVAC Magazine, Edition: The Contractor's Guide to Heat Pumps, pg 7, April 2025). This translates to an effective efficiency of 200%-400%, meaning that for every unit of electricity used, the heat pump moves 2-4 units of heat into the home.

The efficiency of natural gas furnaces is expressed as Annual Fuel Utilization Efficiency (AFUE). The average high efficiency natural gas furnace has an AFUE between 90% - 98.5% (<https://www.energy.gov/energysaver/furnaces-and-boilers>). This means that the furnace converts 90-98.5% of the energy in the natural gas into heat for the home.

To illustrate the potential residential energy costs of producing the equivalent heat content using an air source heat pump vs. a natural gas furnace, please see the chart below. This chart is based on approximate residential electricity prices from Toronto Hydro (using a weighted average price per kWh of \$0.124/kWh) and natural gas prices (\$0.309/m³ in the Enbridge Gas Distribution rate zone which translates to equivalent energy costs of ~\$0.030/kWh). Energy prices may differ depending on where you are located in the province, whether you are under the OEB's regulated price plan for electricity, your natural gas rate class, and who your electricity and natural gas

providers are. **The chart is provided for illustrative purposes only and is not intended to represent energy cost impacts specific to your property. Note that fixed monthly charges for electricity and natural gas are not included in this comparison.**

Equipment Type	Heat Energy to Home	Efficiency	Energy Used	Energy Cost (energy used x energy costs)
Electric Air Source Heat Pump	2,000 kWh	200%	1,000 kWh	~ \$124.00
Electric Air Source Heat Pump	2,000 kWh	400%	500 kWh	~ \$62.00
High Efficiency Natural Gas Furnace	2,000 kWh	90%	2,222 kWh	~ \$66.67
High Efficiency Natural Gas Furnace	2,000 kWh	98.5%	2,030 kWh	~ \$60.91

2025 DSM PROGRAM COST EFFECTIVENESS

1. Table 1 provides the 2025 TRC-Plus net benefits and ratio forecasts at the portfolio, program, and offering levels. As can be seen in Table 1, the overall 2025 DSM portfolio is forecast to result in a TRC-Plus ratio of greater than 1.0. Furthermore:
 - a. The 2025 Residential Program is forecast to result in a TRC-Plus ratio below 1.0.
 - b. The 2025 Low Income Program is forecast to result in a TRC-Plus ratio above the 0.7 threshold for low income programs as per the DSM Framework.¹
 - c. The 2025 Commercial, Industrial and Large Volume Programs are forecast to result in TRC-Plus ratios above 1.0.
 - d. The 2025 Energy Performance Program is forecast to result in a TRC-Plus ratio below 1.0.
2. The TRC-Plus test is not applicable to the Building Beyond Code Program and is therefore not included in Table 1. As per the DSM Framework:

Some programs, such as market transformation and pilot programs are not amenable to a mechanistic screening approach and should be reviewed on a case-by-case basis instead.²

¹ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p. 31.

² EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p. 26.

Table 1
2025 TRC-Plus and Net Benefits Forecast

2025 TRC-Plus Forecast	TRC-Plus Benefits ^{1 2 3}	TRC Costs ^{1 2 3}	Net Benefits ⁴	TRC-Plus Ratio
Residential Program ⁵	\$129,871,619	\$209,271,757	(\$79,400,139)	0.62
<i>Residential Whole Home</i>	\$93,491,507	\$176,955,600	(\$83,464,093)	0.53
<i>Residential Single Measure</i>	\$10,442,027	\$15,703,943	(\$5,261,916)	0.66
<i>Residential Smart Home</i>	\$25,938,084	\$14,392,624	\$11,545,460	1.80
<i>Residential Sector Admin</i>	\$0	\$2,219,590	(\$2,219,590)	-
Low Income Program	\$23,244,929	\$28,155,390	(\$4,910,461)	0.83
<i>Home Winterproofing</i>	\$17,234,410	\$19,970,700	(\$2,736,290)	0.86
<i>Affordable Housing Multi-Residential</i>	\$6,010,519	\$6,641,865	(\$631,346)	0.90
<i>Low Income Sector Admin</i>	\$0	\$1,542,825	(\$1,542,825)	-
Commercial Program	\$74,867,020	\$49,378,951	\$25,488,069	1.52
<i>Commercial Custom</i>	\$37,138,910	\$23,026,264	\$14,112,646	1.61
<i>Com/Ind Prescriptive Downstream</i>	\$12,453,793	\$7,679,508	\$4,774,284	1.62
<i>Com/Ind Prescriptive Direct Install</i>	\$18,235,294	\$8,345,215	\$9,890,079	2.19
<i>Com/Ind Prescriptive Upstream</i>	\$7,039,023	\$6,006,853	\$1,032,170	1.17
<i>Commercial Sector Admin</i>	\$0	\$4,321,111	(\$4,321,111)	-
Industrial Program	\$164,465,735	\$89,280,211	\$75,185,524	1.84
<i>Industrial Custom</i>	\$164,465,735	\$85,268,517	\$79,197,218	1.93
<i>Industrial Sector Admin</i>	\$0	\$4,011,694	(\$4,011,694)	-
Large Volume Program	\$12,604,817	\$2,026,785	\$10,578,032	6.22
<i>Large Volume Direct Access</i>	\$12,604,817	\$1,785,469	\$10,819,348	7.06
<i>Large Volume Sector Admin</i>	\$0	\$241,316	(\$241,316)	-
Energy Performance Program	\$315,918	\$568,026	(\$252,108)	0.56
<i>Commercial Whole Building P4P</i>	\$315,918	\$522,683	(\$206,765)	0.60
<i>Energy Performance Sector Admin</i>	\$0	\$45,343	(\$45,343)	-
Total Portfolio ⁶	\$405,370,037	\$397,735,984	\$7,634,054	1.02

Notes:

¹ Forecast TRC-Plus benefits and TRC costs are calculated using current 2025 avoided costs.

² Electric costs and benefits do not include the variable costs of electric local distribution companies.

³ Programs delivered in collaboration with the IESO share benefits and costs. The attribution of these benefits and costs are not reflected in the forecast.

⁴ Net benefits are the difference between the TRC-Plus benefits and the TRC costs.

⁵ The Residential Program TRC-Plus forecast includes adjustments to the costs and savings of windows to address an item identified in the Evaluation Contractor's 2023 report.

⁶ The Total Portfolio row includes TRC costs for portfolio overheads as well as Building Beyond Code Program costs.

3. Regarding the Residential Program, it is important to note the effect that the HER+ Offering has on the cost-effectiveness of the 2025 Residential Program.³ For illustrative purposes, Table 2 provides a version of the 2025 TRC-Plus forecast excluding the HER+ Offering. As can be seen in Table 2, the Residential Program's TRC-Plus forecast is significantly improved, with TRC-Plus net benefits approximately \$50 million higher than in Table 1.

³ Although NRCan discontinued new entrants into the Canada Greener Homes Grant in Q1 2024, many participants who were already enrolled in the Canada Greener Homes Grant have completed or are expected to complete their participation throughout 2025.

Table 2
2025 TRC-Plus and Net Benefits Forecast (Excluding HER+ Offering)

2025 TRC-Plus Forecast	TRC-Plus Benefits ^{1 2 3}	TRC Costs ^{1 2 3}	Net Benefits ⁴	TRC-Plus Ratio
Residential Program ⁵	\$88,875,939	\$117,819,951	(\$28,944,012)	0.75
<i>Residential Whole Home (excl. HER+)</i>	\$52,495,827	\$85,503,794	(\$33,007,967)	0.61
<i>Residential Single Measure</i>	\$10,442,027	\$15,703,943	(\$5,261,916)	0.66
<i>Residential Smart Home</i>	\$25,938,084	\$14,392,624	\$11,545,460	1.80
<i>Residential Sector Admin</i>	\$0	\$2,219,590	(\$2,219,590)	-
Low Income Program	\$23,244,929	\$28,155,390	(\$4,910,461)	0.83
<i>Home Winterproofing</i>	\$17,234,410	\$19,970,700	(\$2,736,290)	0.86
<i>Affordable Housing Multi-Residential</i>	\$6,010,519	\$6,641,865	(\$631,346)	0.90
<i>Low Income Sector Admin</i>	\$0	\$1,542,825	(\$1,542,825)	-
Commercial Program	\$74,867,020	\$49,378,951	\$25,488,069	1.52
<i>Commercial Custom</i>	\$37,138,910	\$23,026,264	\$14,112,646	1.61
<i>Com/Ind Prescriptive Downstream</i>	\$12,453,793	\$7,679,508	\$4,774,284	1.62
<i>Com/Ind Prescriptive Direct Install</i>	\$18,235,294	\$8,345,215	\$9,890,079	2.19
<i>Com/Ind Prescriptive Upstream</i>	\$7,039,023	\$6,006,853	\$1,032,170	1.17
<i>Commercial Sector Admin</i>	\$0	\$4,321,111	(\$4,321,111)	-
Industrial Program	\$164,465,735	\$89,280,211	\$75,185,524	1.84
<i>Industrial Custom</i>	\$164,465,735	\$85,268,517	\$79,197,218	1.93
<i>Industrial Sector Admin</i>	\$0	\$4,011,694	(\$4,011,694)	-
Large Volume Program	\$12,604,817	\$2,026,785	\$10,578,032	6.22
<i>Large Volume Direct Access</i>	\$12,604,817	\$1,785,469	\$10,819,348	7.06
<i>Large Volume Sector Admin</i>	\$0	\$241,316	(\$241,316)	-
Energy Performance Program	\$315,918	\$568,026	(\$252,108)	0.56
<i>Commercial Whole Building P4P</i>	\$315,918	\$522,683	(\$206,765)	0.60
<i>Energy Performance Sector Admin</i>	\$0	\$45,343	(\$45,343)	-
Total Portfolio ⁶	\$364,374,357	\$306,384,177	\$57,990,180	1.19

Notes:

¹ Forecast TRC-Plus benefits and TRC costs are calculated using current 2025 avoided costs.

