ENBRIDGE

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Enbridge Gas Inc.
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October 14, 2025

VIA RESS AND EMAIL

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ritchie Murray:

Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board File No.: EB-2025-0189
2023 Demand Side Management (DSM) Deferral and Variance Account Disposition Application

Enclosed is Enbridge Gas's application and evidence concerning the final disposition and recovery of certain 2023 DSM program year-end deferral and variance account balances.[1] The accounts subject to this Application and the balances recorded (excluding interest) are as set out in Table 1.

Table 1
2023 DSM Deferral and Variance Account Balances

Line No.	Account	2023
1	DSM Variance Account	$3,890,570
2	DSM Incentive Deferral Account	$7,106,349
3	LRAM Variance Account	$623,409
4	Total Balance	$11,620,328

Enbridge Gas proposes that disposition of these deferral and variance account balances be implemented in alignment with other rate changes through the Quarterly Rate Adjustment Mechanism (QRAM), effective as soon as April 1, 2026. For a typical residential customer in the EGD rate zone with annual consumption of 2,400 m^3, the estimated one-time billing adjustment charge is $8.80. For a typical residential customer in the Union South rate zone with annual consumption of 2,200 m^3, the estimated one-

[1]Enbridge Gas was formed by the amalgamation of Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union), 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 within the meaning of the Ontario Energy Board Act, 1998 (the Act).

time billing adjustment is a charge of $3.57. For a typical residential customer in the Union North rate zone with annual consumption of 2,200 m^3, the estimated one-time billing adjustment is a refund of $1.28.

The above noted submission has been filed electronically through the OEB's RESS and will be made available on Enbridge Gas's website at:
https://www.enbridgegas.com/Regulatory-Proceedings

If you have any questions, please contact the undersigned.

Sincerely,

Justin Egan

Justin Egan
Technical Manager, Regulatory Applications

cc.: D. O'Leary (Aird & Berlis)
EB-2021-0002 (Intervenors)
EB-2024-0193 (Intervenors)

A – Administration

Exhibit	Tab	Schedule	Appendix	Contents of Schedule
A	1	1		Exhibit List
	2	1		Application
	3	1		Background and Overview
	4	1		2023 DSM Annual Report

B – EGI Rate Zone

Exhibit	Tab	Schedule	Appendix	Contents of Schedule
B	1	1		Account Balances and Approvals Sought
	2	1		Deferral and Variance Accounts: Rate Allocation
			1	Continuity Schedule for Deferred Incentive and Deferred Participant Cost Balances
			2	EGD Rate Zone: 2023 LRAMVA Balance
			3	Union Rate Zones: 2023 LRAMVA Balance
			4	Disposition Unit Rates
			5	DSM Deferral & Variance Account Balances to be Cleared including Interest
			6	Allocation of Deferral & Variance Account Balances
			7	Derivation of Disposition Unit Rates

B – EGI Rate Zone

Exhibit	Tab	Schedule	Appendix	Contents of Schedule
B	3	1		Estimated Annual Bill Impact
			1	Bill Adjustment for Typical Customers

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. for an Order or Orders approving the balances and clearance of certain non-commodity 2023 Demand Side Management Deferral and Variance Accounts into rates, within the next available QRAM.

APPLICATION

1. Enbridge Gas Inc. (Enbridge Gas or the Company), was formed by the amalgamation of Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union), 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 within the meaning of the *Ontario Energy Board Act*, 1998 (the Act).

2. EGD and Union (collectively, referred to as the Utilities) filed an application dated November 2, 2017 with the Ontario Energy Board (OEB) pursuant to section 43(1) of the Act for an order or orders granting leave to amalgamate into a single company, referred to as "Amalco", effective January 1, 2019.[1] On November 23, 2017, the Utilities applied to the OEB pursuant to section 36 of the Act, for an order approving a rate setting mechanism and associated parameters for the deferred rebasing period, effective January 1, 2019.[2] The OEB issued its Decision and Order approving the amalgamation and rate setting mechanism (the MAADs Decision) on August 30, 2018. The Utilities merged effective January 1, 2019.

[1] EB-2017-0306, Enbridge Gas Distribution Inc. and Union Gas Limited – MAAD.
[2] EB-2017-0307, Enbridge Gas Distribution Inc. and Union Gas Limited – Rate Setting Mechanism.

3. Notwithstanding the amalgamation, Enbridge Gas continued to operate its DSM portfolio of programs by the legacy rate zones of the two Utilities pursuant to applicable OEB approvals for same for subsequent years up to and including 2021.

4. In May 2021 Enbridge Gas filed an application with the OEB seeking approval of a policy framework and six-year natural gas conservation plan to be in place from 2022 to 2027[3] (). By a Decision and Order dated August 26, 2021, the OEB approved the continuation of the OEB-approved 2015-2021 natural gas conservation plans for 2022. Enbridge Gas then refiled an application on September 29, 2021 seeking approval of a five-year plan to be in place from 2023 to 2027. In its Decision and Order dated November 15, 2022, the OEB approved a 3 year term plan for the years 2023-2025. The 2023 DSM program year is the first year of this three year term.

5. Enbridge Gas hereby applies to the OEB pursuant to Section 36 of the Act and pursuant to the MAADs Decision for such final or interim Orders and Accounting Orders as necessary approving the final balances in the 2023 Demand Side Management (DSM) Deferral and Variance Accounts (set out in Table 1– excluding interest) and the disposition of these balances within the next available Quarterly Rate Adjustment Mechanism (QRAM) application following the OEB's approval,[4] effective as early as April 1, 2026 through a one-time adjustment in rates.

[3] EB-2021-0002.
[4] Please see Exhibit B, Tab 3, Schedule 1 and Exhibit C, Tab 3, Schedule 1, for details of proposed allocation and disposition methodologies, timing of disposition and derivation of unit rates.

Table 1
2023 DSM Deferral and Variance Account Balances

Line No.	Account	2023
1	DSM Variance Account	$3,890,570
2	DSM Incentive Deferral Account	$7,106,349
3	LRAM Variance Account	$623,409
4	Total Balance	$11,620,328

6. Enbridge Gas further applies to the OEB for all necessary Orders and Directions concerning pre-hearing and hearing procedures necessary for the determination of this application.

7. Enbridge Gas requests that the OEB's review of this application proceed by means of a written hearing in English.

8. This application is supported by written evidence. This evidence may be amended, from time to time, as required by the OEB or as circumstances may require.

9. The persons affected by this Application are the customers resident or located in the municipalities, police villages, and Indigenous communities served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf, Enbridge Gas distributes, transmits or stores gas. It is impractical to set out the names and addresses of all the customers because they are too numerous.

10. Enbridge Gas requests that all documents relating to this application and its supporting evidence, including the responsive comments of any interested party, be served on:

The Applicant:

Regulatory Contact:

Justin Egan
Technical Manager, Regulatory Applications
Enbridge Gas Inc.

Address for personal service:	50 Keil Drive N Chatham, ON N7M 5M1
Telephone:	519-350-3398
Email:	justin.egan@enbridge.com EGIRegulatoryProceedings@enbridge.com

The Applicant's counsel:

Dennis M. O'Leary
Aird & Berlis LLP

Address for personal service and mailing address:	Brookfield Place, Box 754 Suite 1800, 181 Bay Street Toronto, Ontario M5J 2T9
Telephone	(416) 865-4711
Email:	doleary@airdberlis.com

DATED: October 14, 2025

Enbridge Gas Inc.

Justin Egan

Justin Egan
Technical Manager, Regulatory Applications

BACKGROUND AND OVERVIEW

1. The Deferral and Variance Account balances, which are the subject of this proceeding, relate to DSM activities in 2023. Table 1 provides a summary of these balances. For the 2023 DSM program year, Enbridge Gas is seeking approval for the disposition of the amounts in DSM-related Deferral and Variance Accounts. Enbridge Gas proposes to dispose of the account balances with the first available QRAM following OEB approval. For the purposes of calculating bill impacts, Enbridge Gas assumes implementation as of i the April 1, 2026 QRAM.

2. As outlined in the Natural Gas Demand Side Management Policy Framework approved by the OEB in EB-2021-0002 (the 2023 Framework):

> Consistent with past practices, recovery and disposition of DSM related amounts (i.e., DSM Variance Account ("DSMVA"), DSM Incentive Deferral Account ("DSMIDA"), and LRAM Variance Account ("LRAMVA")) will be filed annually by Enbridge Gas based on the final audited results of its DSM programs in relation to the annual plans targets. The DSM amounts should include program spending, shareholder incentive amounts and lost revenues in relation to the DSM programs delivered. Further, lost revenues will not act as a disincentive to Enbridge Gas's delivery of DSM programs.[1]

3. The 2023 Framework further notes:

> Enbridge Gas should apply annually for the disposition of any balances in its LRAMVA and DSMVA and, as applicable, apply for the shareholder incentive amount associated with the previous DSM program year and disposition of resulting DSMIDA balance.
>
> This application should include the final results as outlined in the Final Evaluation and Audit Reports, and information setting out the allocation across rate classes of the balances in the LRAMVA, DSMVA, DSMIDA and any other DSM related deferral or variance account approved by the OEB.[2]

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[1] EB-2021-0002, Decision and Order, Enbridge Gas Inc. Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, pp.33-34 (the 2023 Framework).
[2] 2023 Framework, p.34.

1. 2023 EM&V Process

4. As outlined in the 2023 Framework, the OEB noted:

> As was initiated in the 2015 Framework, the OEB assumed the coordination function of the EM&V process, outlined a DSM Evaluation Governance Structure, and established the Evaluation Advisory Committee (EAC).[3]

5. The 2023 DSM program year is the first year of the 2023-2025 term DSM Plan.[4] Beginning in 2023, the OEB created the DSM Stakeholder Advisory Group (SAG) led by OEB staff that subsumed the existing Evaluation Advisory Group (EAC) as a subcommittee to inform the development of the next DSM plan.

6. In 2023, the OEB-appointed non-utility stakeholder members of the EAC were:

   - Robert Wirtsafter, Wirtsafter Associates, Inc.
   - Chris Neme, Energy Futures Group
   - Katherine Johnson, Johnson Consulting Group
   - Dan Violette, Apex Analytics LLC

7. The methodologies used by Enbridge Gas to determine the amounts recorded in the DSMVA,[5] LRAMVA,[6] and DSMIDA[7] for the 2023 DSM program year, were the subject of the following:
   (i) 2023 Framework;
   (ii) Decision and Order and Revised Decision and Order of the OEB on Enbridge Gas's 2022 to 2027 DSM Plan[8,9]

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[3] 2023 Framework, p.15.
[4] EB-2021-0002.
[5] EGI Account No. 179-313.
[6] EGI Account No. 179-314.
[7] EGI Account No. 179-316.
[8] EB-2021-0002, Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022.
[9] EB-2021-0002, Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, December 16th, 2022.

(iii) Utilities' 2022 Clearance of DSM Deferral and Variance of Accounts proceeding[10];

(iv) Utilities' 2021 Clearance of DSM Deferral and Variance of Accounts proceeding[11];

(v) Utilities' 2020 Clearance of DSM Deferral and Variance Accounts proceeding[12] ; and

(vi) Utilities' 2019 Clearance of DSM Deferral and Variance Accounts proceeding.[13]

8. The Evaluation Contractor appointed by OEB staff, DNV GL Energy Insights USA, Inc (the EC) concluded the 2023 DSM program year EM&V activities with the release and presentation of the following report to OEB staff and the EAC: 2023 Natural Gas Demand-Side Management Annual Verification Final Report dated March 21, 2024 (the Verification Report).[14]

9. The Verification Report provides the EC's conclusions regarding the amounts of energy savings, shareholder incentive, and lost revenue for the DSM programs offered by Enbridge Gas in 2023. The Verification Report also includes the EC's findings and recommendations regarding cost reductions, improvement of savings accuracy, and risk reduction related to Enbridge Gas's DSM programs. Enbridge Gas's responses to each finding and recommendation were provided to the EC and are embedded into the Verification Report in Section 7.

[10] EB-2024-0193.
[11] EB-2023-0062.
[12] EB-2022-0007.
[13] EB-2021-0072.
[14] 2023 Natural Gas Demand-Side Management Annual Verification Final Report, Ontario Energy Board, March 21, 2025, https://engagewithus.oeb.ca/26884/widgets/108755/documents/150267

10. Some of the 2023 DSM-related Deferral and Variance Account balances, which are the subject of this Application and proposed for disposition as set out in Table 1,[15] are not consistent with the Verification Report for a variety of reasons, as outlined below:

    (i) The DSM Variance Account (DSMVA) is not consistent with the budget spending variance in the Verification Report due to the following:

        a. The DSM budget originally built into rates was not aligned with the OEB's Decision. Please see the DSMVA evidence at Exhibit B, Tab 2, Schedule 1.

        b. The OEB directed Enbridge Gas to exempt Large Volume Gas-Fired Generator customers from Large Volume DSM charges. This resulted in bill credits being issued to customers in 2023 which were not reflected in the DSM Annual Report or the Verification Report. Please see the DSMVA evidence at Exhibit B, Tab 2, Schedule 1.

    (ii) The DSM Incentive Deferral Account (DMSIDA) is not consistent with the Verification Report due to an EAC-approved update to a verification adjustment for residential thermostats following the submission of the Verification Report. Please see the DMSIDA evidence at in Exhibit B, Tab 2, Schedule 1.

11. Despite the variances listed above, this Application is consistent with the Verification Report's quantification of lost revenue. It is important to understand the LRAM variance account, shown in Table 1, captures the variance between actuals and what was built into 2023 rates, whereas the Verification Report details the amount

[15] These balances, as presented, do not include interest. Interest will be accrued up to the disposition date in accordance with the applicable accounting orders, and reflected in the draft rate order filed following the OEB's Decision in this proceeding.

related to 2023 conservation savings. Further details are provided in the overview of the Lost Revenue Adjustment Variance Account (LRAMVA) in Exhibit B, Tab 2, Schedule 1.

Table 1

2023 DSM Deferral and Variance Account Balances

Line No.	Account	2023
1	DSM Variance Account	$3,890,570
2	DSM Incentive Deferral Account	$7,106,349
3	LRAM Variance Account	$623,409
4	Total Balance	$11,620,328

12. Enbridge Gas's final 2023 DSM Annual Report is included within this submission at Exhibit A, Tab 4, Schedule 1.

2023 Demand Side Management Annual Report

Enbridge Gas Inc.

October 14, 2025

ENBRIDGE
Life Takes Energy

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List of Tables

Executive Summary

Enbridge Gas Inc. (“Enbridge Gas” or “the Company”) reports 121.5 million net annual cubic metres of natural gas saved from its Demand Side Management (“DSM”) activities in 2023. A summary of the Company’s 2023 DSM results, budgets and spend is provided in Table ES1 below. Furthermore, Table ES2 provides a breakdown of natural gas savings by offering.[1,2]

Table ES1 2023 DSM Results, Budgets, and Spend Summary

Item	Amount
Net Annual Natural Gas Savings*	121,521,974 m^3
Budget	$167,242,921
Actual Spend	$144,721,463
Shareholder Incentive Achievement	$7,106,349
Lost Distribution Revenue	$249,306

** Net Annual Natural Gas Savings refers to first-year net natural gas savings.*

[1] Results in Table ES1 only include offerings measured by Net Annual Natural Gas Savings.
[2] Values presented throughout this report may not precisely equal the totals provided due to rounding.

ENBRIDGE
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Table ES2 2023 Natural Gas Savings

Program	Offering	Gross Annual Natural Gas Savings (m^3)	Net Annual Natural Gas Savings (m^3)
Residential	Residential Whole Home Offering[1]	16,188,716	15,379,280
	Residential Single Measure Offering[2]	0	0
	Residential Smart Home Offering	8,129,665	7,804,479
Residential Total		**24,318,381**	**23,183,759**
Low-Income	Home Winterproofing Offering	3,247,883	3,247,883
	Affordable Housing Multi-Residential	3,002,130	3,002,130
Low-Income Total		**6,250,013**	**6,250,013**
Commercial	Commercial Custom Offering	25,476,982	18,300,670
	Prescriptive Downstream Offering	5,990,884	2,612,970
	Direct Install Offering	3,091,033	2,936,481
	Prescriptive Midstream Offering	1,484,115	1,201,871
Commercial Total		**36,043,014**	**25,051,993**
Industrial	Industrial Custom Offering	62,115,824	44,309,314
Industrial Total		**62,115,824**	**44,309,314**
Large Volume	Direct Access Offering	78,995,116	22,726,895
Large Volume Total		**78,995,116**	**22,726,895**
Energy Performance[3]	Whole Building Pay for Performance (P4P)	0	0
Energy Performance Total		**0**	**0**
Portfolio Total		**207,722,349**	**121,521,974**

[1] For clarity, this table displays the combined results for HER and HER+. See Section 4.1.1 for more information.
[2] The Residential Single Measure Offering was not in market for 2023. See Section 4.1.2 for more information.
[3] Due to the multi-year aspect of the Whole Building Pay for Performance ("P4P") offering, the Energy Performance Program had a Net Annual Natural Gas Savings target of zero for 2023. See Section 4.6.1 for more information.

1. Introduction

Enbridge Gas has been designing and delivering DSM programs under Ontario Energy Board ("OEB") frameworks for nearly 30 years. Since 1995, Enbridge Gas has saved its customers 34.2 billion lifetime cubic metres of natural gas, which have resulted in a reduction of 64.2 million tonnes of greenhouse gas emissions, roughly the equivalent of taking 14 million cars off the road for a year.

The 2023 DSM Annual Report provides a summary of Enbridge Gas's DSM activities and results during the 2023 program year, including:

- A summary of the 2023 DSM Framework[3] ("2023 DSM Framework", "Framework") as it relates to the 2023 program year (Section 2).
- OEB data reporting requirements (Section 3).
- Program and offering summaries, including offering results, offering changes, lessons learned and anticipated offering changes for 2024 (Section 4).
- Evaluation activities (Section 5).
- Results, including scorecard results, shareholder incentive achievement, lost distribution revenue calculations, cost-effectiveness, Weighted Average Measure Life ("WAML"), the End-of-Term Natural Gas Reduction Incentive, and budgets and spending (Section 6).

Enbridge Gas originally submitted the Draft 2023 DSM Annual Report to the OEB on April 1st, 2024. Following further analysis related to the calculation of natural gas savings from air source heat pumps, Enbridge Gas has resubmitted the report on June 7th, 2024, to include updated results reflecting this analysis. Please see Section 4.1.1 for more information.

The 2023 program year marked the first year of the 2023 DSM Framework and a three-year DSM Plan ("2023-2025 DSM Plan"), introducing a host of innovative offerings, partnerships, and initiatives meant to influence a sizable reduction in natural gas usage across Ontario.

Enbridge Gas's new DSM portfolio experienced successes and challenges throughout the 2023 program year. Some successes are attributable to continuous process improvements and modified offerings which have enhanced participation, while many challenges were related to broader economic trends, such as elevated inflation and interest rates, decreased construction activity, as well as material and skilled labour shortages. Additionally, Enbridge Gas notes that it is becoming increasingly challenging to drive incremental savings. As baselines are increasing, whether as a result of stricter codes and standards or the increased adoption of industry best practices, the Company has identified that individual projects are typically yielding smaller savings and there are fewer projects that would previously have been identified as "low-hanging fruit." Enbridge Gas continues to work to develop innovative program design and novel approaches to reach the market in order to drive natural gas savings.

Outcomes achieved are presented in Table ES1 (Executive Summary) and throughout this report.

[3] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E.*

2. DSM Framework

On May 3rd, 2021, Enbridge Gas filed an application which consisted of a proposed DSM Framework, effective 2022, and a six-year DSM Plan for 2022-2027.[4] In August 2021, the OEB directed the continuation of Enbridge Gas's 2021 DSM Plans into 2022 and provided performance scorecards to be used for the duration of 2022.[5]

Following this Decision, Enbridge Gas refiled an application on September 29th, 2021, seeking approval of the Proposed DSM Framework, effective 2023, and a five-year plan to be in place from 2023 to 2027.[6] On November 15th, 2022, the OEB published its Decision and Order ("Decision") approving a revised Natural Gas DSM Framework as well as a three-year DSM term from January 1st, 2023, to December 31st, 2025.[7] In its Decision, the OEB noted that the "DSM Policy Framework builds on past guidance and instructions and summarizes the policy guidance from this Decision and Order."[8]

The 2023 DSM Framework "makes updates to various elements of previous OEB policy regarding ratepayer funded DSM, namely two companion documents – the Demand Side Management Framework for Natural Gas Distributors (2015-2020) and the Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015-2020) and is intended to provide guidance to DSM planning and execution."[9] Updates introduced in the 2023 DSM Framework include:

- The maximum shareholder incentive available related to annual performance scorecards will increase annually in alignment with Consumer Price Index inflationary increases.
- Enbridge Gas is eligible for an End-of-Term Natural Gas Reduction Incentive, the intent of which is to motivate the Company to make "meaningful action towards the objective of DSM, which is that DSM programs should result in meaningful reductions in overall annual natural gas sales volumes."[10] See Section 6.5 for more information on the End-of-Term Natural Gas Reduction Incentive.
- A change in the annual performance scorecards' primary measurement metric from Net Cumulative Cubic Metres ("CCM", "lifetime natural gas savings") to Net Annual Cubic Metres ("Annual m^3", "net annual natural gas savings"). Net Annual Cubic Metres refers to first-year net natural gas savings.

Further updates are contained within the OEB's Decision and Order. These include:

- Instituting a minimum WAML threshold of 14 years applicable to all offerings, excluding the Large Volume Direct Access offering. See Section 6.4 for more information about the WAML.
- The creation of a new DSM Stakeholder Advisory Group ("SAG") led by OEB staff, of which the Evaluation Advisory Committee ("EAC") will become a subcommittee. See Section 2.3 for more information about the EAC.

2.1 2023-2025 DSM Plan

On January 1st, 2019, Enbridge Gas Distribution Inc. and Union Gas Limited amalgamated to become Enbridge Gas Inc. Up until the end of 2022, Enbridge Gas continued to operate and report on two DSM portfolios independently to reflect the manner in which programs, scorecards, metrics, targets and budgets were approved by the OEB. The 2023 program year marks the first year Enbridge Gas delivers a fully harmonized DSM portfolio, including budgets, targets, and program design and delivery.

Within the 2023 DSM Framework, the OEB outlined the stipulations and allowances for Enbridge Gas to re-allocate funds between approved DSM programs, as well as guidance to apply to the OEB for approval to re-allocate funds from OEB-approved DSM programs to new programs that are not a part of the DSM Plan and have not previously been approved. Such guidance "is meant to ensure that adequate flexibility in DSM program and portfolio design is maintained, while recognizing that Enbridge Gas is ultimately responsible

[4] *Multi-Year Demand Side Management Plan (2022-2027), EB-2021-0002, May 3rd, 2021.*
[5] *Decision and Order Related to 2022 Natural Gas Demand Side Management Activities, EB-2021-0002, August 26th, 2021.*
[6] *Multi-Year Demand Side Management Plan (2022-2027) Updated Evidence, EB-2021-0002, September 29th, 2021.*
[7] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022.*
[8] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.1, p. 16.*
[9] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 1.*
[10] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 8.*

and accountable for its actions. This flexibility should ensure that Enbridge Gas can appropriately react to and adapt with current and anticipated market developments."[11]

The structure of the 2023 DSM Portfolio is shown in Table 2.0 below. Each program has its own scorecard and includes one or more offerings. Offerings are bundles of energy efficiency measures, initiatives, and/or services.

Table 2.0 2023 DSM Portfolio

DSM Scorecard	DSM Offering
Residential Program	Residential Whole Home
	Residential Single Measure*
	Residential Smart Home
Low-Income Program	Home Winterproofing
	Affordable Housing Multi-Residential
Commercial Program	Commercial Custom
	Prescriptive Downstream
	Direct Install
	Prescriptive Midstream
Industrial Program	Industrial Custom
Large Volume Program	Direct Access
Energy Performance Program	Whole Building Pay for Performance (P4P)
Building Beyond Code Program	Residential Savings by Design
	Commercial Savings by Design
	Affordable Housing Savings by Design
	Commercial Air Tightness Testing

** The Residential Single Measure Offering was not in market for 2023. See Section 4.1.2 for more information.*

[11] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 9.*

2.2 Scorecard Target Setting

In its Decision[12], the OEB outlined the 2023 scorecard targets. However, Enbridge Gas's 2023-2025 DSM Plan included a section titled "Consideration of Inputs Impacting 2023 Annual Scorecard Targets"[13] which included several items that could potentially alter the 2023 targets. Included among the list were the following two scenarios:

- Input assumption changes made to prescriptive measures through any TRM update process completed in 2021 or 2022.
- Changes to input assumptions and adjustment factors for new prescriptive measures submitted in the DSM plan.

As there were changes both to prescriptive measures through the TRM update process and changes to input assumptions and adjustment factors for new prescriptive measures, Enbridge Gas has updated the 2023 scorecard. These changes only applied to the Low Income and Commercial Program scorecard targets. Please see Appendix B for the updated 2023 scorecard targets and Section 6 for 2023 scorecard targets and results.

2.3 Evaluation Governance

As outlined in the 2023 DSM Framework, the OEB noted "as was initiated in the 2015 Framework, the OEB assumed the coordination function of the EM&V process, outlined a DSM Evaluation Governance Structure, and established the EAC."[14]

The 2023 DSM Framework defined and specified accountability for six activities as part of Evaluation, Measurement & Verification ("EM&V"). These six activities are summarized below:

- Gross Measurement: this Enbridge Gas accountability refers to the methods Enbridge Gas uses to determine "gross resource savings claimed by a DSM program offering."[15] Enbridge Gas will file a letter to the OEB in the event that it recommends a fundamental change to gross measurement approaches. The OEB noted that "any impact evaluation undertaken will typically align with the gross measurement approach, however, the final evaluation methodologies will be determined independently, usually by the OEB's Evaluation Contractor ("EC") or similar independent evaluation expert retained by the OEB."[16]
- Draft and Final DSM Annual Reports: Enbridge Gas will continue to be accountable for the annual reporting of DSM activities and results. Enbridge Gas will produce Draft and Final DSM Annual Reports, where the Draft DSM Annual Report will assist the EC during the annual verification process and the Final DSM Annual Report is filed once the annual verification process is complete.
- EM&V Plan: the OEB is accountable for the EM&V Plan, which is produced by the EC with input from the EAC. The EM&V Plan will outline planned EM&V activities and their objectives and will include any planned Process Evaluations to be undertaken by Enbridge Gas.
- Impact Evaluation and Annual Verification of DSM Results: coordinated by the OEB, the EC will perform annual verification activities, providing the EAC and Enbridge Gas an opportunity to propose revisions or comment prior to the finalized Annual Verification Report. This accountability belongs to the OEB.
- Technical Resource Manual ("TRM") updates: the OEB is accountable for the TRM update process. This process consists of adding or removing prescriptive DSM measures or updating input assumptions to current prescriptive measures.
- Process Evaluation: with the goal of continuous improvement in mind, ongoing assessments of the effectiveness of DSM offerings that are typically qualitative in nature are the accountability of Enbridge Gas.

[12] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule C, p. i.*
[13] *Multi-Year Demand Side Management Plan (2022-2027), EB-2021-0002, September 29th, 2021, Exhibit D, Tab 1, Schedule 3, p. 5.*
[14] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 15.*
[15] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 16.*
[16] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 16.*

Beginning in 2023, the OEB created the DSM SAG led by OEB staff that will subsume the existing EAC as a subcommittee to inform the development of the next DSM plan.[17]

In 2023, the OEB-appointed non-utility stakeholder members of the EAC were:

- Robert Wirtsafter, Wirtsafter Associates, Inc.
- Chris Neme, Energy Futures Group
- Katherine Johnson, Johnson Consulting Group
- Dan Violette, Apex Analytics LLC

Non-utility stakeholders are expected to provide input and advice based on their experience and technical expertise, and not to advocate for the position of parties they have represented before the OEB in various proceedings.

2.4 Cost-Effectiveness Screening

Cost-effectiveness screening for the 2023 DSM Framework uses an enhanced Total Resource Cost test, called the "TRC-Plus" test, which includes a 15% adder to account for the non-energy benefits of DSM, such as improvements to the environment, economy and society.

For programs measured by net annual natural gas savings, excluding low-income programs, the program is considered cost-effective if the ratio of the present value of the TRC-Plus benefits to the TRC costs exceeds 1.0. To recognize that low-income programs may result in additional benefits not captured by the TRC-Plus test, low-income programs are screened using a TRC-Plus ratio threshold of 0.7. The Energy Performance and Building Beyond Code programs are assessed on the objectives of the program and are not tested against a TRC-Plus ratio threshold.

The TRC-Plus test is used to screen for cost-effectiveness at the program and portfolio level. See Section 2.1 for the 2023 DSM portfolio structures and Section 6.3 for the 2023 TRC-Plus test results.

2.5 Avoided Cost Assumptions

Avoided cost assumptions reflect "the benefit of not having to provide an extra unit of supply of natural gas, or other resources… through the delivery of DSM programs."[18] For more information on avoided cost assumptions, please refer to Section 11 of the 2023 DSM Framework.

The 2023 avoided cost assumptions can be found in Appendix A. As per the direction provided in the 2023 DSM Framework[19], Enbridge Gas includes the avoided cost of carbon within its avoided cost assumptions (in addition to the avoided costs of natural gas, electricity and water).

[17] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 3.1, p. 12.*
[18] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 33.*
[19] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 33.*

2.6 Technical Resource Manual

The TRM provides prescribed assumptions (including energy savings, costs, and measure lives) for several energy efficient technologies. Enbridge Gas uses the TRM as the basis for prescriptive and quasi-prescriptive measures offered to customers. For more information on the TRM, please refer to the summary provided at the outset of the TRM.[20]

The TRM is reviewed annually by the EC to make appropriate updates or revisions to existing measures, add new measures, or retire measures which are no longer relevant.

For the purpose of determining 2023 shareholder incentives for prescriptive and quasi-prescriptive measures, TRM Version 7.0 has been used (dated November 30th, 2022). This version was updated by the EC with input from Enbridge Gas and the rest of the EAC, and reflects the following changes:

- Added a new substantiation document for:
  - Commercial ENERGY STAR griddle (New Construction and Time of Natural Replacement)
  - Commercial energy efficient conveyor oven (New Construction and Time of Natural Replacement)
  - Commercial energy efficient under-fired broiler (New Construction and Time of Natural Replacement)
- Updated Common Assumptions:
  - Average city/inlet water temperature, residential water heater efficiency, and commercial water heater efficiency. These changes impact measured gas savings for the following measures: commercial ozone laundry treatment (New Construction and Retrofit), residential low flow faucet aerators (Retrofit), residential pipe wrap (Retrofit), residential high efficiency gas storage water heater (New Construction), and residential tankless gas water heater (New Construction and Time of Natural Replacement).
- A change in ENERGY STAR versions prompted a review of the commercial ENERGY STAR dishwashers (New Construction and Time of Natural Replacement) resulting in updates to resource savings and incremental cost.
- In order to align with other food service measures, outdated sources and calculators were updated in the following measures resulting in the changes listed:
  - Commercial ENERGY STAR fryer (New Commercial and Time of Natural Replacement updates to natural gas savings, incremental cost, and new sizing.
  - Commercial ENERGY STAR steam cooker (New Commercial and Time of Natural Replacement) saw updates to resource savings and incremental cost.
  - Commercial high efficiency under-fired broiler (New Commercial and Time of Natural Replacement) saw updates to gas savings, incremental cost, and new sizing.

For the purpose of determining 2023 lost distribution revenue for prescriptive and quasi-prescriptive measures, TRM Version 7.0 has been used.

Versions of the TRM up to Version 6.0 can be accessed on the OEB website (https://www.oeb.ca/industry/policy-initiatives-and-consultations/natural-gas-demand-side-management-dsm) under the section “Technical Resource Manual (including Historical Measures and Assumptions Updates)”.

TRM Version 7.0 and all future versions are accessible on the Natural Gas Conservation Evaluation Advisory Committee section of the OEB Engage with Us website (https://engagewithus.oeb.ca/natural-gas-conservation-evaluation-advisory-committee).

[20] *https://engagewithus.oeb.ca/26884/widgets/141698/documents/95116*

2.7 Integrated Resource Planning

Background

Integrated Resource Planning ("IRP") is a planning strategy and process that considers the implementation of alternatives to address the system needs of Enbridge Gas's regulated operations. In July 2021, the OEB issued its decision on Integrated Resource Planning and as part of that decision, as it relates to DSM, the OEB found that potential merging of DSM with programs aimed at reducing peak demand to meet system needs was premature.[21]

Separately, in the OEB's Decision approving the 2023-2025 DSM Plan, the OEB stated that it "expects that any IRP activities pursued that include demand side programming (e.g., geotargeted energy efficiency) should be discussed, at least at a high-level, as part of Enbridge Gas's DSM Annual Report so that all stakeholders are made aware."[22] IRP activities undertaken in respect to demand side programming are presented below.

One of the demand side IRP alternatives ("IRPAs") considered under the IRP Framework is geotargeted energy efficiency, also known as enhanced targeted energy efficiency ("ETEE") programs. ETEE programs focus on achieving necessary reductions in a specific geographical area to reduce peak period system demands. ETEE programs may include enhancing existing broad-based DSM offerings through additional incentives and targeted marketing or introducing new geotargeted programs not offered through broad-based DSM. The mix of offerings and measures utilized in an ETEE program is dependent on the scope of the facility investment project under consideration and customer characteristics in the specific area.

Another demand side IRPA considered under the IRP Framework is demand response ("DR"). DR programs seek to adjust the demand for natural gas by end-users instead of adjusting facilities or gas supply. DR includes programs for residential, commercial, and industrial customers, which are designed to incent or oblige the customer to reduce or shift energy usage during peak periods.

IRP Demand Side Alternative Activities in 2023

As part of the OEB's Decision on the IRP Framework, the OEB stated it expected the implementation of IRP pilot projects "to assist in understanding and evaluating how IRP can be implemented to avoid, delay or reduce facility projects."[23] On July 19th, 2023,[24] Enbridge Gas filed an application with the OEB in respect to the implementation of IRP Pilot Projects (EB-2022-0335).[25] Included in the application are two separate pilot projects, the Parry Sound Pilot Project and the Southern Lake Huron Pilot Project. Both pilot projects propose to implement a suite of ETEE programming for residential, commercial, and industrial customers. The Southern Lake Huron Pilot Project also proposes to implement a residential DR pilot offering. A summary of proposed demand side IRPA offerings for each of the Pilot Projects is detailed below.[26]

Parry Sound Pilot Project

- ETEE:
  - Enhanced DSM for residential customers leveraging the Residential Whole Home offering.
  - Enhanced DSM for commercial customers leveraging the Commercial Custom, Prescriptive Downstream, and Direct Install offerings.
  - Enhanced DSM for industrial customers leveraging the Industrial Custom offering.
  - Limited residential electrification offering for cold climate air source heat pumps and ground source heat pumps leveraging the Residential Whole Home offering.
  - Limited advanced technology offering for simultaneous hybrid heating (residential), gas heat pumps (residential/commercial), and thermal energy storage (residential).

[21] *Decision and Order, Integrated Resource Planning Proposal, EB-2020-0091, July 22nd, 2021, Section 7, p. 34.*
[22] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.11, p. 87.*
[23] *Decision and Order, Integrated Resource Planning Proposal, EB-2020-0091, July 22nd, 2021, Section 1, p. 9.*
[24] As noted in the 2022 IRP Annual Report (2022 Utility Earnings and Disposition of Deferral & Variance Account Balances Application and Evidence, EB-2023-0092, June 14th, 2023, Exhibit E), there was insufficient time to deploy the IRP pilot projects by the end of 2022.
[25] The regulatory proceeding for the IRP Pilot Projects Application (EB-2022-0335) was placed in abeyance on November 10th, 2023, and remains in abeyance as of March 31st, 2024.
[26] Flexibility in pilot project ETEE elements has been sought in the application due to the uncertainty of the structure of some existing DSM offerings in market at the time of the Pilot Project ETEE implementation.

Southern Lake Huron Pilot Project

- ETEE:
  - Enhanced DSM for residential customers leveraging the Residential Whole Home offering.
  - Enhanced DSM for commercial customers leveraging the Commercial Custom, Prescriptive Downstream, and Direct Install offerings.
  - Enhanced DSM for industrial customers leveraging the Industrial Custom offering.
- DR:
  - Demand response program for residential customers with natural gas space heating equipment and a Wi-Fi connected smart thermostat.

As part of the IRP Framework, the OEB directed that an IRP Technical Working Group ("TWG") be established and led by OEB staff to provide input on IRP issues that will be of value to both Enbridge Gas in implementing IRP and to the OEB in its oversight of the IRP Framework. IRP TWG meetings were held on a regular basis throughout 2023 and discussions related to demand side alternatives including DSM/IRP ETEE attribution and ETEE/DR programming for the IRP Pilot Projects. Additional details can be found in publicly available documents on the OEB Engage with Us website for IRP (https://engagewithus.oeb.ca/irp).

In May 2022, the 2023 to 2032 Asset Management Plan was completed by Enbridge Gas. As part of the IRP process, investments in the Asset Management Plan advanced through the IRP Evaluation process. The IRP Evaluation process includes technical screening and evaluation in respect to ETEE demand side alternatives. This evaluation process and the relevant updates will be described in further detail in the 2023 IRP Annual Report and will be publicly available through the previously linked OEB Engage with Us website for IRP.

