



Haris Ginis
Technical Manager
Regulatory Applications
Regulatory Affairs

tel 416 495 5827
cell 416 319 8684
haris.ginis@enbridge.com
EGRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario
M2J 1P8

VIA EMAIL and RESS

December 18, 2025

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

Dear Ritchie Murray:

**Re: Enbridge Gas Inc. (“Enbridge Gas” or the “Company”)
Ontario Energy Board (“OEB”) File No. EB-2025-0295
2027-2030 Demand Side Management (“DSM”) Plan
Application and Pre-Filed Evidence**

On November 15, 2022, the OEB issued its Decision and Order (“2023-2025 Decision”) approving a three-year DSM plan for Enbridge Gas effective from January 1, 2023 to December 31, 2025, and a Natural Gas DSM Framework (“DSM Framework”) effective on a going-forward basis beginning January 1, 2023 (EB-2021-0002 or the “Proceeding”).

In its 2023-2025 Decision the OEB stated that it expects Enbridge Gas’s next multi-year DSM plan will extend from 2026 to 2030¹ and that the DSM Framework should be used to guide the development of future ratepayer-funded DSM activities.²

On November 29, 2024, Enbridge Gas filed a 2026-2030 DSM Plan Application (EB-2024-0198). On June 20, 2024, as a result of (i) the Government of Canada’s decision to set the Federal Carbon Charge to zero effective April 1, 2025; (ii) the impact the change had to the 2026-2030 DSM Plan Application; (iii) the time needed to assess the change and to prepare/file the necessary evidence updates; and (iv) the limited time remaining in 2025 for the OEB to issue a decision on 2026 DSM activities, Enbridge Gas filed a 2026 rollover application which reflected a one-year extension of the OEB-approved 2023-2025 DSM Plan to 2026 (“2026 DSM Rollover Plan”). Enbridge Gas noted that it could file a 2027+ multi-year DSM Plan application within 60 days of the OEB issuing its decision on the 2026 DSM Rollover Plan. On November 6, 2025, the

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.4.

² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.16.

OEB issued its Decision and Order (“2026 Decision”) on Enbridge Gas’s 2026 DSM Rollover Plan.

Accordingly, enclosed please find Enbridge Gas’s 2027-2030 DSM Plan Application (“2027-2030 DSM Plan” or the “DSM Plan”).

The development of Enbridge Gas’s DSM Plan was guided by:

- the OEB’s DSM Framework, including the OEB’s objectives for ratepayer funded natural gas DSM and the OEB’s DSM Guiding Principles;
- the OEB’s 2023-2025 and 2026 Decisions;
- the Ontario Minister of Energy’s November 29, 2023 and December 19, 2024 Letters of Direction to the OEB;
- the Government of Ontario’s Integrated Energy Plan (“IEP”); and,
- customer and stakeholder feedback, including feedback from the OEB DSM Stakeholder Advisory Group (“SAG”).

DSM Budget

Within the 2023-2025 Decision, the OEB stated its expectation that:

...at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis.³

It is important to note that when the OEB set these expected natural gas savings targets there had been no evidence adduced in the Proceeding regarding the budget levels that would be required to achieve these expectations. Stated differently, the customer bill impacts of the budgets required to meet the OEB’s expectations as expressed in the 2023-2025 Decision were not canvassed by parties to the Proceeding and were therefore unknown.

After the OEB issued its 2023-2025 Decision, the Government of Ontario released its first IEP in June 2025 marking a significant development in provincial energy policy. The IEP emphasizes an “affordability first” approach and identifies affordability as one of four principles central to the government’s energy plan.⁴ It is also important to note that the DSM Framework includes as the very first Guiding Principle:

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.4.

⁴ Government of Ontario, *Energy for Generations: Ontario’s Integrated Plan to Power the Strongest Economy in the G7* (“Integrated Energy Plan” or the “IEP”), June 2025, pp. 6 and 12.

DSM plans should balance the achievement of cost-effective natural gas savings and **customer bill impacts**.⁵ [emphasis added]

The OEB stated in its 2023-2025 Decision that “the results of an updated natural gas conservation potential study will be the primary input into future natural gas savings targets”.⁶ Since that time, the OEB commissioned and published the 2024 Achievable Potential Study (“2024 APS”).⁷ Notwithstanding Enbridge Gas’s concerns with the 2024 APS,⁸ the Company acknowledges that the 1.1% natural gas savings level associated with Scenario A of the 2024 APS most closely aligns with the OEB’s expected natural gas savings targets of 1.0% of sales for 2028 to 2030. Scenario A can therefore be used as a directional estimate of the annual budget that would be required to achieve the OEB’s expectations of 1.0% reductions for 2028 to 2030.

Based on Scenario A of the 2024 APS, Enbridge Gas estimates that in order to achieve a 1.1% net annual reduction in natural gas sales, a DSM budget of approximately \$1.1 billion per year would likely be required.⁹ This would result in an estimated residential customer bill impact of approximately \$16 per month (or 18% of the total bill cost).¹⁰ In contrast, the current OEB-approved DSM budget for 2026 is \$200 million,¹¹ resulting in a residential customer bill impact of \$2.90 per month¹² (or 3.3% of the total bill cost).¹³

Given the above-noted DSM Guiding Principle regarding the need to balance customer bill impacts as well as the Government of Ontario’s emphasis on affordability, Enbridge Gas does not support the DSM budget level that is estimated to be required to achieve the OEB’s expected natural gas savings targets.

Enbridge Gas’s proposed 2027-2030 DSM Plan includes a more balanced budget of \$191 million in 2027, increasing to \$227 million in 2030.¹⁴ This results in a residential customer bill impact of \$2.43 per month (or 2.7% of the total bill cost) in 2027, increasing to \$2.80 per month (or 3.2% of the total bill cost) in 2030.¹⁵

Importantly, Enbridge Gas’s proposed 2027-2030 DSM Plan is projected to achieve meaningful natural gas savings of approximately 0.5% of sales in 2027 and increasing to approximately 0.6% of sales by 2030.¹⁶ The proposed DSM Plan will provide

⁵ EB-2021-0002, OEB DSM Framework (Schedule E of OEB Decision and Order), November 15, 2022, p.2.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

⁷ EB-2022-0295, OEB 2024 Achievable Potential Study, October 2024.

⁸ Exhibit C, Tab 1, Schedule 3.

⁹ Exhibit D, Tab 2, Schedule 2, Section 3.

¹⁰ Exhibit F, Tab 1, Schedule 1, para. 11; reflects average EGD rate zone Rate 1 residential customer.

¹¹ EB-2024-0198, OEB Decision and Order, November 6, 2025, p.11.

¹² Exhibit F, Tab 1, Schedule 3, p.1, line 1, column (e); \$34.83 / 12 months = \$2.90 per month.

¹³ Exhibit F, Tab 1, Schedule 1, para. 11; reflects average EGD rate zone Rate 1 residential customer.

¹⁴ Exhibit B, Tab 1, Schedule 1, Table 1.

¹⁵ Exhibit F, Tab 1, Schedule 1, para. 8; reflects average EGD rate zone Rate 1 residential customer.

¹⁶ Exhibit B, Tab 1, Schedule 1, Table 1.

comprehensive energy conservation programming for residential,¹⁷ income qualified,¹⁸ commercial,¹⁹ industrial,²⁰ and large volume²¹ customers and represents a more reasonable balance between natural gas savings and customer bill impacts.

Procedural Timelines

Enbridge Gas's OEB-approved 2026 DSM Rollover Plan ends December 31, 2026. To avoid any interruption to DSM programming in late 2026 and into 2027, Enbridge Gas respectfully requests final approval from the OEB for this Application by September 30, 2026.

It is essential that an OEB decision for 2027 DSM activities is issued well in advance of January 1, 2027 (i.e., by September 30, 2026). If any OEB-approved 2026 DSM programs are not ultimately approved for 2027, sufficient lead time is required to notify customers and industry partners of program closures. Furthermore, if an OEB decision is not issued by September 30, 2026, it will be necessary for Enbridge Gas to begin notifying customers and industry partners in Q4 2026 of program closures until an OEB decision is issued. This outcome is far from ideal as it will likely cause confusion and uncertainty regarding DSM program availability in late 2026 and into 2027, and would likely result in increased costs to restart programs that are ultimately approved by the OEB.

In support of Enbridge Gas's request, the Company is providing a proposed procedural timeline that could be followed to meet a September 30, 2026 OEB decision date.²² Should the actual procedural timelines deviate materially from that proposed, Enbridge Gas expects there will be impacts to DSM program continuity for customers and industry partners as of Q4 2026.

Enbridge Gas believes that a September 30, 2026 OEB decision date is achievable as the Company anticipates a more efficient regulatory process for this Application than was experienced in previous multi-year DSM Plan application proceedings. This is the result of two procedural processes established by the OEB in its 2023-2025 Decision:

1. The OEB DSM Framework – As noted above, the OEB's 2023-2025 Decision approved the DSM Framework on a going forward basis beginning January 1, 2023 to guide the development of future DSM plan applications. By establishing

¹⁷ Exhibit E, Tab 2, Schedules 1-7.

¹⁸ Exhibit E, Tab 3, Schedules 1-3.

¹⁹ Exhibit E, Tab 4, Schedules 1-7.

²⁰ Exhibit E, Tab 5, Schedules 1-2.

²¹ Exhibit E, Tab 6, Schedules 1-2.

²² Exhibit A, Tab 2, Schedule 2.

the fundamental aspects of the DSM Framework in advance of this proceeding, Enbridge Gas expects that this proceeding will benefit from a limited scope for DSM Framework/policy-related issues.

2. The OEB DSM Stakeholder Advisory Group (“SAG”) – The 2023-2025 Decision also established a new DSM SAG with the primary objective of providing third-party expert input on the makeup of Enbridge Gas’s multi-year DSM Plan in advance of the Application’s filing, to “allow for a more efficient and effective regulatory process”.²³ Since its establishment, Enbridge Gas has formally met with the DSM SAG over 38 times.²⁴ On November 11, 2024 the DSM SAG issued its Report to the OEB, stating:

[The DSM SAG’s] recommendations, most of which were consensus, related to program development should provide the basis for stakeholders to have confidence that industry experts have thoroughly reviewed key program concepts and proposals and have concluded that they are largely consistent with best practice and there are no material omissions.²⁵

Enbridge Gas believes that the significant time expended by the Company, OEB staff, and members of the DSM SAG was valuable and trusts that this will translate into regulatory efficiencies in terms of the interrogatories asked, the need for intervenor and OEB staff expert evidence, and the time expended at the oral hearing. These are matters which the OEB may wish to consider when establishing future procedural orders.

Additionally, Enbridge Gas notes that the OEB already established an approved intervenor list and Issues List in the 2026-2030 DSM Plan proceeding (EB-2024-0198) before it evolved into a proceeding for the Company’s one-year 2026 DSM Rollover Plan. Enbridge Gas recommends that the OEB adopt the already-approved intervenor list and Issues List from EB-2024-0198 for this proceeding and move to intervenor evidence proposals and interrogatories in early 2026 (subject to a requested earlier procedural step to clarify the scope of this proceeding regarding the cost of carbon, as noted further below).

This recommendation is supported by the fact that Enbridge Gas’s 2027-2030 DSM Plan does not impact any new ratepayer groups and does not propose to increase the DSM budget relative to the Company’s 2026-2030 DSM Plan application, which was the basis for the approved intervenor list and Issues List in EB-2024-0198. While changes have been made to the 2027-2030 DSM Plan, in Enbridge Gas’s view these changes do not result in a need for the intervenor list and Issues List to be re-established. The main

²³ EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.90-92.

²⁴ Exhibit C, Tab 1, Schedule 4, para. 4.

²⁵ EB-2022-0295, Natural Gas DSM SAG Report to the OEB, November 11, 2024, p. 6.

changes to the 2027-2030 DSM Plan relative to the 2026-2030 DSM Plan are summarized below:

- The term of the DSM Plan was reduced from 5 years (2026-2030) to 4 years (2027-2030).
- The cost of carbon was reduced to zero in the TRC-Plus avoided costs to reflect the current value of the Federal Carbon Charge.
- The total DSM Plan budget for 2027 to 2030 was reduced by 41%, from \$1.4 billion to \$838 million.
 - The total Residential Program budget for 2027 to 2030 was reduced by 53%, from \$651 million to \$309 million.
 - The total Income Qualified Program budget for 2027 to 2030 was reduced by 44%, from \$224 million to \$126 million.
 - The total Commercial Program budget for 2027 to 2030 was reduced by 33%, from \$297 million to \$200 million.
 - The total Industrial Program budget for 2027 to 2030 was reduced by 32%, from \$171 million to \$117 million.
 - The total Large Volume Program budget for 2027 to 2030 was increased by 3%, from \$14.4 million to \$14.7 million.
- The Residential Program was modified in the following ways:
 - A joint natural gas and electricity one-window platform was launched in early 2025 in collaboration with the Independent Electricity System Operator, providing a single platform for residential consumers in Ontario to access energy efficiency incentives regardless of fuel type.
 - Incentives for electric heat pumps were moved from the Single Measure Offering to a new Heat Pump Offering. Additionally, the Residential Program Scorecard was modified to include an isolated metric for the Heat Pump Offering.
 - The Residential Building Beyond Code Offering was removed.
- The Income Qualified Program was modified to remove incentives for electric heat pumps.
- The DSM annual performance scorecards were modified to reflect the adjustments made to the DSM Plan and to reflect best available information.

Notably, as set out in Enbridge Gas's response to the OEB's directions in EB-2024-0198 regarding the cost of carbon,²⁶ it is important that the OEB clarify the scope of this proceeding in relation to the cost of carbon at an early stage. Doing so will ensure regulatory efficiency and proper consideration of the OEB's statutory authority/framework. More specifically, Enbridge Gas respectfully requests that the OEB issue direction regarding the scope of this proceeding in relation to the cost of carbon by mid-February 2026.

²⁶ Exhibit C, Tab 1, Schedule 2, Section 2.5; and, Exhibit A, Tab 2, Schedule 1.

December 18, 2025

pg. 7

Generative artificial intelligence was used to generate content within this filing. Enbridge Gas confirms that such content has been verified for accuracy by the Company without the assistance of generative artificial intelligence.

If you have any questions, please contact the undersigned.

Sincerely,

Haris Ginis

Haris Ginis
Technical Manager, Regulatory Applications

cc: Dennis O'Leary (Aird & Berlis LLP, Enbridge Gas Counsel)
Lawren Murray (OEB Counsel)
Michael Bell (OEB Staff)

EXHIBIT LIST

A – ADMINISTRATION

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
A	1	1	Exhibit List
	2	1	Application
		2	Proposed Procedural Timeline
	3	1	Glossary of Terms
		2	Acronyms and Abbreviations
		3	List of Tables and Figures

B – 2027-2030 DSM PLAN OVERVIEW

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
B	1	1	DSM Plan Overview

C – 2027-2030 DSM PLAN DEVELOPMENT

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
C	1	1	DSM Framework
		2	DSM Policy Environment
		3	2024 Achievable Potential Study
		4	DSM Stakeholder Advisory Group Attachment 1 - Natural Gas Demand Side Management Stakeholder Advisory Group Report to the OEB (November 11, 2024)
		5	Stakeholder Engagement

C – 2027-2030 DSM PLAN DEVELOPMENT

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
C	1	5	Attachment 1 – Enbridge Gas 2026-2030 DSM Plan Development Intervenor Engagement Presentation Deck (March 26, 2024) Attachment 2 – Intervenor Feedback Form and Responses (from March 26, 2024 Session) Attachment 3 – Enbridge Gas DSM Intervenor Stakeholder Meeting Presentation Deck (June 27, 2024) Attachment 4 – Enbridge Gas DSM Plan Development Overview Presentation Deck (August 15, 2024) Attachment 5 – Enbridge Gas Commercial Program Overview Presentation Deck (August 15, 2024) Attachment 6 – Enbridge Gas Industrial Program Overview Presentation Deck (August 15, 2024) Attachment 7 – Enbridge Gas Residential/Income Qualified DSM Program Overview Presentation Deck (August 22, 2024) Attachment 8 – Enbridge Gas 2026-2030 DSM Plan Portfolio Summary Presentation Deck (October 3, 2024)
		6	Coordination of Natural Gas DSM Programs with Electricity eDSM Programs and Other Parties
		7	Integrated Resource Planning

D – 2027-2030 DSM PLAN

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
D	1	1	Approach to the 2027-2030 DSM Plan
	2	1	DSM Targets and Annual Performance Scorecards
		2	DSM Plan Budget
			Attachment 1 – Apex Analytics Gas Utility Benchmarking Presentation Deck (March 20, 2024)
		3	DSM Plan Shareholder Incentives and Annual Performance Scorecard Design
	3	1	Benefit-Cost Analysis
	4	1	DSM Staff Budgets
	5	1	System Maintenance and Improvements Budget
	6	1	Regulatory and Stakeholdering Budget
	7	1	Municipal Engagement
	8	1	Research and Innovation Overview
		2	Research, Development & Market Data Budget
		3	Energy Innovation Fund
	9	1	Program Evaluation
		2	Net-to-Gross
	10	1	DSM Plan Inputs
			Attachment 1 – Custom EUL Guide

D – 2027-2030 DSM PLAN

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
D	10	1	Attachment 2 – Net-to-Gross Values Attachment 3 – Avoided Costs Attachment 4 – Enbridge Gas Jurisdictional Scan of Free Ridership In Behavioural Programs, November 2025

E – 2027-2030 DSM PROGRAMS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
E	1	1	Program Overview
	2	1	Residential Program Attachment 1 – HRS Program – Electric Heat Pump Disclaimer
		2	Whole Home Offering
		3	Single Measure Offering
		4	Heat Pump Offering
		5	Smart Home Offering
		6	Moderate Income Direct Install Offering
		7	Energy Education and Outreach Offering
	3	1	Income Qualified Program
		2	Home Winterproofing Offering
		3	Affordable Housing Multi-Residential Offering

E – 2027-2030 DSM PROGRAMS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
E	4	1	Commercial Program
		2	Commercial Custom Offering
		3	Commercial/Industrial Prescriptive Downstream Offering
		4	Commercial/Industrial Prescriptive Direct Install Offering
		5	Commercial/Industrial Prescriptive Upstream Offering
		6	Commercial Existing Building Commissioning Offering
		7	Commercial Microbusiness Offering
	5	1	Industrial Program
		2	Industrial Custom Offering
	6	1	Large Volume Program
		2	Large Volume Direct Access Offering

F – 2027-2030 DSM PLAN RATE IMPACTS AND ACCOUNTING CONSIDERATIONS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
F	1	1	Rate Impacts and Allocation Methodology
		2	2027-2030 DSM Budget – Proposed Allocation to Rates
		3	2027-2030 DSM Budget – Bill Impacts

F – 2027-2030 DSM PLAN RATE IMPACTS AND ACCOUNTING CONSIDERATIONS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
F	1	4	2027-2030 DSM Total Costs – Bill Impacts
		5	2024 Achievable Potential Study Budget – Scenario A Bill Impacts
	2	1	DSM Accounting Considerations

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Enbridge Gas Inc. pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, for an order or orders approving its Demand Side Management Plan for 2027-2030.

APPLICATION

1. Enbridge Gas Inc. (“Enbridge Gas” or the “Company”), was formed by the amalgamation of Enbridge Gas Distribution Inc. and Union Gas Limited, on January 1, 2019 pursuant to the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16. Enbridge Gas carries on the business of selling, distributing, transmitting, and storing natural gas in Ontario and undertakes Demand Side Management (“DSM”) activities.
2. On November 15, 2022, the OEB issued its Decision and Order (“2023-2025 Decision”) approving a three-year DSM plan for Enbridge Gas effective from January 1, 2023 to December 31, 2025, and a Natural Gas DSM Framework (“DSM Framework”) effective on a going-forward basis beginning January 1, 2023 (EB-2021-0002 or the “Proceeding”).
3. In its 2023-2025 Decision the OEB stated that it expects Enbridge Gas’s next multi-year DSM plan will extend from 2026 to 2030¹ and that the DSM Framework should be used to guide the development of future ratepayer-funded DSM activities.²
4. On November 29, 2024, Enbridge Gas filed a 2026-2030 DSM Plan Application (EB-2024-0198). On June 20, 2024, as a result of (i) the Government of Canada’s decision to set the Federal Carbon Charge to zero effective April 1, 2025; (ii) the

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.4.

² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.16.

impact the change had to the 2026-2030 DSM Plan Application; (iii) the time needed to assess the change and to prepare/file the necessary evidence updates; and (iv) the limited time remaining in 2025 for the OEB to issue a decision on 2026 DSM activities, Enbridge Gas filed a 2026 rollover application which reflected a one-year extension of the OEB-approved 2023-2025 DSM Plan to 2026 ("2026 DSM Rollover Plan"). Enbridge Gas noted that it could file a 2027+ multi-year DSM Plan application within 60 days of the OEB issuing its decision on the 2026 DSM Rollover Plan. On November 6, 2025, the OEB issued its Decision and Order ("2026 Decision") on Enbridge Gas's 2026 DSM Rollover Plan.

5. Enbridge Gas hereby applies to the OEB pursuant to Section 36 of the *Ontario Energy Board Act, 1998*, for an Order or Orders effective January 1, 2027, approving the Company's DSM Plan for the years 2027 to 2030.
6. Enbridge Gas further applies to the OEB for the following:
 - a. Approval of the DSM programs for the years 2027 to 2030, including:
 - i. Approval of the **Residential Program**, including the budget, scorecard, and shareholder incentive mechanism and amounts related thereto;
 - ii. Approval of the **Income Qualified Program**, including the budget, scorecard, and shareholder incentive mechanism and amounts related thereto;
 - iii. Approval of the **Commercial Program**, including the budget, scorecard, and shareholder incentive mechanism and amounts related thereto;
 - iv. Approval of the **Industrial Program**, including the budget, scorecard, and shareholder incentive mechanism and amounts related thereto; and,
 - v. Approval of the **Large Volume Program**, including the budget, scorecard, and shareholder incentive mechanism and amounts related thereto.
 - b. Approval of the DSM portfolio-level budgets for the years 2027 to 2030, including;

- i. Approval of the **Evaluation, Measurement & Verification budget**;
 - ii. Approval of the **Process Evaluation budget**;
 - iii. Approval of the **System Maintenance and Improvements budget**;
 - iv. Approval of the **Municipal Engagement budget**;
 - v. Approval of the **Regulatory and Stakeholdering budget**; and,
 - vi. Approval of the **Portfolio Administration budget**.
 - c. Approval of the research and innovation budgets for the years 2027 to 2030, including;
 - i. Approval of the **Research, Development & Market Data budget**; and,
 - ii. Approval of the **Energy Innovation Fund**.
 - d. Approval to include the **DSM budget in rates for each year of 2027 to 2030**, based on the associated methodology;
 - e. Approval of **budget carryover** for the Large Volume Direct Access Offering and the Energy Innovation Fund; and,
 - f. Approval of the proposed **modifications to the DSM Framework**.
7. As noted above, Enbridge Gas's current OEB-approved 2026 DSM Rollover Plan ends December 31, 2026. In order for Enbridge Gas to maintain DSM program continuity in Q4 2026 and into the 2027 program year, the Company respectfully requests final approval from the OEB for this Application by September 30, 2026.
8. It is essential that an OEB decision for 2027 DSM activities is issued well in advance of January 1, 2027 (i.e., by September 30, 2026). If any OEB-approved 2026 DSM programs are not ultimately approved for 2027, sufficient lead time is required to notify customers and industry partners of program closures. Furthermore, if an OEB decision is not issued by September 30, 2026, it will be necessary for Enbridge Gas to begin notifying customers and industry partners in Q4 2026 of program closures until an OEB decision is issued.

9. Enbridge Gas is providing a proposed procedural timeline that could be followed to meet a September 30, 2026 OEB decision date (Exhibit A, Tab 2, Schedule 2). Should the actual procedural timeline deviate materially from the proposed procedural timeline, Enbridge Gas expects there will be impacts to DSM program continuity for customers as of Q4 2026.
10. Enbridge Gas notes that the OEB already established an approved intervenor list and Issues List in the 2026-2030 DSM Plan proceeding (EB-2024-0198) before it evolved into a proceeding for the Company's one-year 2026 DSM Rollover Plan. Enbridge Gas requests that the OEB adopt the already-approved intervenor list and Issues List from EB-2024-0198 for this proceeding and move to intervenor evidence proposals and interrogatories in early 2026.
11. Furthermore, as set out in Enbridge Gas's response to the OEB's directions in EB-2024-0198 regarding the cost of carbon,³ it is important that the OEB clarify the scope of this proceeding in relation to the cost of carbon at an early stage. Doing so will ensure regulatory efficiency and proper consideration of the OEB's statutory authority/framework. Valuable resources should not have to be expended throughout this proceeding on a topic that is beyond the OEB's purview and mandate.
12. More specifically, Enbridge Gas respectfully requests that the OEB issue direction regarding the scope of this proceeding in relation to the cost of carbon by mid-February 2026. If the OEB would like additional submissions on this threshold jurisdictional/scope question, in Enbridge Gas's view, a one-day oral hearing to receive submissions would be an appropriate and preferable approach. In the alternative, a written process for parties to make submissions and for Enbridge Gas to reply could be followed, as long as it is scheduled in a manner that enables the OEB to make its determination by mid-February 2026.

³ Exhibit C, Tab 1, Schedule 2, Section 2.5.

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

14. 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:

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

Address: 500 Consumers Road
 North York, ON
 M2J 1P8

Telephone: 416-495-5827

E-Mail: haris.ginis@enbridge.com
 EGIRegulatoryProceedings@enbridge.com

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

Address: Brookfield Place, Box 754
 Suite 1800, 181 Bay Street
 Toronto, Ontario
 M5J 2T9

Telephone: 416-865-4711

E-Mail: doleary@airdberlis.com

Dated: December 18, 2025

ENBRIDGE GAS INC.

Haris Ginis

Haris Ginis
Technical Manager, Regulatory Applications
Regulatory Affairs

PROPOSED PROCEDURAL TIMELINE

1. As set out at Exhibit A, Tab 2, Schedule 1, Enbridge Gas's OEB-approved 2026 DSM Plan ends December 31, 2026. For Enbridge Gas to maintain DSM program continuity in late 2026 and into 2027, the Company is requesting final approval from the OEB for this Application by September 30, 2026. In support of this goal, Enbridge Gas is providing a proposed procedural timeline at Table 1 that could be followed to meet a September 30, 2026 OEB decision date.
2. Should the actual procedural timeline deviate materially from the proposed procedural timeline, Enbridge Gas expects there will be impacts to DSM program continuity for customers as of Q4 2026.

Table 1
Proposed Procedural Timeline

Milestone #1 – December 18, 2025 Enbridge Gas files 2027-2030 DSM Plan Application and pre-filed evidence
Milestone #2 – By Mid-February 2026 - OEB issues direction regarding scope of proceeding in relation to cost of carbon - OEB staff and intervenors file evidence proposals (if necessary) - OEB staff and intervenors file interrogatories regarding Enbridge Gas's pre-filed evidence
Milestone #3 – By Mid-March 2026 - OEB issues decision regarding OEB staff and intervenor evidence proposals (if necessary) - Enbridge Gas files interrogatory responses regarding the Company's pre-filed evidence
Milestone #4 – By Mid-May 2026 - OEB staff and intervenors file evidence (if necessary) - OEB staff, Enbridge Gas and intervenors file interrogatories regarding intervenor evidence (if necessary) - OEB staff and intervenors file interrogatory responses regarding intervenor evidence (if necessary)
Milestone #5 – By Early June 2026 - Enbridge Gas files reply evidence (if necessary) - Technical Conference
Milestone #6 – By End of June 2026 Settlement Conference
Milestone #7 – By End of July 2026 Oral Hearing
Milestone #8 – By September 30, 2026 OEB issues decision on 2027-2030 DSM Plan Application

GLOSSARY OF TERMS

<i>Adjustment Factor</i>	An adjustment factor reflects the percentage of savings being claimed as a result of Net-to-Gross Adjustments and Verification Adjustments.
<i>Avoided Costs</i>	Assumptions relating to the benefit of not having to supply an extra unit of natural gas or other resource (e.g., electricity, water, propane or heating fuel) through the delivery of DSM programs.
<i>Base Case (or Baseline)</i>	The base case or baseline is a frame of reference which represents either the existing condition, the code compliant requirement, or the standard practice.
<i>Evaluation Advisory Committee (“EAC”)</i>	The EAC provides input and advice to the OEB on the evaluation and audit of DSM results.
<i>Evaluation Contractor (“EC”)</i>	The EC (sometimes referred to as the DSM Auditor) is the independent third party that executes impact evaluation, TRM updates and annual verification activities for Enbridge Gas’s DSM programs.
<i>Electricity Demand Side Management (“eDSM”)</i>	eDSM refers to programs and activities designed to reduce electricity consumption or shift electricity demand. In Ontario, eDSM programs are designed and funded by the Independent Electricity System Operator (“IESO”) under Ministerial Direction.
<i>Free Rider / Free ridership</i>	Free riders are program participants who would have installed the energy efficient measure or practice without the influence of the utility. Free ridership refers to the portion of gross savings not influenced by the utility. Gross savings attributed to a DSM offering are often adjusted downward to account for free ridership.
<i>Gross Measurement</i>	The method(s) used by the program administrator (Enbridge Gas) to determine the gross resource savings claimed by a DSM program offering.

<i>Gross Savings</i>	The amount of natural gas or other resource savings claimed by the utility regardless of whether the utility has influenced these savings. Gross savings are converted to net savings through application of a Net-to-Gross (“NTG”) factor.
<i>Incentive</i>	An incentive is generally a financial payment from the utility to encourage participation in a DSM program. Incentives can be paid to customers, vendors, or other parties.
<i>Incremental Cost</i>	The incremental cost is the difference in cost between the high efficiency technology and the baseline technology. The incremental cost includes incremental installation costs where appropriate.
<i>Income Qualified</i>	This sector includes some of the province’s most vulnerable populations who face distinct barriers to participating in energy efficiency programs. Both Enbridge Gas and the IESO set income eligibility thresholds as a function of Statistics Canada Low-Income Measurement. These customers receive dedicated support through the Income Qualified Program.
<i>Input Assumption</i>	Assumptions such as operating characteristics and associated units of resource savings for DSM technologies and measures.
<i>Measure</i>	Equipment, technology, process, practice, or behaviour that, once installed or working, results in a reduction in natural gas use (not to be confused with “to measure” defined as estimate or assess the extent, quality, value, or effect of (something)).
<i>Metric</i>	A metric is the unit used to assess the performance of a DSM offering or program.
<i>Moderate Income</i>	Households that face high home energy cost burdens and barriers to participating in energy efficiency programs but do not qualify for the Income Qualified Program. Moderate income thresholds align with the IESO’s income screening criteria.

<i>Net Benefits</i>	It is a measure of all the benefits realized as a result of the underlying DSM activity, minus the cost to achieve the benefit, expressed in present value. Mathematically, it is the difference of the TRC-Plus Benefits (see TRC-Plus Benefits definition) and the TRC costs (see TRC Costs definition).
<i>Net Savings</i>	Natural gas or other resource savings that have been adjusted for net-to-gross or other adjustment factors as necessary.
<i>Net-to-Gross Ratio ("NTG")</i>	The ratio of net savings to gross savings for a particular DSM offering, program, or measure type. The ratio accounts for the amount of savings claimed by the utility that it has influenced. The ratio includes consideration of free ridership and spillover.
<i>Offering (DSM)</i>	One or more DSM activities or measures a utility may use to affect a specifically identified target market in their choices around the amount and timing of energy consumption.
<i>One-Window Approach</i>	A coordinated delivery model in which customers access energy efficiency programs through a single, unified platform. In Ontario, the Minister of Energy directed the OEB, IESO, and Enbridge Gas to pursue this one-window approach, resulting in the jointly designed Home Renovation Savings ("HRS") Program for residential DSM.
<i>Portfolio (DSM)</i>	A group of DSM programs which have been selected and combined in order to achieve the objectives of a utility's DSM Plan.
<i>Program (DSM)</i>	The programs outlined in Enbridge Gas's Multi-Year Plan (Residential, Income Qualified, Commercial, Industrial, and Large Volume) are comprised of one or more offerings to address the needs of a subset of Enbridge Gas's customers.
<i>Program Administrator Cost ("PAC") Test</i>	A cost-effectiveness test that compares the benefits and costs of an energy efficiency measure or program from the perspective of the program administrator (e.g., the utility). It includes all program delivery costs incurred by the administrator and excludes participant costs.

<i>Resource Acquisition Program</i>	Resource Acquisition programs are those that seek to achieve direct, measurable savings customer-by-customer and often involve the installation of energy efficient equipment or may involve the adoption of more energy efficient operations or the implementation of process improvement(s) to optimize energy use.
<i>Stakeholder Advisory Group ("SAG")</i>	An OEB staff-led advisory group established to provide input on the OEB's natural gas conservation potential study and Enbridge Gas's next multi-year 2026-2030 DSM plan.
<i>Spillover</i>	Spillover refers to energy savings associated with customers that adopt energy efficiency measures because of past participation, or they are influenced by a utility's program related information and marketing efforts but do not actually participate in the program. Gross savings are often adjusted upward to account for spillover.
<i>Technical Resource Manual ("TRM")</i>	The TRM is maintained by the OEB and provides essential information and source materials underpinning prescribed energy savings assumptions for a number of energy efficient technologies that are or may be promoted by the Ontario gas utility energy efficiency programs.
<i>Total Resource Cost ("TRC")-Plus Test</i>	The TRC-Plus test is a screening mechanism intended to measure the benefits (see TRC-Plus Benefits definition) and costs (see TRC Costs definition) of a DSM portfolio or DSM program for as long as those benefits and costs persist.
<i>TRC-Plus Benefits</i>	TRC-Plus Benefits are generally expressed as the net present value of Avoided Costs. They are driven by avoided resource costs, which are based on the marginal costs avoided by not producing and delivering the next unit of natural gas to the customer. These include the benefits of gas as well as other resources saved through the DSM program, such as electricity, water, propane and heating fuel oil, including carbon. A 15% non-energy benefits adder is applied to each of these avoided resource costs (excluding carbon benefits).
<i>TRC Costs</i>	TRC Costs generally include the net present value of all program costs associated with delivering the program to the

market (except incentives) in addition to participant costs, incurred over the lifetime of a DSM program or portfolio.

TRC-Plus Ratio

The TRC-Plus Ratio is an expression (ratio) of benefits to costs and is applied to screen the cost effectiveness of a program or portfolio. If the ratio of the present value ("PV") of benefits to the PV of the costs (the "TRC-Plus Ratio") exceeds 1.0, the DSM portfolio or program is considered cost effective from the perspective of the TRC-Plus Test as it implies that the benefits exceed the costs. Note: A TRC-Plus Ratio screening threshold of 0.7 is applied to the Income Qualified Program. Individual offerings may also be considered at a lower threshold.

*Verification
Adjustments*

Verification Adjustments are adjustment factors that reflect post-implementation assessments that have been conducted to verify actual installation of measures, as well as validate the calculations and inputs used to estimate savings claims.

ACRONYMS AND ABBREVIATIONS

AHMR	Affordable Housing Multi-Residential
APS	Achievable Potential Study
CDM	Conservation and Demand Management
CPI	Consumer Price Index
DA	Delivery Agent
DPC	Deferred Participant Cost
DSM	Demand Side Management
DSMI	Demand Side Management Incentive
DSMVA	Demand Side Management Variance Account
EAC	Evaluation Advisory Committee
EAP	Energy Affordability Program
EBCx	Existing Building Commissioning
EC	Evaluation Contractor
eDSM	Electricity Demand Side Management
EM&V	Evaluation, Measurement & Verification
EMIS	Energy Management Information System
EOTNGRI	End-of-Term Natural Gas Reduction Incentive
EPS	Emissions Performance Standards
ESA	Energy Solutions Advisor
ETEE	Enhanced Targeted Energy Efficiency
GHG	Greenhouse Gas
HRS	Home Renovation Savings
HWP	Home Winterproofing
HVAC	Heating, Ventilation, and Air Conditioning

IEP	Integrated Energy Plan
IESO	Independent Electricity System Operator
IRP	Integrated Resource Planning
LRAM	Lost Revenue Adjustment Mechanism
MURB	Multi-Unit Residential Building
MUSH	Municipal, University, School and Hospital
NRCan	Natural Resources Canada
NTG	Net-to-Gross
PAC	Program Administrator Cost
REA	Registered Energy Advisors
SAG	Stakeholder Advisory Group
SEM	Strategic Energy Management
SO	Service Organization
TRC	Total Resource Cost
TRM	Technical Resource Manual
WAML	Weighted Average Measure Life

LIST OF TABLES AND FIGURES

Evidence Reference (Exhibit-Tab-Schedule)	Table #	Figure #	Title
A-2-2	1	-	Proposed Procedural Timeline
B-1-1	1	-	Total Budgets and Net Annual Natural Gas Savings Target (at 100% Target) as a Percentage of Forecasted Natural Gas Sales
B-1-1	2	-	Proposed 2027 – 2030 DSM Plan Program and Offerings
C-1-1	1	-	Retroactive vs. Prospective Application of Input Assumptions and Adjustment Factors to Results
C-1-2	1	-	Residential Sector Budgets (\$ million) – Maximum Achievable Potential with Federal Carbon Charge
C-1-2	2	-	Residential Sector Budgets (\$ million) – Maximum Achievable Potential with Social Cost of Carbon
C-1-4	1	-	DSM Stakeholder Advisory Group Activities
C-1-6	1	-	Illustrative Enbridge Gas Offer
C-1-6	2	-	Illustrative Attribution
D-2-1	1	-	2027 Annual Scorecard Targets
D-2-1	2	-	2028 Annual Scorecard Targets
D-2-1	3	-	2029 Annual Scorecard Targets
D-2-1	4	-	2030 Annual Scorecard Targets
D-2-1	5	-	Total Net Annual Natural Gas Savings Target (at 100% Target) as a Percentage of Forecasted Natural Gas Sales
D-2-2	-	1	Budget per Unit of Net Savings (\$USD/therm)
D-2-2	1	-	2027-2030 DSM Plan Budget (\$000s)
D-2-2	2	-	2027 DSM Plan Budget (\$000s)
D-2-2	3	-	2028 DSM Plan Budget (\$000s)
D-2-2	4	-	2029 DSM Plan Budget (\$000s)
D-2-2	5	-	2030 DSM Plan Budget (\$000s)
D-2-2	6	-	APS Scenario A - Natural Gas Savings, Budgets, and TRC Benefits (2026-2030)
D-2-3	-	1	Recommended Annual Performance Scorecard Structure from SAG Report
D-2-3	1	-	2027 Annual Scorecard
D-2-3	2	-	2028 Annual Scorecards
D-2-3	3	-	2029 Annual Scorecards

Evidence Reference (Exhibit-Tab-Schedule)	Table #	Figure #	Title
D-2-3	4	-	2030 Annual Scorecards
D-2-3	-	2	Residential Normalized Average Use ("NAU")
D-3-1	1	-	2027 TRC-Plus and Net Benefits
D-3-1	2	-	2028 TRC-Plus and Net Benefits
D-3-1	3	-	2029 TRC-Plus and Net Benefits
D-3-1	4	-	2030 TRC-Plus and Net Benefits
D-3-1	5	-	2027 Spend Ratio (\$/m ³)
D-3-1	6	-	2028 Spend Ratio (\$/m ³)
D-3-1	7	-	2029 Spend Ratio (\$/m ³)
D-3-1	8	-	2030 Spend Ratio (\$/m ³)
D-4-1	1	-	Approved 2023 DSM FTEs Compared to Proposed 2027 DSM FTEs
D-4-1	2	-	DSM FTE and Staff Budget (2023 Approved and 2027 Proposed)
D-4-1	3	-	DSM FTEs for Programs and Portfolio Levels (2027 Proposed)
D-5-1	1	-	2027 - 2030 DSM System Maintenance and Improvements Budget (\$000s)
D-7-1	1	-	Municipal Engagement Budget (\$000s)
D-8-1	1	-	Comparison of Research, Development and Market Data Budget and Energy Innovation Fund
D-8-2	1	-	2027-2030 Proposed Research, Development & Market Data Budget (\$000s)
D-8-3	-	1	Technology Readiness Level ("TRL")
D-8-3	1	-	2027-2030 Proposed Energy Innovation Fund (\$000s)
D-10-1	1	-	Input Assumptions and Adjustment Factors for New Measures
D-10-1	1	-	Attachment 1: Custom EUL Guideline
D-10-1	1	-	Attachment 2: Offering-Level Net to Gross Values
D-10-1	2	-	Attachment 2: Commercial/Industrial Net to Gross Values
D-10-1	3	-	Attachment 2: Residential Net to Gross Values
D-10-1	1	-	Attachment 3: 2027 Avoided Costs
D-10-1	-	-	Attachment 4: Jurisdictional Scan of Free Ridership in Behavioural Programs, January 2024
E-2-1	1	-	Moderate Income Eligibility Thresholds

Evidence Reference (Exhibit-Tab-Schedule)	Table #	Figure #	Title
E-2-1	2	-	Income Qualified Eligibility Thresholds
E-2-1	-	1	Residential Sector Natural Gas Consumption by Building Type
E-2-1	-	2	Number of Premises and Energy Intensity, by Year of Construction
E-2-1	3	-	Ontario Change in CPI from January 2023 – October 2025 (%)
E-2-1	4	-	Percentage of Under-Insulated Attics (R-10 below Section 9.36 Requirements)
E-2-1	5	-	Enbridge Gas's Approach to the Residential Sector
E-2-1	6	-	Residential Offering Descriptions and Enabling Activities
E-2-1	-	3	Historical Variable Price Ratio of Electricity to Natural Gas
E-2-1	-	4	COP Curve for a Typical Electric ccASHP
E-2-1	7	-	Annual Natural Gas Savings vs. Outdoor Switch-Over Temperature for a Typical Residential Consumer in Toronto
E-2-1	8	-	TRC-Plus Sensitivity – Illustrative Example
E-2-2	1	-	HRS Program (Residential Whole Home Offering): Eligibility Package Characteristics
E-2-2	2	-	Enbridge HRS Measures and IESO Split
E-2-3	1	-	Attic Single Measure – Incentive Structure
E-2-6	1	-	Moderate Income Eligibility Thresholds
E-3-1	-	1	Income Qualified Single-Family and MURB Housing Types
E-3-1	1	-	IESO Income Eligibility Thresholds
E-3-1	2	-	Income Qualified Offering Descriptions and Enabling Activities
E-3-2	1	-	HWP Offering Income Eligibility Thresholds
E-3-3	1	-	AHMR Offering Prescriptive Measure Incentives
E-4-1	-	1	2024 Premises and Annual Natural Gas Consumption by Commercial Market Segment
E-4-1	-	2	2024 Premises and Annual Natural Gas Consumption by Large and Small Commercial Premises
E-4-1	1	-	Natural Gas Uses by Commercial Segment
E-4-1	2	-	Commercial Offering Descriptions and Enabling Activities
E-4-2	1	-	Commercial Custom Offering Incentives

Evidence Reference (Exhibit-Tab-Schedule)	Table #	Figure #	Title
E-4-3	1	-	Commercial and Industrial Prescriptive Downstream Incentives
E-4-4	1	-	Commercial and Industrial Direct Install Offering Incentives
E-4-5	1	-	Commercial and Industrial Prescriptive Upstream Offering Incentives
E-5-1	-	1	2024 Premises and Annual Natural Gas Consumption by Industrial Market Segment
E-5-1	-	2	2024 Large and Small Industrial Premises and Consumption
E-5-1	1	-	Industrial Offering Descriptions and Enabling Activities
E-5-2	1	-	Industrial Custom Offering Incentives
E-6-1	1	-	Large Volume Offering Description
F-1-2	1	-	DSM Budget – Proposed Allocation to Rates
F-1-3	1	-	2027 DSM Budget Bill Impacts
F-1-3	2	-	2028 DSM Budget Bill Impacts
F-1-3	3	-	2029 DSM Budget Bill Impacts
F-1-3	4	-	2030 DSM Budget Bill Impacts
F-1-4	1	-	Total DSM Costs Bill Impacts
F-1-5	1	-	Average 2024 APS DSM Budget Bill Impacts

DSM PLAN OVERVIEW

1. The first regulatory framework governing DSM activities in Ontario's natural gas sector was established in 1993 under EBO 169-III. Since that time the OEB has continuously supported DSM through guidelines, frameworks, and other directives that shape the design, operation, approval and cost recovery of DSM activities for natural gas utilities.
2. Enbridge Gas is encouraged by the Ontario Minister of Energy's Letter of Direction to the OEB dated November 29, 2023¹ confirming the government's continuing support for natural gas conservation programs and more recently the Government of Ontario's Integrated Energy Plan ("IEP"), released in June 2025, which acknowledges the Company's long-standing role as the natural gas DSM program administrator in Ontario.²
3. It is necessary that any multi-year DSM Plan approved by the OEB aligns with provincial public policy, particularly the Government of Ontario's IEP, which emphasizes an affordability-first approach that centres on customer choice and recognizes the critical role of natural gas in Ontario's energy mix.³
4. This evidence is organized as follows:
 1. The DSM Framework
 2. The Stakeholder Advisory Group
 3. Targets and Budgets
 4. Programs
 5. Responses to OEB Directions in 2026 DSM Plan Decision

¹ MC-994-2023-864, Ministry of Energy, Office of the Minister, Letter to OEB, November 29, 2023.

² IEP, p.36.

³ IEP, pp.12-19 and 93-102.

1. The DSM Framework

5. On November 15, 2022, the OEB issued the DSM Framework effective January 1, 2023.⁴ Importantly, the DSM Framework does not include a sunset date, leaving it in place on a going forward basis. Regarding updates to the DSM Framework, the OEB stated that it “will consider future updates or revisions to the DSM Framework where necessary”.⁵
6. As such, Enbridge Gas’s 2027-2030 DSM Plan Application has been developed in the context of the OEB-approved DSM Framework, subject to proposed modifications set out at Exhibit C, Tab 1, Schedule 1.

2. The Stakeholder Advisory Group

7. In its Decision and Order for Enbridge Gas’s previous multi-year DSM Plan Application (“Decision”), the OEB established a DSM Stakeholder Advisory Group (“SAG”) “with the objective of providing input on the makeup of Enbridge Gas’s next DSM plan to ensure it will align with the OEB’s direction to achieve increasing levels of natural gas savings with the ultimate objective of Enbridge Gas’s DSM Plan helping reduce overall natural gas consumption.”⁶
8. Enbridge Gas spent considerable time and effort working with the SAG with the goal of achieving the OEB’s directional objective that “[a]lthough not a requirement, gaining the agreement of the DSM SAG should be considered a top priority to allow for a more efficient and effective regulatory process.”⁷ The SAG provided significant feedback to Enbridge Gas through ongoing discussions and more formally through the November 11, 2024 Natural Gas DSM SAG Report to the OEB (“SAG Report”). The Decision stated: “The SAG’s report should include members’ comments on

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework).

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.16.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.92.

Enbridge Gas's [multi-year] DSM Plan, including material concerns about the DSM plan that remain unresolved within the SAG."⁸

9. Enbridge Gas is pleased with the outcome of this significant effort. While the SAG Report notes that certain policy issues remain unresolved, "[m]any of these items are too broad to be acted upon by the SAG."⁹

10. Importantly, the SAG Report states that its recommendations regarding DSM program development:

...should provide the basis for stakeholders to have confidence that industry experts have thoroughly reviewed key program concepts and proposals and have concluded that they are largely consistent with best practice and there are no material omissions.¹⁰

11. Enbridge Gas believes that the OEB's decision to establish the SAG and to require the investment of time and effort by the utility, non-utility members, and experts to consider matters relevant to the multi-year DSM Plan, was for the purpose of ensuring that the multi-year DSM Plan is developed with input from industry experts and is consistent with best practices. Enbridge Gas further believes that it was the OEB's intent that with the SAG's acknowledgement of this, a good portion of the questions that parties to this Application might otherwise ask are rendered moot. This should allow the OEB to streamline the proceeding.

12. Further details regarding SAG engagement can be found in Exhibit C, Tab 1, Schedule 4.

⁸ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule D, p.i.

⁹ EB-2022-0295, SAG Report, November 11, 2024, p.14.

¹⁰ EB-2022-0295, SAG Report, November 11, 2024, p.6.

3. Targets and Budgets

13. In its Decision, the OEB set out expectations for natural gas savings targets for the next multi-year DSM Plan term. Specifically:

The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis.¹¹

14. It is important to note that when these expectations were set, there was no evidence, orally and in writing, regarding the budget levels that would be required to achieve the expectations. During the development of Enbridge Gas's 2027-2030 DSM Plan, the Company considered several inputs, including the OEB staff-led 2024 Achievable Potential Study, jurisdictional research, and its own program experience, to determine that very significant budget increases would be needed to achieve the OEB's expectations.

15. Enbridge Gas engaged with stakeholders, through meetings with intervenors who participated in the previous multi-year DSM Plan proceeding as well as through a residential customer survey, to obtain input regarding DSM budget levels. The feedback received was mixed, reflecting a range of opinions and considerations among stakeholders and customers.

16. Enbridge Gas was concerned that filing a 2027-2030 DSM Plan that proposed to achieve the OEB's expected targets would require such a substantial budget that it would result in rate impacts that would be unacceptably high and would therefore not be approved, resulting in an extended and inefficient regulatory process. Furthermore, Enbridge Gas does not support the DSM budget level that is estimated

¹¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.4.

to be required to achieve the OEB's expected natural gas savings targets. The resulting increase in customer bills would be in addition to other inflationary impacts that are currently being experienced by consumers, exacerbating the existing affordability crisis, and would be inconsistent with the Government of Ontario's Integrated Energy Plan ("IEP") which emphasizes an affordability-first approach.¹²

17. A further consideration regarding the proposed DSM budget level was the impact of the Federal Carbon Charge being set to zero as of April 1, 2025, which results in a decrease to the TRC-Plus forecasts for the entire DSM portfolio and, in particular, results in the Residential Program having a forecast TRC-Plus Ratio below 1.0. A discussion regarding cost-effectiveness can be found at Exhibit D, Tab 3, Schedule 1.

18. As a result, Enbridge Gas developed a 2027-2030 DSM Plan that strikes a more appropriate balance between aggressive reductions in natural gas usage and appropriate rate impacts.

19. Table 1 displays the program budgets along with the total natural gas savings (at the 100% target) for the 2027-2030 DSM Plan portfolio, and the total natural gas savings as a percentage of forecasted natural gas sales, with and without the Large Volume Program.¹³ The portfolio budget items are shown on line 7 and the overall DSM budget envelope is shown on line 8. The TRC-Plus Ratio is shown on line 9.

¹² IEP, pp. 12-19.

¹³ Since Enbridge Gas is proposing an opt-out framework for large volume customers, developed in consultation with customers and the Industrial Gas Users Association ("IGUA"), targets will be modified based on customers who opt-out.

Table 1
Total Budgets and Net Annual Natural Gas Savings Target (at 100% Target) as a Percentage of
Forecasted Natural Gas Sales

Line No.	Particulars (in millions)	2027	2028	2029	2030
1	Total Program Budget* (excluding Large Volume Program)	\$ 170.06	\$ 182.66	\$ 193.86	\$ 204.48
2	Net Annual Gas Savings (m ³) (excluding Large Volume Program)	107.92	118.14	124.68	130.45
3	% Savings of Forecast Sales** (excluding Large Volume Program)	0.54%	0.59%	0.62%	0.65%
4	Total Program Budget* (including Large Volume Program)	\$ 173.54	\$ 186.27	\$ 197.61	\$ 208.37
5	Net Annual Gas Savings (m ³) (including Large Volume Program)	126.17	138.30	145.93	151.97
6	% Savings of Forecast Sales** (including Large Volume Program)	0.51%	0.55%	0.58%	0.60%
7	Portfolio Admin, Evaluation, Regulatory and Research*	\$ 17.64	\$ 17.74	\$ 18.04	\$ 18.35
8	Total Budget Envelope* (including Large Volume Program)	\$ 191.17	\$ 204.01	\$ 215.66	\$ 226.72
9	TRC-Plus Ratio	1.67	1.77	1.84	1.89

* Includes a 2% annual proxy inflation factor on incentive budget components and a 1.72% annual proxy inflation factor on non-incentive budget components (2% proxy inflation - 0.28% efficiency stretch factor).

** The numerator is the respective year's net annual gas savings target. The denominator is the adjusted forecast natural gas sales volume for that year. Adjusted volumes exclude volumes from natural gas-fired generators, wholesale customers, rate classes ineligible for DSM and Enbridge Gas's own fuel use. Refer to Exhibit D, Tab 2, Schedule 1.

4. Programs

20. With the above context in mind, Enbridge Gas developed a robust and comprehensive 2027-2030 DSM Plan consisting of programming for residential, income qualified, commercial, industrial, and large volume customers. Enbridge Gas has ensured programs are focused on achieving meaningful natural gas savings for customers while appropriately balancing rate impacts, and with a strong commitment to the OEB's Guiding Principles set out in the DSM Framework. Enbridge Gas's proposed DSM Plan programs and offerings are outlined in Table 2.

Table 2
Proposed 2027 – 2030 DSM Plan Program and Offerings

Program	Offering	Evidence Reference
Residential	Whole Home Offering	Exhibit E, Tab 2, Schedule 2
	Single Measure Offering	Exhibit E, Tab 2, Schedule 3
	Heat Pump Offering	Exhibit E, Tab 2, Schedule 4
	Smart Home Offering	Exhibit E, Tab 2, Schedule 5
	Moderate Income Direct Install Offering	Exhibit E, Tab 2, Schedule 6
	Energy Education and Outreach Offering	Exhibit E, Tab 2, Schedule 7
Income Qualified	Home Winterproofing Offering	Exhibit E, Tab 3, Schedule 2
	Affordable Housing Multi-Residential Offering	Exhibit E, Tab 3, Schedule 3
Commercial	Commercial Custom Offering	Exhibit E, Tab 4, Schedule 2
	Commercial / Industrial Prescriptive Downstream Offering	Exhibit E, Tab 4, Schedule 3
	Commercial / Industrial Prescriptive Direct Install Offering	Exhibit E, Tab 4, Schedule 4
	Commercial / Industrial Prescriptive Upstream Offering	Exhibit E, Tab 4, Schedule 5
	Commercial Existing Building Commissioning Offering	Exhibit E, Tab 4, Schedule 6
	Commercial Microbusiness	Exhibit E, Tab 4, Schedule 7
Industrial	Industrial Custom Offering	Exhibit E, Tab 5, Schedule 2
Large Volume	Large Volume Direct Access Offering	Exhibit E, Tab 6, Schedule 2

21. The proposed DSM programs include offerings that target a broad spectrum of customers, have careful consideration for equity, pursue deep energy savings and include innovative technologies. Offerings are customer-centric, aiming to help customers navigate their energy journey, which often includes providing tools, incentives, technical assistance, and resources tailored to each stage, making energy efficiency accessible to all eligible customers.

22. In addition, Enbridge Gas has continued to collaborate with the IESO on offerings (such as the Home Winterproofing Offering) and has grown that collaboration further in alignment with the Minister's direction to expand one-window programming to residential customers (as part of the Home Renovation Savings Program). Details of

current and proposed collaboration with the IESO as well as other parties can be found in Exhibit C, Tab 1, Schedule 6.

5. Responses to OEB Directions in 2026 DSM Plan Decision

23. On November 6, 2025, the OEB issued its Decision and Order for Enbridge Gas's 2026 DSM Plan which, among other things, directed the Company to address several items within this Application.¹⁴ The OEB's directions, and the references to Enbridge Gas's evidence in response to those directions, are provided in Table 3.

Table 3
OEB Directions in 2026 DSM Plan Decision and References to Enbridge Gas's Evidence

OEB Direction in 2026 DSM Plan Decision	Reference to Enbridge Gas's Evidence
In its evidence on cost-effectiveness, Enbridge Gas shall address how the economic cost of carbon should be reflected in the TRC-Plus analysis of the programs it will propose in its upcoming updated DSM plan application with full supporting rationale.	Exhibit C, Tab 1, Schedule 2, Section 2
Enbridge Gas shall propose an updated incentive structure that includes a stretch factor to incentivize efficiency in program delivery and it shall explain all efforts it will make to improve the cost-effectiveness of its proposed DSM programs, including, but not limited to: i. reducing Enbridge Gas's administrative costs and improving the efficiency of DSM program administration; and ii. achieving increased efficiency and cost-effectiveness through Enbridge Gas's collaboration with the IESO.	Exhibit D, Tab 2, Schedule 3, Section 5 Exhibit D, Tab 3, Schedule 1, p. 6
Enbridge Gas shall include a description of all cost and performance comparisons it intends to use in its communications and training materials, along with supporting evidence laying out all assumptions and data relied on to make those comparisons.	Exhibit E, Tab 2, Schedule 1, Section 3.3 Exhibit E, Tab 2, Schedule 1, Attachment 1

¹⁴ EB-2024-0198, OEB Decision and Order, November 6, 2025, p.17.

DSM FRAMEWORK

1. This evidence is organized as follows:
 1. Overview
 2. Proposed Modifications to the DSM Framework
 - 2.1 Section 5.1 Annual Targets
 - 2.2 Section 5.2 Target Adjustment Mechanism
 - 2.3 Section 6 Shareholder Incentive
 - 2.4 Section 7.3 Attribution
 - 2.5 Section 8.2.1 Components of the DSM Annual Report
 - 2.6 Section 9.2.1 Net-to-Gross Adjustments
 - 2.7 Section 9.3 Changes to Input Assumptions and Adjustment Factors
(Shareholder Incentive and Cost-Effectiveness)
 - 2.8 Section 11.1 Inflation Rate
 - 2.9 Section 12.2 Demand Side Management Variance Account ("DSMVA")

1. Overview

2. The OEB's DSM Framework provides the basis for planning and decision-making related to ratepayer funded natural gas DSM activities in Ontario. Within Enbridge Gas's 2022-2027 DSM Plan Application the Company included a proposed DSM Framework effective January 1, 2023, with no end date (i.e., no defined term), and noted that "it will propose appropriate evolutionary changes to the framework approved by the OEB in this proceeding as part of the next multi-year DSM filing."¹
3. In its Decision for the above-noted proceeding ("Decision"), the OEB approved a revised DSM Framework (included at Schedule E of the Decision) effective January

¹ EB-2021-0002, Exhibit B, Tab 1, Schedule 1, pp.9-10.

1, 2023, with no end date. The OEB noted that it “will consider future updates or revisions to the DSM Framework where necessary.”²

4. This evidence sets out Enbridge Gas’s proposed modifications to the DSM Framework to support the Company’s 2027-2030 DSM Plan Application. Enbridge Gas’s proposed modifications to the DSM Framework are either: (i) a result of OEB findings or direction from the Decision; (ii) a result of direction provided by the OEB for Enbridge Gas to discuss certain topics with the DSM Stakeholder Advisory Group (“SAG”) and/or other stakeholders; (iii) being made in an effort to better support collaboration in Ontario; or (iv) minor in nature with the intention of improving and/or simplifying DSM policy guidance in Ontario.
5. It is important to note that any material changes to the DSM Framework as a result of this proceeding, beyond the modifications being proposed by Enbridge Gas, will likely require the Company to reconsider and potentially revise its 2027-2030 DSM Plan Application.
6. Furthermore, it is essential that any updates to the DSM Framework align with current public policy objectives. The Government of Ontario’s first Integrated Energy Plan (“IEP”), released in June 2025, marks a significant development in provincial energy policy. The IEP emphasizes an “affordability first”³ approach that “centres on the principle of customer choice” and states that “customers are best positioned to decide which energy solutions work for them – based on their needs, preferences, and budgets.”⁴ Chapter 5 of the IEP, titled “Important Role of Natural Gas” (also referred to as the Natural Gas Policy Statement),⁵ further reinforces that natural gas

² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.16.

³ IEP, pp.12-19.

⁴ IEP, p.14.

⁵ IEP, pp.92-102.

remains a “critical” and “vital component of Ontario’s energy mix.”⁶ The IEP implementation directive issued by the Minister to the OEB requires the OEB to “consider the government’s Natural Gas Policy Statement to ensure the OEB appropriately considers the future role of natural gas in Ontario’s economy” and emphasizes the “need for an economically viable natural gas network – as the province builds a more diverse energy system – to attract industrial investment, to drive economic growth, to maintain customer choice and ensure overall energy system resiliency, reliability and affordability”.⁷

2. Proposed Modifications to the DSM Framework

7. Enbridge Gas proposes the following modifications to the DSM Framework.

2.1 Section 5.1 Annual Targets

8. As a result of the OEB’s findings in its Decision regarding weighted average measure life (“WAML”) in which the OEB stated that “DSM programs should continue to prioritize efficiency measures and technologies with long useful lives,”⁸ and consistent with the language proposed by Enbridge Gas in an undertaking response for the technical conference in that proceeding,⁹ the Company proposes adding the following language to the DSM Framework at the end of “Section 5.1 Annual Targets”:

In order to ensure that DSM programs continue to prioritize efficiency measures and technologies with long useful lives, Enbridge Gas should propose in its DSM Plans an appropriate minimum threshold for the weighted average measure life (“WAML”) across its portfolio of programs, excluding the Large Volume Program. The WAML

⁶ IEP, p.95.

⁷ Minister’s Directive, Order in Council 802/2025, June 11, 2025, Section 9.

⁸ EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.67-68.

⁹ EB-2021-0002, Exhibit JT2.5.

should be verified and reported annually and included in the annual verification report produced by the OEB's Evaluation Contractor and included in Enbridge Gas's Annual DSM Report.

The portfolio WAML will be 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 minimum WAML threshold will be subject to adjustments to account for changes in measure life assumptions outside of the utilities control, i.e. updates to TRM measure lives and the Custom Measure Life table as revised through the annual TRM review process.

9. For Enbridge Gas's currently proposed WAML threshold, please see Exhibit D, Tab 10, Schedule 1.

10. Additionally, as described in Section 2 of Exhibit D, Tab 2, Schedule 3, Enbridge Gas proposes the following modification to the DSM Framework, in alignment with the recommendations made by the SAG. Specifically, the last paragraph of "Section 5.1 Annual Targets" in the DSM Framework is proposed to be replaced with the following:

Enbridge Gas will respond to target guidance provided by the OEB and propose targets for metrics specified across defined scorecards. Three levels of achievement will be established for each individual metric on a given scorecard: one at 70%, 100% and 130%. No shareholder incentive will be paid on a given scorecard for achieving a scorecard weighted result of less than 70%. 0-100% of the incentive will be awarded for achievement from 70%-100% and 100-200% of the incentive will be awarded for achievement from 100-130%. No additional incentive will be awarded above 130%

achievement. Where more than one metric is defined on a given scorecard, the minimum achievement for each individual metric will be 0% and the maximum achievement will be 200%.

2.2 Section 5.2 Target Adjustment Mechanism

11. The DSM Framework sets out a target adjustment mechanism (“TAM”) for the 2023 to 2025 period; however, the OEB Decision found that “...it would not be appropriate for the TAM to be proposed for use as part of the next multi-year DSM plan”.¹⁰ As a result, Enbridge Gas proposes that “Section 5.2 Target Adjustment Mechanism” of the DSM Framework be replaced with the following:

Section 5.2 Fixed Targets

Enbridge Gas should propose fixed targets as part of its plan application, which are subject to adjustments as outlined in Section 9.3 Input Assumptions and Adjustment Factors.

2.3 Section 6 Shareholder Incentive

12. As described in Section 2 of Exhibit D, Tab 2, Schedule 3, Enbridge Gas proposes the following changes to the DSM Framework to align with recommendations made by the SAG. Specifically, the second paragraph of “Section 6 Shareholder Incentive” in the DSM Framework should be replaced with the following:

The shareholder incentive amounts should focus on the dollar amount available at 100% performance. The shareholder incentive amount available each year at 100% should be 5% of Enbridge Gas’s total DSM annual budget.

¹⁰ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.72.

13. Additionally, as described in Section 4 of Exhibit D, Tab 2, Schedule 3, Enbridge Gas proposes to remove language regarding the specific timing for an End-of-Term Natural Gas Reduction Incentive (“EOTNGRI”) and instead simplify the language to state that EOTNGRIs should be considered. Specifically, the last three paragraphs of “Section 6 Shareholder Incentive” in the DSM Framework that deal with the EOTNGRI should be replaced with the following:

End-of-term incentives can be important in motivating meaningful action towards the objective of DSM. Enbridge Gas should consider the merits of an End-of-Term Natural Gas Reduction Incentive and propose one if appropriate.

If approved, the End-of-Term Natural Gas Reduction Incentive will be allocated to rate classes in an equal manner, consistent with the approved shareholder incentive related to program scorecards.

2.4 Section 7.3 Attribution

14. As described in Section 1 of Exhibit C, Tab 1, Schedule 6, Enbridge Gas proposes the following changes to the DSM Framework to support and simplify collaboration between Enbridge Gas and electricity conservation programs. Specifically, the language under “Attribution of Benefits Between Enbridge Gas and the IESO or LDCs” within “Section 7.3 Attribution” of the DSM Framework should be replaced with the following:

For electricity conservation programs and natural gas DSM programs jointly delivered with the IESO (or in coordination with an LDC), for the purpose of scorecard results, all the natural gas savings should be attributed to Enbridge Gas and vice versa for electricity savings. This represents a continuation of the simplified approach

adopted in the 2006 Generic Proceeding and continued through to the 2015-2020 DSM Guidelines.

15. Additionally, as described in Section 2 of Exhibit C, Tab 1, Schedule 6, Enbridge Gas proposes the following changes to the DSM Framework to reinforce and support (rather than disincentivize) collaboration between Enbridge Gas and other parties. Specifically, the language under “Attribution of Benefits Between Enbridge Gas and Other Parties” within “Section 7.3 Attribution” of the DSM Framework should be replaced with the following:

To avoid a disincentive to collaborate with other parties, 100% of savings from a DSM program that involves Enbridge Gas and other parties should be attributed to the relevant Enbridge Gas DSM program, for the purpose of scorecard results.

2.5 Section 8.2.1 Components of the DSM Annual Report

16. In this section of the DSM Framework, the OEB sets out the reporting requirements for Enbridge Gas’s DSM Annual Report. The requirements include the reporting of a large amount of historical data, typically for the previous 10 years.

17. It is challenging to maintain and report 10 years worth of historical DSM data as this timeline can span multiple DSM plan terms, across two legacy utilities, involving different and changing scorecards, programs, and metrics. Furthermore, it can be challenging to present this data in a way that will be useful to the reader, considering the evolving context associated with the data.

18. As a result, Enbridge Gas proposes simplifying the reporting requirements for Enbridge Gas’s DSM Annual Report to consist of historical data from the beginning of the previous DSM plan term, rather than from the previous 10 years.

19. By way of example, for the 2027-2030 DSM Plan term, historical data would be provided as of the 2023 program year (i.e., the first year of the previous 2023-2025 DSM plan term). The 2023 program year also aligns with first year in which Enbridge Gas administered a single DSM plan for the EGD and Union rate zones.

20. To reflect this change in the DSM Framework, Enbridge Gas proposes that the relevant language in “Section 8.2.1 Components of the DSM Annual Report” within the DSM Framework be changed to the following:

At a minimum, the DSM annual report should include the following key elements, in a clear and concise manner, at the beginning of the report:

- Annual and long-term DSM budgets (\$/year, and \$/plan term);
- Actual annual total DSM costs (including total DSM spend, shareholder incentive, and lost revenues) for each rate class dating back to the beginning of the previous plan term;
- Historic actual annual DSM spending (\$/year) dating back to the beginning of the previous plan term;
- Historic annual shareholder incentive amounts available and earned (\$/year) dating back to the beginning of the previous plan term;
- Shareholder incentive earned as a percent (%) of DSM spend;
- Total historic annual and cumulative gross and net natural gas savings (m³) dating back to the beginning of the previous plan term;
- DSM spending as a percentage of distribution revenue;
- Historical annual natural gas savings targets (m³/year) dating back to the beginning of the previous plan term;

- Total historical annual and cumulative gross and net natural gas savings (m^3) as a percentage of total annual natural gas sales dating back to the beginning of the previous plan term;
- Total historical natural gas sales (m^3/year) dating back to the beginning of the previous plan term; and
- Number of customers, by rate class and by customer type in each year dating back to the beginning of the previous plan term.

2.6 Section 9.2.1 Net-to-Gross Adjustments

21. As described in Section 3 of Exhibit D, Tab 9, Schedule 2, Enbridge Gas proposes adding the following language to the end of “Section 9.2.1 Net-to-Gross Adjustments” of the DSM Framework.

When new DSM measures are introduced, and there is not sufficient research available to support a more informed net-to-gross adjustment, a NTG adjustment of 0.80 will be deemed for application to results until a NTG value is established by the Evaluation Advisory Committee.

2.7 Section 9.3 Changes to Input Assumptions and Adjustment Factors (Shareholder Incentive and Cost-Effectiveness)

22. As a result of several considerations discussed below, Enbridge Gas is proposing modifications to “Section 9.3 Changes to Input Assumptions and Adjustment Factors (Shareholder Incentive and Cost-Effectiveness)” of the DSM Framework.

23. The first consideration is a result of the OEB’s direction within its Decision that “fixed targets will be set for future DSM programs”. This requires changes to “Section 9.3.1 Retroactive Changes” and “Section 9.3.2 Prospective Changes” to remove certain language regarding how retroactive and prospective changes are applied to targets.

It also requires the addition of a new section (proposed by Enbridge Gas as “Section 9.3.3 Prospective Changes to Targets”) to address necessary changes to fixed targets.

24. In addition, for the reasons given and as described in Exhibit D, Tab 9, Schedule 2, and in alignment with SAG recommendations, Enbridge Gas proposes to apply all NTG updates prospectively to results and to prospectively apply updates to deemed NTG values to targets one time per NTG value per term. This requires modifications to Sections 9.3.1 and 9.3.2, and additional language under Section 9.3.3.
25. Enbridge Gas is also proposing additional language to Sections 9.3.1 and 9.3.3 that describes how input assumptions and adjustment factors should be changed in order to better support collaboration with other parties, such as the IESO. This supports alignment between Enbridge Gas and other parties to appropriately plan, evaluate and report on joint offerings.
26. Additionally, to address the complexity of adjusting results and targets due to codes and standards changes that occur in the middle of a year, Enbridge Gas is proposing that all changes that result from codes and standards changes that occur in the middle of a year are applicable as of the start of the following year. This approach will simplify the process while ensuring that targets and results are set on the same basis. Enbridge Gas has proposed language to address this proposed change under Section 9.3.3.
27. Enbridge Gas’s proposed modifications to Sections 9.3.1 and 9.3.2, and the addition of Section 9.3.3, are provided below:

9.3.1 Retroactive Changes to Results

Retroactive changes are applied to the results of the program year being evaluated. For example, if a change is finalized by the

Evaluation Contractor in mid-2024 as part of the evaluation of the 2023 program year, the change will be applied to the results of the 2023 program year.

Retroactive changes are appropriate for factors that were directly within the utility's influence during the program year being evaluated. Specifically, any changes to project-specific input assumptions are applied retroactively since those changes were developed by the utility during the program year in question.

Verification adjustments are retroactively applied for all situations. Any changes to input assumptions or adjustment factors required to remain in alignment with third parties, such as the IESO, with whom Enbridge Gas collaborates, will also apply retroactively.

9.3.2 Prospective Changes to Results

Prospective changes are applied to the results of the year following the year the change is finalized by the Evaluation Contractor. For example, if a change or update is finalized by the Evaluation Contractor in mid-2023, regardless of the year being evaluated, the change will come into effect as of 2024 for results.

Prospective changes are appropriate for changes outside of the utility's direct influence during the program year including changes to input assumptions caused by changes to codes and standards. Any changes to prescribed input assumptions are applied prospectively, since those changes are not controlled by the utility. Once the changes are known to the utility, the utility can plan accordingly and adjust as necessary for the following program year. Additionally,

changes to NTG adjustments are applied prospectively. Once a new NTG adjustment is known, the utility can adjust program parameters based on that information for the following program year.

Table 1 provides a summary of when updates are treated as retroactive vs. prospective to results.

Table 1
Retroactive vs. Prospective Application of Input Assumptions and Adjustment
Factors to Results*

Timing	Input Assumptions	Adjustment Factors	
		NTG Adjustments	Verification Adjustments
Retroactive	Changes to project-specific input assumptions (ex. unique savings calculations determined by the utility)	N/A	All adjustments
Prospective	Changes to prescribed input assumptions (ex. TRM or Custom Measure Life Table) including those resulting from changes to codes and standards.	All adjustments	N/A

Note:

* Retroactive changes are applied to results of the program year being evaluated. Prospective changes are applied to results of the year following the year the change is finalized by the Evaluation Contractor.

9.3.3 Prospective Changes to Targets

There will be no changes to targets with the exception of the items below, which will be applied to any impacted targets within the term on a prospective basis.

- TRM updates: Updates to input assumptions within the TRM will be applied to term targets starting in the year following the year the change is finalized by the Evaluation Contractor.

- Codes and Standards changes: Updates to input assumptions and adjustment factors caused by changes to codes and standards will be applied to term targets starting the year following the change. This ensures targets are not inappropriately set based on outdated codes and standards. For example, if a code change comes into effect mid-way during the 2023 program year, term targets starting in 2024 will be adjusted to account for the change.
- One-time change for deemed NTG updates: Term targets will be updated starting in the year following the year a NTG study is completed or a NTG value is otherwise updated by the Evaluation Advisory Committee. This update to term targets will occur only once per NTG value updated in the plan term.
- Changes to input assumptions or adjustment factors required to remain in alignment with third parties, such as the IESO, with whom Enbridge Gas collaborates.

2.8 Section 11.1 Inflation Rate

28. When avoided cost estimates are required to extend beyond their forecasted periods, the DSM Framework states that “a four-quarter moving inflation rate based on the Gross Domestic Product Implicit Price Index for Final Domestic Demand will be used”.¹¹ However, during periods of short-term increases in the rate of inflation (as has been experienced in recent years), it is not reasonable to assume that inflation will remain at those levels over the 35-year forecast period used in the avoided cost table. Rather, using the Bank of Canada’s 2% target inflation rate¹² is a

¹¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.33.

¹² Bank of Canada (n.d.), Inflation – Bank of Canada. <https://www.bankofcanada.ca/core-functions/monetary-policy/inflation/>

more appropriate assumption. As a result, Enbridge Gas proposes replacing “Section 11.1 Inflation Rate” in the DSM Framework with the following:

11.1 Inflation Rate

In some cases, avoided cost estimates are required to extend beyond their forecasted periods. If necessary, a 2% inflation rate will be used.

2.9 Section 12.2 Demand Side Management Variance Account (“DSMVA”)

29. As an outcome of Enbridge Gas’s engagement with stakeholders regarding the Large Volume Program and the subsequent feedback provided by customers, the Company is proposing changes to the Large Volume Direct Access Offering that allows carryover of unused budget amounts to a future year. This is described at Section 2 of Exhibit E, Tab 6, Schedule 1, and Section 5 of Exhibit E, Tab 6, Schedule 2.
30. A similar carryover of unused budget to a future year is described for the proposed Energy Innovation Fund at Section 7 of Exhibit D, Tab 8, Schedule 3.
31. Accounting considerations for this provision is discussed in Section 2 of Exhibit F, Tab 2, Schedule 1.
32. To accommodate the need for budget carryover, Enbridge Gas proposes the following sections be added under “Section 12.2 Demand Side Management Variance Account (“DSMVA”)” of the DSM Framework:

12.2.2 Budget Carryover

Some program designs or initiatives require a multi-year budget approach where the timing of identifying, executing and completing projects may span more than one calendar year and projects may

not otherwise proceed if greater flexibility of funding was not available. For example, in the Large Volume Program, customers have a direct access budget but may benefit from utilizing more than one year of the budget to implement a large project that cannot be completed in the calendar year.

To ensure that the approved budgets can drive the intended results, Enbridge Gas will be able to carry forward unused funds through the term of the DSM Plan. Enbridge Gas should specifically identify programs that require this treatment when they request approval for the program. Carryover amounts will not include any utility staff related costs. A multi-year budget approach is only available for ring-fenced budgets.

Enbridge Gas will track the funds retained from one calendar year to another through the DSMVA. When the plan term period ends, final balances will be cleared to rate payers through the DSM Deferral and Variance Account Disposition application for the final year of the plan term.

DSM POLICY ENVIRONMENT

1. This evidence is organized as follows:

1. Overview
2. Cost of Carbon
 - 2.1 Summary of Position
 - 2.2 Determining and Imposing a Non-Zero Value for the Cost of Carbon is Outside the OEB's Jurisdiction
 - 2.3 Determining and Imposing a Non-Zero Value for the Cost of Carbon Would Be Inconsistent with Government of Ontario Policy
 - 2.4 Determining and Imposing a Non-Zero Value for the Cost of Carbon Would Be Inconsistent with the Objective of the DSM Framework
 - 2.5 Procedural Requests

1. Overview

1. The regulatory framework governing DSM in Ontario's natural gas sector was first established in 1993 under EBO 169-III. Since then, the OEB has continuously supported DSM through guidelines, frameworks, and other directives that shape the design, operation, approval and cost recovery of DSM program activities for natural gas utilities. These efforts align with the OEB's original mandate under the *Ontario Energy Board Act, 1998*, which includes protecting the interests of consumers regarding prices and promoting energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances.¹
2. The current OEB Natural Gas DSM Framework ("DSM Framework") came into effect on January 1, 2023.² The DSM Framework clarifies the OEB's current main

¹ Ontario Energy Board Act, 1998, c. 15, Schedule B, as amended.

² EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.1.

objective for DSM: “Ratepayer funded DSM programs should result in meaningful reductions in overall annual natural gas sales volumes with consequent cost savings for ratepayers.”³ Additional Guiding Principles and expectations are included in the DSM Framework. Enbridge Gas’s 2027-2030 DSM Plan is responsive to the OEB’s objectives and Guiding Principles, as discussed further in Exhibit D, Tab 1, Schedule 1.

3. The 2027-2030 DSM Plan was developed amid Ontario’s evolving energy policy landscape. In June 2025, the Government of Ontario released its first Integrated Energy Plan (“IEP”) and Natural Gas Policy Statement, which states that “natural gas remains a vital component of Ontario’s energy mix, supporting economic activity and energy reliability across the province. It meets diverse energy needs across the industrial, residential, commercial, institutional and agricultural sectors of the economy.”⁴ The IEP provides the Government of Ontario’s vision of the future role of natural gas and highlights its critical importance for Ontario’s energy sector and broader economy. Furthermore, the IEP expresses a clear emphasis on affordability and customer choice in relation to Ontario’s energy policy.⁵
4. The OEB’s Decision and Order for Enbridge Gas’s previous multi-year DSM Plan (2023-2025) restricted the Company from offering incentives for residential natural gas-fired equipment⁶ and from using research and development funding for natural gas-fired measures where electric alternatives exist.⁷ Given the IEP’s emphasis on consumer choice, affordability, and the critical role of natural gas to Ontario’s energy mix, these previous restrictions are inconsistent with current Government of Ontario

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.1.

⁴ Government of Ontario, *Energy for Generations: Ontario’s Integrated Plan to Power the Strongest Economy in the G7* (“Integrated Energy Plan” or the “IEP”), June 2025, p.95.

⁵ IEP, pp.12-19.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.28.

⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.77-78.

energy policy and should not be applicable to Enbridge Gas's 2027-2030 DSM Plan.⁸

5. The IEP also underscores the important role for energy efficiency:⁹

Reducing energy use is one of the most cost-effective and immediate ways to meet Ontario's growing energy needs. The cheapest form of energy is the energy we do not use in the first place.

That is why energy efficiency is at the centre of Ontario's plan to build a more affordable, reliable, secure, and clean energy system – one that supports a competitive, self-reliant and resilient economy.

6. Economic and market factors, such as Ontario's growth plans and evolving energy codes, also play a role in Enbridge Gas's DSM policy environment. For example, updates like Amendment 15 result in increased baselines, reducing the viability of certain DSM measures. This requires Enbridge Gas to compensate for substantially impacted commercial and industrial market savings in order to maintain prior savings levels. In residential and income qualified markets, inflation impacts on materials, labour, and energy increase the urgency of addressing affordability in DSM planning. Addressing these pressures is essential to ensure that energy efficiency measures remain accessible and beneficial for all customer segments across Ontario's evolving energy landscape.

7. Evolving federal policies also contribute additional layers to Ontario's energy landscape. On March 15, 2025, the Government of Canada amended the *Greenhouse Gas Pollution Pricing Act* to set the Federal Carbon Charge to zero

⁸ While Enbridge Gas is not currently seeking approval for incentives for natural gas equipment as part its Residential Program, the Company believes it is important to note this inconsistency with Government of Ontario policy.

⁹ IEP, p.31.

effective April 1, 2025.¹⁰ This change marks a significant shift in the energy policy landscape which may challenge DSM momentum in Ontario. Without a consumer-level carbon price the financial driver for some DSM customers is reduced which could lower program uptake. Regardless, Enbridge Gas will continue to emphasize targeted and innovative program design to sustain participation and maintain the efficient use of natural gas.

2. Cost of Carbon

11. The purpose of this section is to respond to the OEB's directions from EB-2024-0198 for Enbridge Gas to address in this Application:

1. "to what extent the social cost of carbon should be considered, if at all, in relation to [Enbridge Gas's] new multi-year DSM plan following the removal of the federal carbon charge",¹¹ and;
2. "in its evidence on cost-effectiveness, how the economic cost of carbon should be reflected in the TRC-Plus analysis of the programs it will propose in its upcoming updated DSM plan application with full supporting rationale".¹²

12. Throughout the EB-2024-0198 proceeding (including in Procedural Order No. 2 dated April 10, 2025; in Procedural Order No. 3 dated May 13, 2025; and in an OEB correspondence dated August 7, 2025), the OEB referenced the "social cost of carbon".¹³ The term "economic cost of carbon" was used for the first time in the OEB's November 6, 2025 Decision and Order for Enbridge Gas's 2026 DSM Plan.

¹⁰ Government of Canada. (March 15, 2025). Regulations Amending Schedule 2 to the Greenhouse Gas Pollution Pricing Act and the Fuel Charge Regulations: SOR/2025-107, <https://gazette.gc.ca/rp-pr/p2/2025/2025-03-15-x2/html/sor-dors107-eng.html>

¹¹ EB-2024-0198, OEB Procedural Order No. 3, May 13, 2025, p.2, which references Decision on Issues List and Procedural Order No. 2, April 10, 2025, p.22.

¹² EB-2024-0198, OEB Decision and Order, November 6, 2025, p.17.

¹³ EB-2024-0198, OEB Procedural Order No. 3, May 13, 2025; Decision on Issues List and Procedural Order No. 2, April 10, 2025, p.22; and OEB's letter, August 7, 2025, which clarified that the "social cost of carbon" will be considered in the multi-year DSM plan case.

This section addresses the directions above, including based on Enbridge Gas's understanding of the OEB's use of the term "economic cost of carbon".

2.1 Summary of Position

13. Enbridge Gas's position is that, for a number of reasons, it is not appropriate for the social cost of carbon (or an "economic" cost of carbon as a proxy for the federal fuel charge) (together, "Cost of Carbon") to be considered and included as part of the Company's 2027-2030 DSM Plan as: (i) the OEB does not have jurisdiction to do so; (ii) it would be inconsistent with Government of Ontario policy, with which the OEB must comply; and (iii) it would be inconsistent with the objective of the DSM Framework.
14. The Government of Canada set the federal fuel charge to zero effective April 1, 2025.¹⁴ As a result, the avoided federal fuel charge has been set to zero in the Total Resource Cost-Plus ("TRC-Plus") test for DSM. The zero value should remain in the TRC-Plus test unless/until some other directly tangible avoided cost becomes applicable pursuant to relevant legislation or government policy direction. If the OEB imposes an additional Cost of Carbon in the TRC-Plus test then this will, without jurisdiction or policy or factual support, increase the notional cost-effectiveness of DSM which will lead other parties and potentially the OEB to push for increased DSM funding with higher ratepayer costs.
15. The OEB's jurisdiction does not extend to regulating the use of, or the downstream effects of using, natural gas. These are powers reserved for the federal and provincial governments. Being an economic regulator established by statute, the OEB's powers do not permit it to establish a Cost of Carbon for DSM to reflect the societal implications of producing carbon emissions, for reasons tied to the

¹⁴ Regulations Amending Schedule 2 to the Greenhouse Gas Pollution Pricing Act and the Fuel Charge Regulations ([SOR/2025-107](#)).

perceived consequences of natural gas use. Such a cost would not reflect directly avoided costs for DSM participants and would instead be designed to reduce natural gas use for reasons *other than* economics and conservation. Screening DSM measures in a manner that targets the implications of using natural gas for environmental and societal reasons would overstep the OEB's jurisdiction, into the purview of the federal and provincial governments.