² Electric costs and benefits do not include the variable costs of electric local distribution companies.

³ Programs in collaboration with the IESO share benefits and costs. The attribution of these benefits and costs are not reflected in the forecast.

⁴ Net benefits are the difference between the TRC-Plus benefits and the TRC costs.

⁵ The Residential Program TRC-Plus Forecast includes adjustments to the costs and savings of windows to address an item identified in the Evaluation Contractor's 2023 report.

⁶ The Total Portfolio row includes TRC costs for portfolio overheads as well as Building Beyond Code Program costs.

4. It is also important to note the effect that the Government of Canada's decision to set the Federal Carbon Charge to zero (effective April 1, 2025) has on the cost-effectiveness of the 2025 Residential Program and the overall DSM portfolio. For illustrative purposes, including the Federal Carbon Charge in the 2025 cost-effectiveness forecast would result in a Residential Program TRC-Plus ratio of 1.15 and an overall DSM portfolio TRC-Plus ratio of 1.84 (compared to 0.62 and 1.02, respectively, as per Table 1).
5. Over the course of the 2023-2025 DSM Plan term, other changes have also impacted the cost-effectiveness of Enbridge Gas's DSM programs. For example, Enbridge Gas has made adjustments to the Residential Whole Home Offering in an effort to improve the cost-effectiveness of the Residential Program (for example, by decreasing the relative incentive for windows and doors). Furthermore, Enbridge Gas made changes to its electricity avoided costs (as discussed in Section 2 at Exhibit C, Tab 3, Schedule 1) in alignment with the IESO's electricity avoided costs.
6. All 2025 TRC-Plus figures provided by Enbridge Gas are forecasts only. While forecasts always carry a degree of uncertainty, the uncertainty associated with the 2025 cost-effectiveness forecasts is greater than usual. For example, as a result of the removal of the Federal Carbon Charge effective April 1, 2025, consumer economics and consumer uptake in energy efficiency measures is expected to be impacted across all sectors. As the removal of the Federal Carbon Charge is relatively recent, the impact it will have on consumer behaviour is not yet fully understood, which increases forecasting uncertainty. For the residential sector in particular, the removal of the Federal Carbon Charge has impacted the consumer operational economics of electric heat pumps which, in turn, can impact how many consumers will choose to install an electric heat pump and how those customers will choose to operate their electric heat pump. These consumer choices will significantly impact natural gas savings and cost effectiveness related to electric heat pumps and

the Residential Program (see Exhibit C, Tab 2, Schedule 2 for a further discussion regarding electric heat pumps). Additionally, regarding the commercial and industrial sectors, the evolving nature of the United States's new trade policy objectives as of January 2025 is impacting consumer investment decisions, also increasing forecasting uncertainty.

CHANGES FROM 2023-2025 DSM PLAN

1. This evidence is organized as follows:
 1. Changes to Programs and Offerings
 - 1.1 Residential Program
 - 1.2 All Other Programs
 2. Changes to Avoided Costs
 3. Impact of Changes
 - 3.1 Annual Budgets
 - 3.2 Targets
 - 3.3 Cost-Effectiveness
 4. 2025 DSM Activities Align with OEB-approved 2023-2025 DSM Plan
 5. In-Depth Review for 2026 Is Not Necessary or Appropriate

1. Changes to Programs and Offerings

2. Key elements of OEB-approved 2023-2025 DSM programs include the target market, offering details and delivery approach, eligibility criteria, incentives and measures, metrics, and gross measurement. Sections 1.1 and 1.2 describe how these key elements have changed since the OEB issued its 2023-2025 DSM Plan Decision. Exhibit C, Tab 3, Schedule 1, Attachment 1 provides a summary of changes in a table format.¹

¹ The information provided throughout Exhibit C, Tab 3, Schedule 1 including Attachment 1 has been prepared on a best-efforts basis to illustrate changes between the OEB-approved 2023-2025 DSM Plan and 2025 DSM activities as they are delivered today. While the information is accurate and comprehensive, there may be minor aspects not captured in the information that do not affect the fundamental design or purpose of the programs. Where a program component is identified as having no change, this should be interpreted as no material or fundamental change relative to the OEB-approved program; some variations may exist, however, they are not considered to alter the fundamental nature of the programs.

1.1. Residential Program

3. The target market, eligibility criteria, metrics, and gross measurement methodologies have not changed for the Residential Program. Changes impacting offering details and delivery approach, and incentives and measures, are described below.
4. Within Enbridge Gas's 2022-2027 DSM Plan Application (EB-2021-0200), the Company proposed residential DSM programming that did not contemplate funding support from the Federal Government's Canada Greener Homes Grant ("CGHG"), as no agreement with Natural Resources Canada ("NRCan") had been reached at the time of filing. During the course of the DSM Plan proceeding, Enbridge Gas executed and filed a contribution agreement between NRCan and the Company setting out the parameters of a joint program offering called the Home Efficiency Rebate Plus ("HER+") Offering which included CGHG funding from NRCan. The OEB's 2023-2025 DSM Plan Decision approved residential whole-home DSM programming and the jointly funded whole home residential offering (i.e., the HER+ Offering), subject to certain modifications. The OEB also approved the Single Measure Offering and the Smart Home Offering.
5. The Residential Program has evolved since the OEB issued its 2023-2025 DSM Plan Decision in three significant ways:
 - a) Early end to HER+ Offering participant intake in 2024;
 - b) Launch of a replacement whole home offering in 2024 (the Home Efficiency Rebate Offering or the "HER" Offering); and,
 - c) Launch of the Home Renovation Savings ("HRS") Program in 2025, a one-window residential program offering funded and operated by Enbridge Gas and the IESO.

- i. This included changes to the Single Measure Offering and the Smart Home Offering to support the evolution of the Residential Program.

Early End to HER+ Offering Participant Intake in 2024

6. The HER+ Offering proved to be extremely successful throughout Ontario and, as a result of high levels of participation, funding for the CGHG was forecast to be exhausted earlier than expected. Consequently, intake into the offering was closed to new applicants in early 2024.

Launch of a Replacement Whole Home Offering in 2024

7. As a result of the CGHG funding being exhausted, Enbridge Gas filed a letter on April 22, 2024, notifying the OEB of its intentions for a replacement whole home offering:

Enbridge Gas plans to implement a replacement residential whole-home DSM offering – the home efficiency rebate (“HER”) offering – which is similar in nature to the HER+ offering. The HER offering will include the same pre-audit and post-audit format and the same gross measurement methodology as the HER+ offering. There will be no changes to the requirement for participants to be a natural gas customer at the time of the pre-audit or post-audit, allowing for community expansion customers to participate and for existing natural gas customers to participate if they exit the natural gas system. Additionally, no incentives will be made available for natural gas equipment. The HER offering would use the HER+ offering budget and there are no changes required to the residential program score card target for 2024 or 2025.²

...

Enbridge Gas acknowledges that any residential offerings that replace the HER+ offering would be subject to the same DSMVA 15% maximum overspend provision applicable to all other DSM programs as provided in the OEB’s Natural Gas DSM Framework. As a result, the HER offering would not be entitled to and

² EB-2021-0002, Enbridge Gas Letter, April 22, 2024, pp.2-3.

is not approved for incremental spending above the DSMVA 15% overspend provision, as was the case for the HER+ offering specifically.³

8. The purpose of the above language was to make it clear that Enbridge Gas intended to operate the Residential Whole Home Offering (under the HER Offering name) using the 2025 Residential Whole Home Offering budget that was approved by the OEB in its 2023-2025 DSM Plan Decision. Enbridge Gas would do so in a manner consistent with the DSM Framework which provides the option to spend 15% above the approved annual DSM budget, recorded in the DSM Variance Account (“DSMVA”), provided the Company forecasts achieving its weighted scorecard targets (i.e., 100%) on an unverified basis. Enbridge Gas made it clear that the removal of the 15% ceiling (which the OEB removed to support the joint offering with NRCan) would not apply to the replacement HER Offering.