2.8 Indigenous Engagement

In its Decision, the OEB emphasized the expectation that "Enbridge Gas will undertake greater stakeholder engagement with Indigenous representatives and document these interactions and the outcomes of the engagement sessions, to help inform its next DSM plan application."[27]

In early 2023, Enbridge Gas and the Independent Electricity System Operator ("IESO") were in regular communication regarding potential collaboration for an on-reserve commercial offering. The IESO released an on-reserve commercial offering for band-owned facilities in July 2022. Enbridge Gas reviewed the IESO offering and undertook a review of potential Indigenous commercial customers to understand the market potential. These reviews identified concerns such as the size of the market and low expected gas savings relative to the costs. As a result, Enbridge Gas is not currently partnered with the IESO on this offering.

Enbridge Gas recognized the importance of having resources to inform, develop, implement and guide DSM programming specific to Indigenous communities, and now has one dedicated full time equivalent role ("FTE") to that end. This FTE advanced relationships with Indigenous communities and organizations and will work with the IESO concerning Indigenous energy matters going forward. Enbridge Gas also continues to collaborate with organizations serving off-reserve Indigenous populations to develop a DSM program strategy to support off-reserve income-eligible Indigenous customers.

[27] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.1.7, p. 51.*

3. OEB Data Reporting Requirements

Section 3 provides the OEB's reporting requirements for the 2023 program year, as per Section 8.2.1 of the 2023 DSM Framework.

Table 3.0 Annual and Long-Term DSM Budgets ($/year and $/plan term) ($ million)

Program	2015	2016	2017	2018	2019	2020	2021	2022	2023
Combined Enbridge Gas Distribution ("EGD") and Union Rate Zones[1,2]									Enbridge Gas Inc.[3]
Total DSM Budget	$71.710	$113.182	$121.504	$130.826	$129.691	$132.107	$132.107	$132.107	$167.243

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.
[2] Including rollovers, the combined 2015-2022 plan term total budget was $921.3 million.
[3] The 2023-2025 DSM Plan total budget is $525.5 million.

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Table 3.1 Actual Annual Total DSM Costs[1] ($ million)

Rate Class	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EGD Rate Zone											
Rate 1	$13.882	$23.507	$26.856	$42.391	$44.206	$50.048	$54.977	$47.997	$52.903	$57.468	$62.201
Rate 6	$15.173	$13.901	$15.646	$17.001	$17.463	$17.616	$21.564	$17.201	$18.564	$16.010	$22.711
Rate 9	$0.001	$0.002	$0.002	$0.002	$0.002	$0.003	$0.003	$0.002	$0.003	$0.002	$0.000
Rate 100	-	-	-	-	-	-	$0.370	$0.072	$0.136	$0.016	$0.074
Rate 110	$0.937	$1.190	$1.900	$1.251	$1.462	$0.918	$0.937	$1.398	$1.081	$1.417	$4.122
Rate 115	$1.420	$0.567	$0.658	$0.532	$0.588	$0.274	$0.930	$0.449	$0.621	$0.449	$0.251
Rate 125	$0.053	$0.064	$0.069	$0.076	$0.086	$0.110	$0.099	$0.087	$0.095	$0.093	$0.168
Rate 135	$0.320	$0.124	$0.059	$0.086	$0.384	$0.407	$0.301	$0.583	$0.501	$0.267	$1.466
Rate 145	$0.369	$0.254	$0.152	$0.084	$0.090	$0.551	$0.084	$0.073	$0.106	$0.180	$0.031
Rate 170	$0.149	$0.458	$0.403	$0.574	$0.176	$0.176	$0.285	$0.267	$0.163	$0.268	$0.474
Rate 200	$0.018	$0.022	$0.024	$0.026	$0.030	$0.038	$0.034	$0.030	$0.033	$0.032	$0.041
Rate 300	$0.004	$0.004	$0.005	$0.005	$0.006	$0.007	$0.007	$0.006	$0.006	$0.006	$0.001
Union Rate Zones											
M1	$13.657	$15.415	$16.752	$24.595	$37.204	$41.948	$37.849	$28.950	$25.503	$28.022	$31.959
M2	$5.818	$6.728	$4.958	$6.847	$8.166	$7.851	$8.297	$6.055	$7.146	$5.114	$5.927
M4	$3.244	$3.296	$3.645	$4.012	$5.892	$6.776	$5.595	$4.739	$3.257	$2.783	$2.617
M5	$3.484	$2.394	$1.421	$2.580	$1.459	$0.657	$0.563	$0.278	$0.407	$0.262	$0.304
M7	$0.571	$2.143	$3.370	$3.963	$1.258	$2.714	$4.181	$5.151	$6.754	$3.085	$5.740
M9	-	-	-	-	-	-	-	-	-	-	$0.017
M10	-	-	-	-	-	-	-	-	-	-	$0.000
T1	$2.265	$1.078	$0.889	$1.486	$2.578	$1.962	$0.834	$0.896	$0.323	$0.717	$0.413
T2	$3.365	$2.875	$2.673	$3.980	$3.006	$3.375	$4.005	$3.703	$3.874	$3.615	$3.928
T3	-	-	-	-	-	-	-	-	-	-	$0.107
Rate 01	$3.560	$4.161	$3.555	$4.689	$6.209	$7.403	$6.696	$4.321	$4.581	$3.789	$5.492
Rate 10	$1.637	$1.613	$0.953	$1.394	$2.144	$1.829	$1.820	$1.250	$1.363	$1.040	$1.713
Rate 20	$1.573	$1.791	$1.005	$0.851	$1.554	$0.312	$1.194	$0.759	$0.541	$0.787	$1.215
Rate 25	-	-	-	-	-	-	-	-	-	-	$0.076
Rate 100	$1.828	$1.517	$0.799	$0.573	$0.809	$0.820	$0.708	$1.267	$0.831	$0.774	$0.736
Total	**$73.329**	**$83.105**	**$85.793**	**$116.997**	**$134.769**	**$145.797**	**$151.333**	**$125.533**	**$128.790**	**$126.197**	**$151.848**

[1] *Figures include all DSM spend, shareholder incentive and lost distribution revenue.*

Table 3.2 Historic Annual Total DSM Spending ($ million)

Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
Total DSM Spending	$60.68	$66.23	$68.17	$106.31	$126.94	$135.28	$138.45	$119.04	$122.60	$120.95	$144.72

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.

Table 3.3 Historic Annual DSM Shareholder Incentive Amounts Available and Earned ($ million)

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[2]
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
DSM Shareholder Incentive Earned	$12.32	$16.63	$17.55	$10.49	$7.64	$10.35	$12.67	$6.31	$6.43	$5.24	$7.11
DSM Shareholder Incentive Available	$21.34	$21.69	$22.09	$20.90	$20.90	$20.90	$20.90	$20.90	$20.90	$20.90	$20.90

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.
[2] 2023 Shareholder Incentive subject to OEB approval.

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Table 3.4 DSM Shareholder Incentive Earned as a Percent of DSM Spending

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[2]
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
DSM Shareholder Incentive Earned ($ million)	$12.32	$16.63	$17.55	$10.49	$7.64	$10.35	$12.67	$6.31	$5.94	$5.24	$7.11
Total DSM Spending ($ million)	$57.53	$66.23	$68.17	$103.49	$129.56	$135.28	$138.45	$119.04	$122.60	$120.95	$144.72
Shareholder Incentive Earned as a % of DSM Spending	21%	25%	26%	10%	6%	8%	9%	5%	5%	4%	5%

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.
[2] 2023 Shareholder Incentive subject to OEB approval.

Table 3.5 Total Annual and Cumulative Natural Gas Savings for 2023[1] (Gross and Net) (million m^3)

Scorecard	Annual Natural Gas Savings		Cumulative Natural Gas Savings	
	Gross	Net	Gross	Net
Residential Program	24.32	23.18	526.66	501.55
Low-Income Program	6.25	6.25	126.94	126.94
Commercial Program	36.04	25.05	605.31	402.01
Industrial Program	62.12	44.31	1,025.37	653.66
Large Volume Program	79.00	22.73	664.36	75.47
Energy Performance	0.00	0.00	0.00	0.00
Total	**207.72**	**121.52**	**2,948.64**	**1,759.64**

[1] 2023 DSM results subject to OEB approval.

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Table 3.6 Total Historic Annual Natural Gas Savings (Gross and Net) (million m^3)

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[1]
Combined EGD and Union Rate Zones[2]											**Enbridge Gas Inc.**
Total Net Annual Natural Gas Savings	227.70	175.37	174.05	106.49	114.29	108.56	115.69	96.24	92.55	78.59	121.52
Total Gross Annual Natural Gas Savings	436.54	328.09	322.26	278.77	254.52	222.47	231.76	229.47	201.60	168.01	207.72

[1] *2023 DSM results subject to OEB approval*
[2] *The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.*

Table 3.7 Total Historic Cumulative Natural Gas Savings (Gross and Net) (million m^3)

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[1]
Combined EGD and Union Rate Zones[2]											**Enbridge Gas Inc.**
Total Net Cumulative Natural Gas Savings	3,647.74	2,609.30	2,576.93	1,796.55	1,963.91	1,931.99	2,075.86	1,632.22	1,654.92	1,385.89	1,759.64
Total Gross Cumulative Natural Gas Savings	6,900.51	4,745.99	4,596.63	4,237.98	4,102.06	3,592.38	3,821.92	3,448.69	3,420.15	2,697.06	2,948.64

[1] *2023 DSM results subject to OEB approval*
[2] *The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.*

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Table 3.8 DSM Spending as a Percent of Distribution Revenue

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
Total DSM Spending	$60.68	$66.23	$68.17	$106.31	$126.94	$135.28	$276.90	$238.07	$245.20	$241.90	$144.72
Total Distribution Revenue ($ million)	$1,827.00	$1,822.00	$1,855.40	$1,927.60	$1,962.30	$2,124.60	$4,732.40	$4,675.00	$4,740.13	$5,068.57	$2,578.3
DSM Spending as a % of Distribution Revenue	3%	4%	4%	6%	6%	6%	6%	5%	5%	5%	6%

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.

Table 3.9 Historical Annual Natural Gas Savings Targets (million m^3)

Scorecard	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[1,2]
EGD Rate Zone											
Resource Acquisition	972.6	992.1	1,011.9	631.1	806.5	805.5	734.3	755.5	747.5	736.4	N/A
Low-Income	83.1	87.8	92.8	96.7	167.1	126.1	123.2	136.4	121.6	118.0	
Union Rate Zones											
Resource Acquisition	853.1	788.1	816.6	1,120.3	976.5	818.3	798.6	724.4	768.7	766.4	N/A
Low-Income	43.6	43.6	43.6	59.2	80.2	68.8	74.7	91.9	82.1	76.3	
Large Volume	1,296.0	1,268.8	1,236.1	890.9	463.1	195.7	137.7	133.0	116.1	140.5	
Enbridge Gas Inc.											
Residential	N/A										22.1
Low-Income	N/A										7.9
Commercial	N/A										24.0
Industrial	N/A										50.4
Large Volume	N/A										9.3
Energy Performance	N/A										0

[1] 2023 scorecard targets were fixed and approved by the OEB in its Decision. See Section 2.2 for more information.
[2] Prior to 2023, the annual natural gas savings targets had a primary metric of Cumulative Cubic Metres, which measured lifetime net natural gas savings. Beginning in 2023, the annual natural gas savings targets metric changed to Net Annual Cubic Metres, which measures first-year net natural gas savings. See Section 2 for more information.

Table 3.10 Total Annual Natural Gas Savings as a Percent of Total Annual Natural Gas Sales (Gross and Net)

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[2]
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
Net Annual Natural Gas Savings (million m^3)	227.7	175.4	174.0	106.5	114.3	108.6	115.7	96.2	94.9	78.6	121.5
Net Annual Natural Gas Savings as a % of Natural Gas Sales	0.9%	0.7%	0.7%	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%	0.3%	0.5%
Gross Annual Natural Gas Savings (million m^3)	436.5	328.1	322.3	278.8	254.5	222.5	231.8	229.5	205.6	168.0	207.7
Gross Annual Natural Gas Savings as a % of Natural Gas Sales	1.7%	1.2%	1.3%	1.2%	1.1%	0.9%	0.9%	0.9%	0.8%	0.6%	0.8%
Total Natural Gas Sales (million m^3)[3]	25,331.0	26,638.4	25,133.3	23,672.0	23,581.3	25,571.6	25,879.7	24,318.7	24,417.4	26,168.4	26,017.4

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.
[2] 2023 DSM results subject to OEB approval.
[3] Total Natural Gas Sales only includes rate classes that are eligible for DSM and subject to DSM costs.

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Table 3.11 Total Cumulative Natural Gas Savings as a Percent of Total Annual Natural Gas Sales (Gross and Net)

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[2]
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
Net Cumulative Natural Gas Savings (million m^3)	3,647.7	2,609.3	2,576.9	1,796.5	1,963.9	1,932.0	2,075.9	1,632.2	1,707.5	1,385.7	1,759.6
Net Cumulative Natural Gas Savings as a % of Natural Gas Sales	14.4%	9.8%	10.3%	7.6%	8.3%	7.6%	8.0%	6.7%	7.0%	5.3%	6.8%
Gross Cumulative Natural Gas Savings (million m^3)	6,900.5	4,746.0	4,596.6	4,238.0	4,102.1	3,592.4	3,821.9	3,448.7	3,510.2	2,696.9	2,948.6
Gross Cumulative Natural Gas Savings as a % of Natural Gas Sales	27.2%	17.8%	18.3%	17.9%	17.4%	14.0%	14.8%	14.2%	14.4%	10.3%	11.3%
Total Natural Gas Sales (million m^3)[3]	25,331.0	26,638.4	25,133.3	23,672.0	23,581.3	25,571.6	25,879.7	24,318.7	24,417.4	26,168.4	26,017.4

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.
[2] 2023 DSM results subject to OEB approval.
[3] Total Natural Gas Sales only includes rate classes that are eligible for DSM and subject to DSM costs.

Table 3.12 Total Natural Gas Sales Volumes (million m^3)

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Combined EGD and Union Rate Zones[1]											**Enbridge Gas Inc.**
Total Natural Gas Sales[2]	25,330.99	26,638.40	25,133.28	23,671.97	23,581.33	25,571.61	25,879.74	24,318.68	24,417.36	26,168.35	26,017.37

[1] The EGD and Union rate zones' historical figures have been combined for simplified reporting notwithstanding their differing historical methodologies.
[2] Only includes rate classes eligible for DSM and subject to DSM costs.

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Table 3.13 Number of Customers by Customer Type

Customer Type	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential[1]	3,237,152	3,285,272	3,334,545	3,381,450	3,422,651	3,463,392	3,501,048	3,537,832	3,611,366
Commercial	278,264	280,036	282,122	284,212	285,591	287,311	283,414	283,078	278,099
Industrial	6,122	6,157	6,219	6,267	6,306	6,528	11,988	12,137	12,047
Wholesale	5	5	6	7	7	7	8	8	9
Total	**3,521,543**	**3,571,470**	**3,622,892**	**3,671,936**	**3,714,555**	**3,757,238**	**3,796,458**	**3,833,055**	**3,901,521**

[1] *Residential customers include Low-Income.*

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Table 3.14 Number of Customers by Rate Class

Rate Class	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Service									
EGD Rate Zone									
Rate 1	1,930,657	1,959,569	1,990,032	2,017,128	2,040,710	2,064,531	2,087,370	2,109,164	2,152,304
Rate 6	163,634	164,698	166,224	167,626	168,093	169,084	169,867	169,732	171,210
Union Rate Zones									
M1	1,083,032	1,097,032	1,111,544	1,127,352	1,141,280	1,154,986	1,167,200	1,178,796	1,197,044
M2	7,437	7,730	7,553	7,469	7,783	7,863	7,934	7,970	8,617
01	333,773	339,335	344,458	349,354	353,643	357,603	360,849	364,123	368,838
10	2,152	2,219	2,192	2,118	2,144	2,201	2,200	2,258	2,394
General Service Subtotal	**3,520,685**	**3,570,583**	**3,622,003**	**3,671,047**	**3,713,653**	**3,756,268**	**3,795,420**	**3,832,044**	**3,900,407**
Contract									
EGD Rate Zone									
Rate 100	2	2	3	3	4	9	15	17	19
Rate 110	227	270	263	273	280	335	392	426	466
Rate 115	25	27	27	25	22	20	21	20	18
Rate 135	43	45	45	43	41	40	42	42	43
Rate 145	52	38	37	32	25	21	19	17	17
Rate 170	26	25	26	27	23	21	21	22	20
Union Rate Zones									
M4	156	165	185	208	232	239	230	223	221
M5	80	72	59	38	42	38	39	37	35
M7	28	28	30	30	36	47	56	62	69
T1	37	37	37	37	37	39	39	39	38
T2	22	22	23	24	25	25	25	25	27
20	50	47	46	44	54	57	58	60	65
100	10	11	11	11	12	12	12	13	11
Contract Subtotal	**758**	**789**	**792**	**795**	**833**	**903**	**970**	**1,001**	**1,049**
Non-DSM Rate Classes									
EGD Rate Zone									
Rate 9	6	6	3	2	0	2	2	0	0
Rate 125	5	5	5	4	4	4	4	4	4
Rate 200	1	1	1	1	1	0	1	1	1
Rate 300	2	2	2	1	1	1	1	2	1
Rate 315	1	1	1	1	1	1	1	0	0
Union Rate Zones									
M9	2	2	3	3	4	4	4	4	4
M10	2	2	2	3	2	2	2	2	3
T3	1	1	1	1	1	1	1	1	1
25	80	78	79	78	55	52	52	52	51
Total	**3,521,543**	**3,571,470**	**3,622,892**	**3,671,936**	**3,714,555**	**3,757,238**	**3,796,458**	**3,833,111**	**3,901,521**

4. Programs and Offerings

Enbridge Gas's DSM portfolio consists of the following programs:

- Residential Program (Section 4.1)
- Low-Income Program (Section 4.2)
- Commercial Program (Section 4.3)
- Industrial Program (Section 4.4)
- Large Volume Program (Section 4.5)
- Energy Performance Program (Section 4.6)
- Building Beyond Code Program (Section 4.7)

4.1 Residential Program

Enbridge Gas's Residential Program consists of the following offerings:

- Residential Whole Home Offering (Section 4.1.1)
- Residential Single Measure Offering (Section 4.1.2)
- Residential Smart Home Offering (Section 4.1.3)

4.1.1 Residential Whole Home Offering

The Residential Whole Home offering is a resource acquisition offering in the Residential Program. It provides a holistic approach to residential home renovations by offering customers rebates towards their home energy assessments, insulation upgrades, window replacements, heating/water heating systems, and more. Through this offering, participants gain a better understanding of their home's energy usage and insights into energy improvement opportunities identified through the completion of a home energy assessment. The intent is to incent homeowners to implement home upgrades, making their home more efficient. By participating in the Residential Whole Home offering, homeowners can increase the energy efficiency of their home, decrease their natural gas consumption, and improve their health through better indoor air quality.

In 2022, Enbridge Gas executed a contribution agreement ("the Agreement") with Natural Resources Canada ("NRCan") to administer a single, co-funded, Ontario-wide energy efficiency initiative that combines the funding available from the federal Canada Greener Homes Grant ("CGHG") initiative and Enbridge Gas Home Efficiency Rebate into one coordinated offering. This whole home offering is marketed as the Home Efficiency Rebate Plus ("HER+") program. HER+ launched January 1st, 2023, and the Agreement extends until 2027. The combined offering provides higher incentives for Enbridge Gas customers using natural gas as a space heating fuel at the time of their pre-retrofit or post-retrofit assessment, as well as process and cost efficiency to drive enhanced participation, deep energy savings and simplicity through the coordinated delivery. The initiative is administered by Enbridge Gas via a single registration point.

Through the offering, participants work with an approved Service Organization ("SO") to complete a preliminary energy assessment to determine the home's baseline energy use and load profile. A Registered Energy Advisor ("REA") models the home using NRCan energy modelling software ("HOT2000") to produce an energy efficiency report for the homeowner that outlines all energy saving opportunities, along with the home's EnerGuide rating and energy saving tips. After upgrades to the home are complete, participants complete a post-energy assessment with the REA to quantify the energy savings achieved by the retrofits, as determined by HOT2000. Rebates are available for completing the assessments and eligible measures recommended in the energy efficiency report. Please see Appendix C for the full list of eligible technologies and their incentives.

The HER+ offering targets Ontario residents who fall into one of the eligibility categories, or "packages", outlined in table 4.0 below. These packages identify the eligibility requirements for each application and determines whether the resident is eligible for the enhanced incentives funded by Enbridge Gas.

Table 4.0 HER+ Package Eligibility

HER+	Package Eligibility Characteristics	Eligibility for Enhanced Incentives
Package A	Owner occupied and space heated by Enbridge Gas.	Yes
Package B	Owner occupied and not space heated by Enbridge Gas.	No
Package C	Not owner occupied (tenants) and space heated by Enbridge Gas.	Yes
Package D	Owner occupied home in a community not currently connected to the North American electrical grid nor to the piped natural gas network, in a permanent or long-term (five years or more) settlement with at least 10 dwellings.	No

Additionally, participants must complete both the pre- and post-retrofit energy assessments using an approved SO registered with NRCan, and install at least one qualifying measure, or two if upgrading their thermostat or adding one of the resiliency measures (batteries connected to photovoltaic systems, roofing membrane, foundation waterproofing, or moisture proofing crawlspace floor, walls, and headers).

Please see Appendix C for full offering details.

Prior to the NRCan Agreement, Enbridge Gas had been delivering a residential whole home offering called Home Efficiency Rebate ("HER"). Enbridge Gas discontinued the HER Offering in April 2023. HER applicants were able to transition to HER+ if their pre-retrofit assessment was after April 1st, 2020, and a post-retrofit assessment wasn't completed before January 1st, 2023.

Table 4.1 Residential Whole Home Offering Results*

Metric	Achievement
Net Annual Gas Savings (m^3)	15,379,280

** For clarity, this table displays the combined results for HER and HER+.*

The Agreement between Enbridge Gas and NRCan outlined the methodology for attributing natural gas savings between the two parties. Natural gas savings were attributed, "on a per measure basis, to Enbridge Gas based on the share of the measure incentives funded by Enbridge Gas."[28] Further, the Agreement outlined a minimum threshold that specified that "should the savings attributed to Enbridge Gas for any calendar year be below 0.34 gross annual natural gas m^3 savings per incentive dollar contributed by Enbridge Gas to the enhanced CGHG offering, adjustments would be made to the attribution to result in a minimum 0.34 m^3/incentive dollar attributed to Enbridge Gas"[29] ("Attribution Savings Transfer"). For clarity, the Attribution Savings Transfer is only applicable to Package A. Table 4.2 below outlines the Attribution Savings Transfer between Enbridge Gas and NRCan for the 2023 program year.

[28] *Letter to the Board, Enbridge Gas and NRCan Agreement, EB-2021-0002, November 24th, 2022, Attachment 3, p. 9.*
[29] *Letter to the Board, Enbridge Gas and NRCan Agreement, EB-2021-0002, November 24th, 2022, Attachment 2, p. 11.*

Table 4.2 2023 HER+ Gross Attribution Savings Transfer Between Enbridge Gas and NRCan (m^3)

Metric	Package A
Pre-Transfer Savings	
Natural gas savings attributed to Enbridge Gas pre-transfer	4,413,220
Natural gas savings attributed to NRCan pre-transfer	13,361,398
Total Savings	**17,774,618**
Attribution Savings Transfer	
Attribution Savings Transfer amount	6,944,691
Post-Transfer Savings	
Natural gas savings attributed to Enbridge Gas post-transfer	11,357,911
Natural gas savings attributed to NRCan post-transfer	6,416,707
Total Savings	**17,774,618**

Offering Changes and Lessons Learned in 2023:

Introduction

With the partnership between Enbridge Gas and NRCan in place, as well as the OEB Decision providing further guidance, Enbridge Gas successfully launched HER+ in January 2023. The partnership between Enbridge Gas and NRCan was effective. Amalgamating the two offerings into one was a formidable undertaking on the parts of Enbridge Gas and NRCan staff.

OEB Decision

On August 31st, 2022, Enbridge Gas filed the Agreement with the OEB as a part of EB-2021-0002, indicating that Enbridge Gas would be the delivery agent ("DA") of a joint whole home residential program. This allowed the OEB to consider the Agreement's impacts on the DSM portfolio. The OEB issued a Decision on November 15th, 2022, which provided direction to Enbridge Gas relating to the program design of HER+. Specifically, the OEB removed the requirement for a participant to remain on the gas system, eliminated gas-fired measures from the residential whole home offering, and approved Enbridge Gas "to access funding in excess of the DSM variance account overspend provision that allows for an incremental 15% of a program budget to be spent during the year should Enbridge Gas have met 100% of its performance scorecard metric on an unverified basis."[30] This allowance to exceed the 15% DSM variance account overspend provision applies only to the joint residential whole home offering, and any overspend would still require sufficient supporting evidence. The OEB also increased the budget for Enbridge Gas's residential whole home offering from a proposed $30.6 million to a total of $60 million. This increase of $29.4 million was to be used solely for increased incentive levels that Enbridge Gas was required to administer on a measure-by-measure basis.[31] These enhanced incentive levels were determined by the OEB and are outlined in Schedule B of its Decision.[32]

[30] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.2.1, p. 31.*
[31] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.2.1, p. 30.*
[32] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule B.*

Program Design, Operation and Lessons

To support the launch of the offering in January 2023, Enbridge Gas and NRCan immediately began establishing processes for regular communication, including implementing steering committee meetings along with regular and frequent check-ins. These structured communication processes allowed for alignment, transparency, and effective problem-solving. Throughout the year, Enbridge Gas and NRCan were able to resolve bottlenecks, identify obstacles, and implement improvements to areas such as the customer journey, the coordination of service organizations, and the implementation of marketing initiatives.

In the new combined offering, it was determined that all Registered Energy Advisors and Service Organizations registered with NRCan would be able to conduct the pre-retrofit and post-retrofit assessments for this offering. This change increased the available Service Organizations from 12 to 40. The increased number of partners for this offering helped drive engagement across Ontario.

In order for Enbridge Gas to be the delivery agent of the OEB-approved joint whole home residential program, it was necessary to change some features of the offering. Some changes were directed by the OEB, and others were necessary to align with NRCan's requirements for the Canada Greener Homes Grant. Selected changes from the HER offering include:

- The elimination of gas-fired appliances (e.g., furnaces) from the offering. The exceptions to this are boilers and furnaces for off-grid communities, which are funded solely by NRCan.
- The inclusion of new measures such as ground source heat pumps, air source heat pumps, resiliency measures, solar photovoltaic panels, and more. Please see Appendix C for further details on the measures offered and their incentive levels.
- The removal of the requirement for a participant to remain on the gas system.
- A vast expansion of the offering's budget.
- The removal of the 120-day time limit for a participant to complete their post-retrofit assessment.
- The removal of the basement bonus and the multi-measure bonus.
- The removal of the requirement for aggregate annual gas savings across all participants in the offering to be, on average, at least a 15% reduction in annual natural gas use when comparing the results of the pre-energy assessment to the results of the post-energy assessment as determined by HOT2000.
- The removal of the participant metric. The offering will now be measured solely against net annual gas savings (m^3).
- Increased incentives.
- The removal of the multi-measure requirement.
- Inclusion of Multi-Unit Residential Buildings ("MURB") in the offering. Please see Appendix C for further details.

Enbridge Gas customers were able to stack the $75 Instant Rebate from the Smart Home offering with an additional $50 rebate if they participate in the HER+ offering and complete a pre- and post-retrofit EnerGuide assessment. See Section 4.1.3 for details about the Smart Home Offering.

Participation

Table 4.3 displays the forecasted and actual participation results for HER+ in 2023 and Table 4.4 displays the actual measure uptake for HER+ in 2023.

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Table 4.3 2023 HER+ Forecasted and Actual Participation

Metric	Participants				
	Package A	Package B	Package C	Package D	Total
Forecasted Number of Participants*	N/A				32,000
Number of completed participants	24,873	2,234	903	0	28,010

** The forecasted number of participants was originally presented within the Agreement[33] and has been prorated to account for different fiscal periods between Enbridge Gas and NRCan.*

Participation results were slightly lower than forecasted as outlined in the NRCan Agreement. Enbridge Gas attributes this to a slower than expected offer ramp-up, particularly in marketing strategies and DA capabilities.

Table 4.4 2023 HER+ Measure Uptake[1,2]

Eligible Measures	Package A	Package C	Total
Home Insulation			
Exposed Floor Insulation	123	2	125
Exterior Wall Insulation	846	55	901
Attic/Cathedral Ceiling/Flat Roof Insulation	6,912	322	7,234
Basement Slab Insulation	50	2	52
Foundation Insulation	1,177	70	1,247
Basement Header Insulation	463	31	494
Home Insulation Total	**9,571**	**482**	**10,053**
Space Heating			
Ground Source Heat Pump	16	0	16
Air Source Heat Pump	12,558	569	13,127
Space Heating Total	**12,574**	**569**	**13,143**
Water Heating			
Heat Pump Water Heater	255	3	258
Water Heating Total	**255**	**3**	**258**
Other Measures			
Air Sealing	5,480	143	5,623
Windows/Sliding Glass Door	90,550	1,021	91,571
Doors	1,750	43	1,793
Thermostat	168	3	171

[1] For clarity, this table displays the number of measure installations, and is not a participant count.
[2] This table only represents measure uptake for packages that are partially or fully funded by Enbridge Gas.

[33] Letter to the Board, Enbridge Gas and NRCan Agreement, EB-2021-0002, November 24th, 2022, Attachment 2, p. 16.

Results indicate approximately 47% of HER+ participants installed a heat pump as one of their measures. While many factors may have led to the success of heat pumps in 2023, such as increasing prevalence of the technology and a gradually improving supply chain, Enbridge Gas theorizes the enhanced incentives available for heat pumps of up to $6,500 was the most significant driving factor of this participation.

While implementing the enhanced CGHG offering throughout 2023, Enbridge Gas discovered an issue with how the HOT2000 software and supporting calculators ("H2K ecosystem") calculate heating load covered by air source heat pumps and the resulting modelled gas savings. The H2K ecosystem requires updates to model key considerations and makes assumptions not aligned with real-world settings and heat pump performance.

To address this, Enbridge Gas used a residential heat pump savings algorithm from the New York TRM v11.0 to adjust the savings estimation. By applying this algorithm to H2K ecosystem input values, Enbridge Gas determined a 40% reduction in savings is a more accurate estimation of gas savings and will use this value for reporting results in the 2023 DSM Annual Report to the OEB.

Enbridge Gas will share the analysis and work with NRCan for any future analysis and reporting.

Cost-Effectiveness

In its Decision, the OEB provided Enbridge Gas direction regarding the design of this offering, including eligibility rules, eligible measures, and incentive levels. Considering this increased level of direction, Enbridge Gas has provided the following cost-effectiveness breakdown.

Table 4.5 2023 HER+ Cost Effectiveness*

Offering/Package	TRC+ Ratio	
	NRCan and EGI Contributions	EGI Contribution and Attribution Only
HER+	0.28	0.29

** This table only represents cost-effectiveness for packages that are partially or fully funded by Enbridge Gas.*

Enbridge Gas was required to adhere to the program that NRCan had designed in order to jointly deliver the offering in Ontario. Subsequently, the OEB's Decision included direction for Enbridge Gas to provide specified incentives on a measure-by-measure basis.[34] These enhanced incentive levels were determined by the OEB and are outlined in Schedule B of its Decision.[35] As is evident in Schedule B, there were many measures for which the OEB directed Enbridge Gas to provide an enhanced incentive, despite the fact that Enbridge Gas did not originally propose an incentive, including space heating heat pumps, water heating heat pumps, and windows and doors.

As shown in Table 4.5, the TRC-Plus cost effectiveness test has resulted in a TRC-Plus ratio for the 2023 HER+ offering of 0.29. Enbridge Gas has conducted an analysis to determine the main drivers for the low TRC-Plus ratio. In Enbridge Gas's opinion, there were three primary drivers, as follows:

1. The high equipment cost associated with windows and doors had a very strong negative effect on the TRC-Plus ratio. As is evident in Table 4.4 above, windows and doors were the measure with the highest uptake, likely as a result of the high incentive provided through HER+ (up to $325).
2. The high equipment cost associated with heat pumps had a significant negative effect on the TRC-Plus ratio. Heat pumps had a strong uptake in 2023, likely due to the high incentive provided through HER+ (up to $6,500).

[34] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.2.1, p. 30.*
[35] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule B.*

3. When heat pumps are installed, there is a reduction in natural gas consumption, which is a benefit according to the TRC methodology, but there is also an increase in electric usage, which is a TRC cost. As a result, the benefit associated with a reduction in natural gas was largely negated, if not exceeded, by the cost of increased electricity usage. The avoided costs for electricity are currently under review.

In Enbridge Gas's opinion, high incentives led to a strong uptake in measures that have significant associated costs, and as a result, drove the TRC-Plus ratio down.

Spend

Table 4.6 displays the forecasted and actual spending for the Residential Whole Home offering in 2023.

Table 4.6 2023 Residential Whole Home Forecasted and Actual Spending

Item	Forecasted Spend	Actual Spend
Residential Whole Home Costs[1]		
Incentive Costs	$55,511,017	$50,896,812
Promotion Costs[2]	$1,527,894	$2,568,019
Delivery Costs	$2,961,089	$1,851,877
Total	**$60,000,000**	**$55,316,708**
Residential Program-Level Costs		
Residential Program-Level Administration Costs[3]	$1,783,905	$1,208,869

[1] *For clarity, this section displays the combined values for HER and HER+.*
[2] *Promotion Costs include expenses for all marketing material.*
[3] *Administration Costs are tracked at the Residential Program level.*

As shown in Table 4.6, Enbridge Gas spending exceeded forecasts in Promotion Costs (which include marketing activities) and were less than forecasted in Incentive Costs, Delivery Costs, and Administration Costs. The spend associated with marketing activities was greater than forecasted due to the substantial initial marketing costs of launching such a large offering, and to innovative new approaches to marketing and education. An overview of these 2023 marketing activities are outlined in the section below. In its Decision, the OEB noted that it "expects that the significant funding contributions of NRCan to the administrative costs of the joint residential program will result in material reductions in administrative costs paid for by Enbridge Gas ratepayers."[36] Enbridge Gas experienced some administrative savings in the Residential Program, which can be partially attributed to sharing administrative costs with NRCan, however this was somewhat offset by the additional administrative work associated with the collaboration and ramp-up of such a large and complex offering.

Marketing

In early 2023, Enbridge Gas developed an agile marketing plan supporting the offering through three guiding principles:

- **Awareness**: Driving awareness of the offering and its benefits and available rebates, highlighting the partnership between NRCan and Enbridge Gas, building customer trust and reinforcing legitimacy of the offering.
- **Leads**: Generating leads and facilitating offering applications.

[36] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.2.1, p. 32.*

- **Educate**: Educating customers about energy efficiency and the benefits of various energy efficient measures.

Marketing campaigns were developed to focus on two primary audiences, homeowners and influencers. For marketing purposes, Enbridge Gas defined influencers as contractors, retailors, various associations and municipalities.

Enbridge Gas was able to deploy a diverse array of effective marketing initiatives across Ontario. Notable initiatives included:

- Collaborating with retailers such as Home Depot and Rona to promote the offering in stores across Ontario, with custom HER+ signage and in-person events informing customers and generating interest.
- A new HER+ website with the functionality to guide customers toward the rebate options most relevant for them based on their eligibility.
- Sponsoring the gondola at the Canadian National Exhibition ("CNE"), Canada's largest fair, in Toronto. Enbridge Gas's marketing team branded the famous gondola rides with custom vinyl wraps promoting HER+. Each gondola seat promoted a different energy upgrade and rebate.
- In the weeks leading up to and during the CNE, HER+ advertisements were displayed throughout Union Station.
- Investments in residential consumer awareness and education on heating consumption for their homes that is expected to benefit consumers and program uptake through 2030.
- Partnering with the Toronto and Region Conservation Authority to facilitate community workshops to homeowners.
- Attending various home shows, including exhibiting the HER+ "Hidden Home" augmented reality experience at the Toronto Fall Home Show.
- Advertising on various digital mediums across Ontario.
- Partnering with Humber College to deliver air sealing information sessions.
- The customer journeys of real HER+ participants were recorded, documented from start to finish, and utilized as marketing material across various channels such as social media and direct mail.

Many of these initiatives involved community engagement and education which has proven to be a highly successful method at bringing in new participants as well as reinforcing the legitimacy of the offering.

Anticipated Offering Changes for 2024:

On November 8th, 2023, NRCan informed Enbridge Gas that NRCan is discontinuing new entrants into the Canada Greener Homes Grant in 2024, with a stoppage of new program intake sometime during Q1 2024. This information was then provided to the SOs on November 9th, 2023, through an NRCan presentation. No new applications for HER+ were accepted after end of day February 5th, 2024. Applications received before then will be eligible to proceed to completion under the approved terms and conditions. Enbridge Gas will continue to administer and payout incentives as participants complete their post-retrofit assessments.

Enbridge Gas is considering all potential options for a new Residential Whole Home Offering.

4.1.2 Residential Single Measure Offering

The Single Measure offering is meant to encourage broader participation in the residential program through the delivery of a simplified single measure alternative. By expanding customer choice, this flexible approach will be geared to reduce barriers that may prevent a customer from participating in the Whole Home offering. This offering will further build capacity with insulation contractors to sell, install and promote insulation retrofits, decreasing the consumption of natural gas in the residential sector.

Table 4.7 Residential Single Measure Offering Results

Metric	Achievement
Net Annual Gas Savings (m^3)	0

Offering Changes and Lessons Learned in 2023:

This offering was not in market in 2023.