16. With the federal fuel charge set to zero, natural gas rates no longer include an embedded carbon price that could be avoided via DSM measures. The federally mandated output-based pricing system remains applicable to large industrial emitters but is not administered by natural gas distributors nor directly imposed on natural gas consumers. Introducing an OEB-imposed Cost of Carbon in place of the federal fuel charge would effectively amount to an artificial carbon price designed to reduce greenhouse gas ("GHG") emissions – a step that is contrary to the province's firm opposition to any new carbon tax, fee, charge or levy intended for such a purpose. Doing so would also conflict with Government of Ontario policy that affirms customer choice, affordability, and the critical role of natural gas in the provincial energy mix.
17. Setting and adopting a Cost of Carbon for inclusion in the TRC-Plus test would be inconsistent with the objective of the DSM Framework (i.e., to deliver meaningful savings in natural gas consumption and customer bills, guided by principles that include maximizing cost-effective savings). The effect of artificially inflating the TRC-Plus Ratio would be to increase the economic viability of DSM measures towards acceptance for ratepayer funding for DSM programs – a change that is directed at GHG emissions reductions due to climate change concerns, rather than consumption and actual energy bill savings for individual customers. More measures would therefore appear cost-effective and higher DSM spending could be justified, with additional costs accruing to Ontario residents and businesses that depend on

natural gas but without knowing when or by whom the avoided costs, if any, would be directly realized. Attempting to determine a social cost of carbon relevant to Enbridge Gas ratepayers would also involve a highly uncertain and speculative exercise that is far removed from the OEB's regulatory role and expertise, and from the focus of DSM on tangible cost and benefits (i.e. energy bill reductions) of conservation to customers. It would be inappropriate to apply a metric meant to estimate broader global and future societal impacts occurring over centuries into a province-specific conservation program funded by Ontario ratepayers today.

18. Specifically with respect to an “economic cost of carbon”, the OEB directed that this be considered given the absence of “the federal fuel charge [which] represented an economic cost of carbon”.¹⁵ Establishing a proxy or replacement for the federal charge would clearly exceed the OEB's jurisdiction and mandate and intrude into the scope of federal and provincial government policy and powers. These government policies include the federal government's move to zero the federal fuel charge, the Government of Ontario's opposition to any new carbon pricing, as well as the legislation that prohibits any new carbon pricing intended to reduce GHG emissions in Ontario absent a referendum.¹⁶ To be clear, the federal fuel charge continues to exist (at \$0), and there has been no federal or provincial policy imperative since April 1, 2025, to support that a different value be used.

19. For all the above reasons, which are further addressed below, Enbridge Gas has not included a Cost of Carbon in the TRC-Plus test, and it would be inappropriate for the OEB to consider or require the inclusion of one. For the sake of regulatory efficiency,

¹⁵ EB-2024-0198, OEB Decision and Order, November 6, 2025, pp.1-2: “The federal carbon charge represented an economic cost of carbon and in its absence, it is necessary for Enbridge Gas to consider how the economic cost of carbon should be reflected in the TRC-Plus analysis of the programs it will propose in its upcoming updated DSM plan application.” [emphasis added]

¹⁶ Protecting Against Carbon Taxes Act, 2024, [S.O. 2024, c. 9, Sched. 5](#). Also see the IEP, p.100: “Ontario's plan to meet growing energy demand while reducing emissions does not and will not include a carbon tax”.

Enbridge Gas requests that the OEB clarify the scope of this proceeding in relation to the Cost of Carbon as early as practicable, as discussed in Section 2.5 below.

2.2 Determining and Imposing a Non-Zero Value for the Cost of Carbon is Outside the OEB's Jurisdiction

20. The OEB lacks jurisdiction, on its own, to consider, determine and require the adoption of a Cost of Carbon for DSM. The OEB's authority does not extend to regulating the consumption of natural gas or the implications thereof, including broader environmental concerns about the use of natural gas. The elected governments of Canadians – and Ontarians, in particular – have made express pronouncements regarding what form of carbon pricing is (or is not) appropriate in light of their respective policy agenda.

21. As an economic regulator created by statute, the OEB does not have the jurisdiction or legal authority to engage in *de facto* policymaking to drive social or environmental outcomes that it may prefer.

The OEB is an Economic Regulator, Not an Environmental or Social Policymaker

22. The OEB is an “economic regulator, rather than a formulator of social policy.”¹⁷ Its powers and mandate are set out in the *Ontario Energy Board Act, 1998* (the “Act”) and related legislation. In regard to natural gas, the Act grants the OEB authority over aspects of natural gas distribution, transmission and storage in the province, including authority to approve the construction of new hydrocarbon pipelines (section 96) and to set rates for the sale, transmission, distribution and storage of natural gas (section 36). The OEB must exercise its powers in view of the regulatory compact and its economic regulatory function, constrained by the bounds of jurisdiction under

¹⁷ Advocacy Centre for Tenants-Ontario v. Ontario Energy Board (2008), [293 D.L.R. \(4th\) 684](#) (Div. Ct.) [LIEN decision], para.49; also see para.39: OEB’s “mandate is directed primarily at avoiding the potential problem of excessive prices resulting because of a monopoly distributor of an essential service.”

statutes and common law. The OEB's statutory objectives also serve as important interpretive or guiding principles, though the OEB does not derive additional powers from them.¹⁸

23. Importantly, the OEB's powers do *not* extend to regulating the downstream use of natural gas or the effects arising from its use. Emissions and climate change considerations, including policies that choose (or reject) carbon pricing as a way to lower GHG emissions, are addressed by other governmental authorities, notably the federal and provincial Ministers of Environment. By including a Cost of Carbon within the TRC-Plus test, the OEB would effectively be applying GHG mitigation policy intended to reduce emissions from natural gas usage through an artificial pricing mechanism, which lies outside its statutory authority.
24. The province and federal governments have shared jurisdiction to set a price, if any, for carbon emissions. They have done so for industrial emissions through the federal Output-based Pricing System ("OBPS") and Ontario's Emissions Performance Standards ("EPS"). Designed to meet federal stringency requirements, the EPS applies in Ontario in lieu of the OBPS and remains in place following the federal fuel charge being set to zero. The province has declined to impose and strongly opposes any new carbon pricing in Ontario intended to reduce GHG emissions. The OEB has no power to diverge from or supplement Ontario's carbon pricing scheme. The OEB cannot, in effect, create within DSM a new or replacement price on carbon – whether branded as economic or social. The fact that the federal government has set its fuel charge to zero does not transfer that jurisdiction to the OEB or broaden its powers in any way.

¹⁸ EB-2007-0707, OEB [Decision with Reasons](#), March 26, 2008, p.7: The OEB's statutory objectives are not "a source of independent or incremental responsibility that can override the direction that has been provided by the legislature in relation to the Board's mandate".

25. The Act is not environmental protection legislation, and the OEB's public interest powers are not unbounded. The OEB has flexibility in setting rates for regulated activities including DSM. However, it cannot include in rates every possible consequence related to natural gas use or conservation, particularly those that touch on broader environmental concerns beyond its jurisdiction. In fact, the OEB has previously held in a pipeline leave-to-construct case that it would not consider GHG emission impacts from downstream use of natural gas and related climate concerns and that the public interest mandate does not broaden its jurisdiction to assess the environmental or economic impact of natural gas use.¹⁹
26. When setting rates, the OEB can consider carbon costs that are embedded by government authorities into the price of an energy source or when it is directed by the province to consider those costs. But the OEB cannot itself embed a carbon cost into DSM rates and DSM program considerations where the government has neither done so nor directed it to do so.²⁰
27. Unlike the federal carbon charge, which was an avoided cost included in DSM evaluation, adding a replacement Cost of Carbon to the TRC-Plus test would reflect neither a monetary cost paid through rates, nor a non-zero cost embedded in fuel prices by any governmental authority. Regardless of how it may be characterized, the purpose of adopting a Cost of Carbon would be to monetize the implications of

¹⁹ EB-2019-0159, OEB [Procedural Order No. 2 and Decision on Issues List](#), March 6, 2020, pp.9-11. See, in particular: "impacts associated with the extraction and production of natural gas to be delivered, as well as the effects of the consumption of that natural gas in the context of overall national and globally-focused environmental policies, are out of scope"; and "the phrase 'public interest' does not broaden the Board's jurisdiction to include an assessment of the environmental or economic impact of the use of the gas ...".

²⁰ The OEB's decision evaluating Enbridge Gas Distribution's and Union Gas' cap and trade compliance plans provides a good example of the proper approach, by deferring to the (floor) price of carbon then set by the province and playing a more limited role in reviewing the compliance plans. Although the OEB was reviewing utilities' compliance with climate change legislation, it was doing so for economic reasons. It considered the "cost-effectiveness, reasonableness and optimisation in meeting cap and trade compliance obligations to determine the appropriate associated costs to be recovered from natural gas customers in rates." See EB-2016-0300, OEB [Decision and Order](#), September 21, 2017, p.9.

natural gas use and associated GHG emissions. In the TRC-Plus test, the effect would be to screen DSM measures in a manner that bolsters their economic viability and make their inclusion/funding more likely within the DSM portfolio. This would not be aimed at reducing natural gas use based on economic efficiency or conservation pursuant to government policy, but instead due to the perceived broader implications of using natural gas. It is beyond the OEB's jurisdiction to establish a regime or take steps designed for such purpose, especially considering that the province has clearly and repeatedly rejected any form of new carbon pricing (direct or indirect) as a way to lower GHG emissions, as discussed in Section 2.3.

2.3 Determining and Imposing a Non-Zero Value for the Cost of Carbon Would Be Inconsistent with Government of Ontario Policy

29. The DSM Framework must align with current Government of Ontario policy objectives. The Act makes this clear through the OEB's statutory objective relating to natural gas of "promot[ing] energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances" [emphasis added].²¹ For context, a similar objective of promoting conservation and efficiency according to government policy was first introduced in the early 2000s.²²

30. Ontario energy policies have seen significant evolution since, including: the adoption of conservation/efficiency mandates in the early 2000s; the enactment of the *Green Energy Act, 2009* and subsequent repeal in 2018; the creation of a cap-and-trade program in 2017 followed by its cancellation in 2018; and, (more recently and as

²¹ Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sched. B, s. 2, para. 5.

²² The former [Ontario Energy Board Act, 1990](#) did not set out such an objective. The 1998 version of the Ontario Energy Board Act, 1998 included an objective to "facilitate opportunities for energy efficiency consistent with the policies of the Ontario government". That objective was expanded/strengthened in 2002 to: "promote energy conservation and energy efficiency in a manner consistent with the policies of the Government of Ontario" (see [Bill 210](#), s. 4(2)).

detailed below) provincial legislation that prohibits any new carbon pricing absent a referendum as well as the release of Ontario's IEP and Natural Gas Policy Statement. It is imperative that the OEB anchor the exercise of its conservation mandate in the current policies and directives of the Government of Ontario, and act in a manner that is consistent with them.

31. Public policy alignment is also a cornerstone of ensuring accountability by the OEB to the elected government of Ontarians. As stated in the Memorandum of Understanding between the OEB and the Minister of Energy: "the [OEB] is part of government and is required to comply with legislation, government directives, policies and guidelines applicable to them."²³
32. On this basis, and as detailed below, determining and adopting a Cost of Carbon for DSM cost-effectiveness evaluation would not only be incongruent with Government of Ontario energy policies that affirm the importance of customer choice, affordability, and role of natural gas in the province's energy mix, but would also be contrary to the province's unequivocal opposition to any new carbon tax, fee, charge or levy, whether direct or indirect.

Ontario's Integrated Energy Plan

33. The Government of Ontario's first IEP, released in June 2025, marks a significant development in provincial energy policy. The IEP emphasizes an "affordability first"²⁴ approach that "centres on the principle of customer choice" and states that "customers are best positioned to decide which energy solutions work for them – based on their needs, preferences, and budgets."²⁵ Chapter 5 of the IEP, titled "Important Role of Natural Gas" and also referred to as the Natural Gas Policy

²³ [Memorandum of Understanding](#) between the Minister of Energy and Mines and the Chair of Ontario Energy Board (last updated July 28, 2025), s. 1(c).

²⁴ IEP, pp.12-19.

²⁵ IEP, p.14.

Statement,²⁶ further reinforces that natural gas remains a “critical” and “vital component of Ontario’s energy mix” and that an economically viable natural gas network “maintain[s] customer choice and ensure[s] overall energy system resiliency, reliability and affordability.”²⁷ The Minister’s directives in respect of IEP implementation also emphasize the importance of customer choice and optionality of energy type.²⁸

34. This proceeding must not be used to shape the DSM Framework in ways that are inconsistent with the IEP’s emphasis on customer choice, affordability, and the importance of natural gas to Ontario’s energy mix. This includes any attempts to have the OEB set and incorporate a Cost of Carbon for the TRC-Plus test based on asserted societal or environmental concerns about natural gas use (which, as discussed above, are concerns that exceed the OEB’s regulatory jurisdiction).
35. Setting and incorporating a Cost of Carbon, as if it were still an embedded non-zero cost that natural gas customers avoid via DSM, would artificially boost the perceived benefit of avoided natural gas and make DSM measures more likely to be deemed economic. Measures that may have previously been uneconomic or excluded – whether individually or due to their significant negative impact on the overall portfolio – would appear more cost-effective if a Cost of Carbon were factored in. All else being equal, the universe of economic DSM offers would be expanded as a result, and/or a greater number of uneconomic offers could be included without eroding the portfolio to an unacceptable extent. This in turn may be used to justify increased

²⁶ IEP, pp.92-102.

²⁷ IEP, p.95.

²⁸ Minister’s Directive, [Order in Council 802/2025](#) (June 11, 2025), s. 9, requires the OEB to “consider the government’s Natural Gas Policy Statement to ensure the OEB appropriately considers the future role of natural gas in Ontario’s economy” and emphasizes the “need for an economically viable natural gas network – as the province builds a more diverse energy system – to attract industrial investment, to drive economic growth, to maintain customer choice and ensure overall energy system resiliency, reliability and affordability”. [emphasis added]

DSM budgets and potentially result in higher than necessary DSM costs on ratepayers. The directional impact on program budget for cost-effective conservation measures can be seen from the OEB's 2024 Achievable Potential Study, as shown in Tables 1 and 2 further below.

36. The OEB cannot establish and incorporate a Cost of Carbon for DSM screening absent alignment with Government of Ontario policy and without jurisdiction and legal authority. The IEP confirms that natural gas remains a “critical component of Ontario’s future energy mix”, with customer choice being the “hallmark of the province’s energy system.” The OEB cannot seek to dictate choices consumers make about the use of natural gas or limit its availability to consumers based on broader societal or environmental concerns outside of its mandate. Instead, it must regulate natural gas in a manner that promotes the continued viability of natural gas and the natural gas system²⁹ – both because customers rely on it and because customers have the right to choose their preferred source of energy. Moreover, the OEB cannot exercise its ratemaking power (in DSM or otherwise) to prioritize one form of energy type over another by artificially inflating the benefits of less natural gas use. Doing so would amount to *de facto* social policymaking by the OEB, undermining the accountability framework as between the OEB and the Minister of Energy and contravening the IEP’s policy objectives.

Government of Ontario Policies Oppose Any New Carbon Pricing

37. Although any Cost of Carbon included in the TRC-Plus test would not be directly charged/itemized on monthly natural gas bills, as noted above a higher TRC-Plus Ratio may be used to justify funding otherwise non-cost-effective DSM measures, and ratepayers could be faced with funding a broader and potentially costlier suite of

²⁹ Two of the OEB’s statutory objectives under section 2 of the Act are to “facilitate rational expansion of transmission and distribution systems” and “facilitate the maintenance of a financially viable gas industry for the transmission, distribution and storage of gas” (s. 2, paras. 3 and 5.1).

DSM measures. This would amount to an artificial carbon price as part of a program funded by natural gas users, including those not participating in DSM. Unlike actual cost avoidance for participants from lower natural gas consumption, the artificial price will be used to reflect the perceived implications of that consumption and encourage reductions on that basis. The outcome of incenting conservation to drive lower GHG emissions for environmental and societal reasons is analogous to that of a consumer-facing fuel charge.

38. While Enbridge Gas has concerns with the OEB-led 2024 Achievable Potential Study (as outlined in Exhibit C, Tab 1, Schedule 3), the study illustrates the upward impact of including a Cost of Carbon on DSM budgets. For example, the study's results show that:

- a. Under the maximum achievable potential scenario using the federal fuel charge in effect at the time, the residential sector budgets total \$12.0 billion for 2024-2028 (summarized in Table 1 below).³⁰

Table 1
Residential Sector Budgets (\$ million) – Maximum Achievable Potential with Federal Carbon Charge

Year	Incentive	Admin	Total
2024	\$833	\$273	\$1,106
2025	\$1,321	\$432	\$1,752
2026	\$1,816	\$594	\$2,410
2027	\$2,328	\$760	\$3,088
2028	\$2,725	\$889	\$3,615
			\$11,970

- b. For the maximum achievable potential scenario using a (higher) carbon value based on the federal social cost of carbon estimates, the residential sector

³⁰ [2024 Natural Gas Achievable Potential Study](#), Appendix X2 Comprehensive Outputs, "Annual Budget" Tab, see Scenario D ("SC D - Max CFB w/ FS" under Column D).

budgets total \$17.3 billion for 2024-2028 (summarized in Table 2 below), which represents an almost 50% increase.³¹

Table 2
Residential Sector Budgets (\$ million) – Maximum Achievable Potential with Social Cost of Carbon

Year	Incentive	Admin	Total
2024	\$1,318	\$429	\$1,747
2025	\$2,068	\$671	\$2,739
2026	\$2,715	\$882	\$3,597
2027	\$3,299	\$1,071	\$4,370
2028	\$3,684	\$1,197	\$4,880
			\$17,333

39. As a metric that attempts to reflect future global damages of producing carbon emissions in current dollar values, the social cost of carbon is not a direct cost avoided nor tied to an individual's conservation of natural gas. While the OEB's DSM orders in past years have pointed to Ontario's emissions reduction goals, the province has unequivocally disavowed new carbon pricing as a means of achieving this goal³² and has recently signaled plans to repeal legislative requirements for setting emissions-reduction targets.³³ Moreover, the province has indicated that its objection extends to any form of new carbon price (not just a tax on fuel), especially given the severe affordability challenges faced by Ontarians. In this regard, the *Protecting Against Carbon Taxes Act, 2024* prevents the legislature from enacting legislation/regulations or empowering a body to establish carbon pricing programs without first holding a provincial referendum. "Carbon pricing program" is broadly

³¹ [2024 Natural Gas Achievable Potential Study](#), Appendix X2 Comprehensive Outputs, "Annual Budget" Tab, see Scenario C ("SC C - Max SCC w/ FS" under Column D). Note that the study did not include a scenario without a Cost of Carbon, so it does not provide a budget reflecting the current \$0 federal fuel charge.

³² For example, the IEP states on p.100: "Ontario's plan to meet growing energy demand while reducing emissions does not and will not include a carbon tax".

³³ [2025 Ontario Economic Outlook and Fiscal Review](#), see p.198 regarding planned amendments to repeal sections 3-5 of the Cap and Trade Cancellation Act, 2018 (which require the setting of provincial emissions-reduction target and associated climate change plan and reporting).

defined in the act and includes any “program intended to reduce greenhouse gas emissions by imposing a tax, fee, charge or other levy on those emissions.”³⁴

40. The above definition does not require that the charge be consumer-facing, on-bill or retail. In fact, as explained during legislative reading, the statute’s purpose is to prevent not only carbon taxes, but “any new system that puts a price on carbon”, as a way of protecting “people across the province struggling just to make ends meet”³⁵. This means that the prohibition covers indirect pricing schemes as well, so long as (i) they involve pricing GHG emissions and (ii) the intent is to reduce GHG emissions. Even if the addition of a Cost of Carbon to the TRC-Plus test somehow did not lead to higher program budgets, it would still meet the criteria of a prohibited new carbon price.

41. The Government of Ontario’s current policy stance aligns with its longstanding opposition to carbon pricing frameworks, whether it’s the former Ontario cap-and-trade program or the federal carbon charge.³⁶ Prime Minister Carney acted swiftly to zero out the fuel charge component of the carbon tax upon taking office, citing cost relief for Canadians among his reasons.³⁷

³⁴ Protecting Against Carbon Taxes Act, 2024, [S.O. 2024, c. 9, Sch 5](#), s. 1.

³⁵ “[The Act] would require future governments to hold a referendum before introducing any new carbon pricing measures. This would not only cover carbon taxes, but any new system that puts a price on carbon, cap-and-trade or otherwise. With so many people across the province struggling just to make ends meet, we are taking a stand and we are saying no to carbon taxes and other faulty carbon-pricing systems. If a future government wants to put a price on carbon, the people of Ontario deserve to have their voice heard, and if the [Act] passes, they will.” [emphasis added] See Hansard, [April 25, 2024 at 1330](#) (Hon. Prabmeet Singh Sarkaria).

³⁶ This opposition has included joining other provinces in a legal challenge against the federal carbon pricing framework on constitutionality grounds.

³⁷ “This will make a difference to hard-pressed Canadians, but it is part of a much bigger set of measures that this government is taking to ensure that we fight against climate change, that our companies are competitive and the country moves forward.” (CBC, [Carney kills consumer carbon tax in first move as prime minister](#), March 14, 2025).

42. With this policy backdrop, if the OEB were to institute a Cost of Carbon in the TRC-Plus test, it would be inconsistent with, and amount to circumventing, Government of Ontario policy and intruding into the powers held by elected governments. As discussed in Section 2.2, whether to curb natural gas consumption due to the implications of natural gas use is a topic that falls within the shared powers of federal and provincial governments to regulate GHG emissions (including any pricing mechanisms). The OEB does not share in those powers and cannot expand the policy objective of DSM beyond the meaningful reduction of natural gas consumptions/bills. The OEB cannot sidestep these constraints by doing indirectly what it cannot do directly – i.e., by using a Cost of Carbon to inflate the economics of DSM measures, with the effect or intent to reduce natural gas use due to the perceived consequences of that use.

43. In summary, setting and incorporating a Cost of Carbon within the TRC-Plus test is not a neutral economic assessment; it is a decision to intentionally drive certain social/environmental outcomes. The OEB must ensure that its DSM Framework remains aligned with Government of Ontario public policy and its jurisdictional limits, rather than serving as a proxy for objectives that have not been adopted or have been explicitly rejected by the Government of Ontario.

2.4 Determining and Imposing a Non-Zero Value for the Cost of Carbon Would Be Inconsistent with the Objective of the DSM Framework

44. In addition to the jurisdictional and government policy reasons above, determining and incorporating a Cost of Carbon for DSM that is different than the \$0 federal fuel charge would be inconsistent with the objective of the DSM Framework.

45. In considering DSM as part of its rate-making function under section 36 of the Act, the OEB reviews the elements of a natural gas utility's DSM plan and incorporates

these costs into distribution rates.³⁸ In the current DSM Framework, the OEB explains the objective of DSM as follows:

- Ratepayer funded DSM programs should result in meaningful reductions in overall annual natural gas sales volumes with consequent cost savings for ratepayers.
- Efforts dedicated to achieving this objective will continue to be assessed to ensure proposed activities will assist customers in making their homes and business more efficient in order to help lower overall natural gas bills...³⁹

46. Not all customers will participate in DSM measures, which will increase their energy costs and result in subsidies from non-participants. In establishing DSM rates, the OEB considers the benefits of cost-effective natural gas savings against the cost impact on all customers' natural gas bills.⁴⁰ To evaluate cost-effectiveness, the OEB established the TRC-Plus test. A TRC-Plus Ratio of at least 1.0 means the benefits of the DSM program are equal to or greater than the costs of the program.⁴¹

DSM is about Costs/Benefits of Conservation to Ratepayers, Not the Speculative/Remote Consequences Related to Natural Gas Use

47. The TRC-Plus test includes a "cost of carbon" as an avoided cost that reflects the value of the federal fuel charge. Effective April 1, 2025, that value has been set to zero. The OEB has reasoned that it "is necessary to use accurate natural gas, electricity, water and other energy costs, including the cost of carbon."⁴² Since this cost was being paid when natural gas was consumed, reducing natural gas consumption *avoided* the incremental costs of paying the carbon charge. It was

³⁸ EB-2014-0134, [Report of the OEB](#), December 22, 2014, p.2.

³⁹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.1-2.

⁴⁰ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.4.

⁴¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.26.

⁴² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.83.

therefore a direct reduction in fuel costs that participating customers would experience from DSM without any incremental cost burden to non-participating customers.

48. It warrants repeating that the OEB is an economic regulator, not a social or environmental policymaker. Its role is to ensure rates are just and reasonable, based on tangible costs and benefits that are reasonably measurable for Ontario ratepayers. If the OEB were to pursue including a Cost of Carbon in the TRC-Plus test, despite its jurisdictional and Ontario government policy constraints, it would still be inappropriate to make decisions on estimates that are speculative and remote from the regulated activity and thus inconsistent with the objective of the DSM Framework.

49. Unlike economic costs/benefits that are to a large extent quantifiable for utilities, ratepayers, and/or affected regions (e.g., job and economic growth attributable to a defined utility investment), monetizing the consequences of carbon emissions would entail a web of models and assumptions with a long and remote causal chain. The social cost of carbon is by definition a global metric,⁴³ with much variability, that attempts to estimate future damages occurring over centuries in present day dollars. Estimating a social cost of carbon is by nature highly uncertain and speculative.⁴⁴ This inherent uncertainty arises from the many complexities and variable assumptions in the underlying integrated assessment model, which projects natural and economic outcomes accumulating over a time horizon of 300 years.⁴⁵

⁴³ Government of Canada. (2023) [Social Cost of Greenhouse Gas Estimates – Interim Updated Guidance for the Government of Canada](#) [Federal SCC Guidance], s. 4.1.

⁴⁴ As recognized, for instance, by the Government of Canada: see [Technical Update to Environment and Climate Change Canada's Social Cost of Greenhouse Gas Estimates](#) (March 2016) [Federal SCC Technical Update], p.16.

⁴⁵ [Federal SCC Technical Update](#), p.2.

50. Attempting to determine a quantum for a social cost of carbon using modeling that necessarily relies upon estimating global climate damages centuries into the future is well outside the type of costs that would be applicable to the DSM context, and is not a function that should be undertaken by, nor is within the expertise of, an Ontario utility economic regulator.

The Focus of DSM is on Incenting Customer Bill/Consumption Savings

51. There is also a mismatch in purpose. This can be seen from the federal guidance regarding *Social Cost of Greenhouse Gas Emissions*, which serves the purpose of informing federal assessment of the impacts of policy, regulatory or project proposals.⁴⁶ The Government of Canada has in the past cautioned that “it would not necessarily be appropriate to use the estimates in another context or infer that the [federal estimates] should be considered as a potential carbon price for Canada”.⁴⁷ The OEB should not import a metric meant for government policy assessments – a metric that is global in scope and extending out hundreds of years – into a natural gas utility conservation program funded by Ontario ratepayers today over a short-term rate horizon. To do so would not only be inconsistent with the Government of Canada’s own framing but also misaligned with the purpose of the DSM Framework.

52. Importantly, including a social cost of carbon in the TRC-Plus test would result in the OEB assuming economic benefits from a reduction in GHG emissions not realized by the participating or non-participating customers. Such a change would in effect be directed toward incenting lower emissions to address broader societal concerns. This strays from the focus of DSM, which is on the consumption and bills of customers and cost-effective means to encourage conservation behaviours. Specifically, this does not advance the primary goal of DSM which the OEB has

⁴⁶ [Federal SCC Guidance](#).

⁴⁷ [Federal SCC Technical Update](#), p. (i).

described as “assist[ing] customers in making their homes and businesses more efficient in order to better manage their energy bills”.⁴⁸

53. Although the DSM Framework set out in 2022 refers to the role of DSM in “also contributing to the broader policy objective of reducing [GHG] emissions”, that contribution must be understood in the context of DSM’s core objective and guided by principles that include maximizing cost-effective natural gas savings.⁴⁹ More importantly, the role of DSM in reducing emissions is expressly tied to government policy in the DSM Framework – and necessarily so, since the OEB must abide by government policy.⁵⁰ Emissions reduction cannot supersede DSM’s main focus on reducing natural gas sales volumes and customer bills via cost-effective means. Neither can it be interpreted or applied in a manner inconsistent with the Government of Ontario’s policy priorities, which have unequivocally emphasized customer choice, affordability and the critical role of natural gas. While the province has yet to enact its recently stated plan to repeal the legislative requirements for setting emissions reduction targets⁵¹, what’s clear is that it rejects the use of new carbon pricing as a way to lower GHG emissions in Ontario. Said differently, reducing emissions is a laudable contribution/benefit of DSM, but not a stand-alone policy goal that the OEB can promulgate to override or get ahead of government policy or to step beyond its jurisdictional constraints.

⁴⁸ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.2.

⁴⁹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.1-2.

⁵⁰ In addition to the excerpt already included above – “contributing to the broader policy objective of reducing [GHG] emissions” (Schedule E, p. 1), the DSM Framework also includes other references that draw a clear link to government policy/goals, including: “... contributing towards meeting the Government’s goals to reduce [GHG] emissions”, “... contributions that ratepayer funded DSM in Ontario will provide towards GHG emissions reduction goals...”, and “Ontario has set a target to reduce GHG emissions by 30% from 2005 levels by 2030...” [emphasis added] (EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.2, 5, and 7).

⁵¹ [2025 Ontario Economic Outlook and Fiscal Review: A Plan to Protect Ontario](#), p.198.

54. Even assuming some proxy value for economic impacts of GHG emissions could be determined, that would still be an inappropriate change to add to the DSM Framework. The OEB expressly equated the former federal fuel charge to an economic cost of carbon.⁵² Even if a proposed cost were narrowly characterizable in some way as a tangible economic cost avoided via DSM, the intent of the proposal would still be to replace the federal fuel charge that the Government of Canada has set to zero and the Government of Ontario continues to strongly oppose. To be clear, the federal fuel charge has not been eliminated – it exists at \$0 as determined by policy makers who have the authority to set that value, and there has been no federal or provincial policy imperative since April 1, 2025 to support (and in fact, there's strong Ontario government opposition against) the establishment of a different variable/value in its place. More appropriately, the fuel charge component of the TRC-Plus avoided cost calculations should be retained with a zero value. As explained above, introducing another similar economic cost of carbon created by the OEB would impermissibly supplant the policy decisions of the Government of Ontario, with which the OEB must abide.

2.5 Procedural Requests

55. It is important for the OEB to clarify the scope of this proceeding in relation to the Cost of Carbon. If the OEB would benefit from receiving further submissions before doing so, Enbridge Gas requests that the OEB establish an efficient process as early as practicable (i.e., immediately after matters related to notice and intervention are dealt with) to determine this threshold question regarding jurisdiction and scope. Specifically, Enbridge Gas seeks the OEB's confirmation that the issues list for EB-

⁵² EB-2024-0198, OEB Decision and Order, November 6, 2025, pp.1-2: "The federal carbon charge represented an economic cost of carbon and in its absence, it is necessary for Enbridge Gas to consider how the economic cost of carbon should be reflected in the TRC-Plus analysis of the programs it will propose in its upcoming updated DSM plan application."

2025-0295⁵³ does not include the determination and imposition of a value for the Cost of Carbon (whether characterized as a social or economic cost) in the DSM cost effectiveness test. And accordingly, any proposed intervenor evidence (or interrogatories) in this regard would be outside the proper scope of this proceeding.

56. By clarifying the scope early on, the OEB and parties can avoid unnecessary review, evidence preparation, discovery, potentially competing expert evidence, arguments, etc. – all to debate a topic that the OEB cannot and should not adjudicate.

Addressing this threshold question is important in order to ensure: (1) the OEB's statutory framework is respected, and to clarify the in-scope issues in this proceeding; and (2) procedural efficiency and minimizing ratepayer burden.

57. Valuable resources should not have to be expended throughout this proceeding on a topic that is beyond the OEB's purview and mandate. It is also important to bear in mind the timing and logistical pressures associated with implementing DSM programs. Enbridge Gas is making this Application as soon as possible following the OEB's decision on 2026 DSM activities, and the expected procedural timelines leave little room for delays to ensure the Company's ability to deliver on the approved offerings starting in 2027. Delays will likely mean that the Application cannot be adjudicated in time for the 2027 program year, therefore requiring another one-year rollover application in order to continue the currently approved DSM programs into 2027. This would not be a desirable outcome compared to an approved multi-year 2027-2030 DSM Plan that ensures longer term stability and certainty for implementation.

⁵³ Enbridge Gas expects that the issues list from EB-2024-0198 (see OEB Decision on Issues List and Procedural Order No. 2 dated April 10, 2025) will be adopted as is for EB-2025-0295, such that a separate process to scope the issues (except the threshold question set out herein regarding the Cost of Carbon) would not be required.

58. Due to the above-noted timing considerations, Enbridge Gas respectfully asks the OEB to issue direction regarding the scope of the proceeding in relation to the Cost of Carbon by mid-February 2026. If the OEB would like additional submissions on this threshold jurisdictional/scope question, in Enbridge Gas's view, a one-day oral hearing to receive submissions would be an appropriate and preferable approach. In the alternative, a written process for parties to make submissions and Enbridge Gas to reply could be followed, as long as it is scheduled in a manner that enables the OEB to make its determination by mid-February 2026.

2024 ACHIEVABLE POTENTIAL STUDY

1. This evidence is organized as follows:
 1. Background
 2. 2024 Achievable Potential Study Limitations and Challenges
 - 2.1 Natural Gas Savings Targets
 - 2.2 Measure Characterization
 - 2.3 Exclusion of Free-Riders from Budget Estimates
 - 2.4 Reliance on Fuel-Switching and Electrification
 - 2.5 Residential Sector: Electric Heat Pump Water Heater Measure
 - 2.6 Commercial Sector: Electrification of New Construction Buildings
 - 2.7 Commercial Sector: Energy Recovery Ventilation Measure
 - 2.8 Industrial Sector
 3. Conclusion

1. Background

2. In its Decision and Order for Enbridge Gas's 2022-2027 DSM Plan Application ("Decision"), the OEB set out its expectations regarding a new Achievable Potential Study ("APS"):

The OEB expects that OEB staff will undertake a new conservation potential study to inform Enbridge Gas's next multi-year DSM Plan, with input provided by the SAG. To guide OEB staff, Enbridge Gas and the SAG, the OEB is interested in at least three scenarios being considered in the analysis: an annual reduction in total natural gas sales year-over-year of 0.5%, 1% and 1.5%. The study should focus on how these levels of annual natural gas reductions can be achieved through DSM programs in the most cost-effective manner while still providing opportunities for all customer segments to participate in DSM programs. This will play a key role in the development of the next DSM plan that strives for gradual increases in natural gas savings from DSM programs beginning with an initial target of net annual DSM savings that are the equivalent to 0.6% of annual sales in 2026, 0.8% of annual sales

in 2027 and 1.0% of annual sales beginning in 2028 and continuing annually in 2029 and 2030, relative to the prior year on a weather normalized basis.¹

3. In response to the OEB's expectations, OEB staff began engaging the DSM Stakeholder Advisory Group ("SAG") in 2023 regarding the development of the new APS. At the April 11, 2023 SAG meeting, OEB staff announced that it had decided to retain Guidehouse Inc. ("Guidehouse") to develop the new APS, the same consultant that developed the previous OEB/IESO 2019 APS. Additionally, in its role of overseeing the development of the new APS, OEB staff provided a project overview and timeline which indicated a target completion date of February 2024 for the study.
4. The February 2024 target completion date was later extended, with Guidehouse finalizing the study data in September 2024 and publishing the final report (i.e., the 2024 APS) on November 5, 2024.
5. The 2024 APS and its outputs are the work product of the OEB and for reference can be found on the "Engage with Us" page, on the OEB's website.²
6. Throughout the development of the 2024 APS, OEB staff provided oversight to Guidehouse to complete the relevant work products. Enbridge Gas, as part of the SAG, committed considerable resources to support the effort, including but not limited to providing data and feedback where requested.
7. Notwithstanding consultation with the SAG, decision making for the 2024 APS was the responsibility of OEB staff. As noted in the 2024 APS: "Where feedback was contested, Guidehouse and OEB staff facilitated further discussion with OEB staff

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.66.

² OEB (November 5, 2024). Demand Side Management Stakeholder Advisory Group. Engage with Us. <https://engagewithus.oeb.ca/dsm-sag>

ultimately determining the most appropriate compromise and directing Guidehouse to apply it.”³

2. 2024 Achievable Potential Study Limitations and Challenges

8. Importantly, despite the OEB’s expectations that the 2024 APS “will be the primary input into future natural gas savings targets”,⁴ as outlined in the SAG Report, “SAG members agreed that the APS is not and should not be used as a primary input to Enbridge Gas’ next DSM plan or to the development of future natural gas savings targets.”⁵

9. Furthermore:

Non-utility members agreed that an APS should be viewed as directionally informative and not as a prescriptive source to determine the measures that should be included in a utility DSM plan. Non-utility members suggested that at best the APS should be used to provide context to the scale and magnitude of Enbridge’s proposed DSM budgets over the 2026-2030 term.⁶

10. Enbridge Gas agrees with the SAG regarding the significant limitations and challenges with the 2024 APS and cautions against using the 2024 APS as more than a directional input into the development of a DSM plan.

11. Guidehouse also recognizes that “[a]n Achievable potential study is not a program planning document,”⁷ and consequently “...DSM program planning projected outcomes will not necessarily match those of the potential study, nor should they be expected to.”⁸

³ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.32.

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

⁵ EB-2022-0295, SAG Report, November 11, 2024, p.12.

⁶ EB-2022-0295, SAG Report, November 11, 2024, p.8.

⁷ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.31.

⁸ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.31.

12. A more recent challenge that significantly limits the value of the 2024 APS in informing DSM planning is the Government of Canada's decision to set the Federal Carbon Charge ("FCC") to zero as of April 1, 2025. All scenarios in the 2024 APS include a cost of carbon and, as a result, there are no scenarios in the 2024 APS that reflect the new reality of consumer behaviour without a consumer-facing carbon charge. This further limits the applicability of the 2024 APS in informing a proposed DSM Plan that must assess and forecast cost-effectiveness, among other considerations.

13. In addition to the above, examples of Enbridge Gas's other concerns regarding the 2024 APS are set out below.

2.1 Natural Gas Savings Targets

14. Guidehouse makes it clear in the 2024 APS that their interpretation of the objectives of the 2024 APS differs from the objectives set by the OEB for the 2026-2030 DSM Plan:

This distinction is explicitly recognized by the OEB in its Decision that provides the motivation for this study [i.e. the APS] clearly differentiating the goals of the potential study:

To guide OEB staff, Enbridge Gas and the SAG, the OEB is interested in at least three scenarios being considered in the analysis: an annual reduction in total natural gas sales year-over-year of 0.5%, 1% and 1.5%

...from those of the DSM plan:

the next DSM plan that strives for gradual increases in natural gas savings from DSM programs beginning with an initial target of net annual DSM savings that are the equivalent to 0.6% of annual sales in 2026, 0.8% of annual sales in 2027 and 1.0% of annual sales beginning in 2028 and continuing annually in 2029 and 2030").⁹

⁹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.32.

15. Guidehouse explains:

The OEB directed that the potential study considers scenarios which could deliver a decrease of 0.5% (1%, 1.5%) in total gas consumption in each year of the period of projection, relative to the consumption in the year prior. This is equivalent to applying a compound annual growth rate of negative 0.5% (negative 1%, negative 1.5%) to some starting year value of natural gas consumption.¹⁰

16. Guidehouse goes on to state:

For the APS, this was interpreted to mean that cumulative potential should be sufficient to deliver the requisite annual reduction in consumption relative to the reference year. The potential required to meet these targets is substantial since the underlying reference forecast used for this study assumes substantial growth, absent the effects of programmatic DSM.¹¹

17. By way of example, using the 0.5% scenario requested by the OEB, Enbridge Gas understands this to mean that the 2026 natural gas savings potential output in the 2024 APS reflects three years of cumulative compounding 0.5% reductions for the 2024, 2025, and 2026 forecast consumptions.

18. Guidehouse, in consultation with OEB staff, interpreted that the OEB's direction for the 2024 APS should reflect the goal of achieving absolute year-over-year annual reductions for each scenario relative to the "current" base year, which was originally set at 2022. This was later revised. In the 2024 APS Guidehouse explains that "OEB staff directed Guidehouse to proceed with the period of analysis as specified: 2023 as the base year from which targets are developed, and 2024 as the first year in the period of projection."¹²

¹⁰ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.100.

¹¹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.7

¹² 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.204.

19. This direction was provided by OEB staff to Guidehouse, despite differing views from some members of the SAG,¹³ because of timing/delay concerns,¹⁴ and what Guidehouse explains as “interpretation concerns”:

Deviating from convention and beginning the period of analysis coincident with the timing of the DSM Plan might imply that the potential study results should act as a blueprint to the plan. The study, as noted in Section 1.2, is intended only to inform the DSM Plan. The two pieces of work have different targets, make use of different inputs, and are intended for different purposes. The potential study highlights key emerging issues and concerns that inform the program design decisions that define the DSM Plan.¹⁵

20. To be relevant to the 2026-2030 DSM Plan (which later became the 2027-2030 DSM Plan), Enbridge Gas advocated to Guidehouse and OEB staff that 2025 should be the base year used to assess potential natural gas reductions for 2026 and beyond. This approach would be more relevant to the OEB’s expectation that natural gas savings targets for 2026 to 2030 are relative to prior year volumes, on a weather normalized basis, while incorporating the reality of Enbridge Gas’s forecasted year-over-year natural gas throughput growth. This recommendation from Enbridge Gas, however, was not adopted.

2.2 Measure Characterization

21. The 2024 APS employs a representative and, in some cases, bundled approach to measure characterization. As summarized in the SAG Report:

It should be noted that the final measure list, particularly for the industrial sector, included some measures that were deemed to be bundled. The residential and commercial sectors included some measures that were representative of the average of a given type of measure.¹⁶

¹³ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.204.

¹⁴ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.204.

¹⁵ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.204.

¹⁶ EB-2022-0295, SAG Report, November 11, 2024, p.10.

Additionally: “Some SAG members expressed reservations toward this approach, as it raised the potential of misinterpretations during measure list reviews.”¹⁷

22. As acknowledged by Guidehouse in the 2024 APS, “measures included on the measure list should be understood as averages, reflecting a range of more specific individual installations. The measure list used for this study represents a series of compromises”¹⁸ and “[m]easures and their parameters (savings, costs, etc.) should therefore be understood as being representative of an underlying diverse distribution of installation, behaviours and equipment.”¹⁹

23. Enbridge Gas’s concerns with the representative measure/bundled measure approach includes possible discrepancies between actual results compared to averages, lack of transparency in the composition of the bundles, and the challenges with interpreting estimates based on bundled information into actionable DSM programming. The SAG report acknowledges related concerns, stating:

SAG members provided input on measure characterization inputs, however, SAG members were not informed of the mechanisms that Guidehouse’s model used to develop outputs, such as how measures were prioritized or layered. SAG members noted that this was particularly difficult and limited their ability to provide useful feedback in some instances and understand the broader implications of decisions.²⁰

2.3 Exclusion of Free-Riders from Budget Estimates

24. The budgets associated with the natural gas savings targets for each scenario in the 2024 APS do not account for participation from free-riders. As a result, the actual budget required to achieve the natural gas savings would be significantly higher in

¹⁷ EB-2022-0295, SAG Report, November 11, 2024, p.10.

¹⁸ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.60.

¹⁹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.61.

²⁰ EB-2022-0295, SAG Report, November 11, 2024, p.10.

practice than are represented, as participation from free-riders is reasonable to expect in any DSM program. This is described in the 2024 APS as follows:

...the estimated incentive costs of the Achievable potential account only for the incentive costs attributable to net new participants. It is reasonable to expect, however, that programs offered to consumers will have free-riders (whose actions are implicitly embedded in the potential study's reference forecast). Program planners or those assessing program plans should, in their use of the estimated Achievable potential to inform their analysis, carefully consider how free-ridership may impact estimated incentive costs, and make adjustments appropriate to the sector and measure, and consistent with the implications of the reference forecast.²¹

2.4 Reliance on Fuel-Switching and Electrification

25. A key observation from the 2024 APS is that:

[T]he 1% reduction target scenarios specified by the OEB for the potential study can be achieved only through substantial amounts of fuel-switching. The 0.5% reduction target scenario can be achieved without fuel switching through the late 2030s only when incentives and non-economic adoption factor assumptions are set to their maximum values.²²

26. In consideration of this finding, Enbridge Gas notes that in its stakeholder engagement with intervenors, some parties questioned whether it is appropriate for natural gas ratepayer DSM programs to actively fund customers leaving the natural gas system. In its Decision the OEB stated:

On the role of natural gas DSM as part of the broader issue related to the electrification of the energy sector, the OEB believes that it is premature for the OEB to impose broad new requirements on Enbridge Gas in the absence of the Ontario Government developing and releasing a comprehensive policy on the topic of electrification. It is likely that any discussions regarding electrification will require the

²¹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.103.

²² 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.135

involvement of the IESO and other relevant stakeholders in contributing to those policies.²³

2.5 Residential Sector: Electric Heat Pump Water Heater Measure

27. The 2024 APS determined that the electric “heat pump water heater is the Residential measure with the largest Achievable potential,”²⁴ and “residential water-heating appears to offer the most significant opportunity for achievable natural gas reductions.”²⁵ However, Enbridge Gas’s experience with offering significant incentives for the installation of electric heat pump water heaters to residential customers (through its partnership with Natural Resources Canada and the collaboration between the Canada Greener Homes Grant with the Home Efficiency Rebate Plus program) demonstrated that uptake of this measure is underwhelming.

28. Despite this measure being identified as the measure with the largest Achievable potential in the residential sector, the 2024 APS also cautions implementation:

Guidehouse’s adoption modeling does not necessarily reflect reality of Ontario’s water heater rental oligopoly and how that could impact consumers’ equipment choices.²⁶

Guidehouse also acknowledges a significant barrier to uptake for the measure, stating: “...the focus of water heater fuel switching was, only a decade ago, on moving customers away from electric water heaters for reasons of cost.”²⁷

2.6 Commercial Sector: Electrification of New Construction Buildings

29. Regarding the commercial sector, the 2024 APS states:

Cost-effective Commercial space-heating electrification opportunities are principally limited to smaller buildings, and more substantial for new construction

²³ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.16.

²⁴ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.25.

²⁵ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.135.

²⁶ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.135.

²⁷ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.145.

than for existing buildings...[t]his is reflected in the Economic potential which is higher for NEW measure types than it is for [Replace On Burnout] measure types (as a share of the reference forecast), indicating that the most significant opportunity for cost-effective electrification of Commercial buildings lies in new construction.²⁸

30. Guidehouse further recommends that:

[I]mplementers consider focusing their efforts at electrification primarily on new construction. Electrification of new construction (again, either with hybrid or fully electric systems) does not require costly infrastructure retrofits required to adapt existing building systems (wiring, ducting, etc.) to electrified equipment. This is particularly true for Commercial buildings.²⁹

31. Despite this recommendation, Enbridge Gas submits that it is inappropriate for natural gas ratepayers to fund DSM resource acquisition programs for new construction fully-electric commercial buildings that will never be connected to the natural gas system. While the OEB's Decision allowed for funding of market transformation programs that might result in supporting new construction fully-electric commercial buildings, this was not (and should not be) extended to resource acquisition programs. Given the magnitude of the budget that would be required to support a natural gas ratepayer funded resource acquisition program for new construction fully-electric commercial buildings, without clear direction from the OEB that natural gas ratepayers are required to cross subsidize non-natural gas ratepayers to such an extent, Enbridge Gas does not believe it is appropriate to propose such program offerings.

2.7 Commercial Sector: Energy Recovery Ventilation Measure

32. The 2024 APS outputs suggest that the Energy Recovery Ventilation ("ERV") measure for new construction is far and away the top potential achieving measure

²⁸ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.133.

²⁹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.145.

for the entire commercial sector in all six of the 2024 APS scenarios. Without understanding the methodology and algorithms applied in Guidehouse's proprietary model to prioritize and quantify measure opportunities, it is unclear to Enbridge Gas whether this result is appropriate (in contrast, ERVs, for both retrofit and new installations, was 13th in ranking in the 2019 OEB/IESO APS). Additionally, the 2024 APS report itself makes no mention and provides no commentary regarding new construction ERVs being the top achieving measure in the commercial sector.

33. Based on Enbridge Gas's understanding of this APS Study finding, it suggests at least 10,000 new commercial buildings would need to be constructed each year in Ontario in order to provide the opportunity to achieve this potential, which the Company does not believe is realistic.

2.8 Industrial Sector

34. For the 2024 APS industrial sector outputs, Guidehouse took a top-down, fully bundled approach to quantifying potential. Guidehouse determined that the primary source of industrial measure inputs would be the U.S. Department of Energy's, Industrial Assessment Centre ("IAC") database. Guidehouse explains:

Industrial sub-sectors are...highly idiosyncratic in their building, equipment, and energy-using process characteristics. This presents a major data collection challenge for bottom-up "widget-based" potential studies, particularly given the sometimes commercially sensitive nature of the information needed to identify energy efficiency and fuel switching opportunities. Guidehouse's use of the IAC database of audit-recommended measures addresses this challenge by including a wide range of actually identified sub-sector-specific opportunities.³⁰

35. Although Enbridge Gas agrees with the challenges of inadequate data availability and limitations in extrapolating to sector-wide conclusions through a bottom-up

³⁰ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.131.

approach for this sector, the outputs of the 2024 APS for the industrial sector provide little useful insight into DSM program design for industrial facilities.

36. Enbridge Gas has always emphasized the importance of custom, directed, customer-by-customer engagement and analysis to identify energy efficiency opportunities and support project implementation for this sector. Notwithstanding the outputs of the 2024 APS, this remains best practice for the sector and will continue to be the primary programmatic approach for Enbridge Gas's DSM efforts with these customers.

3. Conclusion

37. Enbridge Gas acknowledges that achievable potential studies are very challenging. As Guidehouse notes, "The study makes use of thousands of inputs from hundreds of sources, including, in some cases, the expert opinions of SAG member reviewers."³¹ Each one of these inputs represents an opportunity for error or differences of opinions.

38. Despite the concerns noted above that limit the ability to use the 2024 APS towards the development of Enbridge Gas's multi-year DSM Plan proposal, in an effort to be responsive to stakeholder requests, the Company has provided a summary of Scenario A of the 2024 APS at Exhibit D, Tab 2, Schedule 2, to indicate, directionally, the budgets that would be required to achieve the natural gas savings for the scenario.

³¹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.33.

DSM STAKEHOLDER ADVISORY GROUP

1. This evidence is organized as follows:

1. Background and Context
2. Enbridge Gas's Comments
 - 2.1 Updated Natural Gas Conservation Potential Study
 - 2.2 Natural Gas DSM Stakeholder Advisory Group Report to the OEB
 - 2.3 Input on Future DSM Programs
 - 2.4 Opt-out Protocols for the Large Volume Program
 - 2.5 Research and Development
 - 2.6 Review of Target Adjustment Mechanism
 - 2.7 Consideration of New Programs
 - 2.8 Review of Avoided Costs
 - 2.9 DSM Framework and Policy Considerations
3. Conclusions

1. Background and Context

2. In its Decision and Order for Enbridge Gas's previous multi-year DSM Plan Application¹ ("Decision"), the OEB outlined its expectations regarding the establishment of a DSM Stakeholder Advisory Group ("SAG"). The OEB established the focus for the SAG as follows:

The primary work items that the DSM SAG should undertake include: input on an updated natural gas achievable potential study to inform Enbridge Gas's next DSM Plan, provide input to Enbridge Gas on its draft 2026-2030 DSM Plan before it is filed with the OEB, including recommendations on how to prioritize what programs should be expanded and how to generate the greatest level of cost-effective natural gas savings.²

¹ EB-2021-0002.

² EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

3. The key activities that the OEB expected the SAG to undertake were provided at Schedule D of the Decision³ and are outlined in Table 1.

Table 1
DSM Stakeholder Advisory Group Activities

Activity	Responsibility	Priority Level	Reference	Enbridge Gas's Comments
Updated Natural Gas Conservation Potential Study	OEB Staff	High	OEB staff will lead a new natural gas conservation potential study to help inform the next DSM Plan, with input provided by the Stakeholder Advisory Group. To guide OEB staff, Enbridge Gas and the SAG, the OEB is interested in at least three scenarios being considered in the analysis: an annual reduction in natural gas sales year-over-year of 0.5%, 1% and 1.5%. The study should focus on how these levels of annual natural gas reductions can be achieved through DSM programs in the most cost-effective manner while still providing opportunities for all customer segments to participate in DSM programs. (4.6 Issue 9 – Performance Scorecards The OEB expects that Enbridge Gas's next DSM Plan will result in meaningful reductions to annual natural gas sales volumes beginning with 0.6% in 2026, 0.8% in 2027 of annual gas sales, and 1% of annual gas sales in each of 2028, 2029 and 2030, relative to each prior year on a weather normalized basis. This target should be used as the basis for the next natural gas achievable potential study, with alternative scenarios, such as 0.5% and 1.5% reductions in annual gas sales also considered to provide alternatives and allow the plan to be responsive to future policy direction. (4.13 Issue 17 – Stakeholder engagement) The OEB is of the view that a greater understanding is required of the relationship between adjustments to targets and budgets and the impacts of increases to either has on the overall DSM plan, including performance metrics, program opportunities, and overall costs including rate impacts. (4.6 Issue 9 – Performance Scorecards)	See Section 2.1

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule D, p.i.

Table 1 (continued)*
DSM Stakeholder Advisory Group Activities (continued)

Activity	Responsibility	Priority Level	Reference	Enbridge Gas Comments
Input on Future DSM Programs	Enbridge Gas	High	The OEB expects that Enbridge Gas will seek input from the SAG to identify programs that should be expanded as part of the next DSM plan. It is expected that Enbridge Gas will also consider the program recommendations that were advanced by experts in this proceeding. Based on the input provided by the SAG, Enbridge Gas should propose expanded delivery of those programs that will result in the greatest natural gas savings, particularly those that are the most cost-effective and which have the greatest opportunity for significant upgrades to efficiency. Additionally, it will also be important for Enbridge Gas to identify any customer segments and programs that lend themselves most favourably to integration with electricity CDM programs as well as those areas of the market that have the greatest potential for further fuel switching and seek input from the SAG. (4.2 Issue 10 – Programs)	See Section 2.3
Opt-out Protocols for the Large Volume Program	Enbridge Gas	Medium	With respect to an opt-out framework, more evidence is required before an opt-out provision can be implemented. Enbridge Gas is expected to work with relevant stakeholders, such as IGUA, to develop opt-out protocols and share with the SAG for input. The resulting opt-out framework should be included as part of Enbridge Gas's next DSM plan application. (4.2.5 Large Volume Program)	See Section 2.4
Research and development Plan	Enbridge Gas	Medium	The OEB expects that Enbridge Gas will, at a minimum, share its research and development plan with the SAG for comment. (4.7 – Issue 11 – Research and Development Activities)	See Section 2.5

Table 1 (continued)*
DSM Stakeholder Advisory Group Activities (continued)

Activity	Responsibility	Priority Level	Reference	Enbridge Gas Comments
Review Target Adjustment Mechanism	OEB Staff	Medium	As the OEB has allowed the continuation of the TAM for the three-year term, Enbridge Gas's proposal to continue adjusting both targets and evaluated results in a given year to account for updated input assumptions is reasonable. However, the OEB would like the SAG to review this practice and provide recommendations on the most ideal balance of risk between Enbridge Gas and customers based on changes to input assumptions and adjustment factors. (4.9 Issue 13 – Input Assumptions, Cost-Effectiveness and Avoided Costs)	See Section 2.6
Consideration of New Programs	Enbridge Gas	Low	The OEB expects that the additional program opportunities identified by parties in this proceeding, including retro-commissioning, an Energy Manager Subsidy program and Municipal Support and Incentive programs should be explored by Enbridge Gas with input from the SAG. It is the OEB's expectation that Enbridge Gas's next DSM plan application will address the nature of these discussions and include any program opportunities that will result in material benefits. (4.2.10 Issue 10j – Other Programs)	See Section 2.7
Review of Avoided Costs	OEB Staff	Low	The SAG should review key avoided costs, namely electricity avoided costs, and coordinate with the IESO as necessary. The outcomes of this review and any new proposals or updated avoided cost figures should be included as part of Enbridge Gas's next DSM plan application. (4.9 Issue 13 – Input Assumptions, Cost-Effectiveness and Avoided Costs)	See Section 2.8

2. Enbridge Gas's Comments

- Enbridge Gas formally engaged with the SAG over 38 meetings from April 2023 to October 2024. It should be noted that these 38 meetings do not include the many more meetings specifically convened to discuss, provide input on, and review various aspects of the 2024 Achievable Potential Study ("2024 APS") work.

5. In addition to meetings that focused on the interpretation of the OEB's DSM Framework and broader policy items, many of these SAG meetings involved Enbridge Gas sharing program ideas and soliciting input on plans for the residential, income qualified, commercial, and industrial sectors. Enbridge Gas engaged in discussions with SAG members, elaborated on program details, answered questions, and solicited feedback with the intention of ensuring its DSM programming was comprehensive, that designs were well considered, and that any program gaps were identified.
6. As per the Natural Gas DSM SAG Report to the OEB ("SAG Report"), "[n]on-utility members agree that, generally, the proposals presented by Enbridge throughout this engagement include positive improvements which should lead to an increase in cost-effective natural gas savings."⁴ Enbridge Gas believes that the significant time and resources spent developing its plans, engaging with the SAG and considering feedback and recommendations of SAG members has yielded a positive outcome. As captured in the final sentence of the General Process Feedback and Future Considerations section of the SAG Report:

[T]he recommendations, most of which were consensus, related to program development should provide the basis for stakeholders to have confidence that industry experts have thoroughly reviewed key program concepts and proposals and have concluded that they are largely consistent with best practice and there are no material omissions.⁵
7. This section of the evidence endeavours to provide an overview of key SAG recommendations. In some cases, the SAG Report includes recommendations or suggestions that were broad in nature, that did not have SAG member consensus, or were identified as out of scope. As a result, it was not practical for Enbridge Gas to consider and respond to all commentary in the SAG Report.

⁴ EB-2022-0295, SAG Report, November 11, 2024, p.14.

⁵ EB-2022-0295, SAG Report, November 11, 2024, p.6.

8. The following sections outline how Enbridge Gas has addressed the OEB's key activities for the SAG (listed in Table 1) and how the Company considered or incorporated SAG recommendations into its 2027-2030 DSM Plan, as requested by the OEB.⁶

2.1 Updated Natural Gas Conservation Potential Study

9. The OEB requested that the SAG provide input into the 2024 APS.⁷ Enbridge Gas largely agrees with the SAG's concerns regarding the 2024 APS and that its value lies primarily as a directional input. As noted in the SAG Report, "SAG members agreed that the APS is not and should not be used as a primary input to Enbridge Gas' next DSM plan or to the development of future natural gas savings targets."⁸ Further, "SAG members agreed that the APS is directionally informative, in that it can be used to provide a directional understanding of high-level opportunities and their costs."⁹
10. Enbridge Gas also concurs with the SAG's acknowledgement of the limitations of the 2024 APS:
- SAG members acknowledged some inherent realities of an APS, including the need to make numerous assumptions based on limited data that are assumed to apply equally to all customers (i.e., potential studies are based on average savings, average costs, etc.), resulting in numerous limitations to the direct application of APS results on Enbridge's DSM plan.¹⁰
11. Further details regarding Enbridge Gas's consideration of the 2024 APS for the Company's DSM Plan Application can be found at Exhibit C, Tab 1, Schedule 3.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

⁸ EB-2022-0295, SAG Report, November 11, 2024, p.12.

⁹ EB-2022-0295, SAG Report, November 11, 2024, p.12.

¹⁰ EB-2022-0295, SAG Report, November 11, 2024, p.8.

2.2 Natural Gas DSM Stakeholder Advisory Group Report to the OEB

12. The OEB set out its expectations for the outcome of the SAG as follows:

OEB staff is expected to lead the development of the DSM SAG's Report that should include a summary of the work the SAG has completed, a list of all recommendations and material concerns about the DSM plan that remain unresolved within the DSM SAG. A copy of the DSM SAG's report should be provided to Enbridge Gas so it can be included as part of its application seeking approval of a new multi-year DSM plan from 2026 to 2030.¹¹

13. As per the OEB's direction, the SAG Report can be found at Exhibit, C, Tab 1, Schedule 4, Attachment 1.

2.3 Input on Future DSM Programs

14. Regarding Enbridge Gas's DSM program proposals, the SAG Report states that "[t]he non-utility members worked collaboratively amongst the group and with Enbridge. No material disagreements regarding program concepts remain outstanding."¹² Furthermore, it is important to note the following summary statement from the SAG Report:

... the recommendations, most of which were consensus, related to program development should provide the basis for stakeholders to have confidence that industry experts have thoroughly reviewed key program concepts and proposals and have concluded that they are largely consistent with **best practice** and there are **no material omissions**.¹³ (*emphasis added*)

15. This view is also highlighted within the program sections of the SAG Report, such as:

¹¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule D, p.91.

¹² EB-2022-0295, SAG Report, November 11, 2024, p.36.

¹³ EB-2022-0295, SAG Report, November 11, 2024, p.6.

a) Within the Commercial Program section: “Non-utility members noted that this mix of offers is common in leading jurisdictions and generally consistent with **best practice** program implementation.”¹⁴ (*emphasis added*); and,

b) Within the Industrial Program section: “The group agreed that the conceptual approach to using dedicated account managers to work with larger customers on an on-going basis to drive efficiency projects is **best practice** allows [sic] for detailed one-on-one interactions that are required in the industrial sector.”¹⁵ (*emphasis added*).

16. Furthermore: “Overall, non-utility members indicated they were supportive of Enbridge’s general proposed program concepts (including key areas of focus, the mix of strategies, target markets, etc.), including the proposed updates Enbridge presented, but not necessarily the levels of natural gas savings being proposed.”¹⁶

17. Much of the consensus feedback within the SAG Report is supportive of the DSM programs and offerings that were presented to members, with many of the recommendations amounting to adjustments or additional considerations. Complete details regarding Enbridge Gas’s proposed DSM programs can be found throughout Exhibit E.

18. Enbridge Gas has made adjustments to its proposed DSM programs based on SAG feedback, for example, by removing the Energy Education & Kits Offering initially proposed (this change is also consistent with feedback heard during the formal intervenor engagement session) and by limiting residential incentives to electric cold climate air source heat pumps (rather than all electric air source heat pumps). Enbridge Gas believes it has reasonably considered all of the key comments and suggestions made by members of the SAG and views the positive nature of the SAG

¹⁴ EB-2022-0295, SAG Report, November 11, 2024, p.57.

¹⁵ EB-2022-0295, SAG Report, November 11, 2024, p.67.

¹⁶ EB-2022-0295, SAG Report, November 11, 2024, p.36.

Report as evidence of this. As is the case with the SAG Report overall, it is not practical to try and summarize here each and every comment and recommendation that was raised and Enbridge Gas's response.

19. In addition to program or offering-specific suggestions, the SAG Report also outlined some general recommendations that applied more broadly.

20. The SAG stressed the need for expanded collaboration with the IESO,¹⁷ which Enbridge Gas acknowledges and supports. However, as stated in the SAG Report:

Non-utility members acknowledged current limitations to fully integrated programming due to the IESO not having formal approval of its portfolio and programs beyond 2024 and Enbridge's future DSM plan requiring OEB approval, but stressed the significance of fully integrated offerings and an expectation that when able, Enbridge will endeavor to do so.¹⁸

21. Details regarding Enbridge Gas's current and future collaboration with the IESO can be found in Exhibit C, Tab 1, Schedule 6.

22. Finally, the SAG recommended that, in addition to the proposed level of natural gas savings and program budgets Enbridge Gas includes in its multi-year DSM Plan Application, the Company should also address the OEB's expectation of achieving 1% reductions in annual natural gas sales by 2028.¹⁹ Enbridge Gas has addressed this topic at Exhibit D, Tab 2, Schedule 2.

2.4 Opt-out Protocols for the Large Volume Program

23. In response to the OEB's expectations regarding this activity, Enbridge Gas undertook extensive engagement with relevant stakeholders including the Industrial Gas Users Association ("IGUA") to develop opt-out protocols for large volume

¹⁷ EB-2022-0295, SAG Report, November 11, 2024, p.58.

¹⁸ EB-2022-0295, SAG Report, November 11, 2024, p.58.

¹⁹ EB-2022-0295, SAG Report, November 11, 2024, p.37.

customers and shared this work with the SAG. Non-utility members stated that they were appreciative of Enbridge Gas's efforts but were not in a position to provide formal feedback on the matter.²⁰

24. The resulting opt-out framework, with support from large volume customers, is provided at Exhibit E, Tab 6, Schedule 1.

2.5 Research and Development

25. Enbridge Gas provided information to the SAG regarding its plans for research and development for the 2023-2025 DSM Plan term as well as its proposal for the next DSM Plan term, which was based on the expectation of similar funding as the 2023-2025 term. The SAG, however, recommended that Enbridge Gas increase its research and development efforts and that a material amount of budget be focused on research and development:

Non-utility members reached consensus that as part of Enbridge's next DSM plan, greater emphasis on research and development will be needed. Research and development should not be isolated to any specific customer group/sector but done in a more comprehensive manner which includes market research and market intelligence actions. Non-utility members also recommended that a material amount of budget should be directed to research and development efforts.²¹

26. Enbridge Gas is generally supportive of this recommendation and proposes to continue with a research fund, with further details provided at Exhibit D, Tab 8, Schedule 2. The SAG Report also notes that "non-utility members recommended that energy innovation should be considered more broadly, across all programs/sectors, in concert with any approved research and development

²⁰ EB-2022-0295, SAG Report, November 11, 2024, p.70.

²¹ EB-2022-0295, SAG Report, November 11, 2024, p.36.

budget/work.”²² Consequently, Enbridge Gas is proposing the introduction of an Energy Innovation Fund for the commercial and industrial sectors, details of which can be found at Exhibit D, Tab 8, Schedule 3.

27. Regarding the budget amount, the SAG Report states that “[n]on-utility members noted that it will be critical to have a material portion (e.g., approximately 5%) of its future DSM budget dedicated for the development and deployment of new ideas.”²³ While Enbridge Gas generally supports the emphasis on research and development, the Company is not proposing to increase total research and development related budgets to as much as 5% of the total DSM budget due to rate impact concerns.

2.6 Review of Target Adjustment Mechanism

28. The SAG considered the practice of target adjustments based on prior year performance and provided recommendations regarding balancing risk between Enbridge Gas and customers with respect to changes to input assumptions and adjustment factors. Non-utility members agreed that Enbridge Gas’s future targets should not be adjusted to account for prior year results, which has been the practice in the past through the target adjustment mechanism.

29. The SAG made numerous recommendations around adjustments to targets and results. Non-utility members provided specific recommendations regarding updated net-to-gross (“NTG”) values and suggestions on how NTG values should be applied to targets and results.²⁴ Enbridge Gas is generally supportive of these recommendations and believes it is critical to ensure that impacts to both the utility and ratepayers are considered. Further details regarding Enbridge Gas’s proposal including incorporation of SAG recommendations for this topic are outlined in Exhibit D, Tab 9, Schedule 2.

²² EB-2022-0295, SAG Report, November 11, 2024, p.36.

²³ EB-2022-0295, SAG Report, November 11, 2024, p.36.

²⁴ EB-2022-0295, SAG Report, November 11, 2024, pp.25-28.

30. Many of the SAG recommendations adopted by Enbridge Gas require updates to the DSM Framework, and this was acknowledged by the SAG. The specific language being proposed by Enbridge Gas to update the DSM Framework is described at Sections 2.2, 2.6, and 2.7 of Exhibit C, Tab 1, Schedule 1.

2.7 Consideration of New Programs

31. In addition to the request for feedback regarding the program concepts that Enbridge Gas was considering for its multi-year DSM Plan, a key question posed to the SAG by the Company was whether SAG members believed there were any gaps in the DSM program proposals and/or whether there were other DSM program concepts or ideas that should be explored and considered by Enbridge Gas.

32. No specific DSM program gaps were identified, and no new or missing DSM program proposals were recommended by the SAG. Rather, SAG members concluded that Enbridge Gas's proposals "are largely consistent with best practice and there are no material omissions."²⁵

2.8 Review of Avoided Costs

33. Regarding the OEB's expectation that the SAG "consider reviewing key avoided costs, namely electricity avoided costs, and coordinate with the IESO as necessary,"²⁶ the SAG Report states that "[n]on-utility members indicated the importance of using as up-to-date electricity avoided costs as possible and agreed that Enbridge should use the best available information regarding electricity avoided costs as provided by the IESO."²⁷

34. Enbridge Gas consulted with the IESO in the review of electricity avoided cost assumptions, with details provided at Exhibit D, Tab 10, Schedule 1.

²⁵ EB-2022-0295, SAG Report, November 11, 2024, p.6.

²⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.84.

²⁷ EB-2022-0295, SAG Report, November 11, 2024, p.34.

2.9 DSM Framework and Policy Considerations

35. During the course of the many SAG meeting discussions, a number of policy issues arose. While there were many robust conversations, the SAG acknowledged that these items were largely outside the scope of the SAG: “Many of these items are too broad to be acted upon by the SAG. The group did not achieve consensus on the broader items.”²⁸

36. Further, the SAG identified practical considerations with respect to the DSM Framework and acknowledged that Enbridge Gas’s next multi-year DSM Plan Application should be based on the currently approved DSM Framework, incorporating direction from the OEB in its decision for the previous multi-year DSM Plan:

The group agreed that for practical purposes, non-utility member feedback and Enbridge’s pending multi-year DSM plan application must proceed based on the guidance provided in the OEB’s DSM Decision and the current policy framework.²⁹

37. Non-utility members further agreed that:

...should participants in Enbridge’s next multi-year DSM plan proceeding raise policy concerns (for example, regarding the primary objective of DSM, reasonableness of guiding principles, or other structural items), that these be addressed separately, either simultaneous to the DSM plan application proceeding (but not directly applicable) or immediately following the OEB’s decision. This way, updated policy direction will be available to inform Enbridge’s DSM planning efforts for its next multi-year plan.³⁰

38. Additionally, as requested by the OEB: “[I]t would be appropriate for alternative or additional shareholder incentive structures to be considered by Enbridge Gas and

²⁸ EB-2022-0295, SAG Report, November 11, 2024, p.14.

²⁹ EB-2022-0295, SAG Report, November 11, 2024, p.14.

³⁰ EB-2022-0295, SAG Report, November 11, 2024, p.14.

the SAG in the development the next DSM plan.”³¹ Consequently, the SAG made specific recommendations regarding the shareholder incentive structure.³² Enbridge Gas was supportive of the SAG’s recommendations on shareholder incentive with the exception of the End-of-Term Natural Gas Reduction Incentive, with further details provided at Exhibit D, Tab 2, Schedule 3.

39. In the course of the discussions regarding shareholder incentive, the SAG also made recommendations regarding scorecard design and metrics.³³ While Enbridge Gas considered the merits of the SAG’s recommendations for this topic, the Company did not adopt the SAG’s recommendations in this instance, with further details provided at Exhibit D, Tab 2, Schedule 3.

3. Conclusions

40. In the Decision, the OEB stated: “Although not a requirement, gaining the agreement of the DSM SAG should be considered a top priority to allow for a more efficient and effective regulatory process.”³⁴ Enbridge Gas has spent considerable time and effort engaging with the SAG and endeavoring to incorporate the SAG’s feedback. Enbridge Gas is appreciative of and values the input from the SAG and believes it will contribute to a more efficient and effective regulatory proceeding for the Company’s 2027-2030 DSM Plan Application, especially regarding the areas where Enbridge Gas has received consensus support from the SAG.

³¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.60.

³² EB-2022-0295, SAG Report, November 11, 2024, p.20.

³³ EB-2022-0295, SAG Report, November 11, 2024, pp.16-17

³⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.92.

Natural Gas Demand Side Management Stakeholder Advisory Group Report to the OEB

November 11, 2024

Table of Contents

1.0	Introduction and Overview	1
2.0	Stakeholder Advisory Group	3
2.1	Membership	3
2.2	Project Timelines	4
2.3	General Process Feedback and Future Considerations	5
3.0	Achievable Potential Study	7
3.1	Measure Characterization	10
3.2	APS Outputs	11
3.3	APS Conclusions and Interpretation	11
3.4	APS Future Considerations.....	13
4.0	DSM Policy Framework Considerations	14
4.1	Targets and Shareholder Incentive	16
4.2	Natural Gas Savings Levels.....	18
4.3	Adjustments to Targets	19
4.4	Shareholder Incentive	20
4.4.1	Amount Available at 100% of planned performance.....	20
4.4.2	Earnings Thresholds	21
4.4.3	End-of-Term Incentive.....	22
4.5	DSM Plan and Program Considerations	22
4.5.1	Attribution of Benefits from Partnerships	24
4.6	Program Evaluation (Input Assumptions and Adjustment Factors)	24
4.6.1	Net-to-Gross Values.....	25
4.6.2	Application of NTG values.....	29
4.6.3	Process to Apply Updated Net-to-Gross Values.....	30
4.7	Cost Effectiveness Screening	31
4.7.1	Non-Energy Benefits	32
4.7.2	Cost of Carbon	32
4.7.3	Discount Rate.....	34
4.7.4	Avoided Electricity and Natural Gas Costs	34
5.0	Program Proposals and Recommendations	36
5.1	Residential Program	38
5.1.1	Enbridge Sector Overview	38
5.1.2	Residential Program Proposal	40
5.1.3	Non-Utility Member Residential Program Considerations	42
5.2	Income-Qualified Program.....	45
5.2.1	Income Qualified Program Proposal	45

5.2.2 Non-utility Member Consensus Recommendations	48
5.3 Commercial Program	51
5.3.1 Enbridge Sector Overview	51
5.3.2 Commercial Program Proposal	55
5.3.3 Non-Utility Member General Feedback.....	57
5.3.4 Non-utility Member Consensus Recommendations	57
5.3.5 Non-Utility Members – Additional Considerations	60
5.4 Industrial Program	62
5.4.1 Enbridge Sector Overview	62
5.4.2 Industrial Program Proposal	64
5.4.3 Non-Utility Member General Feedback.....	65
5.4.4 Non-Utility Member Consensus Recommendations	66
5.4.5 Non-Utility Member Additional Considerations	68
5.5 Large Volume Program	70
5.6 Market Transformation Programs	71
5.6.1 Market Transformation Proposal.....	71
5.6.2 Non-Utility Member Recommendations	72
6.0 SAG Member Comments	73
Appendix A – Non-utility Member Consensus Recommendations	80

1.0 Introduction and Overview

This report documents feedback and recommendations received from the Natural Gas Demand Side Management (DSM) Stakeholder Advisory Group (SAG). The SAG was involved in detailed discussions related to Enbridge Gas Inc.'s (Enbridge) future natural gas DSM plan. As part of this engagement, the SAG also worked closely with Ontario Energy board (OEB) staff on the development of a natural gas energy efficiency achievable potential study (APS). The SAG worked professionally and collaboratively with Enbridge to give input and feedback on many aspects of its upcoming multi-year DSM plan application. This included programs for residential, income-qualified, commercial and industrial customers, performance targets, shareholder incentives, in addition to a number of policy considerations.

Feedback and recommendations from non-utility members of the SAG are intended to help inform parties and the OEB as part of Enbridge's upcoming DSM plan application proceeding. OEB staff's engagement with the SAG was in response to direction in the OEB's Decision and Order approving a new DSM plan for Enbridge from 2023 to 2025 (the DSM Decision).¹ The OEB indicated that it needed assurance that a robust consultative process had been followed, which included a provision for a meaningful opportunity to participate, a record of what was discussed and a summary of how Enbridge incorporated the results of the consultation into its next DSM plan.

The OEB also stated the following, which has been used by the SAG to guide its work and this report:

"The DSM SAG should meet on a regular basis during the term of the 2023-2025 DSM plan with the objective of providing input on the makeup of Enbridge Gas's next DSM plan to ensure it will align with the OEB's direction to achieve increasing levels of natural gas savings with the ultimate objective of Enbridge Gas's DSM Plan helping reduce overall natural gas consumption. The primary work items that the DSM SAG should undertake include: input on an updated natural gas achievable potential study to inform Enbridge Gas's next DSM Plan, provide input to Enbridge Gas on its draft 2026-2030 DSM Plan before it is filed with the OEB, including recommendations on how to prioritize what programs should be expanded and how to generate the greatest level of cost-effective natural gas savings. OEB staff is expected to lead the development of the DSM SAG's Report that should include a summary of the work the SAG has completed, a list of all recommendations and material concerns about the DSM plan that remain unresolved within the DSM SAG."²

The OEB's DSM Decision listed several activities for the SAG to undertake, encouraging the group to address as many as practical while prioritizing efforts to respect the time and resources each item may require.

¹ EB-2021-0002, Decision and Order, November 15, 2022

² Ibid, p. 91

In concluding its guidance for the SAG, the OEB acknowledged the potential for divergent perspectives, stating: “The OEB expects that parties will work cooperatively and strive to reach consensus on as many aspects of Enbridge Gas’s future DSM plan application as possible. Ultimately, Enbridge Gas will be responsible to defend its application and the proposals within. Although not a requirement, gaining the agreement of the DSM SAG should be considered a top priority to allow for a more efficient and effective regulatory process.”³

Consistent with the OEB’s direction, the SAG has worked collaboratively, strived for consensus where possible and documented its conclusions and recommendations in this report. A list of consensus recommendations can be found in Appendix A. Non-utility members acted professionally and provided expert opinion and recommendations to help facilitate the completion of the APS and inform Enbridge’s DSM plan development.

The recommendations outlined below have been provided to Enbridge by the non-utility members of the SAG. OEB staff participated in all SAG discussions and largely support the non-utility member consensus recommendations. Enbridge’s responses to non-utility member recommendations will be included in its DSM plan application. Ultimately, non-utility members that may represent intervenor groups and thus participate in the OEB’s proceeding to review Enbridge’s application will offer their opinion and support based on the actual proposals put forth by Enbridge in its application. This is expected to include additional supporting details and analysis that could not be provided due to the time constraints of this process. It is the expectation of all involved that recommendations made in this process be consistent with those made in any formal OEB proceeding, subject to new information and the opportunity to review the collection of all proposals as a package, with the most relevant policy direction providing critical context. Additionally, it needs to be acknowledged that there will be additional topics and discussion points raised, either in response to Enbridge’s proposals or independently by parties in the proceeding which the SAG has not discussed. It is a reasonable expectation that SAG members are likely to provide additional input or have new opinions related to these items that may expand on feedback provided in this engagement or be entirely new.

The group collectively acknowledged that not all stakeholder perspectives were perfectly represented on the SAG. Because of this, there will likely be some level of disagreement among stakeholders regarding the SAG’s recommendations. The group acknowledged that this is a practical reality, which the OEB also concluded in its findings when establishing the SAG. Nonetheless, the SAG is hopeful that its feedback is useful to parties and the OEB when reviewing Enbridge’s DSM plan application and leads to some regulatory efficiencies.

³ Ibid, p. 92

2.0 Stakeholder Advisory Group

2.1 Membership

On March 1, 2023 the OEB issued a [letter](#) confirming the membership to the Natural Gas DSM SAG and confirmed the updated membership to its DSM Evaluation Advisory Committee (EAC).

The OEB's Decision and Order on Enbridge Gas Inc.'s (Enbridge Gas) DSM plan required an enhanced stakeholder engagement process, including a new OEB staff-led advisory group, to inform the development of Enbridge's next multi-year DSM plan from 2026-2030.

The OEB indicated that it expected the SAG to provide input on the OEB's upcoming natural gas conservation potential study and the makeup of Enbridge's next multi-year DSM plan. As part of the DSM Decision, the OEB indicated that it expects Enbridge's next multi-year DSM plan to achieve increasing levels of natural gas savings and contribute to greater reductions in overall natural gas consumption.

The OEB also indicated that the EAC will continue as a sub-committee of the SAG. However, the OEB indicated that any recommendations or decisions made by the EAC are not subject to the agreement of the SAG. Rather, working items from the EAC will be shared periodically with the DSM SAG for informational purposes.

The OEB selected seven (7) non-utility members for the SAG and four (4) non-utility members for the EAC. Representatives from OEB staff (who acted as the Chair for SAG meetings) and Enbridge Gas were also confirmed as members of the SAG. Additionally, the OEB included observers representing EPCOR, the Independent Electricity System Operator (IESO), Natural Resources Canada, the Ministry of Energy and Electrification and the Ministry of Environment, Conservation and Parks.

Throughout the consultation process, two non-utility members, Jay Shepherd and Ted Weaver, resigned from the SAG. While their contributions were considered by the group, all conclusions, feedback and recommendations included below are only reflective of the active members. Discussion topics and comments provided by these two members were left for the remaining non-utility members to consider, however, consensus and agreement noted throughout the report is only representative of the non-utility members active throughout the duration of the SAG engagement.

The current non-utility members of the SAG and EAC include:

Stakeholder Advisory Group Members

- Erika Lontoc, Erika Lontoc Consulting
- Francis Wyatt, Green Energy Economics
- Robert Wirtsafter, Wirtsafter Associates, Inc.
- Chris Neme, Energy Futures Group

- Ted Kesik, University of Toronto

Evaluation Advisory Committee

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

The OEB's direction of what work activities should be considered, by whom and in what priority sequence, is included in the table below.

Table 1 – SAG Activities

Activity	Responsibility	Priority Level	Completed
Updated Natural Gas Conservation Potential Study	OEB Staff	High	Yes. SAG feedback summarized below and incorporated as part of the development of the APS.
DSM SAG report on the next DSM Plan application before it is filed with the OEB	OEB Staff	High	Yes.
Input on Future DSM Programs	Enbridge Gas	High	Yes. SAG feedback and recommendations are summarized below and will be considered by Enbridge as part of its DSM plan development.
Opt-out Protocols for the Large Volume Program	Enbridge Gas	Medium	Yes. SAG members were briefed on Enbridge's developments and provided an opportunity to submit feedback. Enbridge will be including a discussion and proposal as part of its DSM plan application.
Research and development Plan	Enbridge Gas	Medium	Yes. Enbridge provided information to the SAG regarding its research and development plan.
Review Target Adjustment Mechanism	OEB Staff	Medium	Yes. SAG feedback and recommendations are summarized below.
Consideration of New Programs	Enbridge Gas	Low	Yes. SAG feedback and recommendations are summarized below.
Review of Avoided Costs	OEB Staff	Low	Yes. SAG feedback and recommendations are summarized below.

Terms of Reference

As instructed by the OEB in the DSM Decision, Terms of Reference were established for the SAG. The Terms of Reference outlined the group's priorities and scope of work, roles and responsibilities, issues resolution procedures, confidentiality and how to address conflicts of interest, amongst other administrative items. The final document was posted on the OEB's Engage With Us [webpage](#).

2.2 Project Timelines

The SAG began formal meetings in April 2023. Initial input focused on establishing the Terms of Reference, developing a general work plan and identifying key issues to

discuss, including input on broader policy considerations. The group shifted focus to the APS and provided significant input and review, primarily between May to December 2023. Appreciating the time constraints, the group worked collaboratively to support the completion of the APS in phases so that Enbridge would have sufficient information to undertake internal planning for its future DSM programs. Specific attention was given to completing the potential analysis for each sector to allow for program development and stakeholder engagement. This process led to draft final industrial sector potential results being made available in January 2024, commercial potential results in March 2024 and residential potential results in April 2024. Feedback and recommendations on the APS are included in a standalone chapter below.

While the APS analysis was in its latter stages and the SAG APS sub-committee continued to meet, the full group had limited meetings in the early part of 2024, as attention shifted to providing input on Enbridge's future DSM programs. The group met regularly between March and September to discuss Enbridge's future DSM programs and related items, including shareholder incentive, performance target and net-to-gross considerations. Detailed feedback on each sectoral program is included in standalone chapters below.

Several broader stakeholder meetings were also held during the SAG engagement period. These were convened to provide status updates to all interested parties that have actively participated in past DSM proceedings. Enbridge hosted four sessions (one in March, two in August and one in October) while OEB staff held a pre-application conference in June. These sessions were useful in that they provided an ability to engage a broader group of stakeholders (intervenors from Enbridge's past DSM proceeding were invited) at various intervals of the process to provide progress updates, receive general feedback and respond to areas of interest. Although each session was timebound and materials were of a reasonably detailed level considering the timing of engagement amidst active program planning, SAG members were able to consider important ratepayer and environmental perspectives directly from parties.

2.3 General Process Feedback and Future Considerations

The SAG offered some recommendations for the OEB to consider regarding the overall engagement and process. SAG members agreed that the sequence and schedule of events was not ideal. The SAG recommended that if a similar process is undertaken in the future, consideration be given to a standalone process at the outset to address any potential policy concerns and considerations. The SAG acknowledged that the OEB had recently released an updated DSM policy framework in conjunction with the approval of Enbridge's 2023-2025 DSM plan, but agreed that ideally, there would have been an opportunity for stakeholder consultation regarding potential policy updates required in consideration of future DSM programming. The SAG noted that in a changing environment and increasing levels of expectations of energy efficiency programs, having an open policy consultation at the outset would enable the OEB to understand the perspectives of various stakeholders and clearly establish the baseline for any future work to be completed, including direction on acceptable budget levels. As is

highlighted below, the group considered current policy direction and identified several areas it believes the OEB and stakeholders should consider updating to optimize future DSM programming in Ontario.

Similarly, the SAG agreed that future analysis of available potential energy efficiency opportunities should focus on more detailed analysis of specific sectors and segments of customers and rely on empirical field data as opposed to academic theoretical assumption-based modelling exercises such as the APS. In any event, the SAG recommended that future potential analysis be afforded sufficient time to be completed and without the expectation that Enbridge be actively working on DSM plan development and program design simultaneously.