9. Enbridge Gas also brought the following to the OEB’s attention:

HER+ Offering DSMVA Overspend

To support the high levels of participation for the HER+ offering, Enbridge Gas will be required to access funding in excess of the DSMVA 15% overspend provision. Within the OEB Decision the OEB contemplated a scenario where HER+ offering participation was greater than anticipated (due to more overall participants or average participant incentives being greater than forecast) and approved incremental spending above the 15% overspend provision for the HER+ offering specifically. Enbridge Gas anticipates that the overspend amount for the HER+ offering will be \$80 million to \$120 million above the HER+ offering budget in 2024. The total HER+ offering spend is therefore expected to be between \$160 million and \$200 million in 2024.⁴

³ EB-2021-0002, Enbridge Gas Letter, April 22, 2024, p.4.

⁴ EB-2021-0002, Enbridge Gas Letter, April 22, 2024, p.5.

10. This was alerting the OEB and all parties to the fact that the success of the HER+ Offering was such that the spending, the vast majority of which was on customer incentives, was substantially more than the budget approved for the relevant years. This additional spending was made given the OEB's determination in the 2023-2025 DSM Plan Decision that the 15% overspend ceiling for the purposes of the HER+ Offering did not apply.
11. Within the letter Enbridge Gas also provided further details regarding the replacement HER Offering and sought the OEB's confirmation that its approval of residential whole-home DSM programming within its 2023-2025 DSM Plan Decision extended to the replacement offering.
12. On June 10, 2024, Mr. Brian Hewson, Vice-President, Consumer Protection & Industry Performance with the OEB, responded to Enbridge Gas's letter and set out OEB staff's view that the Company's proposed replacement HER offering is consistent with the OEB's 2023-2025 DSM Plan Decision and that no further approval is needed for Enbridge Gas to proceed with the HER Offering.⁵
13. On June 19, 2024, Enbridge Gas filed a letter stating that the Company anticipates that it will launch the replacement HER Offering in July 2024. In July 2024, Enbridge Gas launched the HER Offering.

Launch of the Home Renovation Savings ("HRS") Program in 2025

14. A one-window natural gas and electricity offering for residential customers is a priority of the Government of Ontario as evidenced by Ministerial directives to the

⁵ OEB Staff, Response to Enbridge Gas Letter, June 10, 2024.

OEB to consult with⁶ and “work with the IESO and Enbridge Gas to deliver a customer-focused one-window platform for energy efficiency programs”.⁷

15. Enbridge Gas and the IESO have worked closely together to design and implement a one-window approach to residential DSM programming. On January 7, 2025, the Government of Ontario announced new energy efficiency programs, including the new one-window HRS Program. Subsequently, an HRS Program website was established and the HRS Program launched on January 28, 2025.⁸ From a consumer-facing perspective, Enbridge Gas began transitioning the Residential Program (inclusive of the HER Offering) to the HRS Program in 2025.

16. The HRS Program is a collaborative effort between Enbridge Gas and the IESO to align energy efficiency programming and provide a single journey for participating residential customers in Ontario, whether they are installing measures that save natural gas, electricity, or both. The HRS Program provides residential customers with a single platform to access incentives for all home energy efficiency upgrades, available through both Enbridge Gas’s Residential DSM Program and the IESO’s Residential Save on Energy conservation program.⁹ The HRS Program includes joint marketing, consolidated payment processing and a single program evaluation process.

17. The HRS Program includes the OEB-approved residential DSM offerings from Enbridge Gas’s Residential Program¹⁰ (i.e., the Residential Whole Home Offering, the Residential Single Measure Offering, and the Residential Smart Home Offering).

⁶ Minister of Energy and Electrification, Letter of Direction to OEB, November 29, 2023, p. 4.

⁷ Minister of Energy and Electrification, Renewed Letter of Direction to OEB, December 19, 2024, p. 6.

⁸ <https://www.homerenovationsavings.ca/>

⁹ IESO’s Save On Energy may include some residential-targeted local initiatives that are not part of the HRS Program.

¹⁰ Details regarding the Residential Program can be found at Exhibit C, Tab 2, Schedule 1, Section 1.

In essence, the Residential DSM Program is simply being delivered under a new brand name that also provides residential customers with incentives for electricity measures (funded and delivered by the IESO).

18. The HRS Program is jointly funded by Enbridge Gas's natural gas ratepayer-funded DSM budgets and through a \$10.9 billion, 12-year funding commitment from the Ontario government to the IESO as part of a new electricity Demand Side Management ("eDSM") Framework, that began January 2025.

19. Regarding funding for incentives:

- a) Where a participant is an Enbridge Gas customer and heats their home with natural gas, and is connected to the IESO grid, all incentives are fully funded by Enbridge Gas – except for the home assessment, windows/doors, and air sealing, where the incentive funding is shared between Enbridge Gas and the IESO.
- b) Where a participant heats their home with electricity, propane, oil, or wood, and is connected to the IESO grid, all incentives are fully funded by the IESO.
- c) Where a participant is an Enbridge Gas customer and heats their home with natural gas, and is not connected to the IESO grid,¹¹ all incentives are fully funded by Enbridge Gas.

20. A complete breakdown of the HRS Program incentives including incentive funding is provided at Exhibit C, Tab 2, Schedule 1, Table 2.

¹¹ Cornwall Electric customers who heat their homes with electricity, propane, oil, or wood are connected to the Hydro-Québec electricity grid and are not eligible to participate unless they are converting to or from Enbridge Gas for space heating.

21. Regarding funding for program administration activities, costs are expected to be shared equitably between Enbridge Gas and the IESO for activities that support both parties' respective energy efficiency plans. Enbridge Gas and the IESO are in the process of finalizing the agreement, based on current OEB approvals for 2025 DSM activities and the DSM Framework. The agreement may be amended from time to time by mutual consent.
22. The attribution of savings from the HRS Program follows the DSM Framework for coordination between Enbridge Gas and the IESO; specifically, that natural gas savings are attributed to Enbridge Gas while electricity savings are attributed to the IESO.¹²
23. Collaboration through the HRS Program does not fundamentally impact Enbridge Gas's DSM Plan, including budgets and targets, as homes that are primarily heated with natural gas are primarily supported by Enbridge Gas's Residential DSM Program and homes that are primarily heated with electricity, propane, oil, or wood are supported by the IESO. The value of the collaboration lies in simplifying the customer experience by providing a single access point to available incentives, regardless of the customer's primary heating fuel. As noted above, Enbridge Gas's Residential DSM Program is simply being delivered under a new brand name that also delivers IESO-funded programming. While the HRS Program provides incentives to residential consumers on behalf of both Enbridge Gas and the IESO, the IESO components of the program are outside the scope of Enbridge Gas's DSM Plan.

¹² EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.13.

Changes to the Single Measure Offering and the Smart Home Offering to Support the Evolution of the Residential Program

24. The concept of the OEB-approved Residential Single Measure Offering is to provide simplified, single measure alternatives to the Residential Whole Home Offering (which requires pre and post energy assessments to participate). Electric heat pumps for space heating were originally included in the Residential Whole Home Offering (under the HER+ Offering name and subsequently the HER Offering name) in 2023 and 2024 but were moved to the Residential Single Measure Offering effective January 2025 when the HRS Program was launched. This change streamlines the delivery approach of these measures through the one-window HRS Program and provides more predictable savings values by using prescriptive input assumptions as part of a Technical Resource Manual (“TRM”) substantiation document.
25. Aligning requirements for the HRS Program and moving to prescriptive input assumptions changed some of the eligible heat pump incentives and measures compared to those previously included in the Residential Whole Home Offerings (HER+ and HER Offerings), as outlined below:
- a) Electric air source heat pumps (“ASHP”) without cold climate designation are no longer eligible, based on limited uptake of the measure and market trends observed through the HER+ and HER Offerings. Electric cold climate air source heat pumps (“ccASHP”) remain an eligible measure.
 - b) To support meaningful natural gas savings per project, replacements of existing electric heat pump systems are no longer eligible.
 - c) For electric ground source heat pumps (“GSHP”), only full system installs are eligible; incentives for replacing the heat pump unit only are no longer offered.

- d) Water-to-water GSHPs on the Energy Star Certified Geothermal Heat Pump List and available in Canada have been added as an eligible measure.
- e) The previous requirement that new furnaces installed alongside an electric heat pump must be part of an eligible combination unit (per NRCan's list) has been removed. Feedback from contractors indicated that NRCan's list did not reflect a wide range of feasible furnace and electric heat pump combinations.
- f) The tiered incentive structure and amounts (based on size/equipment capacity) introduced as part of the replacement HER Offering have been maintained (i.e., \$500 per ton capacity).