Enbridge Gas and its consultant were in the process of developing potential substantiation documents for the Single Measure offering. Due to the requirements of other programs and partnerships (namely the HER+ offering) there were other priorities that resulted in the delay of the development of these substantiation documents.

Anticipated Offering Changes for 2024:

In November 2023, NRCan informed Enbridge Gas that it is halting intake into the CGHG program in Q1 2024. This change has prompted Enbridge Gas to shift focus to redesigning a new Residential Whole Home offering. The Single Measure offering requires further analysis and will be revisited in 2024.

4.1.3 Residential Smart Home Offering

The Smart Home offering provides eligible residential Enbridge Gas customers with a rebate towards Smart Home technologies that provide automated controls to reduce the energy consumption of the home. The offering currently consists of the smart thermostat measure. Smart thermostats use sensors and Wi-Fi technology to give homeowners greater flexibility in controlling heating and cooling needs while at home or away, which supports a reduced demand on energy consumption. The offering provides customers a rebate for the purchase of a qualifying adaptive thermostat. Incentive details are provided in Appendix C.

Table 4.8 Residential Smart Home Offering Results

Metric	Achievement
Net Annual Gas Savings (m^3)	7,804,479

Offering Changes and Lessons Learned in 2023:

This offering was previously known as the Residential Adaptive Thermostat offering.

The following changes were made to the offering in 2023:

- Enbridge Gas continues to add new smart thermostat models to the Residential Smart Home offering. See Appendix C for the full list of available models in 2023.
- In July 2023, a Limited Time Offer ("LTO") of a $100 incentive was introduced to the offering, running from July 1st to October 31st, 2023. This was an increase from the usual $75 incentive. The LTO was extremely successful, resulting in a drastic increase in participation of 108% over the same time period in 2022. Part of this success is attributable to the marketing campaign developed and executed to promote the LTO, encompassing:
    - Increased mass media marketing, including direct mail, eblasts, radio, and more.
    - Digital creative cross-promotion with manufacturer promotions alongside the LTO.
    - Email advertisements promoting the LTO. These emails experienced a high clickthrough rate (a metric measuring user engagement with email advertisements) of 19.99%, indicating a high amount of interest from customers.
- In June 2023, the Smart Home program used Out of Home ("OOH") advertising for the first time, which included bus exterior advertisements, bus shelter advertisements, and experiential marketing.

The combination of OOH tactics and the LTO resulted in an approximately 29% increase in participants over 2022.

Very few participants went through both the HER+ program and the Smart Home offering to stack their rebates.

Anticipated Offering Changes for 2024:

Enbridge Gas is exploring a Post-Purchase rebate stream where participants can purchase an eligible device from any retailer and provide proof of purchase via an online portal. Once validated, the participant would receive their post-purchase rebate as a credit on their Enbridge Gas bill. This rebate model is not meant to replace the Instant Rebate stream, but rather to give greater flexibility in participation options.

There is potential for collaboration to cross-promote this offering with electric demand response programs.

4.2 Low-Income Program

Enbridge Gas's Low-Income Program consists of the following offerings:

- Home Winterproofing Offering (Section 4.2.1)
- Affordable Housing Multi-Residential Offering (Section 4.2.2)

4.2.1 Home Winterproofing Offering

The Home Winterproofing ("HWP") offering is designed to reduce energy costs and improve indoor home comfort for low-income customers. The offering provides a free home energy assessment and direct installation of measures including insulation, draftproofing, showerheads, aerators, pipe wrap, and smart thermostats at no cost to the participant. A free carbon monoxide detector is installed in the home if there is none present during the energy assessment. In addition, DA's have access to a health and safety budget to address issues or barriers that are posing health and safety risks to residents and delivery agents that may otherwise prohibit participation in the offering.

The market for this offering includes all single family social and assisted housing, residents in private single-family dwellings and residents of on-reserve First Nation communities who meet income qualification and eligibility criteria.

Homes eligible for the offering include detached, semi-detached, row houses, townhouses, and mobile homes with a permanent foundation, as well as small MURBs. Offering details can be found in Appendix C.

Table 4.9 Home Winterproofing Offering Results

Metric	Achievement
Single Family Net Annual Gas Savings (m^3)	3,247,883

Offering Changes and Lessons Learned in 2023:

Throughout 2023, Enbridge Gas implemented two pilots within the HWP offering:

- An air sealing pilot was conducted to assess and quantify the gas savings that result from comprehensive air sealing to determine whether this enhanced service could be added to the offering. Enbridge Gas will use the results of this pilot to inform future offering design.
- Within the Otter Creek Co-op community, Enbridge Gas conducted a heat pump pilot, successfully installing 84 heat pumps. Enbridge Gas will use the results of this pilot to inform future offering design. Please see the Anticipated Offering Changes for 2024 Section for more information about Enbridge Gas's intentions for introducing heat pumps into the HWP offering.

In 2023, Enbridge Gas utilized its customer information system to identify participants in the Low-Income Energy Assistance ("LEAP") program. Enbridge Gas retained a third-party to perform a call campaign for the LEAP participants, informing them of their automatic eligibility for the HWP offering, supporting their application and addressing any concerns the customer may have. Those who responded positively to the call campaign and filled out an online application were provided a $50 gift card.

Throughout 2023, Enbridge Gas found that identifying and qualifying customers in this segment has become more challenging. This was especially true for rural customers, who were less responsive to traditional marketing efforts. To combat this in the near-term, Enbridge Gas utilized more targeted communications, outreach strategies and engagement with local associations and other stakeholders. Such initiatives included marketing materials sent to various target groups (e.g., LEAP participants) and LTOs where the participant would receive a $50 gift card once their pre-retrofit assessment was booked. Another LTO was launched in market encouraging friend-and-family referrals until December 2023. Please see the Anticipated Offering Changes for 2024 Section for more information on how Enbridge Gas plans to better engage rural customers in 2024.

In 2022, Enbridge Gas and the IESO launched a collaborative agreement to deliver HWP and the Energy Affordability Program ("EAP") utilizing joint DAs for a coordinated approach that also resulted in the alignment of eligibility thresholds. Under this collaboration, projects participating in both HWP and EAP would only require one energy audit instead of two. In August 2023, Enbridge Gas learned that the IESO increased the amount of the joint audit payment to Registered Energy Auditors ("REAs"), which shifted the REAs' priorities away from HWP-only projects. In order to maintain the REAs' focus on HWP-only projects, Enbridge Gas matched the IESOs REA payment. This has resulted in elevated costs for the offering.

Anticipated Offering Changes for 2024:

To elicit more responses and participation from rural customers, Enbridge Gas intends to utilize more detailed customer segmentation data, broken out by postal code, to determine how to tailor the messaging and delivery methods based on rural customers' unique needs.

In 2024, Enbridge Gas will be exploring ways in which the Company can incorporate heat pumps into the HWP offering. Heat pumps may be added to the offering in 2024 via a soft launch into the market. This initiative may lead to a reduction of the TRC ratio for the offering. Enbridge Gas has yet to determine specifics including incentive levels, overall budget, installation costs, delivery method, and eligibility requirements. Enbridge Gas expects that learnings from the Otter Creek community pilot, research and learnings from other DSM areas, and stakeholdering activities with parties such as the IESO, contractors, and DAs will inform the addition of heat pumps into the offering.

Enbridge Gas intends to expand the list of government programs used to qualify HWP participants in 2024 to include Assistance for Children with Severe Disabilities ("ACSD"). ACSD provides financial support to families that are caring for a child with severe disabilities. Eligibility for this funding considers the number of people in the household and total household income. Children are automatically enrolled into Healthy Smiles Ontario if their family qualifies for ACSD. Healthy Smiles Ontario is a provincial government program currently used to qualify an HWP participant.

For 2024, the HWP offering will be adding heat reflector panels. Due to DA constraints, this measure will be offered in a limited capacity in 2024. Enbridge Gas intends to eventually offer it across the franchise area. Please see the Affordable Housing Multi-Residential Offering Section (Section 4.2.2) for more information about the constraints affecting heat reflector panel installations.

4.2.2 Affordable Housing Multi-Residential Offering

The Affordable Housing Multi-Residential ("AHMR") offering provides social and assisted housing and low-income market rate multi-family buildings with energy assessments, technical assistance and incentives for various energy efficiency measures. The offering includes custom, prescriptive, and direct install measures, along with incentives for building assessments. Offering details are provided in Appendix C.

Table 4.10 Affordable Housing Multi-Residential Offering Results

Metric	Achievement
Multi-Residential Net Annual Gas Savings (m^3)	3,002,130

Offering Changes and Lessons Learned in 2023:

With the implementation of the 2023-2025 DSM Plan, the AHMR offering harmonized incentives between the EGD and Union rate zones. This harmonization meant Union rate zones customers saw a reduction in the available incentive rate.

Enbridge Gas experienced challenges delivering AHMR in 2023, as follows:

- While there has been a significant increase in customers interested in heat reflector panels, the DA for this measure has experienced resource constraints and operational challenges and did not have enough capacity to meet this increased demand. In some cases, installation for sites outside of the Greater Toronto Area could not be guaranteed. Many installations require two site visits which can become expensive for the DA to perform depending on the distance to the customer site. Enbridge Gas intends to address such limitations in future contract negotiations, including provisions that resolve the inability for DAs to reach a specific customer due to location and distance.
- Throughout 2023, Enbridge Gas noted that sustainability targets for affordable housing providers are becoming more prevalent, heightening their prioritization of emissions reduction initiatives. Enbridge Gas has found that in addition to energy efficiency, housing providers are also considering fuel-switching projects as a way to reduce their emissions. The Company has also found, however, that its incentives were often not large enough to help those customers considering fuel switching which, therefore, limited these types of projects from proceeding. Fuel-switching projects commonly have a negative TRC-Plus ratio due to both the upfront cost of the project and the ongoing costs to operate the equipment.
- The method used to qualify a private market rate rental building is hampering Enbridge Gas's ability to enroll participants. Presently, Enbridge Gas compares the building's existing monthly rent data ("rent rolls") to the municipality's median rent, as sourced from the CMHC. Enbridge Gas cannot confirm eligibility before reviewing the rent roll, and in some cases, the quality or availability of rent roll data is deficient. To incentivize the submission of rent rolls, Enbridge Gas ran an initiative offering $50 gift cards to those who submitted, whether they were deemed eligible or not. This initiative was found to be ineffective, and Enbridge Gas is exploring methods to make the submission of rent roll data simpler.

Despite the rent roll data challenges for private market rate participants, results for 2023 indicate more private market rate buildings engaged with the offering than social housing providers. Table 4.11 below displays the distribution of participation and natural gas savings results between private market rate and social housing participants.

Table 4.11 2023 AHMR Offering Results Distribution Between Private Market and Social Housing Participants

Item	Private Market (%)	Social Housing (%)	Total (%)
Unique Participants	56	44	100
Net Annual Natural Gas Savings	59	41	100

While these results indicate a reasonably equitable distribution, Enbridge Gas will continue to drive deeper engagement from all eligible customers and address the unique needs of different customer segments.

As per the 2023-2025 DSM Plan, the eligibility requirements for AHMR were altered to include "All privately owned building owners or operators must also sign an agreement to forego an Above Guideline Increase ("AGI")."[37] The purpose of this addition was to help protect low-income tenants from increased rents. However, through the delivery of the offering in 2023, Enbridge Gas learned that this wording led to the perverse consequence of some private market rate customers electing not to participate in AHMR, despite moving ahead with a required end-of-life replacement, as they did not want to commit to never applying for an AGI. It is the role of DSM to incent the installation of higher efficiency equipment at this time to prevent lost opportunities. If a customer plans on applying for an AGI for any number of reasons, they may instead choose to install baseline equipment to allow for the continued pursuit of an AGI as a business decision. As a result, enhanced energy and bill savings could, effectively, not be passed along to low-income tenants. Further, the increase to rent has the potential of being greater than if the customer had participated in AHMR, as the equipment would have been more expensive for the private market rate customer in the absence of the AHMR offering.

Anticipated Offering Changes for 2024:

Enbridge Gas has identified that the AGI policy, as written in the 2023-2025 DSM Plan, was not clear and does not support the OEB guiding principle that "DSM plans should ensure that small volume, low-income and on-reserve First Nations communities are well-served."[38] As a result, Enbridge Gas will be altering this requirement in 2024, to better fulfill its original intention of supporting low-income tenants. The new requirement will note that participants who apply for an AGI must adhere to the Residential Tenancies Act.

The 2024 AHMR offering will see a significant increase in incentive rates for both the standard offer and the LTO. Enbridge Gas will continue to look at different rates for different measures and the structure will mimic the Commercial Custom Offering LTO in 2023. The base rate will be increased to help move projects forward in a sector where most customers lack the funds to implement such measures. Enbridge Gas expects this increase will prompt customers to move planned projects earlier in the year to take advantage of the increased rate.

Enbridge Gas is also planning to incorporate the hybrid rooftop unit ("RTU") measure for affordable housing customers. This is identical to the Commercial Custom Offering, however for the AHMR offering, the incentive per unit will increase slightly to attract more interest.

For 2024 Enbridge Gas has renewed its collaboration agreement with the City of Toronto's "Taking Action on Tower Renewal" team, providing funding towards audits for affordable housing customers. This collaboration extends through the year, with leads being provided by the City of Toronto to Enbridge Gas for follow-up.

For 2024, Enbridge Gas is ending the direct install offer for showerheads within AHMR. Lower participation rates and higher costs are the main drivers for phasing out this measure. This budget will be repurposed for sponsorships and incentives.

4.3 Commercial Program

Enbridge Gas's Commercial Program consists of the following offerings:

- Commercial Custom Offering (Section 4.3.1)
- Prescriptive Downstream Offering (Section 4.3.2)
- Direct Install Offering (Section 4.3.3)
- Prescriptive Midstream Offering (Section 4.3.4)

[37] *Multi-Year Demand Side Management Plan (2022-2027), EB-2021-0002, May 3rd, 2021, Exhibit E, Schedule 3, p. 20.*
[38] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 3.*

4.3.1 Commercial Custom Offering

The Commercial Custom offering is a continuation of the previous resource acquisition offering of the same name. The offering is designed to encourage customers to reduce their natural gas consumption through support in identifying, prioritizing and incentivizing energy savings projects. This offering supports measures that require site-specific inputs to calculate savings, such as complex measures with interactive effects and those that are outside the scope of prescriptive measures. Key offering elements include:

- Customer project implementation incentives.
- Opportunity identification during site walk-throughs.
- Audit, assessment, and/or metering incentives.
- Portfolio benchmarking, prioritization of opportunities and quantification of savings through engineering calculations to support business case development.
- Connecting customers to implementation service providers.

The Commercial Custom Offering targets commercial customers, except for low-income qualified multi-family buildings (see Section 4.2.2, the Affordable Housing Multi-Residential Offering). Please see Appendix C for the offering details.

Table 4.12 Commercial Custom Offering Results

Metric	Achievement
Large Customer Net Annual Gas Savings (m^3)	16,005,301
Small Customer Net Annual Gas Savings (m^3)	2,295,369

Offering Changes and Lessons Learned in 2023:

The 2023 offering provided a higher project implementation incentive of \$0.25/m^3 across the Enbridge Gas franchise area (an increase of 25% from 2022). The implementation incentive for commercial customers is capped at \$100,000 per project.

Institutional customers tend to take on more innovative technologies and solutions that can have much higher capital requirements. In some cases, Enbridge Gas found it challenging to drive exceedingly capital-intensive projects with the standard Commercial Custom incentives.

In 2023, Enbridge Gas increased collaboration with supply chain business partners (“business partners”, “BPs”) by having the Company’s account managers establish relationships with several key BPs, including distributors, contractors, and engineering or consulting firms. This approach has allowed Enbridge Gas's account managers to provide BPs with one established point of contact with the Company regardless of a project’s sub-sector and geography, allowing interactions with Enbridge Gas to be more streamlined, structured and consistent. This intentional one-to-many partnership approach is gaining momentum, with appreciative BPs benefitting from a consistent and timely interaction. In turn, Enbridge Gas has observed an increase in engaged BPs who are promoting higher efficiency equipment and the associated Commercial Custom and Prescriptive offerings.

The Boiler LTO was reintroduced for 2023. Year-over-year, the 2023 Boiler LTO produced approximately 20% more natural gas savings compared with 2022. New for 2023, the MURB LTO produced over one and a half times as much natural gas savings for the MURB segment compared with 2022. These successes are likely attributed to the following:

- These LTOs were finalized in December 2022, with marketing materials available in early January, allowing for an early launch. This allowed Enbridge Gas to release the LTO into the market at a crucial time for customers as many customers make large annual capital decisions in January.

- The new MURB LTO helped MURB customers and BPs expand their energy efficiency measures beyond traditional boilers. The technologies with the most uptake were Building Automation Systems ("BAS"), Variable Frequency Drives ("VFDs"), and temperature setback and scheduling projects.

Several challenges experienced in 2023 include:

- Supply chain challenges continued and lengthy equipment lead times resulted in project delays and cancellations.
- Labour shortages and employee turnover across the industry continued to be a barrier.
- Increased costs of capital, labour and equipment hindered customers' ability to consider projects.
- Increased baselines result in less potential for incremental savings at a project level. These baselines are rising due to technological advancements, the increased adoption of industry best practices, and regulations improving efficiencies.
- Enbridge Gas is supporting customers interest in reducing their emissions via fuel-switching; however, there are many financial, technical and supply chain barriers that will need to be addressed through enhanced program enablers to encourage broader adoption in the future.

Enbridge Gas observed that many customers and BPs had little awareness of the upcoming boiler efficiency regulation changes ("Amendment 15"). Enbridge Gas implemented an educational campaign to help inform customers of the upcoming changes. Enbridge Gas Energy Solutions Advisors ("ESAs") worked to support their customers by sharing technical expertise and helping customers make the best decisions for their businesses and be prepared for the upcoming changes.

Anticipated Offering Changes for 2024:

In 2024, the project implementation incentive and energy assessment incentive structure will remain the same as 2023, except for an increased incentive cap for institutional customers. Institutional customers will be eligible for $0.25/m^3 up to 400,000m^3 and can access $0.10/m^3 thereafter up to a maximum of $500,000 per project. The existing cap of 50% of the incremental project cost remains in place for all commercial customers, including institutional. Institutional customers have more interest in exploring emissions reduction via fuel-switching measures, and the increased incentive dollar cap is anticipated to better support such project adoption.

The following LTOs will be available in 2024 to all commercial customers:

- **Boiler Early Bird Offer ("EBO"):** An EBO is rebranded from the LTO as a marketing tactic and is intended to encourage customers to make equipment upgrade decisions in the first half of the year, aligning with when customers typically make capital expenditure decisions. This also allows enough time for boilers to be delivered and installed before the next heating season. Enbridge Gas remains committed to providing technical expertise and supporting customers who may wish to replace their boilers with more efficient options.
- **Controls EBO:** This EBO encourages customers from all commercial segments to pursue controls-based measures when they make capital spending decisions, in the first half of the year. Enbridge Gas has found there is great interest in controls-based measures, and this LTO may help drive further uptake by providing enhanced incentives with a time-limited approach.
- **Hybrid RTU LTO**: This LTO, which was launched in October 2023, encourages customers to pursue hybrid RTUs in the first quarter of the year, due to equipment lead times being as long as 30 weeks and to provide enough time for hybrid RTUs to be delivered and installed prior to the heating season. This technology is in the early adoption phase, with multiple challenges including higher costs. The dollar-per-unit structure will help overcome financial barriers by providing higher incentives and more financial certainty.

4.3.2 Prescriptive Downstream Offering

The Prescriptive Downstream offering provides fixed per-unit financial incentives to end-use customers for several different technologies with defined eligibility requirements. Incentives may also be provided to service providers, BPs, trade allies and distributors, depending on the technology. This offering is available to all commercial and industrial customers. The Prescriptive Downstream offering promotes ease of participation by providing customers a menu of technologies with pre-determined incentives and savings, making it easier to choose the eligible technology and to understand the applicable incentive.

Please see Appendix C for the full list of eligible technologies and their incentives. Energy savings are based on the OEB's TRM. See Section 2.6 for more details regarding the TRM.

Table 4.13 Prescriptive Downstream Offering Results

Metric	Achievement
Large Customer Net Annual Gas Savings (m^3)	1,332,830
Small Customer Net Annual Gas Savings (m^3)	1,280,140

Offering Changes and Lessons Learned in 2023:

Offering changes in 2023 include:

- Enbridge Gas modified incentive rates for certain types of dock door seals, air curtains and demand control kitchen ventilation ("DCKV") to better align incentives and costs.
- The implementation of an LTO for the ozone laundry treatment system measure.
- The launch of the DCKV top-up bonus offer that targets MUSH and customers operating multiple facilities in Ontario.
- The launch of a bonus offer intended to motivate service providers to achieve a higher number of participant installations. Such bonus structures are referred to hereafter as a Multi-Install bonus.

Commercial and industrial customers were negatively impacted by increased interest rates and challenging economic conditions. The bonus offers for ozone laundry treatment and DCKV were launched to overcome participants' financial barriers, especially on the higher-cost measures. To increase participation, Enbridge Gas has learned the LTOs should be implemented in alignment with the customer's budget approval cycle.

Increasing awareness among customers is a primary focus for Enbridge Gas. Enbridge Gas leveraged relationships with industry associations to launch targeted communications to customer segments identified as having minimal efficient-technology penetration. Additionally, Enbridge Gas launched initiatives targeted at the service providers such as webinars and Multi-Install bonuses. The intent of these initiatives is to assist service providers in effectively promoting the offering to their customers during the decision-making process.

Anticipated Offering Changes for 2024:

Enbridge Gas continues to evaluate strategies to help customers overcome their financial barriers. In 2024, Enbridge Gas plans to align LTOs for ozone laundry treatment and destratification fans with the customer's budget approval cycle.

To target specific customer groups that are identified as having minimal efficient technology penetration, Enbridge Gas plans to launch a DCKV and ozone laundry treatment Multi-Install bonus offer for MUSH and customers operating multiple facilities in Ontario.

Additionally, Enbridge Gas plans to increase the service providers' Multi-Install year-end bonus to promote efficient product sales with their existing and new customers.

4.3.3 Direct Install Offering

The Direct Install offering, now marketed as the Commercial & Industrial Small Business Offer, provides a turnkey solution for customers who are less likely to participate in traditional offerings by providing the installation of energy efficient measures with enhanced support and increased incentives for select technologies. The offering targets small and medium-sized independently owned businesses. Offering details are provided in Appendix C.

Table 4.14 Direct Install Offering Results

Metric	Achievement
Large Customer Net Annual Gas Savings (m^3)	202,891
Small Customer Net Annual Gas Savings (m^3)	2,733,591

Offering Changes and Lessons Learned in 2023:

Enbridge Gas continued to deliver the Direct Install Offering through two streams, the shipping door equipment installation stream and the DCKV stream.

Enbridge Gas continued to offer the shipping door equipment installation stream consisting of air curtains and dock door seals for new and replacement projects in existing buildings. Enbridge Gas worked with qualified service providers that facilitated installation at customer sites across the province, and worked collaboratively with them to canvass for leads and determine customer eligibility.

In 2023, maximum incentive amounts were established to manage the offering's cost effectiveness; previously, the project incentive reflected a set percentage of the total project cost. The maximum incentive amounts were changed so that air curtains projects continued to be covered at approximately 90% of the total cost, and dock door seal incentives increased, often covering up to 100% of the total cost, up from 85% coverage in previous years. This led to an increase in dock door seal projects in 2023 compared to 2022. A bonus offer for air curtains was also available, with a $500 bonus per unit offered for air curtains that were up to 16'x16' in size from January 1st to July 31st, 2023, to mitigate some increased installation costs.

The DCKV installation stream continued to be delivered through a collaboration with the IESO Save on Energy ("IESO SOE") Retrofit Program. This collaboration allows for joint delivery through one point of contact. Enbridge Gas saw an increase in the amount of Tier 1 (up to 5,000 CFM) DCKV units that were sold and installed in the first half of 2023, which meant it was necessary to lower the incentive for this particular size in June 2023, given the need to balance the offering's cost effectiveness. Even with this lesser incentive, incentives across all DCKV sizes covered up to 90% of the total cost to install this measure.

Awareness and customer concerns regarding the legitimacy of the offering remained an issue in 2023. To address this, Enbridge Gas communicated directly with customers over the phone and via email to engage customers and reinforce the legitimacy of the offering. Plans to mitigate concerns regarding offering legitimacy will be further addressed via marketing efforts and strategic partnerships in 2024.

In 2023, equipment shortages and staff turnover challenges across the industry impacted DA organizations, resulting in challenges serving broader geographic regions. Despite continued challenges in 2023, Enbridge Gas continued to work with DAs to focus efforts on serving as many regions and small business customers as possible. To increase offer reach and participation, Enbridge Gas removed geographic limitations for DAs, allowing for open canvassing efforts to reach a broader audience, and facilitated a quicker qualification process to ensure canvassing is successful.

In 2023, small business customers continued to be impacted by economic challenges from high interest rates and rising costs. Equipment, installation, supply chain, and fuel costs continue to be elevated, making financial concerns a barrier to participation. In response to these constraints, incentive maximums were increased to 100% for select cost effective measures in 2023. Participants have responded positively to this change, and Enbridge Gas will continue to offer up to 100% coverage for certain measures in 2024.

Anticipated Offering Changes for 2024:

In 2024, Enbridge Gas is considering expanding both Direct Install streams in the following ways:

- Expand the DA network, incorporating new contracted delivery partners to participate in the offering.
- Explore new measures to be added to the Shipping Door stream.

- Investigate the implementation of a vendor portal to perform eligibility criteria review and reporting to reduce administrative burden.
- Reinforce the joint delivery of the offering with the IESO's Small Business Program and explore areas to increase collaboration where appropriate.
- Additional efforts are planned in 2024 to reach more small businesses by expanding the DA network.

4.3.4 Prescriptive Midstream Offering

Enbridge Gas introduced the new Prescriptive Midstream offering, branded as the Distributor Discount Program. The Prescriptive Midstream offering is the evolution of an initiative that operated within the Commercial & Industrial Prescriptive offering since 2019.

This offering targets foodservice and HVAC distributors, or equipment distributors who sell select high-efficiency equipment, to influence the purchase of the efficient option at the point of sale.

Please see Appendix C for the full list of eligible technologies and their incentives. Energy savings are based on the OEB's TRM. Section 2.6 for more details regarding the TRM.

Table 4.15 Prescriptive Midstream Offering Results

Metric	Achievement
Large Customer Net Annual Gas Savings (m^3)	279,241
Small Customer Net Annual Gas Savings (m^3)	922,630

Offering Changes and Lessons Learned in 2023:

Utilizing the lessons learned from the previous Midstream initiative, Enbridge Gas deployed a variety of initiatives and new features for the first year of the Prescriptive Midstream offering.

Dishwashers were added to the offering. After being introduced in February 2023, the results for this measure began to materialize in the third and fourth quarters of the year.

Enbridge Gas introduced a range of marketing and offering design tactics to increase participation including:

- A distributor bonus competition was implemented to drive incremental sales, enhance engagement and improve marketing efforts among distributors by encouraging competition and providing rewards to the winners. The development of this competition was based on input from the DA emphasizing that distributors are motivated by competing against each other. This type of competition was also implemented by SoCalGas in California, and their model was referenced to inform this initiative.
- A Sales Program Incentive Fund ("SPIFF") for sales representatives was piloted for incremental units of ENERGY STAR fryers sold, providing recognition to individual sales representatives for exceeding unit sales targets.
- An event sponsorship initiative was launched, the intent of which was to support informational events held by distributors, providing education and awareness to end-users on eligible equipment offered through the Prescriptive Midstream offering.
- A "direct to end-user" LTO was offered in early 2023 for select measures that were not gaining desired traction or uptake. These measures included ENERGY STAR steam cookers, ENERGY STAR griddles, high efficiency conveyor broilers and high efficiency under-fired broilers. The LTO improved the sales of high efficiency under-fired broilers, but other measures did not experience an increased uptake. This finding led Enbridge Gas to investigate end-user segments for specific measures. For example, Enbridge Gas learned that ENERGY STAR steam cookers are less common in restaurants and are more

frequently used by banquet halls, hotels, hospitals and long-term care homes, etc. Enbridge Gas is assessing its marketing strategies to target end-users with the measures that would be most beneficial to them.

Enbridge Gas has learned that it must work to better understand the unique obstacles that face the various parties involved in the offering and build stronger relationships with these businesses. Recognizing this need, Enbridge Gas implemented stakeholdering sessions in 2023. Insights from this initiative include:

- Distributors are interested in multi-year participation agreements to ensure consistency and stability.
- Distributors are hesitant to stock new and unfamiliar technologies, fearing a lack of sales.

In 2020, Enbridge Gas worked with the IESO to develop a collaboration where three foodservice measures offered by the IESO were then offered alongside Enbridge Gas's existing foodservice measures in 2021. The IESO discontinued their midstream pilot as of December 31st, 2022. Enbridge Gas's DA has indicated that the IESO's exit did not have a substantial impact on Enbridge Gas's offering, though several participants were lost in early 2023.

In 2022, Enbridge Gas completed a process evaluation of its Midstream Prescriptive Commercial offering authored by Econoler. Econoler recommended that Enbridge Gas perform a market characterization study to better understand the target market and how market actors are reacting to market changes. In 2023, Enbridge Gas initiated this market characterization study. The purpose of this study is to improve Enbridge Gas's understanding of the midstream offering supply chain, to identify influence pathways and barriers to the purchase and sale of commercial kitchen energy efficient equipment, and to define the role of all market actors as part of this offering. Findings and recommendations from this study are intended to help Enbridge Gas understand where this offering can have the most influence to support the enhancement of future programming.

Anticipated Offering Changes for 2024:
Enbridge Gas intends to continue its stakeholdering sessions into 2024. These sessions will further serve to inform the Prescriptive Midstream offering design and may influence Enbridge Gas's next multi-year DSM plan application.

Enbridge Gas will continue to leverage its partners to expand the offering and reach those that have not yet participated in the Prescriptive Midstream offering. Marketing strategies will be further developed in partnership with the DA to cost-effectively engage small businesses that have historically been difficult to reach.

In 2024, Enbridge Gas will develop a new, formalized SPIFF using lessons learned from the 2023 ENERGY STAR fryer SPIFF pilot. Some distributors naturally implement a SPIFF model into their operations, but not every distributor is well-suited to partake in the SPIFF. Acknowledging this, Enbridge Gas is considering the creation of two separate participation agreements where distributors can choose to opt-in to a SPIFF model or not.

4.4 Industrial Program

Enbridge Gas's Industrial Program consists of the following offering:

- Industrial Custom Offering (Section 4.4.1)

4.4.1 Industrial Custom Offering

The Industrial Custom Offering addresses energy savings opportunities related to unique building specifications, design concepts, processes and/or new technologies that are outside the scope of prescriptive measures. The offering provides technical assistance and financial incentives to encourage industrial customers (with the exception of Large Volume customers, see Section 4.5.1 for the Direct Access Offering) to implement energy efficient measures or initiatives. Enbridge Gas provides consultative services to customers and

third-party service providers aimed at assessing facility energy consumption and making recommendations to reduce energy consumption. See Appendix C for the offering details.

Table 4.16 Industrial Custom Offering Results

Metric	Achievement
Net Annual Gas Savings (m^3)	44,309,314

Offering Changes and Lessons Learned in 2023:

In 2023, Enbridge Gas introduced several adjustments to the Industrial Custom offering, as follows:

- Within the Industrial Custom Offering, Enbridge Gas launched separate franchise-wide incentive structures for the manufacturing segment and the agricultural segment.
- Recognizing long lead times for many industrial custom projects, most LTOs were reduced. However, Enbridge Gas introduced an LTO to encourage agricultural retrofit projects to be completed earlier in the year. Enbridge Gas finds that LTOs still have a positive effect in the agricultural market, where the measures are less affected by lead times that have increased in recent years.
- Incentives for opportunity identification projects such as energy assessments and metering installations were harmonized franchise wide.
- The maximum incentive available increased from $100,000 to $200,000 per project.

Further, industrial customers have been negatively impacted by increased interest rates and challenging economic conditions. This has led to more reserved capital spending when considering energy efficiency projects. Customers may deprioritize energy efficiency upgrades when faced with other goals such as production, maintenance, safety, and reliability.

Customer awareness and engagement is directly supported by a one-to-one relationship between the Enbridge Gas ESA and customer representatives. Enbridge Gas continues to minimize barriers for participants looking to implement energy efficient upgrades through the continued cultivation of one-to-one tailored approaches with technical consultation, opportunity identification, and prioritization.

In recent years, these relationships were impacted by staffing shortages and increased turnover across the industry, impacting customer sites and Enbridge Gas alike. As a result, in 2023 Enbridge Gas was focused on maintaining and evolving existing relationships, as well as greatly focused on re-establishing and growing new relationships. Customer engagement remains a high priority.

The agriculture LTO received positive feedback and high levels of customer interest. However, new greenhouse construction projects were challenged by limited infrastructure capacity and water moratoriums within some municipalities.

Technological advancements, the increased adoption of industry best practices, and regulations improving efficiencies are resulting in higher baselines, reducing the potential for incremental savings at a project level.

Anticipated Offering Changes for 2024:

To aid customers with opportunity identification, Enbridge Gas plans to launch limited time bonus rates for air balance studies for the manufacturing segment, and limited time bonus rates for steam trap audits for the agriculture segment.

Recognizing that financial challenges exist for customers, especially for smaller-sized projects with longer payback periods, Enbridge Gas will increase the first-tier incentive rate for the manufacturing segment. The maximum incentive cap will be raised to drive customer interest and participation, especially for capital-intensive projects.

Enbridge Gas will provide more in-person workshops and target multiple geographic locations.

4.5 Large Volume Program

Enbridge Gas's Large Volume Program consists of the following offering:

- Direct Access Offering (Section 4.5.1)

4.5.1 Direct Access Offering

The Large Volume Direct Access offering is exclusive to large volume contract customers within Rate T2 or Rate 100 in the Union rate zones. Customers in these rate classes have significant natural gas consumption and include large volume industrial operations, power generators, chemical plants, and petroleum refineries. As a result of the OEB's finding in its Decision and Order issued on November 15th, 2022, that gas-fired-generators should be exempt from the Large Volume Program,[39] these customers are now excluded from the Large Volume Program.

The offering uses a self-directed funding model, whereby each customer has direct access to the incentive budget they pay in rates. Under this model, customers know exactly how much funding they have available each program year and can appropriately plan their expenditures to reduce energy usage in their facility. Working with an Enbridge Gas Technical Account Manager, customers submit an annual Energy Efficiency Plan ("EEP") outlining planned gas saving projects or studies driving future energy efficiency projects. If a customer elects not to participate, the funds are dispersed via an aggregated pool approach. The aggregated pool is then used to fund additional energy efficiency projects for all eligible Rate T2 and Rate 100 customers, on a first-come first-serve basis. Offering details are provided in Appendix C.

Table 4.17 Direct Access Offering Results

Metric	Achievement
Net Annual Gas Savings (m^3)	22,726,895

Offering Changes and Lessons Learned in 2023:
Approximately 81% of eligible customers participated in the offering in 2023.

In 2023, Enbridge Gas increased the Direct Access funded incentive cap from $100,000 to $200,000 and increased the aggregated pool incentive cap from $40,000 to $50,000 to assist Large Volume customers in completing capital-intensive efficiency projects.

Customer awareness and engagement is directly supported by a one-to-one relationship between the Enbridge Gas Technical Account Manager and customer representatives. In recent years these relationships were impacted by staffing shortages and increased turnover across the industry, impacting customer sites and Enbridge Gas alike. Enbridge Gas has since worked to repair these relationships, and customer engagement remains a high priority.

To drive and improve customer participation, Enbridge Gas focused on offering increased incentives for participants and reducing barriers by providing a one-on-one tailored approach offering technical consultation and opportunity identification and prioritization.

Anticipated Offering Changes for 2024:
The Large Volume offering incentive rate will remain unchanged, but the structure will now permit project incentives up to $200,000 for projects from aggregate pool funds. The aggregate pool incentive cap will now match the direct access budget incentive cap.

[39] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.2.4, p. 43.*

In 2024, unused direct access budget funds will move to the aggregate pool in July. This will provide customers with a more realistic and reasonable amount of time to create and submit an annual Energy Efficiency Plan with their Enbridge Gas Technical Account Manager.

4.6 Energy Performance Program

Enbridge Gas's Energy Performance Program consists of the following offering:

- Whole Building Pay for Performance Offering (Section 4.6.1)

4.6.1 Whole Building Pay for Performance

The Whole Building Pay-for-Performance ("P4P") offering is a performance-based offering that applies a holistic, multi-year approach to energy management designed to engage and support customers in driving deeper savings year-over-year. The offering leverages metered and building data to establish building baselines, set performance targets to achieve 20% above the baseline, and assess all capital, operational and/or behavioural opportunities within a building over a defined period. This approach differs from Enbridge Gas's traditional resource acquisition approach as it does not consider adjustments to baselines such as code requirements, the performance target is compared solely against the original baseline.

The initial rollout of the offering specifically targets K-12 schools and captures metered gas savings results based on capital, operational and behavioral efficiency improvements. Energy performance is measured annually over a three-year period to verify a minimum 20% performance target at the end of the third year, with the opportunity to earn incentives year over year. The multi-year engagement of this offering can be broken out into two periods: Start-Up Period and Performance Period. During the Start-Up Period, the participant completes the gas baseline model and opportunity identification. The opportunities will then be implemented at the beginning of the Performance Period and associated metered gas savings are tracked and reported. Offering details are provided in Appendix C.