The SAG recommended that ongoing stakeholder consultation be directed by the OEB. However, SAG members agreed that the level of rigor undertaken through the SAG process is not needed on an annual basis. Rather, during an approved plan term, Enbridge should hold open meetings periodically with interested parties to provide plan and program updates, solicit stakeholder feedback, and ensure a process of continual improvement. Some members suggested that as part of the in-term stakeholder process, a small subset of experts be convened to provide more detailed feedback to Enbridge to help optimize its programs, potentially in concert with the OEB's evaluation efforts.

SAG members were of the view that this process was useful from the perspective that such a detailed engagement has not taken place in the past. SAG members agreed that it is important to periodically undertake a detailed, comprehensive review of plan details. SAG members agreed that the composition of the group likely limited the overall impact of the group's recommendations due to the lack of formal ratepayer and environmental representation on the SAG. However, the feedback on policy considerations should be useful in advancing broader stakeholder opinion and the recommendations, most of which were consensus, related to program development should provide the basis for stakeholders to have confidence that industry experts have thoroughly reviewed key program concepts and proposals and have concluded that they are largely consistent with best practice and there are no material omissions.

3.0 Achievable Potential Study

Background

OEB staff oversaw the development of a natural gas conservation APS in response to direction provided by the OEB in the DSM Decision.¹ OEB staff retained Guidehouse Canada Ltd. (Guidehouse) to undertake the APS, with input provided by the SAG over the course of 2023 and 2024. The final APS report and supporting Excel-based workbooks can be found on the OEB's Engage with Us [webpage](#).²

Overview

As part of the DSM Decision, the OEB had expressed an interest in at least three APS scenarios being analyzed: annual absolute reductions in natural gas sales year-over-year of 0.5%, 1.0% and 1.5%.³ The APS year-over-year potential reduction outcomes were determined relative to 2023 reference year sales. The targets were selected based on the direction provided by the OEB in its EB-2021-0002 Decision and Order, which indicated that the OEB was interested in an APS that considered scenarios that target annual year-over-year reductions in natural gas sales of 0.5%, 1% and 1.5%. For the APS, this was interpreted to mean that cumulative potential should be sufficient to deliver the requisite annual reduction in consumption relative to the reference year. The potential required to meet these targets is substantial since the underlying reference forecast used for this study assumes substantial growth, absent the effects of programmatic DSM.

It is important to note that 2022 was used as the base year, in that data corresponding to that year in the reference forecast was used to determine the distribution of consumption by end-use and sub-sector. However, 2023 data from the reference forecast was used as the start year, in that the targets are all differences in consumption relative to the forecast for 2023. Some SAG members noted that this target definition relative to a 2023 reference year resulted in an APS output that provided little value to the exercise of building a 2026-2030 DSM plan in terms of forecasting reductions, as the APS' starting year to derive savings targets does not align with the starting year of the 2026-2030 DSM plan.⁴ Ultimately, project schedule constraints prevented the alignment of the savings target reference year with the starting year of the 2026-2030 DSM plan.

Table 1 below summarizes the six scenarios analyzed as part of the APS. The 0.5% and 1.0% year-over-year annual reduction scenarios suggested by the OEB were included in the analysis. Note that because Enbridge is forecasting an average annual increase in sales of 0.65% without DSM, the 0.5% and 1.0% absolute reductions translate to approximately 1.15% and 1.65% annual reductions relative to forecast annual sales. Based on recommendations from the SAG and to support the OEB's review of the next DSM plan, OEB staff decided to replace the 1.5% year-over-year target (equivalent to 2.15% annual reduction relative to forecast sales) with a maximum achievable scenario to show the full extent of natural gas savings that could be achieved under unconstrained conditions. Further, the factors considered by each

scenario (i.e., measures included and carbon value) were varied across the scenarios to provide insights into the end results based on different potential regulatory outcomes.

Table 2 – Summary of APS Scenarios

Scenario	Target	Measures Included	Carbon Value
A	0.5% year-over-year reduction in sectoral consumption relative to 2023 reference year sales	Energy efficiency & fuel switching	Federal carbon price
B	1.0% year-over-year reduction in sectoral consumption relative to 2023 reference year sales	Energy efficiency & fuel switching	Social cost of carbon
C	Maximum Achievable	Energy efficiency & fuel switching	Social cost of carbon
D	Maximum Achievable	Energy efficiency & fuel switching	Federal carbon price
E	Maximum Achievable	Energy efficiency	Federal carbon price
F	1% year-over-year reduction in sectoral consumption relative to 2023 reference year sales	Energy efficiency & fuel switching	Federal carbon price

The APS is based on input data available at the time of the study and is intended as one of several potential points of reference to inform Enbridge's next DSM plan. SAG members agreed that the APS should not be relied upon as a prescriptive input to Enbridge's next DSM plan as the methods of analysis included within an APS greatly differ from those required by Enbridge when developing its DSM plan. SAG members acknowledged some inherent realities of an APS, including the need to make numerous assumptions based on limited data that are assumed to apply equally to all customers (i.e., potential studies are based on average savings, average costs, etc.), resulting in numerous limitations to the direct application of APS results on Enbridge's DSM plan.

Non-utility members agreed that an APS should be viewed as directionally informative and not as a prescriptive source to determine the measures that should be included in a utility DSM plan. Non-utility members suggested that at best the APS should be used to provide context to the scale and magnitude of Enbridge's proposed DSM budgets over the 2026-2030 term. Even then, it is important to recognize that the study estimated only the total costs of acquiring savings and does not address whether portions of those costs might be borne by the IESO and electric LDCs (for measures affecting both gas and electricity consumption) or by federal, provincial and/or local governments. Further, it is important to note that all program costs estimated by the APS are associated with net achievement and do not account for any rebates paid to free riders. Consideration needs to be made to scaling up program budgets output by the APS to account for any effects of free ridership on program spending.

Non-utility members noted that since the APS relies on a largely academic and theoretical basis, it cannot consider potential program designs that might be deployed, including specific paths to market, and measure groupings. Instead, the APS may be useful in identifying possible opportunities in the various sectors and provides a

directional indication as to the level of natural gas consumption savings available. SAG members cautioned that the OEB and intervenors will need to consider Enbridge's proposed DSM plan application based on the merits of the specific proposals and consider historic program performance, industry feedback on how influential Enbridge's offers have been on participation and adoption, future market outlooks, jurisdictional comparisons, and expert opinion (which non-utility SAG members have provided in their feedback on all of Enbridge's proposed programs).

To be considerate of the evolving DSM landscape, this version of the APS included both energy efficiency and fuel switching measures in a fully integrated manner for the first time. Due to the ongoing development of broader electrification efforts and fuel switching measures in each sector, particularly the electric and hybrid heat pump market, empirical data was limited or not available for certain applications. As a result, expert judgement was relied upon for some inputs and in other cases (e.g., the entire industrial sector), electrification measures were omitted completely. Non-utility members indicated that although positive improvements (e.g., development of different scenarios for heat pump sizing and selection for the residential sector) were made generally in this area of the APS, the lack of empirical data and cost-effectiveness of electrification and fuel switching measures both limited the overall potential natural gas savings reported. As a result, non-utility members agreed that there are likely significantly greater opportunities for natural gas savings from electrification than identified in the APS, particularly from the commercial and industrial sectors.

Process for APS Completion

To develop the APS, OEB staff provided oversight and general guidance to Guidehouse. SAG members, including staff from Enbridge and non-utility members, worked collaboratively and provided input for Guidehouse's consideration. Prior to going into the details that follow, it is important to note that an APS has thousands, if not tens of thousands, of discrete inputs and assumptions. SAG review of every input was therefore not possible. What was reviewed was based on a prioritization of the inputs and assumptions that are expected to be the most impactful.

Schedule and Project Plan

The initial project plan and schedule were developed by OEB staff and Guidehouse, who subsequently presented it to Enbridge and the non-utility SAG members for input. Feedback from the SAG was that the original project schedule of approximately 10 months was overly optimistic and unrealistic considering the nature of the study and the level of stakeholder input and engagement the OEB expected. SAG members agreed that a more realistic timeline for APS completion would allow for timely consideration of the results by Enbridge Gas to support its development of a DSM plan intended to be in-market for January 2026. APS draft results were shared regularly with SAG members, including Enbridge Gas, throughout the development process. Ultimately, the APS data set was not finalized until September 2024 and the APS report was not delivered until October 2024.

3.1 Measure Characterization

OEB staff divided SAG members into measure characterization sub-committees, each tasked with developing sector specific measure lists (i.e., residential, including low-income, commercial, and industrial). These sub-committees were chaired by OEB staff, with discussions led by Guidehouse and consisted of SAG representatives including staff from Enbridge, and non-utility SAG members with relevant experience in the respective sector.

SAG members provided input on measure characterization inputs, however, SAG members were not informed of the mechanisms that Guidehouse's model used to develop outputs, such as how measures were prioritized or layered. SAG members noted that this was particularly difficult and limited their ability to provide useful feedback in some instances and understand the broader implications of decisions. Further, it was challenging, if not impossible, for individual non-utility SAG members to fully review and critique all key assumptions for the study due to the sheer volume of said assumptions. Although Enbridge Gas has the benefit of multiple staff which could be deployed to analyze key assumptions, the number that could have benefitted from critique was still too great to allow for a review of all assumptions. With that said, Enbridge Gas was very limited in the staff it could divert from DSM plan development, which was being done in parallel to the APS to support review of APS outputs with the intent of reviewing and providing input to as many critical assumptions as possible.

It should be noted that the final measure list, particularly for the industrial sector, included some measures that were deemed to be bundled. The residential and commercial sectors included some measures that were representative of the average of a given type of measure. This was recommended by Guidehouse in response to feedback from some SAG members to incorporate aspects of a top-down approach to improve the output of the study. Some SAG members expressed reservations toward this approach, as it raised the potential of misinterpretations during measure list reviews. In general, SAG members had different views on the value and appropriateness of bundled measures.

Led by Guidehouse, the measure characterization sub-committees provided significant input and recommendations in the development of the sector measure lists, including the necessary input data associated with each (e.g., cost, natural gas savings, applicability, etc.). This work spanned months and involved regular meetings with the teams to review and comment on deliverables prepared by Guidehouse and asynchronous review and comment. With each round of review, the measure lists were further developed with incremental attributes added over time. OEB staff was responsible for determining the point at which the measure lists were deemed complete, and the project could proceed to the technical potential task.

3.2 APS Outputs

SAG input was considered by Guidehouse as it developed technical, economic, and achievable potential. OEB staff established a sub-committee consisting of one non-utility SAG member from each of the sector-specific measure characterization sub-committees and Enbridge staff. The new sub-committee was tasked with reviewing and providing feedback to Guidehouse on the potential outputs for all three sectors analyzed as part of the APS. Guidehouse engaged the SAG in multiple rounds of review and comment for each potential output for each sector. The sub-committee operated in a similar fashion to the measure characterization sub-committees, in that regular meetings were held to review and comment on deliverables as they were prepared and subsequent asynchronous review and comment.

The sub-committee also provided input regarding what sensitivity analysis to undertake. Various options were considered, including increasing natural gas commodity costs to reflect those associated with renewable natural gas, using the sensitivity module built into Guidehouse's APS model to adjust select parameters, modifying the carbon value, and shifting the suspected year when Ontario's electricity system becomes winter-peaking. Based on the input received from the sub-committee, OEB staff decided that the best use for the APS sensitivity analysis was to re-run Scenario B (1.0% natural gas savings target) with the federal carbon price applied in lieu of the social cost of carbon. This output was selected as it would provide the OEB and stakeholders with another full scenario and complete set of outputs to compare estimated natural gas savings potential and budget levels based key variables that will likely garner material attention as part of the next DSM plan application. Further, use of the federal carbon price for the sensitivity provided a 1.0% targeted natural gas reduction scenario that was aligned with the existing DSM Framework.⁵

3.3 APS Conclusions and Interpretation

Discrete natural gas savings potential and the associated DSM program budgets output by the APS can be found in the final APS report, as well as the supporting Excel-based workbooks on the OEB's Engage with Us webpage.⁶ From the final APS results, a series of high-level conclusions can be drawn; a selection of which are presented below.

1. Achieving some of the higher levels of natural gas consumption savings estimated by the APS requires a significant expansion of DSM programs and funding. Further, the ability to achieve the targeted natural gas reductions specified by the OEB over the long-term can be achieved only through substantial amounts of electrification.
2. Little reliable data is available to characterize the opportunities, technical suitability, and costs of electrification. As a result, the commercial and industrial electrification potential is likely understated in the APS.

3. Considerable uncertainty exists around the technical suitability and cost of electrification of commercial space-heating, especially in existing buildings. These concerns have been reflected in the estimated technical suitability of these measures and their incremental costs.

SAG members agreed that the APS is directionally informative, in that it can be used to provide a directional understanding of high-level opportunities and their costs. The APS brings value as a tool to support the spending magnitude required of a DSM program that includes electrification. Further, it can be used to provide a flavour of where savings opportunities lie (e.g., proportion of energy efficiency versus electrification opportunities). However, SAG members agree that the APS should not be viewed as a definitive plan of what can be realistically achieved by a DSM plan. In particular, the ranking of measures output by the APS should not be blindly transferred over to a DSM plan without consideration of data and information through other sources, for example historical DSM program experience.

SAG members agreed that the APS is not and should not be used as a primary input to Enbridge Gas' next DSM plan or to the development of future natural gas savings targets, as specified by the OEB in its EB-2021-0002 Decision and Order.⁷ The APS is an analysis of discrete scenarios and cannot by its nature be reflective of every market dynamic that a DSM plan would need to respond to. For this reason, the APS should be considered as a secondary input or as part of a broader suite of inputs to DSM plan development.

The APS report itself and the associated appendices (including but not limited to Appendices B and E) detail the important interpretation considerations of the APS. However, it is important to briefly discuss the most pertinent consideration that had a material contribution to the SAG interpretation recommendations above, that being data uncertainties and limitations. Select uncertainties introduced by data limitations are noted below, however, a full review of the APS report is recommended to gain a full appreciation of data-based uncertainties and limitations.

1. The primary data input to industrial measure characterization was limited to industrial assessment data which focused only on small to medium sized US customers developed by parties that may not have the specialized expertise necessary to industry-specific and/or site-specific opportunities. This data source also focused primarily on historically cost-effective-measures rather than comprehensive assessments and only on efficiency (i.e., no electrification measures).
2. There is a lack of available studies on which to base assumptions about the current mix of opportunities for building envelope measures in the current housing stock. This is one example where SAG expert judgement was leveraged to address one data limitation challenge.
3. Uncertainty exists around the practicality and cost of some commercial electrification opportunities. These concerns are reflected in technical suitability

and the incremental costs of some measures. This is one example where a lack of data restricts the degree to which the APS outputs could be aligned with real-world activities.

4. The study analyzed only measures that are currently commercially available. This likely understates potential, particularly in the medium to longer-term when new technologies are likely to emerge.
5. The study largely assumed that current costs and performance of efficiency measures will remain unchanged over the next twenty years. In other words, it does not account for the potential of economies of scale to drive down measure costs or for the evolution of technology to continue.

3.4 APS Future Considerations

SAG members recommended that the OEB should not commission or produce an all-encompassing natural gas potential study. APSs are too broad and as a result, the outputs are of limited value to be applied to a practical effort, such as the development of a DSM plan. In lieu, the OEB should consider leveraging-primary research or data collection that focuses on specific subsectors, such as audits conducted by individuals with specialized expertise in select industry or market sectors, to gain an understanding of market participants potential for energy conservation.

4.0 DSM Policy Framework Considerations

The group acknowledged that the OEB just considered many policy issues as part of the most recent DSM proceeding and approved an updated DSM policy framework. The group agreed that for practical purposes, non-utility member feedback and Enbridge's pending multi-year DSM plan application must proceed based on the guidance provided in the OEB's DSM Decision and the current policy framework.

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

Non-utility members agree that, generally, the proposals presented by Enbridge throughout this engagement include positive improvements which should lead to an increase in cost-effective natural gas savings. Non-utility members agreed that the evolution and ramp-up of DSM efforts should not be impeded or slowed due to requests for the OEB to reconsider its recently issued policy direction. Rather, considerations of clarified or updated policy direction should happen separately and be applied to the future DSM plan.

If, through a separate process, the OEB determines that significant policy updates are reasonable, it could then consider the urgency and pace at which the updated policy direction should be incorporated by Enbridge. This may lead to considerations of a mid-term assessment and plan updates or direction to be considered by Enbridge and stakeholders in advance of Enbridge's next multi-year DSM plan application. All of which should be based on the nature and materiality of any potential policy changes.

Non-utility members shared a number of possible policy considerations throughout the engagement. These have been summarized in the table below. Many of these items are too broad to be acted upon by the SAG. The group did not achieve consensus on the broader items. Other items are more discrete and have direct application to Enbridge's current DSM plan (for example, consideration of net-to-gross values and application as part of plan development and annual performance and are in response to OEB direction in the DSM Decision). These more discrete items have been discussed in greater detail in the sections that follow.

Table 3 – General Policy Considerations – Non-Consensus

No.	General Policy Consideration	Notes
1	What specific outcome(s) does the OEB expect ratepayer funded DSM to produce?	It is crucial for the OEB to be very clear on what outcomes it expects Enbridge to achieve, including clarity and specifics on future natural gas reductions.
2	Is it appropriate to include decarbonization as a primary policy objective?	An improved understanding of likely pathways and cost implications of decarbonizing buildings and industry is critically important in addressing the OEB's articulated goals of "meaningful reductions in annual natural gas sales with consequent cost savings for ratepayers" and the role of DSM. This consideration will be made even more challenging by the higher costs that will be borne by ratepayers in decarbonizing Ontario's gas and electricity systems should energy efficiency, which non-utility members agreed is the least costly decarbonization tool, is under-invested in now. If and how reductions in carbon emissions is incorporated as part of DSM considerations warrants discussion.
3	How should Enbridge's activities as a whole, inclusive of system planning, DSM, IRP and other areas, be considered on a combined basis?	In order to properly determine the most effective path forward for Enbridge as part of an evolving energy landscape that includes policies targeted at reducing carbon emissions, it will be necessary to discuss and consider all natural gas utility activities in a combined manner to determine the most effective strategy, and reasonable costs, going forward.
4	Should the role of DSM and integrated resource planning be aligned, particularly in the context of the impacts of electrification?	Included within this would be a more comprehensive consideration of need and appropriate costs of future capital expansion projects, stranded assets, overall costs and bill impacts.
5	How should critical inputs, such as the cost of carbon and discount rate, be valued and applied as part of analysis of cost-effectiveness and program benefits?	The value of reducing natural gas can vary widely and have a material impact on the program choices depending on the inputs used as part of key calculations when determining the value of Enbridge's DSM programs, particularly in an evolving energy landscape with an increasing focus on fuel switching from gas to electric.
6	How should alternative approaches and methodologies for setting budgets and targets from other jurisdictions be considered?	What has been successful in other jurisdictions, including areas such as policy guidance on major topics (budgets, targets), plan development process, and stakeholder engagement, that should be adopted in Ontario?

No.	General Policy Consideration	Notes
7	Should the central components of Enbridge's DSM plan, including how budgets, targets and incentives are structured, be reassessed?	If natural gas energy efficiency is relied on to a greater extent as part of the energy transition, inclusive of material increases in budget and goals, it may be beneficial for the OEB to consider the fundamental structure of how Enbridge is compensated and incentivized to ensure the most effective use of ratepayer funds and have greater certainty in achieving expected outcomes. The following areas were acknowledged as outside the scope of the SAG and identified for additional consideration: a) the OEB awarding DSM program delivery to successful vendors (which can include Enbridge) through a competitive bidding process b) developing an inclusive DSM delivery rate structure that includes program costs, lost revenues and an incentive premium only recoverable on the basis of verified natural gas savings realized c) including both incentives and penalties to establish a risk-reward framework for Enbridge and ratepayers;

4.1 Targets and Shareholder Incentive

As part of the DSM Decision the OEB indicated that “in the future, the OEB expects DSM programs to result in a greater reduction of total natural gas consumption, and it would be appropriate for alternative or additional shareholder incentive structures to be considered by Enbridge Gas and the SAG in the development of the next DSM plan.”⁴ Consistent with this direction, the SAG discussed shareholder incentive options.

As part of this discussion, a natural continuation extended to non-utility recommendations regarding how future natural gas savings targets should be focused and how Enbridge should consider arranging its performance scorecard.

Non-Utility Member Consensus Recommendations

Non-utility members agreed that Enbridge's DSM plan should primarily focus on natural gas savings. Further, non-utility members recommended that Enbridge not develop sector specific scorecards. Rather, Enbridge should develop one annual performance scorecard that is made up of metrics that focus on total natural gas savings with specific

⁴ Ibid, p. 60

focus in those areas that require specific attention to ensure equitable results and access to programming.

Non-utility members agreed to the following metric categories and the general weighting of metrics as shown in the table below.

Table 4 – Recommended Annual Performance Scorecard Structure

Metric	Weight	Notes
Total Annual Natural Gas Savings (excluding Large Volume)	50%	Non-utility members agreed that ultimately, Enbridge should be focused on maximizing annual natural gas savings and optimize across the portfolio. Former metrics dedicated to commercial and industrial savings are captured in this broader metric. This maintains the OEB's main objective for ratepayer funded DSM that it results in meaningful reductions in overall annual natural gas sales with consequent cost savings for ratepayers.
Income Qualified Annual Natural Gas Savings	20%	Non-utility members agreed that it is important to have specific metrics for income-qualified, residential and small business programming so that sufficient resources are dedicated to these segments and Enbridge is motivated to deliver results. Ultimately, this will help ensure a greater level of equity across the portfolio.
Residential Annual Natural Gas Savings	15-20%	
Small Business Annual Natural Gas Savings	10-15%	
Large Volume Annual Natural Gas Savings	1%	Non-utility members agreed that there still remain cost-effective savings opportunities and that a minimum level of effort should be required in the Large Volume segment.

Non-utility members agreed that a utility shareholder incentive is not intended, nor should be used, to attach a metric to all utility activity. The group engaged in discussion related to the need for Enbridge to incorporate various enabling, capacity building, and market support activities. Non-utility members agreed that discrete performance metrics for each of these items are not needed, nor are they appropriate. The greater the number of metrics, the less focus is assigned to the core objectives. Rather, non-utility members agreed that, if reasonably challenging natural gas savings targets are set for multiple years, Enbridge will be required to pursue and implement a sufficient amount of ancillary activity.

Non-utility members also agreed that it is reasonable to continue with first-year annual natural gas savings as the primary metric (as opposed to annual lifetime savings), but only if the OEB include a requirement that in order for Enbridge to be eligible for any shareholder incentive amounts, it must, on an annual basis, continue to meet the weighted average measure life threshold established in the 2022 DSM Decision (i.e., 14.3 years) to ensure focus on deeper measures that will continue to provide savings, unless the makeup of the new plan requires reconsideration of the specific average measure life value, which should be requested by Enbridge as part of its application to the OEB. Related to this recommendation, non-utility members suggested that the OEB consider the value of undertaking an assessment and review of the current measure

lives for key measures in Enbridge's portfolio so the most accurate estimate of measure lives are used as part of program evaluation.

4.2 Natural Gas Savings Levels

The group acknowledged the OEB's expectations provided in the 2022 DSM Decision that stated:

"For the approved three-year term of the pending DSM plan, the OEB is satisfied that the level of targets are reasonably sufficient considering the budget levels and mix of approved programs. The OEB is not prepared to apply a blanket increase to the proposed targets as suggested by some parties. However, the OEB is of the view that a greater understanding is required of the relationship between adjustments to targets and budgets and the impacts of increases to either has on the overall DSM plan, including performance metrics, program opportunities, and overall costs including rate impacts. This is an area that should be explored further, likely as part of the next natural gas conservation potential study and is expected to be a significant component of consultations undertaken by the SAG."⁵

Non-utility member comments and feedback on the APS was discussed in Section 3.1. This includes several considerations regarding the overall level of savings. With respect to the interaction between spending and natural gas savings, non-utility members acknowledged that generally, Enbridge will require growing budget levels and likely a higher average \$/m³ to meet growing natural gas savings targets, particularly if certain levels of focus on smaller and vulnerable customers is maintained (as opposed to bigger, more sophisticated commercial and industrial customers where natural gas reductions can be achieved more cost-effectively).

Enbridge provided illustrative natural gas savings forecasts by sector (broken down further by each anticipated offer within each sector) with commensurate budget requirements when it provided program proposal presentations to the group. The savings levels presented by Enbridge have been summarized in the program sections of this report, along with general budgets for each sector. Non-utility members acknowledged that the general level of savings relative to spending was directionally consistent with their expectations, however, non-utility members were not in a position to provide detailed feedback on the specific savings levels and budgets presented. Non-utility members provided feedback on the sectoral based programs so that Enbridge could consider additional opportunities to maximize natural gas savings and use its future budgets as effectively as possible. Non-utility members agreed that in order to provide the level of feedback that would be useful to Enbridge, they would require detailed information, which could not be provided in the limited amount of time available following the completion of the APS and Enbridge needing to file its DSM plan

⁵ Ibid, p. 65

application. This additional information would ideally include the detailed build-up of the budget and savings underpinning Enbridge's proposed goals and budgets. It was suggested that this could be provided in the form of a detailed spreadsheet for each program/offer, where Enbridge lists all measures it plans to promote; the estimated per unit incremental cost, savings and lives of each measure; the estimated rebate/incentive level per measure; the estimated number of measures that will be installed each year, along with an assumed NTG; and the estimated non-incentive budget per program. Providing comparable values for actual claimed savings and budgets for the most recent program year(s) (2023 or 2024) would provide valuable context.

Additionally, it was also suggested that the ability to do more focused research and analysis of how comparable programs in other jurisdictions are developed and budgeted can provide value for future considerations.

4.3 Adjustments to Targets

Non-utility members acknowledged the OEB's direction related to Enbridge's future DSM plan is that it will have fixed targets to allow for greater certainty of natural gas savings in the future. The group also considered the OEB's request to review the practice of annual target adjustments relative to prior year performance and provide recommendations on the most ideal balance of risk between Enbridge and customers based on changes to input assumptions and adjustment factors. Non-utility members agreed that Enbridge's future targets should not be adjusted to account for prior year results as had been done in the past through the current target adjustment mechanism.

The non-utility members provided recommendations on how the OEB should update its policy regarding adjustments for applying updated NTG ratios which is discussed in Section 4.6.

Non-utility members also discussed adjustments to targets should unexpected circumstances develop, such as changes in building code, equipment standards and Technical Reference Manual. Some non-utility members thought it would be reasonable that the OEB consider adjusting approved targets in certain situations. Other members did not think that any adjustments should be made, noting that Enbridge will be seeking approval of a multi-year plan so has the ability to make adjustments over that period, particularly since it will have a full suite of programs, offers and measures to all customer types and the ability to move funds into different areas.

Non-utility members agreed that Enbridge should make best efforts to identify any program areas that it deems highly sensitive to external forces (for example, heat pumps), so that the OEB and intervenors can consider if any additional flexibility is required.

Non-utility members recommended that if NTG values from future evaluations vary in a material way from the non-utility member estimates provided through this process (e.g. +/- 10%) that the OEB allow targets to be recalibrated once and then not adjusted

throughout the remainder of the next plan term. Non-utility members agreed that it would be reasonable to consider a one-time target amendment to recognize NTG values determined through evaluations, appreciating that the updated NTG values recommended by the non-utility members are only educated estimates, and empirical results will be available, which have the potential to impact savings in either a positive or negative manner. Non-utility members agreed that this would provide for reasonable flexibility early in the next plan period and recognize the variability in actual versus estimated results in response to a number of program changes, some material in nature.

4.4 Shareholder Incentive

Non-utility members discussions regarding shareholder incentive options primarily centered on the current structure whereby the OEB approves an eligible annual shareholder incentive amount and performance scorecards. Non-utility members recommended to maintain the general structure currently in place.

Non-utility members considered the current shareholder incentive structure, including the maximum amount available each year (\$20.9 million in 2023, increased annually for inflation), earning thresholds (\$0 until a minimum of 75% of scorecard target is met, 40% of maximum available between 75-100%, 60% of maximum available between 100-125%) and considered if any updates should be considered. Non-utility members agreed the OEB should consider the following changes.

4.4.1 Amount Available at 100% of planned performance

Acknowledging that the OEB is seeking greater results from Enbridge's DSM efforts, non-utility members reviewed the current shareholder incentive structure, which has largely remained unchanged since 2016, and identified potential updates for the OEB's consideration.

The group acknowledged that Enbridge's recent shareholder incentive earnings has not come close to reaching the maximum available shareholder incentive and has averaged \$5.47 million (or approximately 65% of the \$8.36 million available at 100%, or 26% of the maximum \$20.9 million available at 125% achievement) between 2020 and 2023 (based on draft 2023 results).

Instead of basing the maximum available shareholder incentive on a fixed dollar figure, non-utility members recommended that the future shareholder incentive structure revise the amount available at 100% to an amount equal to 5.0% of Enbridge's total annual budget. Non-utility members agreed that the shareholder incentive available at 100% target achievement should remain at 5.0% of budget for the next DSM plan term and be reviewed and considered relative to the OEB's expectations and natural gas savings targets approved.

Based on Enbridge's estimated budget figures for 2026 of \$240 million, this would result in an eligible shareholder incentive of \$12 million should Enbridge meet 100% of all its performance scorecard targets.

Non-utility members agreed that the increase in amount at 100% is important to provide the proper signals to Enbridge to ensure the important goals the OEB expects to be met from its DSM programs are achieved.

Additionally, non-utility members agreed that the increase in amount at 100% from the approved 2023 amount of \$8.36 million to \$12 million reflects a reasonable shift in focus, particularly with the OEB's expectation that increasing levels of natural gas savings are to be met. Non-utility members agreed that the current scorecard structure does not achieve a proper balance in motivating performance, particularly since budget levels are determined on the basis that those funds are required to meet the 100% savings goals. Additionally, non-utility members noted that setting the 100% shareholder incentive value at 5% of budget is generally lower than other jurisdictions when compared to those included in expert evidence provided in Enbridge's last DSM proceeding, with most others being closer to 8.0% of budget, with Massachusetts' incentive that is 3.5% of its budget being lower, but with significantly higher annual budgets.⁶

4.4.2 Earnings Thresholds

Non-utility members also agreed to the following recommendations to other aspects of the shareholder incentive structure:

- a) Consensus that three earnings thresholds should continue to be established
- b) Consensus that lower and upper bands should be revised slightly to acknowledge increased levels of uncertainty in the new plan term due to changing energy landscape.
 - i. Lower band: 70%
 - ii. Target: 100%
 - iii. Upper band: 130%
- c) Consensus that the current requirement to meet lower band is maintained before any incentive is available (therefore, no incentive dollars can be accessed below 70% target achievement)
- d) Consensus that a change in pace of earning between bands be revised from current 40/60 split between lower and upper thresholds results in a more reasonable balance in available rewards, acknowledges that it has been challenging for Enbridge to meet 100% of targets in the past, and appreciates that budgets approved do not allow for significant expansion of efforts beyond 100% target, particularly to achieve 30% greater savings.
 - i. 0-100% of available annual shareholder incentive (i.e., 5% of annual budget) for achievement from 70% to 100%

⁶ Ibid, Exhibit L.OEB STAFF.1, p. 28, Table 6

- ii. 100-200% of available annual shareholder incentive for achievement above 100% to 130%.

An example of this structure on a \$240M annual budget is below:

- a) Shareholder Incentive at 100% = Annual budget (\$240M) x 5% = \$12M
- b) Achievement below 70% of target = \$0
- c) Achievement from 70% to 100%, available shareholder incentive increases linearly, up to \$12M at 100% target achievement
- d) Achievement above 100 to 130%, available shareholder incentive increases linearly, up to a max of 10% of annual budget or \$24M at 130% target achievement

4.4.3 End-of-Term Incentive

The group generally discussed the OEB's current End-of-Term incentive structure for absolute reductions in gas sales. Non-utility members agreed that this type of incentive is important given the pending provincial climate goals in 2030. Non-utility members also agreed that DSM is not the only Enbridge activity that affects the magnitude of gas sales. Thus, while such an incentive included as part of a future DSM plan would provide helpful direction to Enbridge, it might be even more effective if adopted as a broader incentive across all Enbridge activities such as through a rates case.

4.5 DSM Plan and Program Considerations

As part of the DSM Decision, the OEB instructed the SAG to provide input on the programs that will make up Enbridge's next DSM plan. The group actively discussed and provided feedback to Enbridge on all proposed programs which is discussed in greater detail later in this report.

As an overarching guide to program considerations, non-utility members largely agreed with the premise that ultimately, decarbonizing the energy system entirely would represent an ideal state (albeit, far beyond the scope and ability of Enbridge's DSM programming). To achieve this, non-utility members noted that Enbridge will need to employ strategies that are realistic, cost-effective, and flexible enough to react to evolving technology and market conditions. The group agreed that unless a more cost-effective means to decarbonizing emerges (which many think is highly unlikely), electrification will need to be a major contributor to accomplishing this objective. Non-utility members noted that the types of measures to include in a DSM program should consider the long-term implications and avoid locking consumers into using fossil fuels for many years to come, where other practical, cost-effective options exist.

Non-utility members agreed that when choosing what measures to include as part of its DSM programs, Enbridge should follow the prioritized list below:

1. Measures that decrease energy usage, regardless of the fuel source (e.g., weatherization that would still provide savings if the heating system were later switched from gas to electric)
2. Electrification measures (switching from gas to electric)
3. Measures that make gas equipment more efficient in existing buildings.

There was discussion about incentives for gas equipment for new construction centered on Enbridge's relationship with builders and the potential to influence the new construction market and more generally promote natural gas in new buildings. Non-utility members generally supported incentives for gas efficiency measures in new buildings with some suggesting that this effort should be led by a fuel agnostic organization. Some non-utility members suggested that there should not be any incentives for gas equipment in new construction to discourage long-term gas usage. Others noted that if incentives for gas equipment do not exist, it may lead to continued gas connections, but without efficiency gains. However, it was acknowledged that with the high minimum efficiency standards for residential gas furnaces put in place by government several years ago, the remaining energy savings potential from gas furnace rebates is very small.

Although the group agreed that electrification and decarbonization of space and water heating should be an important part of future DSM plans, some non-utility members noted that the question of the ideal program administrator and delivery agent should be considered, noting the fundamental conflict of interest present with Enbridge as a gas distribution company (particularly in the new construction market). The group acknowledged that these considerations are beyond the scope of the SAG.

Comments were also provided by some non-utility members related to the range and types of programs Enbridge can and should offer. Some examples provided were residential home energy benchmarking reports. This is an area that the OEB has rejected in the past as a standalone offering. Non-utility members agreed that this should be reconsidered. While not all agreed that the offering should contribute towards savings goals, all agreed that, at a minimum Enbridge should be allowed to use home energy benchmarking reports to drive customers to available offers, and act as a form of marketing. All members also supported the benefit of benchmarking towards a multi-year goal targeting reduction in gas sales volumes.

Similarly, non-utility members also agreed that other program areas, including market transformation, education, research and development, workforce development, capacity building and innovation should all be considered as they will all be critical in helping develop key aspects of the industry that will be required if future DSM plans will be able to achieve absolute reductions in natural gas sales volumes. Some non-utility members suggested that the OEB consider allowing Enbridge to claim savings from market transformation efforts, including advancing codes/standards, where it can show that its DSM efforts have led to these savings and improvements. Non-utility members

acknowledged this is a very challenging area to definitively determine Enbridge's role which will also require certain considerations as part of evaluation efforts.

4.5.1 Attribution of Benefits from Partnerships

Non-utility members also discussed the current policy guidance related to attribution of benefits. Non-utility members agreed that it is in the best interest of ratepayers to encourage Enbridge to seek all possible collaboration opportunities, including funding, program support, opportunities in various markets, marketing, etc. Non-utility members agreed that new partnership and collaboration opportunities will likely continue to grow, both in the number of engagements and size of each engagement – the recent partnership between Natural Resources Canada and Enbridge being one example. Non-utility members could not agree to an ideal approach for a framework to attribute natural gas savings and overall program benefits, but generally agreed that the simple approach of allocating savings and benefits relative to entities' funding contribution is likely not ideal. This approach doesn't acknowledge the role of each party, whose efforts lead the initial work, who has greater responsibilities as part of the partnership, etc. Some non-utility members were of the view that it may be easiest for all involved if instead of constructing an attribution framework, the OEB acknowledged that Enbridge collaborating and partnering with other entities will lead to better overall results and as such, it should be encouraged to do so. Similarly, with an expectation that Enbridge will be collaborating more in the future, non-utility members acknowledged the need for the OEB and intervenors to consider the impact on Enbridge's natural gas savings targets and how and when the impacts of potential future partnerships be addressed (for example, at or after partnership agreements are determined, or at the outset of the plan term. Non-utility members noted there are complexities with each option).

The group largely agreed that providing Enbridge with a high level of flexibility will allow it the possibility to be able to react to the market and pursue opportunities, which are likely to only continue to grow as more focus is placed on achieving climate goals. However, non-utility members also noted that there are likely reasonable thresholds for which Enbridge should inform the OEB of changes to its plan. Additionally, accompanying a high level of flexibility is the expectation that there needs to be a similar high level of accountability on Enbridge relative to its actions and the ultimate outcomes of its efforts.

4.6 Program Evaluation (Input Assumptions and Adjustment Factors)

Non-utility members provided several recommendations regarding net-to-gross values as they relate to Enbridge's programs. The recommendations below would represent changes to the OEB's current policy guidance related to NTG values. Non-utility members appreciate that, similar to its other policy recommendations, other interested stakeholders may take differing views. Supporting rationale has been provided below to assist the OEB and parties when considering this topic.

As part of the DSM Decision the OEB instructed the SAG to review the practice of adjusting targets and evaluated results in a given year to account for updates input assumption. The OEB asked the SAG to provide recommendations on the ideal balance of risk between Enbridge and customers based on changes to input assumptions and adjustment factors.⁷

Non-utility members acknowledged the OEB's direction that future targets be set based on a fixed natural gas savings value, which are DSM savings that are the equivalent to certain percentage reduction thresholds in annual natural gas sales.

Members also agreed that it was reasonable to continue the practice of calculating savings from mass market programs based on assumptions in the OEB's Technical Resource Manual (TRM). If changes to TRM values were made during an evaluation cycle, those changes would apply to savings for the next DSM program year.

With respect to net-to-gross (NTG) values for Enbridge's programs, non-utility members provide the following recommendations.

4.6.1 Net-to-Gross Values

4.6.1.1 Custom Commercial and Industrial Offers

As part of discussions related to Enbridge's proposed commercial and industrial programs, non-utility members identified that the current net-to-gross values were those that were the result of an evaluation conducted by the OEB several years ago in relation to Enbridge's 2018 custom commercial and industrial programs. Non-utility members agreed that the 2018 NTG values were quite dated and likely non-reflective of the influence its future programs are likely to have on customer participation in 2026. Non-utility members indicated that Enbridge should be using NTG values that are the best estimate of expected NTG levels relative to the programs that are proposed to be available as part of its next DSM plan application.

Non-utility members stressed the importance that as part of its planning process, Enbridge develop budgets and targets with estimated NTG values that consider future programs. It was acknowledged by non-utility members that forecasting budgets and targets for future programs with a NTG ratio that is too high or too low provides risk to ratepayers (through inflated budgets that are not required to meet the natural gas savings targets, or a windfall shareholder incentive for Enbridge) or Enbridge (through natural gas savings targets that cannot be met).

Non-utility members agreed that if the NTG values from the OEB's NTG evaluation of 2018 programs is used to develop budget and savings forecasts, budgets will be proposed at levels higher than necessary, either leading to inefficient use of ratepayer funding or budget figures and bill impacts not reflective of the actual costs to achieve the expected natural gas reductions.

⁷ Ibid, pp. 82-83

Non-utility members agreed that these outcomes are not ideal nor necessary. Enbridge acknowledged that should it be instructed to rely on historic NTG values it would likely result in it receiving a shareholder incentive windfall. If the non-utility members' expectation that future NTG evaluations will result in improved results Enbridge will be credited with more net savings and in turn, qualify for higher shareholder incentive earnings. Enbridge and non-utility members agreed that this would not be reasonable.

Non-utility members agreed that the NTG values from the OEB's study of 2018 custom commercial and industrial DSM programs would not be consistent with program delivery of Enbridge's new suite of programs that will be in market in 2026. Non-utility members agreed that Enbridge's proposed program changes, most notably the increase in customer incentives, have a high probability to reduce free ridership.

For context, the NTG values determined through the OEB's evaluation of 2018 programs were:⁸

1. Commercial (aggregate 54%)
 - a. Multi-Unit Residential Building (MURB) - 70.6%
 - b. Municipal, Universities, Schools, and Hospitals (MUSH) - 29.5%
 - c. Other - 30.7%
2. Industrial (aggregate 50%)
 - a. Agriculture - 51%
 - b. Manufacturing - 37.8%

Non-utility members noted that changes to core program components, enabling initiatives, delivery approaches, and customer incentives are the primary factors that lead to changes and improvements in NTG values.

The OEB's Evaluation Contractor, DNV, also provided updates to the group based on its ongoing study of NTG values of Enbridge's 2023 programs. DNV indicated that the draft final free ridership values of 2023 programs are 31.5% for custom commercial, 36.5% for industrial, and 72.05% for large volume. Non-utility members acknowledged that these results show positive developments and Enbridge's programs producing lower free ridership levels than in the past.

Non-Utility Member Consensus Recommendations

Non-utility members agreed that updated, estimated NTG values should be developed for all of Enbridge future programs, noting that greater consideration should be given to the most influential programs and/or measures.

Non-utility members agreed that although it is industry best practice to conduct NTG evaluations through the use of surveys and interviews with program participants to test the program's influence on their decision-making, that there is no perfect way to precisely assess a program's influence.

⁸ [2018 Natural Gas Demand Side Management Free Ridership Based Attribution Evaluation](#), March 13, 2020

The group also stressed the importance of regularly evaluating NTG impacts, including both free ridership and spillover, and to do so as close to the customer's decision to proceed with the energy efficiency upgrade incentivized through Enbridge's program as possible. However, in instances where recently evaluated results are not available, or for new programs or those with material changes which require a time delay before an evaluation can take place, non-utility members agreed that it is reasonable for proxy, or estimated values to be determined through a structured expert panel decision-making forum (also known as the Delphi method).

Through the course of several meetings with the SAG and members of the OEB's Evaluation Advisory Committee, the group reached a consensus recommendation that Enbridge should use 75% as the updated NTG estimated value for its future custom commercial program and 70% for its future custom industrial program. As noted below, these values are inclusive of both free-ridership and spillover. The non-utility member recommended estimate NTG values for future custom commercial and industrial programs were developed during the course of the OEB's NTG evaluation of Enbridge's 2023 programs. Ultimately, the recommended NTG values for future programs represent an increase of approximately 5% (after incorporating both free ridership and spillover results from the 2023 evaluation).

To establish recommendations on specific NTG values to use, non-utility members began with discussions of the benefits of developing a range estimate, with suggestions including anywhere from 60% to 80%. Non-utility members experience in other jurisdictions was that NTG values tended to be higher than those found in Ontario, but that many factors, including program, market differences, and evaluation approach, all contribute to difficulties in simply applying NTG values from one jurisdiction to another.

The group also considered NTG information from other jurisdictions, including California, New York, Illinois, Wisconsin and Massachusetts. Enbridge provided analysis of program incentive dollars per term and natural gas savings to provide context in terms of how impactful changes in incentive values may be to overall savings as a result of the program. The comparator NTG values ranged from a low of 50% in New York to a high of 83% for Massachusetts, with a simple average of approximately 73% NTG ratio for custom offers in the other jurisdictions. Non-utility members considered these to be helpful comparators, while acknowledging that there are always differences across jurisdictions, including program design, delivery, service territories, maturity of programming, customer makeup, overall scale of efficiency plans amongst others. Non-utility members agreed that these differences made direct comparisons and application difficult, but that using these values as an input into the proxy discussion was reasonable. Non-utility members agreed that although individual values should not be used as the basis for a new proxy value for Enbridge's future programs, the trend that other jurisdictions have materially higher NTG values and higher incentive dollars per energy savings confirms the reasonableness of considering an updated proxy NTG value.

Based on all this information, the group agreed on the consensus recommendation that Enbridge use updated estimate NTG values as part of plan development. The group

noted that the ability for Enbridge to improve NTG, through thoughtful project screening practices and influential offer components, including financial incentives and expert project support, can lower free ridership. Additionally, with a greater focus on trade allies and general awareness and education, Enbridge has the opportunity to increase the level of spillover, which would provide broad benefits. Non-utility members acknowledged that Enbridge has yet to develop a comprehensive and integrated approach that discretely includes increasing spillover as an objective of its offers. Some members acknowledged that this may be due to spillover appearing to be a lower priority evaluation item. However, until spillover is included as an objective of its offers, non-utility members agreed that it is more reasonable to recommend values that represent a continuation of the increasing trend in free ridership values seen from the 2018 programs to 2023 programs.

Non-utility members agreed that the updated NTG estimate values should assume modest spillover contribution and agreed that it would be reasonable to apply a 3% spillover estimate to the total NTG estimate (as a reminder $NTG = 1 - FR + SO$). Therefore, custom commercial $NTG = 75\%$ ⁹ and custom industrial $NTG = 70\%$ ¹⁰ for industrial). Non-utility members agreed that in response to the proposed program changes, namely the material increase in available customer incentives and ability for customers to access greater amounts for individual projects, NTG values should continue to improve.

Non-utility members stressed the importance of regular, ideally annual, NTG assessments, inclusive of both free ridership and spillover, to ensure the OEB, ratepayer representatives and Enbridge are receiving timely feedback to inform program results and future program delivery.

4.6.1.2 Prescriptive Commercial Offer

Non-Utility Member Consensus

Non-utility members discussed the need and reasonableness of updated NTG values for Enbridge's future prescriptive commercial offers. Non-utility members reviewed the list of measures included in the proposed prescriptive commercial offer and compared to the OEB's NTG evaluation results of Enbridge's 2017 DSM program. The OEB's Evaluation Contractor, DNV, provided some insights related to the previous prescriptive NTG assessments, noting that for certain measures, there was limited participation which resulted in very small sample groups for some measures. However, DNV noted that although some measures were evaluated based on a small sample, the projects included within that sample represented a substantial percentage of commercial prescriptive offer savings in the year evaluated. DNV noted that good evaluation practice is to continually review NTG values, discuss as part of evaluation planning, including receiving feedback from OEB staff, Enbridge and the EAC on areas that should be updated to address potentially outdated or unreasonable values.

⁹ Custom Commercial $NTG = 1 - 0.28$ (free ridership) + 0.03 (spillover)

¹⁰ Custom Industrial $NTG = 1 - 0.33$ (free ridership) + 0.03 (spillover)

Non-utility members agreed that although some NTG values appeared low, no proposals for updated values or supporting information was provided by Enbridge. Therefore, non-utility members agreed current evaluated values are generally reasonable. Non-utility members agreed that prescriptive NTG values should be reviewed on the basis of prioritizing those measures that are forecast to provide the greatest level of impact on future portfolio level natural gas savings.

Non-utility members agreed that Enbridge should include any relevant information as part of its DSM plan should it be of the view that discrete updates to specific measure level NTG values for its commercial prescriptive offer that need to be updated.

4.6.1.3 Income Qualified Program

Non-Utility Member Consensus

Non-utility members agreed that the OEB's current policy of using a NTG value of 1.0 for income qualified programs remains reasonable and should be continued. Non-utility members confirmed that this is consistent with the approach in other jurisdictions.

4.6.1.4 Residential Program

Non-Utility Member Consensus

Non-utility members acknowledged that the current deemed NTG value of 95% for the residential program is likely within the range of anticipated utility influence. Non-utility members discussed experience in other jurisdictions and reviewed NTG values from recent evaluations that were collected by OEB staff from publicly available sources, which largely showed that an overall 90% NTG value is reasonable.

Based on this review and expert opinion, non-utility members agreed that Enbridge should incorporate the following updated NTG estimated values for its residential offers:

- Residential whole home: 90% (made up of 20% free ridership and 10% spillover)
- Smart thermostat: 86% (made up of 21% free ridership and 7% spillover)
- Single Measure – Heat Pumps: 91% (made up of 31% free ridership and 22% spillover)

For all other single measures that may be included, non-utility members could not provide a recommended NTG value due to the inability to consider the merits for any individual value.

Non-utility members recommended that the OEB undertake NTG evaluations of Enbridge's residential program that include free ridership and spillover.

4.6.2 Application of NTG values

Non-utility members agreed that the OEB should consider the following guiding

principles as the foundation for how it values and includes NTG as part of its consideration of Enbridge's DSM portfolio and programs.

1. Prospectively apply the best estimate of the NTG impacts expected from the implementation of Enbridge's DSM plan and proposed programs.
2. Avoid unreasonable risk to ratepayers and the utility. This could include:
 - a) Ratepayers incurring risk if a pessimistic NTG assumption is used to set savings targets and future evaluation finds the NTG value to be considerably higher than that used to set savings targets, such that savings are inflated but targets unadjusted and higher shareholder incentives are recovered as a result.
 - b) The utility incurring risk if there are fixed savings targets for each year of its DSM plan, an overly optimistic assumption about NTG is used at the outset of a multi-year plan for setting those targets, future OEB evaluations finds the NTG to be considerably lower such that savings in future years are reduced but targets are unadjusted and lower shareholder incentives are earned as a result.

*Of note, minor fluctuations in NTG values would not present unreasonable risk, so this is primarily considering large variations.
3. The process to update key assumptions and/or adjustment factors (i.e., NTG values) should be done in a manner to motivate Enbridge to maximize NTG (minimize FR, maximize SO), which could include applying new results on a prospective basis, providing EGI with results during program implementation to allow it to apply corrective measures, etc.
4. NTG evaluations to be inclusive of free ridership and spillover should be included in future studies to produce net savings.

4.6.3 Process to Apply Updated Net-to-Gross Values

Members also discussed what process should be used to incorporate updated NTG values, inclusive of the estimated values recommended by the non-utility members and updated NTG values that come as a result of an OEB evaluation.

As part of these discussions non-utility members considered the impacts of how the timing of when updated NTG values were applied would impact ratepayers and Enbridge related to budgets (and costs), natural gas savings and performance targets and eligible shareholder incentives.

Non-utility members acknowledged the OEB's current policy indicates that for custom programs, updated NTG values should be applied retroactively to the program year that was the subject of the NTG evaluation. Alternatively, the OEB's current policy for prescriptive or mass market DSM programs indicates that updated NTG values are applied prospectively as Enbridge does not have control over who participates.

Enbridge suggested that for new measures, in the event there isn't research to support a NTG ratio, a default NTG of 80% should be applied until that measure is evaluated.

Non-utility Member Consensus Recommendations

Non-utility members agreed that the OEB should apply updated NTG values on a prospective basis for all programs/offers. Non-utility members acknowledged that Enbridge has a greater level of influence and control over participants in its custom commercial and industrial offers, but that applying the updated NTG values prospectively strikes a reasonable balance of risk between ratepayers and the utility – as long as NTG assumptions are updated regularly (e.g., annually). Non-utility members recommended that the OEB consider adopting an approach for updating NTG values on an annual basis in a similar manner to that used in Illinois. The following general structure was supported by all non-utility members:

1. NTG values are determined (i.e., approved) at the outset of the plan term by the OEB, with the granularity of the NTG values commensurate with the impacts of the program/offer/measure.
2. Each year, annual adjustments to NTG values are considered by the EAC when there's a basis for making a change (e.g., an evaluation has taken place, a party has identified a value that requires consideration, etc.)
3. The OEB's Evaluation Contractor proposes its initial recommendation for changes to NTG values based on their assessment of relevant information (including recent evaluation results, NTG results from other jurisdictions, documentation and proposals from Enbridge and/or EAC members, etc.).
4. EAC members, including both non-utility and utility members, try to come to consensus on revised NTG values, informed by information provided by the independent evaluator.
5. If consensus is reached by members of the EAC, the agreed-to NTG value is used prospectively for all programs/offers/measures and included as part of the program implementation and evaluation for the program year that immediately follows.
6. If the EAC does not reach consensus, the OEB's Evaluation Contractor, based on its expert judgement and independent review (and the benefit of the discussion among the EAC and Enbridge), determines the updated NTG value to be applied going forward.

4.7 Cost Effectiveness Screening

As part of the DSM Decision the OEB approved the continued use of the TRC-Plus test to determine the cost-effectiveness of DSM programs. However, the OEB indicated that it is "mindful that the accuracy of the inputs into the test will shape decisions related to what programs are offered. The SAG should discuss the accuracy of the 15% non-energy benefits [NEB] adder, in coordination with the IESO, to ensure that an accurate

value is being applied across natural gas and electricity conservation programs in Ontario.”¹¹

4.7.1 Non-Energy Benefits

As a first step, OEB staff consulted with the IESO to understand the recent study it had conducted that focused on updates to various NEB components, including areas such as reduced financial stress, thermal comfort, reduced equipment OM&A, improved air quality, control over energy decisions, improved lighting, reduced spoilage, improved business outcomes and improved product quality. The IESO had developed updated values for each of these components on the basis of customer feedback it received as part of its annual evaluation of its electricity conservation programs. The IESO cautioned a direct application of its results as its updated values were based on feedback from electricity customers related to electricity energy efficiency programs and applicability to natural gas DSM programs may not be appropriate. Additionally, OEB staff observed large variation in year-to-year impact for each of the NEB components, which further supported a cautious approach to directly applying the IESO’s updated values. The SAG agreed with this assessment and did not support the direct application of the IESO’s updated NEB values.

OEB staff noted that it was considering the merits of a standalone natural gas NEB study. Non-utility members agreed that the 15% value is likely understated, and although supported additional research to produce an updated figure, cautioned the value of a detailed study due to the imprecise nature of customer feedback, particularly considering the inability to discretely and accurately develop empirical data to quantify the benefits considered as part of the NEB adder. Instead, the group suggested that it may be more practical (and less time intensive and costly) to develop an updated NEB-adder value that is more general in nature, informed by values used in other jurisdictions and expert opinion from the SAG (and possibly the EAC). However, non-utility members cautioned importing values directly from other jurisdictions for the same reasons the group did not support simply accepting the IESO values. Other NEB values will be based on the energy efficiency portfolio of that state/province, including measures, incentive levels, program delivery approaches, history of programming, efficiency standards, etc. The SAG agreed that OEB staff should continue to consider methods for considering updated NEB values specific to Enbridge’s natural gas DSM programs as part of OEB staff-led DSM evaluation work, with input from the EAC and the OEB’s Evaluation Contractor.

4.7.2 Cost of Carbon

In addition to the NEB-adder, the group also discussed how to effectively value and incorporate carbon as part of the cost-effectiveness calculation. The group acknowledged direction from the OEB as part of the Mid-Term Report of the 2015-2020 DSM Framework where it stated that “[t]he cost of carbon, using the publicly available

¹¹ EB-2021-0002, Decision and Order, p. 83

federal carbon cost, will be explicitly included as part of all cost-effectiveness analyses.”¹² Non-utility members recommended that the cost of carbon value included in both avoided costs (for Achievable Potential Study analysis and cost-effectiveness analysis) should be updated to reflect a value that better represented the true cost of avoiding greenhouse gas emissions.

Non-utility members acknowledged that the OEB’s direction in the 2015-2020 DSM Mid-Term Report was provided at a time when different considerations were central to its guidance, but that the full direction from the OEB makes it clear that the cost of carbon should be considered in both cost-effectiveness and avoided costs and that future updates are reasonable:

“The OEB agrees that all material benefits of DSM should be recognized as part of the screening and cost-effectiveness analyses. As such, the OEB agrees that the cost of carbon should be added to the TRC-Plus cost effectiveness test. This will ensure that planning and cost-effectiveness analyses fully consider the costs and benefits of the DSM programs. The natural gas utilities should include the federal cost of carbon as part of future avoided cost updates, as it is the most relevant public data source currently available. The OEB will also include the cost of carbon in the cost-effectiveness analysis undertaken as part of the annual program evaluation work. Additionally, the OEB will maintain the non-energy benefit adder of 15% currently included in the TRC-Plus cost-effectiveness test. The OEB will further consider this topic as part of the post-2020 DSM framework development.”¹³

Members provided various suggestions on how to value the cost of carbon as part of the cost-effectiveness test. Suggestions included that the cost of carbon be based on a proxy for the alternative to electrification, such as renewable natural gas or the marginal cost of GHG reduction outside of the natural gas sector. It was noted that if an appropriate alternative value to electrification is not used, then it may result in cost-effectiveness test results indicating that some forms of energy efficiency and electrification are not cost-effective when research findings show that they are cheaper than alternatives to decarbonizing gas. As part of the APS, OEB staff, with agreement from non-utility members, advised Guidehouse to apply the social cost of carbon based on the Government of Canada estimates¹⁴ due to the current carbon price acting as a floor value and not fully representative of the true cost of avoiding greenhouse gas emissions. Non-utility members agreed that at a minimum, the social cost of carbon be considered by the OEB as the baseline carbon value applied for DSM going forward.

¹² EB-2017-0127 / 0128, Report of the Ontario Energy Board, Mid-Term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors (2015-2020), November 29, 2018, p. 6

¹³ Ibid, p. 28

¹⁴ <https://www.canada.ca/en/environment-climate-change/services/climate-change/science-research-data/social-cost-ghg.html>

4.7.3 Discount Rate

Non-utility members discussed the OEB's current guidance to use a 4% real discount rate to cost-effectiveness screening. Some members were of the view that 4% does not represent an accurate or representative societal discount rate. It was suggested that the OEB consider updating this value to 1-2% real to be consistent with current industry norms tying societal discount rates to risk free investment such as Canadian Treasury Bonds. Enbridge noted that the OEB did not give direction to update the discount rate and that collaborative programs with entities such as the IESO should use consistent inputs, noting the IESO also uses a 4% real discount rate. Non-utility members agreed that the discount rate applied to cost-effectiveness screening be included as a policy item to be updated for use in the future.

4.7.4 Avoided Electricity and Natural Gas Costs

As part of the DSM Decision the OEB indicated that:

“...the OEB is mindful that in the near-term, it is likely that greater emphasis will be placed on fuel switching and electrification. Therefore, it is important to continually ensure that customers have choice on various energy options. In order to allow for as accurate a comparison as possible, it is important that the most relevant avoided costs are being used in the calculation of cost-effectiveness, particularly between electricity and natural gas options. Therefore, the OEB encourages the SAG to consider reviewing key avoided costs, namely electricity avoided costs, and coordinate with the IESO as necessary. The outcomes of this review and any new proposals or updated avoided cost figures should be included as part of Enbridge Gas's next DSM plan application.”¹⁵

Consistent with this direction, OEB staff led an assessment of the various aspects of avoided costs, largely with the EAC, with conclusions of these discussions provided to the SAG for information purposes and to seek any additional comments.

OEB staff coordinated initial updates with the IESO to understand when updated electricity avoided costs would be made available and how these should be used as part of DSM analysis. The IESO indicated that work and considerations of updated avoided electricity costs were ongoing. Non-utility members indicated the importance of using as up-to-date electricity avoided costs as possible and agreed that Enbridge should use the best available information regarding electricity avoided costs as provided by the IESO.

OEB staff led discussions to consider the usefulness to updates of natural gas avoided costs. Enbridge provided information regarding its current process to develop natural gas avoided costs, which includes the use of third-party consultants and certain proprietary modelling tools. Non-utility members agreed that ideally, a party other than Enbridge develop the natural gas avoided cost estimates due to Enbridge having

¹⁵ EB-2021-0002, Decision and Order, p. 84

particular viewpoint or vested interests. Non-utility members agreed that OEB staff should lead a collaborative study, similar to the approach used by the New England states, and hire an independent consultant team that develops avoided cost estimates through an engaged stakeholder process in a transparent manner. Until such results are available, non-utility members acknowledged that Enbridge's avoided costs are the most relevant, but urged Enbridge to provide as much additional information as possible on the basis of these avoided costs to help all interested stakeholders gain a better understanding.

5.0 Program Proposals and Recommendations

Non-utility member comments and recommendations regarding Enbridge's programs for each sector are provided below. Overall, non-utility members indicated they were supportive of Enbridge's general proposed program concepts (including key areas of focus, the mix of strategies, target markets, etc.), including the proposed updates Enbridge presented, but not necessarily the levels of natural gas savings being proposed. Non-utility members indicated that time did not permit Enbridge to provide a detailed analysis of how its program budgets and savings were developed which will be necessary to review when reviewing the final program proposals.

Non-utility members stressed the need for expanded integration of Enbridge's DSM program with IESO energy efficiency programs – and any other available programs, whether from electric LDCs or various levels of government – across Enbridge's portfolio and recommended that Enbridge explore every opportunity to enable customers access to all energy efficiency opportunities in the easier approach possible.

Non-utility member recommendations on how current programs can be expanded, which areas have the greatest possibility to produce increased natural gas savings, and recommendations for new considerations are included within each sector program chapter. The non-utility members worked collaboratively amongst the group and with Enbridge. No material disagreements regarding program concepts remain outstanding.

Non-utility members reached consensus that as part of Enbridge's next DSM plan, greater emphasis on research and development will be needed. Research and development should not be isolated to any specific customer group/sector but done in a more comprehensive manner which includes market research and market intelligence actions. Non-utility members also recommended that a material amount of budget should be directed to research and development efforts with priority placed on understanding new technologies that can lead to material natural gas savings and/or have broad applicability, responsive to the needs of customers and opportunities across each sector (e.g., customer-specific, segment applicability, large vs small, etc.) and consideration of developing an Ontario-specific building demographic database to better direct energy efficiency efforts.

Additionally, non-utility members recommended that energy innovation should be considered more broadly, across all programs/sectors, in concert with any approved research and development budget/work. Non-utility members noted that it will be critical to have a material portion (e.g., approximately 5%) of its future DSM budget dedicated for the development and deployment of new ideas.

Some members suggested that a portion of the research and development budget, including funding for energy innovation projects, be dedicated to fund academic efforts to help develop ideas, host program concept competitions, invest in technology specific studies (e.g., industrial heat pumps), funding for capacity building to develop the skills needing in the industry to advance DSM programs, as well as funding for industry

experts to be brought in from other jurisdictions to host multi-day training courses, or expos, directly with customers. Some members suggested that the funding for some of these initiatives, academic research and competitions for example, should come from Enbridge's approved DSM budget, but that the utility act at an arms-length and not be directly involved to avoid any conflict of interest or appearance of bias.

Non-utility members also recommended that, in addition to the proposed level of natural gas savings and program budgets Enbridge includes in its application, Enbridge should also prepare information and analysis on isolated scenario(s) of program variability to be responsive to the OEB's direction for various levels of reductions in natural gas volumes throughout the 2026 to 2030 term, including a 1.0% reduction in annual gas sales by 2028. The group agreed that this should be done on a net natural gas savings basis and, at a minimum, be done at the sector level. The group noted its shared appreciation for the challenges in determining alternative approaches, but highlighted the value of identifying key underlying assumptions that have the greatest uncertainty and/or influence (for example, rapid adoption of hybrid rooftop units) and the impact changes in these assumptions could have on overall sector performance and costs. Non-utility members suggested that Enbridge consider providing the OEB with an approximation of the cost and high-level insights, supported by some analysis, on the approach it would have to take to achieve the 1.0% natural gas reduction target. This will enable the OEB and other stakeholders to determine the reasonableness of Enbridge's proposal.

5.1 Residential Program

Residential Program

5.1.1 Enbridge Sector Overview

Enbridge Gas engaged in discussions on its future residential program, including those for income qualified customers, with the SAG over several meetings throughout July and August 2024. Similar to the other sectoral programs, Enbridge provided presentations that included market overview, historical results and its program strategy for the residential sector.

Enbridge provided residential sector information, noting that there are over 3.5 million residential premises that collectively consume 8.2 billion m3 of natural gas annually. Customers within the residential sector can be broadly classified under the following segments:

- general residential, including detached homes, townhouses and rowhomes, and semi-detached homes, accounting for approximately 80% of customers and annual consumption,
- moderate income¹⁶, including detached homes, townhouses and rowhomes, and semi-detached homes, accounting for approximately 9% of customers and annual consumption, and
- income qualified, including detached homes, townhouses and rowhomes, semi-detached homes, and municipal social housing, co-operative housing, non-profits privately owned, accounting for approximately 11% of customers and annual consumption.¹⁷

Table 5 – Residential Market Overview: Building Types

Segment	Residential	Moderate Income	Income Qualified ¹⁸
Building Types	Detached, Townhouses/Rows, Semi-Detached	Detached, Townhouses/Rows, Semi-Detached	Detached, Townhouses/Rows, Semi-Detached, Municipal Social Housing Co-ops, Non- Profits Privately Owned
Customers	Approx. 2.8 million (80%)	Approx. 0.33 million (9%)	Approx. 0.43 million (11%)

¹⁶ Moderate income eligibility is consistent with IESO program eligibility and ranges from \$67,144 for 1 person in the home to \$164,467 with 6 people in the home.

¹⁷ Income Qualified includes private market-rate (44%) and social housing providers (56%)

¹⁸ Income Qualified multi-residential includes private market-rate (44%) and social housing providers (56%)

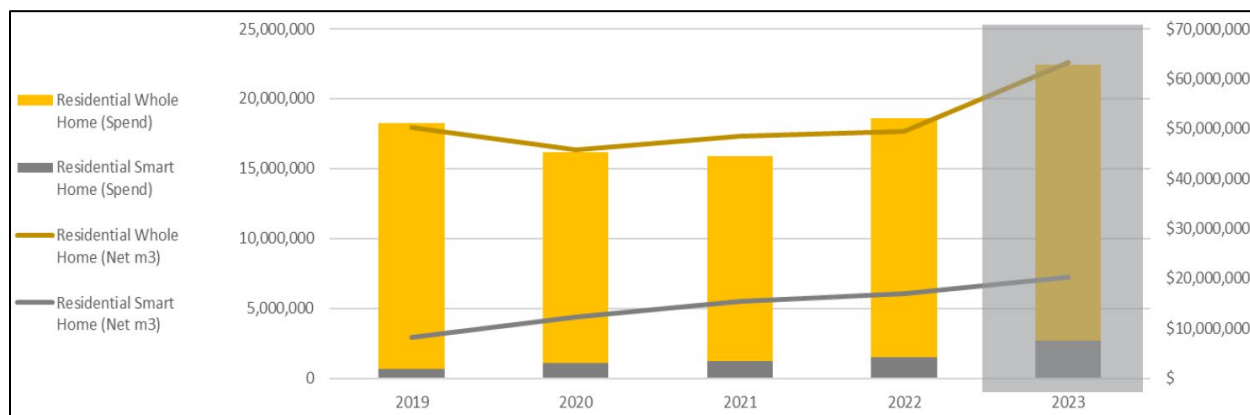
Enbridge summarized the unique characteristics of each segment of the sector which are shown in the table below. Building characteristics for multi-family buildings are summarized in the income qualified program summary below.

Table 6 – Residential Market Overview: Segments

Characteristic ¹⁹	Detached	Semi-Detached	Row/Townhouse
Average Consumption (m3)	2,560	1,958	1,602
Total Premises	2,540,580	315,233	555,548
Older than 1975	1,102,875	144,748	126,613
1975 - 2006	1,032,774	126,142	250,472
2007 - Present	336,755	42,264	159,892

Enbridge provided an overview of historical results as shown in the figure below.

Figure 1: Residential Program Results 2019-2023



Enbridge highlighted several key market challenges in the residential sector. Energy literacy amongst customers is still an area identified by Enbridge that requires additional attention, particularly in helping customers understand the benefits of thermal envelope improvements. Similarly, with market participants, including contractors, trades people and vendors, Enbridge noted that, with the inclusion of new technologies such as heat pumps, it will be critical that installation practices and general understanding of technologies improve. Enbridge also noted the need to drive greater levels of

¹⁹ Premises refer to billing addresses and average consumption is provided on a per premise basis.

participation as the residential sector has low participation rates relative to the size of the market.

Enbridge's residential program design principles include the following items:

- 1) Explore collaboration/partnerships
- 2) Advance energy literacy
- 3) Incorporate flexibility of offers
- 4) Attract increased market activity
- 5) Promote envelope before mechanical upgrades
- 6) Increase participation and savings
- 7) Work towards the ability to scale offers
- 8) Focus on accessibility and equity

Enbridge discussed its three-prong approach to maximize energy savings in the residential sector. It proposed to focus its residential program strategy on capacity building, engagement and executing. Enbridge stressed the importance of a comprehensive package of initiatives to support diversified programming and savings opportunities across the residential sector. Part of this is building capacity in the residential market, both through customer focused initiatives such as advancing energy literacy and energy conservation awareness and market focused initiatives, including contractor training. Next, Enbridge noted it will seek to increase overall engagement with the ability for customers to take part in no or low-cost opportunities or subsidized market opportunities to engage customers with a focus on identification and execution of energy savings activities. Such initiatives to enhance engagement may include behavioural offerings, EnerGuide audits or Energy Savings Kits (weatherization and water savings). Finally, Enbridge's program strategy turns effort into action with customer focused initiatives that include flexible offers to allow customers options to meet their needs and execute on the increased capacity and engagement. Enbridge also stressed the need to develop multiple delivery paths to broaden reach.

5.1.2 Residential Program Proposal

Energy Education & Outreach

New offer aimed at enhancing residential customers' understanding of energy usage and promoting energy-saving behaviours. Customers will be able to opt-in and receive Home Energy Reports and information on other offers. Additionally, elementary school focused education program for Grade 5 students with the inclusion of Energy Savings Kits.

Smart Thermostats

Continuation of rebates for customers to replace existing thermostats with smart thermostat.

Single Measure

Aimed to reduce entry barriers in the Whole Home offer by simplifying processes and eliminating the need for audits. Key offerings include Professional Air Sealing, Heat Pumps, Attic Insulation, and Heat Pump Water Heaters delivered through contractors and trade ally network with a focus on right-sizing heat pump installations. Enbridge noted that due to challenges with utilizing the HOT2000 energy modelling software experienced when including heat pumps, its proposal now separates heat pump incentives as a standalone measure.

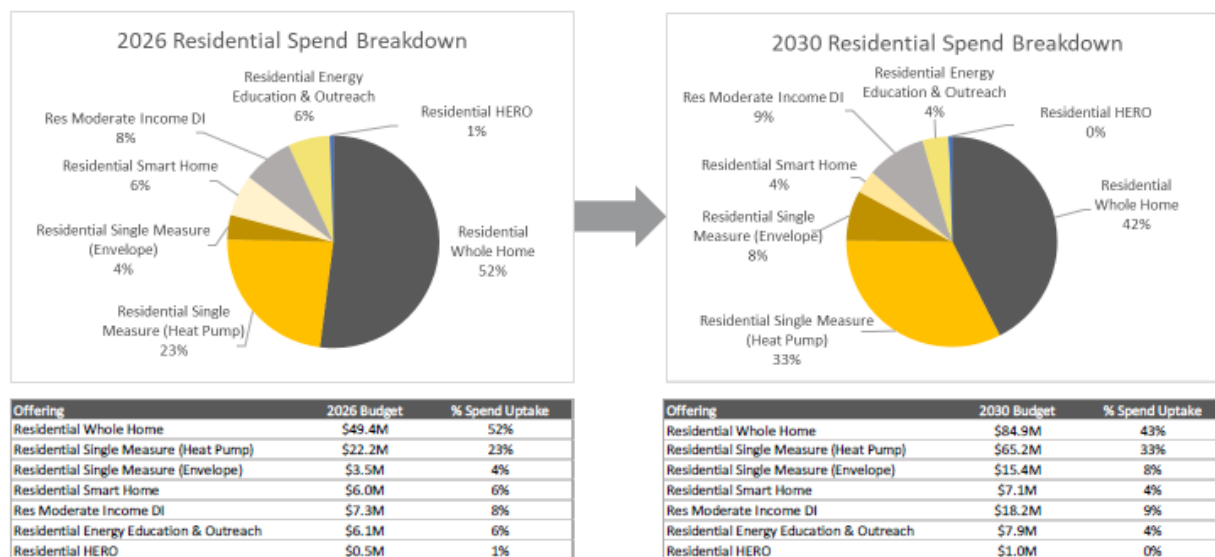
Moderate Income Direct Install

Prioritize moderate income communities that may not qualify for low-income programs but still face cost barriers. Enbridge will work with municipalities, target specific geographic regions based on high-density moderate-income zones and homes built before 1974 to maximize savings through air sealing, attic insulation and smart thermostats. The offer will be free for customers.

Whole Home Custom

Designed to motivate customers to pursue deeper savings when considering retrofits through a multi-measure approach. Customers must perform pre and post-EnerGuide audits and install a minimum of two measures (e.g., insulation, windows and air sealing). Enbridge discussed the inclusion of a bonus incentive for customers who install a heat pump after completion of envelope measures installed through the whole home custom offer.

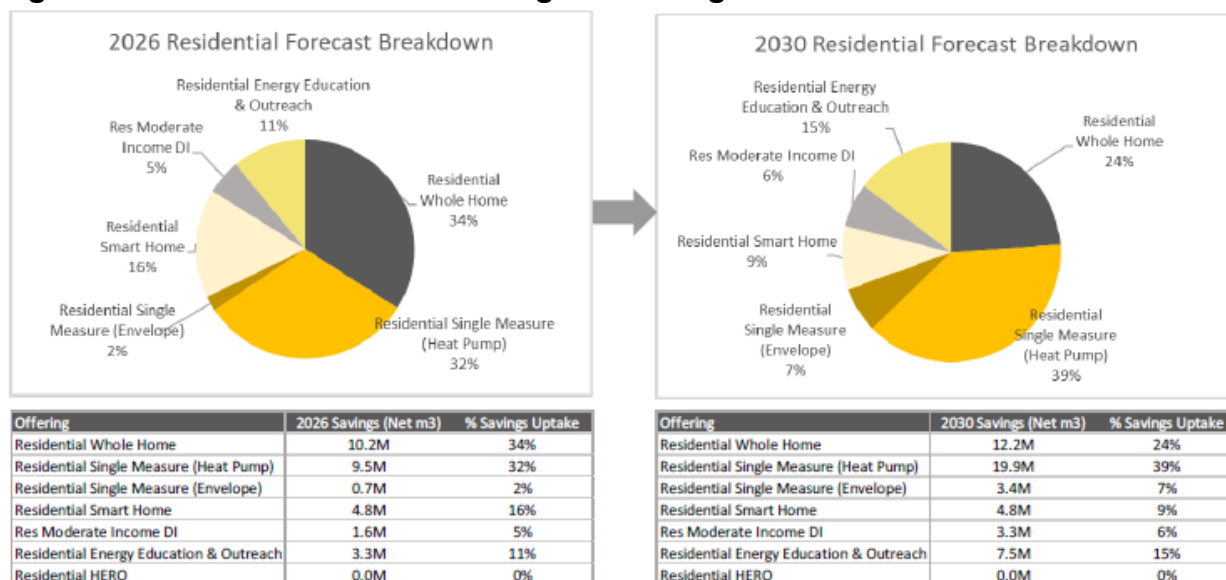
Figure 2 – Forecast Residential Program Budget



Assumes annual inflation rate of 2%

Does not include forecast for Admin spending

Figure 3 – Forecast Residential Program Savings



5.1.3 Non-Utility Member Residential Program Considerations

5.1.3.1 Non-utility Member Consensus Recommendations

Non-utility members offered the following recommendations:

1. **Energy Education and Outreach:** Non-utility members provided the following recommendations:
 - a. Consensus that training and education in elementary schools should not be provided by Enbridge, and instead an independent technical advisor. One member indicated their concern and opposition for Enbridge leading any educational programs, other than perhaps supporting technical training in a trades school on key measures like heat pumps.
 - b. Assumptions related to behavioural changes due to Home Energy Reports should be tempered as experience in other jurisdictions has shown that first-year savings may be high but quickly decline in subsequent years. It was noted that the savings decline very quickly if they are not "re-acquired" through additional participation in subsequent years by the same customers. Additionally, and of greater importance, non-utility members indicated that it would be very problematic if Enbridge either (A) relied on behaviour programs for a large portion of their residential first year savings claims; and/or (B) got to keep re-counting the same first year savings, year over year, from participation by the same customers in the same behaviour program.
2. **Smart Thermostats:** Non-utility members were supportive of continuing to provide incentives for smart thermostats, but recommended that additional verification and assessment of savings assumptions be conducted to ensure

smart thermostats are delivering the level of natural gas savings expected based on current assumptions. Non-utility members also noted that prioritizing thermal envelope improvements will provide greater value to any smart thermostat installation.

A non-utility member also suggested that consideration should be given to the impacts of smart thermostats when used with cold climate heat pumps to ensure natural gas savings estimates and compatibility are understood prior to significant roll-out of either technology.

3. **Single Measure:** Non-utility members supported the inclusion of the single measure offer and recommended:
 - a. Enbridge limit available heat pump incentives to cold climate air source heat pump models (both in cases in which full electrification is contemplated and for ASHPs that are part of hybrid heating systems).
 - b. Enbridge consider upstream and/or midstream incentives for heat pump water heaters to help impact the market, similar to the approach taken in Vermont, Connecticut and Massachusetts.
4. **Moderate Income Direct Install:** Non-utility members supported inclusion of the moderate income direct install offer and recommended that Enbridge consider geographically targeted delivery.
5. **Whole Home:** Members were largely supportive of Enbridge's whole home offering and the enhancements. However, it was recommended that the following be considered:
 - a. Greater support to allow for greater level of air sealing improvements and air tightness testing.
 - b. An incremental incentive to drive greater completion of whole home thermal envelope improvements, particularly for those customers that install a cold climate heat pump.
 - c. A bonus incentive for customers to undertake weatherization efforts after installing a heat pump, similar to that proposed for customers to install a heat pump after undertaking weatherization upgrades.
 - d. Inclusion of triple glazed windows.

5.1.3.2 Non-Utility Members – Additional Considerations

Non-utility members offered several additional considerations to the program recommendations above. The list that follows did not have consensus support.

- a) **Moderate Income Direct Install** – some members encouraged Enbridge to focus on training and building capacity in contractors specializing in attic insulation who can also perform air tightness testing through use of the blower door test, for application to all offers in the residential and income qualified

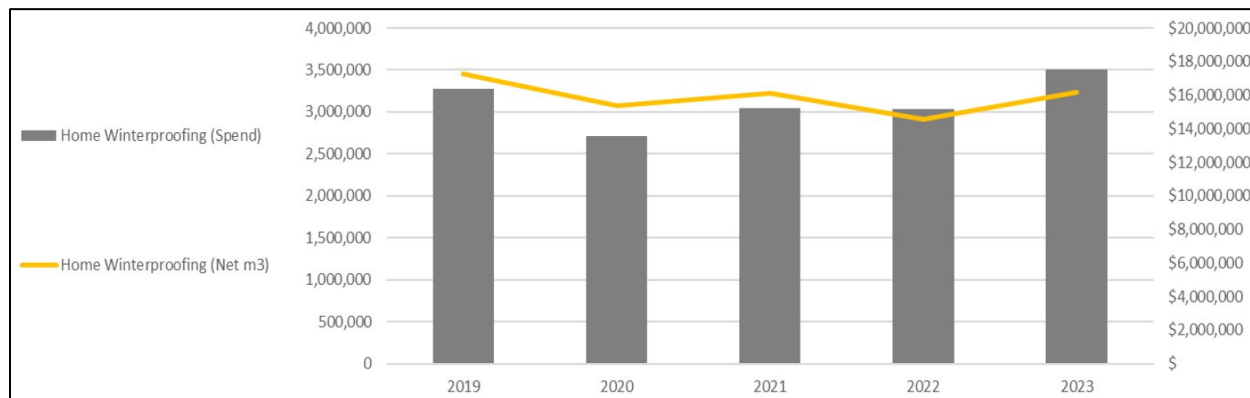
segments, as well as collaboration with the IESO, including consistent eligibility with its programming.

- b) **Loan Program** – non-utility members suggested that Enbridge consider incorporating a loan program, however cautioned that this type of programming is not a panacea and typically only offers a modest impact to program uptake. It was suggested that Enbridge consider any current loan programs offered by municipalities and how its programs can be offered in a complementary way.
- c) **Evolution Through Next Plan Term** – non-utility members agreed that Enbridge be given the flexibility to incorporate new program design, delivery and measures throughout the next DSM plan term, particularly should the OEB approve a 5-year term, which members acknowledged as a longer term than is customary in other jurisdictions with some noting much longer than ideal in the context of fast changing markets and significant ramping up of effort. Throughout the next term period, members identified the likelihood of new technologies (e.g., heat pumps, building envelope cladding) and advancements in existing technologies. Members noted that there will likely need to be a certain level of acceptance that offering new and evolving technologies and providing the right level of support for deep energy retrofits will require significantly increased costs, particularly on a per project basis.
- d) **Net-to-Gross Considerations** – non-utility members agreed that consistent with its recommendation that new net-to-gross values be applied prospectively for commercial and industrial programs, the same approach be applied to residential programs for consistency purposes.

5.2 Income-Qualified Program

5.2.1 Income Qualified Program Proposal

Figure 4 – Income Qualified Home Winterproofing Results 2019-2023



Home Winterproofing Offer

Enbridge's proposed Home Winterproofing offer will continue to offer no-cost upgrades to income qualified customers, including a free home assessment, energy efficient upgrades including insulation and windows that are damaged and compromising building envelope, draft proofing and a smart thermostat by qualified contractors. The Home Winterproofing offer will also increase its health and safety budget to reduce projects being disqualified due to pre-existing problems in the house, including such things such as mold and asbestos.

Enbridge highlighted its delivery approach which aims to have specific focus for the two housing segments:

- Non-profit Housing Market:** Provide Concierge service for housing providers that includes tenant outreach, project planning and coordination, security measures and on-site coordination during home visits. Dedicated Enbridge staff to engage Indigenous on-reserve and off-reserve housing providers with culturally appropriate concierge service.
- Owner-Occupied Market:** Leverage existing municipal partners' programs and networks to reach out to private low-income households with co-marketing activities. Enbridge will engage in community-based outreach and partner with front-line agencies to develop marketing campaigns that reflect community values, language and culture to reduce mistrust amongst marginalized customers.

Direct Install Heat Pumps Offer

The focus of this offer will be to help increase the ability for income qualified customers to upgrade to hybrid heating solutions, with types and sizes of heat pumps similar to those offered through the core residential program. Homes considered for heat pumps will need to have proper insulation and air sealing, with past participants contacted as they have completed these necessary thermal envelope upgrades.

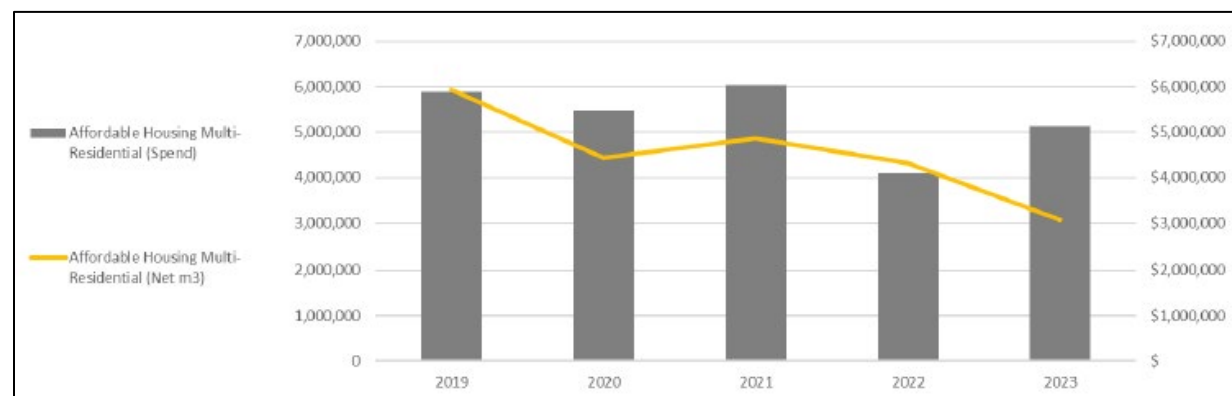
Multi-Residential Offer

In addition to the Income Qualified program focusing on single-family homes, Enbridge also has income qualified offers for multi-residential buildings. Below is a summary of the multi-residential market and recent program results.

Table 7 – Income Qualified Multi-Residential Segments

Characteristic	Social	Co-op	Non-Profit	Private Market
Total Premises	1,969	332	753	2,357
Total Premises (%)	36%	6%	14%	44%
Consumption (m3)	146,413,364	21,736,319	44,462,133	222,097,213
Consumption (%)	34%	5%	10%	51%

Figure 5 – Income Qualified Multi-Residential Results 2019-2023



Enbridge's proposed income qualified multi-residential program offer included multiple streams: custom, prescriptive downstream, direct install, and a new operational, retro-commissioning and behavioural offer. These are summarized in the table below.