26. As part of the design and delivery of the one-window HRS Program with the IESO and to comply with the expected TRM requirements, the Single Measure Offering is delivered and measures are installed by program-approved contractors who are required to attend mandatory electric heat pump training and submit a completed NRCan sizing and selection tool for each electric air source heat pump application.

27. Additionally, due to the significant effort required to implement and manage the other residential offerings and as a result of prioritizing collaborative partnerships (namely with respect to NRCan and the IESO), development of prescriptive insulation substantiation documents and activities associated with building a professional air sealing contractor network, which is currently non-existent in the Ontario market, were delayed.¹³ Single measure attic insulation substantiation documents have since been completed, reviewed, and added to the TRM. Planning is underway to add the measure to the HRS Program in 2025.

¹³ The Single Measure Offering was approved based on measures that were still in the research phase at the time of approval, including insulation measures (wall, attic, basement) and professional air sealing.

28. The OEB-approved Residential Smart Home Offering provides residential customers with incentives towards the purchase of qualifying smart controls, namely smart thermostats. When the offering was approved it included instant retail incentives, as well as contractor-led incentives available to participants who purchase an eligible smart thermostat through a contractor. Additionally, through collaboration with the IESO Energy Affordability Program, enhanced financial incentives would be provided for qualified moderate income customers.

29. Enbridge Gas has since added post-purchase retail incentives for eligible units purchased through any retail channel, which improves access to incentives by eliminating restrictions based on participating retailer availability. Both instant retail incentives and post-purchase retail incentives are included in the HRS Program.

1.2. All Other Programs

30. The target market, offering details and delivery approaches, metrics, and gross measurement methodologies have not changed for all other programs.

31. Regarding eligibility criteria, a minor modification has been made to eligibility criteria in the Low Income Affordable Housing Multi-Residential Offering to remove the requirement that building owners need to sign an agreement to forego future Above Guideline Increase (“AGI”) applications. This was in response to customer concerns that it limited participation and conflicted with allowances of AGI applications, which Enbridge Gas has no authority or oversight over. This change was communicated via direct outreach to relevant stakeholders (the Low-Income Energy Network and the Federation of Rental-housing Providers of Ontario) in February 2024. No other changes to eligibility criteria have been made to programs or offerings.

32. Regarding incentives, some modifications have been made to certain offerings over the course of implementing the 2023-2025 DSM Plan. Changes include

increasing/decreasing incentives or incentive caps, offering limited time offers (“LTOs”), and adding a mandatory incentive passthrough rate to end users in the Commercial Prescriptive Midstream Offering. These changes are intended to drive deeper engagement, broaden participation, address cost barriers, increase adoption of specific measures and/or behaviours, respond to changes in market conditions, reduce payback periods, enable larger projects, and/or balance cost-effectiveness. The modifications are in line with the OEB’s 2023-2025 DSM Plan Decision which provides Enbridge Gas the flexibility to adjust program designs, including modifying measures and incentives as necessary.¹⁴

33. New measures continue to be added to offerings as research is completed and measure savings can be quantified. Enbridge Gas strives to sustain and grow participation opportunities for customers within the DSM portfolio by developing new and/or expanding existing measure parameters. This is, in part, the reason for a dedicated Research and Innovation Fund. Expanding and diversifying eligible measures also mitigates situations where changes to input assumptions or codes and standards negatively impacts other eligible measures and their associated measure/project savings.

34. A notable and impactful change to project-specific input assumptions is Amendment 15 to Canada’s Federal Energy Efficiency Regulations, which took effect January 1, 2025. It establishes new minimum energy performance standards for commercial boilers. The standard requires all new commercial natural gas-fired boilers to achieve a minimum thermal efficiency of 90% or be condensing. Boiler retrofit projects have represented a significant portion of results in the Commercial Custom Offering and the Low Income Affordable Housing Multi-Residential Custom Offering, where savings claimed and available incentives for projects were determined based

¹⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.26.

on incremental savings from a minimum thermal efficiency baseline of 83%. As a result of this increased baseline efficiency requirement (from 83% to 90%), and the inherent challenges for many buildings to achieve condensing standards without investing significant capital, the boiler retrofit measure no longer presents the same opportunity that it once did.

35. Furthermore, the following changes are currently being planned for 2025:

- a) Addition of a new commercial adaptive thermostat to the Commercial Prescriptive Downstream Offering; and,
- b) Addition of a new mandatory incentive passthrough rate for water heaters in the Commercial Prescriptive Midstream Offering, similar to the one added for foodservice measures.

2. Changes to Avoided Costs

36. Enbridge Gas applies avoided costs in line with Section 11 of the DSM Framework¹⁵ for the purposes of establishing the Company's cost effectiveness results and forecasts, including for the 2025 TRC-Plus forecasts provided at Exhibit C, Tab 2, Schedule 3. Enbridge Gas updates its avoided costs each year to reflect most recently available information and reports DSM results based on the avoided costs for that specific year. Accordingly, avoided costs will be updated again in 2026 to reflect best available information and to be applied to the 2026 program year.

37. The following approaches and information related to Enbridge Gas's avoided costs have changed over the course of the current 2023-2025 DSM Plan term. All other avoided costs components not discussed below remain unchanged.

¹⁵ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.33.

- a) One set of avoided costs: Enbridge Gas's 2023-2025 DSM Plan noted that Enbridge Gas will continue to develop two sets of avoided costs (for the EGD rate zone and the Union rate zones) until it becomes appropriate to develop one set for all rate zones.¹⁶ In 2024, Enbridge Gas developed one set of avoided costs and will continue using one set of avoided costs going forward.
- b) Avoided costs, other resources (electricity):
- i. While Enbridge Gas has always quantified annual and lifetime kWh impacts (energy impacts), the Company is also now quantifying electricity peak kW impacts (capacity impacts). Peak kW impacts are estimated as the portion of kWh impacts that occur during peak hours as defined by the IESO.
 - ii. As described in Enbridge Gas's 2023-2025 DSM Plan, Enbridge Gas previously applied electric avoided costs that were based on the IESO's wholesale weighted average rate. However, since that filing, Enbridge Gas has consulted with the IESO and, starting in 2025, the Company began using the IESO's annual marginal energy costs (\$/kWh) and marginal capacity costs (\$/kW), depending on the forecasted system need (i.e., summer or winter).
- c) Avoided carbon costs: As a result of the Government of Canada's decision to set the Federal Carbon Charge to zero effective April 1, 2025,¹⁷ Enbridge Gas has set the Federal Carbon Charge to zero within its avoided costs.

3. Impact of Changes

38. Where the changes discussed herein have impacted annual budgets, targets and cost-effectiveness, it is noted below.

¹⁶ EB-2021-0002, Exhibit E, Tab 5, Schedule 1, p.4.

¹⁷ <https://canadagazette.gc.ca/rp-pr/p2/2025/2025-03-15-x2/pdf/g2-159x2.pdf>

3.1 Annual Budgets

39. No changes have been made to the OEB-approved DSM budgets. Enbridge Gas has managed all changes to the 2023-2025 DSM Plan within the OEB-approved DSM budget, in accordance with the OEB's 2023-2025 DSM Plan Decision and the DSM Framework. This includes utilizing budget re-allocations and the DSMVA to return unspent budget amounts and/or to collect allowable overspend.

40. As stated in the DSM Framework:

This level of guidance is meant to ensure that adequate flexibility in DSM program and portfolio design is maintained, while recognizing that Enbridge Gas is ultimately responsible and accountable for its actions. This flexibility should ensure that Enbridge Gas can appropriately react to and adapt with current and anticipated market developments.¹⁸

3.2 Targets

41. No changes have been made to the OEB-approved DSM targets. Regarding the Residential, Low Income, Commercial, Industrial, and Large Volume Program Scorecards, the OEB's 2023-2025 DSM Plan Decision approved fixed targets for 2023. Subsequent years, including 2025, use a Target Adjustment Mechanism ("TAM") to establish targets, based on the previous year's audited actual performance and annual level of spending.¹⁹ The TAM mechanistically adjusts future year targets based on actual performance, which minimizes the need for regulatory processes and costs that would otherwise be required to establish new targets every year.

¹⁸ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p. 9.

¹⁹ EB-2021-0002, OEB Decision and Order (reissued December 16, 2022), November 15, 2022, Revised Schedule C.