Table 4.18 Whole Building Pay for Performance Offering Results

Metric	Achievement
Participants	26
Net Annual Gas Savings (m^3)*	0

** Due to the multi-year aspect of the Whole Building Pay for Performance offering, the offering had a Net Annual Natural Gas Savings target of zero for 2023.*

Offering Changes and Lessons Learned in 2023:

This offering is a new addition to the DSM portfolio for 2023. Enbridge Gas works with a contracted DA to support participants in achieving their building performance targets, including development of a baseline model, opportunity identification, implementation, monitoring and reporting. Participants are educated by the DA to better understand and manage their gas consumption over a multi-year period.

Some participants experienced challenges in setting up and obtaining the interval meter data. To address these challenges, Enbridge Gas and the DA streamlined the process by facilitating and improving coordination between contractors, including electricians, controls providers, and Energy Management Information System ("EMIS") providers. The DA also engaged the contractors to complete the interval meter data setup during the Start-Up Period and data retrieval during the Performance Period. The active engagement between the DA and the participant's contractors are necessary for the success of interval meter data set up and data retrieval processes.

Through continuous engagement with the participants, Enbridge Gas has learned that alignment with the customer's annual school year budget approval cycle is crucial to ensure plans for capital measures are approved in time, allowing for implementation in the following years of participation.

Enbridge Gas engaged the IESO in collaboration discussions regarding the P4P offering, however, due to differences in the respective offerings, there is currently no reasonable opportunity to collaborate.

Anticipated Offering Changes for 2024:
Enbridge Gas will launch a dedicated webpage to reinforce the legitimacy of the offering to the market. Based on the lessons learned, the offering will also be launched earlier to align with the customer's budget cycle approval timeline.

Additionally, Enbridge Gas will continue to provide implementation support for the first cohort participants during the Performance Period, and support measuring and reporting natural gas performance to achieve the gas savings target.

4.7 Building Beyond Code Program

Enbridge Gas's Building Beyond Code Program consists of the following offerings:

- Residential Savings By Design Offering (Section 4.7.1)
- Commercial Savings By Design Offering (Section 4.7.2)
- Affordable Housing Savings By Design Offering (Section 4.7.3)
- Commercial Air Tightness Testing Offering (Section 4.7.4)

4.7.1 Residential Savings By Design

The objective of the Residential Savings by Design offering is to support and influence the residential building industry through capacity-building initiatives that address barriers to meet anticipated building code changes requiring higher energy efficiency performance for newly constructed homes. The offering is intended to motivate the building industry to limit lost opportunities along two streams:

- The Energy Star for New Homes ("ESNH") stream aims to influence over the short term and focuses on providing targeted support to builders to build and certify their homes to ESNH version 17 or equivalent (approximately 20% over Ontario Building Code ["OBC"]) in municipalities with historically low levels of market penetration of this efficiency standard.
- The Net Zero Energy Ready ("NZER") stream aims to influence over the longer term by supporting forward-thinking builders in the design and construction of discovery homes built to the Canadian Home Builders Association ("CHBA") Net Zero Ready labeling program over a multi-year period.

Through the ESNH, builders can participate in workshops that provide technical guidance on building to the ESNH standard.

In the NZER stream, participating builders will be guided through a series of activities to support the design and construction of the NZER discovery home, including:

- Integrated Design Process ("IDP") workshop that supports builders in understanding the NZER stream and various measures that can be used to obtain this label.
- Trades training.
- Sales training.
- Testing/verification and labeling of the home.

Offering details are provided in Appendix C.

Table 4.19 Residential Savings by Design Offering Results

Metric	Achievement
Number of Energy Star Homes	698
Number of Net Zero Energy Ready Homes*	0

** Due to the time lag between completing IDP Workshops and completing construction, the NZER stream had a target of zero for 2023.*

Offering Changes and Lessons Learned in 2023:

Since 2012, residential new construction offerings were delivered in the EGD and Union rate zones. The new Residential Savings by Design offering has incorporated elements from both the previous Residential Savings by Design and Optimum Home offerings. The Residential Savings by Design name was retained due to branding familiarity in the market.

As outlined above, the Residential Savings by Design offering has two streams, the ESNH stream and the NZER stream. The new ESNH stream is intended to influence builders in advance of the upcoming OBC change to be published in 2024. In 2023, Enbridge Gas identified a list of eligible municipalities with a historic three-year penetration level of ESNH builds that were less than 15%. The focus of this targeted offering is to assist builders in eligible municipalities to build more homes certified to the ESNH standard or an equivalent efficiency. The offering includes financial assistance and free builder workshops on the benefits of building to the ESNH specification.

Lessons learned include:

- The launch of the new offering in market was delayed beyond what was anticipated, which was in part due to industry-wide labour shortages impacting Enbridge Gas. The delay had an impact on results.
- Residential new construction has been impacted by high interest rates, labour shortages, and building costs associated with materials shortages. These factors resulted in lower housing sales and has delayed many construction sites, directly and significantly impacting offering results.
- Many eligible municipalities are rural and northern communities. Enbridge Gas has found these communities often have limited access to third-party energy auditors needed to finalize the ENERGY STAR certification. This barrier hampers the ability of the builders to validate the efficiency of their newly constructed homes. To increase awareness around the benefits of the offering and encourage participation, Enbridge Gas marketed the offering to energy auditors currently certified by NRCan for Energy Star for New Homes. Enbridge Gas also began collaborating with the Canadian Association of Consulting Energy Advisors (“CACEA”) to investigate opportunities to build capacity among energy auditors not currently Energy Star for New Homes certified.

The new NZER stream provides builders customized advice and support to design, construct, and label one NZER discovery home. Offering elements include a customized integrated design process workshop to explore NZER specifications, trades and sales training, testing and certification of the discovery home, as well as financial incentives.

Due to the nature of new construction projects, this is a multi-year offering. As such, the 100% target for the NZER metric in the Building Beyond Code Program Scorecard is zero in 2023 and 10 in 2024.

Enbridge Gas has found there is a high level of builder interest in the NZER stream and has worked with a number of builder participants who have completed their IDP workshops, determined their NZER discovery home design and have begun construction of their discovery homes.

Anticipated Offering Changes for 2024:

Enbridge Gas will continue to explore collaborations with CACEA to promote the offering to industry partners and encourage capacity-building.

Enbridge Gas will also explore geo-targeted marketing strategies to better engage builders within eligible municipalities utilizing various digital channels.

Enbridge Gas expects the ESNH stream will continue to serve its objective of increasing the prevalence of new energy efficient homes in targeted municipalities.

Enbridge Gas will monitor municipalities adopting new Green Development Standards in 2024 and update the list of eligible municipalities to ensure ESNH offering eligibility compliance.

The updated OBC is expected to be released in March 2024. New energy efficiency standards anticipated in the updated code are expected to be implemented in 2025, possibly requiring builders to adopt a higher standard. The ESNH stream offering will continue to support builders through education and training throughout 2024 as they prepare for the implementation of the new code.

4.7.2 Commercial Savings By Design

The Commercial Savings by Design ("CSBD") offering brings industry experts together through an IDP to present and model efficiency options to customers and developers, encouraging the adoption of measures that will enhance the overall building performance.

The offering is specifically targeted to builders who are in the early design phase for commercial (MUSH, MURB and non-industrial businesses) new construction projects subject to the OBC. Participants are guided through a series of activities to achieve 25% energy performance above OBC through the adoption of higher efficiency building designs. Key elements of the offering include:

- Visioning Session between the design team and IDP workshop facilitator.
- Energy Modelling to create a baseline energy model for reference during the IDP workshop, helping set the IDP Efficiency Target.
- IDP Workshop followed by an IDP report that summarizes key outcomes.
- Assessment of final design submitted for permitting to determine if the final design is anticipated to achieve the IDP efficiency performance target.
- 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.

Table 4.20 Commercial Savings by Design Offering Results

Metric	Achievement
Participants	24

Offering Changes and Lessons Learned in 2023:
In line with the 2023-2025 DSM Plan, this offering focuses on influencing energy efficient new construction projects through a combination of technical, educational, and enabling support initiatives, and no longer includes financial incentives for participants.

A broad slowdown in new construction projects owing to higher costs for building materials and elevated interest rates has likely negatively impacted the CSBD offering, as projects in the design stages grew scarce. In particular, a slowdown in MURB construction has impacted the offering as the MURB sector typically makes up approximately 60% of CSBD participants.

Municipalities have been identified as an opportunity for focusing engagement efforts as many municipalities remain dedicated to long-term energy savings of new building construction.

Enbridge Gas found that some participants were reluctant to participate in the IDP workshop due to the incremental consultant costs associated with the pre-design work and the costs of sending a team to the IDP workshop.

Energy Modelers servicing the offering have reprioritized their time and resources to ensure continued support. Modeler rates have increased to align with inflation and to ensure they remain able to adequately service the offering.

Anticipated Offering Changes for 2024:
To help offset some upfront cost barriers for participants, Enbridge Gas has proposed a Technical Assistance Bonus of $4,000 per project to help offset these costs. This bonus will be modelled after the Technical Assistance incentive currently offered under the Affordable Housing Savings By Design offering.

With lower uptake in 2023, Enbridge Gas is proposing that the contracted workshop facilitator contribute to the outreach of CSBD in parallel with Enbridge Gas ESAs.

Enbridge Gas will engage municipal stakeholders to increase awareness of the offering and attract interest in the offering from projects such as municipal buildings, university facilities, and new schools.

Enbridge Gas will strategically identify marketing or public appearance opportunities through trade associations.

4.7.3 Affordable Housing Savings By Design Offering

The objective of the Affordable Housing Savings by Design ("AHSBD") offering is to support and influence affordable housing providers to design and build new construction projects achieving energy performance of at least 20% above OBC by providing supporting activities from the early design phase through to construction. This offering aims to transform affordable housing providers' understanding of what level of energy performance is possible and achievable. The offering continues to require an energy performance stretch target of an additional 5% for projects located in a municipality that has adopted a Green Development Standard that requires energy performance exceeding the AHSBD target. For 2023, the only location requiring the Green Development Standard stretch target was the City of Toronto.

Offering details are provided in Appendix C.

Table 4.21 Affordable Housing Savings by Design Offering Results

Metric	Achievement
Participants	21

Offering Changes and Lessons Learned in 2023:
The 2023 program year marked the first year that the new Building Beyond Code Affordable Housing Savings by Design Offering was available provincewide. An Affordable Housing New Construction offering has been available in the EGD rate zone since 2016. Changes from the previous offering include:

- For both Part 3 and Part 9 projects, the energy performance targets were merged and simplified to 20% above OBC.
- Previously, the energy performance incentive was paid to the applicant post-construction. Participants are now eligible to access 50% of their energy performance incentive at the permit stage. The remaining 50% of their incentive is available upon completion of construction.

The delivery of the AHSBD offering in 2023 was successful, in part due to Enbridge Gas's efforts to increase awareness of the offering in the Union rate zones.

Anticipated Offering Changes for 2024:
There are no anticipated offering changes for 2024.

Enbridge Gas will monitor municipalities adopting Green Development Standards in 2024 to ensure required stretch target compliance.

An updated OBC is expected to be released in 2024. The implementation timeline for the new code is not yet known. New energy efficiency requirements in the code may require a reevaluation of the offering's minimum energy performance target.

4.7.4 Commercial Air Tightness Testing

The Commercial Air Tightness Testing ("ATT") offering aims to advance the adoption of air tightness testing in commercial and multi-family new construction buildings by providing technical and financial support measures to assist customers in commissioning air tightness tests, addressing any performance deficiencies, and measuring improved performance levels.

The ATT offering is delivered through two offer streams:

1. **Program Participants:** This stream targets developers and builders of commercial and multi-residential buildings that are 25,000 ft^2 or larger and will be in a condition where air tightness testing can be performed before October 1st of the program year. Technical and financial support assists participants in commissioning air tightness tests, addressing any performance deficiencies, and measuring improved performance levels.
2. **Qualified Agents:** This stream seeks to build the capacity of commercial air tightness testing agents throughout the building community. Delivered by a third-party, Enbridge Gas offers full-day classroom and hands-on training workshops informing on air tightness testing requirements and best practices. The offering is best suited for those with building envelope or building commissioning interest or experience, with an educational background in subjects including building enclosure, energy modelling, architecture, building sustainability, structural engineering, energy auditing, and general contracting.

Offering details are provided in Appendix C.

Table 4.22 Commercial Air Tightness Testing Offering Results

Metric	Achievement
Participants	5
Number of Qualified Agents	31

Offering Changes and Lessons Learned in 2023:

Enbridge Gas has found there is a significant interest among industry professionals and the construction community to learn about air tightness best practices, as evidenced by the response to the Qualified Agent workshops.

While the offering was successful in 2023, decreased construction activity attributable to inflation and increased interest rates hindered efforts to identify suitable projects for the offering.

In 2023, Enbridge Gas identified opportunities to combine multiple buildings below the 25,000 ft^2 minimum threshold in the form of an aggregate application. Enbridge Gas began allowing aggregate applications encompassing multiple buildings under 25,000 ft^2 if the total across the buildings exceeds 25,000 ft^2 to apply for the offering as one project.

Anticipated Offering Changes for 2024:

Enbridge Gas will increase engagement with municipal stakeholders to generate awareness of the offering and attract interest from projects such as municipal buildings, university facilities, and new schools.

Enbridge Gas will strategically identify marketing or public appearance opportunities through trade associations.

Enbridge Gas will consider adding additional Qualified Agent workshops if the demand continues.

5. Evaluation

Per the 2023 DSM Framework, "there are two broad categories of evaluation activity: impact evaluation and process evaluation. Impact evaluation focuses on the specific impacts of the program – for example, savings and costs. Process evaluation focuses on the effectiveness of the program design – for example, the delivery channel."[40]

As discussed in Section 2.3, impact evaluation is coordinated and executed by the OEB. Since program design and implementation are program administrator activities, process evaluation is coordinated and executed by Enbridge Gas.

5.1 Impact Evaluation and Audit

As discussed in Section 2.3, the OEB coordinates the impact evaluation and annual verification process, including selecting a third-party EC. The intention of the annual verification process is for the EC to provide an opinion on whether the claimed DSM shareholder incentive amount, amount to be added to the Lost Revenue Adjustment Mechanism Variance Account, and Demand Side Management Variance Account have been correctly calculated using reasonable assumptions. The EAC, as described in Section 2.3, provides input and advice to the EC to support the achievement of the annual verification objectives.

Details on the impact evaluation activities and other verification activities for the 2023 program year will be outlined in the EC's 2023 audit report available on the Natural Gas Conservation Evaluation Advisory Committee section of the OEB Engage with Us website.[41]

5.2 Process Evaluation

Enbridge Gas regularly evaluates its programs and offerings to assess the effectiveness of its program design.

In its Decision, the OEB stated "that Enbridge Gas will share a full process evaluation plan with OEB staff, the EAC and EC for integration into the broader EM&V plan developed for the OEB by the EC for the 2023 to 2025 DSM Plan term."[42] On May 25th, 2023, Enbridge Gas submitted its process evaluation plan to the EAC. This process evaluation plan is contained within the Final 2023 – 2025 Evaluation Measurement and Verification Plan produced by the EC and is available on the Natural Gas Conservation Evaluation Advisory Committee section of the OEB Engage with Us website.[43]

In 2023, Enbridge Gas completed a formal process evaluation of the Industrial Custom offering. The report is included as Appendix E and discussed in Section 5.2.1 below.

Throughout 2023, process evaluations for the Affordable Housing Multi-Residential offering and the Home Winterproofing offering were conducted. The final reports for these process evaluations will be delivered in 2024 and are expected to be included in the Final 2023 DSM Annual Report.

5.2.1 Process Evaluation of the Industrial Custom Offering

Enbridge Gas contracted Ipsos to perform a Process Evaluation of the EGD and Union Rate Zones' Industrial Custom Offering. The Process Evaluation utilized qualitative In-Depth Interviews ("IDIs") of Industrial Custom participants and Enbridge Gas ESAs to gain a deeper understanding of the utility-participant interactions that occur throughout a project.

Enbridge Gas sought to understand the types and frequencies of interactions that occurred, what interactions ESAs and customers thought were influential, and which can be refined. The final report is a detailed study into the various interactions between an ESA and participant as well as an exploration of many aspects of the offering and how influential they are.

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[40] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 29.*
[41] *https://engagewithus.oeb.ca/natural-gas-conservation-evaluation-advisory-committee*
[42] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.8, p. 81.*
[43] *https://engagewithus.oeb.ca/natural-gas-conservation-evaluation-advisory-committee*

In general, Ipsos determined that relationships between participants and ESAs were seen as positive, collaborative and represented a key element of value delivered by the offering. The report features case study highlights and direct quotes from both ESAs and participants, providing insight into the thought processes, perspectives, and challenges facing the parties. Ipsos distinguished the utility and participant interactions into different categories. The categories explored include opportunity assessment activities (e.g., studies, surveys and audits), site visits, educational outreach, ESA interactions with third parties, and more.

A high-level summary of some of Ipsos' findings include:

- ESAs were often the source of project ideas not yet contemplated by a customer. As noted in page four of Appendix E, "More often than not, ESAs and customers worked together to develop and refine 'discovery' projects that have been identified through third-party studies, reports, surveys and audits."
- Opportunity assessments such as surveys and audits, activities often suggested by ESAs, were found to be the trigger for 38% of efficiency projects.
- ESA site visits were valued by both ESAs and customers and were found to be a way to build relationships, enhance ESA knowledge of customer operations, and identify and discuss efficiency opportunities.
- While incentives in general are seen as influential, the degree of influence differs based on the size and type of customer. As noted in page 11 of Appendix E, "The incentive appeared to have the biggest impact on smaller sites which also had comparatively smaller budgets to undertake projects. The incentive was therefore key in covering the costs of the project. In contrast, for the larger projects, which were more strategic in scope, the incentive appeared to be less important. The incentive amounts in these large projects paled in comparison to the total project amount."

Ipsos identified opportunities for enhancing utility and participant interactions, including:

- ESAs could develop deeper knowledge of customers' operations and enhance their visibility to others in the organization.
- Supplement current ESA training with collaboration opportunities between ESAs.
- Opportunities for ESAs to obtain feedback from customers midway through projects as well as more consistency in ESAs closing the loop by obtaining feedback at the end.

Please see Appendix E to review the full report and its recommendations.

6. Results and Spend

6.1 Scorecard Results and Shareholder Incentive

Enbridge Gas is eligible to earn a shareholder incentive of up to $20.9 million for DSM results measured against the Company's Residential, Low Income, Commercial, Industrial, Large Volume, Energy Performance, and Building Beyond Code Scorecards. The DSM shareholder incentive is established by the OEB to "motivate the gas utility to both actively and efficiently pursue DSM savings and to recognize performance."[44] The maximum incentive available is allocated to each scorecard based on the allocation of budget to each scorecard. For more information on the DSM shareholder incentive please refer to Section 6 of the 2023 DSM Framework.

In 2023, Enbridge Gas earned $4.6 million in Shareholder incentive as outlined in Table 6.0 below.

Table 6.0 2023 Maximum Shareholder Incentive and Achievement by Scorecard

Scorecard	Maximum DSM Incentive	DSM Shareholder Incentive Achieved
Residential	$4,598,000	$ 2,361,573
Low-Income	$4,598,000	$ 841,771
Commercial	$4,598,000	$ 1,813,776
Industrial	$4,598,000	$ 953,119
Large Volume	$627,000	$627,000
Energy Performance	$209,000	$ 103,664
Building Beyond Code	$1,672,000	$ 405,444
Total	**$20,900,000**	**$7,106,349**

Detailed scorecard results are provided in Table 6.1 to Table 6.7 below.

Table 6.1 2023 Residential Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Net Annual Gas Savings (m^3)	16,601,933	22,135,911	27,669,889	100%	23,183,759	105%
				Total Scorecard Target Achieved		***105%***
				Scorecard Company Incentive Achieved		***$2,361,573***

[44] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 33.*

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Table 6.2 2023 Low-Income Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Single Family Net Annual Gas Savings (m^3)	2,155,134	2,873,511	3,591,889	50%	3,247,883	57%
Multi-Residential Net Annual Gas Savings (m^3)	3,761,703	5,015,604	6,269,505	50%	3,002,130	30%
				Total Scorecard Target Achieved		***86%***
				Scorecard Company Incentive Achieved		***$841,771***

Table 6.3 2023 Commercial Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Large Customer Net Annual Gas Savings (m^3)	11,534,064	15,378,752	19,223,440	50%	17,820,262	58%
Small Customer Net Annual Gas Savings (m^3)	6,500,785	8,667,713	10,834,641	50%	7,231,731	42%
				Total Scorecard Target Achieved		***100%***
				Scorecard Company Incentive Achieved		***$1,813,776***

Table 6.4 2023 Industrial Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Net Annual Gas Savings (m^3)	37,782,673	50,376,897	62,971,121	100%	44,309,314	88%
				Total Scorecard Target Achieved		***88%***
				Scorecard Company Incentive Achieved		***$953,119***

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Table 6.5 2023 Large Volume Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Net Annual Gas Savings (m^3)	6,975,000	9,300,000	11,625,000	100%	22,726,895	200%[1]
				Total Scorecard Target Achieved		***125%***[2]
				Scorecard Company Incentive Achieved		***$627,000***

[1,2] *Metric achievement is capped at 200%, scorecard achievement is capped at 125%. Actual achievement was 244%.*

Table 6.6 2023 Energy Performance Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Participants	19	25	31	100%	26	108%
Net Annual Gas Savings (m^3)*	0	0	0	0%	0	0%
				Total Scorecard Target Achieved		***108%***
				Scorecard Company Incentive Achieved		***$103,664***

** Due to the multi-year aspect of the Whole Building Pay for Performance offering, the Energy Performance program had a Net Annual Natural Gas Savings target of zero for 2023.*

Table 6.7 2023 Building Beyond Code Program Scorecard Results

Metrics	Metric Target Levels			Weight	Achievement	Weighted % of Scorecard Achieved
	Lower Band	Target	Upper Band			
Residential Savings by Design – ENERGY STAR Homes	1,088	1,450	1,813	30%	698	14%
Residential Savings by Design – Net Zero Energy Ready Homes	0	0	0	0%	0	0%
Commercial Savings by Design – Participants	21	28	35	30%	24	26%
Affordable Housing Savings by Design – Participants	14	18	23	30%	21	35%
Commercial Air Tightness Testing – Participants	4	5	6	5%	5	5%
Commercial Air Tightness Testing – Qualified Agents	8	10	13	5%	31	10%
				Total Scorecard Target Achieved		***90%***
				Scorecard Company Incentive Achieved		***$405,444***

6.2 Lost Revenue Adjustment Mechanism

The Lost Revenue Adjustment Mechanism ("LRAM") allows Enbridge Gas to recover the lost distribution revenue associated with DSM activity. For more information on the LRAM, refer to Section 9.4 of the 2023 DSM Framework.

In 2023, lost distribution revenues associated with DSM activity was $0.153 million, as outlined in Table 6.8 below.

Table 6.8 2023 LRAM Statement[1,2]

Rate Class	LRAM Volumes (10^3 m^3)	Distribution Margin Rates ($/$10^3$ m^3)	Revenue Impact
	(a)	(b)	(a) x (b)
EGD Rate Zone			
Rate 110	5,713	$6.82	$38,978.55
Rate 115	955	$3.15	$3,009.07
Rate 135	529	$21.15	$11,194.93
Rate 145	33	$56.63	$1,859.17
Rate 170	486	$2.08	$1,009.47
Union Rate Zones			
South - M4	4,739	$20.01	$94,808.35
South - M5	209	$32.15	$6,724.06
South - M7	15,774	$4.44	$69,982.93
South - T1	672	$1.68	$1,130.58
South - T2	12,131	$0.42	$5,094.84
North - 20	917	$7.64	$7,009.79
North - 100[3]	2,963	$2.87	$8,503.88
Total	**45,121**		**$249,305.62**

[1] Rate 1 and Rate 6 are not included in the LRAM amount for clearance above as these rate classes are covered under the Average Use True-Up Variance Account (AUTUVA).
[2] Rates M1 and M2 (Union rate zones) are not included in the LRAM amounts for clearance.
[3] For clarity, Rate 100 (EGD rate zone) is not included in the LRAM and is recovered through fixed charges.

6.3 Cost-Effectiveness Results

As described in Section 2.5, cost-effectiveness screening for the 2023 DSM Framework uses the "TRC-Plus" test.

Table 6.9 provides the program and portfolio TRC-Plus results.

Table 6.9 2023 TRC-Plus Summary

Program	NPV TRC-Plus Benefits (a)	Program Costs (b)	Incremental Costs (c)	Increased Resource Costs (d)	Total TRC Costs (b+c+d)	Net TRC-Plus (a-e)	TRC-Plus Ratio (a/e)
Residential	$172,041,170	$ 8,734,021	$236,531,395	$95,263,181	$ 340,528,598	($168,487,428)	0.51
Low-Income	$42,576,564	$8,355,895	$17,573,087	$645,599	$ 26,574,581	$16,001,983	1.60
Commercial	$123,088,897	$6,902,154	$41,438,514	$55,371,667	$ 103,712,335	$19,376,562	1.19
Industrial	$154,094,217	$4,194,842	$48,032,343	$831,556	$ 53,058,741	$101,035,476	2.90
Large Volume	$13,485,377	$216,469	$3,608,377	$291,618	$ 4,116,465	$9,368,912	3.28
Total DSM Portfolio	**$505,286,224**	**$28,403,381**	**$347,183,717**	**$152,403,621**	**$545,355,438**	**($40,069,214)**	**0.93**

6.4 Weighted Average Measure Life

With the approval of Enbridge Gas's proposed change to net annual natural gas savings described in Section 2, the OEB directed that Enbridge Gas's WAML should not fall below 14 years across its portfolio of programs, excluding the Large Volume Program, "to ensure the approved DSM plan maintains sufficient longer-term benefits"[45] and avoiding a scenario of Enbridge Gas focusing on measures with a shorter Estimated Useful Life ("EUL") to maximize claimed first-year savings.

The portfolio WAML is calculated as the sum of a program year's cumulative net natural gas savings divided by the sum of that program year's net annual natural gas savings. The WAML calculation and the minimum WAML threshold are subject to adjustments to account for changes in measure life assumptions outside of the utilities control. For example, updates to TRM measure lives and the Custom Measure Life table as may be revised as part of the annual TRM review process.

For 2023, Enbridge Gas has calculated the WAML to be 17.05, which is above the minimum threshold of 14 years. See Table 6.10 below for the values used to determine the WAML.

[45] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Section 4.6, p. 67.*

Table 6.10 2023 Weighted Average Measure Life Calculation

Item	Values
Net Cumulative Natural Gas Savings (Excluding Large Volume) (m^3)	1,684,164,663
Net Annual Natural Gas Savings (Excluding Large Volume) (m^3)	98,795,079
Weighted Average Measure Life	**17.05**

6.5 End-of-Term Natural Gas Reduction Incentive

Background

Within the 2023 DSM Framework, the OEB stipulated Enbridge Gas's eligibility for an End-of-Term Natural Gas Reduction Incentive. Enbridge Gas may earn an End-of-Term Natural Gas Reduction Incentive of up to $30 million "if, at the end of the 3-year term, total volume of natural gas sold to Enbridge Gas's Ontario customers in 2025 is 1.5% less than total volume of natural gas consumed by Enbridge Gas's Ontario customers in 2022 on a weather normalized basis."[46] The Decision also detailed a separate 75% target (1.125% reduction in total volume of natural gas consumed) that would result in a $15 million incentive. These potential incentives are in addition to the annual shareholder incentive related to program scorecards. There are no targets or incentives between the specified 75% and 100% targets.

Enbridge Gas will use the actual weather normalized gas throughput volumes for 2022 and will be comparing that to the actual weather normalized gas throughput volumes for 2025. As opposed to general service rate classes, contract market rate class throughput is not weather normalized, as these customers' gas usage is not weather dependent, but rather is process dependent. Table 6.11 compares 2022 and 2023 weather normalized general service rate classes and actual contract account rate classes throughput, showing an increased throughput of 2.66%. The numbers in table 6.11 have been adjusted to include the customers that pay into DSM from rate class T2, which was left out erroneously in the previously submitted draft.

Table 6.11 Annual Natural Gas Throughput Comparison*

Item	2022	2023
Total Weather Normalized Volume - General Service Rate Classes (million m^3)	15,635	15,936
Total Actual Volume - Contract Market Rate Classes (million m^3)	9,349	9,690
Total Volume (million m^3)	**24,984**	**25,625**
Change Over 2022	**N/A**	**2.66%**

** Only includes customers in rate classes eligible for DSM and subject to DSM costs.*

6.6 Budgets and Spending

Total 2023 DSM spend was $144.7 million, compared to an OEB-approved budget of $167.2 million. See Table 6.12 for more details. As described in the 2023 DSM Framework, Enbridge Gas can be eligible to overspend by up to 15% of the total OEB-approved budget.

[46] *Decision and Order, Application for Multi-Year Natural Gas Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 8.*

The ability to overspend "is meant to allow Enbridge Gas to pursue programs which prove to be very successful."[47] For more details refer to Section 12.2 of the 2023 DSM Framework.

Table 6.12 2023 Budget/Spend/Variance

Item	OEB-Approved Budget	Actual Spend	Variance
Residential Program Costs			
Residential Whole Home	$60,000,000	$55,316,708	($4,683,292)
Residential Single Measure	$4,617,424	$14,600	($4,602,824)
Residential Smart Home	$3,977,235	$7,563,752	$3,586,517
Residential Administrative Costs	$1,783,905	$1,208,869	($575,036)
Residential Program Total	**$70,378,564**	**$64,103,929**	**($6,274,634)**
Low-Income Program Costs			
Home Winterproofing	$14,375,115	$17,551,495	$3,176,380
Affordable Housing Multi-Residential	$7,138,928	$5,124,136	($2,014,792)
Low-Income Administrative Costs	$1,473,642	$1,168,390	($305,252)
Low-Income Program Total	**$22,987,685**	**$23,844,021**	**$856,336**
Commercial Program Costs			
Commercial Custom	$11,895,830	$8,393,868	($3,501,962)
Prescriptive Downstream	$2,436,237	$3,066,057	$629,820
Direct Install	$4,765,983	$3,745,020	($1,020,963)
Prescriptive Midstream	$2,421,117	$1,889,589	($531,528)
Commercial Administrative Costs	$3,743,608	$3,765,349	$21,741
Commercial Program Total	**$25,262,775**	**$20,859,883**	**($4,402,892)**
Industrial Program Costs			
Industrial Custom	$13,872,000	$9,637,297	($4,234,703)
Industrial Administrative Costs	$3,956,114	$3,651,725	($304,389)
Industrial Program Total	**$17,828,114**	**$13,289,021**	**($4,539,093)**
Large Volume Program Costs			
Direct Access	$2,550,000	$2,493,024	($56,976)
Large Volume Administrative Costs	$216,624	$191,867	($24,757)
Large Volume Program Total	**$2,766,624**	**$2,684,891**	**($81,733)**
Energy Performance Program Costs			
Whole Building Pay for Performance	$1,117,500	$1,426,609	$309,109
Energy Performance Administrative Costs	$104,156	$37,428	($66,728)
Energy Performance Program Total	**$1,221,656**	**$1,464,037**	**$242,381**
Building Beyond Code Program Costs			
Residential Savings by Design	$4,057,500	$2,536,834	($1,520,666)
Commercial Savings by Design	$1,236,000	$754,061	($481,939)
Affordable Housing Savings by Design	$2,138,000	$1,983,683	($154,317)
Commercial Air Tightness Testing	$483,432	$325,307	($158,125)
Building Beyond Code Administrative Costs	$522,571	$785,975	$263,404
Building Beyond Code Program Total	**$8,437,503**	**$6,385,860**	**($2,051,643)**
Program Subtotal	**$148,882,921**	**$132,631,642**	**($16,251,278)**
Administration Costs			
Portfolio Administration	$8,569,922	$6,291,990	($2,277,932)

[47] *Decision and Order, Application for Multi-Year Demand Side Management Plan (2022 to 2027), EB-2021-0002, November 15th, 2022, Schedule E, p. 35.*

Item	OEB-Approved Budget	Actual Spend	Variance
System Maintenance & Improvements	$1,020,000	$499,121	($520,879)
Municipal Engagement	$1,662,600	$611,595	($1,051,005)
Administration Total	**$11,252,522**	**$7,402,706**	**($3,849,815)**
Evaluation and Regulatory Costs			
EM&V	$2,652,000	$1,180,645	($1,471,355)
Regulatory & Stakeholdering	$714,000	$391,115	($322,885)
Process and Market Evaluation	$510,000	$219,527	($290,473)
Evaluation and Regulatory Total	**$3,876,000**	**$1,791,287**	**($2,084,713)**
Research and Development Costs			
Research Innovation Fund	$2,601,000	$2,058,892	($542,108)
Market Data	$630,478	$836,935	$206,457
Research and Development Total	**$3,231,478**	**$2,895,827**	**($335,652)**
Portfolio Subtotal	**$18,360,000**	**$12,089,820**	**($6,270,180)**
Total DSM Costs	**$167,242,921**	**$144,721,463**	**($22,521,458)**

Included in the spend amounts above are customer incentives deferred to future years, referred to as Deferred Participant Costs ("DPCs"), for offerings where incentives are paid when future milestones/activities are reached. The DPCs will be used when the customer incentive commitment is due. For more information on DPCs, please refer to Section 12.2.1 of the 2023-2025 DSM Framework.

Specifically, the deferred amounts are:

- Savings by Design Affordable Housing Offering: $1,102,400
- Savings by Design Residential Offering: $457,140
- Energy Performance Whole Building Pay for Performance: $1,019,100

6.6.1 Municipal Engagement

Introduction

Enbridge Gas's municipal engagement activities support municipalities in developing and executing energy efficiency and climate change initiatives, leveraging existing DSM offerings alongside municipal complementary activities to reduce energy usage and greenhouse gas emissions. Many municipalities are active in the energy transition with ambitions and policy direction towards reducing community-based emissions as well as those of their corporate facilities.

Key Focus Areas with Municipalities in 2023

Energy Planning Consultation

Enbridge Gas was actively engaged with municipalities in 2023 to support their energy planning, provide clarity around the evolution of Enbridge Gas's DSM portfolio, including the launch of the HER+ offering, and sharing Enbridge Gas's expertise and experience to support climate action initiatives being developed by municipalities.

In 2023, Enbridge Gas began working towards establishing a formalized, multi-offering "toolbox" to empower municipalities, who would benefit from sustained capacity-building support, to develop and actualize their Climate Action Plans and enabling initiatives. This approach and initial enrollment is expected to be finalized in 2024.

Financial Support

Enbridge Gas delivered a Municipal Climate Action Offer ("MCAO") providing a maximum of $10,000 to eligible municipalities to support climate change action. In 2023, Enbridge Gas provided the MCAO to more than 40 municipalities. Municipalities used these funds primarily to develop and/or implement the following climate change action initiatives:

- Corporate and/or community Climate Change Action Plans.
- Green Development Standards.
- Residential retrofit programs and support services.

While municipalities are in varying stages of climate change action, all generally follow a similar path that often includes one or more of the above initiatives. Municipalities have been able to leverage the financial support of the MCAO to offset the costs associated with each.

Promotion

Through promotion and awareness-building activities, Enbridge Gas worked with municipalities to enhance awareness of energy conservation opportunities and available programs that support municipal actions. Promotional initiatives included:

- Engaging in various events throughout Ontario, building awareness with local businesses and supporting energy efficiency goals for new and retrofit municipal buildings.
- Exhibition in community events as a platform to actively engage with residents and discuss available residential DSM offerings.
- Hosting virtual home retrofit orientation workshops, co-hosted in collaboration with local municipalities, to educate homeowners about potential upgrade opportunities, EnerGuide assessments, and program supports to assist them in saving energy and money.
- Municipalities and Enbridge Gas DSM offerings are cross-promoted through digital mediums, allowing municipalities to act as "influencers". This functionality will be able to advertise the appropriate municipal retrofit program to the interested resident based on the postal code they submit upon reviewing Enbridge Gas's Residential Whole Home Offering website.

Data Access

In 2023, Enbridge Gas provided 44 municipalities with natural gas consumption data for customers within their jurisdiction. Requests ranged from a period of one to as many as four years of data. This data supports municipal decision-making related to climate change, especially initiatives intended to reduce natural gas consumption. Municipalities use this data to plan, prioritize, validate and evaluate various climate change action initiatives. Enbridge Gas also provided municipalities with historical DSM program participation data for their communities and supplied research information in consultation with municipalities to support their planning and reporting activities.

Collaborative Initiatives

A summary of ongoing collaborative initiatives underway with municipalities in 2023 is provided below.

Durham Greener Homes: Enbridge Gas is financially supporting the Energy Concierge Service of the Durham Greener Homes initiative. The service provides homeowners with guidance and direction, connecting them with incentives and rebates, assistance in selecting a contractor of choice, and providing project management assistance throughout the retrofit journey. The service is available to all homeowners in the Regional Municipality of Durham.

Ottawa Multi-Unit Residential Buildings pilot: Enbridge Gas and the City of Ottawa are collaborating on a technological proof of concept pilot. This pilot will work to understand how different technologies can significantly reduce a building's energy usage, targeting multi-unit residential buildings to support deep energy retrofits. In 2023, applicants submitted their prospective buildings to be selected for the pilot, and Enbridge Gas and the City of Ottawa collaborated to pre-select six buildings for the advisement stage to provide guidance and suggestions on necessary upgrades to achieve desired results of the retrofit(s). In 2024, based on the resulting proposals, Enbridge Gas and the City of Ottawa will select the ultimate pilot recipients and amount of funding to be allocated from Enbridge Gas for each project.