Table 8 – Income Qualified Multi-Residential Proposal

Offer	Summary	Details
Custom	Measures that require site specific inputs to calculate savings or where multiple measures are implemented with interactive effects.	\$3.00/m3 saved up to 75% of incremental cost to \$300k/project - Bonus incentives (e.g. limited time offers) – Increase incremental cost to 100%
Prescriptive	Standalone measures with deemed or quasi-prescriptive savings calculations.	- Incentives varies by measure and size - Bonus incentives
Direct Install	Turnkey solutions that includes installation at no cost to customers.	100% cost coverage - Novitherm Panels
Energy Assessments / Energy Manager	Enabling activities to support projects by providing needed expertise, coaching and hand holding for small to medium providers.	- Energy Audits: No cost up to \$15K per project - Energy Manager: No cost up to \$30K
Operational, Retro-Commissioning, Behavioural	Identification, implementation of no cost/low-cost measures.	- No cost pre and post assessment \$0.25/m3 saved

Figure 6 – Forecast Income Qualified Budget

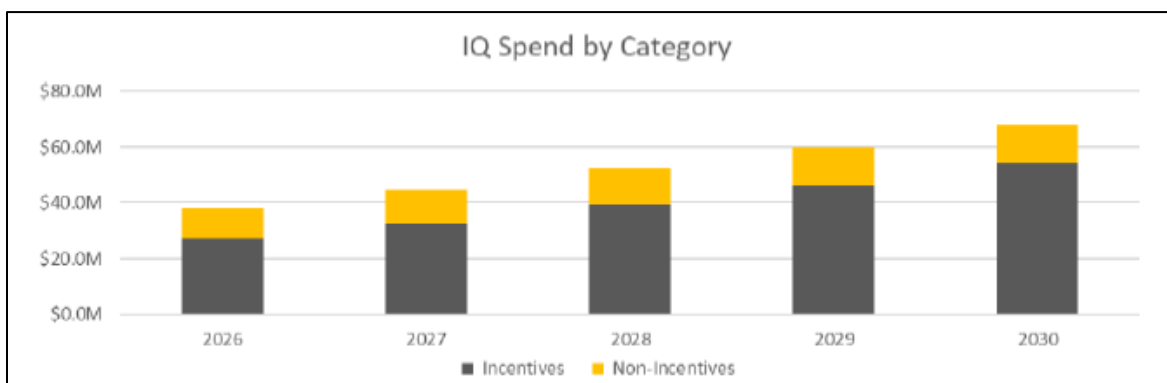


Figure 7 – Forecast Income Qualified Budget Breakdown by Offer

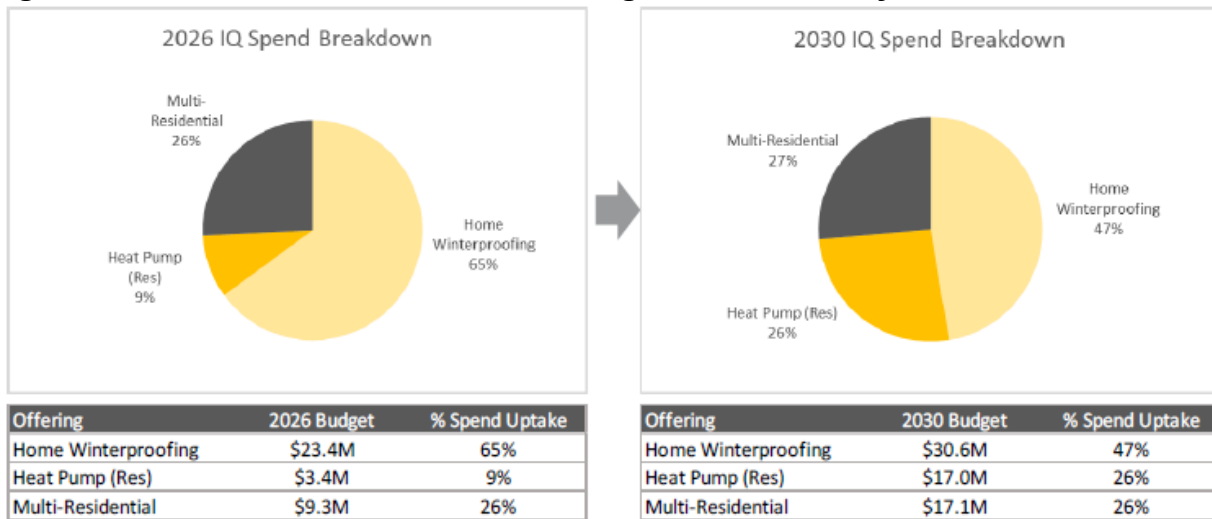
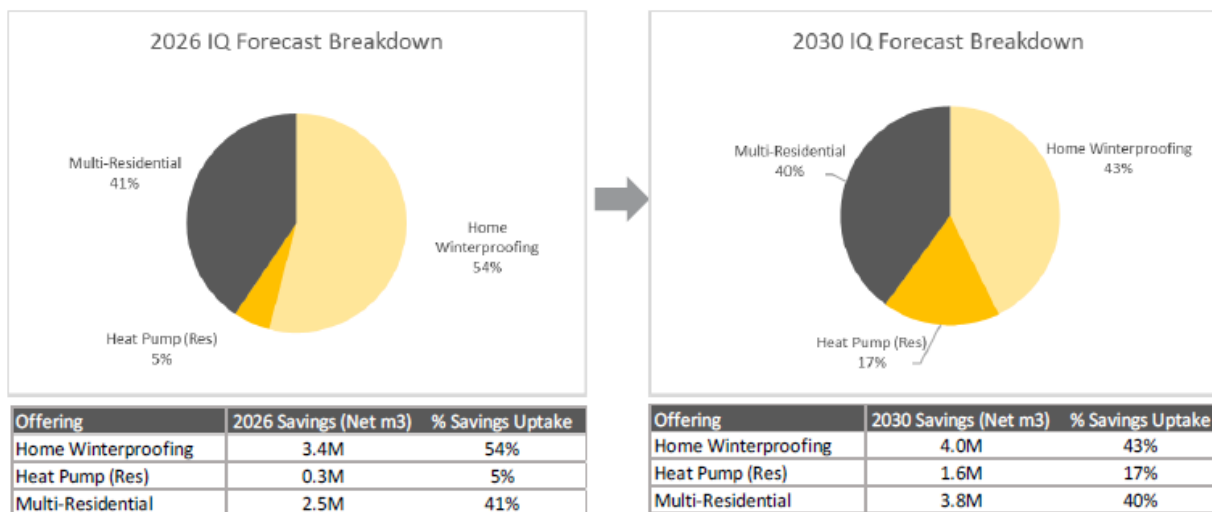


Figure 8 – Forecast Income Qualified Savings Breakdown by Offer



Non-Utility Member - General Feedback

Non-utility members indicated they were supportive of Enbridge's general proposed income-qualified program concepts (including key areas of focus, the mix of strategies, target markets, etc.). Non-utility member recommendations are detailed below.

5.2.2 Non-utility Member Consensus Recommendations

Non-utility members agreed that the continuation of no cost opportunities for income-qualified customers is a critical component of Enbridge's future DSM plan. Non-utility members agreed that income qualified funding should continue to be ring-fenced and only used for income-qualified programming, that it should increase from current/prior program budgets and that the income qualified budget as a percentage of residential

budget should be increased, but at a minimum, maintained. Similarly, natural gas savings targets related to the income qualified program should increase.

Non-utility members had the following additional consensus recommendations related to the broader income qualified program:

1. For direct install heat pump opportunities, Enbridge should align home winterproofing opportunities so that the size of heat pump is optimized (and reduced) and consider implementing a program requirement where participation is restricted to homes built after 2000 or where the participant has completed the home winterproofing offer and/or (a) already has a reasonably efficient building envelope or (b) can be expected to see energy bill reductions. In all instances, only cold climate air-source heat pumps should be installed. Additionally, non-utility members agreed that full electrification should be considered when a case can be made that customer bills will go down. It was acknowledged that this only be for income qualified homes that are reasonable well sealed and insulated. However, non-utility members agreed that full electrification shouldn't be a blanket rejection.
2. Consider how to address cost impacts in rental scenarios when installing heat pumps, including impact on natural gas and electricity bills and tenant versus landlord/owner payment requirements. This was supported by non-utility member feedback that energy affordability should be a central component of all income-qualified offers.
3. Incorporate building operator training as part of the income qualified multi-residential offer (but should not be income qualified specific as opportunities exist in the building market generally).
4. Include on-going/continuous training for income qualified multi-residential building operations staff and/or contractors
5. Develop greater market capacity for more qualified energy advisors, through free/subsidized training and/or direct incentives, so there are a greater number of qualified energy advisors for blower door assisted air tightness testing.
6. In addition to the more general recommendation that Enbridge work with municipalities more closely, Enbridge should work with municipalities to identify, and help engage, low- and moderate-income neighbourhoods and eligible multi-residential buildings.
7. Enbridge should continue working with the IESO to ensure consistency and alignment between gas and electric programs for eligible income qualified customers.
8. Enbridge should target property management companies and asset managers to assist in optimizing delivery of the income qualified multi-residential offer.
9. Enbridge consider offering income qualified program support/contact staff in multiple languages and tenant engagement activities.

10. Enbridge consult with other market participants to ensure consistency in terminology and nomenclature between its offers and generally used terms, examples including supportive housing, long-term care facilities and assisted living facilities provided.
11. The Operational improvements, Retro-commissioning and Behavioural (ORB) offer is a high priority area with opportunities for both direct natural gas savings and the ability to enable other program opportunities with customers.

5.3 Commercial Program

5.3.1 Enbridge Sector Overview

Enbridge Gas engaged in discussions on its future commercial program with the SAG over several meetings throughout May 2024. Similar to the industrial sector, Enbridge provided a commercial market overview, discussed historical results, future outlook for the sector and its general sector strategy.

Enbridge provided details on the three main segments in the commercial sector: business (including long-term care, office, food service, retail, warehouses, entertainment and hospitality), multi-use residential buildings and the MUSH segment (municipal buildings, universities and colleges, primary and secondary schools, and hospitals or MURB). In total, there are approximately 235,000 premises across the commercial segments, with business premises accounting for approximately 87% of all premises. Consumption in the commercial sector is approximately 6.0 billion m3 with business accounting for approximately half, MURB 30% and MUSH at approximately 20%.

Enbridge summarized the unique characteristics of each segment of the sector which are shown in the table below.

Table 9 – Commercial Market Overview: Segments

Characteristic	Business	MURB	MUSH
Use of Natural Gas	Primarily space, water and cooking	Primarily space and domestic hot water	Space, water, cooking, CHP and other
Energy Efficiency Motivators	Cut costs, attract investors/tenants	Cut costs, property value, attract residents, comfort	Cust costs, sustainability (GHG reduction)
Decision Making	Tenant vs. Owner Corporate vs. Independent	Rental vs Condo Multiple vs. single properties	Centralized decision making
Key Influencers	Contractors/Engineering firms	Contractors/Engineering firms, Policies	Contractors/Engineering firms, Policies and grants
Typical Acceptable Payback Period	Typical 3 yrs Tolerance for 5 yrs	Typically 5 yrs Tolerance for 8-9 yrs	Typical 3-5 yrs Tolerance for 20 yrs
Asset Planning Cycle	EUL, annual or multi-year (2-5 year basis)	EUL, annual or multi-year (2-5 year basis)	EUL, annual and multi-year with rolling lists
New Technologies	Typically not early adopters	Typically not early adopters	Open to piloting new technologies

Enbridge informed the group of various common barriers across all commercial segments, including:

- Knowledge: low awareness of incentives/offers, technologies and the value and benefits of certain technologies;
- Resources: lack of capital, lack of time/resources, multiple layers of decision makers;
- Competing Priorities: prioritization of other items, including primary business interests, other investments that are perceived to have higher return, electricity efficiency projects, and are concerned about disruption to operations to install new equipment.

Enbridge also highlighted unique barriers for each segment of the commercial sector that include:

Small Commercial

- More pronounced financial, time and resource restrictions and awareness constraints, as well as greater inability to disrupt operations to install new equipment
- Lease agreements preventing tenants from making changes to the building
- Low priority to competing capital needs

Business

- Lease agreements preventing tenants from making changes to the building
- Uncertain if upgrading equipment will make a meaningful difference

MURB

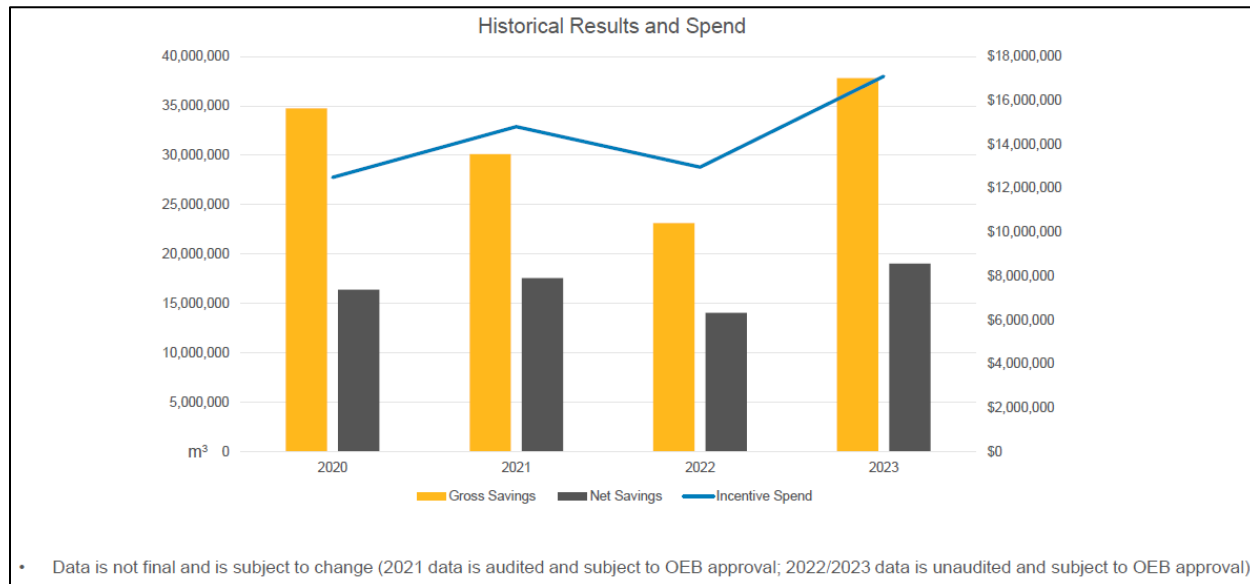
- Tenant, resident and ownership structures can impact appetite and uptake of efficiency measures, especially in-suite

MUSH

- Bureaucracy and slow decision-making results in multi-year project planning commitments
- Prioritization of longer-term sustainability goals

Enbridge provided an overview of historical results as shown in the figure below. Of note, the fluctuation in net savings year over year is a result of natural changes in uptake of measures across the different sub-sectors (e.g., multi-residential, MUSH, etc.) which results in different overall net savings from the program.

Figure 9: Commercial Program Results 2020-2023

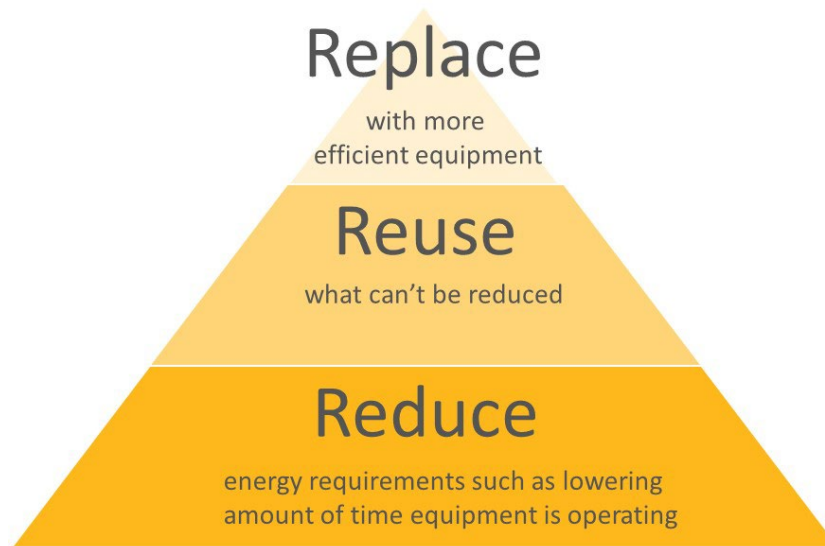


Enbridge highlighted several key market challenges that have been experienced recently and are expected to impact future programming. The most impactful of these to future DSM programming being the advancement in technologies and adoption of standards results in higher baselines, namely [Amendment 15 to the Energy Efficiency Regulations](#). The impact of Amendment 15 will raise the baseline for commercial gas boilers to condensing efficiency levels in 2025. This will effectively eliminate the incentivization of gas boilers directly based solely on the Plated AFUE of the boiler, however, there remains a number of boiler related controls, improvements and optimizations, unrelated to the AFUE value that are not mandated or standardized that Enbridge will support, especially where many customers will be dealing with unoptimized systems as a result of the A15 requirement.

Other key market challenges include price increases, including cost of raw materials and labour, which has increased the cost of business significantly. Higher interest rates, generally poor economic conditions, and declining occupancy rates of commercial properties have also led to difficulties in advancing energy efficiency through recent DSM programs.

To address the barriers identified, Enbridge discussed its sector strategy, including how it hopes to unlock different aspects of market potential. The following figure was provided by Enbridge to outline its strategy.

Figure 10: Enbridge Commercial Program Strategy



Enbridge highlighted that its past programming and customer projects will not necessarily reflect future savings potential. Instead, going forward, Enbridge indicated that it expects a need to increase the focus beyond natural gas equipment replacement, focus more on building optimization, capacity building, ventilation and heat recovery and exploring hybrid solutions.

Enbridge highlighted how it is considering its go-to market strategies, emphasizing an increased focus on finding the right delivery channel (i.e., trade ally network, Enbridge energy solutions advisor, or third-party implementers) so that proper customer support (including internal decision-making and project facilitation) can be provided at the point in time when key decisions are being made (i.e., replace on burnout, maintenance and repair, major retrofit, capital and/or asset renewal, new build). Enbridge also highlighted how it is considering market enabling activities to help increase overall natural gas savings, which may include:

1. **Knowledge** – increase availability of site assessments, portfolio benchmarking, studies, and measurement to demonstrate value of investments and help quantify benefits; capacity building and training provided to customers and trade allies alike; and, avoid lost opportunities
2. **Resources** – increase incentives to overcome financial constraints across sector; funding to support more comprehensive audits and studies.
3. **Competing Priorities** – providing customers with tailored conservation solutions; emphasizing non-energy benefits, aligning offers to address multiple concerns where possible.

5.3.2 Commercial Program Proposal

Category	Offer		BUS	MURB	MUSH	
Custom	Custom		Enhanced	X	X	X
	Proposed incentives: - \$0.75/m3 saved up to 80% of incremental cost to \$200k/project - Bonus incentives – bundled measures - Negotiated incentives > 1 million m3/yr projects - \$3.50/m3 saved for hybrid heat pump projects					
	Prescriptive	Downstream	Enhanced	X	X	X
		Proposed incentives: - 50% + incremental cost coverage - Bonus incentives - Approximately average cost: \$0.75/m3 saved				
		Direct Install	Enhanced	X	X	X
			Proposed incentives: - Up to 100% cost coverage - Approx. avg. cost: \$1.75/m3 saved (measure mix) - Approx. \$3.50/m3 saved for hybrid RTUs			
Single/Multi-measure improvements	Upstream	Enhanced	X	X	X	
		Proposed incentives: - 50%+ incremental cost coverage - Approx. avg. cost: \$1.00/m3 saved				
	Micro Business		New	X		
	Proposed incentives: - No cost assessment - Up to 100% cost coverage					
No cost/Low cost	Operational Improvement, Recommissioning, Behavioural (ORB)		New	X	X	X
	Proposed incentives: - No cost pre and post assessment - \$0.25/m3 saved					
Whole Building	Pay for Performance (P4P)		WIP	X		X
New Construction	Building Beyond Code (BBC)		WIP	X	X	X
Low Carbon Solutions	Energy Innovation		WIP	X	X	X

Forecast Budget and Target

Enbridge provided an overview of forecast budgets and targets between 2026 to 2030 as shown in the figure below.

Figure 11 – Commercial Program Forecast Targets 2026-2030

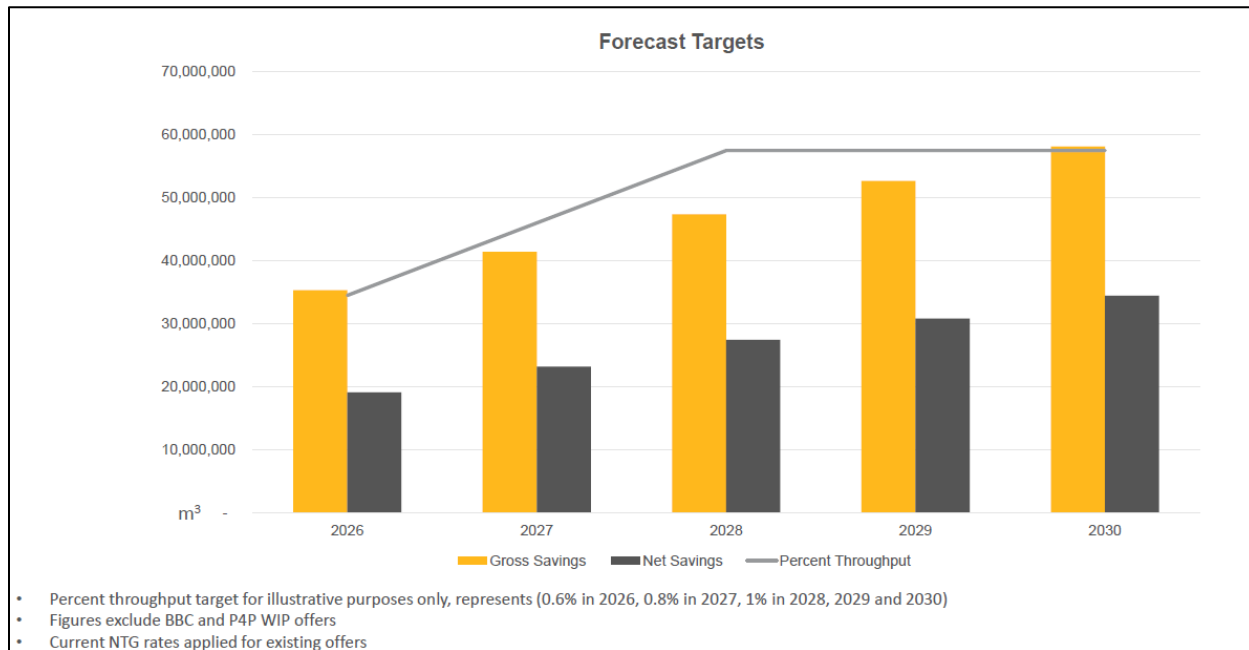
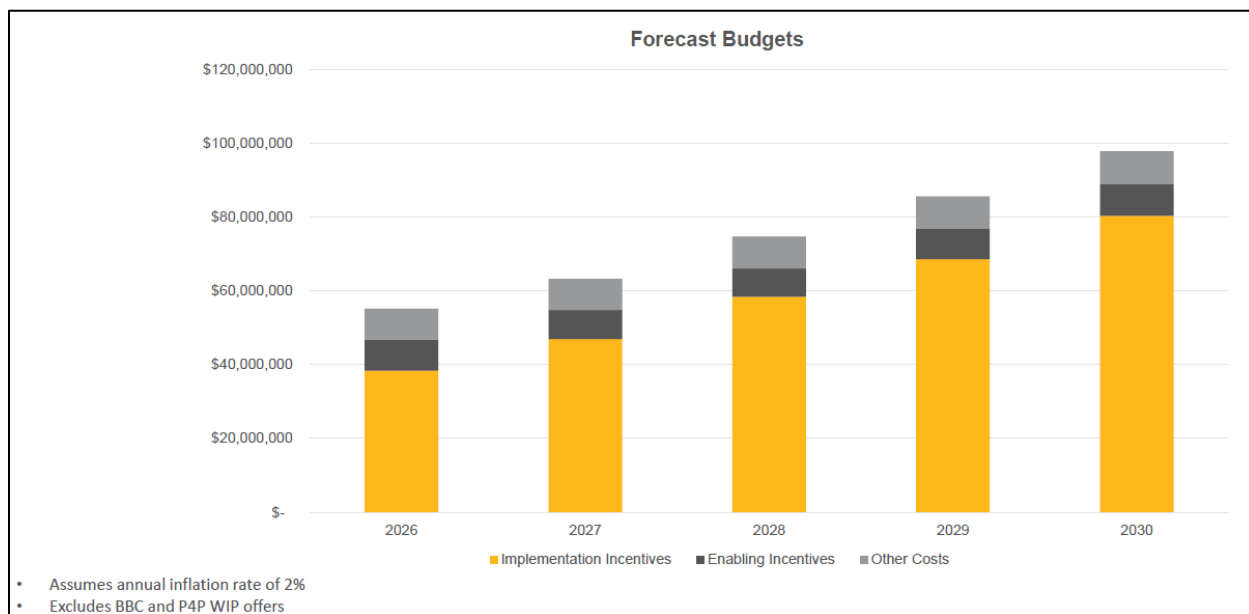


Figure 12 – Commercial Program Forecast Budgets 2026-2030



5.3.3 Non-Utility Member General Feedback

Non-utility members supported the proposed offers included within the commercial program noting that proceeding with these will achieve a good balance of opportunities for different commercial customers to participate through custom programs through the use of an Enbridge ESA, access prescriptive rebates with advice from trade allies, and mid-stream offers and select mass market incentives where available. Non-utility members noted that this mix of offers is common in leading jurisdictions and generally consistent with best practice program implementation. Non-utility members agreed that additional offerings targeted at microbusinesses and the operational, retro-commissioning and behavioural aspects of buildings are good additions. Additionally, non-utility members agreed that Enbridge allocate a fixed amount of funding aside for innovation (either determined as a prescribed dollar value or percent of overall portfolio spend) and that consideration should be given to if all innovation funding is pooled together across sectors or a portion dedicated to opportunities within each sector. Non-utility members suggested that, amongst other things, innovation funding could be considered to be used for new technology pilots and different delivery strategies. It was suggested by a member that this could also be a way to address market/customer segments that are further along in their efficiency paths, whereby funding is available for a wider group of potential participants to allow first-time, initial efficiency improvements to be made while also allowing leaders to continue to make energy efficiency improvements.

Non-utility members identified a number of program recommendations, enhancements and considerations, which are discussed in more detail below. However, non-utility members acknowledged that although they may have proposed alternative solutions, or have indicated their support for certain proposals suggested by Enbridge, that much of this has happened in isolation and without the benefit of seeing Enbridge's entire DSM portfolio assembled. Due to these restrictions, non-utility members agreed that as part of all DSM portfolios, trade-offs are required when considering the entire package of offerings and proposals, particularly when considering budget allocation and other key factors.

Non-Utility Member – Commercial Program Considerations

5.3.4 Non-utility Member Consensus Recommendations

Non-utility members supported Enbridge's commercial program proposal and offered the following recommendations:

1. **Municipal Engagement:** The group agreed that Enbridge should actively seek all opportunities to engage and partner with municipalities across the province to expand current collaboration. Non-utility members agreed that this will enhance programming, enable Enbridge and municipalities to leverage available funding and other resources, support local initiatives and expand the reach and participation of Enbridge's programs and trade ally network. Members highlighted

the ability for municipalities to play a role in supporting utility programs through additional information to residents and businesses. Non-utility members also acknowledged that municipalities' capacity to provide additional support to Enbridge will likely be limited in most instances. To address this, it was suggested that Enbridge consider developing an offer or providing resource support to allow multiple municipalities access to a dedicated energy advisor. An example of an approach to consider is from Cape Light Compact where a utility staff person is assigned to several municipalities and spends one day per week at each, while also continuing a certain level of core utility responsibilities. The benefit of this approach is that, as opposed to Enbridge simply providing funding or access to energy auditors, each community gets the expertise, builds a database of resources and plans, and can increase their ability to work independently or in collaboration with other cities or towns. Additionally, this type of approach can be applied to school boards and hospitals.

Additionally, members noted that municipal policies, such as mandatory building performance standards, can be advanced through partnerships to help drive significant savings, possibly at lower cost, but acknowledged the need for a DSM regulatory policy to be in place to ensure the utility is incentivized to advocate and help support advancements in building performance standards, including reporting requirements, benchmarking, mandatory thresholds and reward systems.

2. **Integration with Electricity Programming:** The group stressed the importance of Enbridge partnering with the IESO to provide fully integrated programming opportunities for commercial customers to streamline processes, enable comprehensive efficiency upgrades and make better use of available funding. Non-utility members acknowledged that there are differing levels of integration, including a lower tier where Enbridge works with other partners for collaboration opportunities; to a higher tier where multi-fuel programs are developed independently with joint delivery; to the highest tier where multi-fuel programs are developed comprehensively and jointly and delivered to customers as a single point of contact, with one set of program requirements. Non-utility members agreed that the highest level of program integration is ideal and has a higher probability of success. Non-utility members acknowledged current limitations to fully integrated programming due to the IESO not having formal approval of its portfolio and programs beyond 2024 and Enbridge's future DSM plan requiring OEB approval, but stressed the significance of fully integrated offerings and an expectation that when able, Enbridge will endeavor to do so.
3. **Increase in Customer Incentives:** Non-utility members supported the directional increases in customer incentives presented by Enbridge in its draft program documentation.
4. **Impact of Electrification:** The group agreed that additional policy direction is required to determine the level of electrification reasonable to pursue through

ratepayer funded natural gas DSM programming, noting that consideration should be given to if/how funding is collected through electricity rates and or subsidized by taxpayer funding.

From a programming perspective, the group agreed that there is a high level of uncertainty and variability in the uptake and adoption of heat pump technology in the commercial sector. The group agreed that Enbridge will be best positioned if it diversifies the range of heat pumps (e.g., variable refrigerant flow, split, centrally ducted, ductless, etc.) as well as other efficiency measures (e.g., large selection of varied measures across offers to help with balance). Incorporating these elements and expanding the range of opportunities should help mitigate uncertainty of heat pump adoption. The group suggested that Enbridge monitor market feedback regarding heat pump technology so that it has the ability to dedicate the right amount of resources, both staffing and budget, to support customer demand throughout the next plan term. Additionally, members suggested that additional flexibility may be appropriate to build into an innovation or contingency budget so that Enbridge is not constrained from effectively responding to increased participation rates and market adoption.

5. **Emphasis on Training and Knowledge Building** – members also largely agreed that training contractors, trade allies, commercial building managers and operators will be critical to ensuring efficiency opportunities are identified, pursued, completed and maintained. Members largely agreed that training is one of the most crucial aspects of Enbridge's next DSM plan, both in the commercial sector, but also more broadly. Some members noted that there is not a viable contractor industry to provide energy efficiency services to small commercial customers due to the limited size of projects.

Members identified the need for Enbridge to be very deliberate in its approach to incorporating training proposals as part of its DSM plan and recommended focusing the benefits of these efforts and use of ratepayer funding on the expected outcomes (i.e., enhanced levels of efficiency improvements and reductions in natural gas volumes) and suggested considering approaches used in other jurisdictions (California was provided as an example where training is an embedded component of energy efficiency portfolio administration with a certain level of savings directly attributed to these actions) to support any proposals for training-based programs and the required funding. Additionally, members recommended that, consistent with its Industrial Program recommendations, Enbridge build out its trade ally network. Members also highlighted the need to expand on general knowledge and awareness building with commercial customers, noting that helping customers understand the benefits and opportunities of energy efficiency will play a critical role in achieving higher natural gas savings reductions. Members stressed the increased delivery capacity, development of new technology knowledge, increased equity through expanded economic development as major benefits of a material focus in this area.

It was also suggested by a non-utility member that a significant part of Enbridge's efforts in this area focus on assisting in helping to develop and enhance existing energy efficiency service industries. As part of this, the recommendation was that Enbridge should support the development of trusted partners who can advise, specify, help source funding/grant opportunities, installation, and monitor the on-going services commercial customers require. Enbridge was encouraged to review other partner development programs, including that which was part of NYSERDA's Multi-family Performance Program that had the objective of helping developers, building owners and their representatives to plan and implement energy efficiency improvements.

6. **Need to Overcome Barriers related to Multi-Family Buildings** – non-utility members agreed that Enbridge should consider how to best address the barrier to advancing projects in multi-family buildings often brought on due to “split incentives” which arise when the benefits and costs of energy efficiency improvements are split between different parties – typically landlords (or building owners) and tenants. Due to the nature of multi-family buildings, it is often the case where landlords or building owners are responsible for making decisions on building upgrades, including energy efficiency improvements like insulation, HVAC systems, or air sealing. However, often times, tenants are responsible for paying the utility bills, which does not provide the direct benefits to the landlord or building owner who paid for the capital improvements. Several recommendations were provided, including considering minimum building savings requirements (e.g., 15%), offer larger incentives for measures that lower tenant bills, leverage incentives for measures that are beneficial for landlords by requiring projects to include benefits for tenants and potentially a labelling program (in collaboration with the IESO) that provides information to potential tenants regarding the average dollars spent on energy costs per square foot in a certain building.

5.3.5 Non-Utility Members – Additional Considerations

Non-utility members offered several additional considerations to the program recommendations above. The list that follows did not have consensus support, but each was strongly supported by the majority of the group.

- a) **Operational improvements, Retro-commissioning and Behavioural (ORB)** – the group acknowledged that some of the elements discussed in this offer are those which Enbridge has proposed in the past but have either not been approved (behavioural) or has seen limited response (operational improvement through past strategic energy management programs). However, the group largely agreed that this is a high priority area to pursue as part of Enbridge's future DSM plan. Members noted opportunities for both direct natural gas savings and emphasized the ability to engage with customers, develop relationship and impact other aspects of their building must all be done in order meet increasing levels of expected natural gas reductions.

- b) **Evolution Through Next Plan Term** – non-utility members largely agreed that Enbridge be given the flexibility to incorporate new program design, delivery and measures throughout the next DSM plan term, particularly should the OEB approve a 5-year term, which members acknowledged as a longer than ideal term - and longer than is customary in other jurisdictions. Throughout the next term period, members identified the likelihood of new technologies (e.g., heat pumps, building envelope cladding) and advancements in existing technologies (e.g., demand-controlled ventilation). Members noted that there will likely need to be a certain level of acceptance that offering new and evolving technologies and providing the right level of support for deep energy retrofits will require significantly increased costs, particularly on a per project basis.

- c) **Pay for Performance Program** – non-utility members agreed that a specific pay-for-performance program does not need to be emphasized as a high priority program, particularly if it is a natural gas-only program. Non-utility members noted that other programs, such as custom incentives, can provide similar benefits. Prior to proceeding with a future pay-for-performance program, non-utility members generally suggested that Enbridge conduct more research on the effectiveness of such programs. If a program is considered, members recommended that the program be integrated with the IESO to provide opportunities for reductions in all fuels. Additionally, non-utility members suggested that Enbridge develop a list of trusted partners and use a network of energy consulting firms as delivery partners to expand the reach of the program and increase awareness across the commercial sector.

5.4 Industrial Program

5.4.1 Enbridge Sector Overview

Enbridge Gas engaged in discussions on its future industrial program with the SAG over several meetings through March and May 2024. As a first step, Enbridge provided an industrial market overview, discussed historical results and its general sector strategy. This was done to provide the SAG with a foundation of the Ontario industrial sector before considering Enbridge's program proposal.

Enbridge highlighted that the Ontario industrial sector is generally made up of customers in the manufacturing (spanning many industries, including automotive, chemical, asphalt, cement, mining, food and beverage, etc.) and agriculture (including facilities that cultivate plants or livestock: greenhouses, vineyards, farms, grain facilities) sectors. In total, there are approximately 45,000 industrial premises that account for greater than 5.9 billion m3 of annual natural gas consumption. Of these, manufacturing accounts for approximately 85% of premises and 82% of consumption.

Enbridge summarized the unique characteristics of each sector which are shown in the table below.

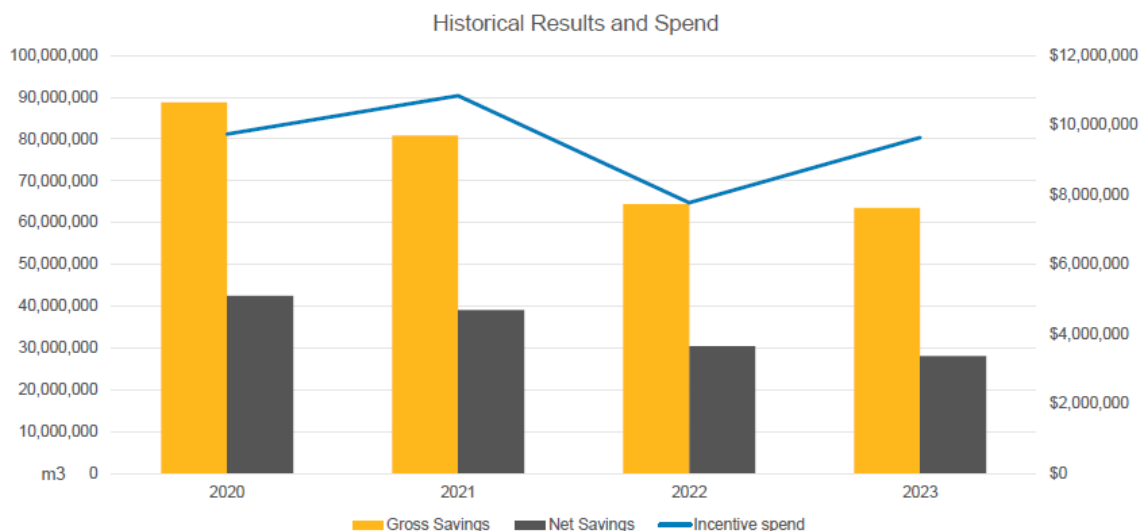
Table 10 – Industrial Market Overview: Segments

Characteristic	Manufacturing	Agriculture
Use of Natural Gas	Process, ventilation, space heating and feedstock	Climate, humidity control and CO2
Energy Efficiency Motivators	Productivity, reduce operating costs, ESG	Productivity, reduce natural gas costs
Typical Acceptable Payback Period	Less than 2 years	3-5 years
Facility/Equipment Investments	As determined by business requirements	As determined by business requirements
Appetite for New Technologies	Generally resistant to new technologies	Some early adopters

Enbridge emphasized the multi-layered challenges with the industrial sector. An overarching challenge being the unique characteristics across the various customers. Additionally, there are also challenges within each customer/facility. Examples of these are certain staff that will lead and inform decision-making, including Energy Champions and Plant Managers, will have differing views as to what are priority considerations and what criteria needs to be met for a project to be advanced. As a result, Enbridge stressed the importance of developing relationships with its customers, using dedicated Energy Solutions Advisors (ESAs), to increase its ability to help overcome barriers to investing in energy efficiency, such as knowledge, resources and competing priorities.

Enbridge provided an overview of historical results as shown in the figure below.

Figure 13: Industrial Program Results 2020-2023



Enbridge highlighted several key market challenges that have contributed to the decline in overall results in recent years. These include a few current challenges such as capacity and supply chain constraints, skilled labour shortages and price increases. The latter two are likely to persist into the future. In addition, Enbridge also noted that high interest rates, poor economic conditions, advancements in technologies, and carbon pricing policy uncertainty present future market challenges.

Enbridge noted that industrial projects often require longer timelines from project initiation to completion. Shortages in skilled labour and supply chain issues have had detrimental impacts in the industrial sector, which has impacted the ability for Enbridge to influence key decisions.

Enbridge reminded the group that the time for a customer to consider energy efficiency and conservation opportunities is often during the scoping of larger projects, such as plant retooling and automation or when production expansion or procurement of new equipment occurs. If there are no large projects being considered, Enbridge noted that it works to influence customer decisions to use existing equipment in better, smarter ways.

To address the barriers identified, Enbridge discussed its sector strategy and highlighted the following key areas of opportunity:

1. Knowledge – empower customers with the knowledge to make informed decisions through enhanced audits, assessments and submetering, workshops and training sessions, and access to energy management information systems (EMIS)

2. Resources – providing technical and financial resources necessary through enhanced incentives to reduce upfront project costs and make information gathering more affordable; and, enhanced resource support from ESAs and Trade Allies
3. Competing Priorities – strengthening relationships through increased ESA engagement to support customers in overcoming any project obstacle.

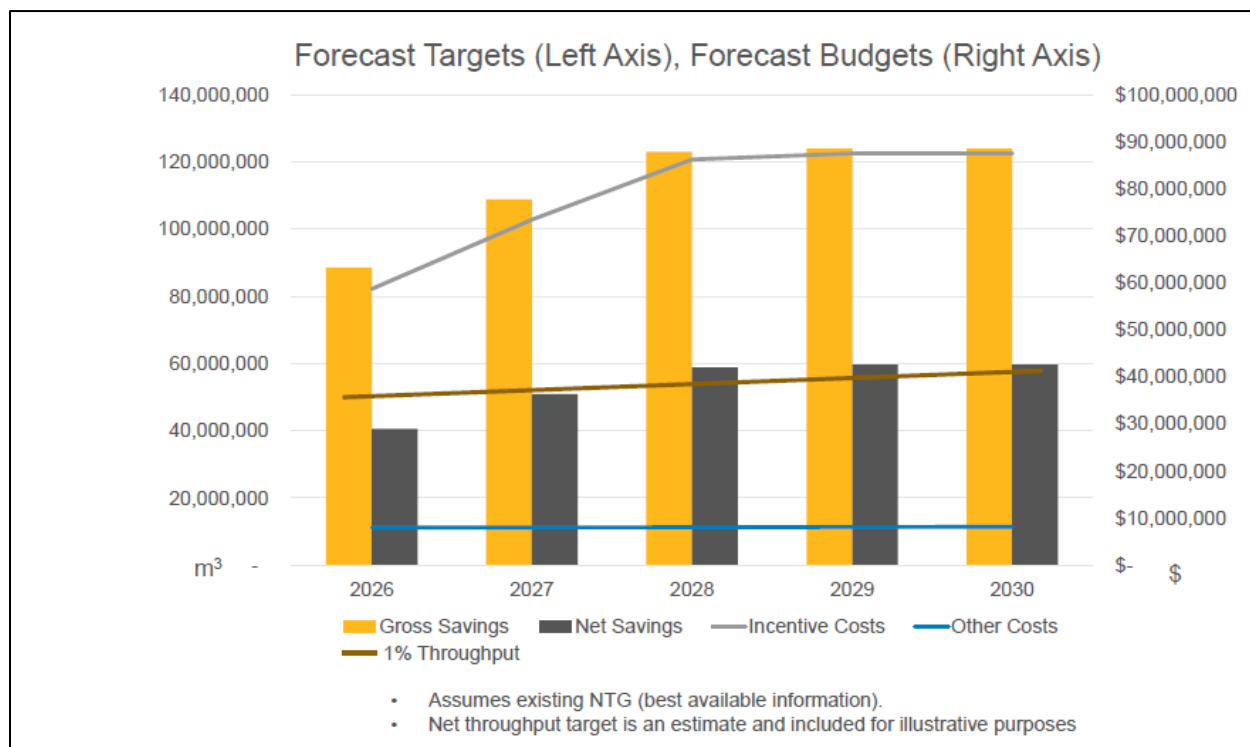
5.4.2 Industrial Program Proposal

Custom (Site specific Inputs)	Prescriptive (TRM based measures)	Energy Innovation (Next Gen efficiency solutions)
Enabling initiatives to support customers with the identification, quantification, prioritization and justification of efficiency opportunities. Beyond technical support from ESAs, other enabling initiatives likely to include: studies, metering, EMIS and strategic energy management (SEM) opportunities. Goal to help more customers access funds.		
• Supports measures that require site specific inputs to calculate savings • Most applicable to Industrial customers with unique process loads • Will continue to account for bulk of savings results	• Provides prescribed savings and incentive amounts at a measure level. • Measure assumptions such as estimated savings, incremental costs and NTG rates are pre- approved within the Technical Reference Manual (TRM).	• Measures that support low carbon energy efficiency solutions • Examples of types of measures include: waste heat pumps, and other innovative technologies that come on the market
Incentive: \$0.55/m3 saved to cover up to 100% of incremental project cost up to \$0.5M/project. Anticipated to achieve one-year payback for most manufacturing projects and two-year payback for agriculture projects.	Incentives to support these measures will be increased to target a payback period of less than one year of incremental cost. Some measures may be offered as direct install.	Enhanced incentives and enabling support to offset perceived risk of pursuing new technological solutions.
Uses customized approach as the basis for natural gas savings, including engineering calculations and energy modelling.	Effort on expanding trade ally network of technology distributors and contractors to promote the offer to customers.	Additional incentives to support energy modelling, feasibility studies and optimization studies to support business case development and overcome risk related concerns.
Delivery models include: 1) ESAs to work directly with customers and identify opportunities, quantify savings, aid in planning, secure incentives and share best practice. 2) Trade Ally Network – work directly with customers, act as primary delivery channel for Prescriptive and Direct Install measures 3) Third-Party Implementers – Leveraged to support specific offers and initiatives, such as SEM.		

Industrial Program - Forecast Budget and Target

Enbridge provided an overview of forecast budgets and targets between 2026 to 2030 as shown in the figure below. In addition to the significant increase to customer incentives, Enbridge also proposes the addition of 10 incremental ESAs to support the expanded delivery of the future Industrial Program.

Figure 14 – Industrial Program Forecast Budgets and Targets 2026-2030



5.4.3 Non-Utility Member General Feedback

Non-utility members indicated that the proposed program addressed the large majority of opportunities they expect Enbridge to pursue. Non-utility members agreed that overall, the custom offer should maximize net natural gas savings per dollar spent, while having opportunities for all industrial customers to participate. Non-utility members noted the need to reduce free-ridership and increase depth of savings as areas of improvement. Some non-utility members suggested that the proposed increase to incentives should help free ridership, but that other program delivery approaches can also likely provide improvements, including strategies to attract new customers and getting existing customers to do new/different measures.

Non-utility members identified a number of recommendations, enhancements and considerations, which are discussed in more detail below. However, non-utility members acknowledged that although they may have proposed alternative solutions, or have indicated their support for certain proposals suggested by Enbridge, that much of this has happened in isolation and without the benefit of seeing Enbridge's entire DSM

portfolio assembled. Due to these restrictions, non-utility members agreed that as part of all DSM portfolios, trade-offs are required when considering the entire package of offerings and proposals, particularly when considering budget allocation and other key factors.

5.4.4 Non-Utility Member Consensus Recommendations

Enabling Initiatives

Non-utility members agreed that the proposed enabling initiatives, including studies, metering, EMIS, and SEM should be included. Non-utility members recommended that these enabling items be part of the program and not specifically included on their own as an individual offer as they all contribute to a successful industrial program. It was suggested that as part of the program proposal, Enbridge documents why the program is needed (what barriers are being addressed), the current state of the energy efficiency market, key market barriers and opportunities for growing the markets, how the program is designed, the intended objectives and expected outcomes, why the proposed activities/interventions are being included, how they can enhance the program and overall outcomes.

Custom Offer

Non-utility members reached consensus that Enbridge should continue with the industrial custom offer. Enbridge noted that the custom offer will account for approximately 80-90% of the industrial incentive budget. Non-utility members supported this level of focus to support the complex projects undertaken by industrial customers.

Enbridge's presented a proposal to increase incentives for the custom offer to \$0.55/m3 saved to cover up to 100% of incremental project costs up to a maximum of \$0.5M per project for most of the industrial sector. Non-utility members supported Enbridge's proposals to significantly increase incentives and maximize project incentive levels, but not necessarily the specific amounts proposed by Enbridge. Enbridge noted that its incentive proposal was set based on buying down project payback period to overcome significant financial barriers associated with implementing these types of projects.

Non-utility members also reached consensus on the following:

1. Enbridge should provide incentives up to 100% of incremental project costs. Non-utility members agreed that establishing the correct baseline is important as there may be projects with efficiency and other benefits that wouldn't proceed without support from Enbridge's DSM program. Non-utility members agreed that in these instances, it is reasonable for Enbridge to establish the maximum project incentive based on the total cost of the capital project being considered, and not just the costs of components of the project nominally associated with energy efficiency improvements, as the baseline would be no project

proceeding. The group discussed the need for this clarification as projects are often competing internally at a customer site.

2. Enbridge should consider the overall project incentive cap of \$0.5M to be a soft cap and that flexibility be maintained so it could raise or even remove the cap to be responsive to unique projects that could result in significant benefits if program incentives could help a project proceed where it wouldn't otherwise. Additionally, Enbridge should consider ways in which it could implement a plan cycle cap as opposed to an annual cap to provide greater flexibility and be responsive to customer investment cycles.
3. Enbridge should consider including a first-time participant incentive to help drive broader participation across the sector and reach new customers.

Regarding program design, the non-utility members agreed that Enbridge should consider alternative approaches to only relying on direct-to-customer delivery through its Energy Solutions Advisors (ESAs). The group agreed that the conceptual approach to using dedicated account managers to work with larger customers on an on-going basis to drive efficiency projects is best practice allows for detailed one-on-one interactions that are required in the industrial sector. However, it was acknowledged that process evaluation results of Enbridge's approach have not been shared so it is difficult to assess the true effectiveness of Enbridge's ESAs. The group encouraged Enbridge to incorporate alternative approaches to expand participation, broaden savings opportunities, generate new ideas, and use program funds more effectively, acknowledging that the ultimate program design will require a certain level of simplicity so that it can be delivered effectively and understood by potential participants. Non-utility members also recommended that Enbridge group internal accounts/ESAs by market segment to better share developments and opportunities to leverage potential natural gas savings across multiple, similar customers.

Prescriptive Offer

Non-utility members support the continuation of the industrial prescriptive offer. The group was of the view that Enbridge should consider how it can expand the measure list so that the offer is more attractive to smaller industrial customers.

Energy Innovation Offer

Non-utility members reached consensus that Enbridge should proceed with including an energy innovation offer as part of its next DSM plan. The energy innovation offer should expand collaborative partnerships with municipalities, to generate greater level of savings and potentially engage new customers, as well as include industrial heat pumps to electrify relatively low-heat industrial processes.

5.4.5 Non-Utility Member Additional Considerations

The following recommendations related to the industrial custom incentive design received general support, however, consensus was not reached. They are provided for Enbridge to consider:

1. A tiered incentive structure, where two levels of incentives are offered based on the amount of natural gas savings, with the second tier having the higher incentive as a way to drive deeper savings per customer/project.
2. As part of a tiered incentive design, Enbridge should consider providing additional incentives after an initial threshold is achieved. Defining the threshold will be the most challenging aspect, but ideally, it should be tied to the portion of an individual customer's annual consumption that is saved, since the objective is to encourage comprehensiveness and depth of savings. Non-utility members noted historic programs that have been delivered successfully that Enbridge could use as a reference.
3. Public solicitation through request for proposals – non-utility members recommended that Enbridge use a portion of its program funding (e.g. 5-10%) to hold open calls for proposal from a variety of entrants, including individual customers (similar to the IESOs model), but also to ESCOs, contractors and energy efficiency firms, where both unique project concepts and program design/delivery approaches could be proposed to fill gaps, address underserved industries or delivery certain levels of natural gas savings for a prescribed dollar amount could be considered. Non-utility members suggested that through this model, both industrial and medium-to-large commercial customers be considered (while also indicating that this can have beneficial impacts across the portfolio if implemented more broadly). Non-utility members suggested that the timing for when new proposals would be accepted be clearly communicated, with varying suggestions regarding timing (including annually or once per plan cycle). In years where there are insufficient viable or attractive proposals to spend all of the funds set aside for this purpose, non-utility members recommended that dollars can be reallocated to the other program offerings.
4. Negotiated incentives for projects with Enbridge's largest customers to allow greater level of discretion for Enbridge to alter incentive amount, but also offer more technical assistance and business case support.
5. The levels of tiered incentives could also be provided based on a change in per unit of production past a certain threshold (i.e., an indicator of depth of savings).
6. Incentives should also be considered for a project that includes multiple measures, with specific program rules on what would qualify to ensure incremental value and avoid ratepayer dollars not paying for easy savings.

7. Inclusion of a first-time participant (or trade ally) bonus to encourage new entrants and expand the reach of the program
8. Annual energy innovation fair, potentially held in collaboration with post-secondary institutions in Ontario. This would enable ideas to be solicited from various stakeholders, and in particular, students across educational institutions. Awarding prizes for innovative conservation ideas could be a low cost means of shaking things up and giving a wider constituency an opportunity to propose innovative solutions.

5.5 Large Volume Program

As part of the OEB's DSM Decision it stated:

"With respect to an opt-out framework, the OEB is of the view that more evidence is required before an opt-out provision can be implemented. Enbridge Gas is expected to work with relevant stakeholders, such as IGUA, to develop opt-out protocols and share with the SAG for input. The resulting opt-out framework, if supported by large volume customers, should be included as part of Enbridge Gas's next DSM plan application."²⁰

Enbridge worked with IGUA on developing an opt-out framework and presented a general overview of its considerations to the SAG for information purposes, consistent with the DSM Decision. Non-utility members were appreciative of Enbridge's efforts but were not in a position to provide any formal feedback due to the limited nature of the discussions. Enbridge indicated it will include all relevant details and supporting material in its application for review and consideration by the OEB and interested parties, acknowledging that the proposal will be fully considered in response to Enbridge's application.

.

²⁰ EB-2021-0002, Decision and Order, p. 44

5.6 Market Transformation Programs

5.6.1 Market Transformation Proposal

Enbridge outlined its proposal to address the need for an increase in deep energy retrofits in the future. This is proposed to happen through two offers targeted at enhancing current market practices, both in the new construction and retrofit markets.

Building Beyond Code

This program's objective is to ensure new homes are energy efficient. The program has been revised with the Net Zero Energy Ready (NZER) Development Stream to support and encourage builders who have constructed demonstrations to this standard to scale up. Offers include Discovery Home/New NZER Builder Incentives and Continuous NZER labelling for participants. Details of the proposed offer are outlined below:

Discovery Home/New NZER Builder Incentives

- Cover cost of mandatory Advanced Building Science and Net Zero Builder courses (up to 2 people: ~\$1,600)
- Provide incentive to cover ~50% of incremental cost of upgrades
- Cover cost of labelling and evaluation (\$2,100) offered after proof of label provided
- Technical and trades workshops (No cost to builder)

Continuous NZER labelling participants

- Provide incentives to cover ~25% of incremental cost of upgrades (with a limit on # of homes/builder)
- Cover cost of labelling/evaluation (\$2,100) after proof of label provided (with limit on # of homes/builder)
- Ability to attend ongoing technical and trades workshops offered

Enbridge forecasts a budget of approximately \$3.5 million in 2026, ramping up to approximately \$6.5 million in 2030 with 100 new net-zero energy ready builders and 1,675 new net-zero energy ready homes by 2030.

HER-O

Pilot program to test three levels of support to help drive best practices to have a greater level of homes achieve net-zero status. Focus will include increasing levels of support to develop a comprehensive approach to high quality deep energy retrofits. This includes working with stakeholders to develop a standard for service organizations and energy advisors, pre- and post-program customer surveys, customer interviews, focus groups, optimized training and public website with information on home-as-system focus. The level of support would increase to address enhanced improvements which

are often lost opportunities between the current state of deep retrofits that largely address only two or three measures and net zero. The middle level of support would include an integrated design process for energy advisors, template for customers to access home energy reports, customer training tools, and incentives to energy advisors for delivering additional support for customers. Final stage in the pilot would be net zero support strategies, including increased collaboration, trades and contractors, incentives for energy advisors and incentives for customers that complete and have a net zero labelled home. Overall goal

Enbridge forecasts a budget of approximately \$0.6 million in 2026 with a gradual ramp-up to approximately \$1.0 million by 2030.

5.6.2 Non-Utility Member Recommendations

HER-O

Non-utility members provided consensus support of Enbridge's proposed HER-O pilot adding that Enbridge should also develop a roadmap for a multi-year process where incremental improvements can be phased-in and enable contractors and energy advisors to work together to meet HER-O targets.

Building Beyond Code

Non-utility members agreed that the new construction market is one of the most critical segments due to the ability to influence critical decisions that have significant impacts, including decisions to fully electrify residential homes and that material lost opportunities will be realized if not addressed correctly.

Non-utility members agreed that sufficient incentives to motivate builders to test new building practices, familiarize and become informed of new technologies is critical.

Some non-utility members questioned Enbridge's continued involvement in new construction programs and indicated, that at a minimum, the ability for builders who participate to choose not to connect to the gas system must be maintained. In addition, it was noted by some members that, as new construction is the most logical market to encourage builders and customers to go all electric, parties other than Enbridge are better positioned to provide that advice and be relied on to support fully electrifying the new construction market.

It was also suggested by some members that Enbridge facilitate the development of a playbook/guide that outlines the options and various pathways for gas customers to reach net-zero for varying home configurations. Members agreed that this playbook should be developed by industry participants to ensure objective, expert opinions on best practices are available for customers and builders to refer to when considering options for fuel agnostic, high-performance retrofits.

6.0 SAG Member Comments

Individual feedback from members is provided below.

Member	Comments
Erika Lontoc	Significant strides have been made toward an energy efficient economy in Ontario, largely due to the successful delivery of natural gas DSM over the past two decades in the province. Through the years, natural gas DSM in Ontario has been following the traditional DSM model that focuses mainly on encouraging reduced natural gas consumption and energy conservation through financial rebates for energy-efficient appliances or building upgrades. In today's post-covid era where the economy was upended, and with the climate change crisis at the forefront, it is more imperative to hasten the pace and path of DSM to achieve the scale needed to meet climate change goals and create positive economic impacts, while ensuring equity outcomes are being met. The DSM infrastructure that EGI and Ontario built sets a solid foundation to meet the gas reduction targets set by the Board in its 2022-2025 decision. To help achieve these targets, additional focus and resources can be made on <u>data investments</u> as these are critically important in developing transformative programs that will help the understanding of, and further improve the efficiency of buildings, appliances and industrial processes. Doubling down on <u>innovation</u> particularly in technology development, utilization of smart tools and technology adoption strategies are strong suits of EGI and can be leveraged with <u>fair and appropriate utility incentives</u> to enable it to make the market changes that will take us to the clean energy future we envision for Ontario. Electrification especially in homes and buildings - allowing for fuel switching from natural gas heating equipment to electric heat pumps - is a major leap in natural gas DSM programming, particularly for a gas-only utility like EGI. With the fast-gaining momentum of heat pumps and inclusion of this technology in the next DSM plan, it remains unclear as to the future cost burden that will be born by natural gas ratepayers to pursue a meaningful scale of DSM funded electrification. The benefit of electrification is meant to be enjoyed by society as a whole thus it is reasonable to expect that costs towards this effort be a shared societal responsibility. As a multi-faceted concern, this will require an <u>intentional strategic alignment</u> amongst natural gas, electricity and energy transition proponents so that the full <u>costs and benefits of electrification</u> are shared equitably. Broadly speaking, customers seek holistic solutions to their energy needs. Customers are looking to energy experts, especially their utilities, to assist them in making informed choices and decisions when it comes to their energy requirements. A focused effort in breaking silos between gas and electricity programs across most, if not all program offerings, is likely to yield a more positive customer experience and far better outcomes for the energy ratepayers of Ontario. Finally, the Board's creation of the Stakeholder Advisory Group as part of the 2026-2030 DSM planning efforts is a positive step towards a transparent and collaborative engagement between the Board, EGI and an

Member	Comments
	independent group of cross functional DSM experts. This process highlighted the potential opportunities for a <u>continuing dialogue between EGI and stakeholders in a neutral space</u> whereby ideas can be advanced and deliberated, and potential issues identified/addressed/resolved before the formal annual evaluation process sets in.
Bob Wirtsafter	I am comfortable with the final report and am of the view that the areas important to me and my feedback throughout have been reasonably captured.
Chris Neme	I would like to start by saying that I have found the SAG process to generally have been a net positive for the evolution of gas DSM in Ontario. Most importantly, it created a venue in which Enbridge was required to regularly engage and discuss DSM issues with a number of experts representing a range of different viewpoints and bringing significant expertise regarding successes and challenges in other jurisdictions. Of course, I and other independent experts and stakeholders also got to hear directly from Enbridge about their perspective on the same DSM issues. I think all parties learned from each other, at least to some degree, in ways that I think will help make Enbridge's next DSM a better one than it otherwise would have been. I would also like to say that I think Board Staff have done an excellent job managing the SAG discussions. There has been an awful lot of ground to cover and they have done an admirable job of keeping us moving through it all while still ensuring all voices are heard. To be clear, I still have some significant concerns about some key aspects of Enbridge's DSM draft plan (as it currently stands). I've been particularly concerned about how Enbridge has presented it to stakeholders (not just the SAG, but the broader stakeholder group), emphasizing the costs and rate impacts with much less emphasis – and in some presentations, no emphasis at all – on the significant benefits and/or the much higher costs that will have to be incurred in the future to decarbonize its system if lower levels of DSM ambition are pursued. For me, the biggest drawback of the SAG process was the inordinate amount of time spent reviewing and providing input on the Achievable Potential Study (APS). The “time sink” that the APS became had a deleterious impact on the SAG's ability to dive more deeply into DSM planning and policy issues of much greater import and value. I understand that the time spent on the APS was driven by direction from the Board in Enbridge's last DSM planning case. However, for all its detail, the study is fraught with uncertainty over numerous important assumptions, includes numerous conservatisms because of lack of data, and is constructed in a way that is fundamentally different from how utilities need to design DSM programs. Moreover, because of the literally thousands of assumptions embedded in in the study, it was impossible for me or anyone else (probably even Enbridge, even though they could devote many more hours to it than I could) to adequately review and critique it. For all of these reasons and others, it is of only limited value. That is not a criticism specific to just this study. In my view, it is inherent in all studies of this kind. Put simply, the resources and time spent on potential studies would be much better spent on primary data collection on actual efficiency

Member	Comments
	opportunities in residential homes, commercial buildings and/or industrial facilities. I'll close my remarks by suggesting that I think it would be a mistake to end the SAG just because the APS has been finalized and because input to the Enbridge DSM plan has largely been provided. In my experience in numerous other jurisdictions, the kind of stakeholder engagement process represented by the SAG is most valuable if it is institutionalized and continues through multiple DSM planning and implementation cycles. Continuing to have Enbridge meet with other stakeholders and experts after its plan has been approved and is being implemented requires the utility to keep others informed of on-going challenges, to address questions about those challenges, and to get feedback on ways to improve program delivery. Again, such on-going stakeholder engagement is quite common in lead jurisdictions. I encourage the Board to consider doing the same in Ontario.
Francis Wyatt	I think the SAG process has been a good and worthwhile endeavour. It was great hearing the many perspectives and creative ideas. It was also encouraging to see Enbridge learning from and adopting many of those ideas. There is some value from an Achievable Potential Study (APS), but too much time was expended on it, which would have been better spent on discussing more specific program design. In the future it would be better to complete the APS well in advance of discussing DSM program details and have the period of the APS correspond with the DSM planning period. While there seems to be universal agreement on the need for coordination between Enbridge and IESO, it is hampered by the difference in planning periods. It may facilitate better coordination if the planning periods were harmonized. This is all the more important with the need to decrease greenhouse gas emissions, which will require simultaneous changes to many energy sources.
Ted Kesik	Stakeholder engagement is critical to the success of all kinds of initiatives, especially DSM programs in an era of climate change and a transition to a low carbon economy. Electricity demand in Ontario is expected to grow by 75 per cent by 2050, according to a recent report by the province's Independent Electricity System Operator.^[1] It may be reasonably expected that natural gas will remain part of Ontario's energy mix as it strives to meet carbon reduction targets. The efficiency of natural gas utilization will therefore continue to be an important strategy supporting sustainable economic growth. As a member of the Stakeholder Advisory Group providing feedback on the 2026-2030 DSM planning efforts, several critical issues emerged that in my view need to be addressed going forward. First, there has to be consilience between all the DSM programs in Ontario and a vision of the future of energy. The ongoing expansion of Ontario's natural gas service network runs counter to the larger goal of

Member	Comments
	decarbonization since the committed carbon associated with hooking up new customers will adversely offset DSM savings. Second, a realistic sunset for the expansion of natural gas infrastructure coupled to a clarity of absolute saving targets needs to be established. Important questions about the role of natural gas within a hybrid energy mix framework during the transition to a low carbon economy can no longer be ignored. Third, a comprehensive inventory of Ontario's building stock that captures its demographics, energy and water consumption, is essential to triage among the low hanging fruit, and the medium and long-term energy transition measures. A 2021 report examined the potential for improving the efficiency and electrifying the entire stock of some 10 million buildings in Canada - the total estimated reserves of retrofit potential.^[2] Ontario accounts for approximately 30% of that potential retrofit building stock. <i>One scenario reflected an emergency response that retrofitted the entire Canadian building stock by 2035. A second scenario reflected a slower implementation rate with retrofits completed by 2050. In the national scenarios, nominal program costs could range from \$580 billion to \$972 billion, breaking down to \$39 to \$62 billion annually over 15 years, or \$20 to \$32 billion annually over 30 years. These are significant capital expenditures, but they are of the same order of magnitude as the \$80 billion Canadians spend annually on building renovation or the \$57 billion spent on fuel and electricity.</i> For Ontario, expenditures of roughly \$12-\$18 billion annually over 15 years, or \$6-\$9 billion annually over 30 years, would be necessary to meet the 2035 and 2050 electrification targets, respectively. This goes far beyond the grasp of currently envisioned DSM planning and program initiatives in Ontario, and there is no way forward in the absence of building data needed to allocate societal resources effectively. Conventional DSM planning and programs are on the cusp of a major shift in focus across North America and around the developed world. This shift and transition will be necessary to better align initiatives across all sectors toward a secure energy future and a low carbon economy. Under the emerging paradigm, instruments like achievable potential studies are no longer capable of helping navigate future pathways. New ideas need new planning tools, new policies, new programs. The Stakeholder Advisory Group has proven to be a helpful start to a process that should be expanded to encourage broader societal input. The Ontario Energy Board is urged to promote the broadest and most inclusive discussions possible about the future challenges of climate change, an expanding population, growing electrification within an aging electrical grid, and a potential increase in reliance on fossil fuels to sustain economic growth in Ontario. In response to these challenges, DSM programs have to reinvent themselves to become better harmonized with the larger policies and programs needed to achieve and then sustain a low carbon economy in Ontario.

Member	Comments
	^[1] https://www.ieso.ca/Corporate-IESO/Media/News-Releases/2024/10/Electricity-Demand-in-Ontario-to-Grow-by-75-per-cent-by-2050 ^[2] Haley, Brendan & Ralph Torrie. 2021. <i>Canada's Climate Retrofit Mission</i>. Ottawa: Efficiency Canada.
OEB Staff	Natural gas demand side management (DSM) in Ontario has been, and should continue to be, a valuable tool available to ratepayers to achieve meaningful reductions in annual natural gas consumption and corresponding bill savings. The material that follows outlines the view of OEB Staff as it relates to the discussions and activities of the OEB's Stakeholder Advisory Group (SAG). Interpretation and use of the SAG Report The content of the SAG Report largely consists of views shared by non-utility SAG members based on draft materials provided by Enbridge Gas at the time of the discussion. As a result, the SAG Report should be viewed as documenting discussion and input provided by the SAG for Enbridge Gas to consider when developing its DSM plan application. The SAG report includes the opinions and a collection of recommendations from experts in energy efficiency programming, with a specific focus on ensuring that Enbridge Gas has considered industry best practices with respect to its programs and offers. Non-utility SAG members were not provided with a final version of Enbridge Gas's DSM application in advance of filing, so the contents of this report should not be construed as SAG opinions or recommendations on the specifics of the application. The proposals put forward by Enbridge Gas will be adjudicated based on the evidence filed in the application. Value of the SAG and general stakeholder engagement One of the primary objectives of the SAG was to provide feedback in response to Enbridge Gas's DSM program proposals with the goal that this feedback result in regulatory efficiencies in Enbridge Gas's next DSM plan proceeding. The SAG's program-related feedback was highly constructive and resulted in many recommendations for Enbridge Gas to consider. If implemented, the SAG's recommendations should result in meaningful positive program improvements that will strengthen the DSM offerings available to ratepayers in Ontario and hopefully reduce the necessary level of scrutiny of specific programs and offerings during the upcoming DSM plan proceeding. For example, the SAG recommended Enbridge Gas use updated estimated net-to-gross values as part of plan development when developing natural gas savings targets and budget forecasts. SAG members then helped develop updated estimated net-to-gross values. This should result in more refined targets and budgets for novel future programs. Provisioning DSM and energy efficiency experts to provide Enbridge Gas feedback on its proposed plan was valuable and, should the OEB decide to

Member	Comments
	initiate a similar group in the future, additional guidance on the scope of the SAG's review and feedback on DSM program elements and the associated evaluation, measurement and verification would be beneficial. Stakeholder sessions with intervenors from Enbridge Gas's last DSM plan proceeding were hosted by OEB Staff and Enbridge Gas during the tenure of the SAG (SAG members also attended these sessions). These sessions provided Enbridge Gas the opportunity to receive additional feedback to inform DSM plan and program development. OEB Staff supports Enbridge Gas continuing to host similar sessions at regular intervals during the 2026-2030 DSM plan term to allow Enbridge Gas to hear directly from stakeholders on how DSM programs can be improved. Interpretation of the APS The OEB's other primary objective for the DSM SAG was to provide feedback on the OEB's Achievable Potential Study (APS). This required material effort from all involved to review numerous inputs necessary to estimate achievable potential. OEB Staff notes that the APS will be directionally informative when considering Enbridge Gas's next DSM Plan. However, due to limitations in the availability of input data (e.g., related to technical suitability and costs of electrification in the commercial and industrial sectors, and the varied, site-specific nature of industrial processes), the applicability of the APS to specific programming decisions has limitations. The intention to complete an APS with input from the SAG was well placed. However, during the process the noted data availability challenges become apparent, particularly due to the important role commercial and industrial electrification will play in contributing to future natural gas reductions. Furthermore, it is important to note that the OEB's last APS, jointly completed with the IESO in 2019, did not have the same stakeholder engagement process to that in this study. As a result, there was limited provision for parties to identify, discuss, and plan to address the various challenges in completing natural gas energy efficiency potential studies. In general, the APS should be viewed as a general exercise that mainly provides broad understanding and context, while also identifying areas for further analysis that could be pursued prior to developing future DSM plans. Going forward, OEB Staff recommends that, until the availability of input data improves, consideration be given to prioritizing targeted, industry-specific studies and primary data collection over broad, all-encompassing potential studies. SAG input on DSM policy Many discussions with the SAG touched on various DSM policy elements (e.g., general objectives of DSM, the role of electrification, DSM program budgets) included in the OEB's existing DSM Framework. SAG members' views on these topics were varied and rarely completely aligned. SAG members acknowledged the complexity of these issues amidst a rapidly changing energy landscape. OEB Staff appreciates non-utility SAG

Member	Comments
	members identifying several broad policy topics for future consideration by the OEB to guide DSM programming beyond 2030. Additionally, OEB Staff agrees with non-utility members' recommended updates to more discrete, DSM plan-specific policy guidance, including how to incorporate updated net-to-gross values and revisions to the shareholder incentive mechanism, which should be considered as part of the upcoming DSM plan term from 2026 to 2030.

Appendix A – Non-utility Member Consensus Recommendations

A list of consensus recommendations and items of full agreement from the non-utility members can be found in the table below with references to the page numbers in the report where additional information can be found. There are no material concerns regarding program concepts that remain outstanding.

#	Pg.	Non-Utility Member Consensus Recommendation
1	5-6	SAG members agreed that the sequence and schedule of events was not ideal. The SAG recommended that if a similar process is undertaken in the future, consideration be given to a standalone process at the outset to address any potential policy concerns and considerations. The SAG acknowledged that the OEB had recently released an updated DSM policy framework in conjunction with the approval of Enbridge's 2023-2025 DSM plan, but agreed that ideally, there would have been an opportunity for stakeholder consultation regarding potential policy updates required in consideration of future DSM programming. The SAG noted that in a changing environment and increasing levels of expectations of energy efficiency programs, having an open policy consultation at the outset would enable the OEB to understand the perspectives of various stakeholders and clearly establish the baseline for any future work to be completed, including direction on acceptable budget levels.
2	6	[T]he SAG agreed that future analysis of available potential energy efficiency opportunities should focus on more detailed analysis of specific sectors and segments of customers and rely on empirical field data as opposed to academic theoretical assumption-based modelling exercises such as the APS. In any event, the SAG recommended that future potential analysis be afforded sufficient time to be completed and without the expectation that Enbridge be actively working on DSM plan development and program design simultaneously.
3	6	The SAG recommended that ongoing stakeholder consultation be directed by the OEB. However, SAG members agreed that the level of rigor undertaken through the SAG process is not needed on an annual basis. Rather, during an approved plan term, Enbridge should hold open meetings periodically with interested parties to provide plan and program updates, solicit stakeholder feedback, and ensure a process of continual improvement.
4	6	SAG members agreed that it is important to periodically undertake a detailed, comprehensive review of plan details. SAG members agreed that the composition of the group likely limited the overall impact of the group's recommendations due to the lack of formal ratepayer and environmental representation on the SAG.
5	8	SAG members agreed that the APS should not be relied upon as a prescriptive input to Enbridge's next DSM plan as the methods of analysis included within an APS greatly differ from those required by Enbridge when developing its DSM plan. SAG members acknowledged some inherent realities of an APS, including the need to make numerous assumptions based on limited data that are assumed to apply equally to all customers (i.e., potential studies are based on average savings, average costs, etc.), resulting in numerous limitations to the direct application of APS results on Enbridge's DSM plan.
6	8	Non-utility members agreed that an APS should be viewed as directionally informative and not as a prescriptive source to determine the measures that should be included in a utility DSM plan. Non-utility members suggested that at best the APS should be used to provide context to the scale and magnitude of Enbridge's proposed DSM budgets over the 2026-2030 term. Even then, it is important to recognize that the study estimated only the total costs of acquiring savings and does not address whether portions of those costs might be borne by the IESO and electric LDCs (for measures affecting both gas and

#	Pg.	Non-Utility Member Consensus Recommendation
		electricity consumption) or by federal, provincial and/or local governments. Further, it is important to note that all program costs estimated by the APS are associated with net achievement and do not account for any rebates paid to free riders. Consideration needs to be made to scaling up program budgets output by the APS to account for any effects of free ridership on program spending.
7	9	Non-utility members indicated that although positive improvements (e.g., development of different scenarios for heat pump sizing and selection for the residential sector) were made generally in this area of the APS, the lack of empirical data and cost-effectiveness of electrification and fuel switching measures both limited the overall potential natural gas savings reported. As a result, non-utility members agreed that there are likely significantly greater opportunities for natural gas savings from electrification than identified in the APS, particularly from the commercial and industrial sectors.
8	12	SAG members agreed that the APS is directionally informative, in that it can be used to provide a directional understanding of high-level opportunities and their costs. The APS brings value as a tool to support the spending magnitude required of a DSM program that includes electrification. Further, it can be used to provide a flavour of where savings opportunities lie (e.g., proportion of energy efficiency versus electrification opportunities). However, SAG members agree that the APS should not be viewed as a definitive plan of what can be realistically achieved by a DSM plan. In particular, the ranking of measures output by the APS should not be blindly transferred over to a DSM plan without consideration of data and information through other sources, for example historical DSM program experience.
9	12	SAG members agreed that the APS is not and should not be used as a primary input to Enbridge Gas' next DSM plan or to the development of future natural gas savings targets, as specified by the OEB in its EB-2021-0002 Decision and Order. ⁷ The APS is an analysis of discrete scenarios and cannot by its nature be reflective of every market dynamic that a DSM plan would need to respond to. For this reason, the APS should be considered as a secondary input or as part of a broader suite of inputs to DSM plan development.
10	13	SAG members recommended that the OEB should not commission or produce an all-encompassing natural gas potential study. APSs are too broad and as a result, the outputs are of limited value to be applied to a practical effort, such as the development of a DSM plan. In lieu, the OEB should consider leveraging primary research or data collection that focuses on specific subsectors, such as audits conducted by individuals with specialized expertise in select industry or market sectors, to gain an understanding of market participants potential for energy conservation.
11	14	Non-utility members agreed that should participants in Enbridge's next multi-year DSM plan proceeding raise policy concerns (for example, regarding the primary objective of DSM, reasonableness of guiding principles, or other structural items), that these be addressed separately, either simultaneous to the DSM plan application proceeding (but not directly applicable) or immediately following the OEB's decision. This way, updated policy direction will be available to inform Enbridge's DSM planning efforts for its next multi-year plan.
12	14	Non-utility members agree that, generally, the proposals presented by Enbridge throughout this engagement include positive improvements which should lead to an increase in cost-effective natural gas savings. Non-utility members agreed that the evolution and ramp-up of DSM efforts should not be impeded or slowed due to requests for the OEB to reconsider its recently issued policy direction. Rather, considerations of clarified or updated policy direction should happen separately and be applied to the future DSM plan.

#	Pg.	Non-Utility Member Consensus Recommendation
13	16	Non-utility members agreed that Enbridge's DSM plan should primarily focus on natural gas savings. Further, non-utility members recommended that Enbridge not develop sector specific scorecards. Rather, Enbridge should develop one annual performance scorecard that is made up of metrics that focus on total natural gas savings with specific focus in those areas that require specific attention to ensure equitable results and access to programming.
14	17	Non-utility members agreed to the following metric categories and the general weighting of metrics as shown in the table below. - Total Annual Natural Gas Savings (excluding Large Volume) - 50% - Income Qualified Annual Natural Gas Savings - 20% - Residential Annual Natural Gas Savings - 15-20% - Small Business Annual Natural Gas Savings - 10-15% - Large Volume Annual Natural Gas Savings - 1%
15	17	Non-utility members agreed that a utility shareholder incentive is not intended, nor should be used, to attach a metric to all utility activity. The group engaged in discussion related to the need for Enbridge to incorporate various enabling, capacity building, and market support activities. Non-utility members agreed that discrete performance metrics for each of these items are not needed, nor are they appropriate.
16	17	Non-utility members also agreed that it is reasonable to continue with first-year annual natural gas savings as the primary metric (as opposed to annual lifetime savings), but only if the OEB include a requirement that in order for Enbridge to be eligible for any shareholder incentive amounts, it must, on an annual basis, continue to meet the weighted average measure life threshold established in the 2022 DSM Decision (i.e., 14.3 years) to ensure focus on deeper measures that will continue to provide savings, unless the makeup of the new plan requires reconsideration of the specific average measure life value, which should be requested by Enbridge as part of its application to the OEB.
17	18	Non-utility members acknowledged that the general level of savings relative to spending was directionally consistent with their expectations, however, non-utility members were not in a position to provide detailed feedback on the specific savings levels and budgets presented. Non-utility members provided feedback on the sectoral based programs so that Enbridge could consider additional opportunities to maximize natural gas savings and use its future budgets as effectively as possible. Non-utility members agreed that in order to provide the level of feedback that would be useful to Enbridge, they would require detailed information, which could not be provided in the limited amount of time available following the completion of the APS and Enbridge needing to file its DSM plan application. This additional information would ideally include the detailed build-up of the budget and savings underpinning Enbridge's proposed goals and budgets.
18	19	Non-utility members agreed that Enbridge's future targets should not be adjusted to account for prior year results as had been done in the past through the current target adjustment mechanism.
19	19	Non-utility members agreed that Enbridge should make best efforts to identify any program areas that it deems highly sensitive to external forces (for example, heat pumps), so that the OEB and intervenors can consider if any additional flexibility is required.
20	20	Non-utility members agreed that it would be reasonable to consider a one-time target amendment to recognize NTG values determined through evaluations, appreciating that the updated NTG values recommended by the non-utility members are only educated estimates, and empirical results will be available, which have the potential to impact savings in either a positive or negative manner. Non-utility members agreed that this would provide for reasonable flexibility early in the next plan period and recognize the

#	Pg.	Non-Utility Member Consensus Recommendation
		variability in actual versus estimated results in response to a number of program changes, some material in nature.
21	20-21	Instead of basing the maximum available shareholder incentive on a fixed dollar figure, non-utility members recommended that the future shareholder incentive structure revise the amount available at 100% to an amount equal to 5.0% of Enbridge's total annual budget. Non-utility members agreed that the shareholder incentive available at 100% target achievement should remain at 5.0% of budget for the next DSM plan term and be reviewed and considered relative to the OEB's expectations and natural gas savings targets approved. Based on Enbridge's estimated budget figures for 2026 of \$240 million, this would result in an eligible shareholder incentive of \$12 million should Enbridge meet 100% of all its performance scorecard targets.
22	21-22	Non-utility members also agreed to the following recommendations to other aspects of the shareholder incentive structure: a) Consensus that three earnings thresholds should continue to be established b) Consensus that lower and upper bands should be revised slightly to acknowledge increased levels of uncertainty in the new plan term due to changing energy landscape. i. Lower band: 70% ii. Target: 100% iii. Upper band: 130% c) Consensus that the current requirement to meet lower band is maintained before any incentive is available (therefore, no incentive dollars can be accessed below 70% target achievement) d) Consensus that a change in pace of earning between bands be revised from current 40/60 split between lower and upper thresholds results in a more reasonable balance in available rewards, acknowledges that it has been challenging for Enbridge to meet 100% of targets in the past, and appreciates that budgets approved do not allow for significant expansion of efforts beyond 100% target, particularly to achieve 30% greater savings. i. 0-100% of available annual shareholder incentive (i.e., 5% of annual budget) for achievement from 70% to 100% ii. 100-200% of available annual shareholder incentive for achievement above 100% to 130%.
23	22	Non-utility members agreed that [the End-of-Term] incentive is important given the pending provincial climate goals in 2030. Non-utility members also agreed that DSM is not the only Enbridge activity that affects the magnitude of gas sales. Thus, while such an incentive included as part of a future DSM plan would provide helpful direction to Enbridge, it might be even more effective if adopted as a broader incentive across all Enbridge activities such as through a rates case.
24	24-25	Non-utility members agreed that when choosing what measures to include as part of its DSM programs, Enbridge should follow the prioritized list below: 1. Measures that decrease energy usage, regardless of the fuel source (e.g., weatherization that would still provide savings if the heating system were later switched from gas to electric) 2. Electrification measures (switching from gas to electric) 3. Measures that make gas equipment more efficient in existing buildings.
25	23	While not all agreed that the [home energy benchmarking reports] offering should contribute towards savings goals, all agreed that, at a minimum Enbridge should be allowed to use home energy benchmarking reports to drive customers to available offers, and act as a form of marketing. All members also supported the benefit of benchmarking towards a multi-year goal targeting reduction in gas sales volumes.