42. The DSM Framework further identifies how changes to input assumptions and adjustment factors, which are used to estimate energy savings, calculate shareholder incentive, lost revenues, and cost effectiveness, are applied to results and targets.²⁰ Input assumptions and adjustment factors will change over the course of any DSM plan term as a result of evaluation and verification activities, updates to the TRM, and/or changes in codes and standards.
43. As mentioned in Section 1.2 above, a significant change recently occurred with the introduction of Amendment 15. Changes of this nature and magnitude are infrequent but are contemplated in the DSM Framework: “Any changes to project-specific input assumptions resulting from changes to codes and standards will be included in both results and targets.”²¹ There will be an adjustment made to 2025 targets and results to reflect this change, which will ultimately be verified by the Evaluation Contractor.
44. Regarding the Energy Performance and Building Beyond Code Program Scorecards, the OEB’s 2023-2025 DSM Plan Decision approved fixed targets for all years.²² There have been no changes made that impact these targets. The targets and budgets have been designed to reflect the objectives and/or multi-year nature of the offerings.

3.3 Cost-Effectiveness

45. Although Enbridge Gas included cost effectiveness forecasts (i.e., TRC-Plus forecasts) within its proposed DSM Plan for the current DSM Plan term, the OEB did

²⁰ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p. 23-25.

²¹ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p. 23.

²² EB-2021-0002, OEB Decision and Order (reissued December 16, 2022), November 15, 2022, Revised Schedule C.

not publish revised cost-effectiveness forecasts to reflect the modifications directed by the OEB within its 2023-2025 DSM Plan Decision. As such, Enbridge Gas cannot provide a comparison of the Company's current 2025 cost-effectiveness forecasts²³ with OEB-approved cost-effectiveness forecasts for the 2023-2025 DSM Plan. However, as discussed in Section 4 below, in Enbridge Gas's view the Company's 2025 DSM activities are consistent with the nature of the programs that were approved by the OEB.

4. 2025 DSM Activities Align with OEB-approved 2023-2025 DSM Plan

46. While changes have been made over the course of the 2023-2025 DSM Plan term (as set out in Section 1, 2, and Attachment 1 to this Schedule), in Enbridge Gas's view, all current 2025 DSM activities are consistent with the OEB-approved 2023-2025 DSM Plan and the DSM Framework.

47. The Residential Program in particular has evolved in meaningful ways over the course of the 2023-2025 DSM Plan term, including the evolution from the initial HER+ Offering, to the replacement HER Offering, to the current one-window HRS Program. In Enbridge Gas's view, despite these evolutions, the 2025 Residential Program is fundamentally the same program that was approved by the OEB in its 2023-2025 DSM Plan Decision.²⁴ Specifically, consistent with the OEB-approved 2023-2025 DSM Plan, the 2025 Residential Program:

a) Includes a whole home component, using a pre-audit and post-audit format.

There is no requirement for participants to be a natural gas customer at the time of the pre-audit or the post-audit, allowing for community expansion

²³ Cost effectiveness forecasts for 2025 DSM activities are provided at Exhibit C, Tab 2, Schedule 3.

²⁴ Although the 2025 Residential Program is forecast to result in a TRC-Plus ratio below 1.0, in Enbridge Gas's view the program is fundamentally the same program that was approved by the OEB in its 2023-2025 DSM Plan Decision which resulted in TRC-Plus ratios of less than 1.0 in 2023 and 2024, and is forecast to result in a TRC-Plus ratio of less than 1.0 in 2025. See Exhibit B, Tab 1, Schedule 1, Section 2.1.1 for further details.

- customers to participate and for existing natural gas customers to participate if they exit the natural gas system;
- b) Provides incentives for single measures including electric heat pumps and smart thermostats; and,
 - c) Does not provide incentives for natural gas equipment.
48. Regarding the evolution of the initial HER+ Offering to the replacement HER Offering, OEB staff have issued their view that the replacement HER Offering is consistent with the OEB's 2023-2025 DSM Plan Decision (see Section 1.1). Regarding the evolution of the HER Offering to the current HRS Program, the joint program is consistent with the Government of Ontario's direction to deliver a customer-focused one-window platform for energy efficiency programs that includes both natural gas and electricity options.²⁵
49. Furthermore, as set out in Section 3, none of the changes that have been made to DSM programs and offerings over the course of the 2023-2025 DSM Plan term require changes to OEB-approved budgets or targets.

5. In-Depth Review for 2026 Is Not Necessary or Appropriate

50. Enbridge Gas submits that an in-depth review is not necessary for the OEB to issue an order or orders approving a one-year extension of the 2023-2025 DSM Plan to 2026. The proposed 2026 DSM activities are consistent with the OEB-approved 2023-2025 DSM Plan and the DSM Framework, specifically:

²⁵ Minister of Energy and Electrification, Renewed Letter of Direction to OEB, December 19, 2024, p.6.

- a) The fundamental nature of 2026 DSM programs will be consistent with the OEB-approved 2023-2025 DSM Plan;^{26,27}
- b) The 2026 DSM budget will be based on the final 2025 DSM budget, escalated for inflation.²⁸ The 2026 DSM budget will be allocated to rate classes in a manner that is consistent with the OEB-approved 2025 budget allocation methodology;²⁹
- c) The 2026 DSM scorecards and scorecard designs will be the same as were approved by the OEB in the 2023-2025 DSM Plan Decision;³⁰
- d) The 2026 DSM maximum shareholder incentive amount will be based on the OEB-approved methodology used to set the 2025 maximum shareholder incentive amount. The same incentive allocation by scorecard and incentive structure will be used for 2026 as were approved by the OEB in its 2023-2025 DSM Plan Decision and in alignment with the DSM Framework;³¹ and,
- e) No modifications to the DSM Framework are required.

51. Regarding changes to programs and offerings that have occurred since the OEB issued its 2023-2025 DSM Plan Decision, these modifications are consistent with the responsibilities of the program administrator and have been made within the parameters established by the OEB. The OEB's 2023-2025 DSM Plan Decision confirmed Enbridge Gas's responsibility in this regard:

²⁶ See Exhibit B, Tab 1, Schedule 1, Sections 2.1 and 2.1.1; Exhibit C, Tab 2, Schedule 1; and Exhibit C, Tab 3, Schedule 1, Sections 1.1, 1.2, 4, and Attachment 1.

²⁷ Regarding the Residential Program in particular, as discussed in Section 4, the 2025 Residential Program is fundamentally the same program that was approved by the OEB in its 2023-2025 DSM Plan Decision. In essence, the program is simply being delivered under a new brand name that also provides electricity measures (funded and delivered by the IESO).

²⁸ See Exhibit B, Tab 1, Schedule 1, Section 2.2.

²⁹ See Exhibit B, Tab 1, Schedule 1, Section 2.2.1.

³⁰ See Exhibit B, Tab 1, Schedule 1, Section 2.3.

³¹ See Exhibit B, Tab 1, Schedule 1, Section 2.4.

The OEB confirms that Enbridge Gas is responsible to make decisions on any changes to its DSM Plan and programs and offerings within the parameters established by this Decision and Order.³²

52. When Enbridge Gas filed its proposed DSM Plan for the current DSM Plan term, the Company was clear that the proposed incentive levels/structures and eligible measures would be subject to change:

Incentive details are provided as currently contemplated, Enbridge Gas routinely examines and adjusts incentive amounts in response to opportunities and market conditions, and in an effort to maximize program performance and results over the course of the Multi-Year term.³³

53. Furthermore, the OEB has previously indicated similar direction:

The direction of the OEB has been to encourage maximum energy savings while maintaining an appropriate level of oversight. The OEB sees no benefit in micro-managing the utility DSM offerings and would expect a significant increase in costs and delay in program delivery if it attempted to do so.³⁴

54. Enbridge Gas acknowledges that several parties may wish to explore the 2026 DSM Plan Application through a comprehensive regulatory process, in particular with respect to the Residential Program.³⁵ In Enbridge Gas's view, a comprehensive regulatory review of the 2026 DSM Plan Application including the Residential Program is not appropriate as it would likely require a lengthy and resource-intensive process that could result in interruptions to DSM programming in Ontario. As discussed at Exhibit B, Tab 1, Schedule 1, if a decision on 2026 DSM activities is not

³² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.26.

³³ EB-2021-0002, Exhibit E, Tab 1, Schedule 2, Footnotes 10 & 11; Schedule 3, Footnote 13; Schedule 4, Footnotes 14 & 18; and, Schedule 6, Footnote 8.

³⁴ EB-2018-0300/0301, OEB Decision and Order, April 11, 2019, p.10.

³⁵ Despite the expectation that the 2026 Residential Program will result in a TRC-Plus ratio of less than 1.0, Enbridge Gas is proposing to roll forward the OEB-approved Residential Program to 2026 for several reasons as set out at Exhibit B, Tab 1, Schedule 1, Section 2.1.1.

issued by September 30, 2025, Enbridge Gas will be required to make difficult decisions with respect to the implementation of its DSM programs in the later part of 2025 and into 2026.

