

Elson Advocacy

July 11, 2025

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

Dear Ms. Marconi:

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

I am writing on behalf of Environmental Defence Canada (“EDC”) and the Green Energy Coalition (“GEC”) regarding potential intervenor evidence.

Cost-effectiveness calculations

In *Procedural Order #4*, the OEB set out deadlines for intervenor evidence and indicated that intervenor evidence “could potentially include, for example, evidence regarding the appropriateness of the assumptions used by Enbridge Gas to calculate cost-effectiveness values for the Residential Program.” EDC and GEC believe the residential programs are significantly more cost-effective than suggested in the pre-filed evidence. However, we are not in the position to file evidence to that effect because (a) this evidence would require additional details from Enbridge that will not be available before the intervenor evidence deadline, (b) the evidence could not be prepared on the timelines set out in the procedural order regardless, and (c) some of the key factors are ones that we anticipate the OEB would prefer to consider as part of the larger, 2027 plan.

Based on a review of the evidence and a discussion with Chris Neme of the Energy Futures Group, a full examination of cost-effectiveness would explore issues such as:

1. Whether a societal cost of carbon should be used (Procedural Order #2 indicated that: “In preparing evidence relating to the Government of Canada’s removal of the consumer fuel charge, Enbridge Gas shall include to what extent the social cost of carbon should be considered, if at all, and discuss any considerations related to the cost of carbon Enbridge Gas has given to determining what value or benefit will be achieved by the proposed DSM measures.” Enbridge is presumably planning to file that evidence as part of the 2027 plan.);
2. Whether 4% is the appropriate discount rate;

3. The appropriateness of heat pump equipment cost assumptions (a modest change in those assumptions would make the large majority of the forecast heat pump installations cost-effective);
4. The appropriateness of heat pump efficiency and performance assumptions (including the seasonal coefficient of performance, the modelled peak demand in summer and winter, the electric design day assumptions, the impact of control settings, etc.);
5. The appropriateness of the avoided cost figures, including a new approach to electric avoided costs and future gas prices;
6. Whether additional non-energy benefits should be included for air-source heat pumps due to the benefit of securing cooling or securing improved cooling;
7. Whether free-ridership could be reduced by increasing incentives;
8. Whether instant rebates and streamlined processes could be used to reduce promotional costs, reduce administrative costs, or increase uptake; and
9. Other factors that may be uncovered through additional review.

We anticipate that factors such as the societal cost of carbon and the appropriate discount rate (factors 1 and 2 in the above list) are ones that the OEB will defer to an examination of the 2027 plan. Factors 7 and 8 would require adjustments to the plan that are beyond what is possible in a rollover. The remaining factors (3 to 6) cannot be addressed without additional information and data from Enbridge. There is also no potential schedule that would allow that information to be obtained and reviewed in a way that is consistent with the tight timelines for this proceeding.

Environmental Defence believes a full rollover for 2026 should be approved as soon as possible, including for the reasons outlined by Enbridge. We believe those rationales are convincing and that no further evidence regarding cost-effectiveness is needed to support a rollover. However, if the OEB disagrees and ultimately concludes that it will not approve a rollover of the residential program based on the current cost-effectiveness calculations, EDC and GEC ask for an opportunity to submit evidence regarding cost-effectiveness with an amended schedule that would allow for the above factors to be considered.

Residential program delivery details

We believe improvements to the residential program delivery could easily be implemented for 2026. These are based on discussions with energy efficiency experts and HVAC contractors. They include the following:

- The paperwork to access rebates has increased considerably and is causing some HVAC contractors to decline to participate. This includes some requirements that are unnecessary. The administrative burden on participants (i.e. customers and contractors) can and should be significantly reduced.

- The sizing tool that Enbridge requires to be used frequently overestimates the size of heat pump that is required, negatively impacting cost and performance. Enbridge's program should allow contractors to rely on alternative tools, while still requiring that contractors attest that they have taken steps, such as assessing the existing ductwork capacity.
- Certain requirements of the delivery mechanisms are too rigid. For example, the approval process must be undertaken a second time if different equipment is used. This is causing delays when supply chain issues require changes in equipment. This should not be necessary where the updated equipment that is selected is still in accordance with the list of eligible equipment.

EDC and GEC request leave to file evidence on these issues. We anticipate the cost to prepare this evidence to be between \$2,000 and \$6,000, which would involve brief evidence from one or more Ontario-based energy efficiency experts. However, it may be possible to address these delivery details through direct discussions with Enbridge. Therefore, we propose to attempt to initiate those discussions now and only prepare and file evidence if necessary (and if approved by the OEB).

Please let us know if further details are required.

Yours truly,



Kent Elson

cc: Parties in the above proceeding