#	Pg.	Non-Utility Member Consensus Recommendation
26	23	...[N]on-utility members also agreed that other program areas, including market transformation, education, research and development, workforce development, capacity building and innovation should all be considered as they will all be critical in helping develop key aspects of the industry that will be required if future DSM plans will be able to achieve absolute reductions in natural gas sales volumes
27	24	Non-utility members agreed that it is in the best interest of ratepayers to encourage Enbridge to seek all possible collaboration opportunities, including funding, program support, opportunities in various markets, marketing, etc. Non-utility members agreed that new partnership and collaboration opportunities will likely continue to grow, both in the number of engagements and size of each engagement – the recent partnership between Natural Resources Canada and Enbridge being one example.
28	25	Members also agreed that it was reasonable to continue the practice of calculating savings from mass market programs based on assumptions in the OEB's Technical Resource Manual (TRM). If changes to TRM values were made during an evaluation cycle, those changes would apply to savings for the next DSM program year.
29	26	Non-utility members agreed that updated, estimated NTG values should be developed for all of Enbridge future programs, noting that greater consideration should be given to the most influential programs and/or measures.
30	27	Through the course of several meetings with the SAG and members of the OEB's Evaluation Advisory Committee, the group reached a consensus recommendation that Enbridge should use 75% as the updated NTG estimated value for its future custom commercial program and 70% for its future custom industrial program. As noted below, these values are inclusive of both free-ridership and spillover.
31	28	Based on all of this information, the group agreed on the consensus recommendation that Enbridge use updated estimate NTG values as part of plan development.
32	28	Non-utility members agreed that the updated NTG estimate values should assume modest spillover contribution and agreed that it would be reasonable to apply a 3% spillover estimate to the total NTG estimate (as a reminder $NTG = 1 - FR + SO$. Therefore, custom commercial NTG = 75% and custom industrial NTG = 70% for industrial).
33	29	Non-utility members agreed that [commercial] prescriptive NTG values should be reviewed on the basis of prioritizing those measures that are forecast to provide the greatest level of impact on future portfolio level natural gas savings.
34	29	Non-utility members agreed that the OEB's current policy of using a NTG value of 1.0 for income qualified programs remains reasonable and should be continued. Non-utility members confirmed that this is consistent with the approach in other jurisdictions.
35	29	Based on this review and expert opinion, non-utility members agreed that Enbridge should incorporate the following updated NTG estimated values for its residential offers: - Residential whole home: 90% (made up of 20% free ridership and 10% spillover) - Smart thermostat: 86% (made up of 21% free ridership and 7% spillover) - Single Measure – Heat Pumps: 91% (made up of 31% free ridership and 22% spillover)
36	30	Non-utility members agreed that the OEB should consider the following guiding principles as the foundation for how it values and includes NTG as part of its consideration of Enbridge's DSM portfolio and programs. [Note: the recommended guiding principles can be found on page 30]

#	Pg.	Non-Utility Member Consensus Recommendation
37	31	Non-utility members agreed that the OEB should apply updated NTG values on a prospective basis for all programs/offers. Non-utility members acknowledged that Enbridge has a greater level of influence and control over participants in its custom commercial and industrial offers, but that applying the updated NTG values prospectively strikes a reasonable balance of risk between ratepayers and the utility – as long as NTG assumptions are updated regularly (e.g., annually).
38	32	OEB staff noted that it was considering the merits of a standalone natural gas NEB study. Non-utility members agreed that the 15% value is likely understated, and although supported additional research to produce an updated figure, cautioned the value of a detailed study due to the imprecise nature of customer feedback, particularly considering the inability to discretely and accurately develop empirical data to quantify the benefits considered as part of the NEB adder.
39	34	Non-utility members agreed that at a minimum, the social cost of carbon be considered by the OEB as the baseline carbon value applied for DSM going forward.
40	34	Non-utility members agreed that the discount rate applied to cost-effectiveness screening be included as a policy item to be updated for use in the future.
41	34-35	Non-utility members indicated the importance of using as up-to-date electricity avoided costs as possible and agreed that Enbridge should use the best available information regarding electricity avoided costs as provided by the IESO.
42	35	Non-utility members agreed that ideally, a party other than Enbridge develop the natural gas avoided cost estimates due to Enbridge having particular viewpoint or vested interests. Non-utility members agreed that OEB staff should lead a collaborative study, similar to the approach used by the New England states, and hire an independent consultant team that develops avoided cost estimates through an engaged stakeholder process in a transparent manner.
43	36	Non-utility members reached consensus that as part of Enbridge's next DSM plan, greater emphasis on research and development will be needed. Research and development should not be isolated to any specific customer group/sector but done in a more comprehensive manner which includes market research and market intelligence actions. Non-utility members also recommended that a material amount of budget should be directed to research and development efforts with priority placed on understanding new technologies that can lead to material natural gas savings and/or have broad applicability, responsive to the needs of customers and opportunities across each sector (e.g., customer-specific, segment applicability, large vs small, etc.) and consideration of developing an Ontario-specific building demographic database to better direct energy efficiency efforts. Additionally, non-utility members recommended that energy innovation should be considered more broadly, across all programs/sectors, in concert with any approved research and development budget/work. Non-utility members noted that it will be critical to have a material portion (e.g., approximately 5%) of its future DSM budget dedicated for the development and deployment of new ideas.
44	37	Non-utility members also recommended that, in addition to the proposed level of natural gas savings and program budgets Enbridge includes in its application, Enbridge should also prepare information and analysis on isolated scenario(s) of program variability to be responsive to the OEB's direction for various levels of reductions in natural gas volumes throughout the 2026 to 2030 term, including a 1.0% reduction in annual gas sales by 2028. The group agreed that this should be done on a net natural gas savings basis and, at a minimum, be done at the sector level.

#	Pg.	Non-Utility Member Consensus Recommendation
45	42-43	Please refer to the report for a complete list of non-utility member consensus recommendations related to Enbridge's Residential Program
46	48-50	Please refer to the report for a complete list of non-utility member consensus recommendations related to Enbridge's Income-Qualified Program
47	57-60	Please refer to the report for a complete list of non-utility member consensus recommendations related to Enbridge's Commercial Program
48	66-67	Please refer to the report for a complete list of non-utility member consensus recommendations related to Enbridge's Industrial Program
49	72	Non-utility members provided consensus support of Enbridge's proposed [Residential Home Energy Retrofit Net Zero] HER-O pilot adding that Enbridge should also develop a roadmap for a multi-year process where incremental improvements can be phased-in and enable contractors and energy advisors to work together to meet HER-O targets.

STAKEHOLDER ENGAGEMENT

1. This evidence is organized as follows:

1. Overview
2. Intervenor Engagement Sessions
 - 2.1 First Intervenor Engagement Session
 - 2.2 Second Intervenor Engagement Session (2026-2030 DSM Plan Pre-Application Meeting)
 - 2.3 Third Intervenor Engagement Session (Commercial and Industrial Program Overview)
 - 2.4 Fourth Intervenor Engagement Session (Residential and Income Qualified Program Overview)
 - 2.5 Fifth Intervenor Engagement Session (DSM Plan Portfolio Overview)
3. Interested Stakeholder Engagement Activities
 - 3.1 Residential Stakeholder Engagement
 - 3.2 Income Qualified Stakeholder Engagement
 - 3.3 Commercial Stakeholder Engagement
 - 3.4 Industrial Stakeholder Engagement
 - 3.5 Large Volume Stakeholder Engagement
 - 3.6 Municipal Engagement

1. Overview

2. The 2027-2030 DSM Plan was developed through consultation with various intervenors and interested stakeholders, in addition to formal engagement with the DSM Stakeholder Advisory Group (“SAG”). Building on the 2023-2025 DSM Plan¹, Enbridge Gas maintained active engagement with stakeholders to stay current on

¹ EB-2021-0002.

evolving customer needs and market dynamics. In preparation for the new DSM Plan and in line with OEB guidance, Enbridge Gas undertook numerous engagements with interested stakeholders, including customers, customer organizations, trade allies, manufacturers, distributors, business partners, municipalities and intervenor representatives. Insights and input received from these efforts were reviewed and incorporated into the DSM program planning process, including suggestions for program design and to enhance program reach.

3. The stakeholder engagement activities undertaken to support Enbridge Gas's DSM efforts, and the 2027-2030 DSM Plan, are too numerous to comprehensively address in this Application; however, the valuable insights and input received have been considered in its development.
4. Enbridge Gas's stakeholder engagement activities can be broadly categorized into three categories:
 - a) Intervenor engagement sessions, which include consumer groups, industry associations, environmental organizations, and other stakeholders who represent public or private interests and have a formal interest in DSM proceedings. Details are provided in Section 2.
 - b) Interested stakeholder engagement activities, which include consultations with a diverse array of industry market actors, customers, and community organizations interested in Enbridge Gas's DSM initiatives. Details are provided in Section 3.
 - c) Engagement with the DSM SAG. Details are provided in Exhibit C, Tab 1, Schedule 4.

2 Intervenor Engagement Sessions

5. In anticipation of proposing the 2026-2030 multi-year DSM Plan (which later became the 2027-2030 DSM Plan) and to support the planning and outreach efforts for this Application, Enbridge Gas engaged with intervenors (primarily those who participated in the previous multi-year DSM Plan proceeding)² in five separate sessions, with invitations to participate remotely or in-person at OEB offices in Toronto, Ontario.
6. Four of these sessions were arranged and hosted by Enbridge Gas and one was convened by OEB staff.³ Invitations to participate in these sessions were also extended to members of the DSM SAG including observers. These sessions included:
 - a) First Intervenor Engagement Session – March 26, 2024
 - b) Second (OEB-Led) Intervenor Engagement Session: 2026-2030 DSM Plan Pre-Application Meeting – June 27, 2024
 - c) Third Intervenor Engagement Session: Commercial and Industrial Program Overview – August 15, 2024
 - d) Fourth Intervenor Engagement Session: Residential and Income Qualified Program Overview – August 22, 2024
 - e) Fifth Intervenor Engagement Session: DSM Plan Portfolio Overview – October 3, 2024

² EB-2021-0002.

³ OEB Letter to Intervenors and stakeholders, Facilitating Enbridge Gas Inc.'s Forthcoming Demand-Side Management Application, EB-2024-0198, June 4, 2024.

7. These sessions provided a platform for open dialogue, allowing intervenors to share their perspectives, ask questions, and offer feedback on Enbridge Gas's preliminary proposals, ensuring that a diverse range of views was considered in the development of the multi-year DSM Plan.

2.1 First Intervenor Engagement Session

8. Enbridge Gas held its initial intervenor engagement session on March 26, 2024. The objective of this initial meeting was to present an overview of the planning process for the next DSM Plan, provide a Home Efficiency Rebate Plus ("HER+") Offering and IESO collaboration (one-window approach) update, and solicit feedback on specific DSM portfolio topics. The supporting materials provided to participants in advance of this meeting can be found at Exhibit C, Tab 1, Schedule 5, Attachment 1.
9. OEB staff was asked to provide an update on the SAG work to date and the status of the 2024 Achievable Potential Study ("2024 APS") including the directional draft budgets identified in the 2024 APS that would be required to achieve the OEB's expected natural gas reduction targets.⁴ An update was provided regarding the HER+ Offering, including program wind-down and resulting 2024 forecast ratepayer impacts, IESO collaboration on residential programming and plans for the next iteration of the residential Whole Home Offering. Finally, Enbridge Gas sought feedback on several DSM portfolio topics that had been discussed previously with the SAG, including:
 - a) Methodology for DSM Plan Target(s)
 - b) DSM Budget Envelope, including jurisdictional comparisons
 - c) Distribution of DSM Plan Targets

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

- d) Collaboration and Attribution of Results
- e) Consideration of Electrification Efforts in DSM Plan Targets
- f) Evolution of End-of-Term Natural Gas Reduction Incentive

10. Intervenor(s) were invited to provide written feedback following the session and prompted to respond to the following key items:

- a) Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) as outlined in slides 15 & 16 (i.e., the DSM Plan natural gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, should Enbridge Gas utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the DSM Plan term?)
- b) Do intervenors support the significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?
- c) Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

11. Some, not all, intervenors elected to provide written feedback, and responses were mixed. Notably, regarding the budget question (whether intervenors supported the significant increases in DSM budgets required to deliver on the targets expected for 2026-2030) the verbal and written feedback showed a mix of opinions. Some intervenors expressed support for the significant budget increases required, while others expressed concerns about the rate impacts associated with such large

budget increases. A copy of the written feedback received from intervenors can be found at Exhibit C, Tab 1, Schedule 5, Attachment 2.

2.2 Second Intervenor Engagement Session (2026-2030 DSM Plan Pre-Application Meeting)

12. Enbridge Gas participated in OEB staff's "2026-2030 DSM Plan Pre-Application Meeting" on June 27, 2024. The objective of this meeting, as outlined by OEB staff, was two-fold:⁵

- a) Provide an update on the current outcomes of the relevant OEB staff-led DSM activities; and,
- b) Provide an opportunity for Enbridge Gas to receive feedback from intervenors on their DSM Plan prior to finalization.

13. OEB staff provided an update on the OEB-led 2024 APS indicating that the work completed to date suggested an estimated DSM budget of well over \$1 billion annually for the scenario that was presented. Specifically, OEB staff noted:

Materially higher DSM investment needed to achieve the natural gas savings expectations included in the DSM Decision. Recognizing the limitations above, achieving the savings from the 1.0% YoY reduction APS target scenario results in: Total average annual costs estimated to average ~\$1.3B for Years 1-6.⁶

14. OEB staff also provided a brief overview of the OEB-led SAG discussions that had taken place up to that point in time.

⁵ OEB Staff Slide Deck: 2026-2030 DSM Pre-Application Meeting, June 27, 2024.

⁶ OEB Staff Slide Deck: 2026-2030 DSM Pre-Application Meeting, June 27, 2024, p.6.

15. Enbridge Gas shared the results of a residential customer survey regarding DSM budget levels where customers provided mixed feedback.

16. Enbridge Gas's goal for the session was to solicit feedback on:

- a) DSM Plan budget proposal;
- b) Funding for innovation initiatives;
- c) Objectives of IESO/Enbridge Gas collaboration;
- d) Attribution of natural gas reductions; and,
- e) DSM Plan priorities.

17. Enbridge Gas's supporting materials shared at this meeting can be found in Exhibit C, Tab 1, Schedule 5, Attachment 3.

18. A significant part of the day was focused on discussing Enbridge Gas's proposed approach to the overall budget for the Company's multi-year DSM Plan. Specifically, Enbridge Gas noted that the draft budget levels in the 2024 APS were significant and budgets of this magnitude would result in large customer bill impacts. Enbridge Gas, therefore, sought feedback on an alternative approach which proposed a ramp up of the DSM Plan budget to 2 to 2.5 times the 2025 approved budget in real terms (i.e., adjusted for inflation) by the end of the 2026-2030 DSM Plan term, but that did not result in meeting the 2026-2030 targets outlined in the OEB's Decision and Order for Enbridge Gas's 2022-2027 DSM Plan Application⁷ ("Decision"). Enbridge Gas presented this as, what the Company felt, was a prudent alternative.

19. Similar to the first intervenor meeting in March 2024, a number of intervenors maintained concerns about the rate impacts that would result from the level of

⁷ EB-2021-0002.

budget identified as being required in the 2024 APS. A number of intervenors verbally acknowledged that Enbridge Gas was proposing a multi-year DSM Plan budget that is lower than what would be required to meet the OEB's expected natural gas savings reductions for the term. Some intervenors suggested that it would be useful to understand what budgets Enbridge Gas estimated would be required to reach the OEB's expected targets. Specifically, it was requested that Enbridge Gas provide in its multi-year DSM Plan Application, a budget estimate, rate impacts, and the net benefits the Company believes would be associated with the OEB's target expectations.

20. Enbridge Gas explained that time and resources would not permit the development of an entirely distinct DSM plan including an estimate of the budget and the specifics of a program plan that would be required to meet the OEB's 0.6%/0.8%/1%/1%/1% target expectation. Instead, Enbridge Gas pointed out that the objective of the 2024 APS was to provide a view to these target levels and the estimated associated budgets to achieve these reductions. Enbridge Gas committed to providing an illustration of the rate impacts associated with meeting the OEB's expected targets based on the output of the 2024 APS. This information can be found at Exhibit F, Tab 1, Schedule 5.

21. On the topic of innovation funding, some intervenors requested more clarity regarding what type of projects would be funded and suggested that there should be clear criteria with specific project details.

22. Intervenors highlighted multiple benefits of collaborating with the IESO, including reducing customer confusion, minimizing paperwork, and achieving marketing efficiencies.

23. On the topic of attribution of natural gas reductions, some intervenors agreed that Enbridge Gas should not face disincentives for pursuing collaborative efforts, and that a proposed solution regarding attribution should be put forward as part of this Application.

24. In addition, some intervenors acknowledge the challenge in addressing multiple priorities in the OEB's DSM Framework as well as responding to the OEB's expected targets that did not consider associated budget levels.

2.3 Third Intervenor Engagement Session (Commercial and Industrial Program Overview)

25. The third intervenor engagement session, held on August 15, 2024, followed considerable consultation in the preceding months with the SAG regarding the design of DSM programming intended for commercial and industrial customers. The objective of the session was two-fold:

- a) To provide an overview to interested parties of Enbridge Gas's current Commercial and Industrial Program proposals following engagement with the SAG.
- b) To seek relevant feedback to supplement input from the SAG.

26. In addition to the DSM program overviews provided by Enbridge Gas, OEB staff provided a summary of feedback given to the Company regarding these programs by the SAG. The supporting materials provided to participants can be found at Exhibit C, Tab 1, Schedule 5, Attachments 4 to 6.

27. Intervenors reiterated their ask that Enbridge Gas provide the rate impacts and Total Resource Cost Plus ("TRC-Plus") benefits of reaching the OEB's expected target levels as part of this Application. There was discussion about what net-to-gross

("NTG") values should be used in the Application, which originated from a discussion at the SAG. It was asked that Enbridge Gas consider an approach that focuses on fairness between Enbridge Gas and ratepayers and considers premiums for partnerships and collaboration.

2.4 Fourth Intervenor Engagement Session (Residential and Income Qualified Program Overview)

28. The fourth intervenor engagement session was held on August 22, 2024. Similar to the previous session, it followed considerable consultation with the SAG regarding the design of DSM programming intended for the residential, income qualified, and new construction sectors. The objectives of the session were as follows:

- a) To provide an overview to interested parties of Enbridge Gas's current Residential and Income Qualified Program proposals, including new construction components, following engagement with the SAG.
- b) To seek relevant feedback to supplement input from the SAG.

29. In addition to the DSM program overviews provided by Enbridge Gas, OEB staff provided a summary of feedback given to the Company regarding these programs by the SAG. The supporting materials provided to participants in advance of this meeting can be found in Exhibit C, Tab 1, Schedule 5, Attachment 7.

30. Some intervenors again expressed concerns regarding the proposed overall budget, particularly regarding the magnitude of the increase contemplated, while others indicated that Enbridge Gas should put forward a multi-year DSM Plan that meets the OEB's expected targets, focusing on net benefits.

31. Intervenors objected to a proposed education and outreach offering for grade 5 students in Ontario schools. This offering has not been proposed in this Application in response to the feedback received in this session.
32. For the Income Qualified Program, intervenors acknowledged the challenges of engaging income qualified customers and the importance of financial support to make homes project-ready. There was a discussion about the equity challenges associated with electric heat pumps, where it was mentioned that consideration should be given to minimize the potential increase in electricity bills for income qualified customers, particularly in a scenario where there is no Federal Carbon Charge.
33. For new construction offers, intervenors discussed the importance of better building codes and what role Enbridge Gas should play in promoting above-code practices.

2.5 Fifth Intervenor Engagement Session (DSM Plan Portfolio Overview)

34. The final intervenor engagement session was held on October 3, 2024. In response to intervenor requests and feedback from prior sessions, Enbridge Gas presented a portfolio-level view of proposed budgets and targets. Some intervenors expressed concerns regarding the overall budget levels while others emphasized the importance of focusing on net benefits rather than just the budget. The supporting materials provided to participants in advance of this meeting can be found in Exhibit C, Tab 1, Schedule 5, Attachment 8.

3. Interested Stakeholder Engagement Activities

35. Enbridge Gas held consultations with a diverse group of industry stakeholders, including market actors, customers, and community organizations to gather

feedback for the development of a balanced portfolio of DSM programs. Key engagements were conducted across the following stakeholders:

- a) Residential
- b) Income Qualified
- c) Commercial
- d) Industrial
- e) Large Volume
- f) Municipal

36. This engagement ensured that stakeholder perspectives were incorporated into the planning process, supporting the creation of programs that address the needs and priorities of each sector. Details of these engagements are outlined below.

3.1 Residential Stakeholder Engagement

37. Enbridge Gas engaged stakeholders for the proposed Residential Program mainly through direct outreach and surveys. The Whole Home Offering carries out routine surveys with its participants once they complete the offering. Notable findings from the 2024 surveys indicate extended wait times for rebates, the necessity for clearer communication regarding rebate amounts, prolonged waits for scheduling energy assessment, and insufficient information about the program. Notable findings from 2025 participant surveys to date revealed that participants desire more clarity regarding rebate amounts and qualifications, desire more transparent communication from service organizations, and prefer increased rebates. Participants were satisfied that they received their rebates within the expected timeframe. Specific to the Home Renovation Savings Program that was launched in January 2025, participants value the one-window approach.

38. Another survey targeting residential customers revealed that most customers are willing to invest in DSM, however results were inconclusive in terms of providing clear direction in support of determining a specific program budget.⁸

Single Measure Electric Heat Pumps

39. Stakeholder engagement regarding electric heat pumps involved extensive outreach to a variety of industry participants including manufacturers, contractors, suppliers, and program administrators. These activities highlighted the need for enhanced communication and education for both customers and contractors regarding electric heat pump technology and its energy use.

40. Key takeaways from the engagement emphasized the importance of clear and consistent communication between utilities and contractors, a streamlined process for installing electric heat pumps, and the development of more robust training programs.⁹ Additionally, stakeholders emphasized the necessity for better contractor training covering topics like proper electric heat pump sizing, retrofit considerations, and controls.¹⁰

Single Measure Insulation

41. The engagement process regarding insulation for the Single Measure Offering involved direct outreach, including interviews with insulation contractors and consultations with program designers from other utilities.

⁸ Enbridge Gas 2024 DSM Budget Customer Engagement Final Report, Innovative Research Group, July 29, 2024.

⁹ Enbridge Gas Advancing Energy Efficiency: Insights from Manufacturer and Contractor Interviews, Brickworks Communications, May 2024.

¹⁰ Enbridge Gas Advancing Energy Efficiency: Insights from Manufacturer and Contractor Interviews, Brickworks Communications, May 2024, p.3.

42. The key takeaways included the need for a quasi-prescriptive savings approach for attic insulation based on square footage. Additionally, basement insulation should be quantified by the specific sections insulated rather than the entire area, unlike attic insulation. The insights also pointed out the insufficient industry capacity in Ontario for professional air sealing.

3.2 Income Qualified Stakeholder Engagement

43. Stakeholder engagement activities for the Income Qualified Program included a combination of direct outreach, surveys, and workshops/focus groups. In addition to conducting regular surveys for general feedback on program offerings, direct outreach and workshops were employed to understand specific issues. Outreach activities were also conducted for select stakeholder groups such as housing providers.

44. A focus group workshop with housing providers highlighted several key areas for improvement: providing dedicated energy manager services, developing funding models for electric heat pump installation, designing bundled retrofit programs, aligning incentives with renewable energy goals, and creating a streamlined application process for emergency repairs.¹¹

45. Two additional stakeholder engagement meetings were co-hosted between Enbridge Gas and the IESO in June 2025, attended by housing service managers and large housing providers. Insights gathered from these sessions identified the challenges facing housing providers in their retrofit planning processes. Large housing providers cited capital budget constraints, staffing and contractor availability, and difficulty collecting energy consumption data as key challenges.

¹¹ Enbridge Gas Stakeholder Engagement: Advancing Energy Efficiency in Canadian Housing Sectors, Brickworks Communications, June 2024.

Similarly, challenges identified by service managers included competing capital budget pressures, limited planning capacity, and lack of awareness of incentive programs and opportunities. Participating stakeholders noted that service managers generally did not directly receive information about potential incentive programs, and that sharing information directly with them is important and will be helpful for project budgets and timelines. This feedback has informed how information about the Home Winterproofing (“HWP”) Offering is shared with housing managers.

Home Winterproofing

46. Stakeholder engagement for the Home Winterproofing (“HWP”) Offering included on-going monthly surveys with past program participants, direct outreach with housing providers and stakeholders, and co-hosted workshops with the IESO in June and November 2024. In one-on-one interviews with the Low-income Energy Network (“LIEN”) and Ontario Native Welfare Administrators Association (“ONWAA”), parties were supportive of including electric heat pumps in the program but noted concerns about potential bill impacts. ONWAA also expressed interest in piloting electric heat pumps within an Indigenous community, emphasizing the need for tailored support and collaboration.
47. Feedback heard from workshops and focus groups with stakeholders, including various housing organizations, highlighted the program's success and the importance of collaboration between IESO and Enbridge Gas. Monthly surveys aimed to understand customer motivations and satisfaction, revealed that most respondents participated for reasons of home comfort, energy efficiency, and cost savings. Key takeaways confirmed consistent satisfaction levels, and participant endorsement of the program to others. In addition, feedback confirmed the effectiveness of bill inserts.

Affordable Housing Multi-Residential

48. Regarding the Affordable Housing Multi-Residential Offering, individual interviews and discussions were carried out with the Cooperative Housing Federation (“CHF”) to obtain feedback on proposed new services like energy manager funding for eligible clients. The feedback indicated strong support for Enbridge Gas providing energy managers as many CHF members are unsure of how to begin a project and co-operatives lack internal resources.

Stakeholder Engagement with Indigenous Communities

49. An area of focus during the development of the multi-year DSM Plan was stakeholder engagement with Indigenous communities. The OEB Decision states:

... the OEB expects 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.¹²

50. In response to the OEB's guidance, Enbridge Gas engaged in further consultations with Indigenous groups through the Indigenous Working Group (“IWG”) and a dedicated Enbridge Gas staff member. During IWG meetings, the Enbridge Gas staff member presented information regarding the various DSM offerings available for Indigenous communities and the qualifications for those offerings. Additionally, there have been direct outreach efforts to these community members, in addition to the general outreach conducted for income qualified offers described above.

51. Since 2022, Enbridge Gas has engaged with twelve Indigenous communities through the HWP Offering. Ongoing community expansion projects have resulted in

¹² EB-2021-0002, OEB Decision and Order, November 15, 2022, Section 4.1.7, p.51.

seven additional Indigenous communities Enbridge Gas can engage with through the HWP Offering.¹³

52. Enbridge Gas is also collaborating with organizations that assist Indigenous communities to develop outreach that is tailored to support income-eligible Indigenous customers in these areas. Indigenous organizations that the Enbridge Gas team will continue to work with to help further develop outreach and marketing approaches for off-reserve Indigenous housing providers include:

- a) ONWAA, a First Nation membership owned non-profit organization in Ontario
 - ONWAA hosted a First Nations' Energy Forum, which Enbridge Gas attended in early October 2025. Enbridge Gas is also currently working with ONWAA on solutions to assist Indigenous people in Ontario to identify programs that assist with energy poverty issues.
- b) The Ontario First Nations Technical Services Corporation ("OFNTSC") – Provides technical advisory services to Indigenous communities in Ontario in the areas of Environment, Engineering, Fuel Systems Management, Fire and Safety, Housing, Infrastructure, Operations & Maintenance, and Water & Wastewater. In 2024 Enbridge Gas attended the TechNations conference with a view to developing networks with Indigenous companies as potential business partners. This organization will be approached to identify opportunities beyond conferences.

53. Further, Enbridge Gas has been working closely with the IESO through monthly meetings to develop outreach plans for Indigenous communities so that both natural

¹³ They are Walpole Island First Nation, Chippewas of Kettle and Stoney Point First Nation, Chippewas of the Thames, Delaware Nation at Moraviantown, Saugeen First Nation, Scugog Island First Nation, Phase 2 for Mohawks of the Bay of Quinte and Red Rock Indian Band.

gas and electricity conservation program opportunities are jointly communicated where there are common Indigenous communities being supported by Enbridge Gas and the IESO.

3.3 Commercial Stakeholder Engagement

54. Stakeholder engagement activities were conducted for the commercial sector regarding various offers including prescriptive, midstream, microbusiness, direct install offers, and regarding expanded delivery with trade allies and service providers.
55. Key insights revealed that capital constraints remain a significant barrier for businesses of all sizes, with many lacking actionable conservation or sustainability plans. Higher incentives, clear business case support, and educational resources were identified as necessary to overcome these barriers.

Hybrid Heat Pump Rooftop Units

56. Stakeholders were engaged through interviews to discuss hybrid heat pump rooftop units (“RTU”). Three local distributors representing three of the five commercial hybrid heat pump RTU products available at the time were interviewed to understand Ontario’s RTU market, develop energy savings estimates, and collect RTU cost information to fill research gaps. Key findings reveal that equipment costs vary with unit capacity, and distributors have different pathways and practices. Hybrid units generally are planned replacements, as opposed to replace-on-burnout upgrades, due to the significant lead time required to acquire equipment. The importance of training, strong communication with sales teams and installers, and establishing relationships with distributors were emphasized for effective program rollout.

Small Commercial Surveys

57. Small commercial customers and market actors were engaged through an online survey and in-depth interviews.¹⁴ The goal was to understand their natural gas usage, equipment, decision-making processes, and views on electrification. The survey also aimed to identify different ownership types, assess information gaps, and gather recommendations to enhance engagement.

58. Key findings revealed that most small commercial customers do not prioritize energy efficiency due to financial constraints, lack of time or resources, and limited knowledge or awareness of available offers. Additionally, 80% of participants would not consider switching from natural gas heating to electricity predominantly due to cost concerns.¹⁵

Commercial Prescriptive and Direct Install In-Depth Interviews

59. Stakeholder engagement for Commercial / Industrial Prescriptive Offerings (including the Direct Install Offering) were conducted through twenty-three comprehensive interviews with market actors including contractors, installers, manufacturers and engineers involved in high-efficiency equipment.¹⁶ The interviews were conducted to gain insights into the market and supply chain of energy-efficient equipment, focusing on small and mid-sized businesses.

60. It was found that most high-efficiency equipment is sourced outside of Ontario and Canada, and that contractors and installers typically do not actively promote high-efficiency equipment, relying on word-of-mouth and existing relationships.

¹⁴ Customers engaged were small commercial customers with consumption under 100,000 m³/year in various market segments, including accommodation, food services, office, non-profit, retail, and warehousing. The market actors interviewed were mostly contractors and installers.

¹⁵ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024.

¹⁶ Equipment includes Air Curtains, Dock Door Seals, Destratification Fans, Ozone Laundry, Demand Control Ventilation, and Demand Control Kitchen Ventilation.

61. The COVID-19 pandemic continues to impact the supply chain for energy-efficient equipment due to global production and shipping challenges. Labour shortages and extended lead times are prevalent issues. Contractors and installers typically have preferred manufacturers but are open to alternatives that provide competitive pricing and efficiency.¹⁷

Upstream HVAC Business Partner Interviews

62. Interviews were conducted with a diverse range of business partners, including equipment retailers and distributors participating in the Commercial / Industrial Prescriptive Upstream Offering, equipment manufacturers affiliated with the offering, and contractors engaged in boiler projects. The objective of these interviews was to gather insights on market trends, assess experiences with Enbridge Gas's Commercial Program, and solicit feedback and suggestions on how Enbridge Gas can enhance its programs and offerings. This included evaluating aspects related to equipment and products, program processes, customer preferences, and market trends. A particular focus was placed on understanding trends in electrification and high-efficiency equipment, identifying barriers to adoption, and exploring opportunities within these areas.

Upstream Commercial Kitchen Supply Chain Interviews

63. Detailed interviews were conducted with four stakeholder groups in the commercial kitchen supply chain: manufacturers, equipment dealers enrolled in the current Commercial / Industrial Prescriptive Upstream Offering, equipment dealers not enrolled in the offering, and end-use customers. Stakeholder feedback provided insights into the offering supply chain, identified influence pathways and barriers to the purchase and sale of commercial kitchen energy-efficient equipment, and

¹⁷ Enbridge Gas Insights Into Market Actors Qualitative Report, Ipsos, November 2023.

clarified the role of various market actors in the offering. This feedback was instrumental to enhancing future programming and driving incremental program participation and results.

School Board Surveys

64. An online survey was administered with contacts representing school boards, including members of the Operations, Maintenance & Construction Committee (“OMC”) of the Ontario Association of School Business Officials. The survey sought to understand sustainability goals, current and future natural gas usage, energy monitoring and conservation behaviours, planned energy retrofits, perceptions of Enbridge Gas’s DSM programs, and feedback for ways these programs can support school boards in the future. The survey found that aging and inefficient natural gas equipment represent opportunities for energy efficiency gains, and while many school boards are pursuing sustainability goals, only half of those who responded have formal plans to achieve them.

3.4 Industrial Stakeholder Engagement

65. Stakeholder engagement for the industrial sector were conducted through online surveys and one-on-one interviews with select customers. Small industrial customers provided insights regarding their natural gas consumption, energy management practices, and familiarity with Enbridge Gas’s DSM programs and offerings. Key takeaways included positive feedback about Energy Solutions Advisors, and suggested improvements such as predictions on pricing and regulations, project management support, additional funding for projects and studies, and more training opportunities.

66. One-on-one interviews with select industrial greenhouse customers were conducted to gain first-hand perspectives on various topics such as barriers and motivations for

energy efficiency projects, decision-making processes, business drivers for operational optimization and capital projects, and awareness and sentiment about DSM offers. Stakeholders emphasized the importance of managing natural gas efficiently and sharing best practices. It was noted that programs should provide higher incentives and consider incentives for dehumidification. Additionally, the timing of limited time offers does not always align with growing cycles, and current offerings tend to favour larger farms. Leveraging relationships with Ontario Greenhouse Vegetable Growers was also recommended.

3.5 Large Volume Stakeholder Engagement

67. The OEB's Decision included direction for Enbridge Gas to work with stakeholders to develop protocols for a large volume opt-out program:

...Enbridge Gas is expected to work with relevant stakeholders, such as IGUA, to develop opt-out protocols and share with the SAG for input. The resulting opt-out framework, if supported by large volume customers, should be included as part of Enbridge Gas's next DSM plan application.¹⁸

68. Stakeholder engagement with large volume customers consisted of workshops with customers as well as direct engagement with the Industrial Gas Users Association ("IGUA"). Enbridge Gas solicited feedback on program design as well as for protocols for an opt-out framework.

69. Feedback on the program design included a desire for increased flexibility on the timing for direct access funds.

70. Outcomes from stakeholders regarding the opt-out framework are provided in Exhibit E, Tab 6, Schedule 1.

¹⁸ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.44.

3.6 Municipal Engagement

71. Stakeholder engagement with municipalities was conducted primarily through a survey with Ontario municipalities to better understand municipal priorities associated with conservation programs.
72. The survey found that a significant number of municipalities have declared a climate emergency and have developed action plans. Municipalities lack sustained funding, have limited staff capacity, and lack control over community emissions. There is a strong interest in collaborating with Enbridge Gas on retrofit incentives, green building standards, and non-financial retrofit support. Familiarity with Enbridge Gas's DSM programs is mixed, with a high level of familiarity for residential offers, and some commercial and institutional offers, but lower familiarity for new construction and industrial/agricultural offers, indicating an opportunity to increase awareness of the full portfolio of programs.

2026-2030 DSM Plan Development Intervenor Engagement

The following slides are provided to facilitate engagement with DSM Intervenorors. They contain illustrative forecasts, estimates and draft representations at the current point in time and should not be interpreted or referenced in any other way.

Agenda



• Introductions		5 mins
• Engagement Overview • SAG/OEB Staff Update • Engagement Expectations • 2023 DSM Results	– SAG Work to date – Achievable Potential Study status/draft results	30 mins
• Home Efficiency Rebate Plus	– Program Wind-Down – 2024 Rate Impacts – IESO Collaboration (one-window approach) – Next Iteration of Whole Home Program Offering	50 mins
BREAK	(approx 10:25 am)	10 mins
• DSM Portfolio Topics	– Methodology for DSM Plan Target(s) – DSM Budget Envelope – Replacement Program – Distribution of DSM Plan Targets – Collaboration and Attribution of Results – Evolution of End-of-Term NG Reduction Incentive	70 mins
• Wrap-Up/Takeaways		5 mins

Engagement Overview/ SAG Update



Intervenor DSM Engagement Overview

Purpose:

- To provide insight to interested parties into Enbridge Gas's planning, with reference to discussions with the DSM Stakeholder Advisory Group (SAG) as the Company develops its next DSM Plan
- To seek feedback on specific topics/questions as appropriate to supplement input from the SAG

Context:

- The OEB directed the establishment of the SAG to help guide and inform the development of Enbridge Gas's next multi-year DSM Plan

“The DSM SAG should meet...with the objective of providing input on the makeup of Enbridge Gas's next DSM plan to ensure it will align with the OEB's direction to achieve increasing levels of natural gas savings” (OEB Decision, p. 91)
- Enbridge Gas is supplementing the OEB-Staff led SAG with additional broader engagement with traditional DSM intervenor participants
- SAG committee members (including observers and OEB Staff), have been invited here today to listen



Stakeholder Advisory Group/APS

- Stakeholder Advisory Group

- *“The primary work items that the DSM SAG should undertake include: input on an updated natural gas achievable potential study to inform Enbridge Gas’s next DSM Plan, provide input to Enbridge Gas on its draft 2026- 2030 DSM Plan before it is filed with the OEB, including recommendations on how to prioritize what programs should be expanded and how to generate the greatest level of cost-effective natural gas savings.” (OEB Decision, p. 90)*
- *“The objective would be that consensus is reached on most, if not all, issues within the SAG before an application is filed with the OEB, thereby improving regulatory efficiency.” (OEB Decision, p.90)*
- SAG work activities were outlined in Schedule D in the last OEB Decision

- Achievable Potential Study (APS)

- *“The OEB expects that the results of an updated natural gas conservation potential study will be the primary input into future natural gas savings targets.” (OEB Decision, p. 91)*

- Update from OEB Staff

- SAG work to date
- Draft outputs from Guidehouse of Achievable Potential
- Timing for final APS results



Intervenor Engagement Overview

Expectations:

- This is not a regulatory proceeding ... it is informal consultation intended to facilitate communication and foster understanding as Enbridge Gas progresses with planning
- Parties are expected to engage respectfully, allowing fairness in participation; acknowledging the large number of participants with potentially diverse views.
- Today Enbridge Gas will identify some specific defined topics it is seeking input on which will we highlight during the presentation
- Four Intervenor engagement meetings likely over the coming months
 - 1) DSM Overview/Portfolio – March 26th
 - 2) Commercial/Industrial programming – June 13th
 - 3) Residential/Income Qualified programming – Date: TBD
 - 4) Plan design/portfolio amalgamation – Date: TBD
- At this point in time, we are targeting the end of Q3 to file our next multi-year plan

2023 DSM Results

2023 DSM Scorecard Results



Scorecard		Target (millions m3/ participants/ homes)	Achievement (millions m3/ participants/ homes)	% of Metric Achieved	Total	Total DSM Incentive (millions \$)
Residential Program		22.1	26.2	118%	118%	\$3.9
Low Income Program	Single Family	2.9	3.3	113%	90%	\$1.1
	Multi-Residential	5.0	3.3	67%		
Commercial Program	Large Commercial	15.4	13.3	86%	82%	\$0.5
	Small Commercial	8.7	6.8	78%		
Industrial Program		50.4	28.1	56%	56%	\$0.0
Large Volume Program		9.3	12.3	133%	133%	\$0.6
Energy Perf. Program		25	30	121%	121%	\$0.2
		0.0	0	0%		
Building Beyond Code Program	Residential SBD	1,450	698	48%	95%	\$0.5
		0	0	0%		
	Commercial SBD	28	26	93%		
	Affordable Housing SBD	18	23	125%		
	Comm. Air Tightness Testing	5	5	100%		
		10	31	200%		

*Note these numbers are not final and subject to finalization before the Draft Annual Report is submitted to the OEB

Home Efficiency Rebate Plus

Home Efficiency Rebate + (“HER+”) Wind-down



- Enbridge delivering the jointly funded (Canadian Greener Homes Grant/Enbridge Home Energy Rebate) program
- Combined NRCan & DSM funding to stack consumer rebates per OEB direction
- Launched in January 2023, with forecast to run through fiscal 2026/27
 - Reference EB-2021-0002 OEB decision, Schedule B for measure level rebates
- Due to overwhelming consumer demand, entry closed February 5, 2024
- NRCan funding available for Ontario is forecast to be exhausted
- Amendment to Enbridge/NRCan contribution agreement to increase federal funding by \$54M
 - To be filed with OEB similar to original contract (i.e. some minimal redactions)
 - Primarily increases funding, with minor administrative changes – allow increased participation

HER+ Wind-down – '24 Forecast Ratepayer Impacts

- OEB directed allowance to exceed the 15% overspend provision specifically for incentives tied to the HER+ program offering
 - *“should participation be greater than anticipated, either due to more overall participants or average participant incentives being greater than forecast, Enbridge Gas is approved 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.”* (OEB Decision, p. 31)
- Forecast for 2024 will materially exceed budgeted amounts in rates
 - Average participant incentives are higher than originally forecast
 - Rate/number of participants in program vastly exceeds original forecast
- Current 2024 HER+ DSM forecast spend \$160 - \$200 million (budget ~\$80 million)
 - Dependency: # consumers who complete program requirements in 2024 + the combination of measures completed/associated rebates
 - Note: Participants who've completed pre-audit have until Q1 2027 to complete post-audit/submit for rebates, i.e., completion timelines currently unchanged
- Expect variance to be cleared to rates as part of annual DSM clearance in 2026

Enbridge/IESO Collaboration



- MoE letter of direction to OEB:
“I ask that the OEB consult with the IESO and Enbridge and report back in April 2024 on how electricity and natural gas low-income and residential programs could be delivered through a single window.”
- Enbridge Gas and IESO have commenced discussions on “one-window” approach
- Currently expect “one-window” approach may be staged due to timing of IESO/ Enbridge Gas approvals/DSM terms (Step 1: 2025 and Steps 2+: 2026-2030)
- Current Guiding Principles (in order of priority):
 1. Consumer first approach – ensure easy consumer journey for energy conservation choices regardless of; fuel, funding source or policy framework
 2. Minimize market confusion through consistent consumer information and messaging
 3. Focus on measures that contribute to greatest savings while providing consumers choice
 4. Equitable contribution towards shared costs
 5. Retention of a skilled workforce/market capacity within Ontario for the Energy Transition
 6. Where possible, have common delivery channels, market actors and infrastructure
 7. Where possible, streamline program administration
- Progress/Timeline: dependent on IESO approval process

Next Iteration of Whole Home Program Offering



- Enbridge Gas to launch a whole home program offering in 2024 to:
 - Ensure residential consumers/ratepayers have access to conservation programming that supports their choices in upgrading their home to conserve energy and save on bills
 - Preserve Energy Auditor/Service Organization capacity in Ontario for continuation of whole home type conservation programming – needed for future DSM terms
- Enbridge Gas to utilize the OEB approved parameters for Residential program
 - Deliver within the 2025 budget approval, with 15% overspend provision
 - Communication to consumers that incentives to be paid in 2025 from 2025 budget
- Initial focus on building envelope measures:
 - No changes contemplated for incenting gas appliances, will not be included for 2024/25
 - Alignment of approach on heat pumps with IESO in process, currently expect heat pumps to be staged in with dependency on Enbridge/IESO budgets and timing of approvals
- Next steps: Enbridge Gas to file letter with OEB communicating details

DSM Portfolio Topics

Methodology for DSM Plan Target(s)



The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis. (OEB Decision, p.4)

Enbridge Gas Proposal: The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities.

i.e., the following volumes would be excluded from consumption basis:

- Volumes for customers categorized as gas fired generators (excluded from DSM)
- Volumes attributed to Large Volume customers who elect to opt-out (TBD))
- Volumes delivered to other Ontario utilities
- Estimated industrial feedstock volumes
- Enbridge’s own use fuel

Example calculation of 1% target*:

	million m ³
Total Consumption	27,545
Power/Wholesale/Feedstock	4,020
DSM Applicable Volumes	23,525
1% of Consumption	235
2023 Results	93

*Illustration based on 2022 volumes.

SAG Feedback

Most SAG members supported Enbridge Gas’s interpretation for determining targets

Question for Intervenors

Do parties concur with Enbridge Gas proposal and SAG feedback?



Methodology for DSM Plan Target(s)

The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis. (OEB Decision, p.4)

- OEB decision states “prior year on a weather normalized basis”, but these volumes are not known until well into the calendar year – is this most practical approach?
- Leveraging a forecast to establish targets for the term of the DSM Plan will provide certainty on the target in advance, allowing the budget to be set for the term during the Regulatory application.

Enbridge Gas Proposal:

More practical that a base year be used to determine 0.6% to 1.0% for each year of the term.

SAG Feedback

Most SAG members appreciated the practicality of Enbridge Gas’s original proposal however suggested utilizing a multi-year forecast to determine targets for the plan term

Question for Intervenors

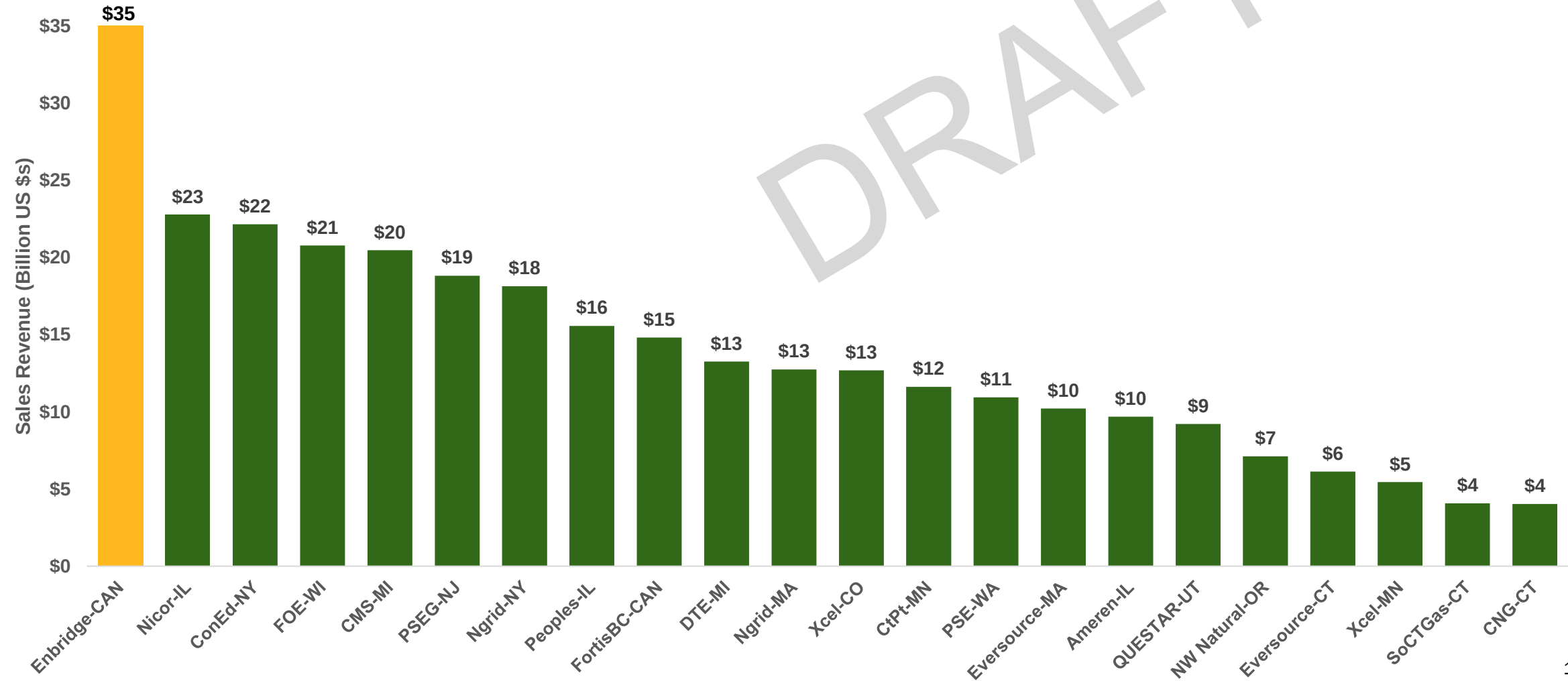
Do parties concur with Enbridge Gas proposal adjusted for SAG feedback?

DSM Budget Envelope



Jurisdictional Comparison

Annual Sales Revenues (2022) (Billion US \$)

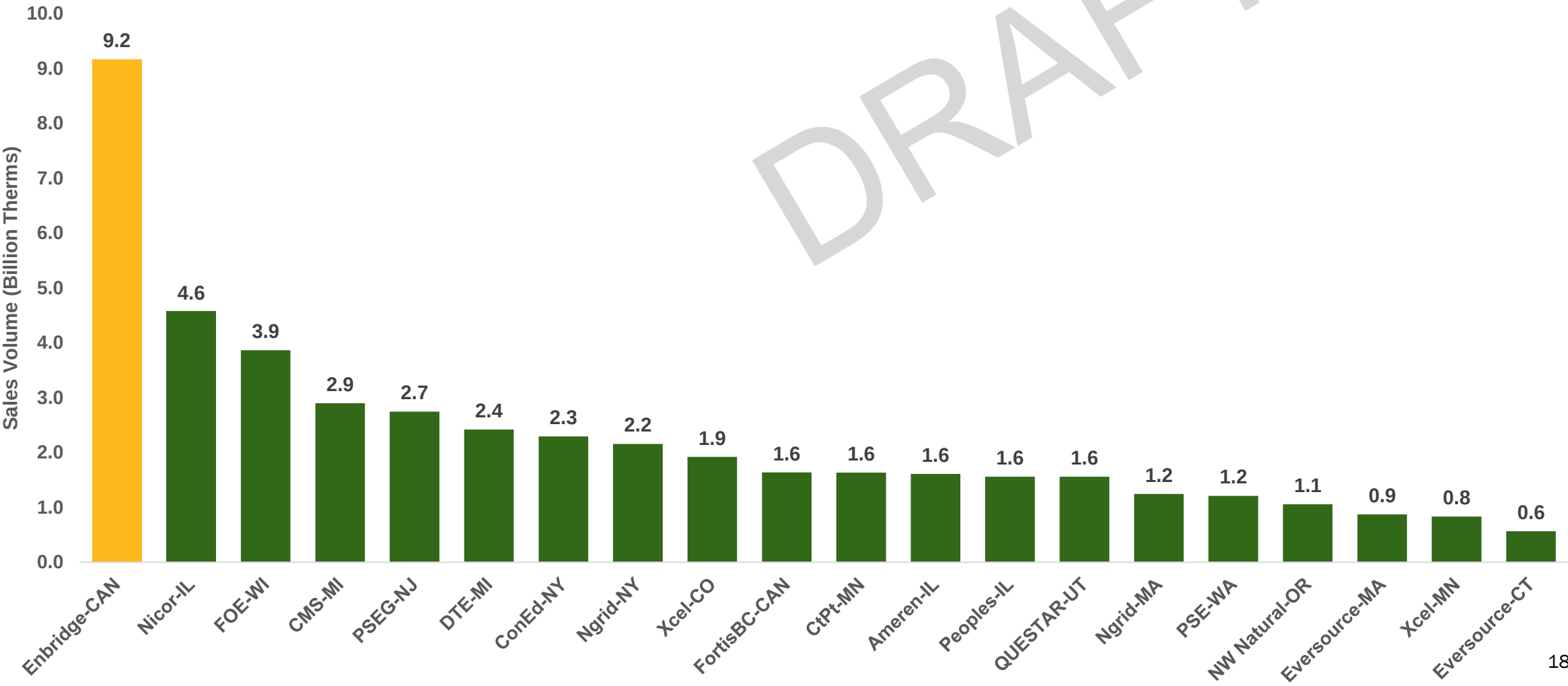




DSM Budget Envelope

Jurisdictional Comparison

Annual Sales Volumes (2022) (Billion Therms)

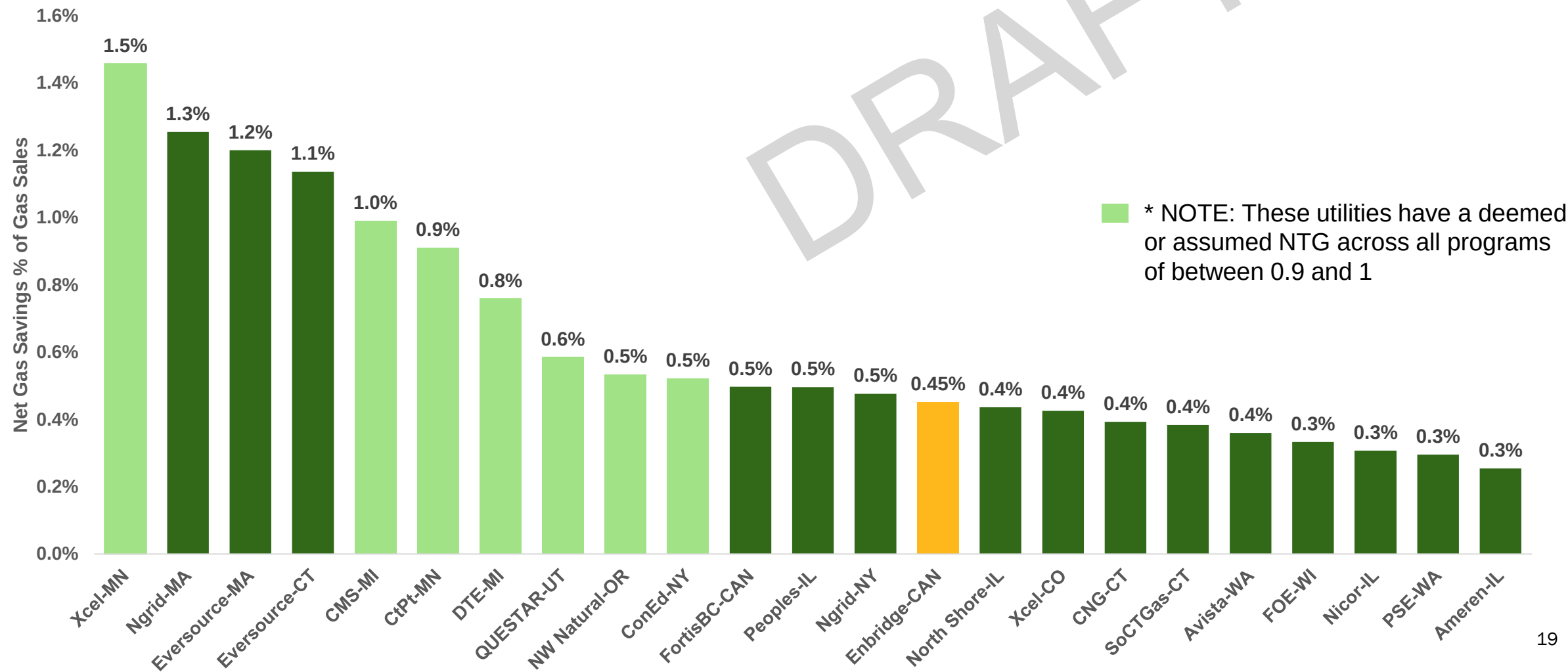




DSM Budget Envelope

Jurisdictional Comparison

Targeted 2024 Net* Savings as % of Sales

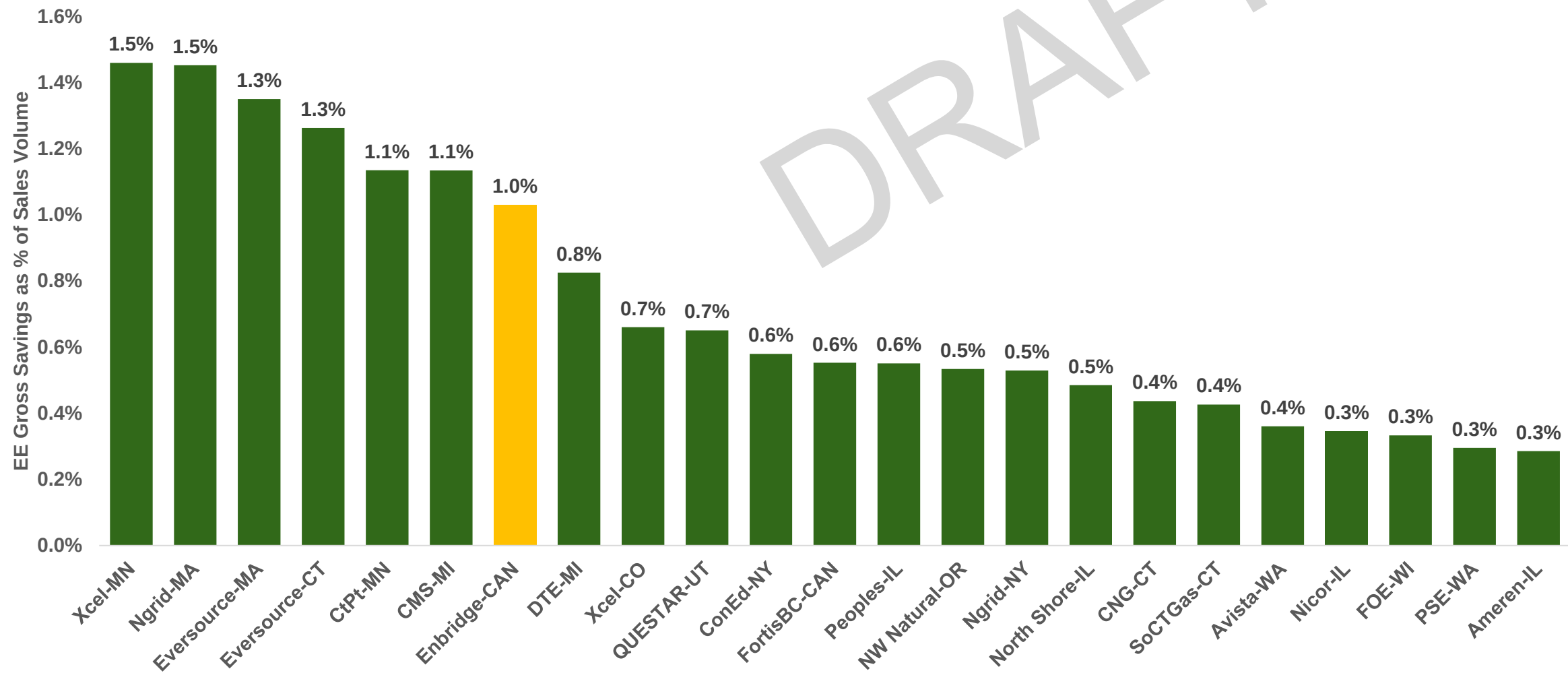


DSM Budget Envelope



Jurisdictional Comparison

Planned 2024 Gross Savings as % of Sales

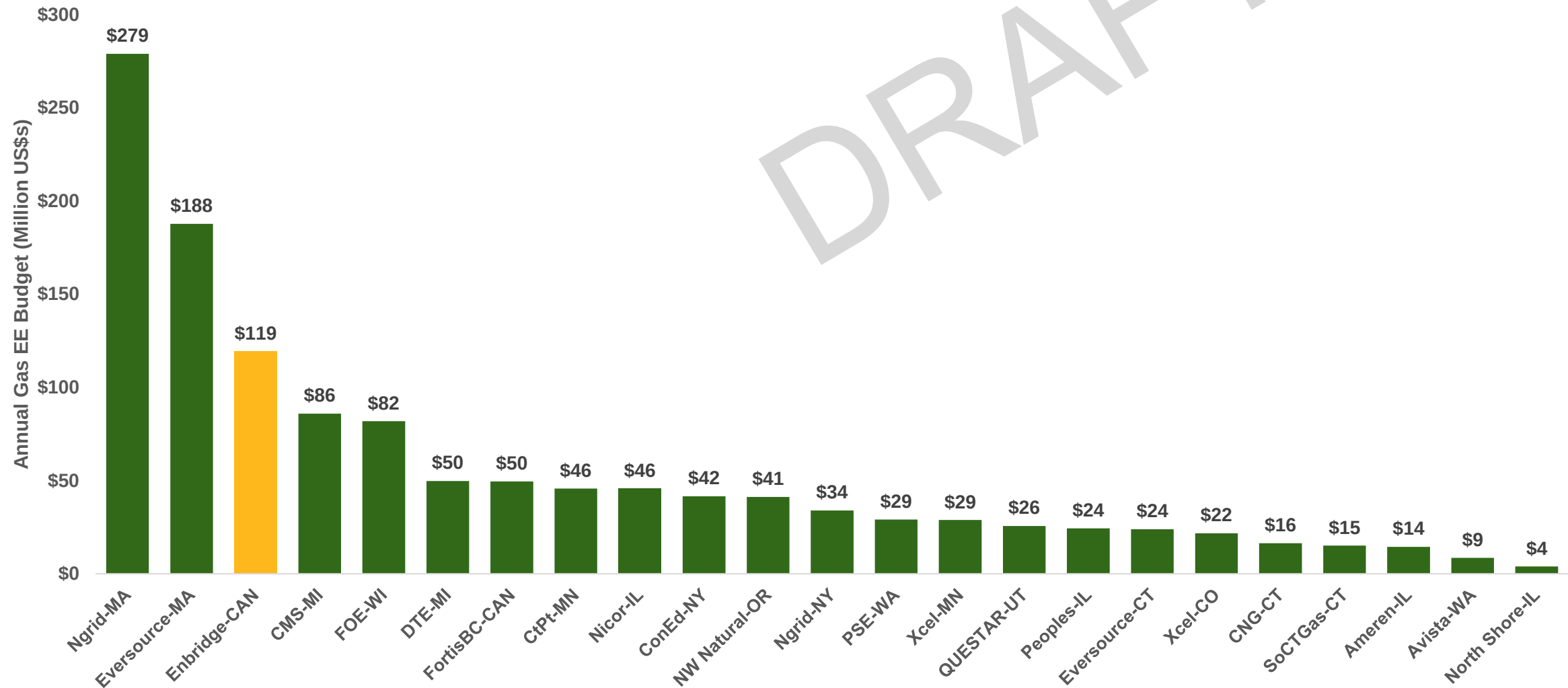


DSM Budget Envelope



Jurisdictional Comparison

2024 Energy Efficiency Budgets (Million US \$)

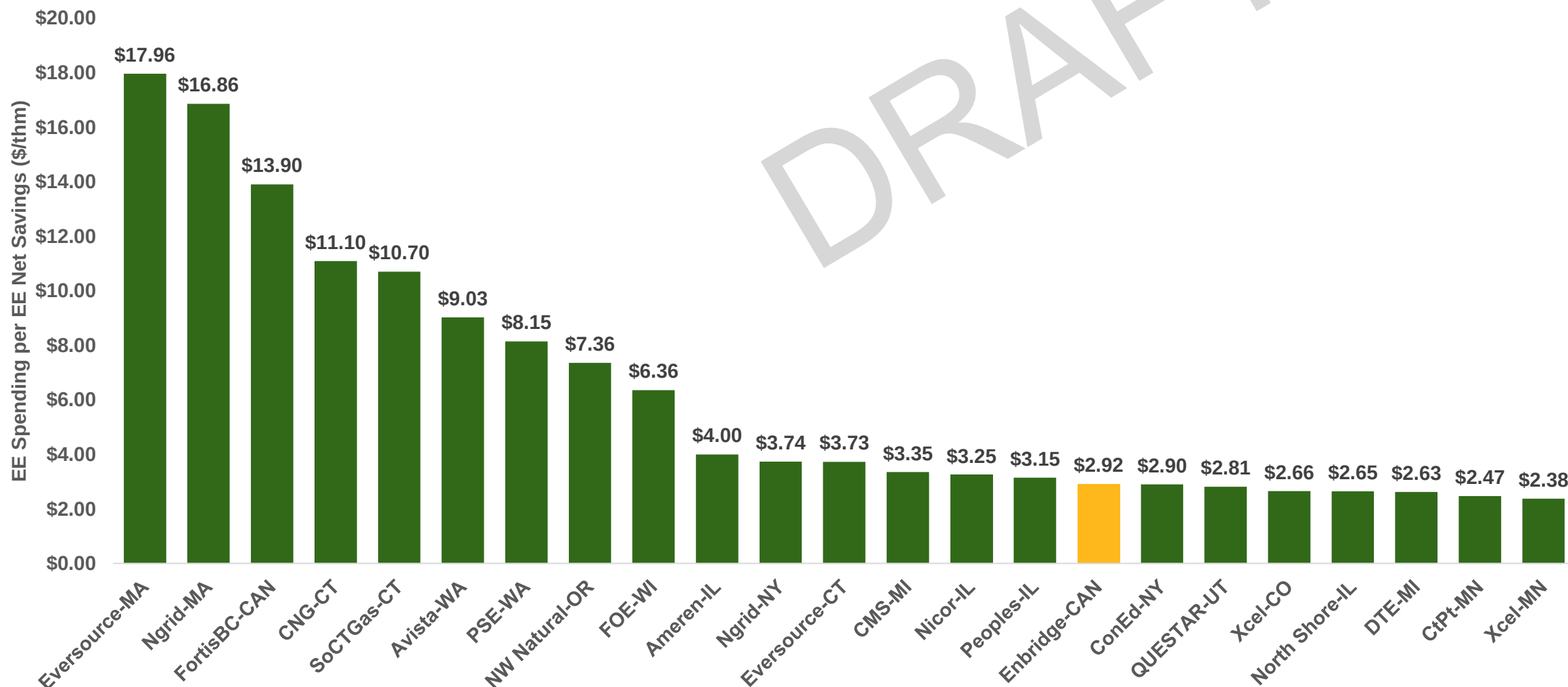




DSM Budget Envelope

Jurisdictional Comparison

2024 Budget per Unit of Net Savings (\$/therm)



DSM Budget Envelope



A Closer Look at FortisBC

- FortisBC received BCUC approval for its 2024 - 2027 gas demand side management (DSM) plan in February 2024
- The four-year plan includes an approved budget of \$627 million to support energy efficiency for gas customers
- The plan aims to reduce gas use by 3.9 million gigajoules (105 million m³) over the four-year period
- By comparison, Enbridge Gas's OEB approved 2023 budget was ~ \$180 million with an annual gas reduction target of 114 million m³
- FortisBC press release (Feb 20, 2024):
 - "The funding allows FortisBC to shift its efforts to more advanced energy-efficiency initiatives, build its next generation of energy-saving programs"*
 - "With this funding, we can support some of the most challenging but impactful ways to reduce energy use and help transform how customers use energy in their homes and businesses."*
 - "A key area will be developing programs for dual-fuel hybrid heating systems so customers can pair an electric heat pump with a high-efficiency gas furnace, ensuring they have access to reliable, affordable energy on colder days while lowering their overall emissions."*

Illustrative Budget Example for Residential Sector



2023 Residential Budget/Target

Residential (excludes Low Income (LI))

2023 Residential Budget	\$ 70,378,564	OEB Decision
2023 Residential 100% OEB Net m ³ Target	22,135,911 m ³	OEB Decision

Fixed Targets for Residential sector

Residential Sector	0.60%	0.80%	1.00%
Estimated m ³ reduction targets based on 2022 sector consumption (includes Low Income)	49,200,000	65,600,000	82,000,000
Assumed % (high level estimate) LI of Residential	15%		
Residential m ³ Reduction of Annual Sales Target (excluding LI)	41,820,000	55,760,00	69,700,000

Illustrative Budget Example for Residential Sector



2023 HER+ estimated spending /result *

	Enbridge Gas	NRCan	Total
HER/HER+ incentives	\$39,000,000	\$150,000,000	\$189,000,000
Marketing/promo	\$2,000,000	\$4,000,000	\$6,500,000
Delivery	\$1,500,000	\$7,100,000	\$9,200,000
Program Admin	\$1,800,000	\$3,000,000	\$4,800,000
Total	\$57,700,000	\$134,900,000	\$192,600,000
Forecast total m³ savings (NRCan + Enbridge Gas combined)			28,000,000 m³

Illustrative example of OEB targets

	Target gas reduction		0.60%	0.80%	1.00%
b	Annual m ³ (2022 consumption based)		41,820,000	55,760,000	69,700,000
c	2023 forecast Residential m ³ excluding HER/HER+		9,420,000	9,420,000	9,420,000
d	Remainder	b – c	32,400,000	46,340,000	60,280,000
e	2023 forecast HER/HER+m ³ (combined NRCAN/Enbridge Gas results)		30,090,000	30,090,000	30,090,000
f	Remainder	d – e	2,310,000	16,250,000	30,190,000
	% increase needed relative to 2023 with NRCan + Enbridge Gas combined	f / (c+e)	5.8%	41.1%	76.4%

* Amounts for 2023 HER+ are exclusive of HER results due to different cost effectiveness are high level estimates and are intended for discussion purposes on the policy items that relate to collaboration, targets etc. Actual 2023 year figures will be reported when the Company finalizes its 2023 Draft Annual Report in April.



Budget Requirement based on Draft APS

Residential Savings/Budgets

	2024	2025	2026	2027	2028
Net Gas Savings %	0.8%	1.0%	1.3%	1.6%	1.9%
Budget	\$ 411 mil	\$ 551 mil	\$ 716 mil	\$ 901 mil	\$ 1,147 mil

Industrial Savings/Budgets

	2024	2025	2026	2027	2028
Net Gas Savings %	0.4%	0.6%	0.7%	0.8%	0.9%
Budget	\$ 45 mil	\$ 63 mil	\$ 81 mil	\$ 93 mil	\$ 110 mil

- Values summarized above from the APS are DRAFT
- Budgets include incentives only
- Draft Commercial APS outputs are not yet available
- % Savings are relative to respective year forecast volumes
- Budgets summarized above are drawn from APS Scenario A (0.5% Reduction)
- Budgets summarized above are Net not Gross and would need to be “grossed-up” to establish program budgets
- APS Scenario B (1.0% Reduction) budgets are significantly larger for residential however are maxed out for Industrial

DSM Budget Envelope



The OEB is of the view that a greater understanding is required of the relationship between adjustments to targets and budgets and the impacts of increases to either has on the overall DSM plan, including performance metrics, program opportunities, and overall costs including rate impacts. This is an area that should be explored further, likely as part of the next natural gas conservation potential study and is expected to be a significant component of consultations undertaken by the SAG (OEB Decision, p. 65)

Question for Intervenor

With the OEB's expectation of gas savings targets equivalent to at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, is there support for the significant increases in DSM budgets required to deliver on these targets?



Distribution of DSM Plan Targets

Enbridge Gas Proposal:

Even distribution of targets across sectors, as overall, all sectors need to contribute to reductions and all sectors need programming that supports reductions.

Adjustments to the even distribution will be guided by potential achievable results, relative cost-effectiveness and equity considerations (broad reach, low income, etc.)

SAG Feedback

Most SAG members suggested that even percentage targets across sectors is a good starting point. Adjustments to percentages for each sector can be made based on max achievable results, cost-effectiveness and equity considerations.

Question for Intervenors

Is there a desire for even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should they be weighted?

Ability to Collaborate and Attribution of Results



- *“I encourage the OEB to continue its work reviewing the current intervenor processes and to identify opportunities to improve regulatory efficiency and consequently reduce regulatory burden.”* Todd Smith, Minister of Energy, from Letter of Direction to the OEB, Nov 29, 2023.
- Attribution of results by spend can discourage Enbridge from collaborating
- Example below shows a partnership that drives 56% more results but Enbridge claims 22% less results

Enbridge Offer	
Forecast Units	10,000
m ³ /Units	100
Forecast m ³	1,000,000
Incentive/unit	\$ 100
Budget	\$ 1,000,000

Partnerships - Attribution by \$	
Total Forecast Units	12,500
m ³ /Units	125
Total Forecast m ³	1,562,500
Partner incentive/unit	\$ 100
Incentive/unit	\$ 200
Total Budget	\$ 2,500,000
Enbridge Budget	\$ 1,250,000
Partner Budget	\$ 1,250,000
Enbridge m ³	781,250

Ability to Collaborate and Attribution of Results



Guiding principles:

Enbridge Gas should not have a disincentive to coordinate DSM efforts with external energy conservation and carbon reduction initiatives.

Enbridge Gas as the program administrator needs to be able to do the right thing for consumers first and foremost.

All parties should be looking for a solution that minimizes regulatory process.

Enbridge Gas Proposal:

All funding sources impact annual scorecard target (i.e. all HER+ results count toward annual sales volume reduction targets vs. only gas savings attributed to EGI)

- If not, what happens if targets become unachievable due to new collaborative funding?
- How does budget adjust to other funding coming into the Ontario market

SAG Feedback

No clear consensus discernable from SAG feedback ... Range of comments on attribution considerations in assessing/impacting targets



Consideration for DSM Plan Targets

Should there be a cap on Electrification as % of the Portfolio or Scorecard?

- Expected that APS will show large portion of hitting 1% targets will be through electrification.
- Should DSM program consider impacts on the electric system? How specifically? Maximum electrification % of target at scorecard or portfolio level? Other?
- What if electric system constraint(s) are identified during the DSM Plan term? What target adjustments would be made and how (process)?
- (Note: Enbridge understands this is likely to emerge at a regional level(s) rather than total system level and type of electrification can mitigate electric system impacts)
- High degree of uncertainty on whether this item is truly impactful for 2026-2030

SAG Feedback

No clear consensus discernable from SAG Feedback ... Comments received vary and don't address how EGI/electrification targets may need to evolve based on evolving capacity assessment. Many comments suggest no cap be implemented, a few comments acknowledge need to engage IESO/LDCs to assess grid constraints.

Evolution of End-of-Term NG Reduction Incentive

For current (2023-2025) term: *To be eligible to earn the End-of-Term Natural Gas Reduction Incentive, Enbridge Gas must achieve a total reduction in weather normalized annual natural gas sales volumes of 1.5% over the three-year term. (OEB Decision, p. 3)*

- DSM does not have the ability to impact all throughput volumes, if this is a DSM measure adjustments are needed to align with what DSM has control over
- The SAG has not indicated this is DSM only
- Are adjustments beyond weather* required?

Consider removing;

- Customer growth
- Significant carbon reduction projects (i.e. coal to gas)
- Gas fired generation (short term increase for long term refurbishments)
- Increases in feedstock volumes
- Carbon captured volumes
- RNG/Green gas volumes
- Deliveries to Ontario customers not included in DSM programming (other utilities primarily)

Takeaways



Takeaways

- Request any feedback you wish to provide on the following key items is submitted to Enbridge Gas by April 2nd
 - We will send a communication following the meeting that parties can use for reply
1. Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?
 2. Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?
 3. Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

ENBRIDGE DSM PLANNING ENGAGEMENT INTERVENOR FEEDBACK FORM

March 26, 2024

Name of Intervenor Respondent: Clement Li, Building Owners and Managers Association (BOMA)

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) as outlined in slides 15 & 16 - i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

On slide 15, Enbridge proposed that about 15% (i.e. 4020/27545) of total volume is not subject to DSM programs and therefore should be excluded from the target calculation. A breakdown of the 5 categories was not provided but BOMA believes that excluding gas-fired generators volume and Industrial feedstock volume seems reasonable. Enbridge's own use fuel (in particular their buildings) should be required to demonstrate exceptional performance.

On slide 16, Enbridge proposed to set the DSM target for each year of the term using one base year's volume. The OEB's Decision requires a calculation for each year's target based on prior year volume on a weather normalized basis. Enbridge should neither benefit nor be penalized for weather variances. As such, BOMA does not support Enbridge's proposal and believes the methodology stated in the OEB Decision is appropriate.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026 2030?

BOMA supports the budget increases required to deliver on the OEB targets.

BOMA encourages Enbridge to seek out and assign high priority to cost-effective programs through additional consultation with the industry. BOMA believes a significant amount of savings can be achieved through very cost-effective DSM programs in the commercial sector.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost effectiveness, equity, etc., be taken into account . If so, how should such considerations be prioritized/weighted?

BOMA does not support an even distribution of targets across sectors.

The commercial sector still has many "low hanging fruit", when compared to both the residential and industrial sectors. A large amount of natural gas and electricity savings can be achieved with highly cost-effective (low capital investment) commercial sector DSM programs. Priority should be based on cost effectiveness and amount of achievable potential savings. In order to achieve GHG targets, it is vital to increase effort/priority/incentive for higher potential DSM programs.

Other important priorities are to ensure DSM programs cover under-represented segments, and customer affordability.

Question 4: Are there any other comments you wish to share?

From the virtual meeting chat record: Mr. J Shepherd stated that:

“The APS uses the traditional approach, and in a period of significant change assuming past information is predictive of the future is just wrong.....There is no stakeholder consultation related to the APS.”

Based on the virtual meeting chat record (from Mr. J Shepherd and Mr. C Neme):

“The SAG has not seen a “DSM Plan” and therefore there is no consensus with the SAG”

BOMA supports the above statements. In this time of urgency and unprecedented energy transition, orthodoxy is stifling necessary change. This begins with the APS, which is stuck in the past and will not provide the needed strong, evidence-based foundation for new frameworks, targets, scorecards and programming. BOMA believes stakeholder input is vital to a successful APS and DSM plan and encourages Enbridge to seek further input before the DSM plan is finalized.

In order to implement large-scale, cost-effective natural gas DSM, interval metered (AMI) natural gas data is considered a crucial enabler. Enbridge should assign high priority to AMI implementation so GHG/DSM targets can be achieved. AMI can also help clarify debate over M&V and free-ridership, which could otherwise limit success.

Finally, BOMA believes that in both APS and DSM planning, it is unhelpful to combine commercial with industrial programs as they are completely different in nature.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: Canadian Manufacturers & Exporters

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

CME view is that Enbridge's proposal seems reasonable in this respect.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

CME supports an increase in DSM budgets in order to deliver on the targets outlined by the OEB. It is CME's view that EGI should focus additional resources on industrial related programming given the high volume of natural gas used by industrial consumers, and the (relatively) low success of industrial programs relative to other sectors.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

CME supports a more focused approach to DSM. While CME believes that all sectors should have access to programming, CME's view is that Enbridge should focus greater attention on industrial related programs (and therefore should focus more of their targets there). Given the potential carbon reductions that could be leverage by focusing on industrial programs and EGI's current scoring in that area (below most other sectors) CME supports an approach whereby EGI spends additional time and consideration on industrial related DSM.

Question 4: Are there any other comments you wish to share?

CME appreciates the opportunity to provide feedback with respect to DSM. We do agree with some other stakeholders that the stakeholder session might be of greater value if it was not quite as constrained on time. That way, stakeholders would be able to provide more meaningful contemporaneous feedback, rather than being required to stay strictly to the materials provided on the slides.

Enbridge DSM Planning Engagement Intervenor Feedback Form

April 10, 2024

Name of Intervenor Respondent: Environmental Defence

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term?

The targeted m3 reductions as a percent of sales should be set based on total throughput to all Enbridge distribution customers. If only a portion of sales are used, only power generation should be excluded.

If a forecast of gas consumption is used, that forecast must include customer growth. DSM must achieve reductions in overall methane gas use, including use by new customers.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

Yes. However, Enbridge should be aiming to achieve all cost-effective DSM, and setting the investments levels as necessary to achieve that outcome. The sales percentage targets were described as being a “minimum” in the OEB decision at page 4.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

No. Enbridge should aim to maximize overall customer benefits and gas reductions while also ensuring that lost opportunities are minimized. It is important to have programs in all sectors, but that will occur naturally if Enbridge pursues all cost-effective DSM and it is *not* necessary that the targets be equal between sector. That would not be the most efficient way of achieving the greatest customer benefits.

Question 4: Are there any other comments you wish to share?

We provide the following additional comments:

1. Enbridge should provide **upstream incentives** and **instant rebates** for measures such as heat pumps. This is critical to increase uptake. The existing process is too cumbersome, requires too much investment up front while waiting for reimbursement, and is too uncertain, especially after recent events with customers not receiving the rebates they expected from Enbridge. This rules out many potential participants.

2. There should be **no cap on electrification measures** as a percent of the portfolio or scorecard. The mix of measures should be based on maximizing customer benefits and gas reductions.
3. The **end-of-term gas reduction incentive** should be based on total throughput to all Enbridge distribution customers. If a subset of sales is targeted, the only exclusion should be power generation. The consumption from new and recent connections must be included. This is important in light of the purpose of the incentive (ensuring gross gas reductions) and because the consumption from new connections can be reduced through a variety of means. As for deliveries to other utilities, Enbridge should be incented to work with those utilities to try to include them in Enbridge programming or deliver their own programming.
4. We encourage Enbridge to reconsider its position on the OEB's decision with respect to **the DSMVA and the 2024 budget**. The OEB's decision did not explicitly contemplate what has transpired. A purposive reading would allow unlimited DSMVA for all approved residential whole home measures. But even if Enbridge believes the DSMVA can only apply for the period when the GHG was active, the most reasonable approach would be to pro-rate the base budget and DSMVA amounts for the portions of the year when the GHG was and was not active, such that a portion of the base budget is remaining for 2024, plus the standard 15% DSMVA.
5. Enbridge should restart providing **incentives for heat pumps** immediately and should not wait until after the building envelope measures are restarted. In the very least, incentives should be available to customers at the levels approved by the OEB in the interim (e.g. \$1,500 per qualifying air-source heat pump).
6. The targets should not be constrained by the **achievable potential study**. That study is overly conservative for the reasons that have been pointed out in the SAG meetings by experts like Chris Neme.
7. Enbridge's programming should be **more cost-effective** in comparison to jurisdictions that have achieved comparatively greater savings levels in previous years. Those jurisdictions will be moving up the cost curve after securing the low hanging fruit.
8. The above comments are made **without prejudice** to the position of Environmental Defence in future proceedings regarding DSM. The time available to make these comments have been very limited, as has been our access to information.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: Tom Ladanyi, Energy Probe

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

The OEB decision is an expectation by the three OEB commissioners which did not consider the costs of achieving these targets. It is not an order and Enbridge is not obliged to follow it. Energy Probe does not concur.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

Energy Probe does not support any increase in DSM budgets. The spending on DSM is already too high and is at the point of diminishing returns.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

Energy Probe is a believer in the “user pay principle” and the “costs follow benefits” principle. Energy Probe believes that cost-effectiveness and equity are paramount. DSM should not be a program forces a large group of ratepayers to subsidise a small group of ratepayers who can take advantage of DSM programs. DSM should not be a “reverse Robin Hood” program that robs the poor to give money to the rich.

Question 4: Are there any other comments you wish to share?

Since EBO 169 III, the OEB decision that started DSM, the purpose and objectives of DSM has changed greatly. Originally, natural gas was seen as valuable and scarce resource. Gas distribution service was seen as an essential service, greatly valued by its customers. The purpose of DSM was to deliver gas to customers at the lowest cost by delaying system expansion through conservation demand management. Later emphasis on reducing emissions and paying customers to transition to electricity are political objectives that were superimposed on DSM. They never should have been part of DSM. If

governments want gas customers to stop using gas, they should pay for that from tax revenue, not force other gas customers to pay for it. Energy Probe speaks for the vast majority of Enbridge Gas customers who value their gas service and have no intention of giving it up or paying someone else to give it up.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: [Click or tap here to enter text.](#)

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

No. EGI's limitations on the potential of DSM limits the possible and has not been tested on the assumptions behind the numbers.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

Real investment in DSM will likely result in increased dollars to be spent. But EGI has not demonstrated efficacy in the company's ability to deliver on value for money.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

DSM should be spread in an equitable fashion. That does not mean equal. Consideration should be given to efficacy, alternatives, ability to pay and synergy with other initiatives.

Question 4: Are there any other comments you wish to share?

FRPO would like to have EGI give serious consideration to ensuring that apartments are included with IESO collaboration on the one window approach. Many apartments that have not been previously qualified could be when electricity energy savings are included.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: Industrial Gas Users Association

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

It seems reasonable to exclude from the calculation of gas consumption reduction targets volumes that cannot be impacted by DSM programs, including volumes consumed by customers not eligible for DSM programs (GFGs and customers opting out) and industrial feedstock volumes (which IGUA notes may increase substantially as certain industrial decarbonization initiatives proceed).

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

An order of magnitude increase in DSM budget would be a concern for any trade exposed industrial customers who would remain captive to DSM program costs. More information on rate impacts is required in order for IGUA to form a considered view on the matter.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

Consideration of distribution of DSM funding/rate recovery and targets across sectors requires information on customer impacts, including rate impacts. Impact on affordability for low-income customers is an obvious area of concern. Impact on economic consequences for trade exposed industrial customers who would remain captive to DSM program costs is also of concern to IGUA.

Question 4: Are there any other comments you wish to share?

While IGUA appreciates the stakeholder engagement, the time constraints and limited background material render current “feedback” necessarily based on superficial consideration only, and is subject to further information and consideration.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: LIEN

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

In the OEB Decision on the existing DSM Plan, the OEB indicated that “The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year plan will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 to the end of 2030, relative to the prior year on a weather normalized basis.” However, the OEB did not define sales.

EGI is proposing that certain volumes be deleted from sales for target setting to focus only on those volumes that would be affected by DSM, excluding volumes for customers categorized as gas fired generators (now excluded from DSM), volumes attributed to Large Volume customers who elect to opt-out of DSM, volumes delivered to Ontario utilities, estimated industrial feedstock volumes, and Enbridge’s own fuel. EGI advised that most Stakeholder Advisory Group (SAG) members supported EGI’s approach.

LIEN finds this approach of excluding certain gas volumes reasonable, with the caveat that it is not clear that feedstock volumes could not be reduced through more energy efficient processing operations that process feedstock into product more efficiently, requiring less feedstock. More explanation of this volume would be appreciated before LIEN can make a final determination on reasonableness.

The OEB DSM Decision states that the forecast to establish targets for the term of the DSM Plan should be based on “prior year on a weather normalized basis”. EGI points out that these volumes are not known until well into the calendar year and recommends a base year be used to determine 0.6% to 1.0% for each year of the term. SAG members appreciated the practicality of EGI’s original proposal, however, suggested using a multi-year forecast to determine targets, with which EGI also agreed.

LIEN concurs that multi-year sales forecast with a base year rather than a forecast relative to the prior year is preferred. LIEN agrees that it is important to know the forecast before the year starts, and not have it change during the year as this disrupts planning and delivery and can negatively affect customer experience and incentive level offerings. LIEN also agrees that a sales

forecast absent DSM and then with various DSM scenarios (budget and target) would be helpful. This would make clear the contribution expected from DSM.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

LIEN supports significant increases in DSM budget, with the continued ring-fencing of low-income DSM program budgets to achieve aggressive savings targets for income-eligible homeowners and in the low-income multi-residential sector. Since the low-income sector lacks resources to accomplish the energy transition within the sector, the low-income sector should be given priority for budget enhancement to ensure they are not one of the last remaining groups of consumers on the natural gas distribution system and responsible for any stranded assets. The level of significant budget increase for the DSM portfolio should be set such that total budget is determined and budget allocations are made in a manner that protects ratepayers in each sector from undue rate impacts. This is especially important for low-income ratepayers, as they are least able to tolerate rate increases, especially if they do not participate in the DSM programs. EGI incentives for their DSM performance should continue and provide effective incentives for EGI to achieve aggressive targets cost-effectively, but also recognize that there is limited low hanging fruit remaining and cost per unit savings are likely to increase accordingly.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

LIEN does not support an even distribution of targets, not even as a starting point, as EGI has suggested. Target setting should consider budget available, equity, cost-effectiveness, and potential savings available and ease of accessing them. As previously indicated, a budget increase for low-income programming should be prioritized and a commensurate savings target set. If EGI needs a starting point for doing target-setting, then LIEN suggests starting with the current target allocations. While LIEN recognizes that some sectors can offer higher savings per dollar spent (e.g. industrial), the DSM portfolio needs to balance the high potential achieving sectors with equity considerations and continuing to adhere to the principle of DSM program access to a broad range of sectors, including low-income and indigenous populations. LIEN does not have sufficient information to opine on how the targets should be weighted and looks forward to further consultation on this matter.