55. Specifically, an in depth review of the Residential Program would require sufficient time for Enbridge Gas to develop and file its proposal and could involve extensive discovery on the Company's proposal (via interrogatories and potentially through a technical conference), requests for and the filing of intervenor evidence on the topic, discovery on the intervenor evidence, cross-examination of witnesses through an oral hearing, written submissions from parties, followed by sufficient time for the OEB to render a decision. For clarity, Enbridge Gas does not believe that making adjustments to the Residential Program based on the simple goal of increasing the program's cost-effectiveness above a TRC-Plus ratio of 1.0 is appropriate, as it would likely result in eliminating offers which would mean that the residential rate class would have few meaningful DSM offers to consider. Enbridge Gas believes this outcome would be inconsistent with the DSM Framework's main objective of "driving meaningful reductions in overall natural gas sales volumes"³⁶ and with the DSM Framework's guiding principle of "providing opportunities for a broad spectrum of consumer groups and customer needs to encourage widespread customer participation over time and ensure all segments of the market are reached in some capacity".³⁷

56. Realistically, an in-depth review of the 2026 DSM Plan Application including the Residential Program cannot be completed before a September 2025 OEB decision date for 2026 DSM activities.

³⁶ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.1.

³⁷ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.2.

57. By way of example, the OEB previously undertook an in-depth review prior to approving a one-year extension of the OEB-approved 2015-2020 DSM Plan to the 2021 program year (EB-2019-0271). The in-depth review took 8 months from the date Enbridge Gas filed its 2021 rollover application to the date the OEB issued its decision on 2021 DSM activities. Following the in-depth review, which included a discovery phase, the OEB approved the application as filed.³⁸

58. Another important consideration regarding potential interruptions to the Residential Program is that the program has been broadly advertised to natural gas customers and industry partners (including trade allies and service providers) across Ontario. Beyond those customers whose project applications are well advanced, there are undoubtedly numerous additional potential participants who are planning to participate or are in the early stages of enrolment who have made project/investment plans that rely on the Residential Program. A real or perceived lack of clarity/certainty regarding the status of the Residential Program could negatively impact the numerous customers and industry partners who rely on the Residential Program. Industry partners in particular may be inclined to direct their attention elsewhere and may not be available to immediately re-engage with the Residential Program.

59. Perhaps most importantly, the Residential Program is the natural gas contribution to the residential one-window HRS Program currently being undertaken by Enbridge Gas and the IESO. Any interruptions to the Residential Program could negatively impact Enbridge Gas's ability to support the natural gas component of the one-

³⁸ EB-2019-0271, OEB Decision and Order, July 16, 2020, p.2.

window program, which would be inconsistent with the direction from the Government of Ontario.^{39, 40}

60. For the reasons set out above, Enbridge Gas submits that an in-depth review is not necessary or appropriate for the OEB to issue an order or orders approving a one-year extension of the 2023-2025 DSM Plan to 2026. The more appropriate venue for a comprehensive reconsideration of the Residential Program is the upcoming 2027+ DSM Plan application (discussed in further detail at Exhibit C, Tab 5, Schedule 1), where there will be sufficient time to consider all relevant issues in a thorough and orderly manner.

³⁹ Minister of Energy and Electrification, Renewed Letter of Direction to OEB, December 19, 2024, p.6.

⁴⁰ Government of Ontario Energy for Generations, June 2025, Chapter 1, pp.30-37 ([link](#)).

SUMMARY OF CHANGES FROM 2023-2025 DSM PLAN

Residential Program

	Residential Whole Home	Residential Single Measure	Residential Smart Home
Target Market	No change	No change	No change
Offering Details	Reinstated minimum two measure installation requirement	Contractors are required to attend mandatory heat pump training and submit a completed NRCan sizing and selection tool for each air source heat pump application	Post-purchase incentives added for eligible units purchased through any retail channel, improving access to incentives by eliminating restrictions based on participating retailer availability
Eligibility Criteria	No change	No change	No change
Incentives¹	<u>HER</u> - Significantly increased incentives for insulation measures compared to Enbridge Gas's portion of the approved CGHG total enhanced incentive - Changed electric heat pump incentive structure to be tiered based on size (\$500 per ton of capacity) - Reduced relative customer window / door incentive Rationale: To shift participant uptake towards insulation measures and reduce window and door uptake due to the negative impact on TRC-Plus while still including the measure as part of the Whole Home Offering.	<u>HRS</u> Electric heat pumps (space heating) originally included in the Whole Home Offering were moved to Single Measure Offering effective January 2025 with the launch of HRS Based on market trends observed during HER+ and HER Offerings, electric air source heat pumps (without cold climate designation) are no longer eligible. Electric cold climate air source heat pumps remain an eligible measure Rationale: To support meaningful natural gas savings per project, replacements of existing electric heat pump systems are no longer eligible	<u>HRS</u> - No change to what was Enbridge Gas's portion of CGHG total enhanced incentive - \$75 instant retail incentive (\$125 for Moderate Income) - Added a post-purchase retail incentive (\$75 on-bill credit following submission of documentation)

¹ Limited time increased incentive offers ("LTOs") are also provided to drive adoption of specific measures and/or behaviours. Specific LTO's were not detailed in the 2023-2025 DSM Plan. Various LTO's are offered or planned in 2025 and managed within existing budgets.

	Residential Whole Home	Residential Single Measure	Residential Smart Home
	HRS Electric heat pumps moved to Single Measure Offering upon launching HRS to streamline delivery approach of the one-window program with the IESO and provide more predictable savings by developing prescriptive input assumptions.	- For electric ground source heat pumps only full system installs are eligible; incentives for replacing electric heat pump unit only are no longer offered - New measure added: Water-to-water electric ground source heat pumps on the Energy Star Certified Geothermal Heat Pump List and available in Canada - Removed requirement that new furnaces installed alongside the electric heat pump must be part of an eligible combination unit (per NRCan list) to qualify. Feedback from contractors indicated that NRCan's list did not reflect a wide range of feasible furnace and electric heat pump combinations - Tiered incentive structure and amounts based on size (introduced as part of HER Whole Home Offering) have been maintained (\$500 per ton of capacity) - Approved offering was based on prescriptive insulation measures in development. Implementing / managing NRCan and IESO collaborations was prioritized. - Expected to launch attic insulation measure in 2025 under the HRS program with the IESO	
Metric	No change	No change	No change
Gross Measurement	No change	No change	No change

Low Income Program

	Home Winterproofing	Affordable Housing Multi-Residential
Target Market	No change	No change
Offering Details	No change	No change
Eligibility Criteria	No change	Removed criteria that privately owned building owners need to sign an agreement to forego Above Guideline Increase. It was unnecessarily limiting participation due to customer concern of constraining future business decisions and conflicted with allowances of AGI applications.
Incentives²	No change	- Prescriptive - No change - Custom - Increased to \$2.50/m³, increased incentive cap to 75% of incremental project cost - Direct Install - Showerheads discontinued - Energy Assessments - No change Rationale: The higher incentive rate and threshold supports customers who do not have the capital available for large retrofit projects. It also supports continued customer engagement in the offering given the impact of increased boiler baselines following Amendment 15. Direct install showerheads were removed due to market saturation.
Metric	No change	No change
Gross Measurement	No change	No change

² Limited time increased incentive offers ("LTOs") are also provided to drive adoption of specific measures and/or behaviours. Specific LTO's were not detailed in the 2023-2025 DSM Plan. Various LTO's are offered or planned in 2025 and managed within existing budgets.

Commercial Program

	Commercial Custom	Prescriptive Downstream	Direct Install	Prescriptive Midstream
Target Market	No change	No change	No change	No change
Offering Details	No change	No change	No change	No change
Eligibility Criteria	No change	No change	No change	No change
Incentives³	- Increased implementation incentive caps to \$100,000 for commercial and \$500,000 for institutional customers Rationale: Adjustment to incentive cap made to better address the cost barriers and savings potential associated with institutional projects. - Introduction of LTO's to help mitigate the impacts of increased boiler baselines following Amendment 15 by increasing awareness and adoption of non-boiler advancement measures.	- Minor changes to incentive ranges as were provided in the 2023-2025 DSM Plan - Changes made are largely in response to updates in TRM input assumptions or adjustment factors - New measure added to TRM and thus added to offering: Hybrid RTU	Incentive levels cover up to 90% of total project costs for air curtain and DCKV installations and up to 100% of total project costs for dock door seal installations, subject to set maximums Rationale: Based on equipment cost plus installation, updated costs reflect current market conditions and vendor pricing.	- Added a mandatory incentive passthrough rate for foodservice measures to end users to improve cost-effectiveness and net-to-gross rates. - New measures added to/updated in TRM and added to offering: Combination Oven, Griddles, Dishwashers, Conveyor Broilers, Conveyor Ovens
Metric	No change	No change	No change	No change
Gross Measurement	No change	No change	No change	No change

³ Limited time increased incentive offers ("LTOs") are also provided to drive adoption of specific measures and/or behaviours. Specific LTO's were not detailed in the 2023-2025 DSM Plan. Various LTO's are offered or planned in 2025 and managed within existing budgets.