Mississauga Climate Leaders: Enbridge Gas has been an active supporter of this initiative, which was launched in June 2023 and includes workshops and training to strengthen local businesses' awareness, knowledge and desire to act sustainably. The program also provides dedicated support through site assessments to assist local businesses in identifying and implementing energy upgrade opportunities. The program is open to all businesses in the City of Mississauga and is planned to be a multi-year program.

6.6.2 Research and Development

Introduction

Enbridge Gas research and development activities are comprised of two main areas: the Research and Innovation Fund ("RIF") and Market Data. The RIF is intended to sustain and grow the opportunities in the existing DSM portfolio by investigating new measures and innovative program designs, identifying technical and market barriers of new energy efficiency opportunities, testing new concepts, and sustaining and updating technical resources. The RIF is also intended to support the current objectives and guiding principles outlined in the 2023 DSM Framework and to be responsive to the ever-changing energy landscape in Ontario. The Market Data fund is intended to provide the necessary subscriptions, datasets and external tools required to inform programs about potential areas of opportunity for energy savings and to better understand and segment Enbridge Gas markets.

Enbridge Gas developed a portfolio of research in 2023 designed to support innovation, pilot programs, research and collaboration across the industry in order to continue delivering DSM programming in Ontario that drives high levels of cost-effective energy savings in support of the objectives of government.

Key Focus Areas of Research and Development in 2023

1. **RIF**: A multi-focused research fund intended to innovate and continuously improve current DSM programming:
    - Innovation: Includes the investigation of new measures and innovative program designs to address local DSM market needs. This includes studies to evaluate technology trends and the impacts of standards specifically related to new technologies and corresponding gas savings results.
    - Pilot Programs: Used to test new program concepts or modifications to existing programs in order to investigate technical performance and learn how to address market barriers. The goal of testing new or modified program concepts on a pilot scale is to inform an eventual rollout of the technology or practice into Enbridge Gas's DSM portfolio.
    - Research: Includes research required to more consistently and accurately estimate the natural gas savings generated through DSM program delivery. Enbridge Gas conducts research on new and current TRM measures. This type of research is provided to the EC for their review and inclusion in the TRM. In addition, Enbridge Gas conducts desktop and field measurement research to develop and maintain calculators and modelling tools used to estimate natural gas savings for custom offers.
    - Collaboration: Potential collaboration with all external efforts or entities in activities aligned with innovation, pilot programs, and research. Enbridge Gas will continue to leverage all complementary efforts, including energy efficiency innovation activities undertaken by external organizations such as the IESO, private industry, trade organizations, corporate laboratories, NRCan, and regional, national and international partners including utilities, academia, non-governmental organizations, and other market stakeholders. Through these partnerships and memberships, Enbridge Gas will gain access to information on current issues, market assessments, emerging technologies, and new program efforts leading to more opportunities and more effective delivery of DSM programming.

2. **Market Data**: This area focuses on external tools, subscriptions and datasets of information that allow segmentation and classification of customers, including demographics, industry and building stock information. These tools and datasets are utilized to identify potential participants that may be well suited to DSM program offerings, provide relevant benchmarking information and inform programs about potential areas of opportunity for energy savings.

Research Undertaken Throughout 2023

Market Analysis: This research area involves the quantitative and qualitative assessment of markets in which Enbridge Gas operates. It can examine the market size, various market segments, customer buying patterns, supply chain, barriers, opportunities for natural gas savings and the economic environment. Market analysis studies can also include cost studies. For 2023, Enbridge Gas prioritized the following market analysis projects:

1. **Multi-Residential Market Characterization**: A study intended to characterize the MURB sector (private, public, high rise, low rise) to understand the market and assess energy efficiency opportunities for future program design and delivery. Anticipated completion in 2024.
2. **Small Industrial Market Analysis**: A detailed assessment of how Enbridge Gas's small industrial customers (less than 100,000m^3 consumed per year) are using natural gas with the purpose of informing future program design and delivery. Anticipated completion in 2024.
3. **Small Commercial Market Actor Characterization**: A characterization study to improve understanding of how market actors such as manufacturers, distributors, and installers or contractors, sell and install select high efficiency equipment and how they conduct their operations within Ontario, specifically when it comes to serving small and medium sized businesses. Equipment types that were a focus of the study include:
    - Adaptive thermostats
    - Air curtains (pedestrian and shipping door)
    - Destratification fans
    - Dock door seals
    - DCV w/CO^2 sensors
    - DCKV (both one and two sensor systems)
    - Ozone laundry treatment system

    The study was successfully completed in Q3 2023, reporting on supply chain, costs, and key considerations for the design and delivery approach of the Commercial & Industrial Small Business Offer.
4. **Small Commercial Market Characterization**: A characterization of small businesses in Ontario intended to provide a better understanding of their unique barriers to the purchase and sale of energy efficient equipment, ultimately driving more uptake in DSM programming. Anticipated completion in 2024.
5. **Residential Hybrid Space Heating Tech Market Study**: A market assessment of emerging or commercially ready hybrid gas furnace/electric heat pump products in the North American market. The primary target markets impacted by this project will be single-family and multifamily residential new construction and retrofits. Enbridge Gas is contributing to a portion of this study performed by Gas Technology Institute ("GTI") Energy. Anticipated completion in 2024.
6. **Home Winterproofing Program Customer Journey Mapping**: A study to establish a customer journey that identifies the process and timing for each stage in the program. The study is expected to identify gaps, opportunities and recommendations to optimize the experience, cycle time and performance of the HWP Offering. Anticipated completion in 2024.
7. **HWP Insulation Analysis**: A study to research insulation cost factors (impacts of inflation, rising costs, etc.) and explore new and appropriate building envelope types for certain home archetypes (e.g., double brick homes). The study will also look forward to where the residential insulation industry is going, considering costs, innovative materials, and techniques not yet fully in market. Anticipated completion in 2024.
8. **Residential Whole Home Offering Incremental Cost Study**: A study to update and substantiate the incremental costs for the Residential Whole Home Offering windows and doors, stand-alone air sealing, and mechanical systems. This study was completed in Q1 2024.
9. **Energy Conservation Behaviours Tracking Study**: A research study focused on measuring the level of awareness of various energy conservation programs, other energy conservation behaviours, sources of information and actions taken for energy conservation among single-family residential consumers with the purpose of informing future program design and delivery. The study was completed in Q4 2023.

Technical Analysis: This research area involves studies intended to determine how to consistently and accurately estimate the natural gas savings of technologies in current or future DSM programming. It also includes pre-feasibility technology assessments used as early-stage analyses to determine future opportunities for in-depth technical studies. For 2023, Enbridge Gas prioritized the following technical analysis projects:

1. **Commercial Rooftop Units**: A study to understand the technical and market conditions for commercial RTUs and implement a program focused on efficient features above the standard practice baseline in Ontario. Consequently, the project has two phases:
    - Phase I: Commercial RTU Measure Development
    - Phase II: Efficient RTU Market Research & Program Development

   This study covers Phase I of the work, targeting an RTU measure or measures that Enbridge Gas can begin implementing by the end of Q2 2024. Anticipated completion in 2024.
2. **Pathways Air Source Heat Pumps**: A study to provide robust and detailed information regarding electric heat pump and hybrid system performance and a deeper understanding of implementation in a typical Ontario home. This study completed in Q2 2023.
3. **Commercial Smart Thermostat**: A literature review and consumption data analysis to develop input assumptions and inform substantiation document development for the TRM. This study completed in Q3 2023.
4. **Greenhouse New Technologies**: A study to identify potential new and emerging measures that are not currently common in Ontario greenhouses. Anticipated completion in 2024.
5. **Small Commercial Deep Energy Retrofit Scenario Analysis**: A study to create different roadmaps based on asset renewal trigger points; incremental cost and projected utility rates will determine the most cost-effective measures. This study completed in Q4 2023.
6. **Residential Single Measure (Envelope)**: A study to confirm input assumptions and create substantiation documents for a Residential Single Measure Offering. Anticipated completion in 2024.
7. **Phoenix Solar Feasibility Study (Customer #1)**: A technical and financial feasibility study considering solar thermal as a CO^2 reduction strategy. This study completed in Q4 2023.
8. **Phoenix Solar Feasibility Study (Customer #2)**: A technical and financial feasibility study considering solar thermal as a CO^2 reduction strategy. This study completed in Q4 2023.
9. **Ottawa MURB Building Assessments (Partial Electrification)**: A study to assess six commercial MURBs and two Affordable Housing MURBs to determine options for electrifying part of their heating load. This will serve as a learning opportunity for ESAs to understand the types of solutions they can recommend to commercial MURB customers across the province. Anticipated completion in 2024.

Jurisdictional Analysis: This research area involves the consideration, comparison and evaluation of how other jurisdictions address a similar sector, offering, program, technology or obstacle to help inform recommendations for decision making. Jurisdictional analysis can also often be the first stage of a pre-feasibility technology assessment. This is regularly completed by Enbridge Gas staff or contracted with external consultants. For 2023, Enbridge Gas prioritized the following jurisdictional analysis projects with external Consultants:

1. **Commercial & Industrial Program Design and Delivery Best Practices**: A study with the purpose of augmenting Enbridge Gas's understanding of best practice design elements and delivery approaches of custom energy efficiency programs in the Commercial and Industrial sectors. Anticipated completion in 2024.
2. **Jurisdictional TRM Scan for New Measures**: A study to review the TRMs from at least 12 jurisdictions and develop a draft list of new commercial sector measures for potential inclusion in the Ontario Natural Gas DSM TRM. Anticipated completion in 2024.

Memberships and Associations: In an effort to stay connected and collaborate with other utilities, Enbridge Gas is involved with numerous associations to identify innovative technologies and program designs, collaborative opportunities for technical research and other RIF related research projects. The following associations were supported in 2023:

1. **E Source**: E Source offers industry-leading research, predictive data science, and solution services to help utilities make better decisions to support customers, programming, and the planet.
2. **CEE Emerging Technology Collaboration Project**: The goals of the Emerging Technologies Collaborative are to provide greater support to CEE member program administrators and the energy efficiency program industry in identifying and assessing new opportunities. Pursuit of these objectives will not only assist sponsors in their immediate emerging technologies work, but also achieve the shared broader objectives of accelerating adoption of emerging technologies across the efficiency program industry at CEE.
3. **GTI Energy**: GTI Energy offers a consortium approach, through which a group of interested companies fund and help steer the direction of a project, while GTI Energy manages the program and performs the research. Enbridge Gas is involved in two collaborative programs offered by GTI:
    - Utilization Technology Development: A member-controlled partnership of gas distribution companies that conducts near-term applied research to develop, test, and deploy energy-efficient end-use technologies.
    - Emerging Technology Program: A member-driven collaborative to accelerate the market introduction and acceptance of new emerging technologies to feed utility energy efficiency programs.
4. **The Centre for Energy Advancement through Technological Innovation ("CEATI")**: CEATI is a solution-driven network for power industry professionals. CEATI provides its members with practical research, expert guidance, and forums for knowledge exchange.

Market Data: The Market Data budget covers various external datasets used by the Enbridge Gas Business Intelligence team to better understand the Company's customers, which in turn helps to continually improve program design and delivery. For 2023, Enbridge Gas prioritized market data in the following areas:

- Municipal Property Assessment Corporation data on buildings in Ontario.
- Environics Analytics Group data on demographic, psychographic and behavioral trends of the communities served by Enbridge Gas.
- The Dunn and Bradstreet Companies of Canada data on industry classification of business customers.
- Utility Analytics Institute membership, providing access to a network of analytics professionals and analytics use-cases.

Appendix A: 2023 Avoided Costs

The inflation factor used is 6.00%. The discount rate is 10.24%. Avoided costs are presented in nominal dollars.

Gas Avoided Costs (EGD Rate Zone)				
	Baseload ($/m³)		Weather Sensitive ($/m³)	
Year	Rate	NPV	Rate	NPV
2023	0.276	0.276	0.317	0.317
2024	0.234	0.488	0.259	0.552
2025	0.212	0.662	0.233	0.743
2026	0.205	0.815	0.227	0.913
2027	0.195	0.947	0.219	1.061
2028	0.206	1.074	0.231	1.203
2029	0.231	1.202	0.257	1.347
2030	0.255	1.331	0.283	1.490
2031	0.294	1.466	0.324	1.638
2032	0.328	1.602	0.360	1.788
2033	0.356	1.736	0.390	1.935
2034	0.374	1.864	0.410	2.075
2035	0.392	1.986	0.430	2.209
2036	0.413	2.102	0.453	2.337
2037	0.445	2.216	0.488	2.461
2038	0.482	2.327	0.527	2.583
2039	0.523	2.437	0.571	2.703
2040	0.559	2.544	0.610	2.819
2041	0.590	2.646	0.644	2.931
2042	0.615	2.742	0.672	3.036
2043	0.642	2.834	0.703	3.136
2044	0.686	2.922	0.750	3.233
2045	0.745	3.009	0.814	3.328
2046	0.774	3.092	0.846	3.418
2047	0.820	3.171	0.897	3.505
2048	0.869	3.247	0.950	3.588
2049	0.921	3.320	1.007	3.667
2050	0.975	3.390	1.067	3.744
2051	1.033	3.457	1.130	3.818
2052	1.094	3.522	1.197	3.889

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Gas Avoided Costs (Union Rate Zones)				
	Baseload ($/m³)		Weather Sensitive ($/m³)	
Year	Rate	NPV	Rate	NPV
2023	0.284	0.284	0.366	0.366
2024	0.234	0.496	0.295	0.634
2025	0.209	0.669	0.258	0.846
2026	0.204	0.821	0.256	1.037
2027	0.194	0.952	0.249	1.206
2028	0.205	1.078	0.263	1.367
2029	0.230	1.206	0.292	1.530
2030	0.255	1.335	0.320	1.692
2031	0.292	1.469	0.361	1.857
2032	0.327	1.605	0.401	2.024
2033	0.353	1.738	0.431	2.186
2034	0.371	1.865	0.454	2.342
2035	0.388	1.985	0.475	2.489
2036	0.408	2.100	0.501	2.630
2037	0.439	2.212	0.537	2.768
2038	0.476	2.323	0.580	2.902
2039	0.517	2.432	0.628	3.034
2040	0.554	2.537	0.671	3.162
2041	0.585	2.638	0.709	3.285
2042	0.609	2.734	0.741	3.401
2043	0.635	2.824	0.775	3.511
2044	0.678	2.912	0.826	3.618
2045	0.737	2.998	0.894	3.722
2046	0.765	3.079	0.931	3.821
2047	0.811	3.158	0.987	3.917
2048	0.859	3.233	1.046	4.008
2049	0.910	3.305	1.108	4.096
2050	0.964	3.374	1.174	4.180
2051	1.022	3.441	1.244	4.261
2052	1.082	3.505	1.318	4.339

Water Avoided Costs				
	EGD Rate Zone ($/1000 Litres)		Union Rate Zones ($/1000 Litres)	
Year	Rate	NPV	Rate	NPV
2023	1.094	0.276	0.917	0.917
2024	1.159	0.488	0.972	1.800
2025	1.229	1.094	1.031	2.648
2026	1.303	2.145	1.093	3.463
2027	1.381	3.157	1.158	4.248
2028	1.464	4.129	1.228	5.002
2029	1.552	5.064	1.301	5.727
2030	1.645	5.963	1.380	6.424
2031	1.743	6.827	1.462	7.094
2032	1.848	7.659	1.550	7.739
2033	1.959	8.458	1.643	8.359
2034	2.076	9.226	1.742	8.955
2035	2.201	9.965	1.846	9.528
2036	2.333	10.676	1.957	10.079
2037	2.473	11.359	2.074	10.609
2038	2.621	12.016	2.199	11.118
2039	2.779	12.647	2.331	11.608
2040	2.945	13.255	2.470	12.079
2041	3.122	13.839	2.619	12.532
2042	3.309	14.400	2.776	12.967
2043	3.508	14.940	2.942	13.386
2044	3.718	15.459	3.119	13.788
2045	3.941	15.959	3.306	14.176
2046	4.178	16.439	3.504	14.548
2047	4.429	16.900	3.715	14.906
2048	4.694	17.344	3.938	15.250
2049	4.976	17.771	4.174	15.581
2050	5.275	18.181	4.424	15.899
2051	5.591	18.575	4.690	16.205
2052	5.927	18.955	4.971	16.499

Electricity Avoided Costs		
	Residential/Commercial/Industrial	
	Electricity ($/kWh)	
Year	Rate	NPV
2023	0.128	0.128
2024	0.136	0.252
2025	0.144	0.370
2026	0.153	0.484
2027	0.162	0.594
2028	0.172	0.699
2029	0.182	0.801
2030	0.193	0.898
2031	0.204	0.992
2032	0.217	1.082
2033	0.230	1.169
2034	0.243	1.252
2035	0.258	1.332
2036	0.274	1.409
2037	0.290	1.483
2038	0.307	1.554
2039	0.326	1.623
2040	0.345	1.689
2041	0.366	1.752
2042	0.388	1.813
2043	0.411	1.871
2044	0.436	1.928
2045	0.462	1.982
2046	0.490	2.034
2047	0.519	2.084
2048	0.550	2.132
2049	0.584	2.178
2050	0.619	2.223
2051	0.656	2.265
2052	0.695	2.307

Avoided Carbon Costs		
	Residential/Commercial/Industrial	
	($/m³)	
Year	Rate	NPV
2023	0.126	0.126
2024	0.155	0.266
2025	0.184	0.417
2026	0.213	0.576
2027	0.242	0.739
2028	0.271	0.905
2029	0.300	1.072
2030	0.329	1.238
2031	0.348	1.398
2032	0.369	1.551
2033	0.391	1.699
2034	0.415	1.841
2035	0.440	1.977
2036	0.466	2.108
2037	0.494	2.235
2038	0.524	2.356
2039	0.555	2.473
2040	0.588	2.585
2041	0.624	2.693
2042	0.661	2.796
2043	0.701	2.896
2044	0.743	2.992
2045	0.787	3.084
2046	0.835	3.173
2047	0.885	3.258
2048	0.938	3.340
2049	0.994	3.419
2050	1.054	3.494
2051	1.117	3.567
2052	1.184	3.637

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Appendix B: 2023 Targets

Offering	Metric	Metric Weighting	Lower Band (75%)	2023 Target (100%)	Upper Band (125%)
Residential Program Scorecard					
Residential Whole Home Offering Residential Single Measure Offering Residential Smart Home Offering	Net Annual Gas Savings (m^3)	100%	16,601,933	22,135,911	27,669,889
Low-Income Program Scorecard					
Home Winterproofing Offering	Single Family Net Annual Gas Savings (m^3)	50%	2,155,134	2,873,511	3,591,889
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m^3)	50%	3,761,703	5,015,604	6,269,505
Commercial Program Scorecard					
Commercial Custom Offering Prescriptive Downstream Offering	Large Customer Net Annual Gas Savings (m^3)*	50%	11,534,064	15,378,752	19,223,440
Direct Install Offering Prescriptive Midstream Offering	Small Customer Net Annual Gas Savings (m^3)*	50%	6,500,785	8,667,713	10,834,641
Industrial Program Scorecard					
Industrial Custom Offering	Net Annual Gas Savings (m^3)	100%	37,782,673	50,376,897	62,971,121
Large Volume Program Scorecard					
Direct Access Offering	Net Annual Gas Savings (m^3)	100%	6,975,000	9,300,000	11,625,000
Energy Performance Program Scorecard					
Whole Building Pay for Performance (P4P)	Number of Participants	**100%**	19	25	31
	Net Annual Gas Savings (m^3)	**0%**	0	0	0
Building Beyond Code Program Scorecard					
Residential Savings By Design	Number of ENERGY STAR Homes	30%	1,088	1,450	1,813
	Number of Net Zero Ready Homes	0%	0	0	0
Commercial Savings By Design	Number of Participants	30%	21	28	35
Affordable Housing Savings By Design	Number of Participants	30%	14	18	23
Commercial Air Tightness Testing	Number of Participants	5%	4	5	6
	Number of Qualified Agents	5%	8	10	13

** Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m^3/year. Small commercial customers are below 100,000 m^3/year.*

Appendix C: Offering Details

C1 Residential Whole Home Offering

Eligibility Criteria

The offering is available for the following types of homes:

- Single and semi-detached homes
- Row housing
- Townhomes
- Mobile homes on a permanent foundation
- Permanently moored floating homes
- Mixed use buildings that have more than 50% of its area as residential living space.
- Low-rise MURBs (three storeys or less with a building area of 600 m^2 or less). MURBs with three or more units cannot receive an incentive for heat pumps or thermostats.

Incentive Structure

Category	Measure	Details	Package A EGD Owner Occupied	Package B Non-EGD Owner Occupied	Package C EGD Non-Owner Occupied	Package D Off-Grid Funded by NRCAN
Assessment Cost	Assessment Cost	One-time payment to each participant, up to a maximum of $600.	$600	$600	$600	$600
Boiler, furnace (off-grid communities)	Replace an oil-fired boiler with an ENERGY STAR certified residential oil-fired boiler	ENERGY STAR certified with an AFUE ≥ 87%.				$3,500
	Replace a boiler with an ENERGY STAR certified residential gas-fired boiler	ENERGY STAR certified with an AFUE ≥ 90%.				$1,600
	Replace oil-fired furnace with an ENERGY STAR certified residential oil-fired furnace	ENERGY STAR certified with an AFUE ≥ 95%.				$3,500
	Replace a furnace with an ENERGY STAR certified residential gas-fired furnace	ENERGY STAR certified with an AFUE ≥ 97%.				$1,600
	For mobile homes on a permanent foundation, replace a fossil-fuel burning furnace or boiler with an eligible residential gas-fired furnace for relocatable buildings	Gas-fired furnace for relocatable buildings with an AFUE ≥96%.				$1,600
Renewable energy systems	Solar photovoltaic panels	Installation of a photovoltaic system with a capacity equal to, or greater than, 1.0 kW.	$1,000/kW (Up to $5,000)	$1,000/kW		$1,300/kW
Resiliency measures	Resiliency measures	Batteries connected to photovoltaic systems.	$1,000	$1,000		$1,300
		Roofing membrane: self-adhering roofing underlayment applied to entire roof.	$150	$150		$195
		Basement wall waterproofing.	$875	$875		$1,137.50
		Moisture proofing of 100% of crawlspace floor, walls, and headers.	$600	$600		$780
Water heating	Heat pump water heater	Capacity ≤ 55 gallons: Energy Factor ≥ 2.00 with First Hour Rating ≥ 50 gallons	$1,300	$1,000	$1,300	$1,300

		per hour or Uniform Energy Factor ≥ 2.00 First Hour Rating ≥ 45 gallons per hour Capacity > 55 gallons: Energy Factor ≥ 2.20 First Hour Rating ≥ 50 gallons per hour or Uniform Energy Factor ≥ 2.20 First Hour Rating ≥ 45 gallons per hour				
Space Heating - Geothermal (ground source) heat pump	Install a ground source heat pump	Water-to-water, brine-to-water and Direct Exchange systems are not eligible.	$6,500	$5,000	$6,500	$5,000
	Replace a ground source heat pump	Water-to-water, brine-to-water and Direct Exchange systems are not eligible.	$4,000	$3,000	$4,000	$3,900
Space Heating - Air source heat pump	ENERGY STAR certified air source heat pump Mini- or multi-split ducted or ductless system with two warm air supply outlets or indoor heads	Install a complete new or replacement ENERGY STAR certified air source heat pump system (other than cold climate air source heat pumps), capable of distributing heat throughout the entire conditioned space in the home, including the basement. A minimum of one warm air supply outlet or indoor head is required on every floor, including each level of a split-level, mezzanine level, etc., of each dwelling unit in the building. The newly installed system must meet the following criteria: - Minimum total rated heating capacity at 8.3 °C of 3.52 kW (12,000 Btu/h) - HSPF2 Region V ≥ 6.6 AND SEER2 ≥ 15.2 (Systems with HSPF Region IV ≥ 10 are no longer being added to the eligible product lists. Systems already listed with HSPF Region IV ≥ 10 will continue to be eligible until June 1st, 2025).	$3,250	$2,500	$3,250	$3,249
	ENERGY STAR certified air source heat pump Central ducted system Or Mini- or multi-split ducted or ductless system with three or more warm air supply outlets or indoor heads	Install a complete new or replacement ENERGY STAR certified air source heat pump system, capable of distributing heat throughout the entire conditioned space in the home, including the basements with a height of 1.8 m or higher. A minimum of one warm air supply outlet or indoor head is required on every floor, including each level of a split-level, mezzanine level, etc., of each dwelling unit in the building. The newly installed system must meet the following criteria: - Min total rated heating capacity at 8.3 °C of 3.52 kW (12,000 Btu/h) - HSPF2 Region V ≥ 6.6 AND SEER2 ≥ 15.2 (Systems with HSPF Region IV ≥ 10 are no longer being added to the eligible product lists. Systems already listed with HSPF Region IV ≥ 10 will continue to be eligible until June 1st, 2025).	$5,250	$4,000	$5,250	$5,000
	Cold climate air source heat pumps Mini- or multi-split ducted or ductless system with two warm air supply outlets or indoor heads	Install a complete new or replacement cold climate air source heat pump system, capable of distributing heat throughout the entire conditioned space in the home, including the basement. A minimum of one warm air supply outlet or indoor head is required on every floor, including each level of a split-level, mezzanine level, etc., of each dwelling unit in the building. The newly installed system must meet the following criteria: -Minimum total rated heating capacity at 8.3 °C of 3.52 kW (12,000 Btu/h) -HSPF2 Region V ≥ 6.6 AND SEER2 ≥ 15.2 (Systems with HSPF Region IV ≥ 10 are no longer being added to the eligible product lists. Systems already listed with HSPF Region IV ≥ 10 will continue to be eligible until June 1st, 2025). -Compressor must be of variable capacity with three or more distinct operating speeds, or continuously variable speed -COP ≥ 1.8 at -15 °C (5 °F) (at maximum capacity operation) -Capacity maintenance (Max -15 °C (5 °F)/Rated 8.3 °C (47 °F)) ≥ 70%	$3,250	$2,500	$3,250	$3,250
	Cold climate air source heat pumps Central ducted system Or Mini- or multi-split ducted or ductless system with three or	Install a complete new or replacement cold climate air source heat pump system capable of distributing heat throughout the entire conditioned space in the home, including the basements with a height of 1.8m or higher. A minimum of one warm air supply outlet or indoor head is required on every floor, including each level of a split-level, mezzanine level, etc., of each dwelling unit in the building.	$6,500	$5,000	$6,500	$5,000

	more warm air supply outlets or indoor heads	The newly installed system must meet the following criteria: - Min total rated heating capacity at 8.3 °C of 3.52 kW (12,000 BTU/h) - HSPF2 Region V ≥ 6.6 AND SEER2 ≥ 15.2 (Systems with HSPF Region IV ≥ 10 are no longer being added to the eligible product lists. Systems already listed with HSPF Region IV ≥ 10 will continue to be eligible until June 1st, 2025.) - Compressor must be of variable capacity with three or more distinct operating speeds, or continuously variable speed - COP ≥ 1.8 at -15 °C (5 °F) (at maximum capacity operation) - Capacity maintenance (Max -15 °C (5 °F)/Rated 8.3 °C (47 °F)) ≥ 70%				
Window/ door	Window/ sliding glass door	Replace windows or sliding glass doors with ENERGY STAR most efficient models: - U-Factor of 1.05 W/m²K or less, or - Energy Rating of 40 or more.	$325	$250	$325	$325
		Replace windows or sliding glass doors with ENERGY STAR certified models: - U-Factor of 1.22 W/m²K or less, or - Energy Rating of 34 or more.	$175	$125	$175	$162.50
	Door	Replace hinged doors, with or without sidelites or transoms with ENERGY STAR certified models: - U-Factor of 1.22 W/m²K or less, or - Energy Rating of 34 or more.	$175	$125	$175	$162.50
Exposed floor insulation	Exposed floor insulation	For adding insulation value of at least R20 to the entire exposed floor area (minimum area of 11m² or 120 ft²).	$450	$350	$450	$455
Exterior wall insulation	Exterior wall insulation	Adding insulation with a value greater than R20 to 100% of the exterior walls.	$6,750	$5,000	$6,750	$5,000
		Adding insulation with a value greater than R12 up to R20 to 100% of the exterior walls.	$5,000	$3,800	$5,000	$4,940
		Adding insulation with a value of R7.5 up to R12 to 100% of the exterior walls.	$4,500	$3,300	$4,500	$4,290
Attic	Attic insulation	Increase attic insulation to at least R50 from R12 or less.	$2,350	$1,800	$2,350	$2,340
		Increase attic insulation to at least R50 from greater than R12 up to R25.	$800	$600	$800	$780
		Increase attic insulation to at least R50 from greater than R25 up to R35.	$325	$250	$325	$325
	Cathedral ceiling /flat roof insulation	Increase cathedral/flat roof insulation to at least R28 from R12 or less.	$800	$600	$800	$780
		Increase cathedral/flat roof insulation to at least R28 from greater than R12 up to R25.	$325	$250	$325	$325
		Upgrade uninsulated cathedral ceiling/flat roof to at least R20.	$800	$600	$800	$780
Basement insulation	Foundation insulation	For adding insulation value greater than R22 to 100% of the basement wall area.	$2,000	$1,500	$2,000	$1,950
		For adding insulation value of R10 to R22 to 100% of the basement wall area.	$1,400	$1,050	$1,400	$1,365
	Crawlspace (including the header area)	For adding insulation value greater than R22 to 100% of the crawl space's exterior wall area, including the header area.	$1,700	$1,300	$1,700	$1,690
		Adding insulation value of R10 to R22 to 100% of the crawl space's exterior wall area, including the header area.	$1,400	$1,040	$1,400	$1,352
		Adding insulation value greater than R24 to 100% of the crawl space's ceiling.	$1,050	$800	$1,050	$1,040
	Basement slab insulation	Sealing and insulating at least 50% of the entire basement slab area to add a minimum of R3.5.	$550	$400	$550	$520
	Basement header insulation	Sealing and insulating at least 80% of the basement header area to add a minimum R20.	$325	$240	$325	$312
Air sealing	Air sealing	Achieve 20% better than the target.	$1,300	$1,000	$1,300	$1,300
		Achieve 10% better than the target.	$1,050	$810	$1,050	$1,053
		Achieve the target in the *Renovation Upgrade Report.*	$725	$550	$725	$715
Thermostat	Smart thermostat	Smart thermostat replacing manual thermostat.	$50	$50	$50	$65
	Programmable thermostat	Programmable thermostat replacing manual thermostat.	$70	$50	$70	$65

Measure Criteria

The total rebate amount cannot exceed the total cost of the evaluations and the retrofits completed by the customers. The rebate amount will be adjusted if this is the case. The maximum rebate amount paid out per premise is $10,000 for Enbridge Gas customers using natural gas as a space heating fuel at the time of their pre-retrofit or post-retrofit assessment and $5,000 for non-space heated Enbridge customers for the lifetime of the program. The HER+ program follows NRCan's rules for measure eligibility.

No retrofits may be completed prior to the pre-retrofit EnerGuide evaluation without the prior consent of Enbridge. Participants must have their premises space heated by Enbridge Gas at the time of their pre-retrofit or post-retrofit assessment, to receive the higher rebates. The program may be subject to change or cancellation without notice at any time.

C2 Residential Single Measure Offering

This offering was not in market in 2023.

C3 Residential Smart Home Offering

Eligibility Criteria

To be eligible for the offering, a customer must meet the following requirements:

- Be a residential Enbridge Gas customer whose residence (which may include for example detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation) is heated with natural gas.
- Customers who have previously received a smart thermostat incentive or device through Enbridge Gas DSM programming are not eligible for the smart thermostat measure incentive.
- As part of Enbridge Gas's collaboration with the IESO, an enhanced incentive will be available to customers who meet income eligibility qualification in line with the IESO Tier 2 income qualification under IESO's Energy Assistance Program 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 (as detailed in the Low-Income program, see Section C4 for more information); and
    - Have an annual household income for the previous year that does not exceed 157% of the most recent Statistics Canada before-tax Low Income Measurement. Customers who qualify for Moderate-Income must be above the Low-Income cut-off, but at or below the Moderate-Income cut-off displayed below:

Number of people in the home	Low-Income household income before tax	Moderate-Income household income before tax
1	$45,322	$67,144
2	$64,095	$94,955
3	$78,499	$116,295
4	$90,643	$134,287
5	$101,343	$150,138
6+	$111,015	$164,467
7+	$119,910	N/A

Incentive Structure

Eligible participants will receive a $75 incentive towards the purchase of a qualifying smart control device. Devices include ecobee, Google Nest, Copeland Sensi, Wyze, and Honeywell smart thermostats. For participants who qualify as moderate income as part of the collaboration with the IESO, an additional incentive of $50 (for a maximum total incentive of $125) will be provided. During an LTO, the instant discount is $100.

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 Home Depot.
- Online at select retailers and manufacturer web stores: BestBuy.ca, ecobee.com, Store.Google.com and emersoncanada.ca/store.

Customers may also access the discount by working with a participating contractor.

List of Qualifying Thermostats

Brand	Product/Bundle Name	Retailer					
		ecobee	Copeland	Best Buy	Google	Home Depot	Contractor
Carrier/Bryant	Carrier Côr Thermostat (TP-WEM01-A)						✓
Carrier/Bryant	Bryant Housewise Thermostat (T6-WEM01-A)						✓
Copeland Sensi (formerly Emerson)	Sensi Touch Wi-Fi		✓			✓	✓
Copeland Sensi (formerly Emerson)	Sensi Wi-Fi Thermostat		✓			✓	✓
Copeland Sensi (formerly Emerson)	White-Rodgers Sensi Touch Wifi Thermostat						✓
ecobee	ecobee3 lite	✓		✓		✓	✓
ecobee	ecobee SmartThermostat with voice control	✓		✓		✓	✓

ecobee	Smart Security Starter Kit - SmartThermostat with voice control	✓					
ecobee	Whole Home Solution - SmartThermostat with voice control	✓					
ecobee	Smart Thermostat Enhanced	✓		✓		✓	✓
ecobee	Smart Thermostat Premium	✓		✓		✓	✓
Google Nest	Google Nest Learning Thermostat			✓	✓	✓	✓
Google Nest	Google Nest Thermostat			✓	✓	✓	✓
Google Nest	Google Nest Thermostat E						✓
Honeywell Home	Honeywell T9 Smart Thermostat with Built-In Wi-Fi			✓			✓
Honeywell Home	T9 Smart Thermostat with Smart Room Sensor						✓
Honeywell Home	T5 Gen2 Thermostat			✓		✓	✓
Lennox	iComfort S30 Smart Thermostat						✓
Trane	Trane XL824 Connected Control						✓
Trane	ComfortLink™ II XL850						✓
Trane	ComfortLink™ II XL1050						✓
Wyze	Wyze Smart Thermostat					✓	✓

C4 Home Winterproofing Offering

Eligibility Criteria

Home Eligibility Criteria

To be eligible for Home Winterproofing, participant must be an Enbridge Gas residential income eligible customer.

Income Eligibility Criteria

Consistent with the direction given by the OEB, Enbridge Gas has revised and aligned Low Income qualification screening criteria with the Tier 1 eligibility income criteria outlined in the IESO Energy Affordability Program as follows:
To qualify for low income (Tier 1) support, the participant must be:

1. A resident of an eligible social or assisted housing property, which, for the purposes of DSM Low Income 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

2. 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 2023, this would equate to the following limits:

Number of People in Household	Before-tax Household Income
1	$42,437
2	$60,014
3	$73,501
4	$84,872
5	$94,890
6	$103,947
7+	$112,275

    - 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 the Tier 1 Conservation Demand Management (“CDM”) Energy Assistance Program during the past 12 months.

OR

3. 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 the CDM Energy Assistance Program Tier 1 during the past 12 months.

Incentive Structure

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 draftproofing 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.

C5 2023 Affordable Housing Multi-Residential Offering

Eligibility Criteria

Participants must be an Enridge Gas low income qualified* MURB customer.

*In order 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 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 building 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.

All privately owned building owners or operators must sign an agreement to forego Above Guideline Increases.

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Incentive Structure

Technology	Customer Incentive	Service Provider Incentive ($/unit)
Direct-Install		
Heat Reflector Panels	Free	N/A
Energy Assessments	Up to $8,000 per building, an annual maximum limit of $40,000 per housing providers	N/A
Custom Incentives - Private		
All technologies	$2.00 per annual m^3 of natural gas saved, up to a maximum of $200,000 or 50% of incremental cost	N/A
Early Bird Offer (Condensing Boilers, Controls, Ventilation Upgrades	$2.50 per annual m^3 of natural gas saved up to a maximum of $200,000 or 100% of the incremental cost	N/A
Early Bird Offer (High Efficiency Boilers)	$2.25 per annual m^3 of natural gas saved up to a maximum of $200,000 or 100% of the incremental cost	N/A
Custom Incentives - Social		
All technologies	$2.00 per annual m^3 of natural gas saved, up to a maximum of $200,000 or 75% of incremental cost	N/A
Fixed Incentives		
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
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

Technology	Customer Incentive	Service Provider Incentive ($/unit)
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.
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.
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.

C6 2023 Commercial Custom Offering

Eligibility Criteria

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

Incentive Structure

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

<table>
<tr><th>ITEM</th><th>COMMERCIAL CUSTOMERS</th></tr>
<tr><td>New Equipment Installation, Equipment Retrofit, and Process Optimization Projects</td><td>$0.25/m^3 for estimated annual natural gas savings, up to 50% of the incremental project cost, to a maximum of $100,000 per project.</td></tr>
<tr><td>Energy Assessments (HVAC audits, controls audits, thermal surveys, facility air balances, benchmarking activities, equipment upgrade analyses, Meters</td><td>50% of eligible audit costs, to a maximum defined by the building’s consumption in the previous calendar year:

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</td></tr>
<tr><td>Boiler Limited-Time Offer</td><td>$0.40/m^3 for estimated annual natural gas savings for Condensing Boiler Projects where customers commit with an Energy Solutions Advisor by June 30th, 2023, to commission a boiler by October 31st, 2023.