Question 4: Are there any other comments you wish to share?

As expressed by some intervenors at the engagement, it is difficult to provide firm feedback with such a limited opportunity to discuss the portfolio topics. As such, LIEN provides our response and reserves the right to change, modify or refine our response as needed, based on additional information, learnings, and discussion.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: Ontario Greenhouse Vegetable Growers

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

OGVG does not fundamentally object to the consideration of DSM gas reduction targets specific to volumes of those customers eligible for DSM programs which can be impacted by DSM activities. However, OGVG does not believe that only considering that subset of EGI's total volumes will impact the OEB's expected annual targets, as those expected annual targets, subject to a contrary direction from the EGI, have to be considered as having been arrived at with the understanding that the total volume they applied to included volumes that would not be impacted by EGI's DSM activities. For example, if EGI's total volumes for the purpose of setting the target reduction for 2026 was 1000, the target reduction was .6%, and the subset of that volume that is related to customers eligible for DSM programs which can be impacted by DSM activities was only 500, then the target percentage reduction specific to that volume would have to be 1.2% in order to achieve the OEB's expected .6% on the total volume of 1000.

With respect to the proposal to use a multi-year forecast, OGVG is, again, not fundamentally opposed to a multi-year forecast, although it obviously depends on how that forecast is developed and how, if at all, the forecast is adjusted from year to year to reflect changes in circumstances.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

OGVG cannot endorse significant increases in DSM budgets without understanding how the increased budgets will be spent and recovered from its members within the contract rate classes. As noted in the presentation provided to intervenors the spending on industrial programs, the sector within which OGVG's members exist, approached 50% of the target spending based on existing budget; in other words, EGI was unable to deliver the existing budget, suggesting that a significant increase in the budget may be moot. OGVG also notes that as contract class members, which only number in the order of 1000 or so entities out of EGI's several million customers, it should be possible for EGI to reach and provide extensive DSM programming to most if not all of EGI's contract rate class customers in relatively short order, such that, OGVG would expect, significant increases in DSM spending on contract rate classes should result in exhausting the most viable DSM savings opportunities within those classes in a relatively short time frame given EGI's existing penetration in that part of its

customer base, such that annual spending should decrease in relatively short order in order to reflect declining opportunities.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

OGVG expects that the starting position should be an even distribution of targets, with deviations from that starting position being considered on a case by case basis. For example, it may make sense to increase the targets for programs that serve classes where there are large numbers of customers that have yet to benefit from DSM spending (i.e. residential customer classes).

Question 4: Are there any other comments you wish to share?

Click or tap here to enter feedback.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: Pollution Probe

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term?

The methodology highlighted by Enbridge in the March 26, 2024 update session is the old school way of assessing targets and budgets which will result in higher costs and lower results than a more modern best practice approaches would enable. It is recommended that Enbridge consider a more modern best practice approach to target the net gas reductions (e.g. 1% and ideally more) and openly engage stakeholders (collectively is always best instead of individually) to map out the more modern innovative approaches that should be considered.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

As noted above, the budgeting exercise used by Enbridge to align with the net volume reductions will over-estimate the cost of achieving the targeted results. Using a linear extrapolation of budget against the previous DSM approaches is not the best manner to estimate realistic costs to achieve greater levels of DSM results. A modern, inclusive and innovative approach is required. Enbridge should use a grass-roots budgeting process and include broad consultation with partners across Ontario to determine what each can bring to the table in a more cost-effective manner than the current DSM approach. There is also some very low hanging fruit available that Enbridge could achieve at low (or potentially no) cost. Some of these opportunities have been highlighted previously and Pollution Probe encourages Enbridge to maximize the DSM opportunities (even before 2025 and certainly for the future).

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

EBO 169 (and subsequent guidance) identified that all sectors and customers should have access to DSM programs. Pollution Probe assumes that Enbridge intends to offer a broad range of programs across sectors. This should not be a barrier to maximizing DSM results if there is more DSM that can be leveraged from some sectors.

Question 4: Are there any other comments you wish to share?

The March 26, 2024 DSM session hosted by Enbridge was primarily a high level presentation, but there was very limited time for discussion and input. Pollution Probe requested a copy of the plan development timeline with major deliverables/milestones to help orient everyone on opportunities for input. It is recommended that regular sessions (bi-monthly or quarterly) be established to provide updates and enable sufficient time for discussion and input. There is a lot of opportunities being lost to advance DSM based on the approach outlined March 26th. It is also recommended that Enbridge plan for a full day session with all partners and relevant stakeholders to identify gaps and opportunities before the draft DSM plan is finalized.

Enbridge DSM Planning Engagement Intervenor Feedback Form

March 26, 2024

Please provide feedback using this form by April 9th, 2024.

Name of Intervenor Respondent: Vulnerable Energy Consumers Coalition (VECC)

Question 1: Do intervenors concur with the methodology for determining 2026+ DSM Plan target(s) – as outlined in slides 15 & 16 – i.e., The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities; and, Enbridge Gas should utilize a multi-year forecast to determine the annual 0.6%/0.8%/1%/1%/1% targets for each year of the plan term ?

VECC takes no issue with the calculation methodology as proposed.

Question 2: Do intervenors support significant increases in DSM budgets required to deliver on the 0.6%/0.8%/1%/1%/1% targets expected for 2026-2030?

VECC is not in a position to support the significant increases in DSM budgets at this time. Net savings of 1% in 2025 for Residential customers requires a budget of \$551 million. This level of investment is significantly higher than the OEB-approved total budget of \$167.24 million in 2023. Additional information on the resulting bill impacts and benefits to customers is required, and further direct input on the SAG perspective is needed, before VECC can agree the proposed budgets are reasonable and appropriate. VECC is concerned about the financial impact on low-income non-participants.

Question 3: Do intervenors support an even distribution of targets across scorecards (sectors) or should other considerations such as cost-effectiveness, equity, etc., be taken into account. If so, how should such considerations be prioritized/weighted?

VECC does not support an even distribution of targets across scorecards. In VECC's view, other considerations should be taken into account and further consultation should be undertaken to establish these considerations and associated weightings.

Question 4: Are there any other comments you wish to share?

VECC supports an enhanced stakeholder engagement process to inform the next DSM plan. VECC seeks a better understanding of how the changing energy landscape and new policy developments at the provincial and federal level are being considered in the next DSM plan with respect to targets, budgets and programs.

DSM Intervenor Stakeholder Meeting

The following slides are provided to facilitate engagement with DSM Intervenorors.
They may contain illustrative forecasts, estimates and draft representations at the current point in time and should not be interpreted or referenced in any other way.



DSM – Intervenor Consultation

Our objectives today as the Company develops its next DSM Plan :

- 1) To provide insight to interested parties into Enbridge Gas's direction, with reference to discussions highlighted by OEB Staff this morning with the DSM Stakeholder Advisory Group (SAG) and outcomes of the APS.
- 2) To seek feedback on specific topics/questions as appropriate to supplement input from the SAG.
- 3) To provide an update of the HER relaunch and HER+ wind-down.

Update: HER+ and Home Efficiency Rebate Program

Whole Home Program Offering Launch



- Enbridge Gas to launch a whole home program offering in 2024 to:
 - Revert to historical HER branding.
 - Ensure Ontario residential consumers/ratepayers have access to conservation programming that supports their choices in upgrading their home to conserve energy and save on bills.
 - Preserve Energy Auditor/Service Organization capacity in Ontario for continuation of whole home type conservation programming – continuity for future DSM terms.
- Following confirmation of approach from OEB, Enbridge Gas filed letter with OEB confirming July launch.
- Enbridge Gas to utilize the OEB approved parameters for the Residential program.
 - Deliver HER programming within the 2025 budget approval, incl. 15% overspend provision.
 - Communication to consumers that incentives to be paid in 2025 from 2025 budget.

HER+ Wind-Down & Ratepayer Impacts



- Per previous communications, spend in 2024 will materially exceed budgeted amounts in rates.
- Current 2024 HER+ DSM forecast spend \$190 - \$230 million (budget ~\$80 million).
 - Dependency: # consumers who complete program requirements in 2024 + the combination of measures completed/associated rebates.
 - Processing timelines for volume of participation and year end cut off dates.
- Normal practice is variance cleared to rates in annual DSM clearance (2024 DSM spend expected to clear in 2026).
 - Large \$ amount to hit residential rates in 2026.
 - Rate impact to be on top of DSM Plan budget increases starting in 2026.
 - For discussion, use \$120 million variance in 2024 and prescribed variance account rates of ~5%.

Question:

Should Enbridge Gas propose some portion be cleared to rates in 2025 to mitigate rate impacts?

What is a reasonable proportion of the forecast overspend? E.g.: \$60M cleared in '25/remainder in '26

2026+ DSM Plan Development



DSM Plan Update

Completed

- Review of current programs - performance, lessons learned, gaps, opportunities.
- Discussion/Feedback from SAG on broader portfolio items.
- Commercial/Industrial program SAG consultation - 6 sessions (March thru May).

Ongoing/In-Progress

- Research and jurisdictional scans to identify other gaps/opportunities – program measures, design or delivery to consider/follow-up for SAG feedback.
- Broader Stakeholdering – customers/industry participants.
- Discussions with IESO on collaboration/"one window" approach.

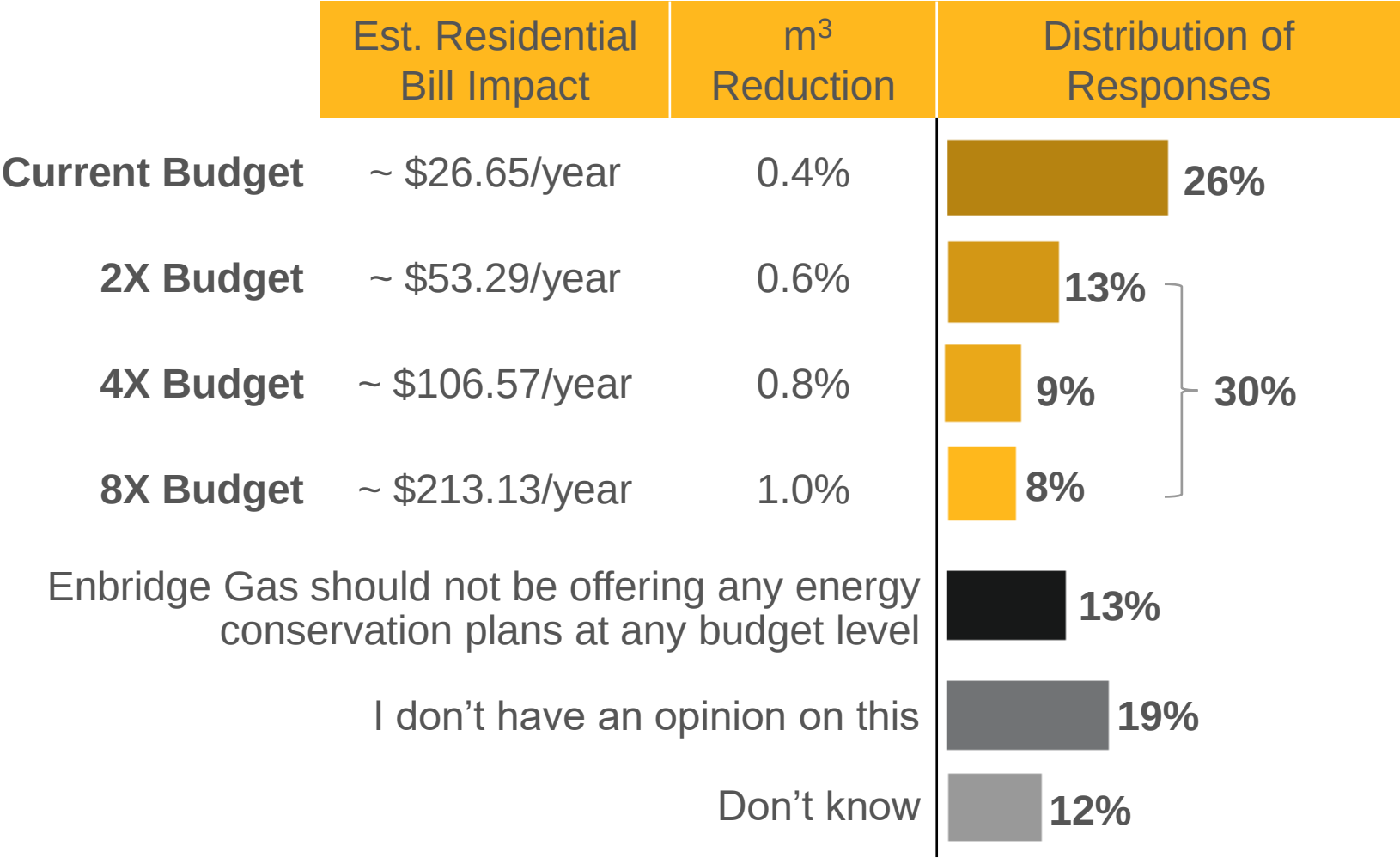
Upcoming

- Residential/Income Qualified SAG consultation - July 11th, 16th, August 1st.
- Commercial/Industrial Consultative - August 15th.
- Residential/Income Qualified Consultative – August 22nd.
- 2026-2030 DSM Plan filing targeted for late fall.

Customer Engagement - DSM Budget Levels

- Enbridge Gas retained INNOVATIVE Research Group to gauge customer support for various DSM budget options.
- A survey was conducted May 29 – June 19, 2024, among residential customers.
- The survey included background material and clear trade-offs for each budget option detailing benefits (such as emission reductions, available programs, and rebate levels) against estimated bill impacts.
- Bill impacts were shown in context with full projected bill amounts.
- The survey was pre-tested with in-depth interviews in May to ensure understanding of the content.
- Final report is pending – findings shown on the next slide are preliminary.

Customer Engagement - DSM Budget Levels



PRELIMINARY RESULTS

[asked of all respondents; n=3,600]

The option labels shown here have been simplified for brevity. Option labels provided to customers were more detailed and included trade-off information. Full survey content, including background information provided to respondents, will be included in the final report.

Additional DSM Budget Consideration



- Letter to OEB from Minister of Energy (November 29, 2023):

“As the OEB begins planning for future natural gas energy efficiency programming that would take effect in 2026, I continue to look to the OEB to ensure Ontario electricity and natural gas ratepayer interests are protected and that Ontario takes every opportunity to generate deeper retrofits, more energy savings, and greater emissions reductions while ensuring natural gas costs remain affordable, stable and predictable.”
- DSM Framework Guiding Principle:

“DSM plans should balance the achievement of cost-effective natural gas savings and customer bill impacts. The appropriate level of ratepayer funding expended for DSM programs must weigh the benefits of the level of cost-effective natural gas savings to be achieved against both short-term and long-term customer bill impacts.”



Next DSM Plan Budget Proposal

- With consideration for recent stakeholder feedback and direct customer survey responses, Enbridge Gas is proposing a budget that responds to government expectations for continued natural gas cost affordability and stability but supports increased natural gas savings, though likely lower than the OEB's expectations for annual net throughput reductions in the 2026-2030 term of 0.6%/0.8%/1%/1%/1% respectively.
- **Enbridge Gas is proposing a ramping up of the DSM plan budget that approaches 2 – 2.5 times the 2025 annual budget adjusted for inflation by the end of the 2026-2030 term relative to the current DSM plan.**

Illustrative Program Budget 2025 vs. 2030



Program *	2025 (\$millions)	2030 ** (\$millions) +/- 10%
Residential	\$89	~ \$200
Low Income	\$29	~ \$65
Commercial	\$32	~ \$80
Industrial	<u>\$20</u>	~ <u>\$55</u>
TOTAL	\$170	~ \$400

* Amounts estimate program budgets and do not include portfolio administration

** 2030 amounts include assumed year over year inflation increases of 2%

Question:

Do these increased estimated budget levels strike the right balance of increasing focus on energy conservation and managing rate impacts?



Innovation

- Guiding principle (from DSM Framework):
 - “DSM plans should support innovation, technology development and adoption of lower-carbon alternatives to enable longer-term energy efficiency and conservation opportunities, consistent with the advancement of provincial policy goals.”
- The SAG has recommended an increase in funding for innovation.
- Current Research and Innovation Fund is ~\$3 million.

Question:

What allocation of budget is supported for these activities?



Enbridge Gas/IESO Collaboration

- Guiding principle (from DSM Framework):
 - “Where appropriate, Enbridge Gas should coordinate and integrate natural gas DSM, with other conservation initiatives, including electricity CDM efforts and municipal energy plans.”
- Enbridge Gas and IESO continue to collaborate on offerings like Home Winterproofing/EAP, Residential Smart Home, and Commercial Direct Install.
- Further to MOE communications urging coordinated delivery, Enbridge Gas and IESO have commenced discussions on a “one-window” approach for residential.
- Expectation that efforts to coordinate/launch may need to be staged due to timing of IESO/ Enbridge Gas approvals/DSM terms (Step 1: 2025 with additional coordination for the 2026-2030 plan term).
- Progress/Timeline: dependent on IESO government approval process.

Question:

What benefits are stakeholders looking for from Enbridge Gas/IESO collaboration activities?



Attribution of Natural Gas Reductions

- Guiding principle (from DSM Framework):
 - “Enbridge Gas should not have a disincentive to coordinate DSM efforts with external energy conservation and carbon reduction initiatives.”
- Enbridge Gas as the program administrator needs to be able to do the right thing for consumers first and foremost.
- Current attribution framework can discourage partnerships
- SAG has recommended 100% attribution of gas savings to Enbridge Gas for partnerships with “material” contributions acknowledging that financial contribution is only one component, and this is the trend in other jurisdictions.

Question:

What thoughts do stakeholders have on this approach?



DSM Plan Priorities

- Beyond a focus on natural gas reduction targets, the DSM plan will require consideration of tradeoffs across various priorities. Enbridge Gas is seeking feedback on consideration of the guiding principles (from the DSM Framework):
 - “DSM plans should balance the expectation that cost-effective natural gas savings should be maximized while still providing opportunities for a broad spectrum of consumer groups and customer needs to encourage widespread customer participation over time and ensure all segments of the market are reached in some capacity.”
 - “DSM plans should ensure that small volume, low-income and on-reserve First Nations communities are well-served.”
 - “DSM plans should include strategies to increase the natural gas savings by targeting key segments of the market and customers where opportunities for efficiency improvements have been identified.”
 - “DSM plans should minimize lost opportunities for energy efficiency and should be designed to pursue long term energy savings.”

Question:

How should competing objectives be prioritized/weighted?

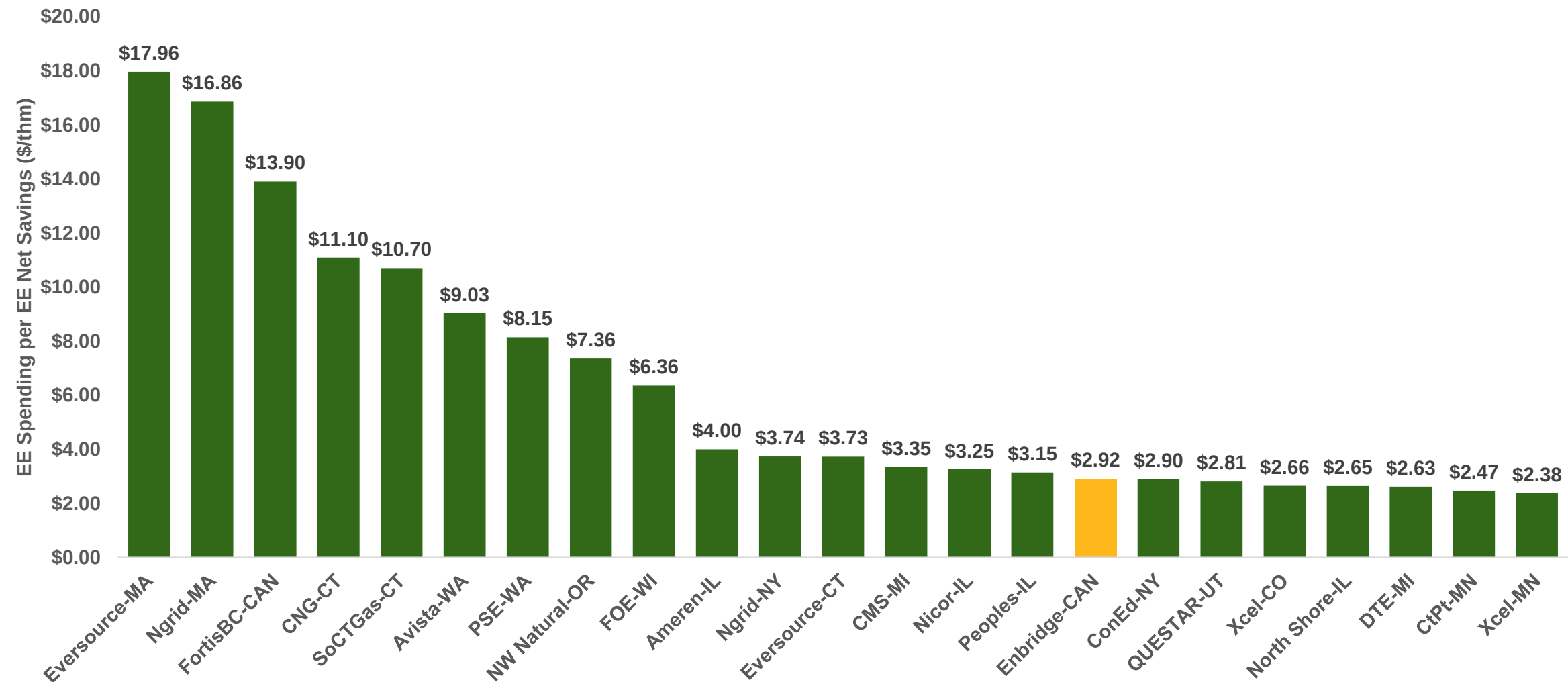
Appendix



DSM Budget Envelope

Jurisdictional Comparison

2024 Budget per Unit of Net Savings (\$/therm)



HER+ Wind-down – '24 Forecast Ratepayer Impacts

- OEB directed allowance to exceed the 15% overspend provision specifically for incentives tied to the HER+ program offering
 - *“should participation be greater than anticipated, either due to more overall participants or average participant incentives being greater than forecast, Enbridge Gas is approved 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.”* (OEB Decision, p. 31)
- Forecast for 2024 will materially exceed budgeted amounts in rates
 - Average participant incentives are higher than originally forecast
 - Rate/number of participants in program vastly exceeds original forecast
- Current 2024 HER+ DSM forecast spend \$160 - \$200 million (budget ~\$80 million)
 - Dependency: # consumers who complete program requirements in 2024 + the combination of measures completed/associated rebates
 - Note: Participants who've completed pre-audit have until Q1 2027 to complete post-audit/submit for rebates, i.e., completion timelines currently unchanged
- Expect variance to be cleared to rates as part of annual DSM clearance in 2026



Methodology for DSM Plan Target(s)

The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis. (OEB Decision, p.4)

Enbridge Gas Proposal: The DSM Plan gas reduction target(s) should include the volumes of those customers eligible for DSM programs which can be impacted by DSM activities.

i.e., the following volumes would be excluded from consumption basis:

- Volumes for customers categorized as gas fired generators (excluded from DSM)
- Volumes attributed to Large Volume customers who elect to opt-out (TBD)
- Volumes delivered to other Ontario utilities
- Estimated industrial feedstock volumes
- Enbridge’s own use fuel

Example calculation of 1% target*:

	million m ³
Total Consumption	27,545
Power/Wholesale/Feedstock	4,020
DSM Applicable Volumes	23,525
1% of Consumption	235
2023 Results	93

*Illustration based on 2022 volumes.

SAG Feedback

Most SAG members supported Enbridge Gas’s interpretation for determining targets

Question for Intervenorors

Do parties concur with Enbridge Gas proposal and SAG feedback?



Methodology for DSM Plan Target(s)

The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis. (OEB Decision, p.4)

- OEB decision states “prior year on a weather normalized basis”, but these volumes are not known until well into the calendar year – is this most practical approach?
- Leveraging a forecast to establish targets for the term of the DSM Plan will provide certainty on the target in advance, allowing the budget to be set for the term during the Regulatory application.

Enbridge Gas Proposal:

More practical that a base year be used to determine 0.6% to 1.0% for each year of the term.

SAG Feedback

Most SAG members appreciated the practicality of Enbridge Gas’s original proposal however suggested utilizing a multi-year forecast to determine targets for the plan term

Question for Intervenors

Do parties concur with Enbridge Gas proposal adjusted for SAG feedback?

Ability to Collaborate and Attribution of Results



- *“I encourage the OEB to continue its work reviewing the current intervenor processes and to identify opportunities to improve regulatory efficiency and consequently reduce regulatory burden.”* Todd Smith, Minister of Energy, from Letter of Direction to the OEB, Nov 29, 2023.
- Attribution of results by spend can discourage Enbridge Gas from collaborating
- Example below shows a partnership that drives 56% more results but Enbridge Gas claims 22% less results

Enbridge Gas Offer	
Forecast Units	10,000
m ³ /Units	100
Forecast m ³	1,000,000
Incentive/unit	\$ 100
Budget	\$ 1,000,000

Partnerships - Attribution by \$	
Total Forecast Units	12,500
m ³ /Units	125
Total Forecast m ³	1,562,500
Partner incentive/unit	\$ 100
Incentive/unit	\$ 200
Total Budget	\$ 2,500,000
Enbridge Gas Budget	\$ 1,250,000
Partner Budget	\$ 1,250,000
Enbridge Gas m ³	781,250

Evolution of End-of-Term NG Reduction Incentive

For current (2023-2025) term: *To be eligible to earn the End-of-Term Natural Gas Reduction Incentive, Enbridge Gas must achieve a total reduction in weather normalized annual natural gas sales volumes of 1.5% over the three-year term.* (OEB Decision, p. 3)

- DSM does not have the ability to impact all throughput volumes, if this is a measure of DSM impacts, adjustments are needed to align with what DSM effects (Note: SAG has not assumed this is a measure of DSM only)
- In consideration of an End of Term incentives for the next plan, are adjustments beyond weather required?

Consider removing;

- Customer growth
- Significant carbon reduction projects (i.e. coal to gas)
- Gas fired generation (short term increase for long term refurbishments)
- Increases in feedstock volumes
- Carbon captured volumes
- RNG/Green gas volumes
- Deliveries to Ontario customers not included in DSM programming (other utilities primarily)

DSM Plan Development Overview

Daniel Johnson – Manager, DSM Strategy and Policy

The following slides are provided to facilitate discussion with parties engaged in the development of 2026+ DSM programming.

DSM Plan Engagement Update

Completed

- Discussion/Feedback from SAG on broader portfolio items.
- Commercial/Industrial/Residential and Income Qualified program SAG consultation (March through August)
- EGI hosted Intervenor Meeting March 26th
- OEB convened Intervenor Meeting on June 27th

Ongoing

- Broader Stakeholdering – customers/industry participants.
- Discussions with IESO on collaboration/"one window" approach

Upcoming

- Commercial/Industrial Consultative – August 15th
- Residential/Income Qualified Consultative – August 22nd
- Portfolio Level reviews with SAG -- September

2026-2030 DSM Plan filing targeted for late fall.

Recap of What EGI Heard June 27th

- On the **budget** – re: EGI’s proposal to ramp up DSM Plan budget 2 – 2.5 times the 2025 approved DSM budget adjusted for inflation by end the of the 2026-2030 term.
 - Acknowledgement of EGI’s position that this would not support achievement of the OEB’s expectations for annual net throughput reductions over the term of 0.6%/0.8%/1%/1%/1%
 - Expectation that EGI address what budgets would be required to reach those target reductions
 - Expectation the EGI provide understanding of resulting forecast rate impacts of EGI’s eventual proposal
 - Expectation that EGI outline, in addition to the budget forecast, the net benefits forecast in its DSM Plan proposal for the savings targeted

Recap of What EGI Heard June 27th

- On the topic of **innovation**:
 - Desire for clarity on objectives/focus/governance for any innovation offer/proposal
- On the topic of **attribution**:
 - General agreement there should not be a disincentive of EGI to pursue collaboration and suggestion that a proposal could be included in the DSM Application
- On the topic of **IESO/EGI collaboration** benefits/priorities:
 - Improve customer experience
 - Reducing administration/paperwork
 - Marketing benefits/efficiencies
- On the topic of **DSM Plan Priorities**:
 - Acknowledgement of the challenge in addressing multiple priorities in the Framework as well as respond to OEB targets that did not consider budget levels

Today's Objectives

Our objectives today as the Company develops its next DSM Plan:

- 1) To provide insight to interested parties into Enbridge Gas's current Commercial/Industrial program proposal following our engagement with the SAG
- 2) To seek relevant feedback to supplement input from the SAG. In particular:
 - i) Are there program gaps? If so, what specific examples can be provided
 - ii) EGI has endeavoured to propose a balanced program, providing opportunities to reach a broad range of commercial/industrial customers to drive meaningful reductions while balancing ratepayer impacts. Does the current proposal provide an appropriate balance?

Enbridge Gas Commercial Program Overview

Scott Hicks – Manager, Energy Conservation Program Design & Technology QA/QC
Carolyn Mendlowitz – Supervisor, Commercial/Industrial Program Innovation

The following slides are draft materials and are provided to facilitate discussion with parties engaged in the development of 2026+ DSM programming.

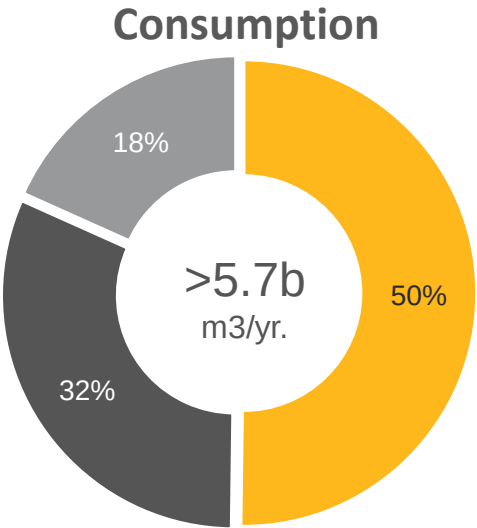
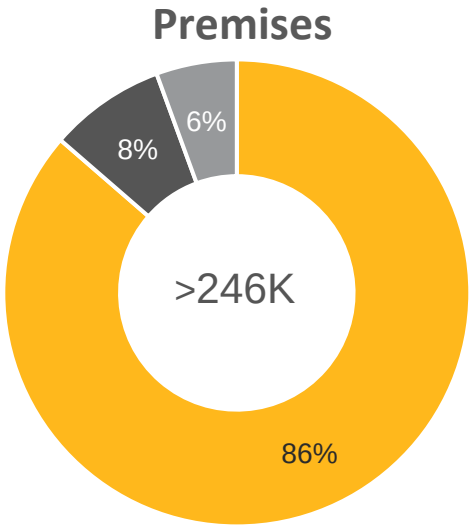


Commercial Market Overview

Commercial Customers can be broadly classified under the following market segments:

Business	MURB	MUSH
Facilities involved in selling of products and services, such as: • Long-Term Care • Office • Food Service • Retail • Warehouses • Entertainment • Hospitality, etc.	Part 3 Multi-unit residential buildings with 4 stories or more. Includes: • Private or Corporate owned MURBs • Affordable housing Multi-unit Residential Buildings (AHMR)*	Includes: • Municipal owned buildings • Universities and Colleges • Primary and Secondary schools • Hospitals

*AHMR market will be addressed as part of the Income-Qualified presentation



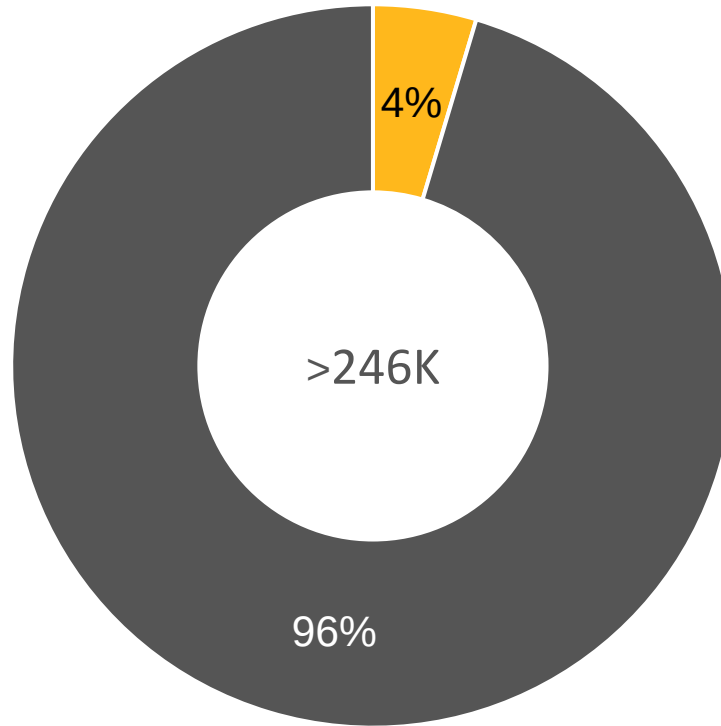


Market Overview

Unique Characteristics	Business	MURB	MUSH
Use of Natural Gas:	Space heating, hot water and cooking	Space heating and domestic hot water	Space heating, hot water, cooking, CHP and other
EE Motivators:	Cut costs, attract Investors/Tenants	Cut costs, property value, attract residents, comfort	Cut costs, sustainability (GHG reduction)
Decision Making:	Tenant vs. Owner Corporate vs. Independent	Rental vs. Condo Multiple vs. Single properties	Centralized decision making
Key Influencers:	Contractors/Engineers	Contractors/Engineers, Policies	Contractors/Engineers Policies and grants
Typical Payback Period:	Typical 3 yrs	Typical 5 yrs	Typical 3-5 yrs <i>*Tolerance for 20 yrs</i>
New Technologies:	Typically not early adopters	Typically not early adopters	Open to piloting new technologies

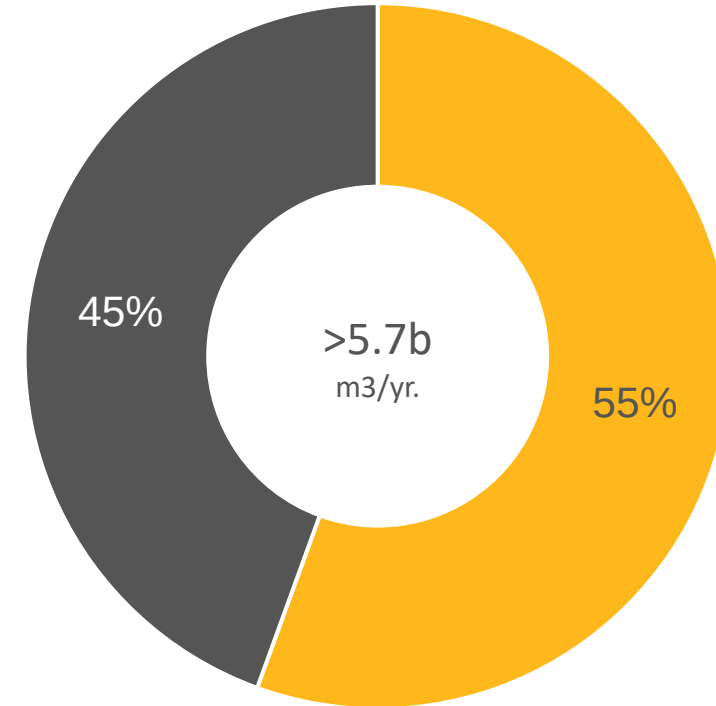
Large vs. Small Commercial Customers

Premises



■ Large, Consumption $\geq 100K$ m³/yr.

Consumption



■ Small, Consumption $< 100K$ m³/yr.

Internal Customer Strategic Considerations

Knowledge Gaps

- Low awareness of incentives/offers
- Limited knowledge of available/alternative technologies
- Limited understanding of value/benefits of EE technologies

Resource Constraints

- Lack of capital
- Lack of time/resources
- Multiple layers of decision makers

Competing Priorities

- Prioritization of projects perceived to have higher return such as improving curb appeal, aesthetics, safety, etc.
- Prioritization of electricity efficiency projects
- Disruption to operations to install new equipment

- Barriers to energy efficiency investments in general are more pronounced for smaller customers

External Customer Strategic Considerations

Code and Capacity Limitations

- Advancements in codes and standards
- Building electricity capacity constraints - Service line upgrades are a significant obstacle to fuel switching
- Capacity building – Lack of awareness, understanding and support for innovative and advanced technologies amongst contractor communities

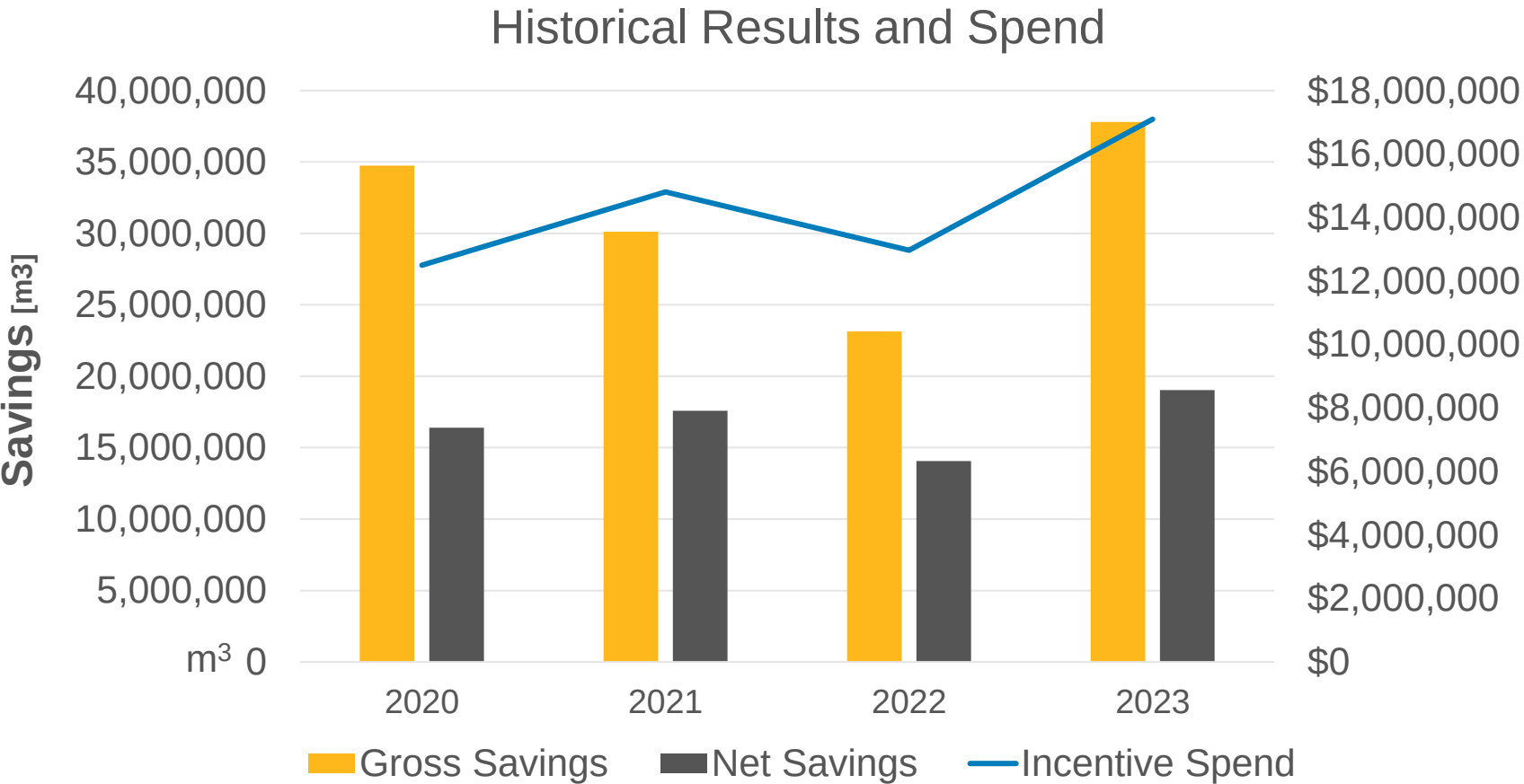
Resource Constraints

- Price increases - Cost of doing business
- Higher interest rates - Securing capital for investments is more costly
- Poor economic conditions – Slow recovery of occupancy rates in commercial offices and retail spaces

**Amendment 15
will raise
baseline for most
commercial
boiler
replacement
applications to
condensing
efficiency levels**



Historical Results



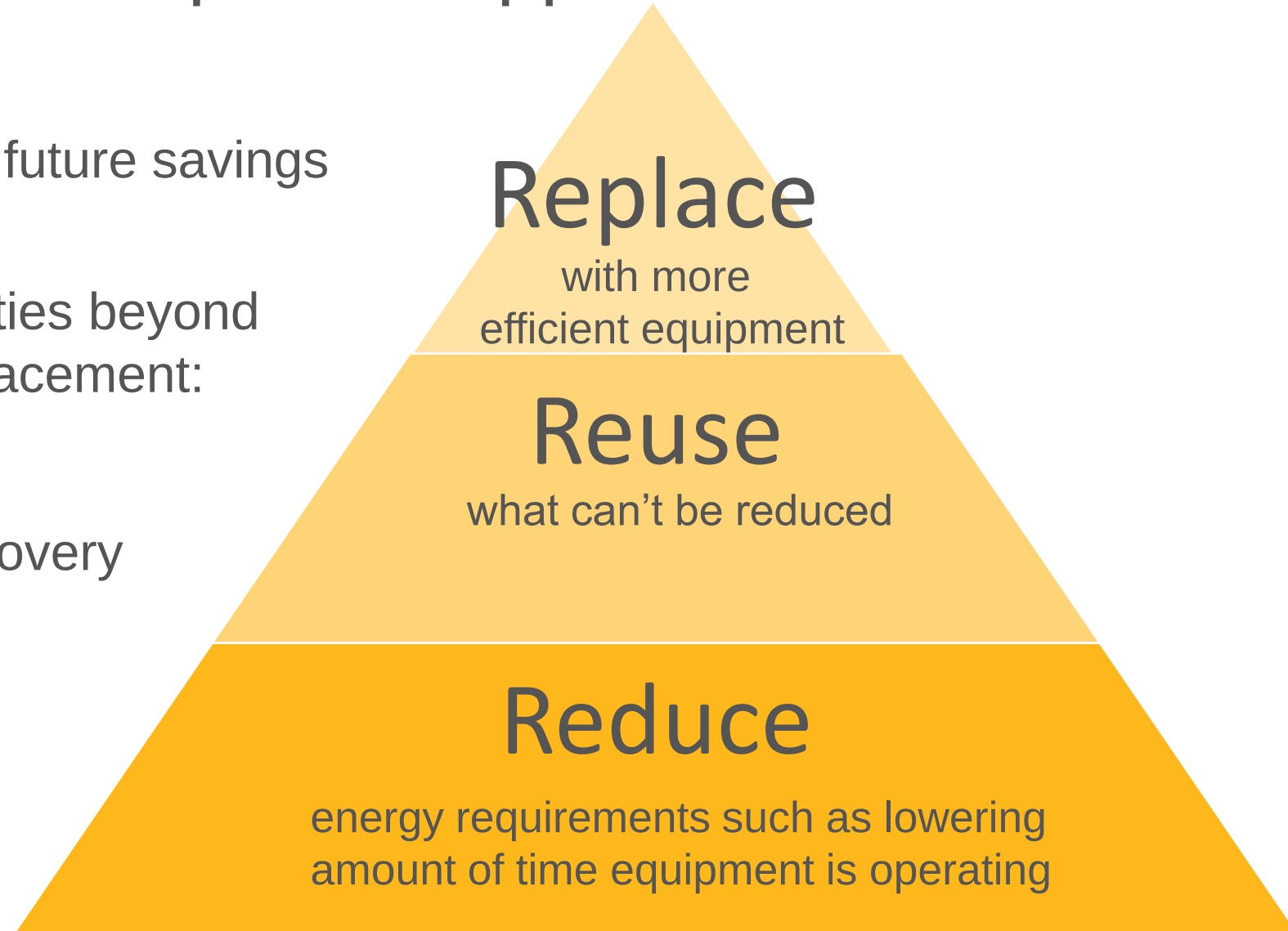
**HISTORICAL
BOILER
RESULTS**

**Approximately
40% of
commercial
results are
related to boiler
projects**

- Results are not final and subject to change (2021 data is audited and subject to OEB approval; 2022 data is audited but not yet cleared, and 2023 data is unaudited and subject to OEB approval)

Evolving Market Landscape and Approach

- Past projects do not reflect future savings potential
- Greater focus on opportunities beyond natural gas equipment replacement:
 - Building optimization
 - Ventilation and heat recovery
 - Exploring fuel switching solutions
- Capacity building



Sector Strategy

Meeting customers where they are at.

Having the ***RIGHT offers and enablers*** presented to customers through the ***RIGHT delivery channels*** at the ***RIGHT time*** to minimize lost opportunities and drive natural gas reductions.

This means:

- ✓ More offers to close program gaps and address a broader group of customers (large and small, tenants and owners, etc.)
- ✓ More enablers to overcome knowledge, resource and capacity barriers
- ✓ Growth in Trade Ally and third-party delivery models to broaden program awareness and customer reach



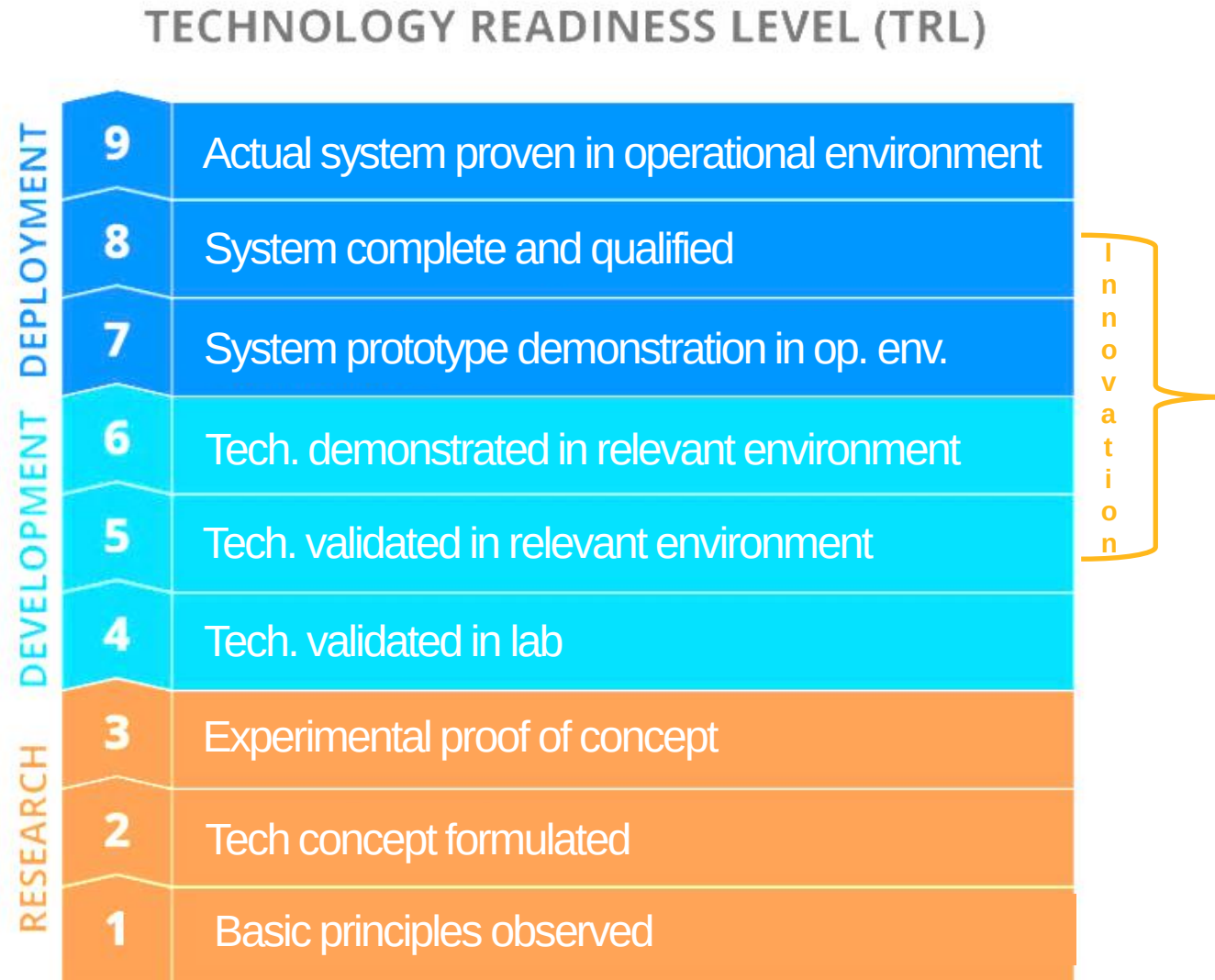
Enabling Initiatives

- Support customers to identify, quantify, justify, and prioritize efficiency opportunities
- Help customers choose the right offer path to move projects forward

Enabling Initiative	Description
Site Walk-throughs	• Conducted to identify potential opportunities
Audits, Metering and Studies	• Fund portion of third-party audits, assessments, and studies, as well as energy modelling and sub-metering
NEW Building Portfolio Planning	• Consult with key accounts to identify and prioritize energy efficiency opportunities across their building portfolio for both short-term and long-term planning
NEW Capital Asset Renewal Planning	• Review customer capital asset renewal plans and identify opportunities to incorporate efficiency improvements upon equipment/envelope and/or other planned capital replacements
NEW Strategic Energy Management	• Supports large commercial customers and key accounts in activities to encourage continuous energy management and performance improvement
NEW Building Operator Training	• Training/education of building operators on how to optimize energy use and reduce operating costs, while maintaining occupant expectations

Energy Innovation Initiative

- Supports advancement of innovative technologies towards market readiness
- Open bid and Request for Information (RFI)
- Targets technologies in development and early deployment phases of Technology Readiness
- Multi-year budget
- Ultimate objective to transition proven technologies to custom or prescriptive offers over time





Offers Overview

Category	Offer		BUS	MURB	MUSH
Single/Multi-measure capital improvements	Custom Enhanced		X	X	X
	Prescriptive	Downstream Enhanced	X	X	X
		Direct Install Enhanced	X	X	
		Upstream Enhanced	X	X	X
	Micro Business New		X		
No cost/Low cost	Operational Improvement, Recommissioning, Behavioural (ORB) New		X	X	X
Whole Building	Pay for Performance (P4P) Consideration		X	X	X

Go to Market

Energy Solutions Advisors (ESA)

Work with large customers and key accounts to:

- Identify opportunities - site visits, portfolio benchmarking, evaluating CARs, etc.
- Quantify savings and support business case development
- Aid in planning and implementation of projects
- Secure incentives to offset cost of audits, studies & other projects
- Share knowledge of best practices

Trade Ally Network (TAN)

Increased participation from service providers such as contractors, engineering firms and distributors to deliver conservation programs to customers

TAN Enablers:

- Program training
- Sales and technical support tools and training (capacity building)
- Customer and service provider incentives
- Online portal

GROW

Third-Party Implementers

Leveraged to support specific offers and/or enabling initiatives

Examples:

- P4P
- Operator training
- Micro Business

(currently exploring)

GROW

Custom Offer

Category	Current Offer	Proposed 2026+ Offer	Rationale
Offer	• Measures that require site specific inputs to calculate savings or where multiple measures are implemented with interactive effects		
Measure Mix	• Boiler upgrade projects represented significant proportion of custom results	With diminished boiler upgrade opportunities, more emphasis placed on enhancing building performance, heat recovery and hybrid solutions.	• Code change to boilers impacts programming from 2025 onward
Financial Incentives	• Avg. \$0.29/gross m3 saved • Incentive capped at 50% of incremental project cost, max \$100,000	• Avg. \$0.65/gross m3 saved • Incentive capped at 100% of incremental cost, max \$250,000* • \$3.00/gross m3 saved for heat pumps • Bonus incentives	• Adjusted for impact of increased project costs • Reflects shift towards more costly measures
Delivery Model	• Energy Solutions Advisors		• Provide technical and administrative support to large/key accounts
	• Service Providers	Expand participating service providers through development of a more formalized Trade Ally Network (TAN)	• Extend reach of programming

Prescriptive Offers

Category	Current Offer		Proposed 2026+ Offer	Rationale
Offers	- Downstream – Standalone measures with deemed savings & incentives - Upstream – Upselling of high-efficiency technologies up the supply chain - Direct Install – Turnkey solution, measures installed at little to no cost			- Simplified savings calculations reduce administration - Cater to customer needs
Measure Mix	Measures in the Technical Reference Manual (TRM)	Expanding TRM measures to include smart controls, high efficiency and hybrid RTUs, and other tech. on the horizon		Cater to a broader group of commercial customers
Financial Incentives	- Down/upstream: Cover 25% to 40% of incremental cost, avg. \$0.51/gross m3 for downstream and \$1.27/gross m3 for upstream - D/I: Cover up to 100% of incremental cost, avg. \$1.25/gross m3	- Down/upstream: Cover 50% of incremental cost, avg. \$0.75/gross m3 for downstream and \$1.50/gross m3 for upstream - D/I: Cover up to 100% of incremental cost, avg. \$1.50/gross m3 \$3.00/gross m3 for heat pumps		- Adjusted for impact of increased project costs - Buy-down payback period and grow market interest/uptake
Delivery Model	Energy Solutions Advisors			Provide key accounts with technical/admin support
	Service Providers	A more formalized Trade Ally Network (TAN) to engage more service providers		Extend reach of programming

Micro-Business Offer

Category	Proposed 2026+ Offer	Rationale
Offer	• Supports businesses that operate out of residential type buildings • Mirrors those available through the Residential program • Both single measure and Hot2000 modelled pathways available	• Cater to an underserved market
Measure Mix	• Efficiency equipment and weatherization measures similar to Residential Program, such as air sealing, wall insulation, smart thermostats and heat pumps	
Financial Incentives	• Similar to Residential program, with incentives towards site assessments and project implementation • A Direct Install approach may be taken with some measures	• Address pronounced resource constraints typical of micro-business customers
Delivery Model	• Trade Ally Network – similar delivery agents/model to Residential program	• Extend reach of programming • Avoid market confusion • Appeal to trade allies

ORB Offer - Operational. Recommissioning. Behavioural.

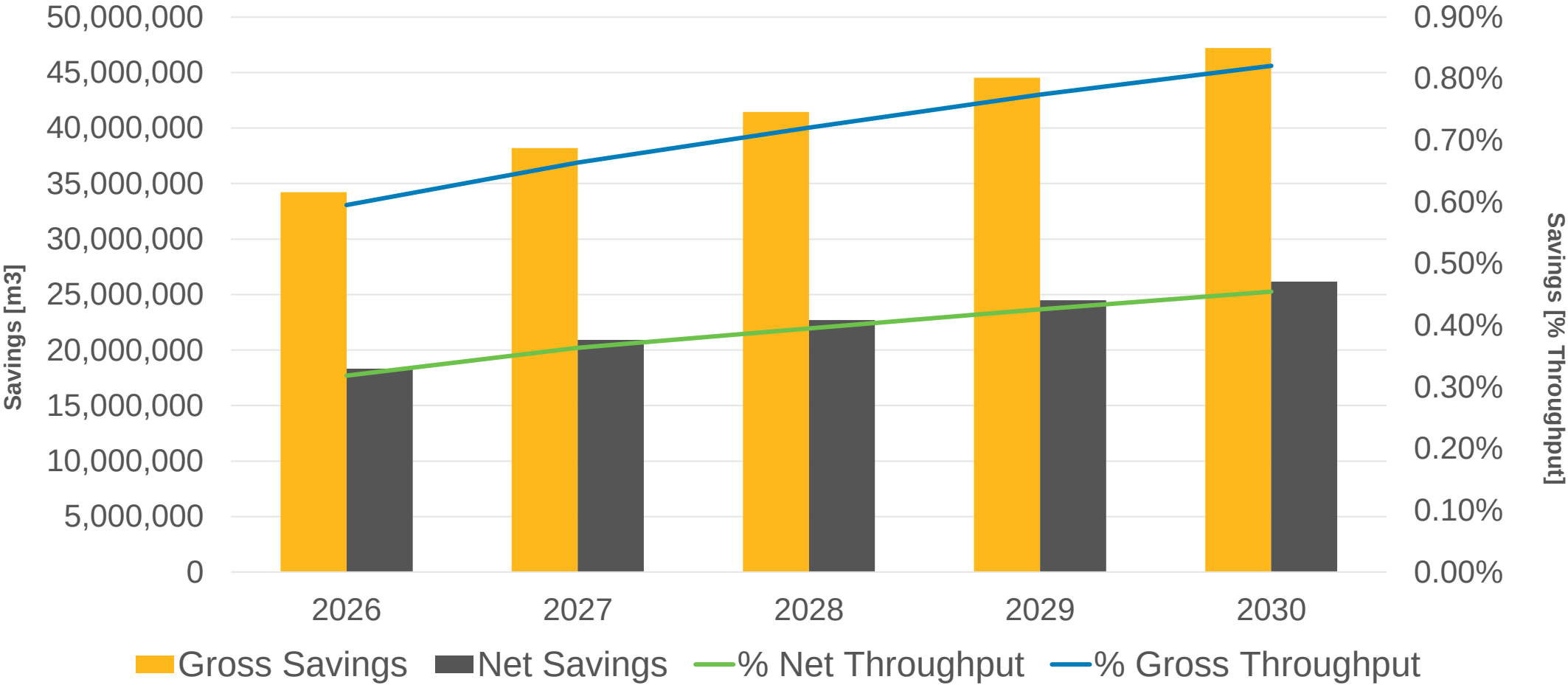
Category	Proposed 2026+ Offer	Rationale
Offer	• Simplified, efficient approach to operational, recommissioning, and behavioral improvements • Targeted building systems audit • Streamlined savings calculator	• Customer interest • Broaden program reach/engagement • Insights for future projects
Measure Mix	• Low / No cost measures	• Accessible and beneficial for customers with limited capital, resources, or decision-making capacity
Financial Incentives	• Cost coverage of pre and post site assessments • \$0.25/m³ saved	• Overcome knowledge and resource constraints
Delivery Model	• Closed Trade Ally Network of ORB service providers • Use streamlined intake form and calculator to deliver savings	• Extend reach • Reduced administration • Simplified design and implementation for TAN

P4P Offer – Pay for Performance Programming

- Offer supports all capital, behavioural and/or operational improvements made by a customer that demonstrates savings at the meter over time
- Currently piloting a multi-year approach to drive whole building energy performance improvements in K-12 schools
- Pilot is costly relative to other offers, however early stages
- Identified as an opportunity for collaboration



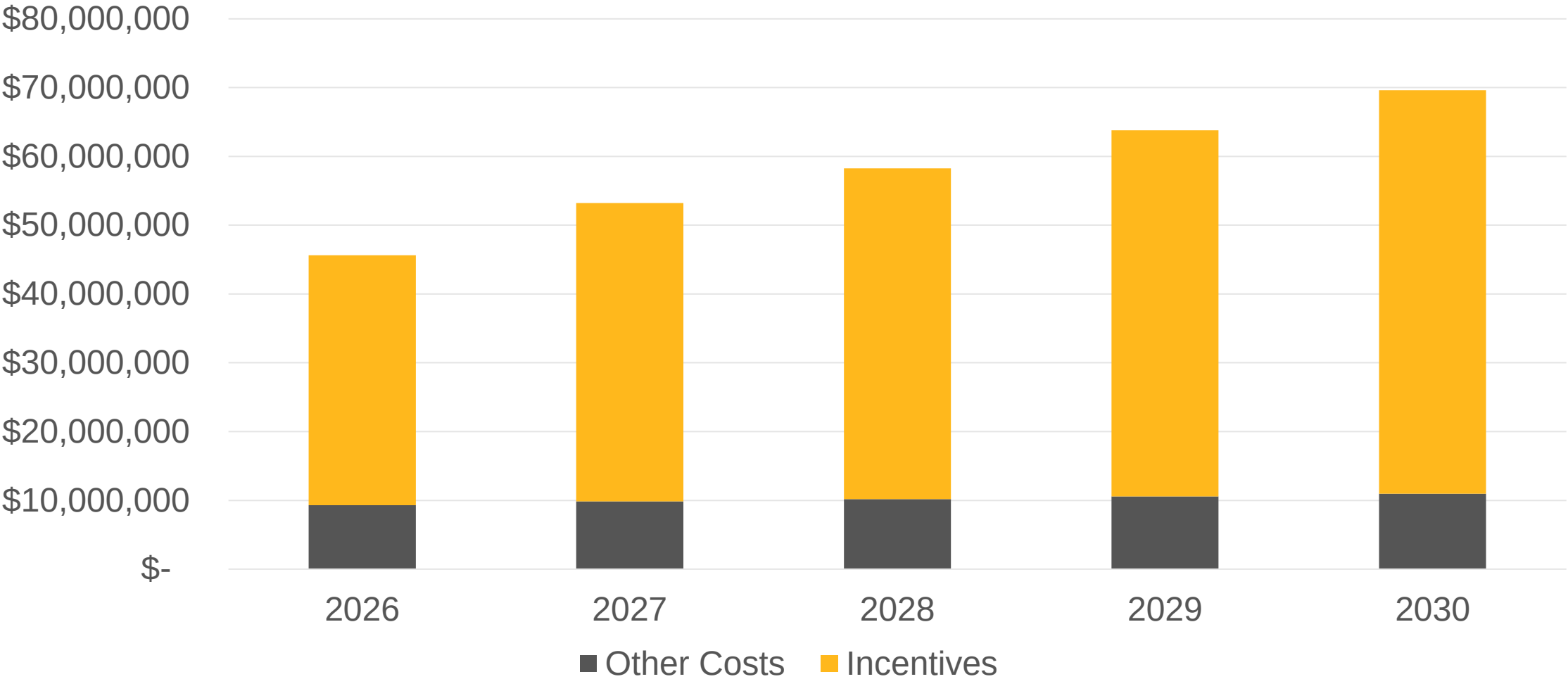
Forecast Results



Applied current NTG assumptions | Throughput based on forecast 2022 assumptions | Assumed inflation rate of 2% per year



Forecast Budgets



Assumes a 2% per year inflation rate



Forecast Results and Budgets

Forecast Results

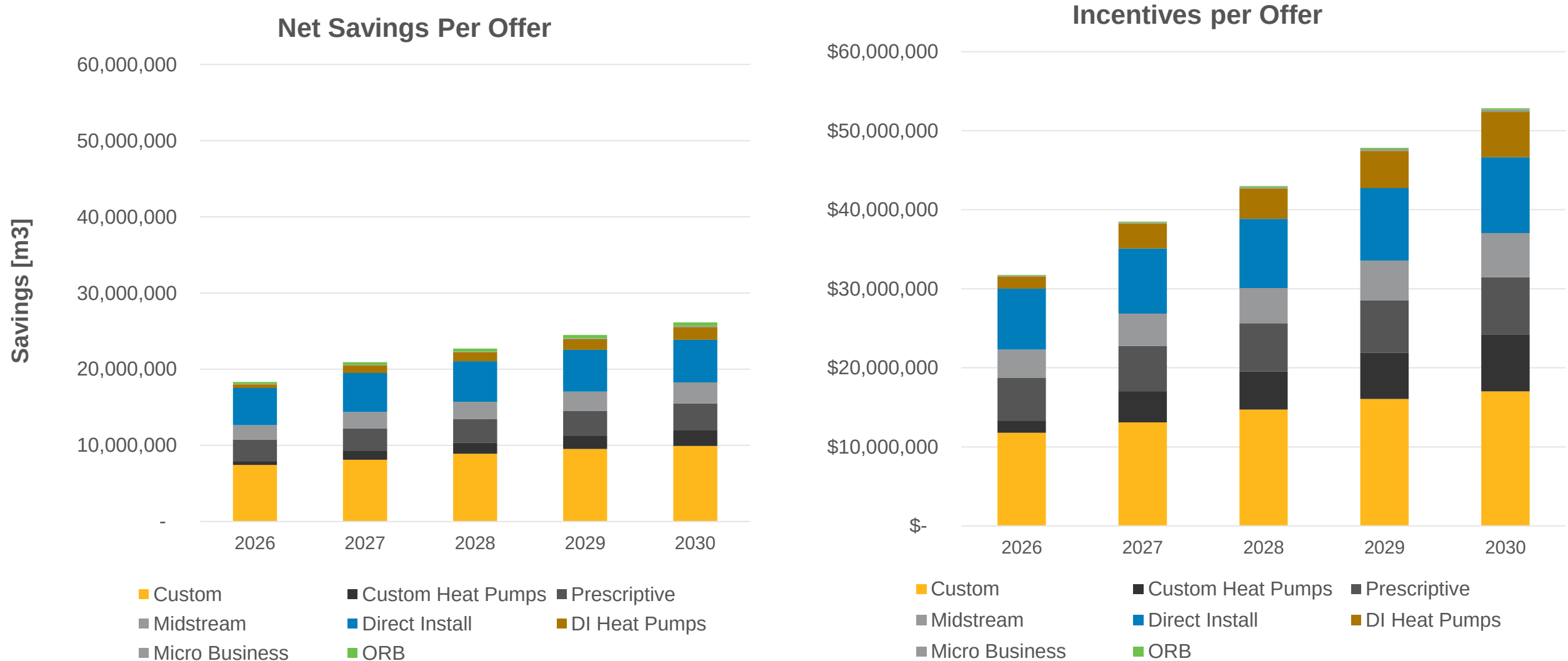
	2026	2027	2028	2029	2030
Gross Savings	34.2M	38.2M	41.4M	44.5M	47.2M
Net Savings	18.3M	20.9M	22.7M	24.5M	26.2M
% Gross Throughput	0.60%	0.66%	0.72%	0.77%	0.82%
% Net Throughput	0.32%	0.36%	0.39%	0.43%	0.45%

Forecast Budgets (% of Total Costs)

	2026	2027	2028	2029	2030
Incentives	\$36.3M (80%)	\$43.4M (81%)	\$48.1M (83%)	\$53.2M (83%)	\$58.7M (84%)
Other Costs	\$9.3M (20%)	\$9.9M (19%)	\$10.2M (17%)	\$10.6M (17%)	\$11.0M (16%)
<u>Total Costs</u>	<u>\$45.6M</u>	<u>\$53.2M</u>	<u>\$58.3M</u>	<u>\$63.8M</u>	<u>\$69.6M</u>



Forecast Results & Project Incentives by Offer





Forecast Results & Project Incentives by Offer

Offer	Net Savings Per Offer					Incentives Per Offer				
	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
Custom	7.44M	8.11M	8.92M	9.54M	9.92M	\$11.79M	\$13.11M	\$14.71M	\$16.05M	\$17.03M
Custom Heat Pumps	0.49M	1.22M	1.46M	1.76M	2.11M	\$1.54M	\$3.93M	\$4.81M	\$5.88M	\$7.20M
Prescriptive	2.81M	2.92M	3.07M	3.25M	3.48M	\$5.39M	\$5.72M	\$6.12M	\$6.62M	\$7.23M
Midstream	1.92M	2.15M	2.28M	2.51M	2.76M	\$3.59M	\$4.11M	\$4.45M	\$4.99M	\$5.60M
Direct Install	4.88M	5.12M	5.33M	5.49M	5.60M	\$7.70M	\$8.25M	\$8.75M	\$9.19M	\$9.56M
DI Heat Pumps	0.49M	0.98M	1.17M	1.40M	1.69M	\$1.54M	\$3.14M	\$3.85M	\$4.71M	\$5.76M
Micro Business	0.05M	0.06M	0.07M	0.09M	0.11M	\$0.10M	\$0.13M	\$0.16M	\$0.20M	\$0.26M
ORB	0.26M	0.37M	0.40M	0.44M	0.49M	\$0.09M	\$0.13M	\$0.14M	\$0.16M	\$0.18M

Simple Budget Build Up Example

Assume current incentive of \$1.00/m³ saved

Assume we drive 1 project that saved 100,000 m³ (average project yield)

Total Incentive budget = \$1.00 x 100,000 m³ = \$100,000

Now assume results can be doubled (2 projects) by tripling the incentive to reduce payback

New Incentive of \$3.00/m³ saved

Double current results to 200,000 m³ saved per year

Total incentive budget = \$3.00 x 200,000 m³ = \$600,000

Take away

- Tripling the incentive to double results could cost 6x the overall budget
- Why? Because we are paying triple the incentive on all participants.

Discussion

Enbridge Gas Industrial Program Overview

Scott Hicks – Manager, Energy Conservation Program Design & Technology QA/QC

Damir Naden – Manager, Energy Conservation - Industrial & Commercial Sales

Carolyn Mendlowitz – Supervisor, Commercial/Industrial Program Innovation

The following slides are draft materials and are provided to facilitate discussion with parties engaged in the development of 2026+ DSM programming.



Industrial Sector Characterization

Industrial Customers can be broadly classified into the following market segments:

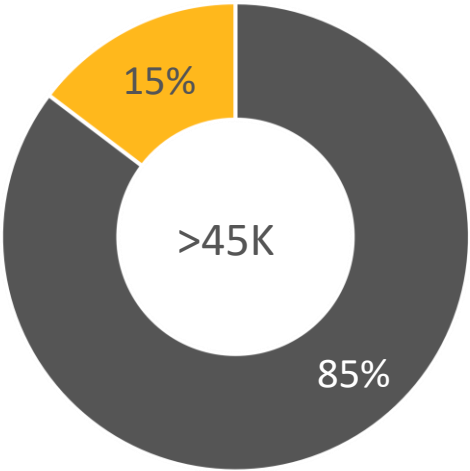
Manufacturing

- Involved in production or enhancement of goods
- Span many industries such as automotive, chemical, asphalt, cement, mining, food and beverage, etc.

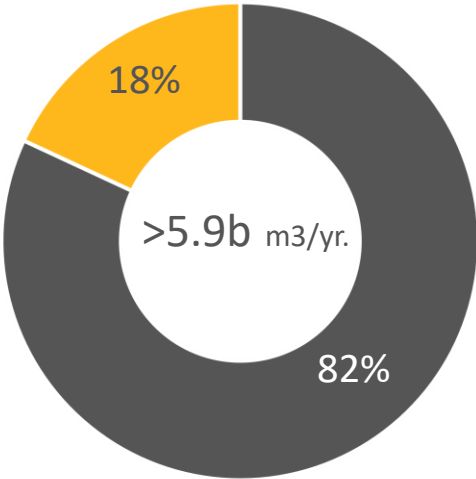
Agriculture

- Facilities that cultivate plants, produce, or livestock such as:
 - Vegetable, fruit, and flower greenhouses
 - Vineyards
 - Farms
 - Grain storage and drying facilities

Premises

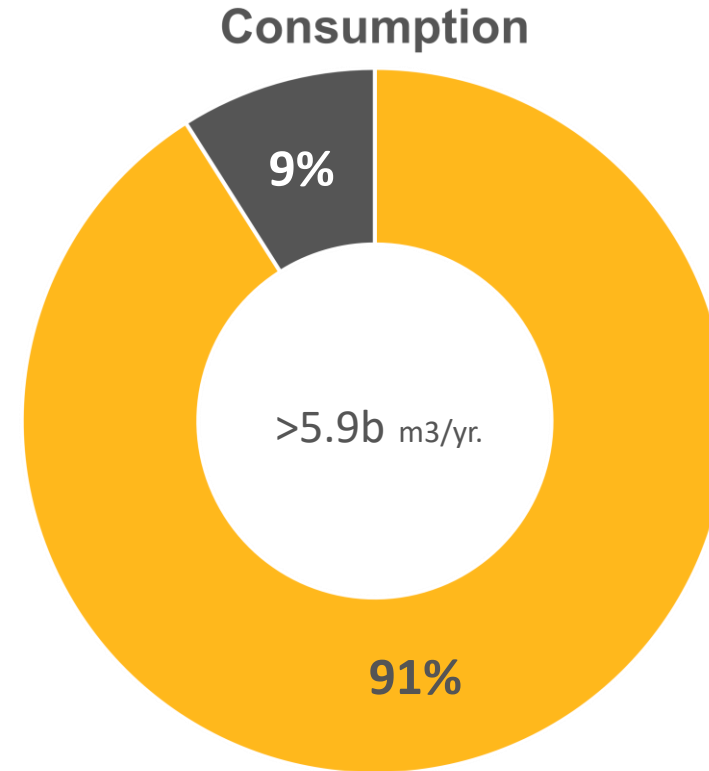
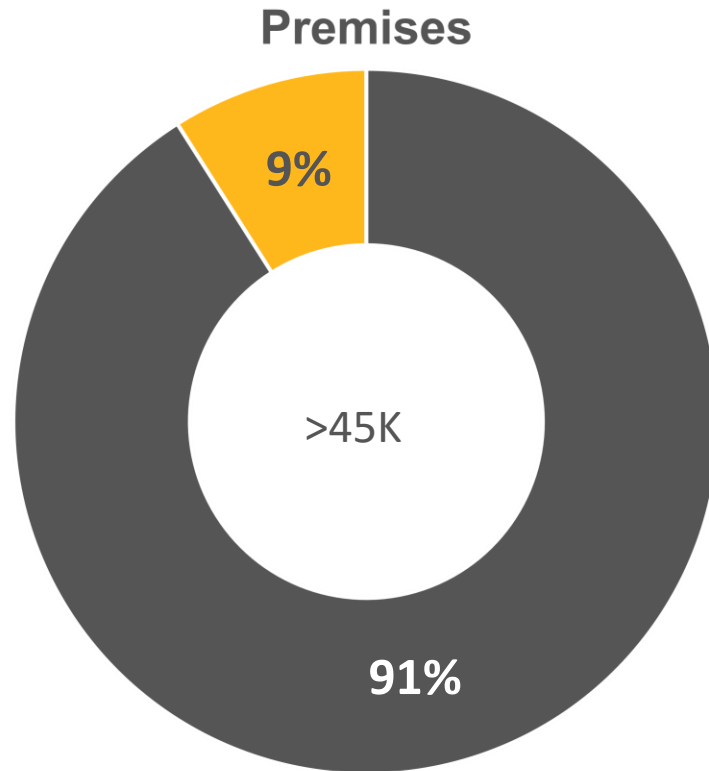


Consumption



■ Manufacturing ■ Agriculture

Industrial Sector Characterization



- Large Industrial, consume $\geq 100,000 \text{ m}^3/\text{yr.}$
- Small Industrial, consume $< 100,000 \text{ m}^3/\text{yr.}$

Supporting Larger Industrial Customers

- Efficiency opportunities can vary significantly across premises, for example:
 - Image represents two Industrial facilities in the same manufacturing market segment.
 - Which uses more natural gas?
 - Which has higher space heating vs. process heating requirements?

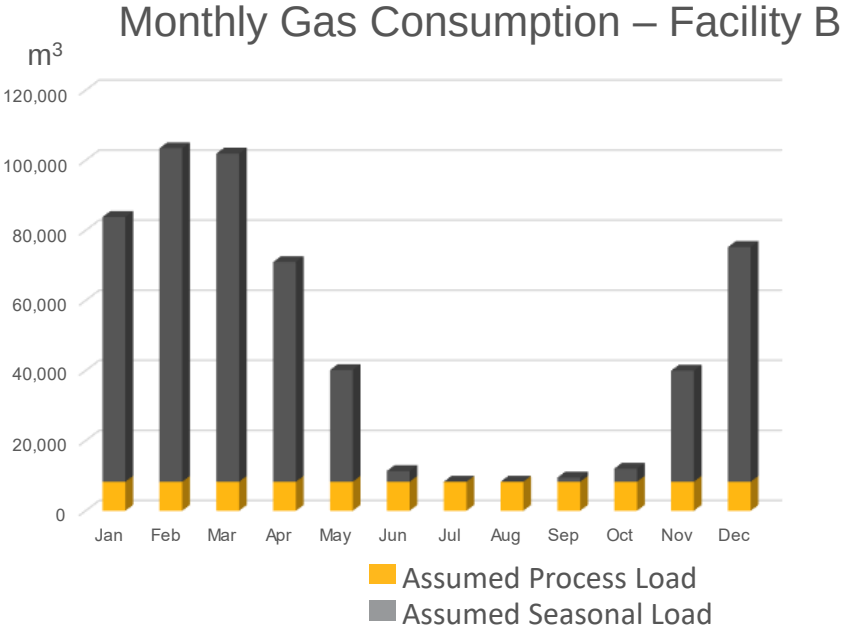
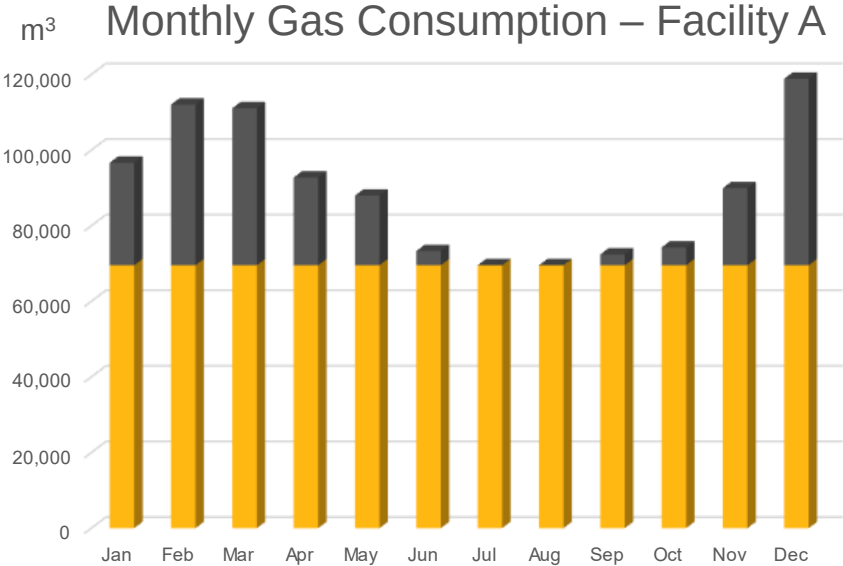




Supporting Larger Industrial Customers

Facility A

**165,000 sq ft
Machine parts
manufacturer**



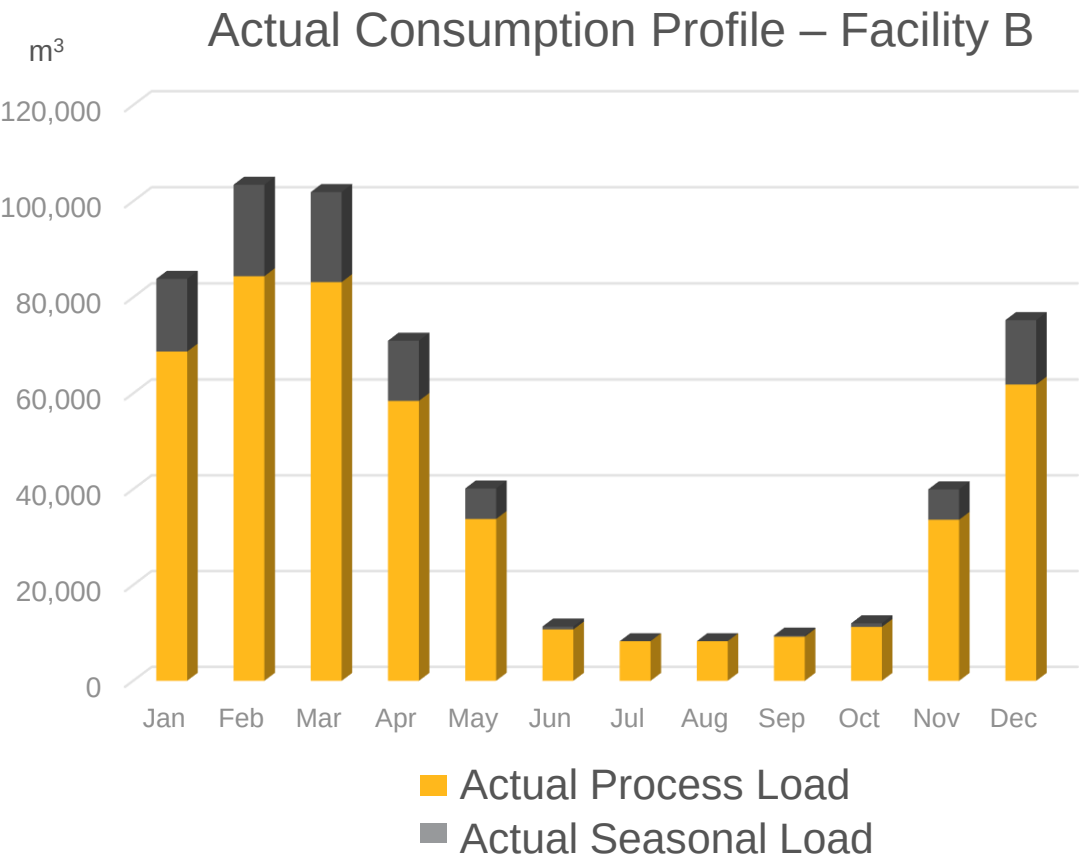
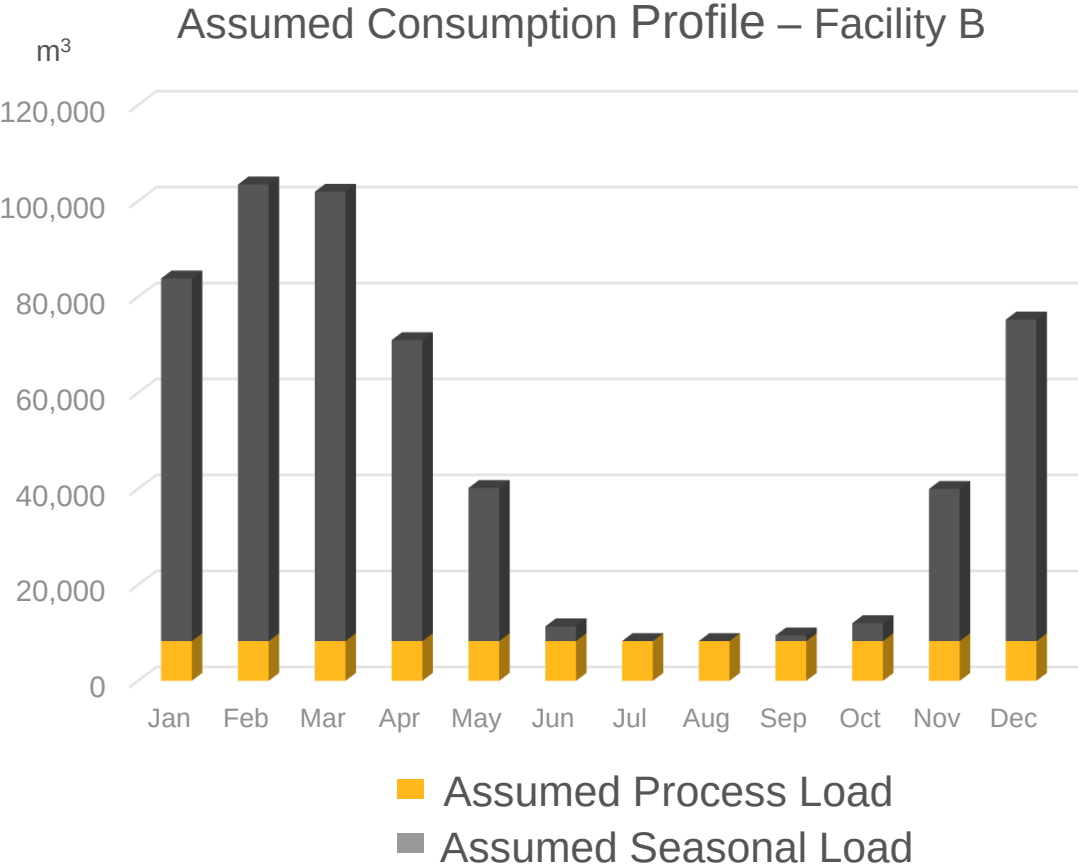
Facility B

**245,000 sq ft
Machine parts
manufacturer**



Supporting Larger Industrial Customers

Facility B Consumption Drivers:



Supporting Larger Industrial Customers



<https://www.youtube.com/watch?v=X118OH0TMqk>

Customer Testimonials

“We did a detailed engineering study on our overall sites, all the natural gas consumers. And the result of the study...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 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

Source: 2023 Process Evaluation of Enbridge’s Custom Offering conducted by IPSOS, Page 17

“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.” -- Customer

Source: 2023 Process Evaluation of Enbridge’s Custom Offering conducted by IPSOS, Page 23

“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

Source: 2023 Process Evaluation of Enbridge’s Custom Offering conducted by IPSOS, Page 17

Competing Priorities

- At an Industrial customer workshop, Energy Champions and Plant Managers were presented with a scenario in which the facility they worked in was cold and drafty, indicating that there was an air balance issue.
- Participants were grouped based on whether they managed the plant or were an energy champion and asked to list the questions they thought needed answering before an air balance study would be approved.