Industrial Program

	Industrial Custom
Target Market	No change
Offering Details	No change
Eligibility Criteria	No change
Incentives⁴	- Changed to a segment-based incentive design with rates ranging from \$0.10/m³ to \$0.30/m³ (similar levels to 2023-2025 DSM Plan) - Increased implementation incentive cap to \$250,000 Rationale: To better address the unique needs and barriers of customers within different segments of the industrial sector (e.g. medium / small agriculture) customers need more incentive to drive down the project payback period. Overall increase in incentives and incentive cap aims to drive deeper engagement and broader participation while enabling larger projects.
Metric	No change
Gross Measurement	No change

⁴ Limited time increased incentive offers ("LTOs") are also provided to drive adoption of specific measures and/or behaviours. Specific LTO's were not detailed in the 2023-2025 DSM Plan. Various LTO's are offered or planned in 2025 and managed within existing budgets..

Large Volume Program

	Direct Access
Target Market	No change
Offering Details	No change
Eligibility Criteria	No change
Incentives	- To drive deeper engagement and encourage larger projects, increased incentive caps for both Direct Access Budget and Aggregate Pool to \$200,000. - In collaboration with the IESO and to align with educational incentives offered in Commercial and Industrial Programs, added incentives for large volume customers to attend workshops and pursue certification as a Sustainable Building Operator or Energy Manager.
Metric	No change
Gross Measurement	No change

Energy Performance Program

	Whole Building Pay for Performance (P4P)
Target Market	No change
Offering Details	No change
Eligibility Criteria	No change
Incentives	Added a maximum incentive cap to manage budget constraints and respond to lessons learned as cohorts progress through this new multi-year offering. Annual Performance Incentive + Bonus Incentive per participant cannot exceed \$20,000.
Metric	No change
Gross Measurement	No change

Building Beyond Code Program

	Residential Savings by Design	Commercial Savings by Design	Affordable Housing Savings by Design	Commercial Air Tightness Testing
Target Market	No change	No change	No change	No change
Offering Details	No change	No change	No change	No change
Eligibility Criteria	No change	No change	No change	No change
Incentives	No change	To align with Affordable Housing Savings by Design Offering approach and encourage participation, added a technical assistance incentive of up to \$4,000 provided to participants following completion of the IDP workshop; to offset fees incurred by design team member attendance.	No change	No change
Metric	No change	No change	No change	No change
Gross Measurement	No change	No change	No change	No change

REQUESTED APPROVALS FOR 2026 DSM ACTIVITIES

1. This evidence is organized as follows:

1. Overview
2. 2026 DSM Programs
3. 2026 DSM Budgets
4. 2026 DSM Scorecards and DSM Shareholder Incentives

1. Overview

2. As set out at Exhibit A, Tab 2, Schedule 1, Enbridge Gas is requesting approval of its 2026 DSM Plan, which reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan, including:

- a) Approval of the DSM programs for 2026 including the Residential Program, the Low Income Program, the Commercial Program, the Industrial Program, the Large Volume Program, the Energy Performance Program, and the Building Beyond Code Program;
- b) Approval of the DSM budget for 2026, to include the budget into rates for 2026, and to continue to use the Deferred Participant Costs mechanism for 2026 for the Whole Building Pay for Performance Offering, the Residential Savings by Design Offering, and the Affordable Housing Savings by Design Offering; and,
- c) Approval of the DSM scorecards for 2026 and of the DSM shareholder incentive mechanism and amounts for 2026.

3. Enbridge Gas is not requesting any approvals related to the OEB's DSM Framework.

4. Furthermore, any components of the OEB-approved 2023-2025 DSM Plan that are not explicitly addressed within this Application are proposed to continue unchanged for 2026.

2. 2026 DSM Programs

5. Enbridge Gas is requesting approval of the DSM programs for 2026 as set out at Exhibit B, Tab 1, Schedule 1, Section 2.1.

3. 2026 DSM Budgets

6. Enbridge Gas is requesting approval of the DSM budget for 2026 as set out at Exhibit B, Tab 1, Schedule 1, Section 2.2 and Exhibit B, Tab 1, Schedule 1, Attachment 1. This includes:
 - a) Approval to include the DSM budget for 2026 into rates as set out at Exhibit B, Tab 1, Schedule 1, Section 2.2.1.
 - b) Approval to continue to use the Deferred Participant Costs mechanism for 2026 for the offerings as set out at Exhibit B, Tab 1, Schedule 1, Section 2.2.2.

4. 2026 DSM Scorecards and DSM Shareholder Incentives

7. Enbridge Gas is requesting approval of the DSM scorecards for 2026 as set out at Exhibit B, Tab 1, Schedule 1, Section 2.3 and Exhibit B, Tab 1, Schedule 1, Attachment 2.
8. Enbridge Gas is requesting approval of the DSM shareholder incentive mechanism and amounts for 2026 as set out at Exhibit B, Tab 1, Schedule 1, Section 2.4.

2027+ DSM ACTIVITIES

1. Enbridge Gas intends on filing a comprehensive multi-year DSM Plan application for 2027 and beyond in Q4 2025, as described in further detail below. Importantly however, Enbridge Gas requires a final OEB decision for 2026 DSM activities before filing its 2027+ DSM Plan application. While Enbridge Gas has filed a roll forward application for 2026 that will result, if approved by the OEB, in a decision for 2026 DSM activities that will largely reflect the previously approved 2023-2025 DSM Plan, any material changes or clarifications in the OEB's 2026 decision relative to the 2023-2025 DSM Plan could have implications to Enbridge Gas's 2027+ DSM Plan application.
2. If Enbridge Gas were to file its 2027+ DSM Plan application prior to the OEB issuing its decision for 2026 DSM activities, the Company might be required to amend and refile its 2027+ DSM Plan application to reflect the OEB's 2026 decision. Enbridge Gas believes this outcome would result in unnecessary regulatory inefficiency and burden for the utility, the OEB, and other parties. To avoid this, Enbridge Gas believes it is necessary for the Company to wait for the OEB's decision for 2026 DSM activities before filing its 2027+ DSM Plan application.
3. Assuming the OEB's decision for 2026 DSM activities generally reflects a rollover of the previously approved 2023-2025 DSM Plan, Enbridge Gas anticipates that it could file its 2027+ DSM Plan application within 60 days of the OEB issuing its decision for 2026 DSM activities.¹ Assuming the OEB's decision for 2026 DSM activities is issued by September 30, 2025 (as requested by Enbridge Gas at Exhibit A, Tab 2, Schedule 1), this would result in the filing of the 2027+ DSM Plan application by late November 2025.

¹ If the OEB's decision for 2026 DSM activities includes material changes or clarifications relative to the previously approved 2023-2025 DSM Plan, additional time may be required for Enbridge Gas to assess those changes or clarifications and to develop and file the Company's 2027+ DSM Plan application.

4. Upon filing its 2027+ DSM Plan application, Enbridge Gas expects to take the position that the OEB's Notice of Hearing for the Company's 2026-2030 DSM Plan application (issued December 19, 2024) sufficiently extends to Enbridge Gas's 2027+ DSM Plan application and that issuing a new Notice of Hearing is not necessary.
5. Enbridge Gas also expects to take the position that the OEB's findings regarding intervenor status requests and intervenor coordination set out in Procedural Orders No. 1 and 2 remain appropriate for the 2027+ DSM Plan application and that no further steps regarding intervenor status requests or intervenor coordination is required.
6. Enbridge Gas also expects to take the position that, generally, the procedural steps and timelines set out in the OEB's Procedural Order No. 1 regarding interrogatories, expert evidence, a technical conference, a settlement conference, an oral hearing, and final submissions remain appropriate and should be extended to the 2027+ DSM Plan application.
7. Enbridge Gas also expects to take the position that the issues list included within the OEB's Decision on the Issues List (dated April 10, 2025) remains appropriate and should be extended to the 2027+ DSM Plan application and that no further steps regarding the issues list is required (with the exception of updating the issues list to reflect the 2027+ DSM Plan application; for example, updating "2026-2030" to reflect the updated DSM Plan term).²

² If the OEB's decision for 2026 DSM activities includes material changes or clarifications relative to the previously approved 2023-2025 DSM Plan, Enbridge Gas may take the position that the issues list for the 2027+ DSM Plan application should be amended as a result of those changes or clarifications. Additionally, if political and/or public policy changes occur that materially impact the design and delivery of DSM programs, Enbridge Gas may take the position that the issues list for the 2027+ DSM Plan application should be amended as a result of those changes.