$0.30/m^3 for estimated annual natural gas savings for High-Efficiency Boiler Projects where customers commit with an Energy Solutions Advisor by June 30th, 2023, to commission a boiler by October 31st, 2023.

Incentive coverage up to 75% of the incremental project cost, to a maximum of $100,000 per project.

Business Partner (BP) spiff of $100 per boiler replaced.</td></tr>
<tr><td>MURB Limited-Time Offer</td><td>$0.40/m^3 for non-boiler measures at MURBs
Up to 75% of incremental project cost, to a maximum of $100,000 per project.</td></tr>
</table>

C7 Prescriptive Downstream Offering

Eligibility Criteria

- To be eligible for the offering, a participant must be an Enbridge Gas commercial or industrial customer.
- Qualifying products and customers must meet the requirements as outlined in the TRM Version 7.0.

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Incentive Structure

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
Air Curtain (pedestrian doors, no vestibule, 3'x7') *	$300	$100	N/A
Air Curtain (pedestrian doors, no vestibule, 6'x7') *	$400	$100	N/A
Air Curtain (pedestrian doors, no vestibule, 6'x8') *	$500	$100	N/A
Air Curtain (pedestrian doors, with vestibule, 3'x7') *	$200	$100	N/A
Air Curtain (pedestrian doors, with vestibule, 6'x7') *	$300	$100	N/A
Air Curtain (pedestrian doors, with vestibule, 6'x8') *	$400	$100	N/A
Air Curtain (shipping doors, dock-in, 8'x8', 8'x9', 8'x10')	$2,750	$100	N/A
Air Curtain (shipping doors, dock-in and drive-in, 10'x10')	$3,250	$100	N/A
Air Curtain (shipping doors, drive-in, 12'x12')	$5,000	$100	N/A
Air Curtain (shipping doors, drive-in, 14'x14')	$7,500	$100	N/A
Air Curtain (shipping doors, drive-in, 16'x16', 18'x18', 20'x20')	$8,750	$100	N/A
Condensing Make-up Air (Constant speed, Minimum 1,500 CFM to maximum 14,000 CFM per unit)	$0.50/CFM	$100	N/A
Condensing Make-up Air (2- Speed or VFD, Minimum 1,500 CFM to maximum 14,000 CFM per unit)	$1.00/CFM	$100	N/A
Demand Control Kitchen Ventilation (Retrofit, up to 5,000 CFM)	$2,900	$100	N/A
Demand Control Kitchen Ventilation (Retrofit, 5,001 to 10,000 CFM)	$6,200	$100	N/A
Demand Control Kitchen Ventilation (Retrofit, 10,001 to 15,000 CFM)	$9,000	$100	N/A
Demand Control Kitchen Ventilation (New construction, up to 5,000 CFM)	$1,200	$100	N/A
Demand Control Kitchen Ventilation (New construction, 5,001 to 10,000 CFM)	$3,000	$100	N/A
Demand Control Kitchen Ventilation (New construction, 10,001 to 15,000 CFM)	$4,400	$100	N/A
Demand Control Ventilation (with CO^2 sensor)	$500	$50	N/A
Destratification Fan (20ft. or greater)	$1,000	$100	N/A
Dock Door Seal (compression seal, 8'x8', 8'x9', 8'x10')	$650, up to a maximum of 50% total project cost	$100	N/A
Dock Door Seal (shelter seal, 10'x10')	$1,650, up to a maximum of 50% total project cost	$100	N/A
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

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
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
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
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

Technology	Customer Incentive	Service Provider Incentive	Distributor Incentive
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 (ERV) 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) 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. Maximum $15,000/system)	$0.04/lb.	$100	N/A

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

DCKV Limited-Time Top Up Bonus Offer

This one-time bonus is additional to the regular incentive rate and is applicable for the total number of eligible equipment purchased under the same customer (parent account).

Technology	Tier A Bonus Offer $/Unit (2-4 Units)*	Tier B Bonus Offer $/Unit (5 Units and Above)*
DCKV – Retrofit/TNR – Up to 5,000 CFM	$1,000	$3,000
DCKV – Retrofit/TNR – Up to 5,001 to 10,000 CFM		
DCKV – Retrofit/TNR – 10,001 to 15,000 CFM		
DCKV – New Construction – Up to 5,000 CFM	$500	$1,500
DCKV – New Construction – Up to 5,001 to 10,000 CFM		
DCKV – New Construction – 10,001 to 15,000 CFM		

**The total numbers of units for DCKV – Retrofit/TNR – Up to 5,000 CFM and DCKV – New Construction – Up to 5,000 CFM cannot exceed 2 units in the measure mix.*

Ozone Laundry Limited-Time Offer

During the Ozone Laundry Limited-Time Offer, customers who purchase and install the eligible ozone laundry equipment are eligible for an increased incentive at $0.04/lb, to a maximum of $15,000 per system, with incentives coverage not exceeding 75% of the total project cost.

Business Partner Annual Multi-Install Bonus Offer

One-time annual bonus available to the business partner for the total number of eligible equipment installed from January 1st, 2023, to December 31st, 2023. The Business Partner Bonus Offer is not applicable on MURB ERV/HRV In-Suite Installations.

Annual Total Number of Unit per Business Partner	One-Time Bonus Offer
50-99	$1,000
100-199	$2,500
>200	$5,000

C8 Direct Install Offering

Eligibility Criteria

- To be eligible for the offering, a participant must be an Enbridge Gas commercial or industrial customer with no past DSM participation in the last three program years.
- Qualifying products and customers must meet requirements outlined in the TRM Version 7.0.

Incentive Structure

Shipping Door Stream

Eligible customers are provided with a shipping door assessment, project recommendation and the installation of shipping and receiving door equipment including air curtains and dock door seals, with up to 90% of total project covered for air curtains and 100% of the total project cost covered for dock door seals.

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

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.

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

Demand Control Kitchen Ventilation	
Size	**Maximum incentive**
0 – 5,000 CFM	$6,000/unit
5,001 – 10,000 CFM	$11,000/unit
10,001 – 15,000 CFM	$17,500/unit

C9 Prescriptive Midstream Offering

Eligibility Criteria

- To be eligible for the offering, equipment must be installed at an Enbridge Gas commercial or industrial premise.
- Qualifying products and customers must meet requirements as outlined in the TRM Version 7.0.

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Incentive Structure

Technology	Distributor Incentive ($/unit)*
HVAC	
Condensing Tankless Water Heaters	$700
Condensing Unit Heaters	$1000
Foodservice	
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	$600

** There is a mandatory 40% passthrough to the end-user for the incentives listed.*

Distributor Bonus Competition

There are two categories of the competition:

- Greatest Incremental Growth Percentage
  - This Category will have one grand prize winner and one runner up.
  - Eligible submissions between May 1st, 2023, and November 10th, 2023, will be benchmarked against historic eligible sales submitted between March 1st, 2022, and October 31st, 2022. Highest overall percentage growth of eligible products will be deemed the winner.
- Most Valuable Player (“MVP”)
  - This Category will have two prize winners.
  - As judged by the DA, with input and guidance from Enbridge Gas, the participating distributor with the highest engagement and effort towards increasing eligible sales through use of items such as, but not limited to, social media posts, customized marketing, sales demo days, efforts to expand product lines of eligible equipment, etc., will be deemed the winner.
  - Proactive communication to DA of all efforts will ensure accurate judgment towards this goal.

Greatest Incremental Growth		Total Prize
1st Place Distributor: Grand Prize	Highest individual incremental growth (on eligible units)	$1,000 in Gift Cards ($250 x 4 gift cards)
2nd Place Distributor: Runner Up	Second highest individual incremental growth (on eligible units)	$750 in Gift Cards ($250 x 3 gift cards)

MVP		Total Prize
Prize 1	Participating Distributor with the highest engagement and effort towards increasing eligible sales	$1,000 in Gift Cards ($250 x 4 gift cards)
Prize 2		$1,000 in Gift Cards ($250 x 4 gift cards)

SPIFF for Sales Representatives Pilot

- Incremental units metric to assigned fryer unit targets from August to November 2023.
- If the distributor hits their fryer target for the four-month period at a company level their sales representatives are awarded $50/unit on the incremental units sold.

"Direct to End-User" LTO

The Direct to End-User LTO provided an increase to the passthrough amount that goes to the end-user, rather than the distributor. Details:

Technology	Base Incentive Level	LTO Increase	Total Incentive Value Including LTO	Base Passthrough to End-User	Passthrough with LTO to End-User
ENERGY STAR Steam Cookers	$1,000	$1,000	$2,000	$400	$1,400
High-Efficiency Under-Fired Broilers	$750	$600	$1,350	$300	$900
ENERGY STAR Griddles	$1,250	$1,000	$2,250	$500	$1,500
High-Efficiency Conveyor Broiler <22"	$1,250	$700	$1,950	$500	$1,200
High-Efficiency Conveyor Broiler 22"-26"	$1,500	$700	$2,200	$600	$1,300
High-Efficiency Conveyor Broiler >26"	$1,750	$700	$2,450	$700	$1,400

C10 Industrial Custom Offering

Eligibility Criteria

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 Structure

In addition to technical expertise, to support the identification of energy efficiency projects, financial incentives to cover up to 50% of the costs associated with third party audits, studies and metering are available to help customers identify and quantify savings opportunities and justify project implementation, as follows:

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

Implementation incentives are calculated on a project basis and are based on estimated natural gas savings associated with the implementation of efficiency measures. The overall incentive is capped at $200,000 per project and should not exceed 50% of the incremental project cost. The incentive is based on the following incentive structure:

Gross Natural Gas Savings	Manufacturing Sector	Agriculture Sector
Up to 50,000 m^3	$0.20/$m^3$	$0.10/$m^3$
50,001 m^3 or greater	$0.10/$m^3$	

Limited Time Offer

Agricultural customers are eligible to receive up to 75% of their incremental project costs, to a maximum of $200,000 per project based on the following elevated incentive structure:

- Twice the standard incentive rate ($0.20/$m^3$) for projects submitted to Enbridge Gas before July 1st, 2023.
- One and a half times the standard incentive rate ($0.15/$m^3$) for projects submitted to Enbridge Gas before August 19th, 2023.

C11 Large Volume Direct Access Offering

Eligibility Criteria

To be eligible for the offering, participants must be an Enbridge Gas customer 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 Structure

Item	Incentive
New Equipment Installation, Equipment Retrofit, Process Optimization Projects and Operational Improvement	Direct Access Funded: $0.10 per annual m³ saved, up to $200,000* Aggregate Pool Funded: $0.05 per annual m³ saved, up to $50,000*
Engineering Assessments and Meters	50% of the cost, up to $10,000
Customer Education	Provided, or funded, by Enbridge Gas

** Incentive cannot exceed 50% of project cost.*

C12 Whole Building Pay-for-Performance Offering

Eligibility Criteria

- Participant must be an Enbridge Gas customer.
- Participating building cannot participate in other commercial offerings simultaneously during the duration of the offering.
- 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 or its DA direct access to the building's interval data.
- 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 Structure

- Participants can earn annual performance Incentives of $0.30/m^3. Performance Incentives will be based on M&V of incremental gas savings at the meter relative to the baseline model and awarded at the end of each Pay-for-Performance Period on an annual basis.
- Bonus Incentives are available at $0.20/m^3. Bonus Incentives will be based on M&V of total gas savings at the meter at the end of the offer term relative to the baseline model. Incentives will be awarded at the end of the offer if the customer has achieved the 20% performance target.

Metric

- Net annual natural gas savings, measured in m^3.
- Number of participants enrolled in offering.

C13 Residential Savings by Design Offering

ESNH Stream

Eligibility Criteria

Municipality Eligibility:

- Municipalities within the Enbridge Gas franchise area that have historic three-year penetration levels of ESNH builds not more than 15%. A list of eligible municipalities has been developed and once a municipality has been deemed eligible, they will remain so for term of the offer.
- Municipalities that have adopted a Green Development Standard mandating ESNH or similar performance standards for new residential construction will be removed from the eligibility list.

Builder Eligibility:

- Builders eligible to participate are those building new residential homes in eligible municipalities as defined above.

Incentive Structure

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

Metric

- 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).
    - In order to provide an incentive to the participating builder and count the constructed home towards the ESNH homes built metric, Enbridge Gas will require 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).

NZER Stream

Eligibility Criteria

- Builder must not have previously participated in the NZER discovery home stream in the Enbridge Gas franchise territory.
- 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 Structure

- Builder incentive of $15,000 is available once the home has been certified to the CHBA NZER standard.

Metric

- The number of homes built by participating builders to the NZER standard as defined by the Canadian Home Builders' Association ("CHBA") Net Zero Labelling program.
    - In order to provide an incentive to the participating builder and count the constructed home towards the NZER homes built metric, Enbridge Gas will require label certification and/or energy modelling results that confirm energy efficiency performance in line with the CHBA Net Zero Labelling program.

C14 Commercial Savings by Design Offering

Eligibility Criteria

- Commercial or multi-residential buildings covered under the Ontario Building Code Part 3, Part 10 or Part 11.
- A minimum threshold of 25,000 ft^2 contemplated per building as per application form.
- Project must be within Enbridge Gas's franchise area.
- Project must be in the design phase or earlier in the process.

Incentive Structure

There are no financial incentives for participants in this offering.

CSBD participants will be guided through a series of free activities to support the adoption of higher efficient designs, including:

Offering Activities	Description
Visioning Session	Energy modelling will be conducted based on the existing project design information in order to create a baseline energy model to use during the IDP workshop.
IDP Workshop	A full or half-day workshop, where the team will strategize with sustainable design experts to maximize the project's energy and environmental performance. It will incorporate live modelling to demonstrate impacts of various design options.
Final Report	A final report that summarizes the findings of the workshop and energy modelling is generated and provided to the design teams.
Verification of design for permitting	Final designs submitted for permitting are requested to be submitted to the contracted delivery agent will assess the design to determine whether it achieved the IDP workshop efficiency performance target.

Metric

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

C15 Affordable Housing Savings by Design Offering

Eligibility Criteria

- Project must be a new construction housing and multi-residential project or major renovation/change of use (OBC Part 3, Part 9, Part 10, Part 11).
- Project site must be located within Enbridge Gas's franchise area.
- Project must be in design development stage or the pre-development stage.
- 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.
- Participants are not required to connect to the natural gas system to participate in the offering.
- 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 Structure

- Enbridge Gas bears the cost of the Integrated Design Process 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.
- 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

- Number of participants who complete the IDP workshop and receive the Affordable Housing SBD report.

C16 Commercial Air Tightness Testing Offering

The Commercial Air Tightness Testing offering is delivered through two streams: Program Participants and Qualified Agents.

Program Participants

Eligibility Criteria

- 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 Q3 of 2023.
- Minimum threshold of 25,000 ft^2 contemplated per project as per application form.

Incentive Structure

- Air Tightness Testing Incentive of $0.50 per ft^2 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.

Metric

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

Qualified Agents

Eligibility Criteria

- The offering is best suited for those with building envelope or building commissioning interest or experience, with an educational background in subjects including building enclosure, energy modelling, architecture, building sustainability, structural engineering, energy auditing, and general contracting.

Incentive Structure

- Free educational air tightness testing workshops delivered by contracted third-party facilitator.

Metric

- The number of qualified air tightness testing practitioners recruited and trained through the offering.
    - To be considered a Qualified Agent, participant must attend the workshop and complete the knowledge check testing.

Appendix D: Abbreviations and Acronyms List

First Letter	Abbreviation/Acronym	Full Name
A	AFUE	Annual Fuel Utilization Efficiency
	Amendment 15	NRCan's Regulations Amending the Energy Efficiency Regulations, 2016 (Amendment 15): SOR.2019-164
C	CEE	Consortium for Energy Efficiency
	CEM	Comprehensive Energy Management
	CFM	Cubic feet per minute
	C/I	Commercial/Industrial
	CSBD	Commercial Savings by Design
D	DA	Delivery Agent
	DCKV	Demand Control Kitchen Ventilation
	DCP	Design Phase Charette
	DCV	Demand Control Ventilation
	DSM	Demand Side Management
	DSMVA	Demand Side Management Variance Account
E	EAC	Evaluation Advisory Committee
	EC	Evaluation Contractor
	EEP	Energy Efficiency Plan
	EMIS	Energy Management Information System
	EM&V	Evaluation, Measurement and Verification
	ERV	Energy Recovery Ventilation
	ESA	Energy Solutions Advisors
H	HER	Home Efficiency Rebate
	HRV	Heat Recovery Ventilation
	HVAC	Heating, Ventilation and Air Conditioning
	HVLS	High Volume Low Speed
I	IDP	Integrated Design Process
	IESO	Independent Electricity System Operator
L	LICO	Low-Income Cut-Offs
	LRAM	Lost Revenue Adjustment Mechanism
	LTO	Limited Time Offer
M	MURB	Multi-unit Residential Building
	MUSH	Municipalities, Universities, Schools and Hospitals
N	NECB	National Energy Code of Canada for Buildings
	NRCan	Natural Resources Canada
	NTG	Net-to-Gross
O	OBC	Ontario Building Code
	OEB	Ontario Energy Board
P	PAC	Program Administrator Cost
R	REA	Registered Energy Advisor
S	SBC	Sustainable Building Canada

First Letter	Abbreviation/Acronym	Full Name
	SEM	Strategic Energy Management
	SO	Service Organization
T	TRC-Plus	Total Resource Cost Plus
	TRM	Technical Resource Manual

Appendix E: Industrial Custom Offering Process Evaluation

Process Evaluation of Enbridge's CI Custom Offering

Table of Contents

1. Study Overview

1.1 Background and Objectives

Enbridge Gas is committed to facilitating the wise use of energy by its customers through a suite of Demand Side Management (DSM) programs. The Commercial/Industrial (CI) Custom Offerings target commercial, agricultural, and industrial customers with unique buildings, or who are considering the use of energy-saving technologies that exist outside the scope of prescriptive measures. Enbridge's Energy Solution Advisors (ESAs) are integral in the delivery of DSM CI Custom Offerings, aiming to influence customers to participate in the program – specifically, they offer Enbridge customers: energy-saving calculations; opportunity identification; information and training; and partner connections. These consultative services work to complement the financial incentives offered to offset the capital costs of energy conservation measures. It should be noted that there is no standard pathway, and incentives may vary depending on the nature of the project.

The purpose of this research was to undertake a process evaluation, using a qualitative approach, to improve the Custom DSM CI Offerings and identify factors influencing industrial participants to implement energy-saving measures. As such, the evaluation was guided by the following key questions:

- What are the main utility-customer interactions during a project, and how can they be improved?
- How influential are utility interactions in overcoming free ridership effects?
- Beyond utility interactions, what are the other factors shaping projects?

The research findings will be used to help Enbridge determine program pain points and areas for improvement and provide a greater understanding of the extent to which ESAs influence customers' energy saving projects, in terms of timing, efficiency, and quantity.

1.2 Methodology

This research was conducted in two phases, using a qualitative case study evaluation approach, based around sampled 2022 custom industrial DSM project applications. The sampling was conducted by Enbridge. A total of 43 case studies were conducted across the two phases.

Table 1: Profile of Case Studies

	Phase 1 *Fieldwork dates: October 25,2022 to November 22,2022*	**Phase 2** *Fieldwork dates: February 9,2023 to March 31, 2023*
Enbridge Customers	4	16
Legacy Union Gas Customers	10	13

Each case study consisted of two separate in-depth interviews (IDIs); one IDI with the ESA, and another with the customer who was the project decision maker or influencer. Quotes and case study highlights are included in this report. Interviews lasted between 90 to 60 minutes depending on the number of case studies discussed. Interviews took place on MS Teams. Additionally, for each case study, the application form for the respective project was reviewed, thus allowing for the triangulation of different information sources in our analysis.

1.3 Note on the Interpretation of the Findings

The findings from the study are qualitative and exploratory in nature. Counts and percentages of frequencies have been provided throughout but these should be treated as directional. Consequently, all findings in this report cannot and should not be extrapolated to universe of Enbridge customers. Rather, they should be valued for uncovering the depth and range of experiences and perspectives.

2. Detailed Findings

The findings begin by outlining the main utility interactions that take place during a project and as part of wider relationship management (section 2.1), before considering the influence interactions have on the timing, efficiency and quantity of projects (section 2.2). The factors that contribute to building partnerships with customers are presented in section 2.3, while the factors beyond utility interactions that shape projects are presented in section 2.4. Finally, the chapter concludes with ways in which interactions with customers can be improved (section 2.5).

2.1 The Main Utility Interactions

2.1.1 ESAs' entry points in projects

ESAs were often involved in projects early on or from the outset of their development, depending on the complexity of the project. Indeed, there were a handful of cases where ESAs were the source of ideas for projects that had not yet been contemplated by customers. In these circumstances, ESAs set up meetings to present customers with a rationale for the importance of the proposed project – whether the clients were compelled by the presented rationale tended to depend on the willingness of the client to share data and strategic plans. As data was shared with ESAs, they put forth opportunities wherein specific energy conservation or saving projects fit into customers' plans. These meetings often involved straightforward suggestions which clients were keen to "jump on" immediately because of the potential for better equipment or a technological choice that did not require a mayor capital investment and had a clear ROI.

"First, we got that idea from Enbridge, that if we don't have any insulation jackets on the traps, that will radiate away from valuable heat. Also, if the trap is extremely hot… then it may pose a safety hazard, right, if left completely uncovered. So, for two reasons we decided to do it. One is like safety hazard reason, and one is we can save some valuable heat that was described by Enbridge." – Customer

"They also always provide different ideas [or] different ways of looking at [things]. Like just bringing up stuff that we wouldn't think of, right, so it's like we're not there yet but they kind of just give us an idea and help us as much as they can with our support to see if we can implement certain changes to our processes to become more energy efficient." – Customer

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More often than not, ESAs and customers worked together to develop and refine "discovery" projects that have been identified through third-party studies, reports, surveys and audits (more about this in the next section), or benchmarking. Reports or studies were often still referred to years after they had been completed. In some other cases, projects were part of larger multi-phase and multi-year project where ESAs collaborated with clients. Budgetary constraints, operational constraints, or desire to incrementally

introduce new technologies were the underlying factors for why some projects involved various phases or spanned across several years.

> **Case Study Highlight**
>
> A fume extraction project began with a study commissioned in 2018 or 2019, and that Enbridge helped promote and funded. After the study, it was identified that there were many benefits to a phase two to a fume extraction project previously done. Though that previous project had been successful it was reviewed to identify any adjustments that could be made to the equipment used in phase one to meet the needs of phase two. In addition to this review, calculations were also provided for gas savings and incentives. The study helped "hone in" the size of the opportunity, as explained by those involved.

There were some instances of a disconnect between the ESA and the customer, in that ESAs felt they had "planted the seed" for a specific project in the past, but this view was not shared by customers as they failed to attribute the project to previous interactions with ESAs. This appeared to be a result of clients investing considerable time and effort into developing the idea on their own and by the time they re-involve ESAs, they felt they had taken ownership of the project. Or turnover on the customer's end resulted on the loss of recollection of the project's inception.

Further there were instances where customers were the sole source of projects and ESAs were brought in at a later stage or for a small part of a project. This tended to be true for projects that were large and more complex in nature.

"It was such a big project, and this is really not probably a good example for Enbridge being able to support, because the complexity of it was so huge… this was more about bringing them up to speed after the fact... Like obviously, we can't expect Enbridge to devote six months to design… for us, for example. And that coupled with the fact that we were just swamped… just there never was any time, but we did make some time to pull them in, pull Enbridge in." – Customer

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2.1.2 Studies, surveys, and audits

Studies, surveys, and audits were found to be the trigger for some projects – specifically, they were found to be the trigger in 38% of case studies. These studies were often encouraged by ESAs to begin with. The results from studies sparked multiple projects and, in some cases, helped pave a roadmap for the next several years. While the potential number of opportunities resulting from a study, survey or audit was seen as large, the amount of effort and input required by customers was relatively minimal, thus making studies, surveys and audits an attractive option for ESAs to suggest to interested customers. Another aspect they found attractive was being able to confirm and quantify the potential of an energy conservation opportunity. The incentive offered by Enbridge to conduct them was noted by ESAs to be effective in encouraging their uptake.

In terms of studies, surveys and audits that were found to be most effective, this included those that were conducted facility-wide, done by a third party with industry specific experience, or that provided

calculations that went beyond customers' internal capacity. Some customers viewed audits as a best practice to be repeated as frequently as annually.

"I identified that it was a very good idea to do a steam trap survey because you most likely have traps that are needing to be repaired, and that's just easy energy that you could be saving on. And it'd be foolish not to address that, and to take advantage of getting that steam trap survey done first and then do the repairs… Once you get the buy-in to do that steam trap survey, you can't go wrong with that, it engages the customer and highlights the areas of improvement that they can upgrade to their facility. So, that's a win for everybody." – ESA

"We did a detailed engineering study on our overall sites, all the natural gas consumers. And the result of the study indicated, it basically gave us a holistic view of our site consumption. And where the most focus of our efforts should be in terms of trying to optimize some of those consumers, and those loads were identified on a study, and essentially indicating what the overall demand was, what the consumptions were, what the temperatures were set to. And then they [Enbridge] came with some recommendations regarding some of the overall characteristics and how we could improve each one... Capital expenditures are kept quite minimal, and we were able to justify the expenditure through the study." – Customer

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ESAs typically shared a list of possible consultants when customers were ready to undertake surveys or audits. Providing a list instead of recommending a provider or consultant made the selection process more transparent for the customer. Studies, surveys, or audits conducted by third-parties external to Enbridge helped with further quantifying and validating the potential for savings. The results of a study, survey or audit were often shared with Enbridge. Customers' expectation was that Enbridge will use the information to help them identify additional energy and cost saving opportunities, to confirm that those recommended in the report done by the third-party made sense, or to assure that calculations were done correctly. The research suggests that studies, surveys, and audits, along with Enbridge's expert approval of the recommendations, often led to a strong case for an energy conservation project.

"So, not only to say there is an opportunity there, but to say this is roughly an approximate amount of savings you would get. And I don't know of a way to be more impactful with the client. They have the reports, we pay for 50 percent of the cost. If we are paying for a study top-up, I mean that does have an impact as well, so I think that's a good way to incent customers to go the next step and implement the project… It puts a little bit of pressure on, it puts that timeline on without being too forceful, but saying, 'Well, there is a limited time opportunity if you're going to do it anyways or considering it, now would be a good time to do it because we will offer a top-up'." - ESA

2.1.3 Site visits

Site visits were clearly valued by both ESAs and customers, with site visits occurring in 59% of case studies. These visits took place during the timeframe of a project but not all were related to a specific project. Those customers that did not get a site visit during the timeframe of the project still commented on connecting in person with the ESA at some point or a few times per year. Ideally, besides on-demand visits, some customers were appreciative of establishing scheduled visits throughout the year.

On a more functional level, site visits were seen as an opportunity to not only discuss existing projects, but also identify future opportunities. ESAs were proactive in suggesting site visits, even for small projects, as the visits were viewed as opportunities to meet with customers, bolster buy-in to projects and expand on the relationship by connecting at a more human level. Customers meanwhile were quick to point to site visits as proof that ESAs are keen on becoming knowledgeable about their facilities and thus in providing tailored advice. When customers are assigned a new ESA, they noticed more frequent site visits. ESAs often felt that they brought a fresh perspective as customers are accustomed to their plants or facilities and may overlook specific elements or details. Site visits were another opportunity for ESAs to educate clients on what can or cannot be done in terms of energy conservation since such opportunities may not be immediately clear, for example, if a customer is considering a major upgrade to the plant or facility.

ESAs took the approach of asking a lot of questions (there was comfort with not knowing everything), taking pictures (if allowed) and discussing energy efficiencies opportunities, even if they are unrelated to natural gas, as it demonstrates their genuine intentions and offers a holistic perspective. Notes and drawings were also taken by some to help inform current or future projects.

But during COVID-19 many customers had site restrictions, or some customers preferred to share data electronically since some double as plant managers and are often short on time. In contrast, there were a few ESAs that went as often as weekly to a customer's site during certain seasons or upon request.

"But there was one or two visits purely out of [the ESA] reaching out and saying, "Hey, I've got time. Should I swing by a day this week and spend an hour at the plant?" Really, his interest and his positive attitude showed that he was interested in learning about our plant, because every plant is different… I'm sure anybody in that role is going to look for opportunities. But the willingness to come onsite and learn our process definitely helped build a relationship, where I was like, he wants to talk about things. He's passionate about what he does."– Customer

"Weekly meetings, she always come on scheduled time, and always spare time whenever we need." – Customer

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2.1.4 Educational outreach

Across case studies, 21% were aware or participated in an Enbridge educational outreach during the development of the project. None of the projects included in the research, however, were triggered or

traced directly back to Enbridge workshops, webinars, or general educational outreach. Customers with a mindset and company culture that better aligned with the program tended to be less likely to make use of Enbridge educational material, as they reached out directly to the ESA with any inquiries. There was a view among ESAs that workshops or webinars could act as springboards for further discussions on projects. They commented the educational component had the potential of fostering trust and thus increasing interest in projects.

"Usually if we can get customers involved in those [workshops], there are imminently projects available on the backend, because that leads to the trust building part of it. Anytime we can get customers in those, it gives us a real leg up." – ESA

Customers that have attended Enbridge educational outreach were appreciative of on-site delivery of information since others at their facility could listen in. Some went on to reflect positively on Enbridge's presence in industry association events, as this solidifies their impression of Enbridge as knowledgeable of their specific sector. A few also had positive recollections of lunch and learns hosted by Enbridge during pre-COVID-19 times.

Those that have not attended an Enbridge event commented that their processes and projects are too specific and if they need anything they can take their questions to the ESA. Others were unaware of them or had underwhelming experiences attending events from other utility providers and assumed those from Enbridge would be similar. These customers went on to describe the educational outreach from other utilities as basic or "behind" in comparison with what is out there. Nonetheless, customers were open to educational outreach and recognised its potential value if conducted right. Their suggestions on this are presented in section 2.5. The main barriers identified by customers in engaging with Enbridge's and ESAs education outreach were often business responsibilities and limited available time.

"Whenever they have any upcoming programs, or any kind of workshops, or presentation, they definitely invite us. Sometimes, we are busy with our daily routine tasks... But definitely, whenever they have something like presentation, or workshop, or any new improvement, or the new programs for the incentive, they coordinate with us, they supply enough information for us to understand." – Customer

"The ability to attract is challenging, because it's a day away from what they need to be doing on a daily basis. It's always hard to attract people. Generally, I'm luckier with, say, newer employees, a new contact, a new engineer, or something would be able to easily promote that and get the chance to come. But sometimes, it's harder to get certain clients. I don't know what the solution is to that." – ESA

Clients with established energy conservation teams that oversee various sites often held internal events to increase awareness in their organization, as well of promoting their team, roles, and responsibilities. ESAs, along with workers from other sites, may be invited to on site "treasure hunts" or similar events.

2.1.5 ESA interactions with vendors, contractors, consultants or other third parties

It was reported that in 41% of the case studies ESAs interacted with vendors, although this number may be inflated given that some customers just looped the ESA into an email chain, but the ESA did not necessarily interact directly or exclusively with vendors, contractors, consultants or other third parties. Some customers were unaware that this was even a possibility, or that ESAs were allowed to, and the potential benefits of these types of interactions were unclear for these customers. Instead, there were concerns over having to coordinate with another party every step of a project, which was believed to be time consuming. But when ESAs were brought in to interact with vendors, customers took a very pragmatic approach by simply adding ESAs to relevant email chains or calls, which in turn allowed for efficiently keeping all parties updated and save time.

A couple of ESAs understood their interactions with vendors or contractors as a potential value-add for their customers. They recognized the potential for acting as a coordinator on behalf of their customers or using the opportunity to learn more about vendors' products, allowing them to provide enhanced advice to their customers.

Vendors and manufactures appeared to some influence on a project. But their influence was usually one of many factors in determining on whether a project moves forward. For example, third parties that do surveys, like Spirax-Sarco, include recommendations in their reports. Or manufactures may trigger a new project when new and more energy efficient equipment becomes available, or new easier ways to install equipment or when equipment becomes available for rebates.

> *"It's always a service that we like to promote and offer, and depending on the customer's own relationship or preference, they may decide not to. They may decide just to keep that relationship to themselves and that's completely fine as well… we may be able to identify… implementation of a new technology, we may be able to uncover a better solution, maybe something that hadn't been already investigated directly with the customer… it's possible because, you know, typically there are a lot of products available through these vendors. So, there might be something better that hadn't been initially conceived at the project stage."* – ESA

2.1.6 Sub-metering

Sub-metering was not the conducted as part of any of the projects sampled in this research, but 20% of participants referenced that the project directly benefited from sub-metering efforts in the past. The feedback about sub-metering efforts was positive. Those that had conducted sub-metering, in the context of a previous project with Enbridge, felt fortunate to have at hand an indicator of how much gas had been consumed. For customers that had previously conducted sub-metering, ESAs ensured that the data was reviewed to allow for a greater understanding of potential savings when discussing future projects.

2.1.7 Gas savings estimates

Gas savings estimates were provided for nearly all projects (93%), and these were seen by customers as one of the most valuable interactions. Enbridge being the source of provided gas savings estimates helped

customers in making a convincing case to "management" with sign-off authority of certain projects. Customers appreciated the added check and credibility Enbridge brings to gas savings estimates and generally viewed Enbridge as a more reliable source than others on this (e.g., their own analysis or the estimates offered by others). Enbridge's status as a gas utility leader lent credence to analysis of anticipated savings. Also of note is the counterintuitive element of ESA's work: offering access to a program that *reduces* the use of Enbridge's product.

> *"I think they did really well with the gas saving estimates, because they did help us like put together a high-level schematic of the project. So, I think they did that well. And like we supplied our calculations to them, and then they either like, they prove it or they comment or provide questions on some of the things. So, it's good to have someone challenge your calculations just to make sure all of the assumptions make sense."* – Customer

Gas savings were also found to be key in projects meeting payback period thresholds set for project approval in certain organizations – for example, one customer shared that all projects must meet a payback period of 3 years in order to be approved.

As all customers had experience accessing Enbridge projects in the past, there was a great deal of comfort with the way in which gas savings were provided by ESAs. Customers were used to receiving estimates via email and in spreadsheet form. They had limited feedback in how these interactions could be improved.

Drawing attention to gas estimates, as opposed to incentives available, was highlighted as a strategy that many ESAs adopted. These ESAs were of the opinion that this pivot was more successful in keeping the conversation going on what other energy conservation projects may be conducted by the client. Customers interviewed in this research appeared to buy into the benefits of gas savings from projects as opposed to solely focusing on incentives available. This may also be partly attributed to the fact that many of the customers interviewed were driven by a desire to reduce operational costs.

2.1.8 Carbon saving estimates

While there was acknowledgement of the growing importance of carbon emissions, the research found there was limited focus on this by some customers. Customers sometimes struggled to recall if this was provided at all and assumed that it had been. ESAs often pointed out that these were directly connected to gas savings and were provided together. Carbon saving estimates were provided in 55% of case studies, with ESAs expressing that these were "easy" to provide after doing the gas estimates.

There was mention by customers of the benefit of incorporating potential carbon tax savings, given the anticipated 2030 carbon price increase by the federal government, as it could create an even more convincing ROI case for certain projects. Some ESAs and clients went on to concede that attention to carbon saving calculations will only grow in future, as organizations face pressures to decarbonize from an ESG perspective.

When asked specifically whether their organization had a goal or target to reduce their carbon footprint, customers' responses varied greatly. Customers with plans in place reported corporate ambitious targets

for reduction of greenhouse gases, being a carbon neutral company already, or aiming to be by carbon neutral by 2030. Other customers noted that while there were no formal plans in place, it was a topic that was top-of-mind and discussed. Others still meanwhile admitted that the focus remains on cost-savings and efficiencies.

2.1.9 Program incentives

Information on program incentives was actively sought out by customers and provided by ESAs – this was reported to be the case in 93% of case studies, although the actual number may be higher as some participants felt that they did not initially understand the program information and had to request it for clarification. There were a couple of cases where ESAs' involvement was triggered in part by customers who wished to enquire whether their project would be eligible for an incentive, and this behaviour was shaped by past successful experiences of accessing Enbridge programs.

In most cases, the incentive was found to be influential, but not the sole reason for undertaking these projects. The incentive appeared to have the biggest impact on smaller sites which also had comparatively smaller budgets to undertake projects. The incentive was therefore key in covering the costs of the project. In contrast, for the larger projects which were more strategic in scope, the incentive appeared to be less important. The incentive amounts in these large projects paled in comparison to the total project amount. Again, customers' familiarity with past Enbridge programs encouraged them to explore with ESAs whether there was a potential for mitigating project costs. Broadly speaking, the incentive was just one of the multiple factors that influenced projects moving forward. The incentive was sometimes viewed as complementing potential gas savings; as one customer put it, the incentive had the effect of "validating" the estimated gas savings and thereby enhancing the attractiveness of a project to management. Other factors that influenced projects are discussed in section 2.3 below.