B/C RATIO ^{GROUP B} IS NEEDED (ROI)

- CURRENT PLANT TEMP?
- PROPOSED TEMP?
- AFFECTS ON PLANT? CHANGE +/- OUTPUT?
- MDL - 18°C
- WHERE ARE ISSUES COMING FROM?
- LEGAL OBLIGATIONS?
- INCENTIVES AVAILABLE?
- INTERRUPTIONS TO PRODUCTION?
- PERMITTING?
- DOES THE REQUEST INCLUDE ALL COSTS?
- CHANGE OUR COFA?
- HOW LONG UNTIL WE GET MONEY BACK?
- WHO IS RESPONSIBLE TO COMPLETE PROJECT?
- OTHER RISKS TO OPERATION?
- SAVINGS BEYOND FIRST YEAR?
- KAIZEN FORM COMPLETED?
- M:V FORMS?

Plant Manager

① Evaluate the costs, benefits of the project.

② Take advantage of the study.

- verifies value
- helps sell the project
- identify additional benefits.
- take advantage of rebates
- identify impact on production.
- identify payback.

Energy Champion

Competing Priorities

- Workshop participants were then told the study was conducted and revealed an opportunity that would yield significant energy and cost savings as well as resolve existing cold and drafty climate issues. The project was anticipated to result in gas and cost savings of \$75,000 annually for a total investment of \$42,000.
- Participants were grouped based on whether they managed the plant or were an energy champion and asked to list the questions they thought needed answering before a decision on the project could be made.

① Ensure no health risks
 ② Involve JHSC + nurse.
 ③ Qualified vendors?
 ④ Guarantee savings.
 ⑤ Similar projects to minimize risk.
 ⑥ Return on investment.
 ⑦ Effect on maintenance.
 ⑧ Operational costs
 ⑨ manpower.
 ⑩ pay for performance.
 ⑪ Alternative solutions?
 ⑫ Effect on production.
 ⑬ Savings sustainable?
 ⑭ Can operators de-rail savings?

Plant Manager

ENERGY CHAMPIONS

- Start w/ B/C ratio 1.79
- List soft benefits - comfort
 - production not interrupted
 - no walk-outs
 - coached our team w/enbridge
 - ↳ supports project
- Yes, would recommend. the one we have good data on
- looked at the energy numbers
- Lower risk w/ the known project
- Would say this is incentive and
- Greenhouse gas reductions numbers
- Employee comfort
- Kaizen ready

Energy Champion

Strategic Considerations

Internal

External

Knowledge Gaps

Need support to identify opportunities and validate savings potential.

Persisting industry wide labor turnover and shortages creating knowledge gaps.

Resource Constraints

Financial incentives and personnel allocation.

Rising costs of labor, raw materials, and higher interest rates.

Competing Priorities

Production and safety concerns over energy efficiency.

Competing for limited funds means shorter acceptable payback periods:

- Manufacturing: less than 2 years
- Agriculture: 3-5 years



Historical Overview

Historical Results and Spend



Results are not final and subject to change (2021 data is audited and subject to OEB approval; 2022 data is audited but not yet cleared, and 2023 data is unaudited and subject to OEB approval)

Sector Strategy

Support continuous efficiency improvement year over year by overcoming:

Knowledge Gaps

Empowering customers with knowledge to make informed decisions through enhanced:

- Audits, assessments and submetering
- Workshops and training sessions
- Access to Energy Management Information Systems (EMIS)

Resource Constraints

Providing technical and financial resources necessary through enhanced:

- Incentives to reduce upfront project costs and make information gathering more affordable
- Resource support from ESAs and Trade Allies

Competing Priorities

Ongoing ESA engagement with customers to work through project obstacles and keep energy efficiency projects top of mind:

- Identify and promote energy and non-energy benefits
- Mitigate perceived project risks – show projects are tried, tested and true

Enabling Initiatives

- Enabling initiatives support customers with identifying, quantifying, prioritizing and justifying efficiency opportunities.
- Primary program delivery mechanism is ESAs, additional enabling initiatives include:

Assessments

Funding towards:

- Third-party assessments
- EMIS systems
- Sub-metering, etc.

ENHANCED

Strategic Energy Management (SEM)

- For customers who require more than sub-metering and EMIS systems
- Third-party administered

NEW

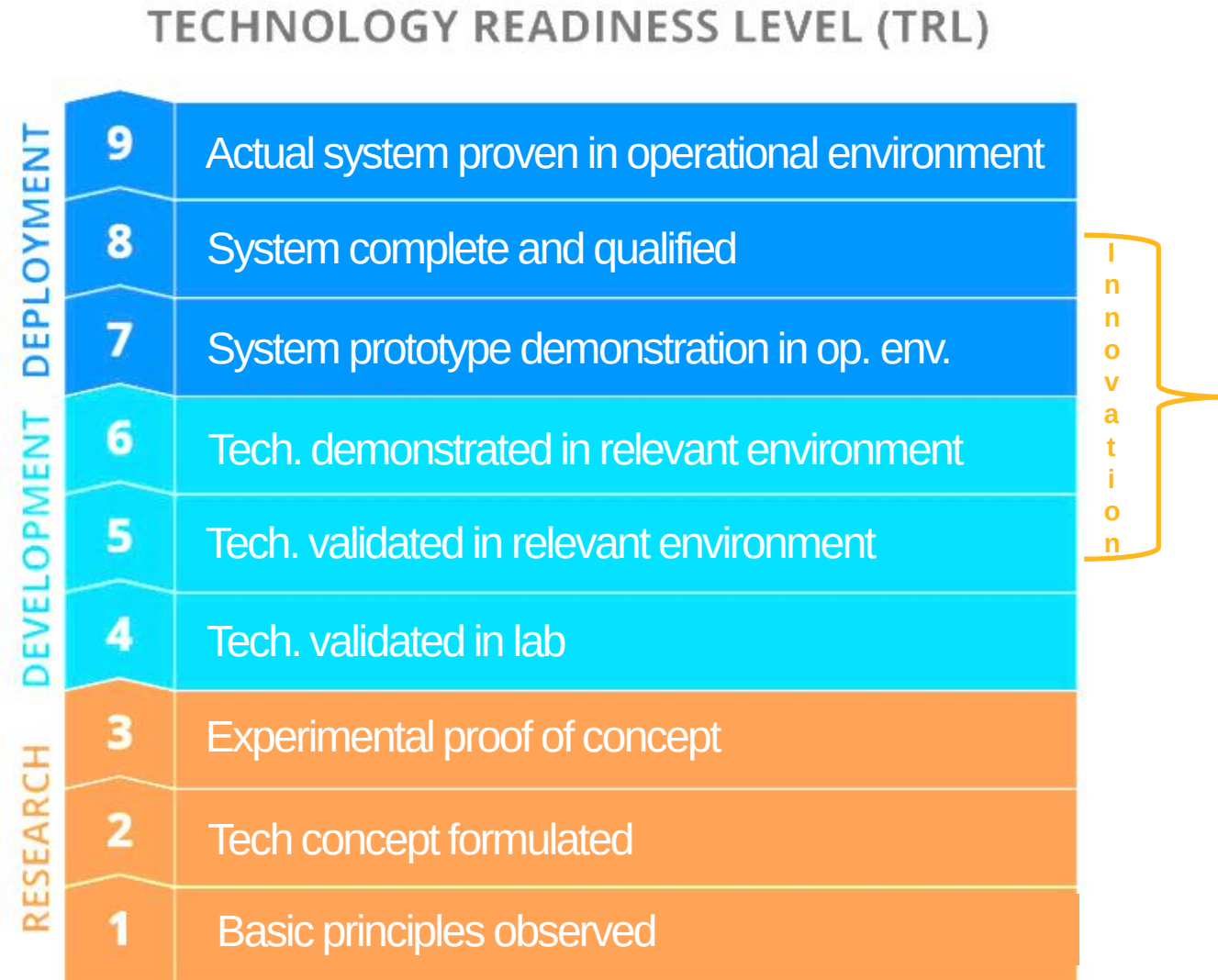
Capacity Building

Share industry-level best practices through:

- Workshops/webinars
- Case studies
- Newsletters

Energy Innovation Initiative

- Supports advancement of innovative technologies towards market readiness
- Open bid and Request for Information (RFI)
- Targets technologies in development and early deployment phases of Technology Readiness
- Multi-year budget
- Ultimate objective to transition proven technologies to custom or prescriptive offers over time



Offers

- Based on the types of efficiency opportunities identified, projects may qualify for one of the offers outlined below:

Custom Offer

- Supports measures that require site specific inputs to calculate savings
- Will continue to account for bulk of savings results
- Modified incentive structure to reduce payback period and overcome financial barriers

ENHANCED

Prescriptive/DI Offer

- Prescribed savings at a measure level pre-defined within the Technical Reference Manual (TRM)

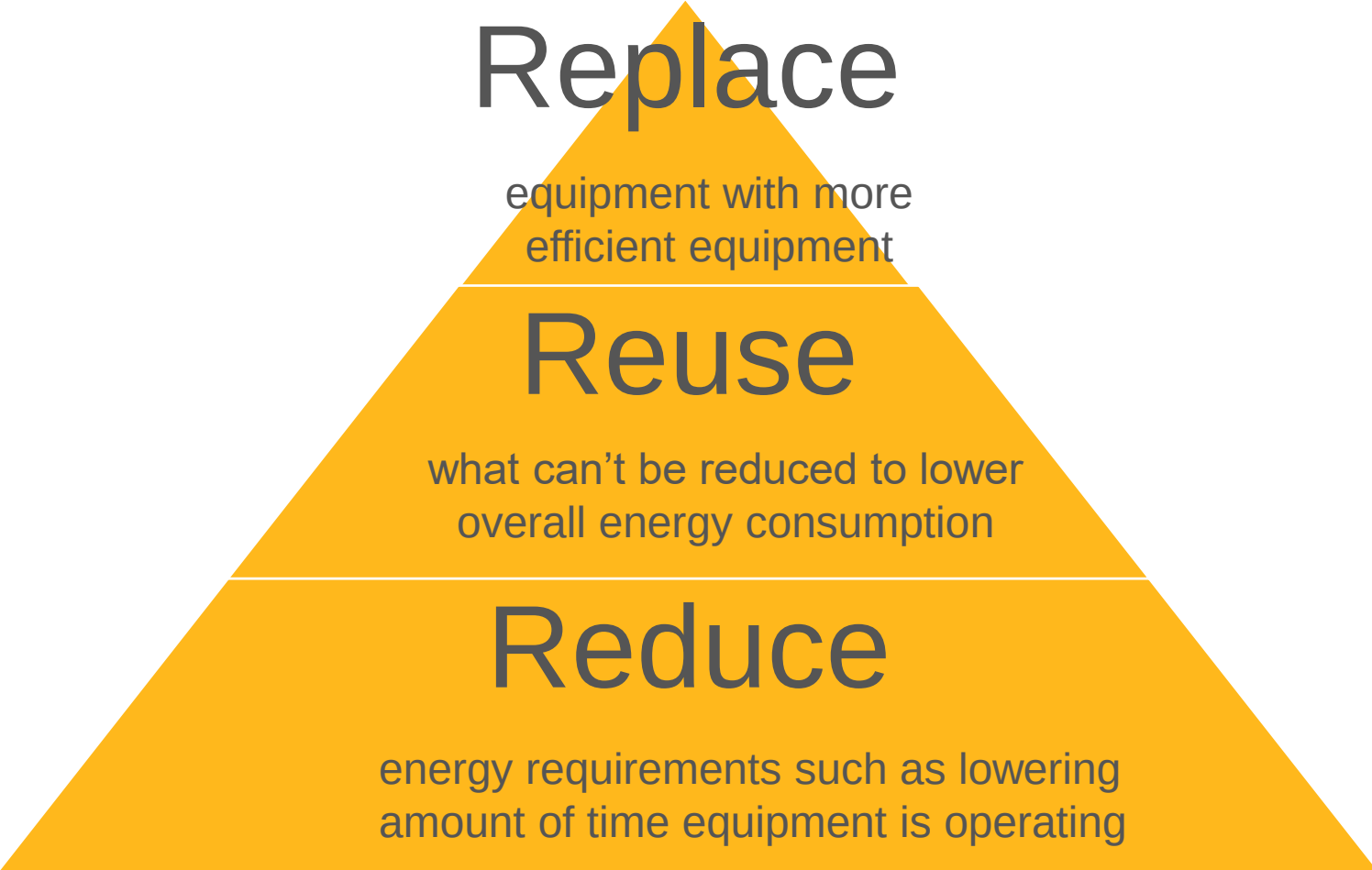
Broaden reach through:

- Expansion of TRM measures
- Extension of Trade Allies
- Increased incentives

ENHANCED

Characterizing Industrial Projects

Custom projects cannot be easily summed up at a measure level, they can be more broadly classified as projects that:



Replace

equipment with more
efficient equipment

Reuse

what can't be reduced to lower
overall energy consumption

Reduce

energy requirements such as lowering
amount of time equipment is operating

Many efficiency opportunities are tied to larger projects.

- When projects such as plant retooling and automation, production expansion and/or the procurement of new production equipment occurs, opportunity exists to identify and implement measures to reduce, reuse and drive energy conservation that are related to or integrated into those larger projects.
- In these circumstances, the conservation component influenced by Enbridge becomes a smaller portion of the overall project.

ENHANCED**Custom Offer**

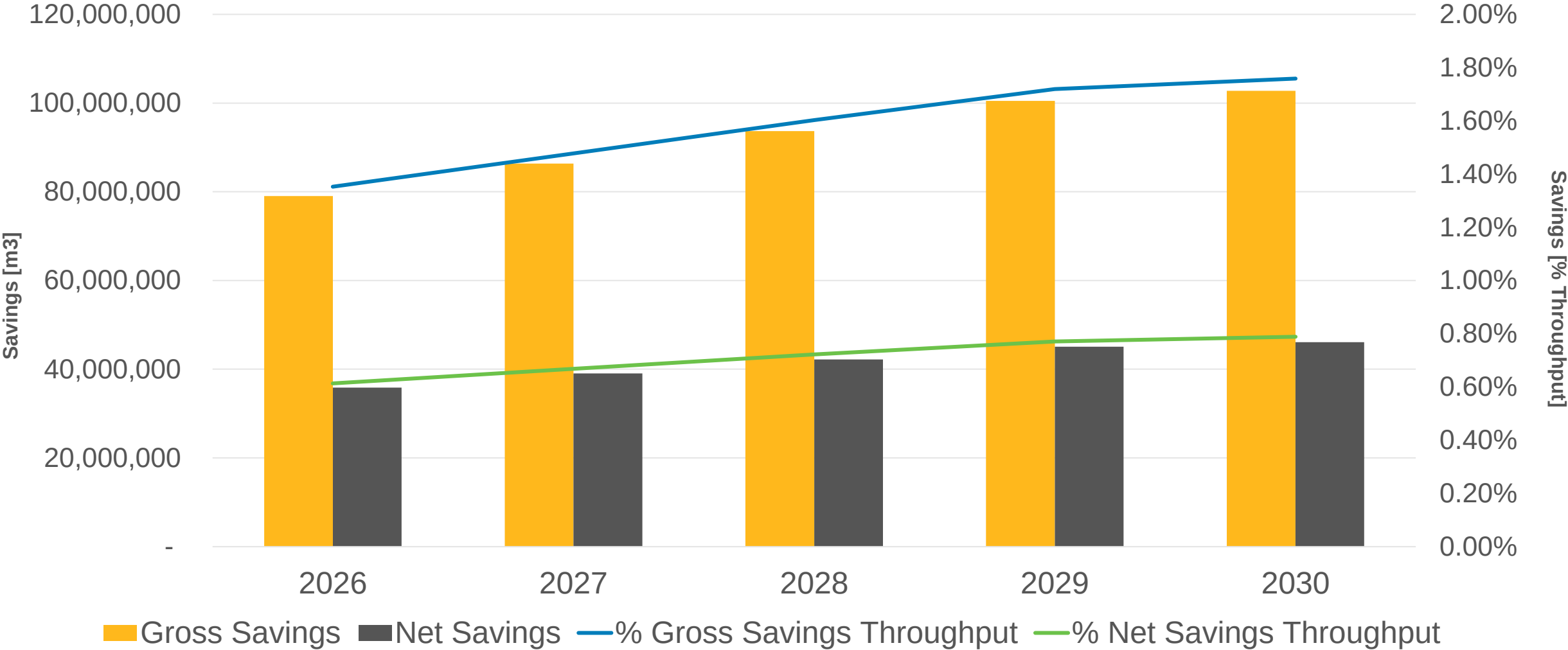
Category	Current Offer	Proposed 2026+ Offer	Rationale
Measure Mix	Emphasis placed on projects that REDUCE energy requirements, REUSE what can't be reduced, and when opportunity is available REPLACE equipment with more efficient equipment.		
Financial Incentives	Standard: Avg. \$0.13/gross m3 saved, up to 50% of incremental project cost and \$200k per project	- Standard: Avg. \$0.35/gross m3 saved, up to 100% of incremental project cost and \$500k per project - Bonus incentives	- Adjusted for increased costs - Reach payback periods of less than 2 years for most manufacturing projects and approx. 3 years for most ag. projects
Delivery Model	ESAs – 24 FTEs	Incremental 6 FTEs proposed	Extend capacity to support more customers and projects

Prescriptive/DI Offer

Category	Current Offer	Proposed Offer	Rationale
Measure Mix	- Limited TRM measures - Air Curtains - Dock Door Seals - Destratification Fans - Condensing Unit Heaters	- Add new measures such as: - Smart HVAC controls - Hybrid RTUs - Pipe/tank insulation	Broaden eligibility of offer to more Industrial customers
Financial Incentives	- Standard: Cover 25% to 40% incremental cost (avg. \$0.51/gross m3 saved) - DI: Cover 80% + incremental cost (avg. \$1.25/gross m3 saved)	- Standard: Cover 50% incremental cost (avg. \$0.75/gross m3 saved) - DI: Cover 80%+ incremental cost (avg. \$1.50/gross m3 saved) \$3.00/m3 saved for hybrid RTUs	Higher cost coverage to buy-down payback period and grow market interest/uptake in measures
Delivery Model	Energy Solutions Advisors		Identify and quantify opportunities
	Service Providers, i.e. contractors and engineering firms	Growth in service provider engagement through development of structured Trade Ally Network (TAN)	- Can be key influencers to technology uptake - Lack of knowledge/comfort with measures reduces willingness to promote them



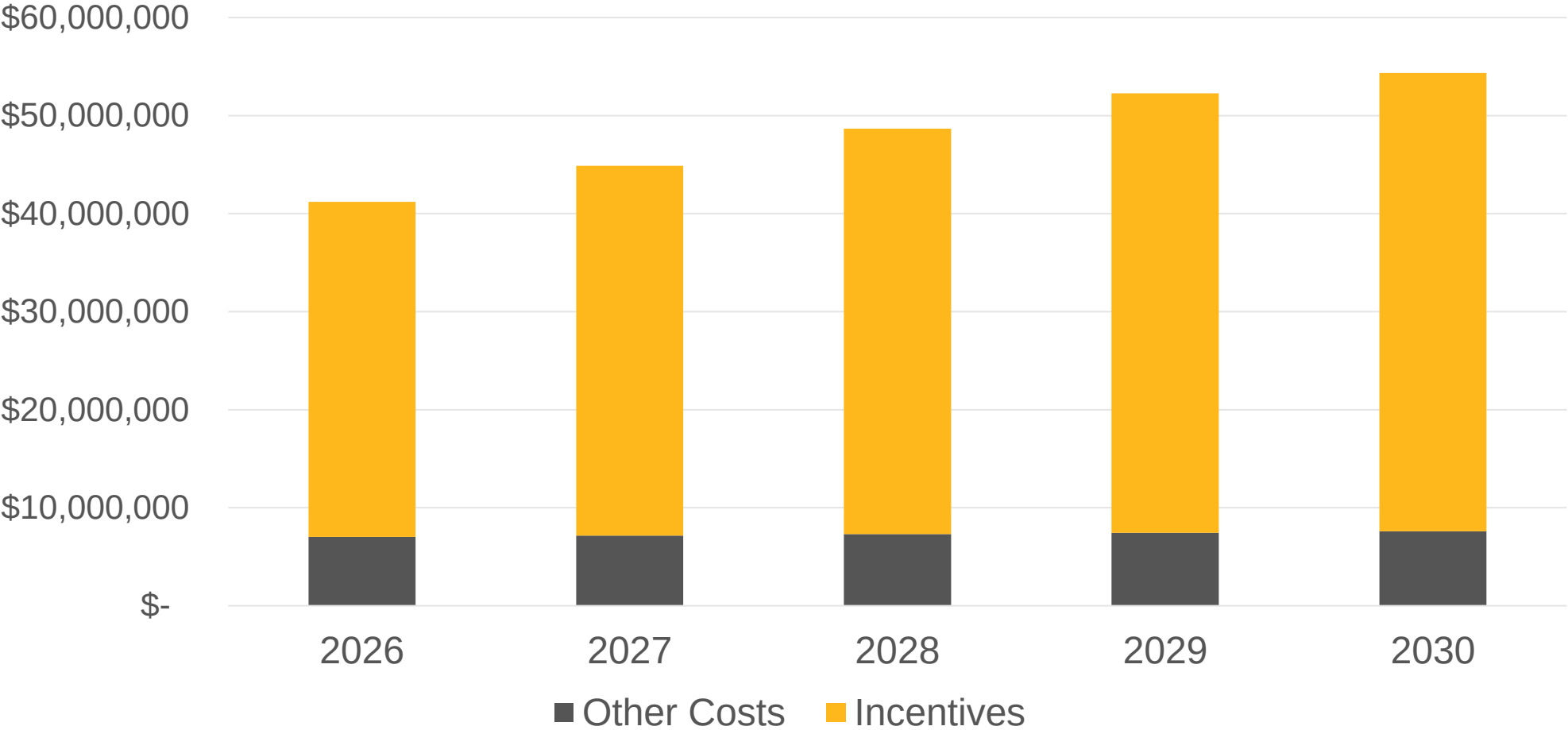
Forecast Results



Applied current NTG input assumptions | Throughput based on forecast 2022 assumptions | Assumed inflation rate of 2% per year



Forecast Budgets



Assumes a 2% per year inflation rate



Forecast Results and Budgets

Forecast Results

	2026	2027	2028	2029	2030
Gross Savings (m ³)	79.0M	86.4M	93.7M	100.5M	102.8M
Net Savings (m ³)	35.9M	39.0M	42.2M	45.1M	46.1M
% Gross Throughput	1.35%	1.48%	1.60%	1.72%	1.76%
% Net Throughput	0.61%	0.67%	0.72%	0.77%	0.79%

Forecast Budgets (% of Total Costs)

	2026	2027	2028	2029	2030
Incentives	\$ 34.2M (83%)	\$ 37.7M (84%)	\$ 41.4M (85%)	\$ 44.8M (86%)	\$ 46.7M (86%)
Other Costs	\$ 7.0M (17%)	\$ 7.2M (16%)	\$ 7.3M (15%)	\$ 7.5M (14%)	\$ 7.6M (14%)
<u>Total Costs</u>	<u>\$ 41.2M</u>	<u>\$ 44.9M</u>	<u>\$ 48.7M</u>	<u>\$ 52.3M</u>	<u>\$ 54.3M</u>

Simple Budget Build Up Example

Assume current incentive of \$1.00/m³ saved

Assume we drive 1 project that saved 100,000 m³ (average project yield)

Total Incentive budget = \$1.00 x 100,000 m³ = \$100,000

Now assume results can be doubled (2 projects) by tripling the incentive to reduce payback

New Incentive of \$3.00/m³ saved

Double current results to 200,000 m³ saved per year

Total incentive budget = \$3.00 x 200,000 m³ = \$600,000

Take away

- Tripling the incentive to double results could cost 6x the overall budget
- Why? Because we are paying triple the incentive on all participants.

Discussion

Enbridge Gas Residential/Income Qualified DSM Program Overview

Craig Fernandes – Manager, Residential Energy Conservation

Jim Dunstan – Supervisor, Program Design & Innovation – Residential & Income Qualified Markets

The following slides are draft materials and are provided to facilitate discussion with parties engaged in the development of 2026+ DSM programming.



Agenda

Residential/Income Qualified Program Review (Aug 22)

- **Residential Sector Market Overview**
 - Market segments | Customer overview
- **Sector Strategy**
 - Addressing market barriers and challenges
- **Proposed Residential, Income Qualified & New Construction Programs**
 - Enablers | Offers | Delivery models | Market approaches by segment
- **Discussion**

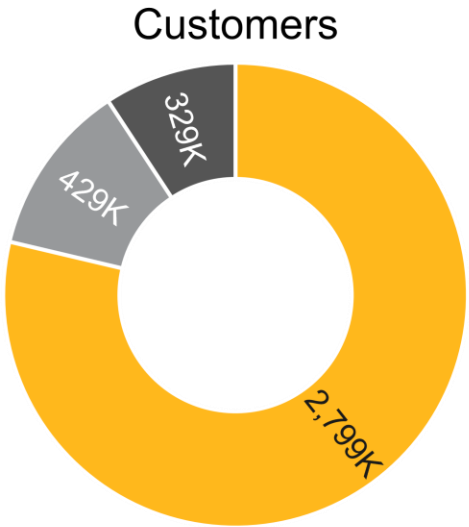
Residential Market Overview

Excludes Multi-Residential or Part 3 housing

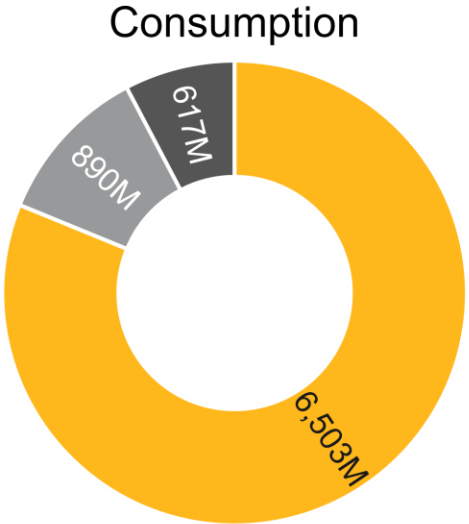
Market Overview: Segments

- There are over 3.5 million residential premises that collectively consume 8.2 billion cubic meters of natural gas annually. Customers within the sector can be broadly classified under the following segments:

Residential	Moderate	Income Qualified
Detached Towns/Rows Semi Detached ~2.8 M / 80%	Detached Towns/Rows Semi Detached 2024 IESO definition ~330k / 9%	Detached Towns/Rows Semi Detached (Municipal Social Housing Co-ops, Non-Profits Privately Owned) 2024 IESO definition ~430k / 11%



■ Residential ■ Moderate ■ Low Income



■ Detached ■ Semi-detached ■ Town/Rows

Market Characterization: Building Type

Characteristics	Detached	Semi-Detached	Row/Townhouse
Average Consumption (m ³)	2,560	1,958	1,602
Total Premises	2,620,000	320,000	560,000
Older than 1975	1,150,000	160,000	135,000
1975 - 2006	1,100,000	135,000	255,000
2007 - Present	350,000	50,000	165,000

Sector Strategy

Sector Challenges

Energy Literacy



- Most customers feel they do not require thermal envelope improvements

Market Knowledge



- With increased uptake of heat pumps, training of best practices is needed across contractor networks

Engagement



- Participation in this sector have been low relative to the overall size of this market

2026 - 2030 Plan Challenges

Cost Effectiveness



- Historically Two Key Measures, Heat Pumps & Windows, bring down TRC values

Budget Size



- Significantly bigger budgets needed to achieve increased savings targets → resulting rate impacts

Scalability



- Previous program designs & delivery methods limit ability to both broaden reach and scale up rapidly

2026 - 2030 Plan Additional Considerations

Equity



- Ensure program offerings are accessible across all residential customers including income qualified and moderate income

Geographic



- Focus on addressing geographic challenges to include urban and rural participation to broaden reach

Collaboration



- Examine opportunities for alignment with IESO to support “one window” approach

2026 - 2030 Program Design Principles

① Explore Collaboration/Partnerships

② Advance Energy Literacy

③ Incorporate Flexibility of Offers

④ Attract Increased Market Activity

⑤ Promote Envelope Before Mechanicals

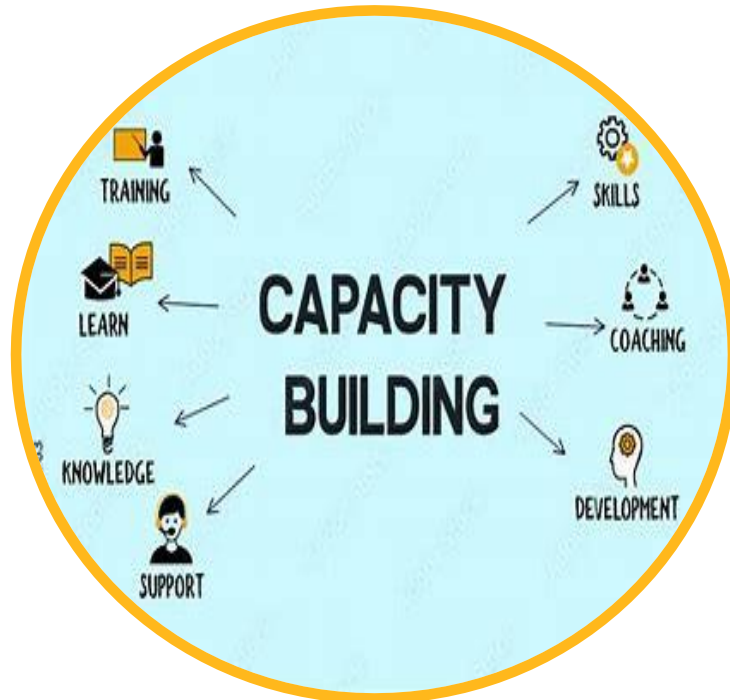
⑥ Target Increased Participation & Savings

⑦ Work Toward Scalability

⑧ Focus on Accessibility and Equity

Residential Sector Strategy

BUILD



ENGAGE



EXECUTE



Enbridge Gas will undertake a 3-prong approach to maximize energy savings

BUILD

Objectives

Customer Focused

- Advance Energy Literacy & Energy Conservation Awareness

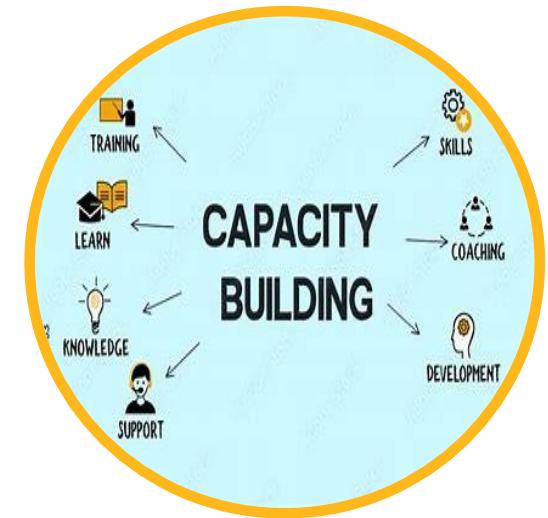
Market Focused

- Support Contractor Training to Ensure Best Practices are being performed

Activities

1. Advance Customer Engagement through Online Assessments
2. School Based Program – 5th Grade Curriculum
3. Contractor Training & Recruitment

These initiatives are important to support growth in the future across the Residential Sector



ENGAGE



Objectives

Customer Focused

- Provide No/Low-Cost Opportunities to engage in energy conservation

Market Focused

- Provide Subsidized Market Opportunities to engage customers on identification and execution of energy savings activities

Activities

1. Behaviourial Offering
2. EnerGuide Audits
3. Energy Savings Kits (Weatherization & Water Savings)



Engagement is the pathway to further participation

EXECUTE

Objectives

Customer Focused

- Provide Flexible Offerings to customers to meet their needs

Market Focused

- Develop Multiple Delivery Paths to broaden reach.

Activities

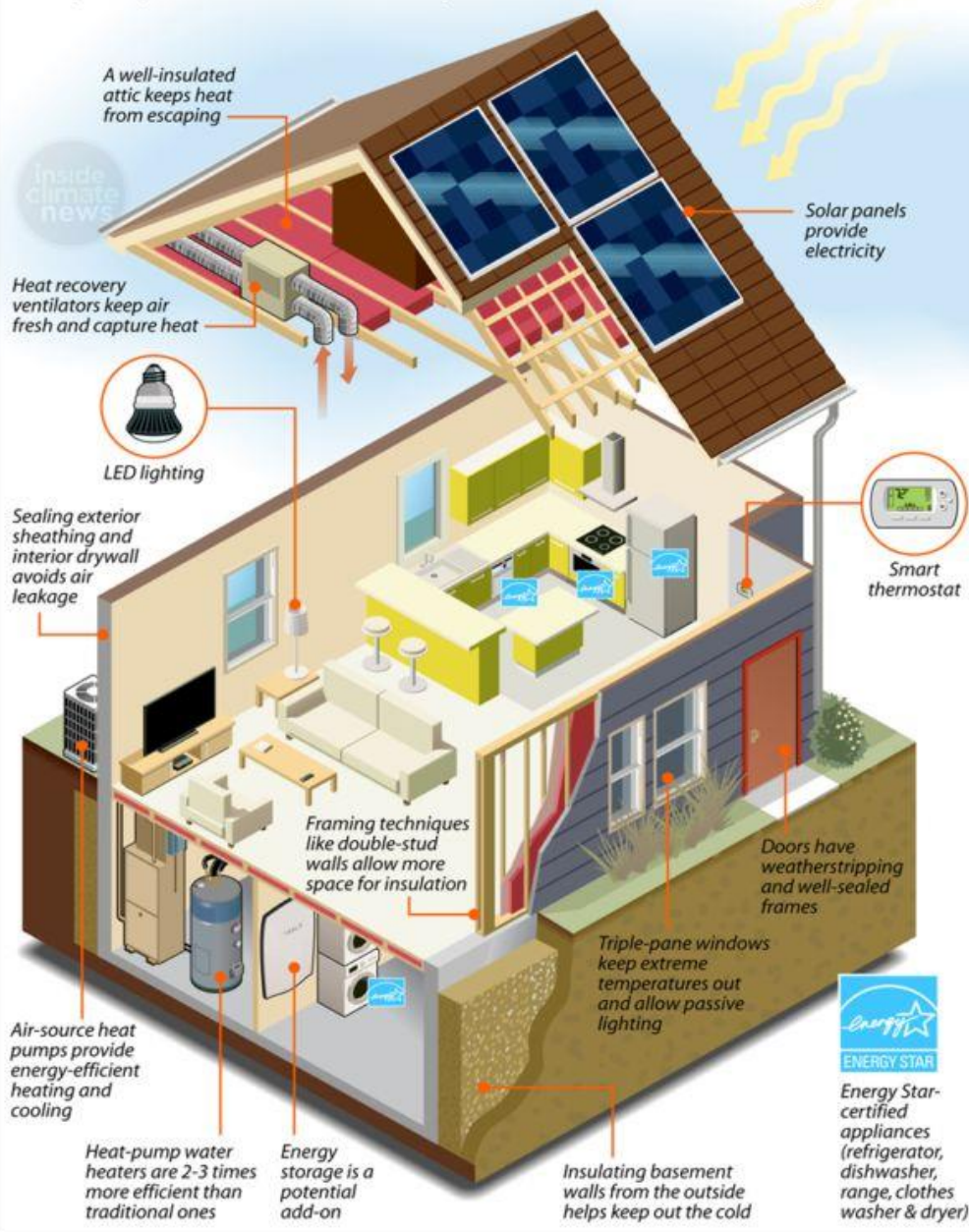
1. Smart Thermostats
2. Single Measures (Attic, Air Sealing & Heat Pumps)
3. Whole Home Custom (HER & HWP – encourage multiple measure)
4. Net Zero Energy Ready – Development Stream (Builders)



Goal to drive significant energy savings increases in this sector

What Goes Into a Net-Zero Home?

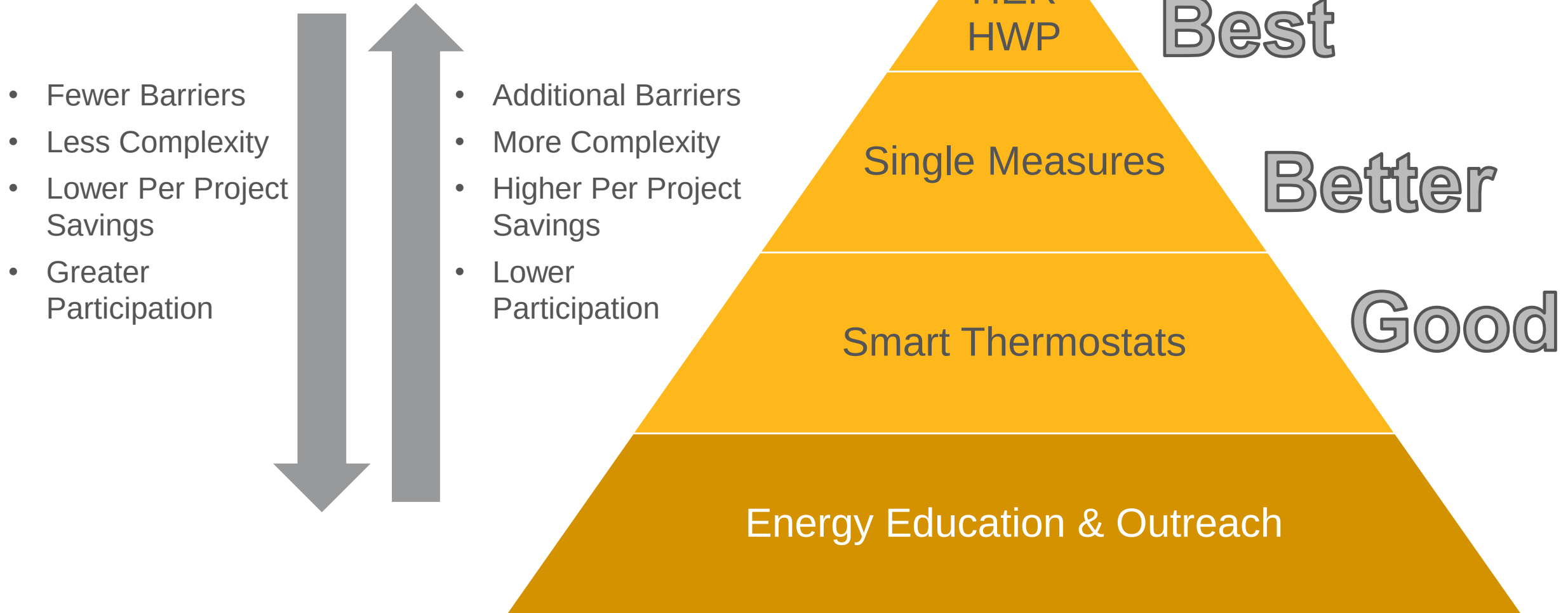
Houses can be built with such energy efficiency that their electricity needs are offset by a few rooftop solar panels. Here are some of the ways builders make homes net-zero energy.



Areas of Focus

1. Attic Insulation
2. Air Sealing (Guided & DIY)
3. Smart Thermostats
4. Heat Pumps
5. Heat Pump Water Heaters
6. Basement Insulation
7. Exterior Wall Insulation
8. Windows
9. Behaviourial
10. TBD – Exterior Cladding
11. *TBD – Comprehensive Air Sealing*
12. TBD – Electric Measures (per IESO “one window” approach)

Residential Sector Strategy

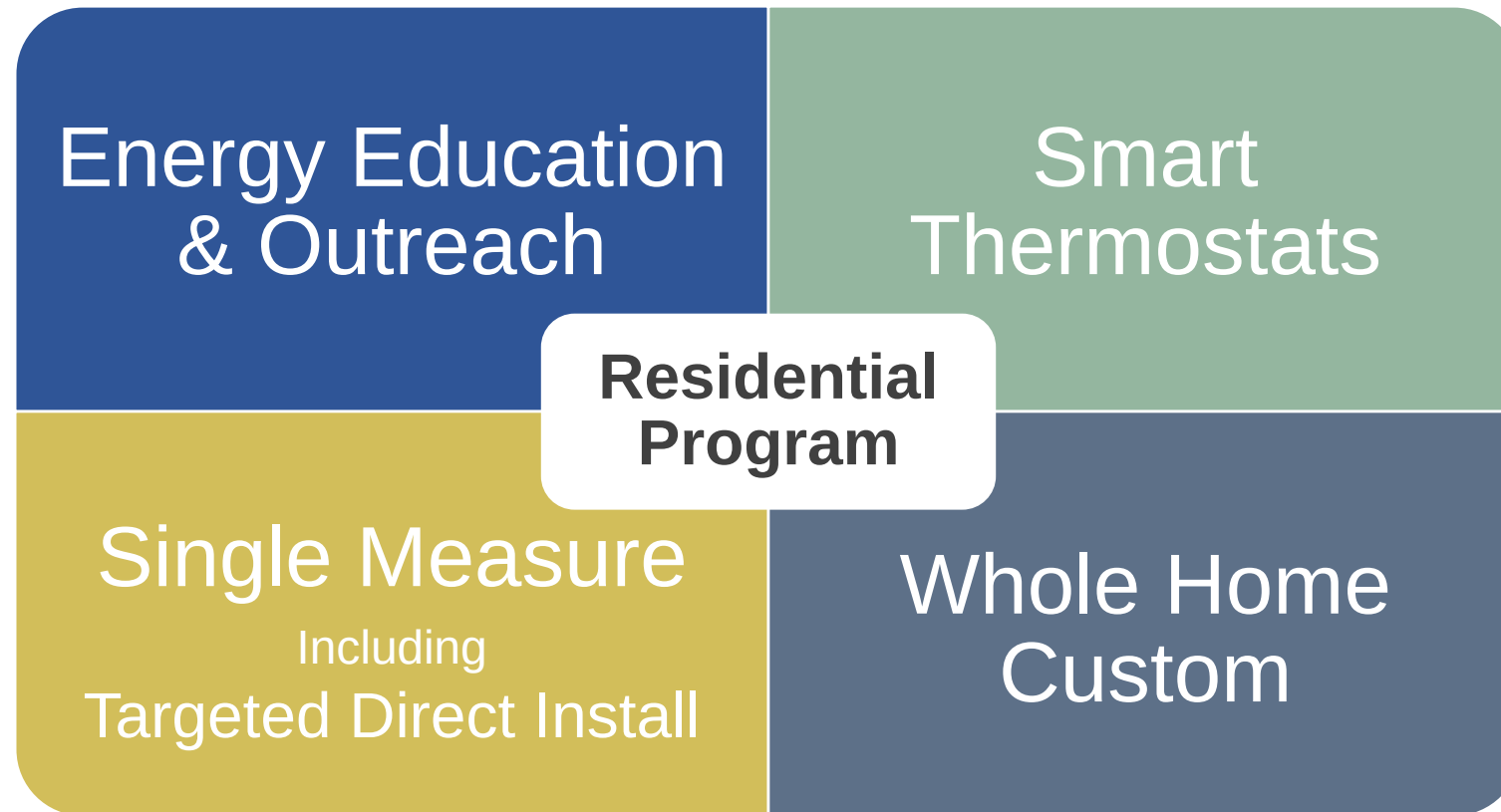


Proposed Residential Program

Income Qualified to be shown separately



Residential Program



Enabling Initiatives – Energy Literacy Tools, Industry Capacity Building

New

Energy Education & Outreach

Objective:

To increase residential customer understanding of energy usage in their homes and educate these customers on available energy efficiency opportunities.

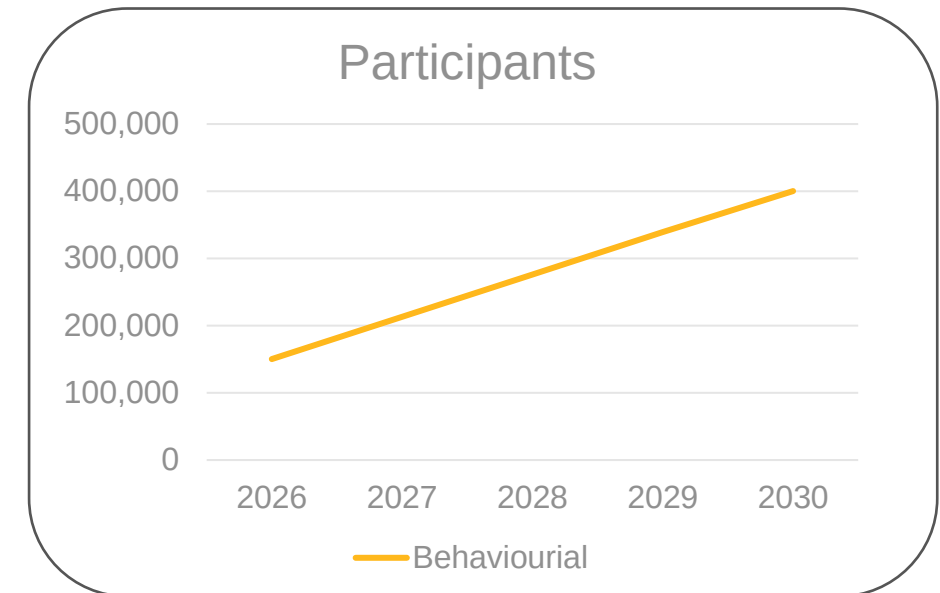
Key Offer Details:

Home Energy Reports

This behavior modification offering generates energy savings through residential customer engagement and behavioral change strategies. This offering will provide individualized energy use information through Home Energy Reports tailored to customer usage and habits to drive changes in energy usage behavior.

Structure:

Opt-in, participating households receive printed and/or electronic Home Energy Reports showing where gas usage is happening in home and personalized ways to reduce. M3 savings metric. Funnel for other program offerings.



New

Energy Education & Outreach



Proudly Serving Ontario | 175 YEARS

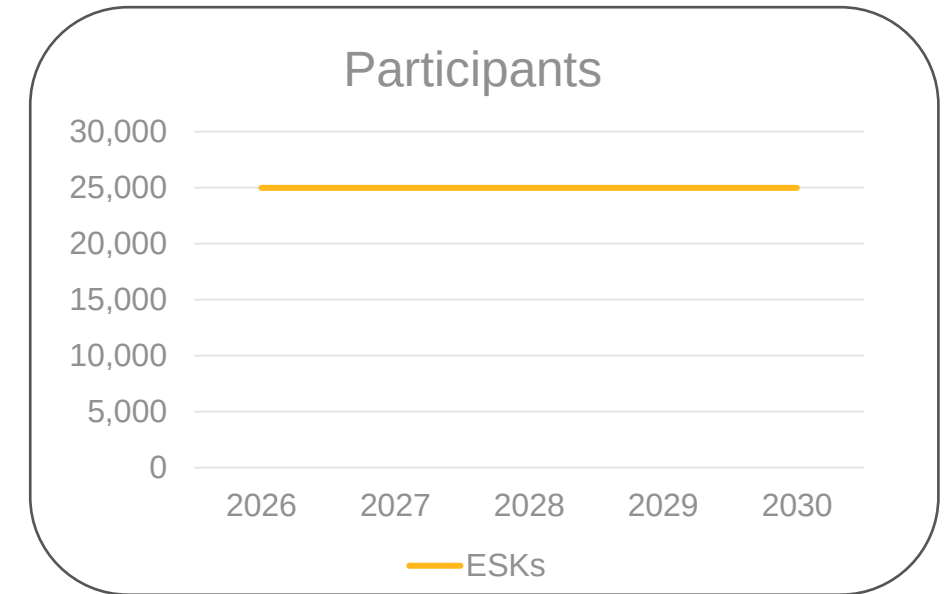
Key Offer Details:

Energy Education & Kits

This offering is designed to educate Grade 5 elementary school students about using energy wisely. Focus will be on underserved communities. Each student will receive energy efficiency savings measures to be utilized in the home.

Structure:

3rd Party delivered program to solicit participation from school boards to provide education tools delivered to Grade 5 students. Students receive a form to ensure eligibility requirements are met and will take home an Energy Savings Kit (Shower Valve, Shower Timer & Pipe Wrap) to be installed by their parents.



Smart Thermostats

Objective:

Replacing existing thermostats with smart thermostats in order to reduce gas consumption in home

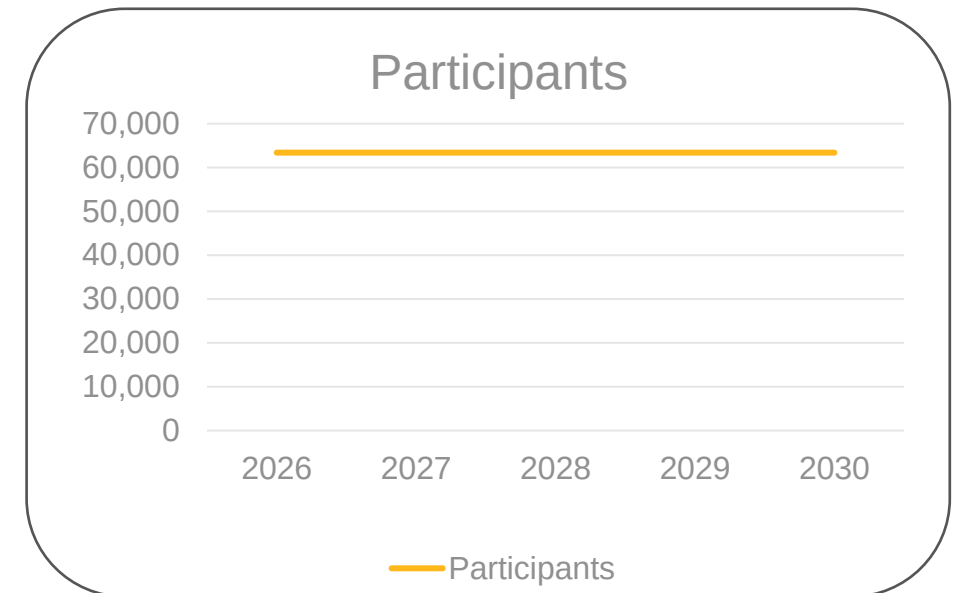
Key Offer Details:

Rebates for participants on common Smart Thermostat models (Nest, ecobee, Sensii, Honeywell, Wyze)

Can be redeemed in-store, online or through a participating contractor

Structure:

3rd Party delivered & supported through retailers and contractors. Instant rebate and post purchase options available to increase access to rebates

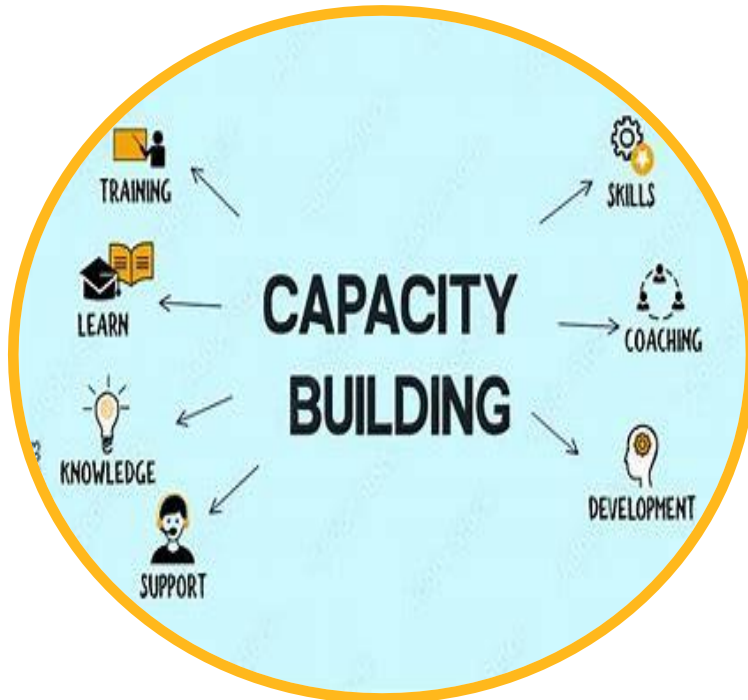


Heat Pump Market Challenges/Opportunities

- Learnings from previous Heat Pump programs (HER+, CHHI) and market feedback
 - Gaps in contractor training and understanding of heat pumps
 - Issues with heat pump sizing, installation and configuration
- Trade Ally Network designed to improve contractor sales/installation quality
 - Mandatory training courses required for contractors to participate in offer
 - Training on proper heat pump sizing and selection to help push consumers to select equipment beyond like for like A/C replacements
 - Controls training to ensure heat pump is properly configured to meet customer specific needs/expectations (emissions reduction/comfort/bill savings)
 - Quality control process will review installations to ensure best practices in the field
 - End goal is large pool of well-trained contractors conducting ASHP installations and educating consumers on sizing and selection of heat pump options

Heat Pump Strategy

Trade Ally Network



Contractor Training

Customer Outreach



Address Customer Understanding

Revise Incentives



Influence Optimal Heat Pump Solutions

Enbridge Gas will ensure Heat Pumps deliver maximum gas savings and customer satisfaction

Expanded



Proudly Serving Ontario | 175 YEARS

Single Measure

Objective:

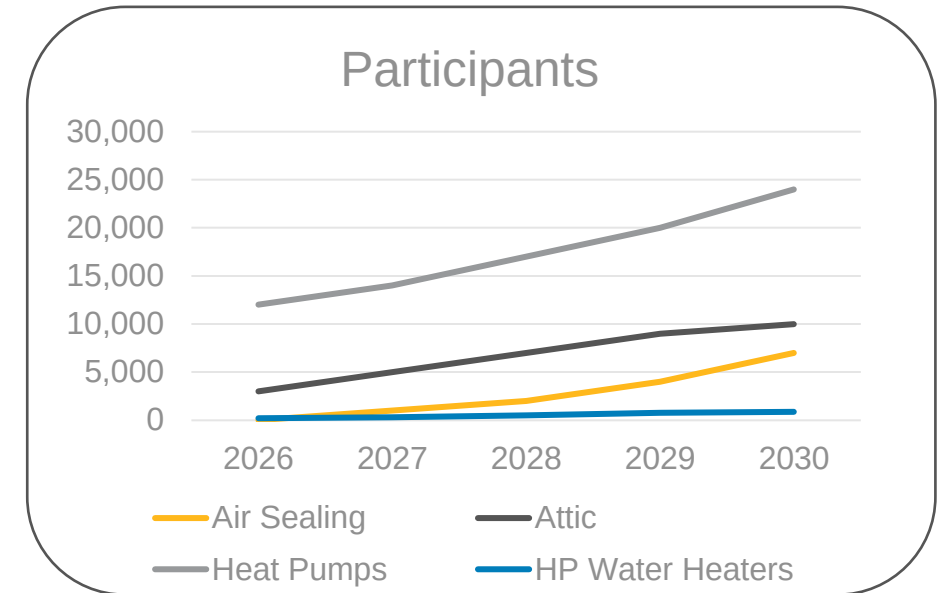
Reduce barriers to entry that may be present in whole home (cost, time). Simplified approach to support projects without need for audit

Key Offer Details:

Includes professional air sealing, heat pumps, attic insulation & heat pump water heaters delivered through contractors/contractor network (TAN). Target older homes through insulation and air sealing offers for maximum savings. Focus on right-sizing with heat pump installations

Structure:

Develop air sealing market through capacity building initiatives and utilize existing contractor market for attic insulation. Heat pump separated from whole home custom due to challenges using H2K software for savings calc



New

Proudly Serving Ontario | 175 YEARS

Moderate Income Direct Install

Objective:

Prioritize moderate income communities that may not qualify for Low Income programs but still face cost barriers

Key Offer Details:

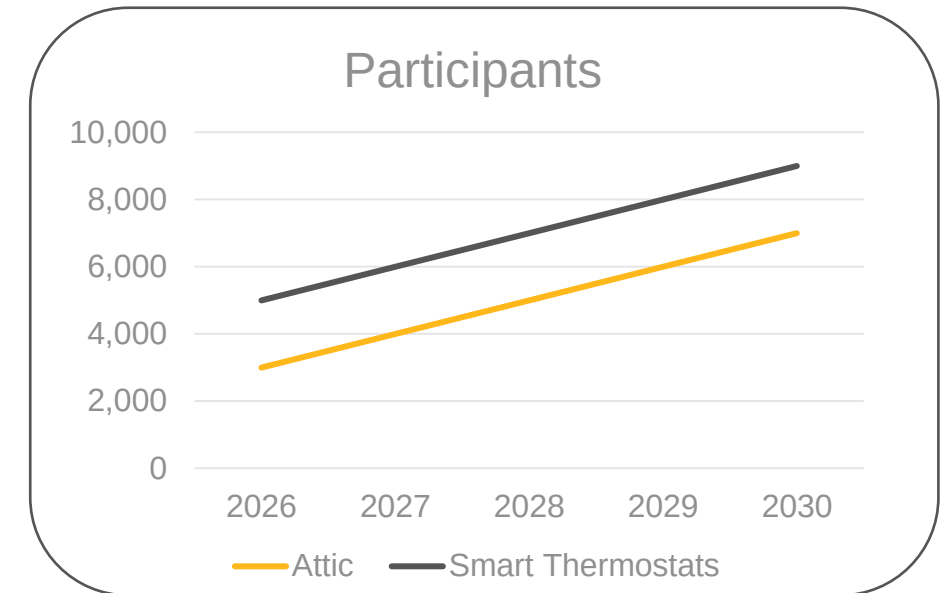
Work with Municipalities, geo targeted based on high-density moderate-income zones; homes older than 1974 to maximize savings with attic insulation. Measures include: Attic Insulation and Smart Thermostat. No audit required.

SAG Input: Add Guided Air Sealing

Structure:

Delivered through 3rd Party delivery agents.

Move moderate income ST offer from instant/post purchase to direct install. Zero cost to customer.



Whole Home Custom

Enhanced



Proudly Serving Ontario | 175 YEARS

Objective:

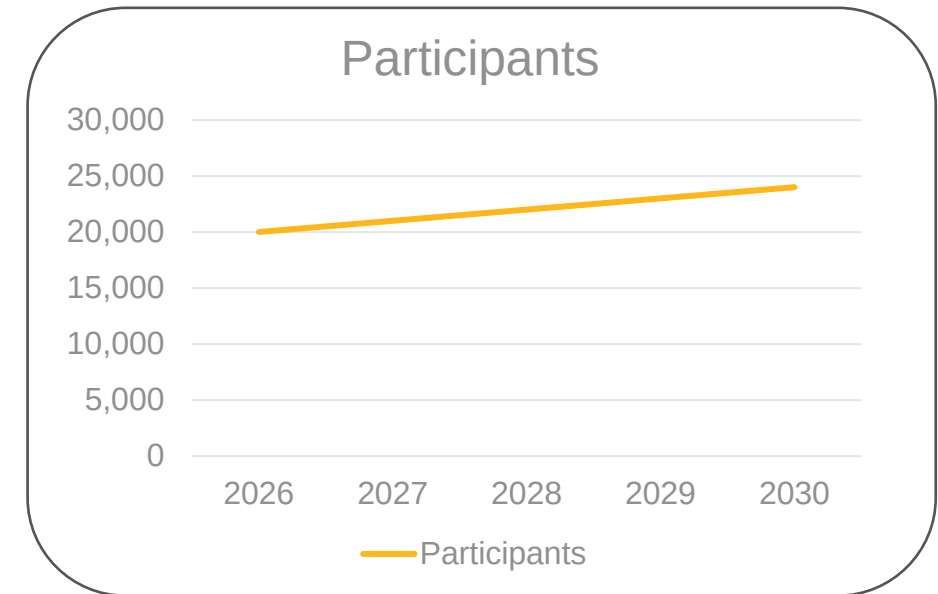
Motivate customers to pursue deeper savings when considering retrofits through multi measure approach. Focus on increasing comfort of homes and cost savings on gas bill for participants

Key Offer Details:

Must perform a pre and post EnerGuide audit. Must complete 2+ measures. Thermal envelope measures only (Attic, Exterior Wall & Basement Insulation, Windows & Air Sealing). Participants receive a Weatherization Kit.

Structure:

Delivered by service organizations across Ontario – energy auditors providing EnerGuide reports and contractors completing work. Bonus incentive for installing heat pump after completion of whole home (envelope) measures.



Residential Sector - Enabling Initiatives

1. Customer Directed Education

- Objective to advance Energy Literacy to expand market opportunities
- Drive Customers to landing page to assist in discovering opportunities for EE and provide some guidance in identifying what offer might be best for them
- Utilizing Data Driven Tools – Customer Billing Data, MPAC, My Heat, & Previous Past Participation to develop tools to assist customers in their project scoping.

2. Trade Ally Network

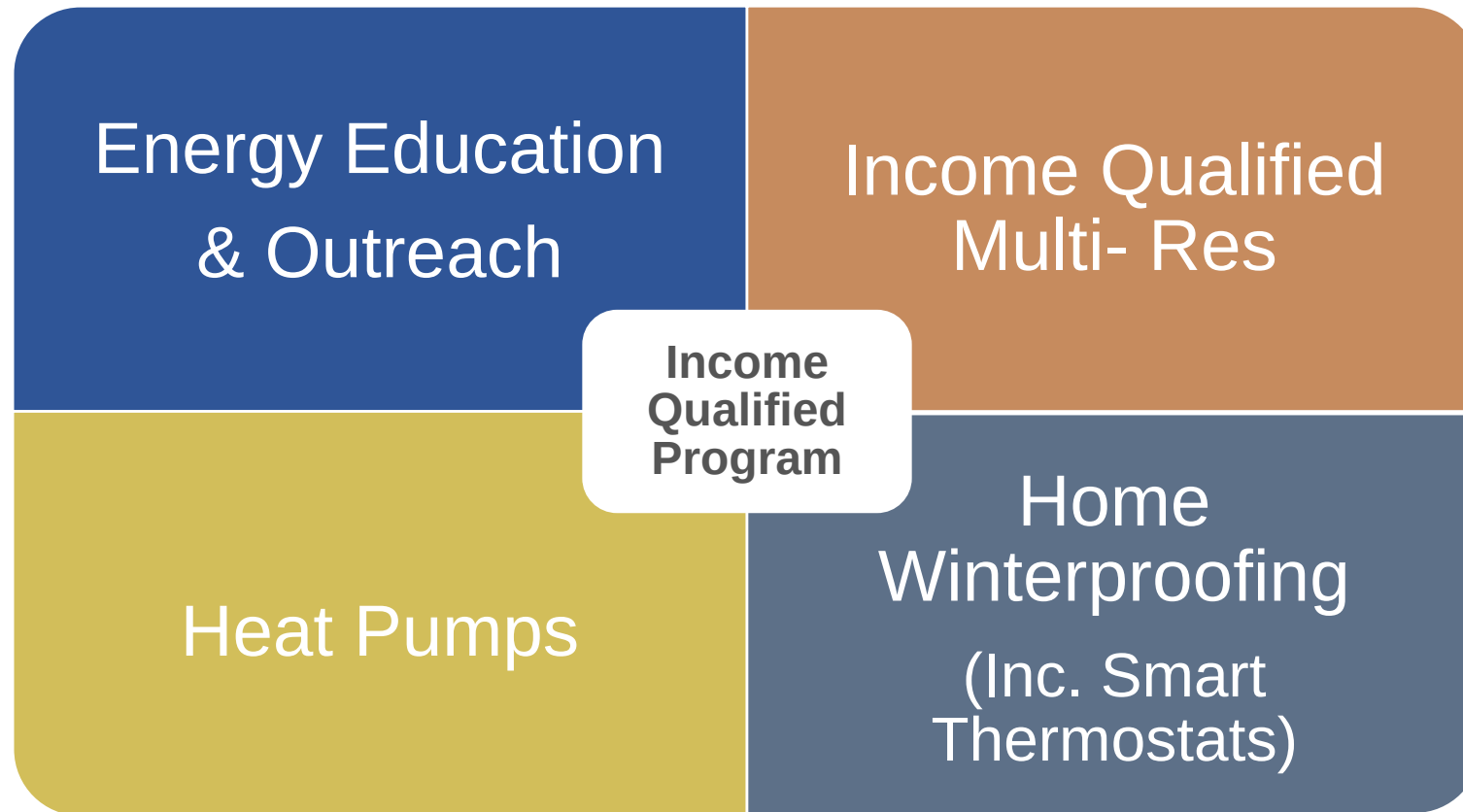
- Centralized engagement strategy supported by tools to drive more market participation with a market designed approach.

3. Contractor Training & Capacity Building

- With a focus on ensuring best practices are being performed in market, Enbridge Gas is proposing offering free training support to industry contractors. Areas include; HVAC, Insulation Contractors, & Registered Energy Auditors
- Develop Air Sealing Contractor Network to support launching of a single measure Air Sealing offer

Proposed Income Qualified Program

Income Qualified Program



Enabling Initiatives – Energy Literacy Tools, Industry Capacity Building

Income Qualified Segment



Social Housing

Housing provided by the municipality based on income.



Cooperative Housing

Housing controlled by members who have a vote in decisions. Rents are less than local average; some units subsidized



Non-Profit Housing

Supportive housing provided by a non-profit agency (e.g., charity, Indigenous housing). Tenancy is based on income.



Market Rentals

Homes rented without regard to tenant income, but tenant meets income eligibility.



Private Homes

People living in the home are the homeowners.

Offers Include Home Winterproofing, Smart Thermostats, Heat Pump Direct Install and Income Qualified Multi-Res

Enhanced



Proudly Serving Ontario | 175 YEARS

Home Winterproofing

Objective:

Provide no-cost upgrades to income qualified customers to reduce their energy consumption and help lower their energy bills

Key offer details:

A free home energy assessment

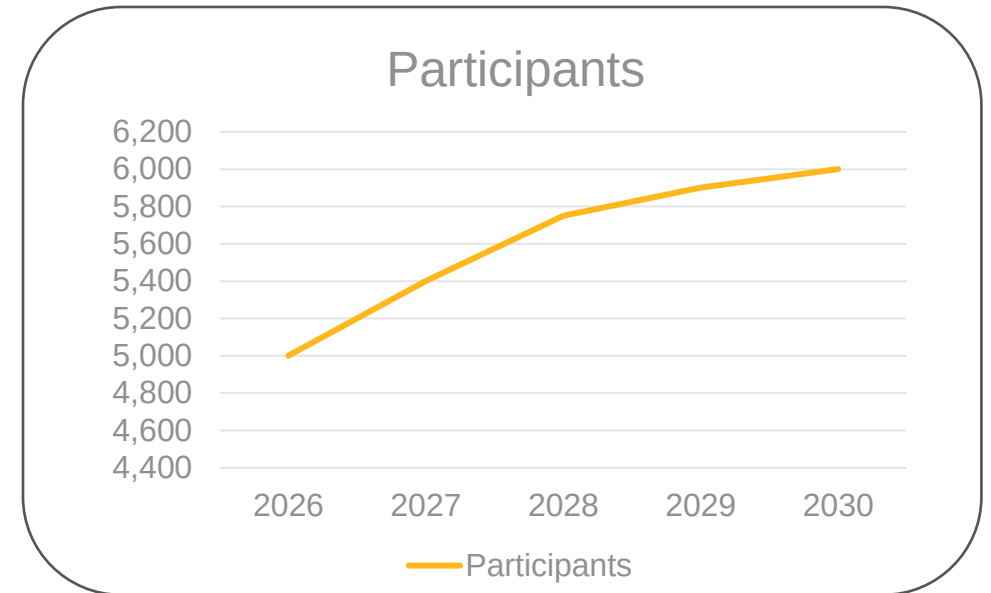
Free energy efficient upgrades including insulation, draft proofing and a smart thermostat

Professional Installation by qualified contractors

What's New: Windows (where windows are damaged and compromising the building envelope).

Structure

3rd Party Delivered program offerings developed in collaboration with the IESO



Home Winterproofing

Enhanced



Proudly Serving Ontario | 175 YEARS

Health & Safety

Increased health & safety budget to reduce projects being disqualified due to problems in the house.

- *Complete more mold removal*
- *Identify ways we can address asbestos (in limited areas)*
- *Include enabling options such as:*
 - *Gift cards for paint to encourage wall insulation*
 - *Moving furniture for customers who are unable to do so themselves.*
 - *Attic hatch creation*

Home Winterproofing

Enhanced



Proudly Serving Ontario | 175 YEARS

Delivery Focus

EGI to create equity in program by taking a customer first approach and meeting people where they live.

Non-Profit Housing Market

- *EGI proposes a concierge service for housing providers that includes tenant outreach, project planning and coordination, security measures and on-site coordination during home visits. Project briefs will illustrate baseline and upgrade metrics to quantify the HWP contribution to customers' retrofit goals.*
- *Dedicated EGI staff will engage Indigenous on-reserve and off-reserve housing providers with a culturally appropriate concierge service.*

Owner-Occupied Market

- *EGI proposes to leverage existing municipal partners' programs and networks to reach out to private low-income households with co-marketing activities.*
- *Community-based outreach will see EGI partnering with front-line agencies to develop marketing campaigns that reflect community values, language and culture with a view to reducing mistrust amongst marginalized customers.*

Direct Install Heat Pumps

New



Proudly Serving Ontario | 175 YEARS

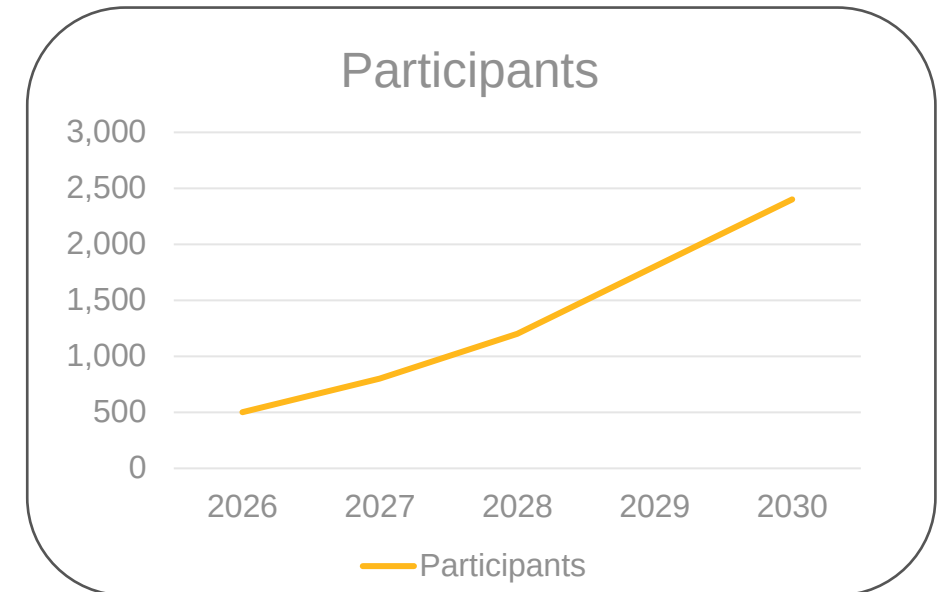
Heat Pump Strategy

Target Market

- Phase 1 begins with social housing providers; EGI forecasts private homes will be targeted/eligible later in the term.
- A robust education package will be developed to assist customers through the decision-making process.
- All homes considered for heat pumps must be insulated and air sealed.
- EGI will contact past participants for a single-measure heat pump offer.

Installation

- Hybrid heating solutions will be offered.
- Types and sizes available will mirror what is available through the residential program.
- Customers may bring their own contractor for installation, but contractors must complete the training (based on NRCan guide) prior to beginning work.
- HWP will offer unit purchase, installation and setup only, no electrical upgrades will be offered.



Note: concerns related to potential increase to participant operating costs

Income-Qualified Single Family - Enabling Initiatives



- Collaborate with local organizations to strengthen program effectiveness
- Target hard-to-reach communities to create equity in program delivery
- Provide housing providers with support services to aid in tenant engagement and education
- Communicate the program process and timelines clearly to housing providers and residents
- Increase program participation to address lack of trust, scam concerns, and unwillingness to self-identify as income qualified
- Develop a two-pronged strategy to engage and educate First Nations communities

Income Qualified Multi-Residential Offer Streams

The Income Qualified Multi-Residential Offer is supported by multiple offer streams

Custom	Prescriptive Downstream	Direct Install	ORB (No cost/Low cost) <i>New</i>
Measures that require site specific inputs to calculate savings or where multiple measures are implemented with interactive effects i.e. Boiler Optimization, Weatherization, etc.	Standalone measures with deemed or quasi prescriptive savings calculations Measures include: HRVs, ERVs, In-suite HRVs & ERVS, Condensing MUA Units, Condensing Water Heaters	Turnkey solution, that includes installation at no cost to customers Measures include: Heat Reflector Panels	Identification, implementation of no cost/low cost measures including: • Operational improvement • Recommissioning and system optimization • Behavioral

IQ Multi-Residential: Energy Manager Assistance

New



Proudly Serving Ontario | 175 YEARS

Challenge: *Small/Medium Social Housing Providers identified a major barrier for implementation of energy conservation was lack of expertise on energy management /business case development.*

Aside from capital funding, lack of energy management expertise was their biggest barrier to formulating and executing on energy conservation retrofits.

Solution:

- Enbridge Gas proposes to augment the current audit incentive, that assists with identification of the technical opportunities, with energy management assistance incentives intended to help cover cost of external expertise to build business cases and capital implementation plans so providers can move forward on identified opportunities.

IQ Multi-Residential Incentive Structures

Incentive Type	Current Incentives	Proposed Incentives
Custom	\$2.00/m³ saved up to 75% of incremental cost to \$200k/ project - Bonus incentive offers Boiler additional \$0.50/m³ and \$0.50/m³ for custom projects.	\$3.00/m³ saved up to 75% of incremental cost to \$300k/project - Bonus incentives – Increase incremental cost to 100%
Prescriptive	Incentive varies by measure and size	- Incentives varies by measure and size - Bonus incentives
Direct Install	100% cost coverage	100% cost coverage
Energy Assessments / Energy Manager	Energy Audits: No cost up to \$15K per project	- Energy Audits: No cost up to \$15K per project - Energy Manager: No cost up to \$30K
ORB	N/A	- No cost pre and post assessment \$0.25/m³ saved

Building Towards the Future



Policy Goals Alignment & Increased Municipal Activity

New Housing



Net Zero Energy Ready Modeled Code
2030



Building Beyond Code

**Municipal Green
Development Standards**

Existing Housing



Net Zero Energy Ready
2050



HER-O

Deep Energy Retrofits -What's the Opportunity?

The Challenge

- 2020-2022 HER data shows that there is already a small portion of the customer base that is achieving greater than 50% energy savings in their home.
- There are other programs in Ontario that target deep retrofits.

Program	Duration	Details
CHBA Net Zero Home Labelling Program for Renovations	2020 – 2021	6 pilot homes
CHBA “Towards net zero renos” Pilot program – NRCan funded	2021-2026	Target 100-150 DERs/NZE homes annually
Future Homes Retrofit Accelerator Ottawa	2020-2023	40 applicants, 6 demo homes selected

Conclusion: At this stage, Enbridge Gas does not need to develop a separate DER offer beyond whole home custom but can play a valuable role in developing the support system to enable deeper retrofit outcomes that support the NZER future.

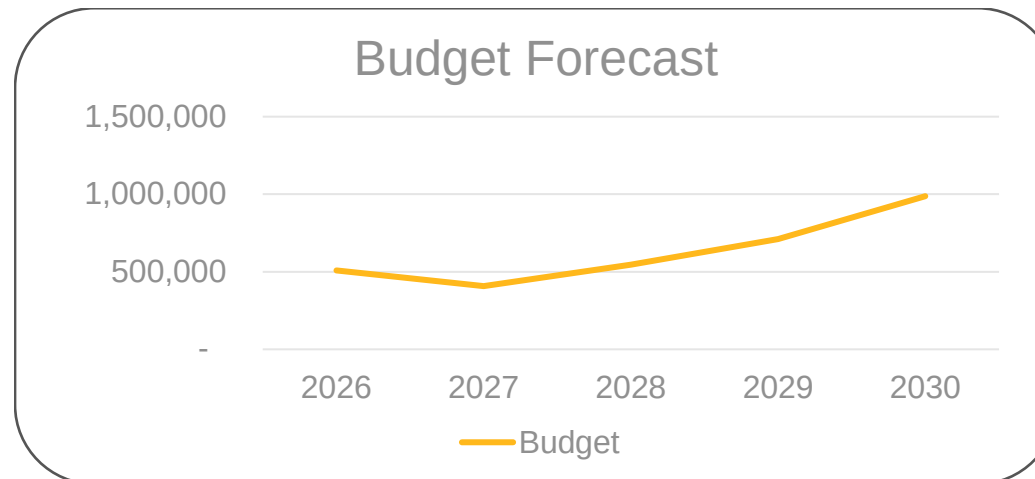
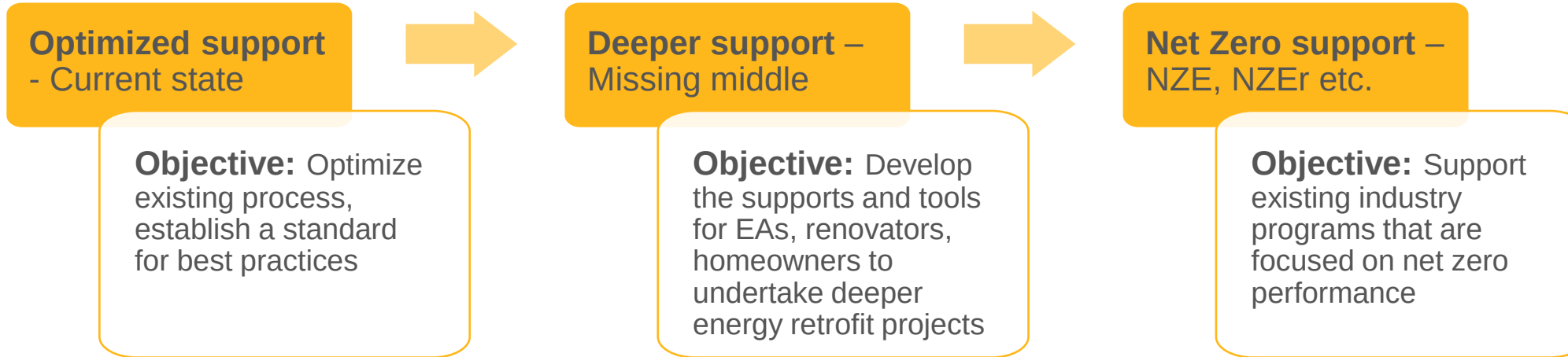
HER-O

New



Proudly Serving Ontario | 175 YEARS

Pilot program to test 3 support levels



New Housing Market Landscape

No Performance Building Code
Changes Planned

Lack of Standardization of Municipal
Green Development Standards

Current Market Conditions

Enbridge Gas to focus its activities on aligning with NZER 2030 goals & associated capacity building

Residential Building Beyond Code

Revised



Proudly Serving Ontario | 175 YEARS

Objective:

Support the NZER 2030 target by providing support and incentives to builders to allow for the transition of a NZER building code.

Offer Details:

Discovery Home/New NZER Builder Incentives

- Cover cost of mandatory Advanced Building Science and Net Zero Builder courses (up to 2 ppl: ~\$1,600)
- Provide incentive to cover ~50% of incremental cost of upgrades
- Cover cost of labelling and evaluation (\$2,100) offered after proof of label provided
- Technical and trades workshops (No cost to builder)

Continuous NZER labelling participants

- Provide incentives to cover ~25% of incremental cost of upgrades (with a limit on # of homes/builder)
- Cover cost of labelling/evaluation (\$2,100) after proof of label provided (with limit on # of homes/builder)
- Ability to attend ongoing technical and trades workshops offered

What's Changed:

1. Energy Star for New Homes Offer being discontinued
2. NZER Demonstration Stream – Removing the 1 to 1 design assistance
3. Introducing NZER Development Stream to support/encourage builders who have built demo to this standard to scale

Residential Building Beyond Code

Revised



2026 – 2030 Projected Impacts

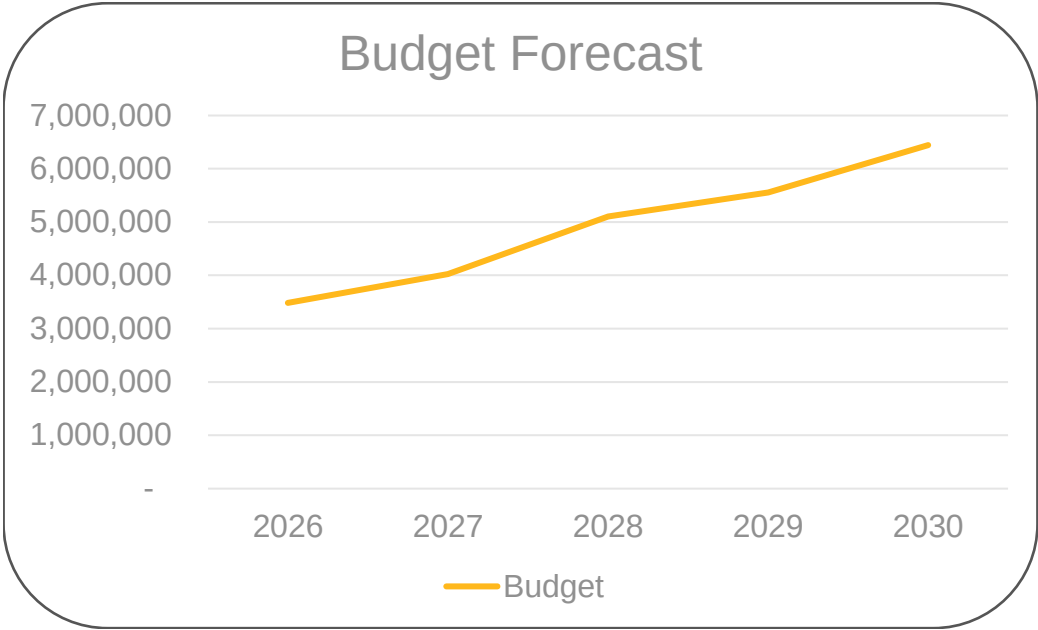
100 New NZER Builders



1675 New NZER Homes



2026 – 2030 Budget Forecast





Commercial Building Beyond Code

Objective:

Offers support the advancement of building energy performance beyond mandatory building code and/or GDS requirements.

Offer 1: Commercial Savings by Design	Offer 2: Air Tightness Testing
• A free Visioning Session/Workshop to model various design elements and technology solutions to exceed mandatory requirements ◦ Technical Assistance Incentive (\$4,000) to offset costs of incremental professional consulting fees • Summary report of workshop recommendations, highlighting potential savings opportunities and incremental costs ◦ Savings opportunities will be calculated to achieve a performance goal of either the next tier GDS targets (EUI, GHG,TEDI) or an above code equivalent of approx. 35% • Evaluation of final design submitted for permitting to measure energy performance relative to goal ◦ Regular touchpoints between program delivery agent and builder at key project milestones to monitor achievement of performance goal 2026 Budget: \$750,000 (15 participant target)	• Up to \$30,000 for customers to commission air tightness testing to measure performance levels. • Up to \$15,000 for implementation initiatives to improve building envelope performance 2026 Budget: \$410,000 (12 Participants)

Commercial Building Beyond Code

Enhanced

Offer 3: Guide to High Performance Building

Focused individual ½ day training sessions for commercial construction builders, developers, architects, etc. to advance knowledge and capacity to design and build towards higher efficiency tiers/above code performance. Examples include:

Training Modules	Description
Better than Code – Modelling for performance	Examines the performance path to achieve better than code/mandatory performance. Includes energy simulation modelling to optimize assembly and equipment design for performance & costs
High Performance Building Enclosures	Considerations for achieving highly efficient, airtight and moisture resistant building envelopes
Air Tightness Testing	Air tightness testing training to build capacity of qualified service agents
Designing fenestration for performance	Covers the design of windows, doors, and other openings, and their impact on other systems
Building Integrated Renewables	Reviews the renewable energy technology industry and how their integration can impact design
High Performance mechanical systems	Covers the design of heating, cooling and ventilating systems
Smart building automation, control and monitoring	“Smart building” strategies and technologies

2026 Budget: \$950,000 (120 participant target)

Affordable Housing Building Beyond Code

Revised

Objective:

Offers support the advancement of building energy performance beyond mandatory building code and/or GDS requirements in the Affordable Housing MURB sector.