8. Enbridge Gas also expects that it will request that the OEB issue a final decision for the 2027+ DSM Plan application (inclusive of 2027 DSM activities) by September 30, 2026.
9. Considering the assumptions above, Enbridge Gas believes the 2027+ DSM Plan application will be able to proceed to interrogatories and expert evidence proposals immediately after the Company files the application. The Company does not see the benefit to the OEB nor to any party of repeating the steps that have been completed as noted above. By proceeding in this fashion, it would avoid a delay of several months in the processing of the 2027+ DSM Plan application.
10. For illustrative purposes, a proposed procedural timeline for the 2027+ DSM Plan application is provided at Table 1.

Table 1
Proposed Procedural Timeline for Enbridge Gas's 2027+ DSM Plan Application

Timeline	Procedural Step
September 2025	OEB issues final Decision on 2026 DSM activities
November 2025	Enbridge Gas files 2027+ DSM Plan application and pre-filed evidence
February 2026	Enbridge Gas files interrogatory responses Intervenors granted leave to file evidence file their evidence
March 2026	Intervenors granted leave to file evidence file interrogatory responses Technical Conference
April 2026	Settlement Conference
May 2026	Oral Hearing
June 2026	Final Submissions
September 2026	OEB issues final Decision on 2027+ DSM Plan application

11. It is important to note that there are several ongoing and evolving political and public policy considerations that could impact the development of Enbridge Gas's 2027+ DSM Plan application. For example:

- a) The Government of Canada's decision to set the Federal Carbon Charge to zero has reduced the price consumers pay for natural gas, which impacts consumer behaviour and decision-making with respect to the uptake of DSM measures. Although this change came into effect on April 1, 2025, the impact it has on consumer behaviour and decision-making will likely take months, if not years, to fully materialize and reveal their implications.
- b) The United States began new international trade policy objectives in January 2025, which are impacting consumer investment decisions. These policies have evolved since their introduction and are expected to continue to evolve.
- c) The OEB's decision for 2026 DSM activities, which is not expected to be issued until September 2025, could include changes or clarifications relative to the previously approved 2023-2025 DSM Plan.

12. Enbridge Gas will continue to observe and assess the above-noted considerations and their impacts to the design and delivery of DSM programs and to DSM natural gas savings targets and budgets. As a result of the ongoing and evolving nature of these considerations, it would not be appropriate for Enbridge Gas to speculate on the details of its future 2027+ DSM Plan application at this time.

RESPONSES TO PROCEDURAL ORDER NO. 4 DIRECTIONS

1. On July 3, 2025, the OEB issued Procedural Order No. 4 which, among other things, directed Enbridge Gas to file additional information within this Application. Specifically, the OEB directed Enbridge Gas to file detailed forecast cost-effectiveness information for the 2026 Residential Program, including forecast TRC-Plus calculations and input values, including avoided costs, anticipated participation and measure mix, and any other relevant information that explains the low TRC-Plus ratio and how this value can be increased to ensure benefits outweigh costs.¹
2. This evidence is organized as follows:
 1. Residential Program Cost-Effectiveness Information
 2. Additional Considerations Regarding Residential Program Benefits and Costs

1. Residential Program Cost-Effectiveness Information

3. As discussed at Exhibit B, Tab 1, Schedule 1, Section 2.1.1, the overall DSM portfolio for 2025 is forecast to result in a TRC-Plus ratio of greater than 1.0. Since the 2026 DSM Plan reflects a one-year extension of the OEB-approved 2023-2025 DSM Plan, the overall DSM portfolio for 2026 is also expected to result in a TRC-Plus ratio of greater than 1.0.² Regarding the Residential Program specifically, the 2025 Residential Program is forecast to result in a TRC-Plus ratio of less than 1.0 and, similarly, the 2026 Residential Program is also expected to result in a TRC-Plus ratio of less than 1.0.³ It is important to note, however, that with fewer participants from the Home Efficiency Rebate Plus (“HER+”) Offering included in the 2026 program relative to the 2025 program, the cost effectiveness of the Residential Program is expected to improve in 2026 relative to 2025.⁴

¹ OEB Procedural Order No. 4, July 3, 2025, p.4.

² Exhibit B, Tab 1, Schedule 1, para.23.

³ Exhibit B, Tab 1, Schedule 1, para.24.

⁴ Exhibit B, Tab 1, Schedule 1, paras.28-29.

4. As noted by the OEB within Procedural Order No. 4, Enbridge Gas believes that the 2025 TRC-Plus forecast is an appropriate proxy for the 2026 TRC-Plus forecast⁵ (specifically, the 2025 TRC-Plus forecast excluding the HER+ Offering provided at Exhibit C, Tab 2, Schedule 3, Table 2). While forecasts always carry a degree of uncertainty, for the reasons discussed at Exhibit C, Tab 2, Schedule 3, Enbridge Gas notes that the uncertainty associated with the 2025 (and proxy 2026) cost-effectiveness forecast is greater than usual.⁶
5. Please see Attachment 1 to this Exhibit⁷ for detailed 2025 (and proxy 2026) cost-effectiveness forecast information for the Residential Program, excluding the HER+ Offering. The information includes the forecast TRC-Plus calculations and input values, including avoided costs, and anticipated participation and measure mix.

2. Additional Considerations Regarding Residential Program Benefits and Costs

6. As discussed at Exhibit C, Tab 2, Schedule 3, the Government of Canada's decision to set the Federal Carbon Charge to zero (effective April 1, 2025) had a significant impact on the 2025 (and proxy 2026) cost-effectiveness forecast for the Residential Program and the overall DSM portfolio. For illustrative purposes, including the Federal Carbon Charge in the 2025 (and proxy 2026) cost-effectiveness forecast would result in a Residential Program TRC-Plus ratio of 1.15 and an overall DSM portfolio TRC-Plus ratio of 1.84 (compared to 0.62 and 1.02, respectively, with the Federal Carbon Charge set to zero).⁸
7. An additional consideration impacting the Residential Program's cost-effectiveness forecast are the assumptions regarding how many participants will choose to install

⁵ OEB Procedural Order No. 4, July 3, 2025, pp.2-3.

⁶ Exhibit C, Tab 2, Schedule 3, para.6.

⁷ Provided in Excel with formulae intact.

⁸ Exhibit C, Tab 2, Schedule 3, para.4.

an electric cold climate air source heat pump (“ccASHP”), as well as how those consumers will operate their electric ccASHP (i.e., whether they will operate the electric ccASHP for space heating, and if they do, at what outdoor switch-over temperature will they operate it). This is discussed throughout Exhibit C, Tab 2, Schedule 2. If consumers choose to operate their electric ccASHP for space heating at higher outdoor temperatures than assumed by Enbridge Gas (or choose not to use it for space heating at all), results will be lower than forecasted, including a lower TRC-Plus result relative to the forecast. Similarly, if consumers choose to operate their electric ccASHP for space heating at lower outdoor temperatures than assumed by Enbridge Gas, results will be higher than forecasted, including a higher TRC-Plus result relative to the forecast.

8. As discussed at Exhibit C, Tab 2, Schedule 3, Enbridge Gas has made adjustments to the Residential Whole Home Offering in an effort to improve the cost-effectiveness of the Residential Program (for example, by decreasing the relative incentive for windows and doors). Furthermore, Enbridge Gas updated its electricity avoided costs in alignment with the IESO’s marginal energy and capacity costs.⁹ While these adjustments result in improvements to the 2025 (and proxy 2026) Residential Program TRC-Plus forecast, they do not ensure that the TRC-Plus ratio for the program will be above 1.0.
9. As discussed at Exhibit B, Tab 1, Schedule 1, it is important to note that, despite having an expected TRC-Plus ratio below 1.0 in 2025 and 2026, the Residential Program is fundamentally the same program that was approved by the OEB in its 2023-2025 DSM Plan Decision which resulted in TRC-Plus ratios of less than 1.0 in 2023 and 2024.¹⁰

⁹ Exhibit C, Tab 2, Schedule 3, para.5.

¹⁰ Exhibit B, Tab 1, Schedule 1, para.27.

10. Enbridge Gas designs and delivers its DSM programs in consideration of the objectives, guiding principles and directions set out in the OEB's DSM Framework. Enbridge Gas does not believe there are any adjustments that can be made to the Residential Program (beyond the adjustments the Company has already made) under the DSM Framework that can ensure the TRC-Plus ratio for the 2026 Residential Program will be above 1.0. As discussed at Exhibit C, Tab 3, Schedule 1, Enbridge Gas does not believe that making adjustments to the Residential Program based on the simple goal of increasing the program's cost-effectiveness above a TRC-Plus ratio of 1.0 is appropriate, as it would likely result in eliminating most of the program offers or choices for consumers, which Enbridge Gas believes would be inconsistent with the DSM Framework's main objective and guiding principles,¹¹ and other direction provided by the OEB and the Government of Ontario.

¹¹ Exhibit C, Tab 3, Schedule 1, para.55.

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Please see Exhibit D-1-1_ Attachment 1 on the OEB's RDS.