"They [higher management] look at the incentive as almost as a validation to the process that's going to come out of it, right. So, like if we're going to save a million cubes a year as an example because of the project, even if the incentive's only 5,000 dollars, the fact that something's coming from the incentive means that someone from Enbridge just validated the idea for us." – Customer

"The incentive we are receiving, that's pretty small compared to that price. But yeah, it's something that helped us to move forward. Also, by staying in contact with Enbridge, like I said, they can help us to identify other energy savings projects as well. Now, these energy savings projects help us to reduce our gas consumption, our electricity consumption or whatever, right, water consumption, right? So, we are also benefitting from that by saving all this utility stuff, right? So, not only the incentive, but Enbridge can help us to identify other potential energy saving areas, which where we can save some energy. Because the incentive is not a big amount, if you compare to the money we are spending on those projects." – Customer

"[the participant's organization] is very big on reducing the carbon footprint and whatnot, and they have goals set out of where they want to be in X-number of years.

And this was certain one that they wanted to do. And it wasn't an overly expensive project. I believe the total incremental project cost was around 23,000 dollars, so. I mean, and we had a total incentive amount of about 13,000 dollars. So, you know, it was a good project, low-hanging fruit, and it fell within their wanting to reduce energy consumption." – Customer

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The feedback from customers was mostly positive in terms of the clarity of timelines, as communicated by ESAs, for a project to qualify for an incentive and the estimated incentive amounts. A few minor pain points emerged: a case where a customer had to enquire multiple times if their project would qualify; the ultimate source of the incentive was not always clear to a few customers (i.e., whether it was from "government" or otherwise); and inaccurate incentive estimates provided that were later adjusted.

From the perspective of ESAs, it was noted that incentives could be effective in obtaining the attention of their busy customers. This was aided by the time-sensitive nature of participating in the program. The incentive was used as a conversation starter, before pivoting to the more longer-term gas saving benefits of potential projects.

2.1.10 ESAs' involvement in building a business case

Comprehensive involvement of an ESA in building and presenting a business case, where this was necessary, was rare. In the instances where ESAs were involved, it was merely supporting with the provision of gas estimates or other requested calculations – less than half (48%) of ESAs supported the building of business cases in this manner. Customers conceded that calculations on gas savings and information about incentives provided by ESAs have credibility and are valuable in "selling" projects to internal stakeholders.

Meanwhile, customers that had energy teams or a sophisticated knowledge base on energy conservation were able to handle most of the case building internally.

"But Enbridge, because they're a big corporation, the name makes a difference... When I present a case, I say, 'Enbridge… indicate there will be a saving', the name itself, of course, that name makes a difference, just the name alone… it makes a difference when I present to management, not only just the money. They say, 'Oh, we've got a major player, billion-dollar major player'... They see it, and they recognize [Enbridge], so that sways the decision, it makes it easier for me. If I just present it by myself, alone, most likely they're going to laugh at me and call me crazy [chuckles], they won't do that, but I'm going to have a hard time, I'm going to be fighting an uphill battle by myself, it's good to have partner to join you." – Customer

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Cost related metrics were not the sole factor considered when building case studies. Some customers explained that for their business case to be taken into consideration by management, it must show additional benefits to gas savings, for example a reduction of risks in safety hazards, saving on utilization of heat, or lowering carbon footprint. This was partially the case given the nature of energy-efficiency

projects having to compete with other capital expenditure initiatives, including investments in new high-priority production assets.

"I added the safety content into that to make it more appealing… if you work in industrial facilities, you cannot just maneuver on one aspect. You have to say, 'Hey, I am doing this project, this is going to be a great project, it helps to reduce energy consumption, but also it helps also with the safety'. So, it's a better sell if you do it this way."– Customer

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Projects with smaller capital needs did not necessitate building a business case and customers themselves were able to sign off on projects.

2.2.11 Frequency of interaction during a project

Customers were very complimentary on the frequency and type of communication they received from ESAs during the lifecycle of a project. They valued ESAs' openness to any questions or queries that emerged, the responsiveness of ESAs in replying to queries and the provision of easy-to-understand and clear information. Testament to the close working relationships that exist, several customers noted that they were not shy to "pick up the phone" and reach out to their ESA as needed. Email, telephone calls and in-person meetings were some of the different ways customers liked to and were able to access ESAs. Customers did not expect ESAs to be involved in every aspect of the development of the project and did not raise any concerns on the amount of contact from ESAs, whether in terms of it being too much or not enough. Communications between customer and ESA were typically more frequent at the beginning of a project.

"Whenever I had some questions, I just called [the ESA] or I used to email [the ESA]. And the response I was getting pretty quick. Also, [the ESA] was giving me much more detailed information, so that we can understand it easily. Also, when [the ESA] was here, [the ESA] was highlighting all the possible energy savings points."– Customer

"It was really intense at the start, and it certainly tapered off after that, because the real engineering work would have been behind us, and then it was a matter of budgeting and commissioning the work after that."– Customer

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Following the provision of all necessary information upfront, the onus fell on ESAs to proactively reach out and follow up on the status of project completion and garner any additional feedback on the process. It was also incumbent on ESAs to proactively reach out to customers on the status of other potential opportunities that had been previously discussed, this outreach was valued by customers as it helped to keep potential projects top-of-mind. These were interactions related to overall relationship management, as opposed to being project-specific, and ESAs were cognizant of the need to strike the right balance between being proactive but not overbearing. The feedback from customers suggested that ESAs have for

the most part achieved the right balance in their communications, with reports from customers that they often feed nudged, but not chased or irritated by the frequency of their interactions with ESAs. This again speaks to the fact that ESAs know their customers and their preferences well. The frequency of outreach between ESAs and customers varied slightly, being quarterly for some and monthly for others – although noted that it could become more frequent, if needed.

"So, it's either me outreaching to them, or they'll outreach to me and say, 'Hey, you know what, this is coming up'. Because I have, in the way I work, I will go through my accounts and start to cycle through my customers. And so, I'll outreach, you know, first quarter of the year, then again and again, and I always encourage them too. 'If something comes up from the last time I've talked to you till the next time I talk to you, always feel free to reach out to me', and they do. So, they'll call me, email me, text me, so it's a good working relationship." - ESA

"But they ask for it, so that's the interesting part. Some customers, if I may just speak to that, some customers operate through emails, some like a phone call, others need face-to-face interactions. These guys don't operate behind a desk very often. That customizable piece, I have to literally go to site and talk to them about projects, because they're so busy. You kind of have to adjust to that" – ESA

2.2 The perceived influence of utility interactions on projects

For the purposes of this study, influence was considered on three levels: 1) whether or not projects took place earlier than otherwise planned 2) whether or not a more efficient option was chosen than otherwise planned and 3) whether a greater number or scope of energy conservations measures were adopted than otherwise planned.

2.2.1 Impact on timing of a project

Across the 43 case studies conducted, it was evident in 14 cases that ESA interactions had an influence in the timing of projects than otherwise planned. The main underlying interactions or factors that drove the belief that projects happened earlier than otherwise planned included:

- ESA involvement resulted in projects being seen as "backed by Enbridge" which in turn accelerated motivation and associated approval processes for moving forward.
- Financial incentives, coupled with savings calculations, having a direct impact on payback resulted in projects being approved, rather than deferred to a later date.
- Program deadline, coupled with uncertainty of whether incentives will be offered in future, nudged customers to act sooner rather than later.
- Projects were activated due to proactive outreach to customers from ESAs.
- ESA provided expertise that resolved internal tensions to chart a path for moving forward.

Case Study Highlights

A customer is operating under a strict corporate 2-year payback requirement in order to receive approval. This customer has a close relationship with their ESA and appreciates Enbridge's "consulting" on how projects can meet the payback period. This customer is always keen to invite the ESA from the beginning and values the knowledge the ESA brings on what other companies are doing. The customer traces the energy saving solution in the sampled project back to the ESA and working with the ESA year after year to "sharpen the pencil" to meet the payback requirement. The combination of the ESA's idea generation, credible gas saving calculations and the project incentive resulted in the project finally going ahead and not being deferred yet again.

The baghouse of a plant built in the 1970s was identified as due for an upgrade. While there was consensus on the necessity of this, internal conversations reached a "bottleneck" with conflicting opinions on how to best move forward. The ESA was called upon to investigate the options; the relationship between the ESA and the customer was one of a partnership with the latter showing a lot of appreciation of the former's expertise. The ESA was able to successful brainstorm with the internal team to reach a solution moving forward. By restoring "peace" and "calm", the customer felt that the ESA's involvement directly resulted in speeding up the project's timeline.

When asked to consider by how much projects were moved forward, several months was the typical answer. It is worth noting that it was relatively difficult for many participants to provide a timing estimate, as such, this finding should be interpreted with caution.

For the remainder of cases where ESA interactions had limited or no impact on project timing, there were other factors that dictated the timelines of the project such as: the project having been earmarked for a specific timeframe or project timings being dictated by an operational schedule, maintenance needs or the length of internal sign-off processes. In other cases, the impact of COVID-19 on the business environment and a lack of funding prevented things from happening sooner.

2.2.2 Impact on efficiency of a project

In 15 cases of the 43 case studies, it could be inferred that ESA interactions had increased the efficiency of projects than otherwise planned. This was typically a result of ESAs making suggestions that increased the efficiency of projects which customers had not considered previously – e.g., adding an economizer, installing thicker insulation, insulating more parts of a new system, or suggesting more energy efficient options (boiler, steam trap jackets). The acceptance of these suggestions by customers appeared to be a function of sometimes small amounts involved in these upgrades, the availability of incentives of offset costs and the credibility of ESAs' advice as they are independent from product manufacturers.

"Having the Enbridge contact become involved helped us more efficiently make a choice, because [name] and I both got to review how the boiler works, typical different types of boilers, and typical efficiencies of the boiler. And then, having somebody sit down and explain that, versus trying to listen to a super specific vendor who's trying to make a sale, definitely helped. That improved the efficiency of the project from a timing and choice standpoint. But then, from an actual operating efficiency, it's quite likely without their involvement and without the incentive, we

would have had a less efficient boiler, which again, over the course of a year savings-wise isn't a lot, but it's in the net positive. It's more savings, it's more carbon reduction because of the involvement and the incentive."– Customer

Case Study Highlight

A customer seeking to evaluate the condition of their steam traps brought on Enbridge as a third-party, planning on having them survey and replace any faulty steam traps. The customer was informed of incentives for their replacement and went ahead with this. After the ESA highlighted the potential for additional energy conservation, further incentives and a potential safety hazard associated with failure to take further action, the scope of this project was expanded to include the installation of insulation jackets for each steam trap.

There were more cases where customers perceived that ESA interactions had a positive impact on the efficiency of projects. Follow-up probing however revealed that they interpreted efficiency on other dimensions. Some customers for example were pleased with the efficiency with which ESAs interacted with them during the project. Others meanwhile noted that the projects were successful in improving operational efficiency overall and imparted some credit to ESAs for their support throughout the project.

Finally, there were cases where the question of efficiency was irrelevant. This was typically for projects in which there were no alternative measure that could have been considered or in other words, the project was viewed in binary 'yes or no' terms. For example, one customer only had one boiler option from the manufacturer they rely on for all the production machinery needs.

2.2.2 Impact on quantity of a project

There were no case studies where it was clear that ESA interactions has increased the scope of the project than otherwise planned. An increase in the quantity of the savings after formal gas estimates were provided were referenced by customers that had lower expectations of the impact of projects. As with the findings on efficiency, there were many instances where customers gave a positive rating in relation to the impact of ESAs on quantity, but this tended to reflect their broader satisfaction with the project and ESAs. There were also cases where the question was not applicable given the specifics of the project – e.g., site only has 1 boiler to replace, all steam traps were replaced, space constraints.

"The quantity that could be improved was still limited based off their space constraints. They can buy a bigger hopper, they can buy a better scraper, but what they're able to improve is, there's still a limit to it. Enbridge was able to quantify the net benefit that they could get from cullet improvement overall, but it was still limited." – ESA

2.3 Building partnerships with customers

The research underscored the importance of moving from a transactional relationship towards a partnership: in case studies where influence was found, customers and ESAs reported strong partnerships.

The factors and interactions that appeared to contribute to customers viewing ESAs as partners were sixfold. Firstly, ESAs' technical expertise was highly valued with several customers flagging the fact that their ESA has an engineering background in a plant setting. Customers actively sought out ESAs' expertise as and when needed, both customers and ESAs appeared to enjoy having sessions to solve technical problems and the advice provided by ESAs was deemed credible and trustworthy. Secondly, the feeling that ESAs were able to "put themselves in [customers'] shoes" was repeatedly brought up by some customers. Customers felt that ESAs were in tune with operational constraints, coupled with good working knowledge of plants and facilities from ESAs' frequent site visits and working on past projects. The importance of being cognizant of the limitations of what is feasible or not from an operational capacity was also emphasised by ESAs. Thirdly, good interpersonal relationships between ESAs and customers were found to foster partnerships. Informal lunches, meeting up at industry events and relationships outside of work were taking place in cases involving a closer personal connection between customers and ESAs. Fourthly, geographical closeness between a customer and ESAs appeared to enhance the connection to their ESA for a few customers; it was easier to ask for a face-to-face meeting and fueled the belief that ESAs "get it". Fifthly, ESAs' proactivity in following up on potential projects contributed to customers perceiving the ESA as a partner. It demonstrated that ESAs were aware of the limited attention some customers can devote on projects and ESA outreach was seen as helpful in preventing from projects straying off to-do lists. Finally, and perhaps most importantly, where strong partnerships were evident ESAs had succeeding in elevating their profile and visibility within customers' organizations. This included ESAs establishing relationships with multiple contacts within an organization, as well as being invited to attend meetings with key internal stakeholders. Perceived success of past projects had the effect of generating trust and confidence in ESAs and Enbridge programs more broadly. The end result was customers viewing ESAs as consultants and bringing them into discussions of more complex projects that may not be solely focused on natural gas and as a valuable second opinion on potential site upgrades.

"Can be another set of eyes to vet a project that we're considering and ensure that we're truly getting the energy payback that we think we're going to get. So, you know, I think generally they've been very solid people and we've enjoyed working with them… The engineers that they bring here to help us with our challenges and our goals for improvement are very talented, and they're able to crunch numbers like nobody." – Customer

"They're almost like a co-worker. So, they don't just offer influence through incentives and whatnot, but they offer resources that help with taking on some of the demand of the project itself in terms of man hours in analyzing or reviewing the study itself." – Customer

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Case Study Highlight

This company has been an active participant in the Enbridge DSM Program since its inception. Every department in this company has been engaged with Enbridge to support them with their energy efficiency needs. The relationship is very fluid, and the ESA visits the site every week to discuss energy projects. They customer considers they have very complex processes and see the

ESA as support to sift through all the opportunities. More workers besides the contact person are usually involved in the execution of a project, and different projects might be led by different areas. Making sure that people know who the ESA is across all those areas reinforces or solidifies the overarching relationship of Enbridge with customer.

In contrast, influence of interactions on project timing, efficiency and quantity was weaker where relationships appeared to skew more transactional. Customers tended to only involve ESAs in validating whether their program qualified for incentives, and they were often the ones gathering the necessary information. There was more of a mentality of going through the 'check-list' and customers were less likely to highlight ESAs' knowledge of their organization or recognize the value ESAs bring to the table. This was sometimes, although not exclusively, a function of higher levels of sophistication on energy conservation matters within the clients' organizations, and therefore led to a lower reliance on the technical know-how of ESAs. In other cases, customers were more involved with representatives from other utilities on energy conservation matters and paid less attention to Enbridge ESAs. Furthermore, some ESAs alluded to the fact they have a lot of customers to look after which translated to not being able to spend as much time with all customers as they would like to.

Case Study Highlight

A manufacturing facility, sought to reduce their greenhouse gas emissions. To achieve this goal, they consulted a firm to provide energy-saving initiatives, and one suggestion was to use insulation blankets on their condensate tanks. The manufacturing facility measured the area that needed to be insulated and obtained an estimate for the cost and potential savings of the project. They then approached the ESA, as they considered Enbridge could be a potential funding source, and explained the project. The ESA reviewed it and provided and confirmed it could provide an incentive to help fund the project. The manufacturing facility was pleased to qualify to receive the incentive and then worked with a contractor to complete the project. This customer's organization takes proactive steps to reduce their carbon footprint and seek out incentives to fund their sustainability initiatives.

It is however important to note that, regardless of the influence of ESAs on a project and the extent to which a relationship was deemed a partnership, customers tended to provide very positive feedback on ESAs and their experiences of the program across the board. In other words, differences were *not* a result of customers reporting issues or concerns with the performance of ESAs or their interactions. It was pointed out, for example, that ESAs from Enbridge were of a higher quality compared to their counterparts in other utilities. It was the nuanced interplay of factors outlined above that resulted in whether or not relationships moved from the transactional to partnership space.

"We have a really good relationship with Enbridge. Any energy saving projects, or any projects were are doing on site and we think they're okay, this could be a potential energy saving project and we can get some rebate on it, either it's me or the other project manager, we are reaching out to Enbridge and we are trying to understand that will there be any incentive for this, or can we consider this as an energy savings, or what. So, we are actively in contact with Enbridge for all of our energy saving projects." – Customer

"I'm definitely seeing a strong presence from Enbridge, and they're all marching to the same beat in ensuring that companies are using their energy as efficiently as possible. And Enbridge is always there to help support and offer assistance to look for ways to be, being the most responsible and efficient company as possible." – Customer

"They've always been quite responsive and actively interested and engaged in doing the work… So, as far as I can tell, it's always been an open relationship with active and interested engagement." – Customer

"We always try to improve our utility or facility improvements. If there is any energy savings projects, we are seeing, we will be always in touch with Enbridge, right? So, we are looking at the long-term relationship with them." – Customer

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The feedback from interviews with ESAs further demonstrated the nuanced approach necessary in fostering partnerships with customers. ESAs tended to have substantial experience in their field, both in terms of holding various roles at Enbridge and lengthy tenure with the company – with some ESAs reporting having been with Enbridge for upwards of two decades. Their experience, and associated expertise, afforded them a sense of comfort and confidence when informing customers about what they can and cannot do. As ESAs, they viewed their role in terms of "[looking] for opportunities" to reduce overall energy consumption of natural gas, while holding an understanding that potential participants have limited time to meet or chat with them.

Once ESAs established communication, the challenge was trying to build a partnership and being empathetic, which appeared to come easier to those that who held similar roles to their customers prior to joining Enbridge. The best way to get a sense of their customer was by visiting the customers' site, which was common. The purpose of these visits was to understand what equipment and technology they use, their process, and overall enthusiasm towards energy conservation.

"The first thing I would try to go in there and do is do a site visit, see what equipment is there, and understand their process. So, to understand what their process is and also what their output it or what their production is, that's critical as well. Because what we do with energy conservation is only good if the company is still operating. If they can't meet their daily demands or if we affect their product, then any energy conservation gains are kind of lost in the overall scheme of things if they can no longer function. And from that, so after a site walkthrough, then identify the opportunities, see if we can help with some of the measures that don't need the savings directly but can lead to a savings project, so meters, studies, so third-party studies. But also, just calculations." – ESA

As ESAs gained more experience, they navigated customers' priorities, looking for ways to bring opportunities to the forefront. They remained flexible and easygoing, continued to educate themselves about a customers' operations and shared pertinent ideas, suggestions, and solutions - rather than imposing information on to customers. The high level sharing with customers of information on what others are doing, especially those in the same field, was seen to be effective in generating intrigue. Moreover, it was noted that for some customers, their role within their organization prevented them from prioritizing energy conservation, largely a function of their limited time availability. Customers often held positions of chief engineers, stationary engineers, process engineers, plant managers, or other supervisory roles of production that entail assigned processes and facility improvement capital. Thus, ESAs saw the opportunity to position themselves as free consultants or experts, with the ability to provide project ideas, calculations, data, industry best practices, and provide customers with information as to which incentives or market items they can leverage. The feedback from customers suggested that ESAs were partly successful in this regard with several participants saying that they are inclined to listen to ESAs input and ideas. Related to this point, there was a view among ESAs of the importance of making their customers "look good" within an organization.

"Just want to get to know my customer and understand them. So, I'm learning from my customer, I want to learn what they're doing." – ESA

"Talk to them about projects that I've worked for other customers without naming those other customers specifically. But saying, 'Hey, if you're looking at heat recovery, this is something that usually works pretty well" – ESA

The need for persistency in pursuing opportunities, along with the ability to take the 'pulse' of a customers' outlook or attitude towards energy conservation was highlighted by some ESAs. ESAs went on to tailor the approach accordingly. Where there is a weaker mindset on energy conservation, initiating a conversation about the incentive tended to open doors, but ESAs tried to shift to conversation towards the potential for lifetime savings or anomalies in customers' consumption history that can be addressed.

"You need to really manage your time effectively. You want to be a valuable resource to them, and certainly not a burden. And so, it takes a bit of effort to get those relationships in place, so that they understand exactly the reasons you want to pair with them on certain projects. And then, just having some persistence as well to see projects through, and to really push when the time is there to push projects as well." – ESA

The level of follow-up at the end of projects varied across cases. There was a mindset of taking the effort to personally deliver a cheque to clients to celebrate the end of a project and in one case a plaque was presented to a client. In other instances, no feedback was sought and a mindset of "no news is good news" prevailed.

Finally, relationships between ESAs and clients may not always stay warm, with some having to be rekindled. This was not linked to the Union Gas and Enbridge merger, rather this was deemed to be a function of a change in ESA or replacement of the organizations point of contact. When there was change of ESA, the previous ESA was usually still within Enbridge and therefore available for questions, which was viewed in a positive manner. Though precautions have been taken there were few occasions where the handover process did not go as smoothly as was hoped. On those occasions transferring the account happened too quickly, making it difficult for the new ESA to pick up where the other left off, or an ESA was assigned to a client or project temporarily, preventing the development of a relationship.

On the other hand, with turnover on the participant side, some new employees were informed of the existing relationship with Enbridge, while others were not. In cases where the new person is made aware of the existing relationship, the transition was deemed to be more "fluid." The silver lining in these circumstances was that the new person could be more enthusiastic about energy conservation than the previous person, which can work to revitalize the relationship. Similarly, when a customer acquires new sites there were opportunities for ESAs to establish relationships with new teams that were more open to energy conservation.

"I knew this was a temporary assignment, so I had, you know, not that I didn't want to become involved with it in any way, but you know, it was in addition to some of the work I was doing. So, I was essentially, like I mentioned for this and some of those other accounts, passively managing them from the position that we would normally be in, which would be sort of active, engaged and involved on a more regular basis with these types of customers." – ESA

"Yes, it's excellent because when I started, I mean I was new to these kind of energy savings projects and some projects where we can get some rebate. I didn't know about that. So, I had an initial meeting with [ESA] and [the ESA] explained me everything in detail. [The ESA] also highlighted some projects which could be a potential energy saving, which we didn't know." – Participant

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2.4 Factors beyond utility interactions that shape projects

Utility interactions were simply one of many factors which shaped whether projects went ahead, as well as the scope and timing of projects. The qualitative nature of the study made it difficult to assign weights on the importance of factors and instead highlighted that utility interactions – particularly utility and gas savings– were just a portion of the many pieces needed to come together for a project to get off the ground.

Financial and operational constraints were the obvious factors identified as having influence on projects. In many instances, customers noted continual efforts within their organization to drive operating costs down. There were references to: limited budgets available to cover capital expenditure affected by the general economic context; internal competition from other projects that require funding (this included from other sites or projects that tackle electricity costs); the need to meet certain payback criteria; and

caps on annual spending for energy conservation projects. Increases in natural gas prices and the deteriorating economic conditions were brought up as factors but not as frequently. On the operational side of things, comments centred on the need to maintain certain productivity levels which can pose challenges on when projects can take place or how they are implemented. ESAs would benefit from being aware of when a customer's business is performing well as this could translate in more budget available for equipment upgrade, for example.

"Our biggest hurdle is just competing projects. With the resources we have, we have to prioritize. And like I said, most of our capex goes to maintenance. Look at our refrigeration systems. We have about 30 ammonia evaporator coils out in the warehouses and probably 10 of them need to be replaced. For the next 10 years we're going to be doing one every year. And then when we're done, we'll start over where we started. Storage silos... they last 45 years. There's a project we have to do almost every year replace a silo. There's so much – the site is so big... energy projects are lost because we just don't have the time." – Customer

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ESG priorities surfaced in some case studies but were on the whole secondary to cost-related factors. As already alluded to above, there were some organizations that have set ambitious carbon reduction targets and timelines, as well as being motivated to pursue projects for PR purposes.

2.5 Opportunities for enhancing utility interactions

The potential improvements suggested in this section reflect a mixture of what was suggested by customers, ESAs and what was observed in the analysis.

(1) ESAs could develop deeper knowledge of customers' operations and enhance their visibility to others in the organization. This could be achieved by:

- Site visits and meetings that target other contacts within customers' organizations. These could be used as educational opportunities for ESA to present Enbridge programs to a wider audience as well as learn more about plans and projects in the pipeline managed by others in the organization. Such activities may help ESAs expand their network within customer sites or organizations, thus mitigating the potential of Enbridge-customer relationships going cold following personnel changes.
- ESAs embedding themselves within organizations, including conducting analyses of available data that is not proprietary. This could help with identifying more saving opportunities and take the load off customers.
- ESAs proactively flagging with customers anomalies in gas consumption which can lead to discussion on potential solutions.
- ESAs supporting, accompanying, or doing audits on behalf of their customers.

"If they truly want to get ahead of it and really drive improvement, then it would require them to spend a bit more time here, doing some audits, really understanding our process... we take all the help we can get, like it's a matter of do they are they

willing to be embedded a little bit, you know, spend a day here gathering their own data… we could set them up with a login and go into our database and extract the data, learn our system, you know… rather than waiting for us to send data, actually just kind of came in and say, 'Could we have a workstation, we'll get the data ourselves'… and we're talking about going through the database, not the control system, they can't really damage anything, they're smart people. I'm sure they'd be able to figure this out, or even just sitting in the control room for a day with an operator." (CS 42 - Customer)

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(2) ESAs should continue providing technical support and educate more customers about the type of support they can offer.

- A small number of customers would benefit from knowing what else ESAs can offer besides information on rebates for projects they are already considering. These customers could be educated about the opportunity of reaching out to ESAs for technical support regarding energy consumption.
- Opportunities may exist to take on analyses beyond gas saving estimates – for example, validation calculations – to help clients with their business cases for projects.
- Offers to present information to others within the organization would also be welcome.
- Opportunities to invest more time in providing technical support to customers that do not have in-house capabilities to explore energy efficiency.

"Sometimes the projects are getting very complex. To build the business case, it's not easy. I did a project, it took me three months just to put the data together, and it was very overwhelming… And quantification is challenging. So, the technical expertise and input that they can or could provide is very valuable." (CS 35 – Customer)

"Just to be able to maybe provide our customers with some sort of solutions, engineering solutions that maybe we already do in-house… to help our customers that don't have the resources as well to kind of help them out with offloading some of that work." (CS 35 - ESA)

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(3) Uptake of Enbridge educational outreach could be improved by accounting for time barriers customers face and general thirst for learning more about new technologies and projects. Suggestions included:

- Offering a mix of face-to-face, online and asynchronous educational opportunities. Outreach could be as simple as emails of case studies that customers could click on to learn more.
- Showcasing best practices or tried and tested projects adopted by others, without disclosing any proprietary information, that customers can draw inspiration from.
- While what others in the same sector are doing was seen as more relevant, there was openness to hearing about opportunities from across industry that could be applied to their cases.
- Tagging events or information based on the sophistication of the project (e.g. complex vs. 'beginner' project) would help customers prioritise what information is most relevant to them.

- Addressing topics related to decarbonization, for example carbon tax, clean fuel standards and renewable natural gas. This was a space that some customers were not well versed yet.
- Offering workshops or presentations for customers' organizations. This could take the form of presentation to higher-level cross-facility energy committees within the organization for example.

"Share successful projects from other industries and that, you know, that might just trigger the same idea with us... I find most of the webinars that I jump in on are very rudimentary, kind of catering to the lowest, the people that don't really know much, and we're well beyond that... [ideally] a one-page case study… with an optional 'more details at this link'… hopefully interesting ones, that as they become approved and you get permission from the customer to be able to share it, then you release... If you got maybe even once a month with ten or something or whatever, and maybe it's about picking the ones that are interesting, you know, not so big and specialized that they're really not going to help. But small enough and interesting. Manageable and achievable." – Customer

"I think also, if there are similar industries, what are maybe some of the projects that those industries have created that they could be replicated in here in sustainability, or anything like that. I don't know if we have a lot of glass industries in Ontario. I don't think so. But anything that's close to glassmaking. If there was any project that they have any other industries have done, that could maybe replicate it in here to save costs... Not the details of course, but just the idea, that would be helpful." – Customer

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(4) Supplement current ESA training with collaboration opportunities between ESAs. Less experienced ESAs could benefit by collaborating with those with more experience. Meanwhile, ESAs who came from industry could collaborate with ESAs that have customers in those sectors.

- To learn about the methods being employed by other ESAs, specifically for those struggling to get to the volume or variety of projects they desire.
- More "show and tell" for inspiration, and opportunities to do collective brainstorming around how to tackle specific challenges that may have come up at a specific site.
- Opportunities to tag along with other ESAs on site visits, to garner an understanding of the processes and reasoning behind their suggestions.
- A training by observing and doing and peer-to-peer model was preferred by more experienced ESAs as it took less takes time away from being with clients. This type of training would allow for them to be with clients but let another ESA be there as well.
- Offering opportunities for in-person collaboration between ESAs.
- More collaboration between ESAs could also result in more consistency in the service customers with multiple sites obtain from various ESAs.

(5) Broaden out the ways in which customers become aware of the program.

- Promote the program to large and frequent vendors, engineering firms that design new systems, or contracting firms used by their customers, like Trademark or AIM Industrial. The benefits of this would be that as Enbridge makes the program clear for them, they can use the

program to help decisions on projects to move forward. ESAs can also benefit from learning about new technologies available and advise their customers better.

- Create more touchpoints or marketing where ESAs can promote the benefits of studies to their customers.
- Encourage ESAs to present the program and opportunities to engage with Enbridge at industry events.

"Certainly, everything came from that initial study. The study work had a huge impact. Being able to identify at a really early date something that's leading to multiple projects had an impact. It would be great to have something like that in my hands for almost all customers." – ESA

"[The ESA] is going to come talk to our association. So, our association is part of… so all [those] plants of Ontario. He's coming to our spring start-up seminar where he's going to present kind of new findings and the program... He last did it I think four or five years ago, so he's an active member." – Customer

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(6) ESAs should continue being on the look out to perform "straightforward projects" to keep relationships warm, but be on the lookout for more impactful and unique projects. These types of projects allowed ESAs to become familiar with how things are handled internally, along with approval and implementation processes.

- ESAs could proactively suggest to customers projects that are commonly undertaken by others in the sector.
- Ensure that it is clear to customers that ESAs have the technical capacity and know how to be involved in more complex opportunities.

(7) Opportunity to reconsider the "one size fits all" approach to calculating the incentive, including the cap of $100,000. Some ESAs felt that this was too restrictive in relation to larger and more strategic projects which means that they are currently missed by the program.

- ESAs having the flexibility to offer a higher incentive could help with meeting organizational targets for payback which may or may not prevent projects from going ahead.
- An incentive that is more in line with the total investment could improve customers' experiences of taking part in the program and their continued interest in Enbridge programs.

"I've had conversations with my co-workers… the industrial customers [could] have a little bit more flexibility in terms of the incentive value to bring to a certain project. Right now, the way our program is configured, the definition of the incentive is very simple… up to 50% of the cost or $100,000. I would like a little bit more flexibility in that, in that if it's a large project, how about I don't talk so much about the cap?... Right now, I guess everything is put in the same bucket, whether it's a tiny little project that's barely worth my time and the customer's time, or it's a very important crucial project, kind of strategic project, they're all treated the same way. This one size fits all, I find that it's a bit of a hindrance for larger projects… I'm asking for, more

flexibility in the program's terms specifically for large projects, with of course approval from the management… That cap is a hindrance for multimillion dollar projects… Our results could be so much better." – ESA

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(8) Opportunity for ESAs to have proactive conversations with more sophisticated customers about their carbon reduction and GHG goals.

- These conversations could be used to educate customers about Enbridge's offerings and work in this space, for example, plans to transition to hydrogen.
- The information from conversations could also help ensure that the program is designed and marketed in a way that remains relevant as more companies focus on these types of goals.

(9) Opportunities for ESAs to obtain feedback from customers midway through projects as well as more consistency in ESAs closing the loop by obtaining feedback at the end.

- Midway check-ins could create more opportunities for ESAs to provide more support to their customers and potentially influence the timing of projects.
- Conversations at the end could be used to assess whether and why estimated savings were realised. These could also serve as opportunities to discuss future projects.

ACCOUNT BALANCES AND APPROVALS SOUGHT

1. Account Balances for Disposition

1. As outlined in Exhibit A, Tab 3, Schedule 1, the account balances set out in Table 1 are not consistent with the Verification Report. Comprehensive details of the variances are provided in Exhibit B, Tab 2, Schedule 2.

Table 1

2023 DSM Deferral and Variance Account Balances

Line No.	Account	2023
1	DSM Variance Account (DSMVA)	$3,890,570
2	DSM Incentive Deferral Account (DSMIDA)	$ 7,106,349
3	LRAM Variance Account (LRAMVA)	$623,409
4	Interest	$443,708
5	Total	$12,064,036

2. Approvals Sought

2. Enbridge Gas is seeking the following approvals:
    - Approval of the DSMVA, DSMIDA, and LRAMVA balances as set out in Table 1.
    - An Order providing for the clearance through to rates for the amounts set out in Table 1 as a one-time adjustment to be cleared within Enbridge Gas's next available QRAM application following the OEB's approval, effective as early as April 1, 2026.

DEFERRAL AND VARIANCE ACCOUNTS: RATE ALLOCATION

The following evidence describes the three DSM-related deferral and variance accounts for which Enbridge Gas requests clearance of balances recorded relating to 2023 DSM activities. This evidence also describes the basis on which these amounts will be allocated to rate classes, as well as the methodology for incorporation into rates.

1. Demand Side Management Variance Account (DSMVA)

1. The DSMVA balance for 2023 is a debit of $3.89 million before interest. This balance is not aligned with the budget spending variance in the 2023 DSM Annual Report or the Verification Report. There are two reasons for this discrepancy as noted below. Please see Table 1 for the reconciliation.

    i) Enbridge Gas' 2023 rates application[1] was submitted to the OEB for approval with the proposed 2023 DSM budget of $142,260,000[2]. After the OEB approved Enbridge Gas's 2023 Rate application, the OEB issued their Decision and Order on the Multi-Year Demand Side Management Plan (2022-2027)[3], increasing the 2023 DSM budget to $167,242,921[4]. This resulted in a budget of $24,982,921 in excess of what was built into 2023 rates. The 2023 DSM Annual Report and the Verification Report indicate the DSMVA balance should be ($22,521,458). However, this value does not reflect the original 2023 DSM budget included in rates. The 2023 actual spend totalled $144,721,463[5] which is $2,461,463 in excess of the amounts built into rates. This amount is included in the DSMVA calculations.

[1] EB-2022-0133.
[2] EB-2021-0002, OEB Multi-Year Demand Side Management Plan (2022-2027), September 29, 2021. Updated Evidence, Exhibit F, Tab 1, Schedule 2, p.1.
[3] EB-2021-0002.
[4] EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule A,
[5] Exhibit A, Tab 4, Schedule 1, p.5, Table ES1.

ii) In its Decision, the OEB directed Enbridge Gas to exempt Gas-Fired Generators in the T2 and Rate 100 rate classes from the Large Volume program. Although there were no budgetary changes made, bill credits were issued to the exempt Gas-Fired Generator customers for Large Volume program DSM charges January 1, 2023 and forward.[6] Bill credits were determined by looking at actual DSM Charges on the applicable customer invoices based on annually fixed demand rates, and then credits were issued to the customer for the DSM related charges. Total bill credits for the gas fired generators totalled $1.4 million in 2023.

Table 1
Reconciliation of DSMVA Balance

Line No.	Particulars ($)			Notes
1	2023 DSM Spend	$144,721,463		
2	Built into 2023 Rates	$142,260,000		
3	DSMVA balance before Large Volume exemption credit		$2,461,463	Equals row 9
4				
5	DSMVA balance in 2023 DSM Annual Verification Report		($22,521,458)	
6	DSM budget included in 2023 rates application	$142,260,000		
7	2022-2027 approved DSM budget	$167,242,921		
8	Difference between 2022-2027 DSM budget and budget in rates		($24,982,921)	8=6-7
9	DSMVA balance before large volume exemption bill credits		$2,461,463	9=5-7
10	Large volume exemption bill credits		$1,429,107	
11	Final DSMVA balance being sought for clearance		$3,890,570	11=9+10

[6] EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.43-44.

2. The DSMVA is used to track the variance between actual DSM spending by rate class versus the budgeted amount included in rates by rate class. The actual DSMVA spending variance amount relative to the amount budgeted for each rate class is allocated to that rate class for disposition purposes.[7]

3. Enbridge Gas followed the OEB-approved methodology to calculate the 2023 DSMVA balances. All DSM costs are allocated to rate classes based on the actual customer incentive costs between rate classes, except for Low-Income Program Costs, which are allocated in proportion to forecast delivery revenues, consistent with the OEB's Low-Income Energy Assistance Program (LEAP).[8]

4. In line with past practices, the customer incentive was allocated based on the actual amounts spent by each rate class. All other program costs were allocated by customer class (e.g. Residential, Commercial/Industrial) and assigned to the rate classes based on the percentage allocation of the customer incentive costs. All portfolio-level costs that cannot be attributed to an individual program were allocated to the rate classes based on the percentage allocation of the program costs by rate class. The variance between the Low-Income DSM budget included in rates and the actual amount spent on Low-Income DSM programs is recovered in proportion to the OEB-approved distribution revenue by rate class for the respective year.

5. Consistent with the pooled DSM budget costs included in rates for 2023, Enbridge Gas has pooled Rate M4 and Rate M5 DSMVA balances for the purposes of disposition. Variances between the DSM budget included in rates and actual DSM spending in these rate classes has been allocated based on volumes for Rate M4 and Rate M5. Accordingly, there is a single common unit rate calculated to determine the disposition of the DSMVA balance to individual customers in these

[7] EB-2021-0002, OEB Multi-Year Demand Side Management Plan (2022-2027), November 15, 2022, Decision and Order, OEB DSM Framework, Schedule E, pp.34-35.
[8] EB-2021-0002, OEB Multi-Year Demand Side Management Plan (2022-2027), September 29, 2021 Updated Evidence, Exhibit F, Tab 1, Schedule 1, p.1.

rate classes. This approach is consistent with Union's OEB-approved 2022 DSM Deferral Disposition Application.[9]

1.1 DSMVA 15% Overspend

6. As per the DSM Framework, Enbridge Gas is eligible to recover up to an additional 15% overspend above its annual OEB-approved DSM budget through the DSMVA as long as its overall weighted scorecard target on a pre-audited basis for one or more of its scorecards has been achieved, provided the overspend was on program expenses.[10] Enbridge Gas did not access the 15% overspend mechanism in 2023.

1.2 Budget Transfers Between Programs

7. Section 7 of the DSM Framework[11] states that Enbridge Gas has the ability to reallocate funds among existing, approved DSM programs. Enbridge Gas should inform the OEB and stakeholders in the event that cumulative fund transfers among OEB-approved DSM programs exceed 30% of the approved annual DSM budget for an individual DSM program. Enbridge Gas did not transfer more than 30% of program budget funds between programs in the 2023 DSM program year.

1.3 Large Volume Program – Rate T2 & Rate 100 Customers

8. In accordance with the OEB-approved 2023-2025 DSM Plan, Enbridge Gas (Union rate zones) continued to offer its Large Volume direct access program in 2023 and adhered to the budget transfer and overspend rules, consistent with historical practice. The overall program underspend of $0.08 million for the Large Volume Program is credited in the DSMVA. The Company confirms that it did not transfer budget dollars from any other part of the overall DSM budget into Rate T2 or Rate 100 rate classes.

[9] EB-2024-0193.
[10] EB-2021-0002, OEB DSM Framework, November 15, 2022, Schedule E, p.35.
[11] EB-2021-0002, OEB Multi-Year Demand Side Management Plan (2022-2027), November 15, 2022, Decision and Order, OEB DSM Framework, Schedule E, p.9

1.4 Deferred Participant Costs

9. The OEB has recognized the need for Enbridge Gas to use the DSMVA to track future financial commitments for programs with deferred customer incentives payments and program costs as outlined in the DSM Variance Account accounting order.[12] The 2023 DSMVA balance contains deferred incentives that were set aside during the last plan term 2015 – 2022, which have not yet expired, referred to as Participant Incentive Deferral Account (PIDA), with balances carrying forward into 2023.

10. Table 1, at Appendix 1, page 1, provides a continuity schedule of the PIDA deferred incentive balances for the Residential Savings by Design (RSBD), the Commercial Savings by Design (CSBD), and the Affordable Housing New Construction (AHNC) offerings tracked within the DSMVA.

11. In the current framework, the deferred incentives are referred to as Deferred Participant Costs (DPC) and have been approved for the following offerings: Savings by Design Residential Offering (SBD Res), Savings by Design Affordable Housing (SBD AH) and Energy Performance Whole Building Pay for Performance (Energy Performance).

12. Section 6.6 of the 2023 Enbridge Gas' DSM Annual Report includes amounts for the 2023 customer incentive payments and program costs deferred to future years for offerings where program costs are paid when future milestones/activities are reached.

13. Table 2, at Appendix 1, page 2, provides a continuity schedule of the Deferred Participant Cost balances for the current offerings, SBD Res, SBD AH and Energy Performance.

[12] EB-2021-0002, EGI Draft Accounting Order, Attachment 1, p.1.

2. Demand Side Management Incentive Deferral Account (DSMIDA)

14. The DSMIDA balance for 2023 is $7.11 million before interest. This balance is not aligned with the Verification Report due to an EAC-approved update to a verification adjustment for residential adaptive thermostats.

15. In 2025, Enbridge Gas completed a Process Evaluation on previous participants who had received an adaptive thermostat through the residential offer.[13] The study was designed to contact participants who, through "ping" test methodology, were determined to have not installed their adaptive thermostat and/or not connected it to a Wi-Fi source. Ideally, this study would have gained insights into these participants, and the results of the study would have helped Enbridge Gas to improve program design and delivery and increase program savings. However, the study determined that the "ping" test methodology was not reliable in determining whether the participant had installed and/or connected the adaptive thermostat to a Wi-Fi source.

16. Previously, the results of the "ping" test were applied as a verification adjustment to program savings results. Following the Process Evaluation, Enbridge Gas lost confidence in the "ping" result and its application to program savings. Enbridge Gas shared the results with the EAC, who agreed with Enbridge Gas's assessment that the historical "ping" results appear unreliable.[14]

17. It was determined through the EAC that secondary research should be completed to determine a more appropriate in-service rate to apply to the 2023 program year results and beyond until an Ontario-specific number could be determined through

[13] DRAFT 2024 Demand Side Management Annual Report, Enbridge Gas Ontario, April 1, 2025, Appendix E, https://engagewithus.oeb.ca/26884/widgets/149848/documents/152060
[14] OEB Evaluation Advisory Committee Meeting #29, June 3, 2025, https://engagewithus.oeb.ca/26884/widgets/175630/documents/155444

impact evaluation. Enbridge Gas conducted a jurisdictional analysis and presented it to the EAC on July 8, 2025. As outlined in the EAC Meeting Notes:[15]

> EAC members achieved consensus and agreed that the average installation rate of 88.4% from those jurisdictions considered in the analysis represents a value that is based on more rigorous analysis than Enbridge's current assumption. The EAC supported Enbridge's proposal to apply the jurisdictional scan's 88.4% average installation rate to its 2023 smart thermostat results and to be used going forward, pending further research to determine an Ontario-specific installation rate and any other relevant savings adjustment related to smart thermostats.

18. The Verification Report does not include the application of the new, EAC-approved, verification adjustment as it was determined subsequent to the submission of the Verification Report. This is the basis of the discrepancy between the DSMIDA outlined in Table 1 and the Verification Report. Please see Table 2.

Table 2
DSM Shareholder Incentive, Comparison to Verification Report

Line No.	Scorecard	DSMI Reported in Verification Report ($)	DSMIDA ($)	Difference ($)
1	Residential	2,174,628	2,361,573	186,945
2	Low Income	841,771	841,771	-
3	Commercial	1,813,776	1,813,776	-
4	Industrial	953,119	953,119	-
5	Large Volume	627,000	627,000	-
6	Energy Performance	103,664	103,664	-
7	Building Beyond Code	405,444	405,444	-
8	Total	6,919,404	7,106,349	186,945

19. The purpose of the DSMIDA is to record the shareholder incentive amount earned by Enbridge Gas, as a result of its DSM programs.[16] DSM shareholder incentive amounts are allocated to the rate classes in proportion to the actual DSM spending

[15] OEB Evaluation Advisory Committee Meeting #30, July 8, 2025, https://engagewithus.oeb.ca/26884/widgets/175630/documents/157733
[16] 2021-0002, OEB DSM Framework, November 15, 2022, Schedule E, p.37.

by rate class in 2023.

20. Tables 6.0 to 6.7 of the 2023 Enbridge Gas DSM Annual Report provide details of the DSM incentive achieved by scorecard.

3. Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)

21. The LRAMVA balance for 2023 is $0.623 million before interest. LRAM values in the Verification Report reflect the actual 2023 value. However, the LRAMVA is capturing the variance between actuals (consistent with the Verification Report) and what was built into 2023 rates. Therefore, the account balance requested for clearance does not align to the LRAM value listed in the Verification Report.

22. In line with historical practice, the LRAMVA is used to track, at the rate class level, the actual impact of DSM activities undertaken by Enbridge Gas from the forecasted impact included in distribution rates.[17] The LRAMVA balance is allocated to rate classes on the same basis as lost revenues were experienced such that the LRAMVA provides a true-up by rate class.

Table 3

2023 LRAM Variance Account Balances-Rate Zones

Line No.	LRAM Variance Account	2023
1	Union Rate Zone	$615,773
2	Enbridge Rate Zone	$7,636
3	Total	$623,409

3.1 LRAMVA EGD Rate Zone

23. The EGD rate zone LRAMVA balance for 2023 is $7.6 thousand before interest. The LRAMVA is used to track, at the rate class level, the variance between the actual impact of DSM activities (volume savings) undertaken by Enbridge and the forecasted impact included in distribution rates. The LRAMVA balance is allocated to

[17] 2021-0002, OEB DSM Framework, November 15, 2022, Schedule E, p.36.

rate classes on the same basis as lost revenues were experienced such that the LRAMVA provide a true up by rate class.

24. Consistent with historical practice, the annual rate setting process in the EGD rate zone includes a DSM volumetric adjustment for the expected natural gas savings that are partially effective for the current year, and the balance of DSM volumes not captured in the previous years' base rate volumes. Therefore, the 2023 LRAMVA balance contains a variance related to the 2023 DSM program year only. See Exhibit B, Tab 2, Schedule 1, Appendix 2 for a detailed presentation of the 2023 LRAMVA balance of $7.6 thousand for the EGD Rate Zone, before interest. Additionally, please see Table 6.8 of the 2023 Enbridge Gas DSM Annual Report for further information on LRAM for the 2023 DSM program year.

3.2 LRAMVA Union Rate Zone

25. The Union rate zones LRAMVA balance for 2023 is $0.616 million before interest. For Union rate zones, there is an inherent time lag between the date that Enbridge Gas receives the audit of volume savings from the EC and the date that these audited volume savings are reflected in the Union rate zones' distribution rates. Depending on the timing of audited volume savings and Enbridge Gas's annual rate filings, the impacts captured in the LRAM variance account can span multiple DSM program years, and can include:

    - Full-Year Impacts - for prior DSM program years if no volume savings were reflected in rates;
    - Partial-Year Impacts - for the monthly impact of volume savings resulting from the current DSM program year, if no forecast volume savings were reflected in rates; and
    - True-Ups - to true-up pre-audit volume savings reflected in rates with audited actual volume savings for prior DSM program years.

26. LRAM amounts are only recorded in the variance account until such time as the OEB approves new distribution rates for the utility that reflect the actual audited impact of a DSM program year's activities (volume savings). Please see Tables 4 and 5 for a summary of LRAM volume savings adjustments for each of the 2020 to 2025 DSM program years included or expected in each of Enbridge Gas's annual rates applications (2020-2025), and DSM deferral and variance account clearance applications (2020-2025).

Table 4
DSM Program Year LRAM Volume Adjustment Included in Union Rates

		(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Rates Application	2020	2021	2022	2023	2024	2025
1	2020 (EB-2019-0194)	Not Included	N/A	N/A	N/A	N/A	N/A
2	2021 (EB-2020-0095)	Not Included	Not Included	N/A	N/A	N/A	N/A
3	2022 (EB-2021-0147)	Not Included	Not Included	Not Included	N/A	N/A	N/A
4	2023 (EB-2022-0133)	Audited	Not Included	Not Included	Not Included	N/A	N/A
5	2024 (EB-2022-0200)	Rebasing Forecast Reset			Forecast Included	Forecast Included	N/A
6	2025 (EB-2024-0111)	Rebasing Forecast Reset			Forecast Included	Forecast Included	Not Included

Table 5
DSM Program Year LRAM Volume Adjustment Included in LRAM Variance Account

		(a)	(b)	(c)	(d)	(e)	(f)
Line No.	DSM Deferral Application	2020	2021	2022	2023	2024	2025
1	2020 (EB-2022-0007)	Partial-Year	N/A	N/A	N/A	N/A	N/A
2	2021 (EB-2023-0062)	Full-Year	Partial-Year	N/A	N/A	N/A	N/A
3	2022 (EB-2024-0193)	Full-Year	Full-Year	Partial-Year	N/A	N/A	N/A
4	2023 (EB-2025- 0189)	None	Full-Year	Full-Year	Partial-Year	N/A	N/A
5	2024 (Expected)	None	None	None	Full-Year	Partial-Year	N/A
6	2025 (Expected)	None	None	None	Full-Year	Full-Year	Partial-Year

27. The 2023 LRAMVA balance for the Union rate zones is comprised of:

    - Full-year audited volume savings for contract rate classes related to the 2021 and 2022 DSM program years (2021/2022 Annual Volumes) calculated using the average 2023 distribution margin rates for the Union rate zones (see Table 5, line 4, columns b and c).
    - Partial-year monthly volume savings for contract rate classes related to the 2023 DSM program year (2023 Monthly Volumes), beginning the month that audited volume savings were realized and for the remaining months of the 2023 DSM program year, calculated using the average 2023 Rates for the Union rate zones (see Table 5, line 4, column d).[18]

28. The 2023 LRAMVA balance reflects the full-year impact of 2021 and 2022 audited LRAM volumes, and the partial-year (depending upon the month the DSM measure was installed) impact of 2023 audited LRAM volumes. Accordingly, the Union rate zones' 2023 LRAMVA debit balance of $0.616 million (as detailed in Appendix 3, pages 1 to 4) is comprised of:

    i) $0.245 million related to 2021 Annual Volumes of 34,693 10^3m^3 calculated using 2023 Rates for the Union rate zones.

    ii) $0.178 million related to 2022 Annual Volumes of 24,148 10^3m^3 calculated using 2023 Rates for the Union rate zones.

    iii) $0.193 million related to 2023 Monthly Volumes of 37,405 10^3m^3 calculated using 2023 Rates for the Union rate zones.

3.3 Recovery of 2022 and 2023 LRAM Volume Savings

29. The 2022 DSM audit process was not complete when Enbridge Gas filed its 2024 Rates Application.[19] The 2023 DSM audit process was not complete when Enbridge

[18] 2021-0002, OEB DSM Framework, November 15, 2022, Schedule E, p.36.
[19] EB-2022-0200.

Gas filed its 2025 Rates Application.[20] Consequently, audited LRAM volume savings have not yet been reflected in distribution rates for the Union rate zones for these respective years and will, therefore, be recovered through the LRAMVA as illustrated in Tables 4 and 5.

4. Rate Allocation

30. Table 6 summarizes the allocation of Enbridge Gas's DSM deferral and variance account balances, prior to interest, for the 2023 DSM program years to rate classes.

Table 6
2023 DSM Deferral and Variance Account Balances by Rate Class

Rate Zone	Rate Class	DSMVA	DSMIDA	LRAMVA [1] [2]	Total Deferral/ Variance Balance
EGD	RATE 1	$15,036,704	$2,011,103	N/A	$17,047,807
EGD	RATE 6	($2,566,411)	$1,440,104	N/A	($1,126,307)
EGD	RATE 9	$0	$0	$0	$0
EGD	RATE 100	$69,245	$4,628	($1,126)	$72,747
EGD	RATE 110	$1,336,472	$253,582	$22,232	$1,612,286
EGD	RATE 115	($1,215,240)	$15,254	($2,282)	($1,202,268)
EGD	RATE 125	($4,002)	$4,803	$0	$801
EGD	RATE 135	$1,089,002	$89,922	($13,003)	$1,165,920
EGD	RATE 145	($1,148,480)	$2,037	$1,646	($1,144,797)
EGD	RATE 170	($1,917,747)	$29,717	$170	($1,887,860)
EGD	RATE 200	($968)	$1,162	$0	$194
EGD	RATE 300	($18)	$22	$0	$4
UG	M1	$3,384,158	$1,286,374	N/A	$4,670,532
UG	M2	($5,714,993)	$385,065	N/A	($5,329,928)
UG	M4	($2,563,698)	$160,593	$365,172	($2,037,933)
UG	M5	($235,442)	$13,929	$21,142	($200,372)
UG	M7	$3,164,022	$361,199	$179,406	$3,704,627
UG	M9	($406)	$487		$81
UG	M10	($4)	$5		$1
UG	T1	($1,241,148)	$19,998	$2,987	($1,218,164)

[20] EB-2024-0111.

Table 6 (Continued)*
2023 DSM Deferral and Variance Account Balances by Rate Class

Rate Zone	Rate Class	DSMVA	DSMIDA	LRAMVA [1] [2]	Total Deferral/ Variance Balance
UG	T2	$4,452	$566,117	$10,925	$581,494
UG	T3	($2,555)	$3,066		$511
UG	01	($732,472)	$181,425	N/A	($551,046)
UG	10	($1,659,301)	$108,901	N/A	($1,550,400)
UG	20	($646,450)	$72,161	$16,001	($558,288)
UG	25	($1,810)	$2,172		$362
UG	100	($542,340)	$92,523	$20,140	($429,677)
EGD Total		$10,678,557	$3,852,334	$7,636	$14,538,527
UG Total		($6,787,987)	$3,254,015	$615,773	($2,918,199)
Total	Total	$ 3,890,570	$ 7,106,349	$ 623,409	$ 11,620,328

1. Rate 1 and Rate 6 are not included in the LRAM amount as these rate classes are covered under the Average Use True-Up Variance Account (AUTUVA). Rate M1, M2, 01, 10 are not included in the LRAM amount as these rate classes are covered under the NAC Normal Annualized Consumption Variance Account.
2. Rates 9, 125, 200 & 300 do not have any LRAM component in the rate allocation since customers in these rate classes are not eligible for DSM programs. These rate classes will however be subject to rate allocations for DSMVA and applicable DSMIDA related to Low Income Programs.
3. Allocation to Rate M4, M5 and M7 prior to rate pooling adjustment.

5. Disposition Methodology

31. Enbridge Gas proposes to dispose of the 2023 DSM-related deferral and variance account balances as a one-time billing adjustment. The one-time billing adjustment will be derived for each customer individually by applying the disposition unit rates to each customer's actual consumption volume for the period January 1, 2023 to December 31, 2023. Enbridge Gas proposes to dispose of the approved 2023 DSM deferral and variance account balances with the first available QRAM application following the OEB's approval, as early as April 1, 2026.

32. The allocation of 2023 DSM-related Deferral and Variance account balances and the derivation of clearance unit rates are consistent with OEB direction and the 2023

DSM Framework[21]. The 2023 disposition unit rates for each rate class and type of service are set out at Exhibit B, Tab 2, Schedule 1, Appendix 4.

33. Exhibit B, Tab 2, Schedule 1, Appendices 5 to 7 provide details of the derivation of proposed unit rates:

- Appendix 5 provides the total principal and interest balances for each 2023 DSM deferral and variance account;
- Appendix 6 provides the allocation of total 2023 DSM deferral and variance account balances to be cleared for each rate class; and
- Appendix 7 provides the derivation of disposition unit rates for the 2023 DSM program year, based on the balances and actual 2023 consumption volumes for each rate class.

[21] EB-2021-0002, OEB Multi-Year Demand Side Management Plan (2022-2027), November 15, 2022, Decision and Order, Schedule E.

Table 1
Continuity Schedule for Deferred Incentive Balances
PIDA Balances from DSM Plan 2015 - 2022

Offering ($MM)	TOTAL	2017				2018				2019				2020				2021				2022				TOTAL	2023 Deposit Expiration
	Beginning of Year Balance	Beginning of Year Balance	Withdrawals		End of Year Balance	Beginning of Year Balance	Withdrawals		End of Year Balance	Beginning of Year Balance	Withdrawals		End of Year Balance	Beginning of Year Balance	Withdrawals		End of Year Balance	Beginning of Year Balance	Withdrawals		End of Year Balance	Beginning of Year Balance	Withdrawals		End of Year Balance	End of Year Balance	
			Utilized	Expired			Utilized	Expired			Utilized	Expired			Utilized	Expired			Utilized	Expired			Utilized	Expired			
	a	*b*	*c*	*d*	*e = b - c - d*	*f*	*g*	*h*	*i = f - g - h*	*j*	*k*	*l*	*m = j - k - l*	*n*	*o*	*p*	*q = n - o - p*	*r*	*s*	*t*	*u=r-s-t*	*v*	*w*	*x*	*y=v-w-x*	*aa = e + i + m + q + u+y+z*	
CSBD - Union	$0.60	$0.00	$0.00	$0.00	$0.00	$0.10	$0.02	$0.09	$0.00	$0.12	$0.00	$0.00	$0.12	$0.17	$0.00	$0.00	$0.17	$0.14	$0.00	$0.00	$0.14	$0.06	$0.00	$0.00	$0.06	$0.50	31-Dec-27
TOTAL	$0.60	$0.00	$0.00	$0.00	$0.00	$0.10	$0.02	$0.09	$0.00	$0.12	$0.00	$0.00	$0.12	$0.17	$0.00	$0.00	$0.17	$0.14	$0.00	$0.00	$0.14	$0.06	$0.00	$0.00	$0.06	$0.50	
RSBD-EGD	$3.79	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.14	$0.77	$0.37	$0.00	$1.26	$0.48	$0.00	$0.78	$1.40	$0.04	$0.00	$1.36	$2.13	31-Dec-25
CSBD-EGD	$0.18	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.09	$0.00	$0.00	$0.09	$0.05	$0.00	$0.00	$0.05	$0.05	$0.00	$0.00	$0.05	$0.18	31-Dec-27
AHNC-EGD	$3.24	$0.00	$0.00	$0.00	$0.00	$0.12	$0.02	$0.11	$0.00	$0.66	$0.00	$0.00	$0.66	$0.87	$0.09	$0.00	$0.78	$1.03	$0.00	$0.00	$1.03	$0.56	$0.00	$0.00	$0.56	$3.03	31-Dec-27
TOTAL	$7.21	$0.00	$0.00	$0.00	$0.00	$0.12	$0.02	$0.11	$0.00	$0.66	$0.00	$0.00	$0.66	$2.10	$0.86	$0.37	$0.87	$2.33	$0.48	$0.00	$1.85	$2.00	$0.04	$0.00	$1.96	$5.34	

Table 2
Continuity Schedule for Deferred Incentive Balances
DPC Balances from DSM Plan 2023+

Offering ($MM)	TOTAL	2023			Deposit Expiration
	Beginning of Year Balance	Beginning of Year Balance	Deposits	End of the Year Balance	
		a	*b*	c = a + b	
SBD-Residential Net Zero	$0.00	$0.00	$457,140	$457,140	31-Dec-25
SBD-AH	$0.00	$0.00	$1,102,400	$1,102,400	31-Dec-28
Energy Performance	$0.00	$0.00	$1,019,100	$1,019,100	31-Dec-26
TOTAL	$0.00	$0.00	$2,578,640	$2,578,640	

ENBRIDGE GAS INC.
EGD Rate Zone
2023 LRAMVA Balance

Line No.	Particulars	2023 udited Volumes[1] 10^3m^3 (a)	2023 LRAM Volumes in 2023 Rates 10^3m^3 (b)	2023 Volume Variance 10^3m^3 (c) = (a) - (b)	2023 Distribution Margin $/10^3m^3$ (d)	2023 LRAMVA $ (e) = (c) x (d)
	EGD Rate Zone					
1	Rate 100	2	266	(264)	4.260	(1,126)
2	Rate 110	5,713	2,455	3,259	6.823	22,232
3	Rate 115	955	1,679	(724)	3.152	(2,282)
4	Rate 135	529	1,144	(615)	21.150	(13,003)
5	Rate 145	33	4	29	56.633	1,646
6	Rate 170	486	404	82	2.078	170
7	Total EGD	7,717	5,951	1,766		7,636

Notes:
(1) Volumes reflect 2023 audited volumes, adjusted for month of install.

ENBRIDGE GAS INC. - Union Rate Zones
Lost Revenue Adjustment Mechanism
2023 LRAM Deferral Account Balance

Amounts by DSM Plan Year

Line No.	Particulars ($)	2021[1]	2022[2]	2023[3]	Total
		(c)	(d)	(d)	(e)
	Union South				
1	Rate M4	147,799	122,565	94,808	365,172
2	Rate M5	8,949	5,468	6,724	21,142
3	Rate M7	74,858	34,566	69,983	179,406
4	Rate T1	334	1,522	1,131	2,987
5	Rate T2	2,932	2,898	5,095	10,925
6	Total Union South	234,873	167,019	177,741	579,633
	Union North				
7	Rate 20	1,862	7,129	7,010	16,001
8	Rate 100	7,837	3,798	8,504	20,140
9	Total Union North	9,699	10,927	15,514	36,140
10	Total Union	244,572	177,947	193,254	615,773

Notes:
(1) EB-2025-0189, Exhibit B, Tab 2, Schedule 1, Appendix 3, page 2, column (e).
(2) EB-2025-0189, Exhibit B, Tab 2, Schedule 1, Appendix 3, page 3, column (e).
(3) EB-2025-0189, Exhibit B, Tab 2, Schedule 1, Appendix 3, page 4, column (e).

ENBRIDGE GAS INC. - Union Rate Zones
Lost Revenue Adjustment Mechanism
2023 LRAM Deferral Account Balance

Line No.	Particulars ($)	2021 udited Volumes[1] 10^3m^3 (a)	2021 LRAM Volumes in 2023 Rates 10^3m^3 (b)	2021 Net LRAM Volumes 10^3m^3 (c) = (a) - (b)	2023 Delivery Rates $/10^3m^3$ (d)	Revenue Impact (e) = (c) x (d)
	Union South					
1	Rate M4	7,387	-	7,387	20.008	147,799
2	Rate M5	278	-	278	32.150	8,949
3	Rate M7	16,873	-	16,873	4.437	74,858
4	Rate T1	199	-	199	1.683	334
5	Rate T2	6,982	-	6,982	0.420	2,932
6	Total Union South	31,719	-	31,719		234,873
	Union North					
7	Rate 20	244	-	244	7.640	1,862
8	Rate 100	2,730	-	2,730	2.870	7,837
9	Total Union North	2,974	-	2,974		9,699
10	Total Union	34,693	-	34,693		244,572

Notes:
(1) Volumes reflect 2021 audited volumes, not adjusted for month of install.

ENBRIDGE GAS INC. - Union Rate Zones
Lost Revenue Adjustment Mechanism
2023 LRAM Deferral Account Balance

Line No.	Particulars ($)	2022 udited Volumes[(1)] 10^3m^3 (a)	2022 LRAM Volumes in 2023 Rates 10^3m^3 (b)	2022 Net LRAM Volumes 10^3m^3 (c) = (a) - (b	2023 Delivery Rates $/10^3m^3$ (d)	Revenue Impact (e) = (c) x (d
	Union South					
1	Rate M4	6,126	-	6,126	20.008	122,565
2	Rate M5	170	-	170	32.150	5,468
3	Rate M7	7,791	-	7,791	4.437	34,566
4	Rate T1	904	-	904	1.683	1,522
5	Rate T2	6,900	-	6,900	0.420	2,898
6	Total Union South	21,892	-	21,892		167,019
	Union North					
7	Rate 20	933	-	933	7.640	7,129
8	Rate 100	1,323	-	1,323	2.870	3,798
9	Total Union North	2,256	-	2,256		10,927
10	Total Union	24,148	-	24,148		177,947

Notes:
(1) Volumes reflect 2022 audited volumes, not adjusted for month of install.

ENBRIDGE GAS INC. - Union Rate Zones
Lost Revenue Adjustment Mechanism
2023 LRAM Deferral Account Balance

Line No.	Particulars ($)	2023 udited Volumes[(1)] 10^3m^3 (a)	2023 LRAM Volumes in 2023 Rates 10^3m^3 (b)	2023 Net LRAM Volumes 10^3m^3 (c) = (a) - (b)	2023 Delivery Rates $/10^3m^3$ (d)	Revenue Impact (e) = (c) x (d)
	Union South					
1	Rate M4	4,739	-	4,739	20.008	94,808
2	Rate M5	209	-	209	32.150	6,724
3	Rate M7	15,774	-	15,774	4.437	69,983
4	Rate T1	672	-	672	1.683	1,131
5	Rate T2	12,131	-	12,131	0.420	5,095
6	Total Union South	33,524	-	33,524		177,741
	Union North					
7	Rate 20	917	-	917	7.640	7,010
8	Rate 100	2,963	-	2,963	2.870	8,504
9	Total Union North	3,880	-	3,880		15,514
10	Total Union	37,405	-	37,405		193,254

Notes:
(1) Volumes reflect 2023 audited volumes, adjusted for month of install.

Enbridge Gas Inc.
Unit Rates for Recovery/(Refund) - Deliver
2023 DSM Deferral Account Disposition

Line No.	Particulars	Unit Rate (cents/m^3) (a)
	EGD Rate Zone	
1	Rate 1	0.3668
2	Rate 6	(0.0234)
3	Rate 100	0.1459
4	Rate 110	0.1299
5	Rate 115	(0.3387)
6	Rate 135	1.7511
7	Rate 145	(2.2959)
8	Rate 170	(0.7736)
9	Rate 200	0.0001
10	Rate 125 (1)	0.0111
11	Rate 300 (1)	0.0298
	Union North Rate Zone	
12	Rate 01	(0.0582)
13	Rate 10	(0.5061)
14	Rate 20	(0.0515)
15	Rate 100	(0.0448)
16	Rate 25	0.0002
	Union South Rate Zone	
17	Rate M1	0.1621
18	Rate M2	(0.4614)
19	Rate M4	(0.3495)
20	Rate M5	(0.3857)
21	Rate M7	0.4862
22	Rate M9	0.0001
23	Rate T1	(0.3060)
24	Rate T2	0.0164
25	Rate T3	0.0003

Note:
(1) Billing based on CD.

Enbridge Gas Inc.
2023 DSM Deferral and Variance Account Balances

Line No.	Particulars ($000's)	Principal (a)	Interest (b)	Total (c) = (a + b)
1	Demand Side Management (DSMVA)	3,891	(92)	3,799
2	Demand Side Management Incentive (DSMIDA)	7,106	489	7,595
3	Lost Revenue Adj Mechanism (LRAMVA)	623	47	670
4	Total EGI	11,620	444	12,064

Enbridge Gas Inc.
Allocation of 2023 DSM Deferral and Variance Account Balances

Line No.	Particulars ($000's)	DSMV (a)	DSMID (b)	LRAM (c)	Total (d) = (a + b + c)
	EGD Rate Zone				
1	Rate 1	15,008	2,149	-	17,157
2	Rate 6	(2,582)	1,539	-	(1,043)
3	Rate 100	69	5	(1)	73
4	Rate 110	1,335	271	24	1,630
5	Rate 115	(1,216)	16	(2)	(1,202)
6	Rate 135	1,089	96	(14)	1,171
7	Rate 145	(1,149)	2	2	(1,145)
8	Rate 170	(1,919)	32	0	(1,887)
9	Rate 200	(1)	1	-	0
10	Rate 125 (1)	(4)	5	-	1
11	Rate 300 (1)	(0)	0	-	0
12	Total EGD Rate Zone	10,629	4,117	8	14,754
	Union North Rate Zone				
13	Rate 01	(736)	194	-	(542)
14	Rate 10	(1,661)	116	-	(1,545)
15	Rate 20	(648)	77	17	(553)
16	Rate 100	(543)	99	22	(423)
17	Rate 25	(2)	2	-	0
18	Total Union North Rate Zone	(3,590)	489	39	(3,063)
	Union South				
19	Rate M1	3,367	1,375	-	4,741
20	Rate M2	(5,722)	412	-	(5,311)
21	Rate M4 (2)	(2,538)	172	393	(1,974)
22	Rate M5 (2)	(265)	15	23	(227)
23	Rate M7	3,163	386	193	3,741
24	Rate M9	(0)	1	-	0
25	Rate T1	(1,242)	21	3	(1,218)
26	Rate T2	1	605	12	618
27	Rate T3	(3)	3	-	1
28	Total Union South Rate Zone	(3,240)	2,989	623	373
29	Total Enbridge Gas	3,799	7,595	670	12,064

Note:
(1) Billing based on CD.
(2) DSMVA balances for Rate M4 and Rate M5 are allocated based on 2023 actual volumes to derive a common unit rate for disposition for both rate classes.

Enbridge Gas Inc.
Unit Rates for One-Time Adjustment - Delivery

Line No.	Particulars	2023 Deferral Balance for Disposition ($000's)	2023 Actual Volume (10 m)	Unit Rate (cents/m)
		(a)	(b)	(c) = (a / b) * 100
	EGD Rate Zone			
1	Rate 1	17,157	4,677,347	0.3668
2	Rate 6	(1,043)	4,450,159	(0.0234)
3	Rate 100	73	50,015	0.1459
4	Rate 110	1,630	1,254,228	0.1299
5	Rate 115	(1,202)	355,028	(0.3387)
6	Rate 135	1,171	66,869	1.7511
7	Rate 145	(1,145)	49,883	(2.2959)
8	Rate 170	(1,887)	243,960	(0.7736)
9	Rate 200	0	188,441	0.0001
10	Rate 125 (1)	1	9,260	0.0111
11	Rate 300 (1)	0	16	0.0298
12	Total EGD Rate Zone	14,754		
	Union North Rate Zone			
13	Rate 01	(542)	931,782	(0.0582)
14	Rate 10	(1,545)	305,249	(0.5061)
15	Rate 20	(553)	1,074,225	(0.0515)
16	Rate 100	(423)	942,952	(0.0448)
17	Rate 25	0	255,665	0.0002
18	Total Union North Rate Zon	(3,063)		
	Union South Rate Zone			
19	Rate M1	4,741	2,925,618	0.1621
20	Rate M2	(5,311)	1,151,051	(0.4614)
21	Rate M4	(1,974)	564,595	(0.3495)
22	Rate M5	(227)	58,966	(0.3857)
23	Rate M7	3,741	769,537	0.4862
24	Rate M9	0	97,880	0.0001
25	Rate T1	(1,218)	397,887	(0.3060)
26	Rate T2	618	3,766,209	0.0164
27	Rate T3	1	255,245	0.0003
28	Total Union South Rate Zon	373		
29	Total Enbridge Ga	12,064		

Note:
(1) Billing based on CD.

ESTIMATED ANNUAL BILL IMPACT

1. For a Rate 1 customer in the EGD rate zone with annual consumption of 2,400 m^3, the one-time billing adjustment is a charge of approximately $8.80.

2. For a Rate M1 residential customer in the Union South rate zone with annual consumption of 2,200 m^3, the one-time billing adjustment is a charge of $3.57.

3. For a Rate 01 residential customer in the Union North rate zone with annual consumption of 2,200 m^3, the one-time billing adjustment is a refund of $1.28.

4. Bill impacts of the proposed disposition for the EGD and Union rate zones are set out at Exhibit B, Tab 3, Schedule 1, Appendix 1.

Enbridge Gas Inc.
Bill Adjustment for Typical Customers

Line No.	Particulars	Unit Rate (cents/m^3)	nnual Volume (m^3)	Bill Impac ($)
		(a)	(b)	(c) = (a * b) /100
	EGD Rate Zone			
1	Rate 1 - Small	0.3668	2,400	8.80
2	Rate 6 - Average	(0.0234)	22,606	(5.30)
3	Rate 6 - Large	(0.0234)	339,124	(79.45)
4	Rate 100 - Small	0.1459	339,188	495
5	Rate 110 - Small	0.1299	598,568	778
6	Rate 110 - Large	0.1299	9,976,121	12,963
7	Rate 115 - Small	(0.3387)	4,471,609	(15,143)
8	Rate 115 - Large	(0.3387)	69,832,850	(236,494)
9	Rate 135 - Average	1.7511	598,567	10,482
10	Rate 145 - Large	(2.2959)	598,567	(13,743)
11	Rate 170 - Large	(0.7736)	69,832,850	(540,242)
12	Rate 200 - Average	0.0001	140,305,600	184
13	Rate 125 - Average	0.0111	2,315,000	256
	Union North Rate Zone			
14	Rate 01 - Small	(0.0582)	2,200	(1.28)
15	Rate 10 - Average	(0.5061)	93,000	(470.72)
16	Rate 20 - Small	(0.0515)	3,000,000	(1,545)
17	Rate 20 - Large	(0.0515)	15,000,000	(7,726)
18	Rate 25 - Average	0.0002	2,275,000	4
19	Rate 100 - Small	(0.0448)	27,000,000	(12,100)
20	Rate 100 - Large	(0.0448)	240,000,000	(107,552)
	Union South Rate Zone			
21	Rate M1 - Small	0.1621	2,200	3.57
22	Rate M2 - Average	(0.4614)	73,000	(336.81)
23	Rate M4 - Small	(0.3495)	875,000	(3,059)
24	Rate M4 - Large	(0.3495)	12,000,000	(41,945)
25	Rate M5 - Small	(0.3857)	825,000	(3,182)
26	Rate M5 - Large	(0.3857)	6,500,000	(25,069)
27	Rate M7 - Small	0.4862	36,000,000	175,032
28	Rate M7 - Large	0.4862	52,000,000	252,824
29	Rate M9 - Small	0.0001	6,950,000	7
30	Rate M9 - Large	0.0001	20,178,000	21
31	Rate T1 - Small	(0.3060)	7,537,000	(23,065)
32	Rate T1 - Average	(0.3060)	11,565,938	(35,394)
33	Rate T1 - Large	(0.3060)	25,624,080	(78,415)
34	Rate T2 - Small	0.0164	59,256,000	9,726
35	Rate T2 - Average	0.0164	197,789,850	32,464
36	Rate T2 - Large	0.0164	370,089,000	60,745
37	Rate T3 - Large	0.0003	272,712,000	699