Affordable Housing Savings by Design

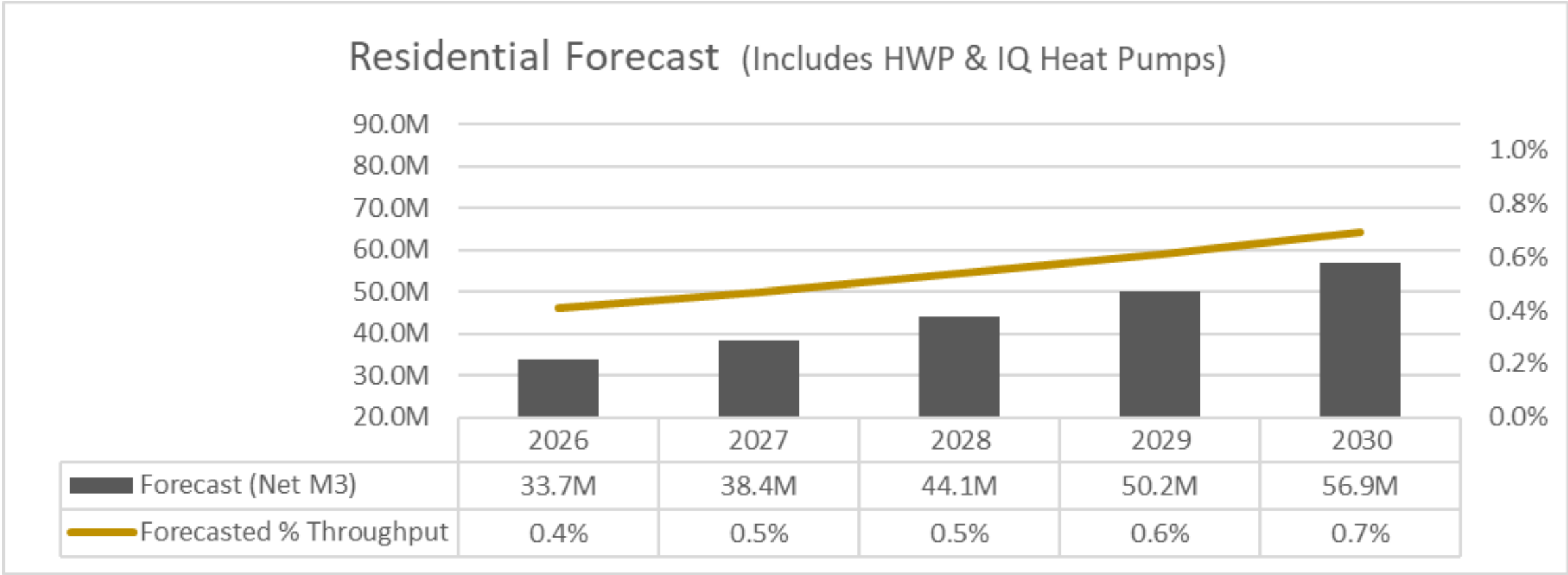
Participating builders receive:

- **Free Visioning Session/Workshop** to model design elements and technology solutions in order to exceed mandatory requirements.
 - **Technical Assistance Incentive (\$10,000)** to offset costs of incremental professional consulting fees
- Summary report of workshop recommendations, highlighting potential savings opportunities and incremental costs
 - Savings opportunities will be calculated to achieve a performance goal of either the next tier GDS targets (EUI, GHG, TEDI) or an above Ontario Building Code equivalent of approx. 20%
- Regular touchpoints between delivery agent/builder at key milestones to help keep project on track with achievement of performance goal.
- Evaluation of final design submitted for permitting to measure energy performance relative to goal.
- An **Energy Performance Incentive** is provided and is calculated at **\$1,000 per affordable housing unit, to a maximum of \$120,000 per project**. 50% of the Energy Performance Incentive is payable at the time of the building permit application, based on the energy performance of the design submitted for permit, and 50% of the Energy Performance Incentive is payable upon completion of construction, based on the energy performance of the as-built energy model.

2026 Budget: \$3,300,000 (25 participant target)

Residential Forecast Budgets and Targets

Residential Part 9 Savings Target (Res + IQ)

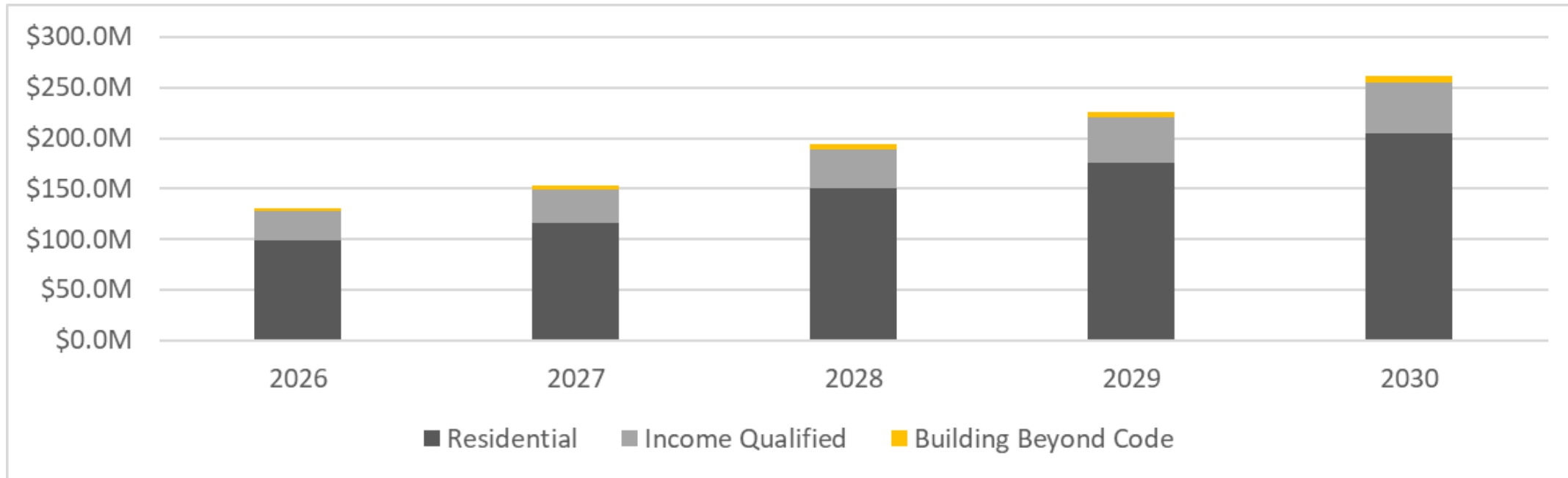


2026-2030 Forecast

Residential Part 9 Budget Forecast (Res, IQ and NC)



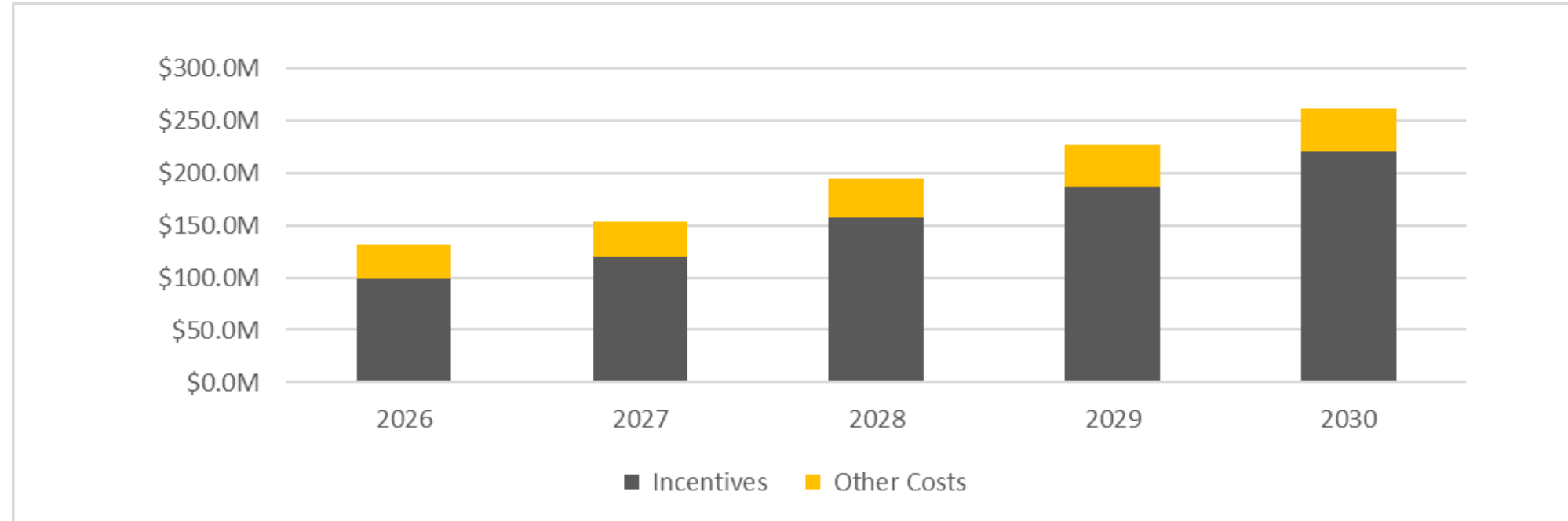
Proudly Serving Ontario | 175 YEARS



Scorecard	2026		2027		2028		2029		2030		Total Spend	Total %
	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%		
Residential	\$98.6M	75.2%	\$116.0M	75.4%	\$150.1M	77.1%	\$175.6M	77.6%	\$204.5M	78.1%	\$744.7M	77.0%
Income Qualified	\$29.1M	22.2%	\$33.7M	21.9%	\$39.4M	20.2%	\$45.0M	19.9%	\$50.8M	19.4%	\$198.0M	20.5%
Building Beyond Code	\$3.5M	2.7%	\$4.0M	2.6%	\$5.1M	2.6%	\$5.6M	2.5%	\$6.4M	2.5%	\$24.6M	2.5%
Grand Total	\$131.2M	100.0%	\$153.7M	100.0%	\$194.5M	100.0%	\$226.1M	100.0%	\$261.8M	100.0%	\$967.4M	100.0%

Assumes annual inflation rate of 2%

Residential Part 9 Budget Breakdown (Res, IQ and NC)

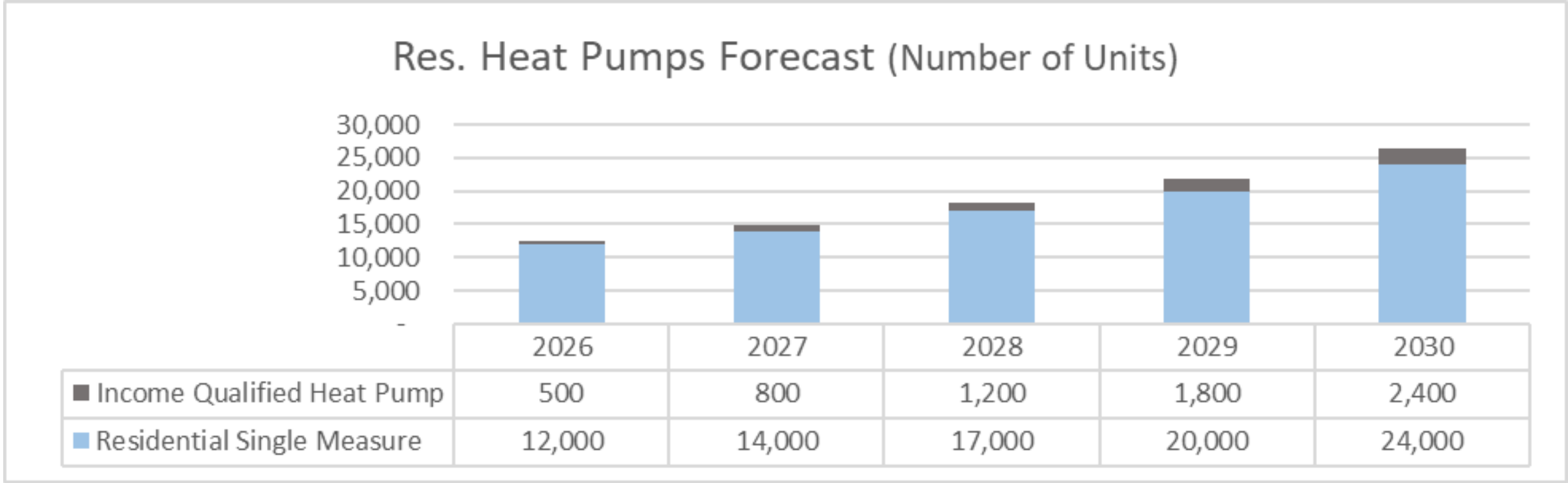


Year	2026	2027	2028	2029	2030
Incentives	\$98.9M	\$119.6M	\$157.0M	\$186.8M	\$220.5M
Other Costs	\$32.4M	\$34.2M	\$37.6M	\$39.4M	\$41.4M
Total Budget	\$131.3M	\$153.8M	\$194.6M	\$226.2M	\$261.9M
% of Incentive	75%	78%	81%	83%	84%

Assumes annual inflation rate of 2%

Other costs includes promo, delivery and admin.

Residential Heat Pump Unit Forecast



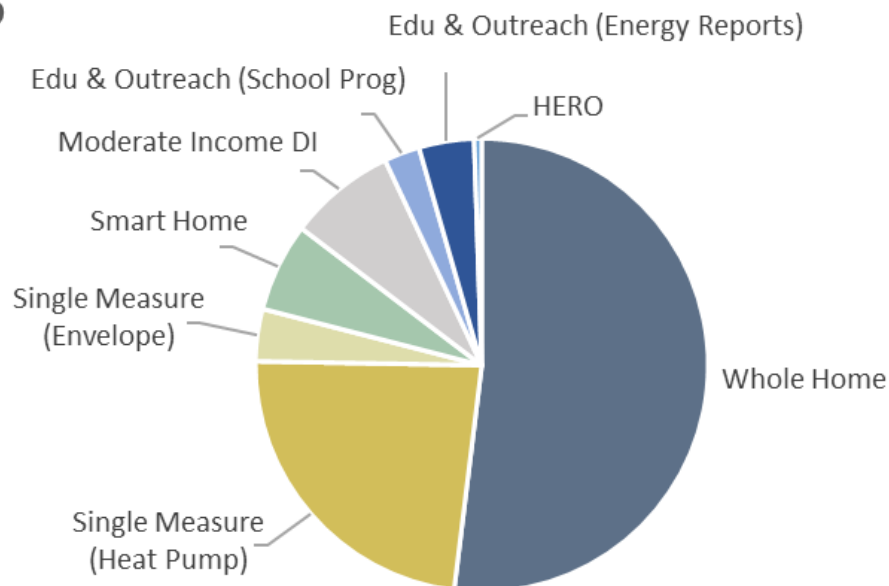
*Excludes Water Heater Heat Pump

Residential Budget Breakdown

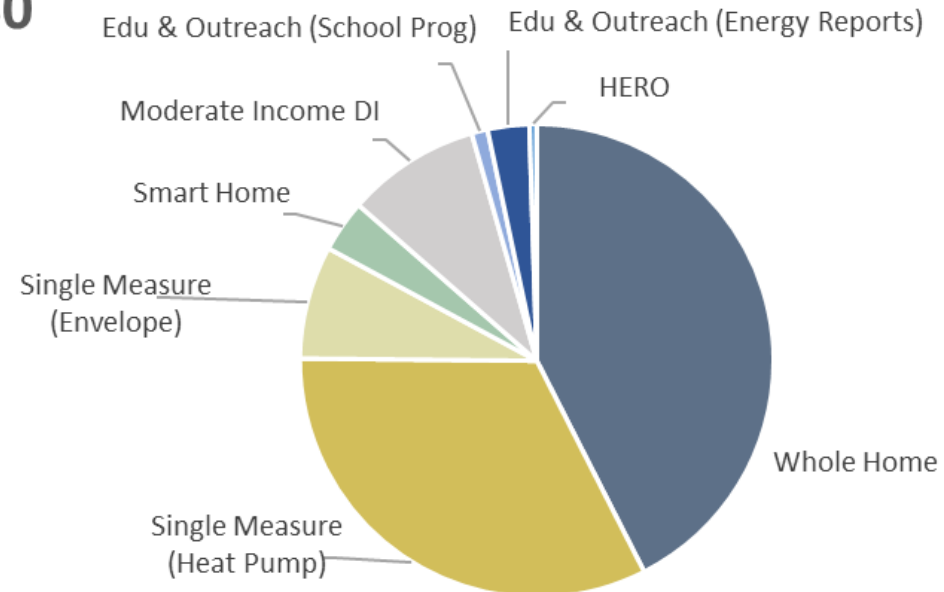


Proudly Serving Ontario | 175 YEARS

2026



2030



Offering	2026 Budget	% Spend Uptake
Whole Home	\$49.4M	52%
Single Measure (Heat Pump)	\$22.2M	23%
Single Measure (Envelope)	\$3.5M	4%
Smart Home	\$6.0M	6%
Moderate Income DI	\$7.3M	8%
Edu & Outreach (School Prog)	\$2.4M	3%
Edu & Outreach (Energy Reports)	\$3.7M	4%
HERO	\$0.5M	1%
Total	\$95.0M	100%



Offering	2030 Budget	% Spend Uptake
Whole Home	\$84.9M	43%
Single Measure (Heat Pump)	\$65.2M	33%
Single Measure (Envelope)	\$15.4M	8%
Smart Home	\$7.1M	4%
Moderate Income DI	\$18.2M	9%
Edu & Outreach (School Prog)	\$2.2M	1%
Edu & Outreach (Energy Reports)	\$5.7M	3%
HERO	\$1.0M	0%
Total	\$199.7M	100%

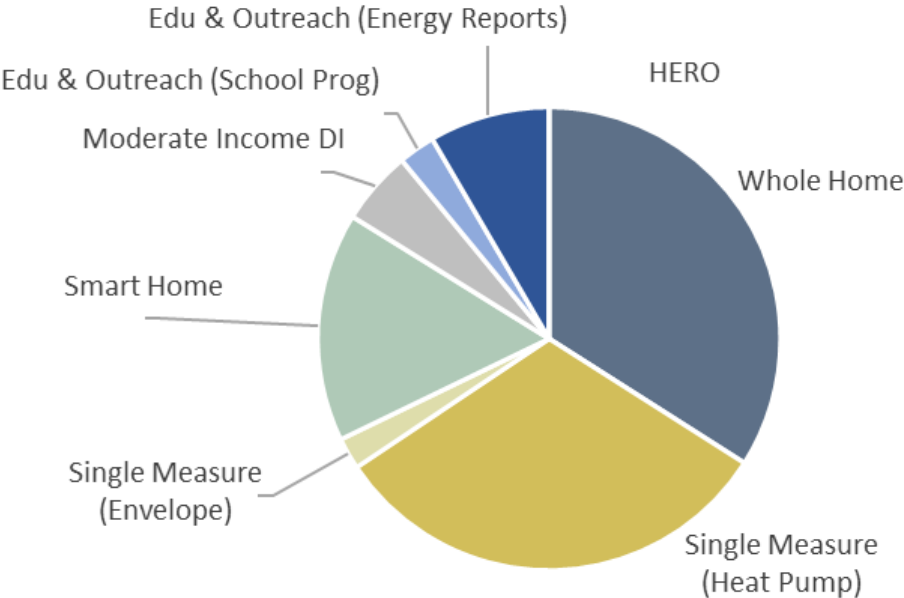
Assumes annual inflation rate of 2% | Does not include forecast for Admin spending

Residential Savings Breakdown (Net M3)



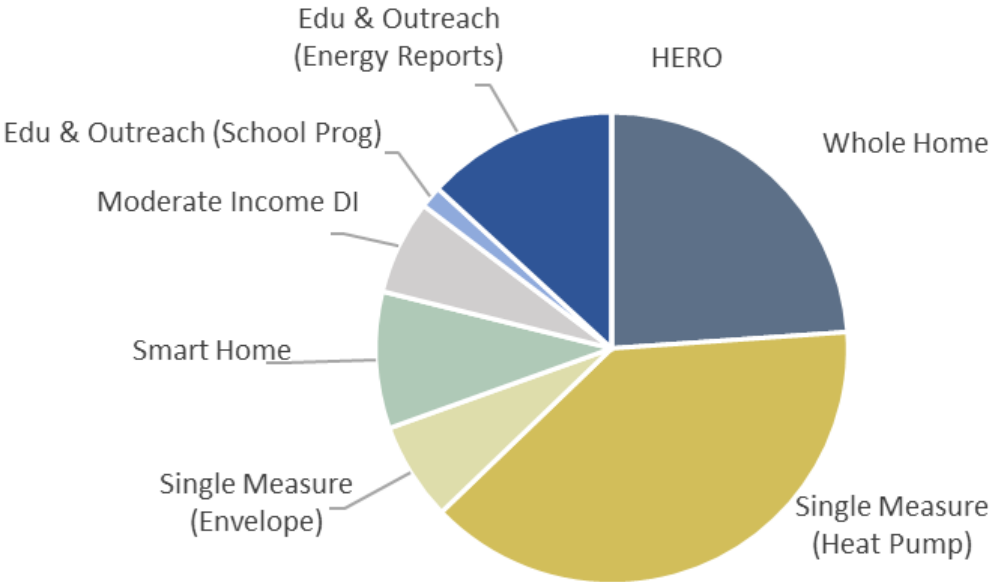
Proudly Serving Ontario | 175 YEARS

2026



Offering	2026 Savings	% Savings Uptake
Whole Home	10.2M	34%
Single Measure (Heat Pump)	9.5M	32%
Single Measure (Envelope)	0.7M	2%
Smart Home	4.8M	16%
Moderate Income DI	1.6M	5%
Edu & Outreach (School Prog)	0.8M	3%
Edu & Outreach (Energy Reports)	2.5M	8%
HERO	0.0M	0%
Total	30.0M	100%

2030



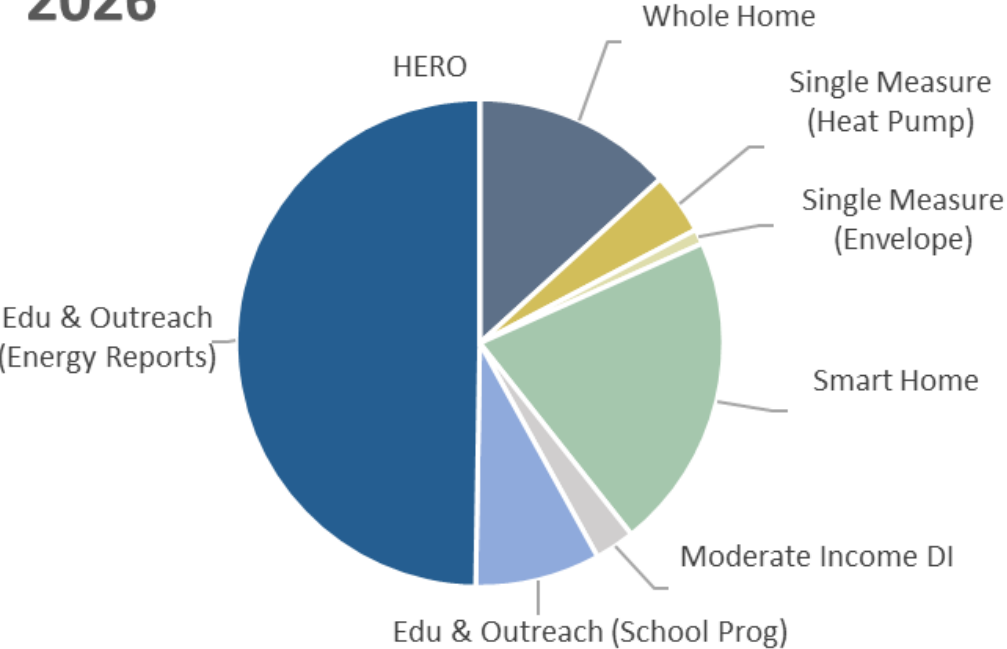
Offering	2030 Savings	% Savings Uptake
Whole Home	12.2M	24%
Single Measure (Heat Pump)	19.9M	39%
Single Measure (Envelope)	3.4M	7%
Smart Home	4.8M	9%
Moderate Income DI	3.3M	6%
Edu & Outreach (School Prog)	0.8M	1%
Edu & Outreach (Energy Reports)	6.7M	13%
HERO	0.0M	0%
Total	51.2M	100%

Residential Participant Breakdown



Proudly Serving Ontario | 175 YEARS

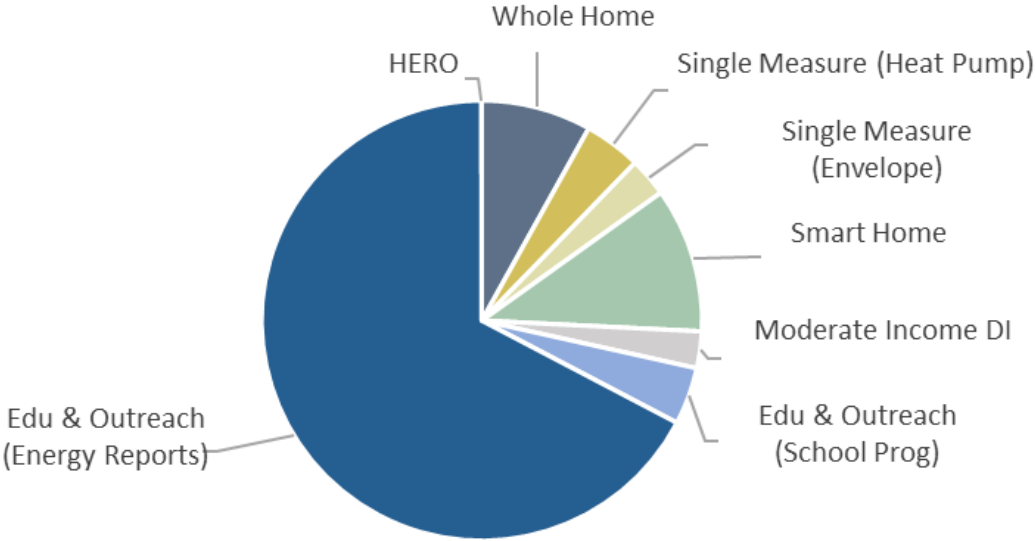
2026



Offering	2026 Participants	Participants Uptake
Whole Home	40,000	13%
Single Measure (Heat Pump)	12,200	4%
Single Measure (Envelope)	3,000	1%
Smart Home	63,410	21%
Moderate Income DI	8,000	3%
Edu & Outreach (School Prog)	25,000	8%
Edu & Outreach (Energy Reports)	150,000	50%
HERO	-	0%
Total	301,610	100%

HERO participants are counted within Whole Home

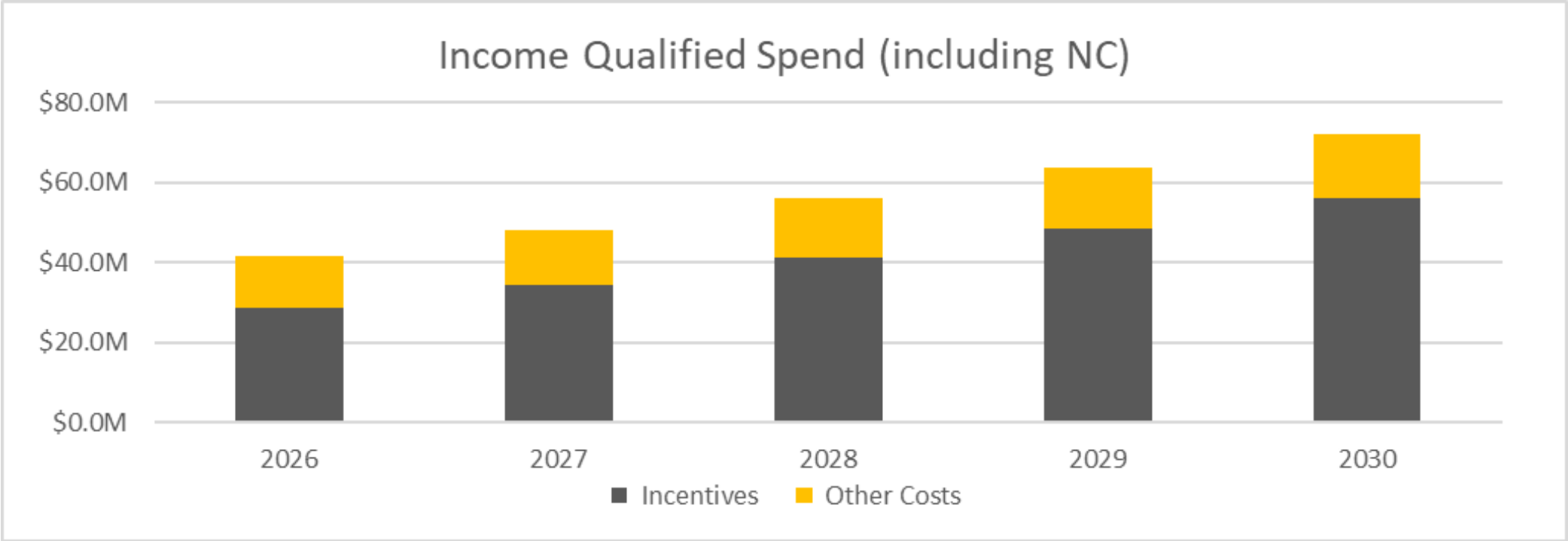
2030



Offering	2030 Participants	Participants Uptake
Whole Home	48,000	8%
Single Measure (Heat Pump)	24,880	4%
Single Measure (Envelope)	17,000	3%
Smart Home	63,410	11%
Moderate Income DI	16,000	3%
Edu & Outreach (School Prog)	25,000	4%
Edu & Outreach (Energy Reports)	400,000	67%
HERO	-	0%
Total	594,290	100%

Income Qualified Forecast Budgets and Targets

Income Qualified Offer Breakdown

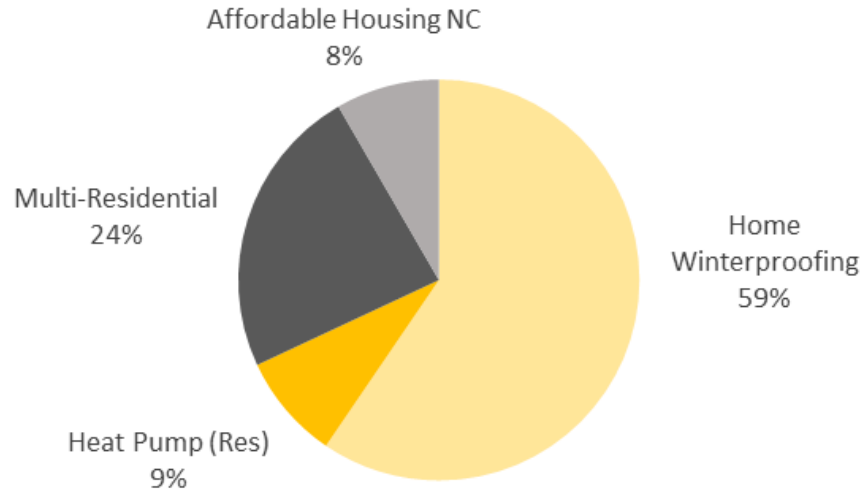


Year	2026	2027	2028	2029	2030
Incentives	\$28.8M	\$34.4M	\$41.3M	\$48.4M	\$56.1M
Other Costs	\$12.9M	\$13.8M	\$14.9M	\$15.5M	\$15.8M
% of Incentive	69%	71%	73%	76%	78%

Assumes annual inflation rate of 2%

Income Qualified Budget Breakdown

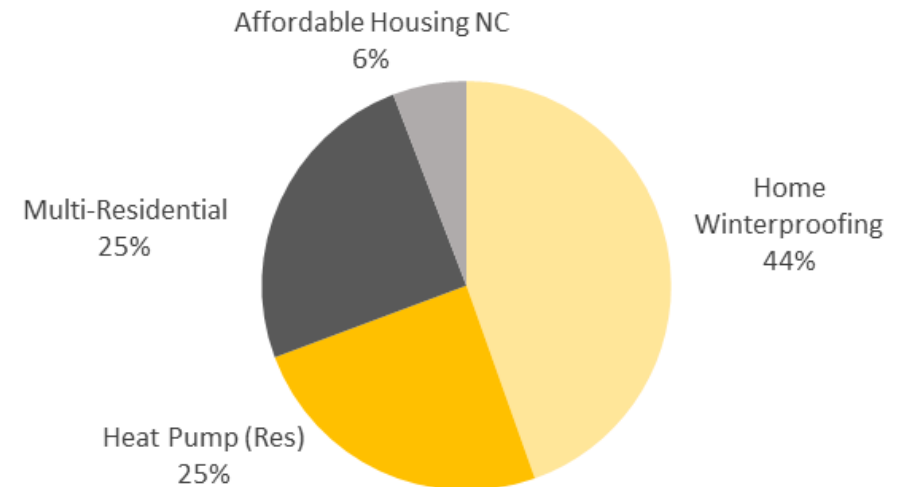
2026 IQ Spend Breakdown



Offering	2026 Budget	% Spend Uptake
Home Winterproofing	\$23.4M	60%
Heat Pump (Res)	\$3.4M	9%
Multi-Residential	\$9.3M	24%
Affordable Housing NC	\$3.3M	8%
Total	\$39.3M	100%



2030 IQ Spend Breakdown

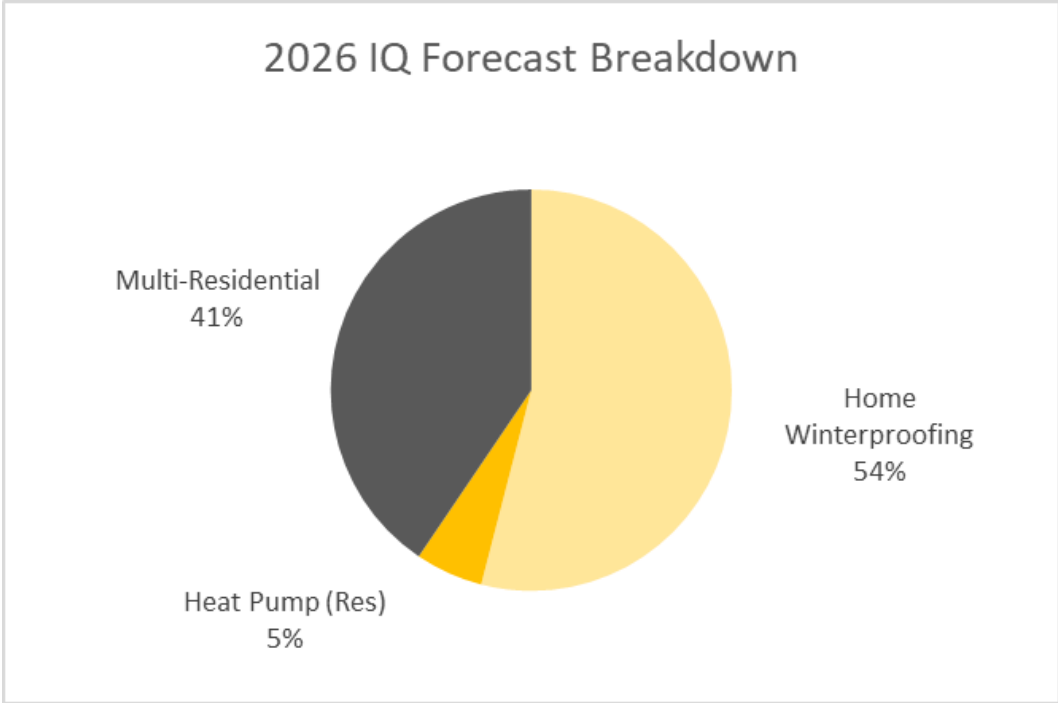


Offering	2030 Budget	% Spend Uptake
Home Winterproofing	\$30.6M	45%
Heat Pump (Res)	\$17.0M	25%
Multi-Residential	\$17.1M	25%
Affordable Housing NC	\$4.0M	6%
Total	\$68.7M	100%

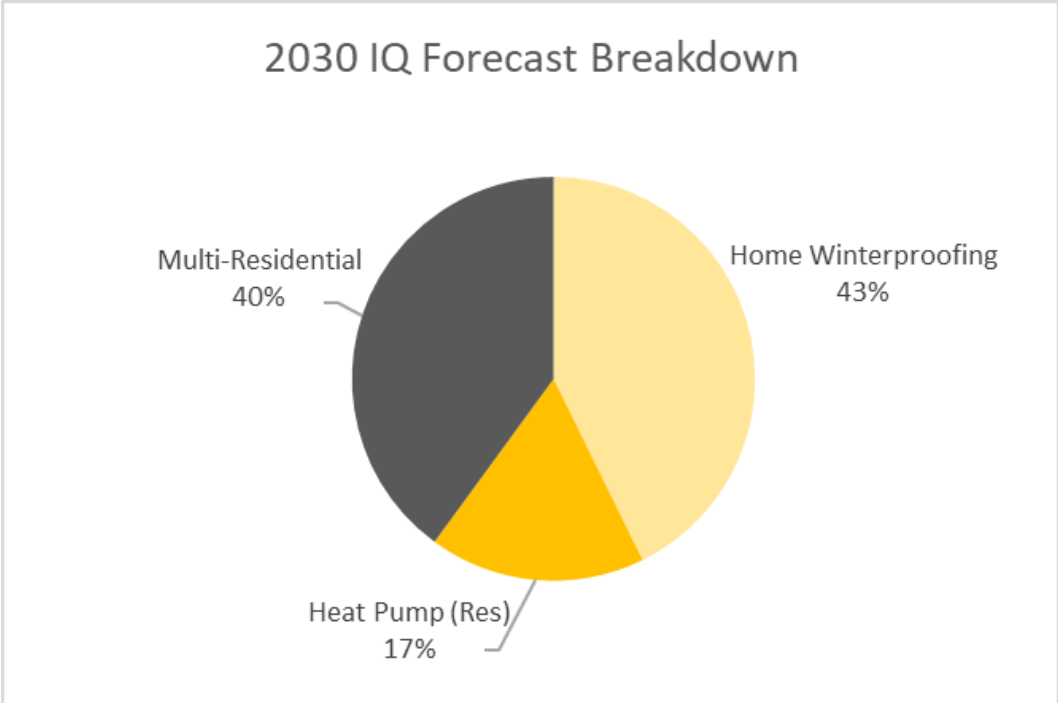
Assumes annual inflation rate of 2%

Does not include forecast for Admin spending

Income Qualified Savings Breakdown (Net M3)



Offering	2026 Savings (Net m3)	% Savings Uptake
Home Winterproofing	3.4M	54%
Heat Pump (Res)	0.3M	5%
Multi-Residential	2.5M	41%
Total	6.3M	100%



Offering	2030 Savings (Net m3)	% Savings Uptake
Home Winterproofing	4.0M	43%
Heat Pump (Res)	1.6M	17%
Multi-Residential	3.8M	40%
Total	9.5M	100%

Discussion

Appendix

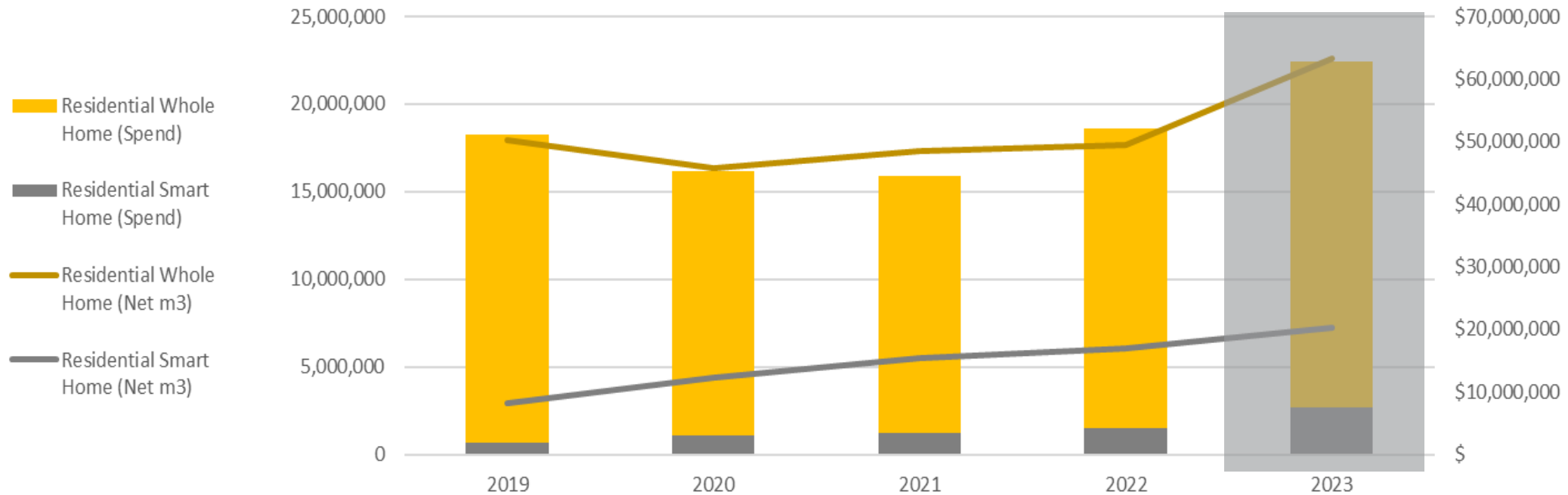
Residential / Income Qualified Recent Results

2019 – 2023 Actuals

Residential Historical Data



Proudly Serving Ontario | 175 YEARS



Notes:

HER (Whole Home):

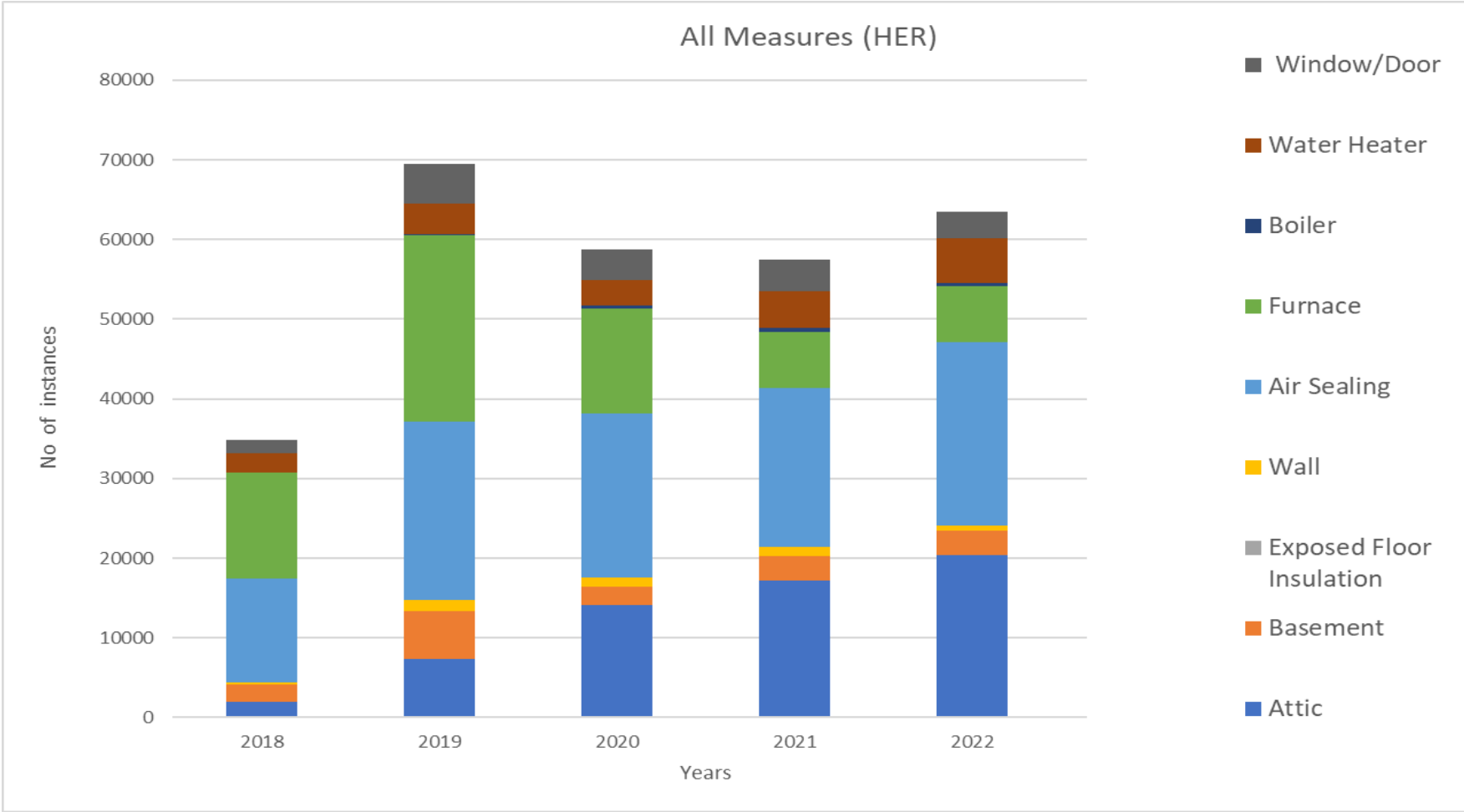
2020 – 3 measure rule with furnace and rebate decrease, 2021 GHG competing, increase on attic and audit rebate, 2022 LTO to complete E by June 30, 2023 HER+

2023 Savings are based on contractual attribution and exclude pre-post audits costs paid by NRCan

Smart Home:

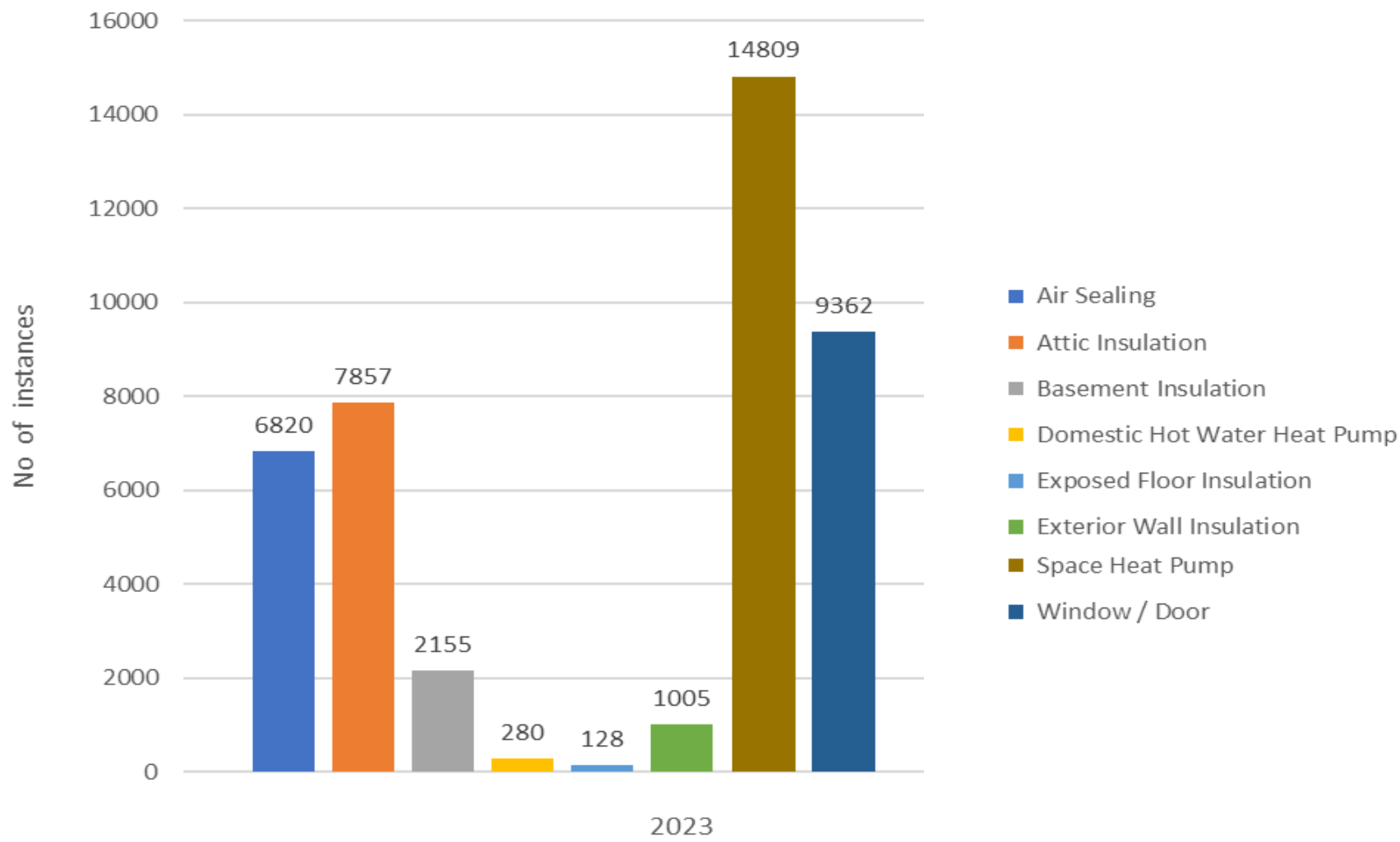
2023 LTO increased participation 108% over same time period in 2022 (29% total increase in participants)

Home Efficiency Rebate – Measure Breakdown



The measure driver for HER shifted from furnace to attic during the 2018-2022 period

Home Efficiency Rebate+ (Measure Breakdown)



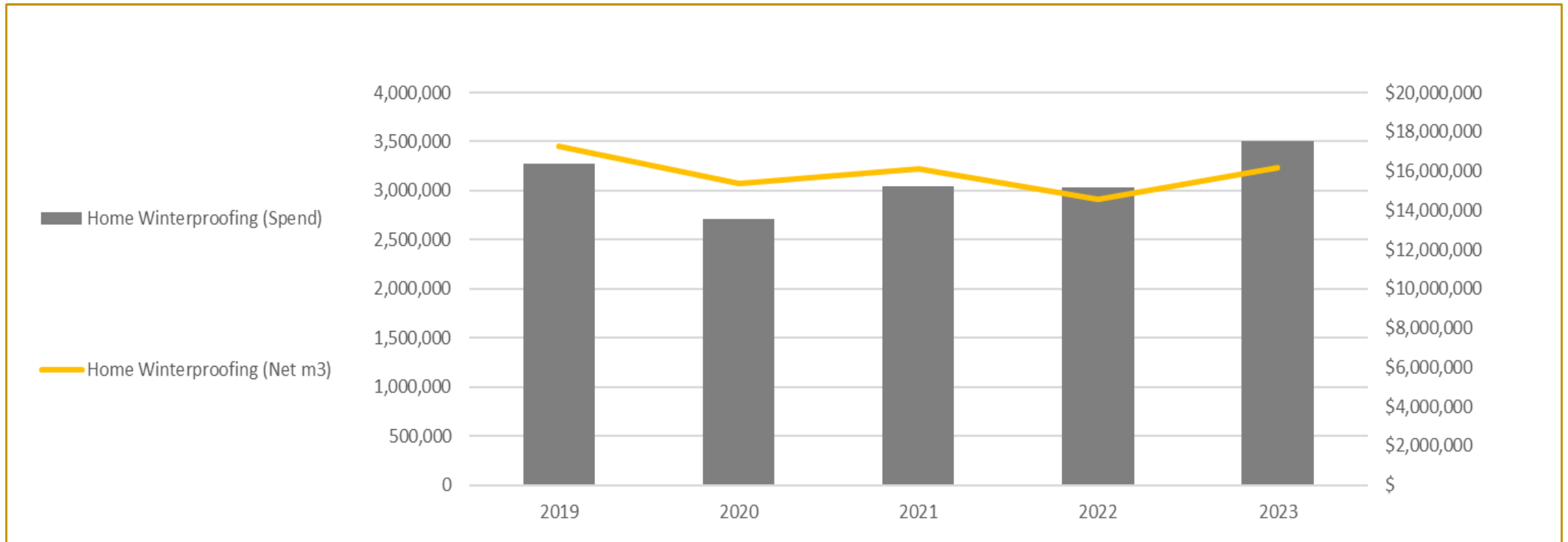
The measure breakdown for HER+ in 2023 – reflected a heavy frequency of heat pumps & windows

2019 – 2023 Actuals

Income Qualified – HWP Historical Data

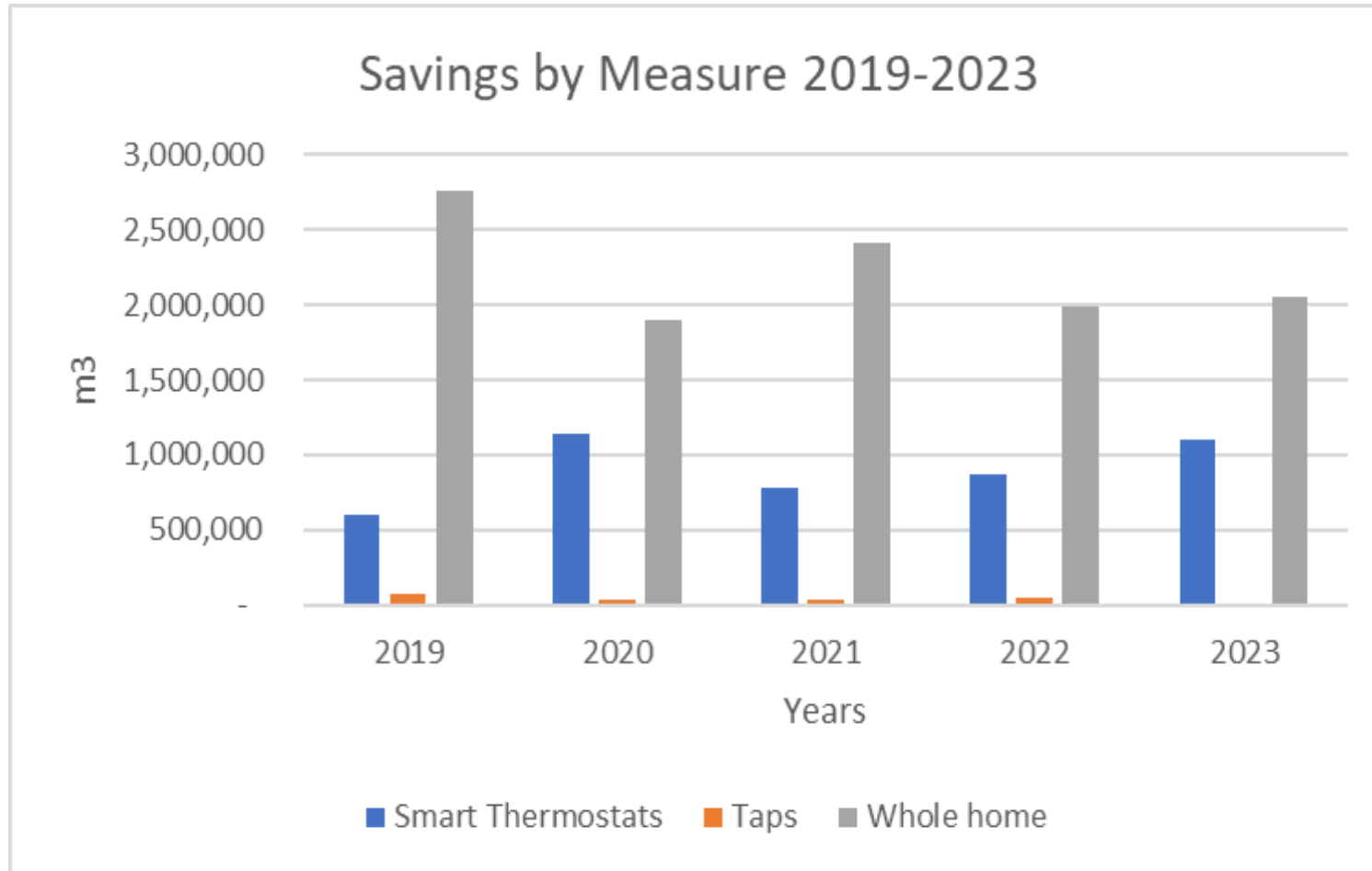


Proudly Serving Ontario | 175 YEARS



*2023 numbers are draft results pending audit

HWP – Results by Measure

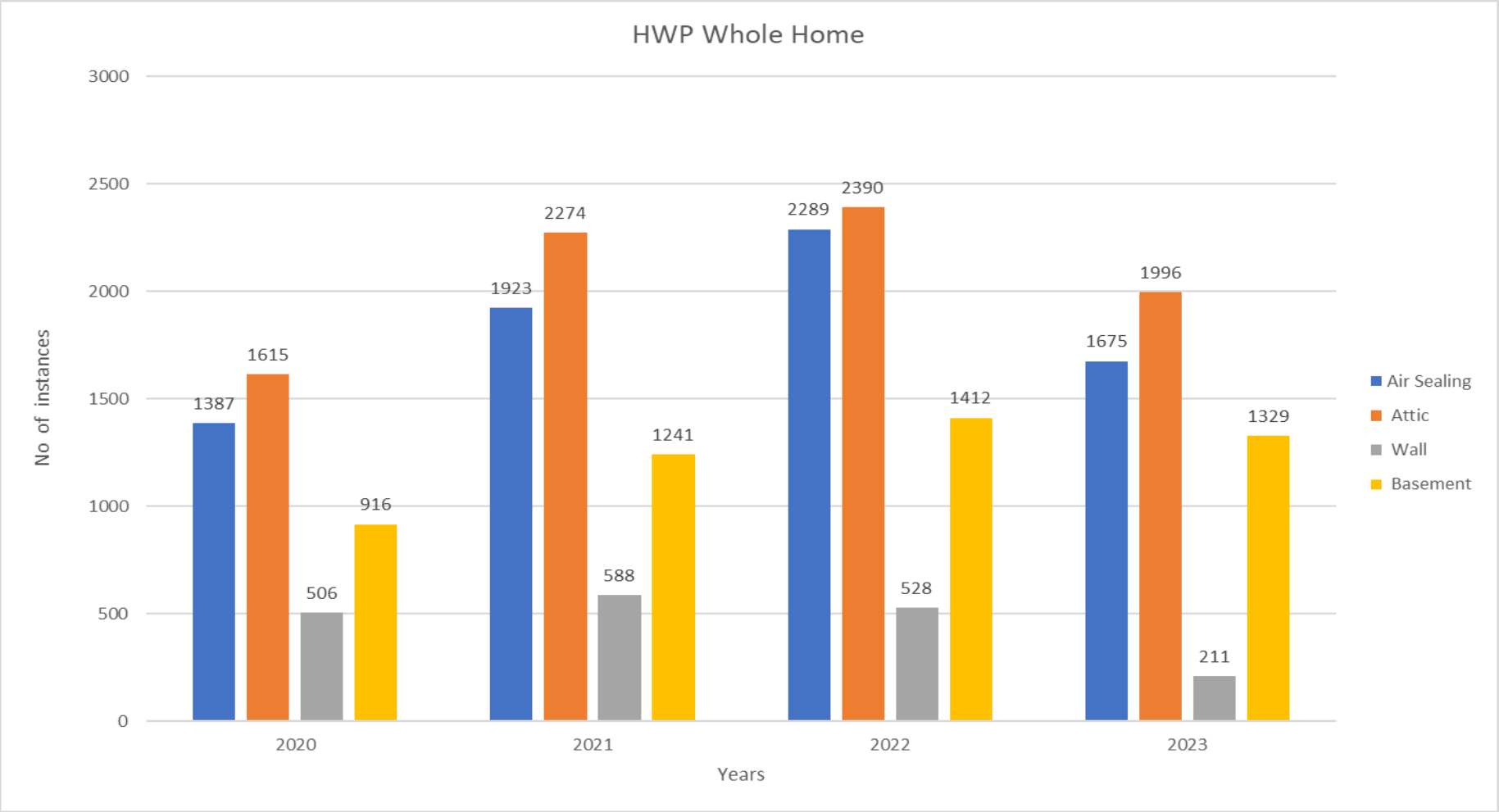


Home insulation measures continue to drive the majority of savings



Proudly Serving Ontario | 175 YEARS

HWP – Whole Home Breakdown by Measure



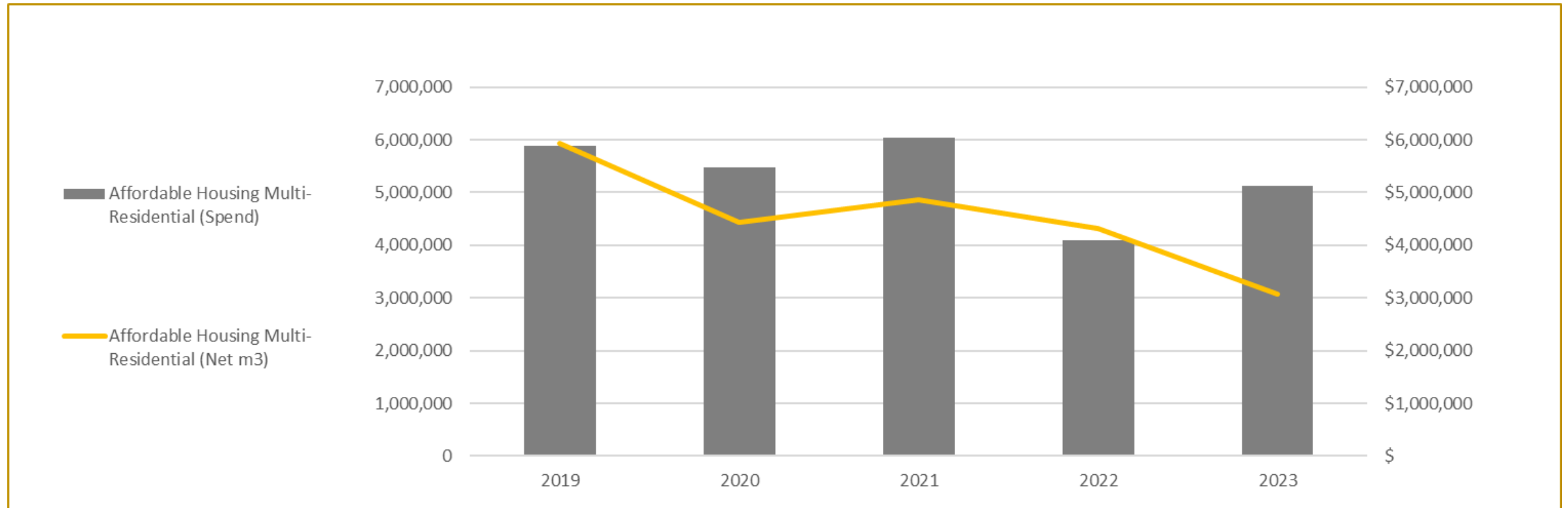
The measure mix has remained constant since 2020

2019 – 2023 Actuals

Income Qualified – Multi-Res Historical Data



Proudly Serving Ontario | 175 YEARS



2023 numbers are draft results pending audit

Enbridge Gas 2026-2030 DSM Plan Portfolio Summary

Daniel Johnson – Manager, DSM Strategy & Policy

Deborah Bullock – Technical Manager, Energy Conservation Planning

Craig Fernandes – Manager, Residential Energy Conservation

Scott Hicks – Manager, Energy Conservation Program Design & Technology QA/QC

The following slides are DRAFT and subject to update/finalization prior to submission of any DSM Plan Application. This overview is provided to stakeholders for information purposes only as part of Enbridge Gas Inc. 2026+ DSM plan development and engagement.



DSM Portfolio Overview

	2025	2026			2030		
Programs	Budget (\$ million)	Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio
Residential	\$ 84.6	\$ 101.4	29.1	1.25	\$ 208.4	49.5	1.24
Income Qualified	\$ 25.5	\$ 38.6	6.3	1.42	\$ 67.5	9.7	1.31
Commercial	\$ 27.9	\$ 46.6	24.9	2.66	\$ 72.7	36.3	2.39
Industrial	\$ 19.8	\$ 39.2	53.8	4.27	\$ 51.7	69.5	4.43
Large Volume	\$ 3.1	\$ 3.2	12.4	7.98	\$ 3.5	13.7	8.00
Portfolio Costs	\$ 20.4	\$ 16.9	-	-	\$ 18.2	-	-
Grand Total	\$ 195.1	\$ 245.9	126.4	2.12	\$ 422.0	178.7	2.00

Budget values include inflation (assumed 2% annual)

Annual DSM Forecast Gas Reductions

(net m³ as % of prior year forecast Sales Volumes)

	2026	2027	2028	2029	2030
Residential	0.40%	0.46%	0.53%	0.60%	0.66%
Commercial/Industrial	0.69%	0.77%	0.84%	0.89%	0.92%
Portfolio without LV	0.57%	0.64%	0.71%	0.77%	0.82%
Large Volume (LV)	0.25%	0.26%	0.27%	0.26%	0.25%
Portfolio with LV *	0.51%	0.56%	0.62%	0.66%	0.70%

** FOR REFERENCE: Portfolio net m3 gas reductions for 2023 estimated at 0.4% of 2022 sales volumes*



Residential Program

	2026					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Whole Home	\$ 42.4	\$ 8.2	\$ 50.6	10.2	1.13	\$ 4.96
Single Measure	\$ 22.0	\$ 4.8	\$ 26.8	8.7	1.04	\$ 3.09
Smart Home	\$ 5.0	\$ 2.6	\$ 7.6	6.0	2.92	\$ 1.26
Moderate Income Direct Install	\$ 6.9	\$ 0.5	\$ 7.4	1.7	2.35	\$ 4.36
Energy Education & Outreach *	\$ 0.1	\$ 2.5	\$ 2.6	2.5	0.27	\$ 1.04
Building Beyond Code	\$ 1.7	\$ 1.4	\$ 3.1	-	-	-
Residential Program Admin Costs	-	-	\$ 3.3	-	-	-
Residential Program Total	\$ 78.1	\$ 20.0	\$ 101.4	29.1	1.25	\$ 3.49

* Initiative for Residential market including Income Qualified



Residential Program

	2030					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Whole Home	\$ 76.6	\$ 10.1	\$ 86.6	12.2	1.12	\$ 7.08
Single Measure	\$ 75.2	\$ 5.6	\$ 80.8	20.3	1.13	\$ 3.98
Smart Home	\$ 6.0	\$ 2.7	\$ 8.7	6.0	2.90	\$ 1.44
Moderate Income Direct Install	\$ 16.5	\$ 1.7	\$ 18.2	3.6	2.20	\$ 5.12
Energy Education & Outreach *	\$ 0.1	\$ 3.8	\$ 3.9	7.4	0.50	\$ 0.53
Building Beyond Code	\$ 5.0	\$ 1.6	\$ 6.6	-	-	-
Residential Program Admin Costs	-	-	\$ 3.6	-	-	-
Residential Program Total	\$ 179.4	\$ 25.4	\$ 208.4	49.5	1.24	\$ 4.21

* Initiative for Residential market including Income Qualified



Income Qualified Program

	2026					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Home Winterproofing	\$ 16.9	\$ 7.1	\$ 24.0	3.4	1.45	\$ 7.08
Income Qualified Heat Pump	\$ 3.3	\$ 0.1	\$ 3.4	0.4	0.72	\$ 8.57
Affordable Housing Multi-Residential	\$ 7.0	\$ 2.3	\$ 9.3	2.5	1.93	\$ 3.65
IQ Program Admin Costs	-	-	\$ 2.0	-	-	-
IQ Program Total	\$ 27.2	\$ 9.4	\$ 38.6	6.3	1.42	\$ 6.12



Income Qualified Program

	2030					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Home Winterproofing	\$ 22.6	\$ 8.6	\$ 31.2	4.0	1.42	\$ 7.70
Income Qualified Heat Pump	\$ 16.9	\$ 0.1	\$ 17.0	1.9	0.74	\$ 9.06
Affordable Housing Multi-Residential	\$ 14.6	\$ 2.5	\$ 17.1	3.8	2.07	\$ 4.52
IQ Program Admin Costs	-	-	\$ 2.2	-	-	-
IQ Program Total	\$ 54.1	\$ 11.2	\$ 67.5	9.7	1.31	\$ 6.95

Commercial Program

	2026					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Custom	\$ 15.7	\$ 0.9	\$ 16.6	14.7	3.34	\$ 1.13
Prescriptive Downstream	\$ 5.4	\$ 1.2	\$ 6.6	2.6	2.77	\$ 2.52
Direct Install	\$ 9.2	\$ 0.8	\$ 10.1	5.4	2.65	\$ 1.87
Midstream	\$ 2.8	\$ 1.2	\$ 4.0	1.9	2.14	\$ 2.11
Existing Building Commissioning	\$ 0.2	\$ 0.3	\$ 0.6	0.2	1.30	\$ 2.84
Micro-Business	\$ 0.2	\$ 0.3	\$ 0.5	0.1	0.62	\$ 9.20
Energy Innovation	\$ 1.8	\$ 0.2	\$ 2.0	-	-	-
Strategic Energy Management	\$ 0.5	\$ 0.3	\$ 0.8	-	-	-
Commercial Program Admin Costs	-	-	\$ 5.5	-	-	-
Commercial Program Total	\$ 35.9	\$ 5.1	\$ 46.6	24.9	2.66	\$ 1.87

Commercial Program

	2030					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Custom	\$ 27.7	\$ 1.0	\$ 28.7	21.2	2.88	\$ 1.36
Prescriptive Downstream	\$ 7.2	\$ 1.3	\$ 8.4	3.5	2.99	\$ 2.44
Direct Install	\$ 15.2	\$ 1.1	\$ 16.3	7.3	2.03	\$ 2.24
Midstream	\$ 5.7	\$ 1.7	\$ 7.4	3.6	2.25	\$ 2.07
Existing Building Commissioning	\$ 0.5	\$ 0.3	\$ 0.8	0.4	2.04	\$ 2.27
Micro-Business	\$ 1.7	\$ 0.4	\$ 2.0	0.4	0.95	\$ 5.41
Energy Innovation	\$ 1.9	\$ 0.2	\$ 2.1	-	-	-
Strategic Energy Management	\$ 0.5	\$ 0.3	\$ 0.8	-	-	-
Commercial Program Admin Costs	-	-	\$ 6.0	-	-	-
Commercial Program Total	\$ 60.4	\$ 6.3	\$ 72.7	36.3	2.39	\$ 2.01



Industrial Program

	2026					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Custom	\$ 28.2	\$ 0.9	\$ 29.0	52.3	4.65	\$ 0.55
Prescriptive Downstream	\$ 0.2	\$ 0.2	\$ 0.3	0.1	2.01	\$ 2.57
Direct Install	\$ 1.7	\$ 0.3	\$ 2.1	1.3	3.44	\$ 1.56
Energy Innovation	\$ 1.8	\$ 0.2	\$ 2.0	-	-	-
Strategic Energy Management	\$ 0.0	\$ 0.8	\$ 0.8	-	-	-
Program Admin Costs	-	-	\$ 5.0	-	-	-
Industrial Program Total	\$ 31.9	\$ 2.3	\$ 39.2	53.8	4.27	\$ 0.73



Industrial Program

	2030					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Custom	\$ 38.8	\$ 0.9	\$ 39.8	67.6	4.80	\$ 0.59
Prescriptive Downstream	\$ 0.3	\$ 0.2	\$ 0.5	0.2	2.23	\$ 2.39
Direct Install	\$ 2.7	\$ 0.4	\$ 3.1	1.7	2.94	\$ 1.77
Energy Innovation	\$ 1.9	\$ 0.2	\$ 2.2	-	-	-
Strategic Energy Management	\$ 0.0	\$ 0.8	\$ 0.8	-	-	-
Program Admin Costs	-	-	\$ 5.4	-	-	-
Industrial Program Total	\$ 43.8	\$ 2.6	\$ 51.7	69.5	4.43	\$ 0.74

Large Volume Program

	2026					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Direct Access	\$ 2.9	\$ 0.1	\$ 3.0			
Program Admin Costs	-	-	\$ 0.2	-	-	-
Large Volume Program Total	\$ 2.9	\$ 0.1	\$ 3.2	12.4	7.98	\$ 0.26



Large Volume Program

	2030					
Offering/Initiative	Incentives (\$ million)	Promo & Delivery (\$ million)	Total Budget (\$ million)	Target Net Annual Gas Savings (million m ³)	TRC-Plus Ratio	\$/m ³
Direct Access	\$ 3.2	\$ 0.1	\$ 3.2			
Program Admin Costs	-	-	\$ 0.3	-	-	-
Large Volume Program Total	\$ 3.2	\$ 0.1	\$ 3.5	13.7	8.00	\$ 0.25

Estimated Forecast Bill Impacts* – EGD Rate Zone

EGD Rate Zone	Current DSM Budget Rate Impact **						Forecast 2026-2030 Annual Bill Impacts of DSM Plan Proposal					
	2024	2026	2027	2028	2029	2030						
Rate 1	\$ 32	\$ 38	\$ 44	\$ 55	\$ 64	\$ 73						
Rate 6	\$ 148	\$ 231	\$ 266	\$ 293	\$ 320	\$ 348						
Rate 100	\$ 5,945	\$ 12,439	\$ 13,533	\$ 14,686	\$ 15,760	\$ 16,495						
Rate 110	\$ 22,376	\$ 44,123	\$ 48,415	\$ 52,821	\$ 57,013	\$ 60,209						
Rate 115	\$ 191,342	\$ 370,074	\$ 400,522	\$ 433,777	\$ 464,361	\$ 483,968						
Rate 135	\$ 11,138	\$ 22,140	\$ 23,868	\$ 25,773	\$ 27,504	\$ 28,529						
Rate 145	\$ 6,894	\$ 11,772	\$ 13,726	\$ 15,067	\$ 16,478	\$ 17,931						
Rate 170	\$ 11,333	\$ 21,351	\$ 24,270	\$ 26,572	\$ 28,902	\$ 31,069						

* Estimate for representative customer in rate class (customer consumption varies significantly in some rate classes), forecast based on historical distribution of DSM participation

** Approved Q4 QRAM (EB-2024-0245). NOTE: Reflects OEB approved budget NOT spend.

Estimated Forecast Bill Impacts*— Union South Rate Zone

Union South Rate Zone	Current DSM Budget Rate Impact **		Forecast 2026-2030 Annual Bill Impacts of DSM Plan Proposal				
	2024	2026	2027	2028	2029	2030	
Rate M1	\$ 32	\$ 37	\$ 43	\$ 54	\$ 63	\$ 73	
Rate M2	\$ 404	\$ 616	\$ 699	\$ 768	\$ 837	\$ 901	
Rate M4	\$ 8,777	\$ 17,340	\$ 18,869	\$ 20,476	\$ 21,961	\$ 22,960	
Rate M5	\$ 4,410	\$ 5,672	\$ 6,178	\$ 6,715	\$ 7,213	\$ 7,557	
Rate M7	\$ 112,009	\$ 226,456	\$ 247,258	\$ 268,589	\$ 288,458	\$ 302,329	
Rate T1	\$ 6,825	\$ 12,148	\$ 13,426	\$ 14,681	\$ 15,885	\$ 16,847	
Rate T2	\$ 91,313	\$ 99,594	\$ 105,076	\$ 111,518	\$ 118,309	\$ 125,474	

* Estimate for representative customer in rate class (customer consumption varies significantly in some rate classes), forecast based on historical distribution of DSM participation

** Approved Q4 QRAM (EB-2024-0245). NOTE: Reflects OEB approved budget NOT spend.

Estimated Forecast Bill Impacts*— Union North Rate Zone

Union North Rate Zone	Current DSM Budget Rate Impact **						Forecast 2026-2030 Annual Bill Impacts of DSM Plan Proposal					
	2024	2026	2027	2028	2029	2030						
Rate 01	\$ 32	\$ 37	\$ 43	\$ 54	\$ 63	\$ 73						
Rate 10	\$ 521	\$ 691	\$ 798	\$ 885	\$ 974	\$ 1,064						
Rate 20	\$ 3,973	\$ 8,051	\$ 8,839	\$ 9,666	\$ 10,459	\$ 11,094						
Rate 100	\$ 24,915	\$ 23,705	\$ 24,643	\$ 25,720	\$ 26,879	\$ 28,106						

* Estimate for representative customer in rate class (customer consumption varies significantly in some rate classes), forecast based on historical distribution of DSM participation

** Approved Q4 QRAM (EB-2024-0245). NOTE: Reflects OEB approved budget NOT spend.

Appendix

2023 Results

Programs	2023 *	
	DSM Spend (\$ million)	Actual Annual Net Gas Savings (million m ³)
Residential	\$ 64.1	22.6
Income Qualified	\$ 23.8	6.3
Commercial	\$ 20.9	19.0
Industrial	\$ 13.3	28.1
Large Volume	\$ 2.7	12.3
Energy Performance	\$ 1.5	30**
Building Beyond Code	\$ 6.4	779**
Portfolio Costs	\$ 12.1	
Grand Total	\$ 144.7	88.3

* 2023 values from Draft Annual Report and are pre-audit

** Participants

COORDINATION OF NATURAL GAS DSM PROGRAMS WITH ELECTRICITY eDSM
PROGRAMS AND OTHER PARTIES

1. This evidence is organized as follows:

1. Coordination with Electricity eDSM Programs
 - 1.1 Residential One-Window Program
 - 1.2 Current Coordination
 - 1.3 Future Coordination
 - 1.4 Attribution Between Enbridge Gas and Electricity eDSM Programs
2. Coordination with Other Parties
 - 2.1 Municipalities
 - 2.2 Federal and Provincial Governments
 - 2.3 Other Natural Gas Utilities
 - 2.4 Attribution Between Enbridge Gas and Other Parties

1. Coordination with Electricity eDSM Programs

2. The OEB addresses coordination of natural gas DSM programs and electricity eDSM (formerly CDM) programs in Section 7.2 of the DSM Framework, where it states:

The OEB expects that Enbridge Gas will endeavor to coordinate the delivery of DSM programs with electricity CDM programs where possible, including modifying the participant eligibility requirements of its current low-income program in order to be consistent with the electricity income-tested CDM program eligibility requirements.¹

3. Coordination with the IESO and other conservation programs primarily benefits customers by providing consistent messaging and a more streamlined, easier-to-navigate experience. When programs are aligned, residential consumers and

¹ EB-2021-0002, OEB DSM Framework, November 15, 2022, p.13.

businesses are less likely to receive confusing or conflicting information and can move through the upgrade process with greater confidence and less effort. While there can be some ancillary benefits such as shared marketing or administrative efficiencies, these are generally modest and are often offset by the significant effort required to coordinate across organizations, including aligning program designs, managing shared infrastructure, and reconciling differing procurement and reporting requirements.

4. There are also timing challenges impacting coordination with electricity eDSM programs. The timing of Enbridge Gas's 2027-2030 DSM Plan term and the IESO's eDSM plan term do not align, with the IESO's current eDSM plan starting in 2025. Consideration should be given to how framework and planning cycles could be aligned in the future to facilitate collaboration and coordination of market actors such as agreements with delivery agents, trade allies or marketing campaigns. To address this in part, Enbridge Gas has proposed a DSM Plan term (i.e., 2027 to 2030) that would provide continuity for the current eDSM plan and align timing for the IESO's next three-year eDSM plan term (i.e., 2028 to 2030).
5. Notwithstanding these observations and challenges, collaborations and coordinated delivery creates significant value from the customer perspective; providing a simplified and unified experience, streamlining participation, and reducing market confusion and opportunities for fraudulent schemes, to name a few benefits.

1.1 Residential One-Window Program

6. In its November 29, 2023 Letter of Direction to the OEB, the Ontario Minister of Energy acknowledged the success of the collaboration between Enbridge Gas and the IESO for income tested programming and requested this same focus for non-income tested residential customers:

Building on this success, we must now turn our attention to delivering this same level of service to non-income tested residential customers.²

7. On December 19, 2024 the Ontario Minister of Energy provided further clarification and direction through a renewed Letter of Direction to the OEB expecting the OEB to:

Work with the IESO and Enbridge Gas to deliver a customer-focused one-window platform for energy efficiency programs.³

8. Enbridge Gas and the IESO subsequently worked closely together to design and implement a one-window approach to residential DSM programming; branded as the Home Renovation Savings (“HRS”) Program.
9. On January 7, 2025, the Government of Ontario announced new energy efficiency programs, including the new HRS Program. An HRS Program website was established⁴ and the HRS Program launched on January 28, 2025.
10. This coordinated and jointly delivered program provides a convenient, simplified “one-stop-shop” experience for customers and trade allies, reducing marketplace confusion regarding “who offers what incentive”, and enhancing the overall customer experience with energy conservation, regardless of fuel type. The HRS Program provides residential consumers with a single platform to access incentives for all home energy efficiency upgrades available through both Enbridge Gas’s Residential DSM Program and the IESO’s Residential Save on Energy conservation program.⁵

² MC-994-2023-864, Ministry of Energy, Office of the Minister, Letter to OEB, November 29, 2023, p 4.

³ MC-994-2024-0174, Ministry of Energy, Office of the Minister, Letter to OEB, December 19, 2024, p. 6.

⁴ <https://www.homerenovationsavings.ca/>

⁵ IESO’s Save On Energy may include some residential-targeted local initiatives that are not part of the HRS Program.

11. Enbridge Gas's Residential Program represents the natural gas component of the HRS Program. The HRS Program is jointly funded by Enbridge Gas's ratepayer-funded DSM budgets and through a portion of the \$10.9 billion, 12-year funding commitment from the Ontario government to the IESO as part of a new electricity Demand Side Management ("eDSM") Framework, which began January 2025.
12. For the purposes of this DSM Plan application, this arrangement is expected to continue for the entire 2027-2030 period. While the HRS Program provides incentives to residential consumers on behalf of both Enbridge Gas and the IESO, the IESO components of the program are outside the scope of Enbridge Gas's DSM Plan.
13. Through this collaboration, Enbridge Gas's Residential DSM Program funds homes that are primarily heated with natural gas while homes that are primarily heated with electricity, propane, oil, or wood are funded by the IESO, with some minor exceptions as noted below.
 - a) Regarding funding for incentives:
 - i. Where a participant is an Enbridge Gas customer and heats their home with natural gas, and is connected to the IESO grid, all incentives are fully funded by Enbridge Gas – except for the home assessment, windows/doors, and air sealing, where the incentive funding is currently shared between Enbridge Gas and the IESO. The IESO has sole determination regarding the use of eDSM funding and may change some or all of the stacked funding at any time.
 - ii. Where a participant heats their home with electricity, propane, oil, or wood, and is connected to the IESO grid, all incentives are fully funded by the IESO.

iii. Where a participant is an Enbridge Gas customer and heats their home with natural gas, and is not connected to the IESO grid,⁶ all incentives are fully funded by Enbridge Gas.

b) Regarding funding for program administration activities, Enbridge Gas and the IESO are focused on ensuring equitable cost sharing for activities that support both parties' respective energy efficiency plans. The primary approach to this is to divide the core administration functions, avoiding duplication between the two entities while balancing the relative cost of these central services. For example, Enbridge Gas is responsible for hosting the website while the IESO is responsible for the call center. Cost sharing will be reviewed periodically and adjusted to reflect best available information and updated forecasts.

14. For further details of Enbridge Gas's proposed Residential DSM Program and Offerings, please see Exhibit E, Tab 2, Schedule 1.

1.2 Current Coordination

15. Enbridge Gas and the IESO have several coordinated efforts between DSM and eDSM in market today:

a) The HRS Program includes the current OEB-approved residential DSM offerings from Enbridge Gas's Residential Program. In essence, the current Residential DSM Program is simply being delivered under a new brand name that also provides residential consumers with incentives for electricity measures (funded and delivered by the IESO).

⁶ Cornwall Electric customers who heat their homes with electricity, propane, oil, or wood are connected to the Hydro-Québec electricity grid and are not eligible to participate unless they are converting to or from Enbridge Gas for space heating.

- b) Enbridge Gas and the IESO currently collaborate on delivery of the Home Winterproofing (“HWP”) Offering and the Energy Affordability Program (“EAP”)⁷, aligning efforts to improve energy accessibility and affordability for communities and individuals in need. Projects participating in both the HWP Offering and the EAP have the same eligibility requirements, require a single energy assessment, and utilize the same delivery agents, resulting in a streamlined customer experience even though they are funded and contracted independently.
- c) Enbridge Gas launched its Demand Control Kitchen Ventilation (“DCKV”) direct install offer in late 2018, providing a turnkey solution for customers to improve kitchen ventilation with energy efficient DCKV technology. Beginning in 2020 and continuing today, this offer is jointly delivered with the IESO, providing customers with enhanced incentives and a single point of access to both natural gas and electricity incentives.
- d) Enbridge Gas and the IESO continue to collaborate to support commercial, institutional, affordable housing multi-residential, industrial, greenhouse and agricultural customers through the following training initiatives:
 - i. Certified Sustainable Building Operator (“CSBO”): This course trains building operators in energy efficiency, sustainable systems management, and regulatory compliance. These skills can help optimize building performance, reduce waste, and improve occupant well-being.⁸

⁷ IESO December 4, 2025), Energy Affordability Program, Save on Energy.

<https://saveonenergy.ca/en/For-Your-Home/Energy-Affordability-Program>

⁸ CIET (December 4, 2025), Certified Sustainable Building Operator, CIET Canada.
<https://cietcanada.com/programs/certified-sustainable-building-operator-csbo/>

- ii. Certified Energy Manager (“CEM”): CEMs have skills in optimizing the energy performance of a facility, building, or industrial plant by understanding the electrical, mechanical, process and building infrastructure to identify optimum solutions that cost-effectively reduce energy consumption.⁹
- iii. Dollars to \$ense (“D2\$”) Workshops: These workshops provide opportunities to customers to learn how to build an energy management team, find energy-savings opportunities, grow their energy management skills and create financially sound project business cases.¹⁰

1.3 Future Coordination

16. Enbridge Gas and the IESO intend to continue with current coordinated efforts as well as explore the following additional areas for potential coordination:

- a) Enbridge Gas is currently engaged with the IESO on a commercial smart thermostat initiative for 2026 which would feature combined incentives, joint marketing campaigns, and increased operational efficiencies; leading to greater market penetration, expanded geographic reach, and a streamlined customer approach.
- b) Aligning and/or including the proposed residential Energy Education and Outreach Offering in the HRS Program.
- c) For proposed commercial and industrial offerings:

⁹ CIET (December 4, 2025), Energy Management Training and Careers, CIET Canada.

<https://cietcanada.com/programs/cem/>

¹⁰ CIET (December 4, 2025), Discover What Dollars to \$ense Workshops Can Do For Your Organization, CIET Canada. <https://cietcanada.com/news/discover-what-dollars-to-sense-workshops-can-do-for-your-organisation/>

- i. Exploring collaboration opportunities with the IESO to increase awareness of the proposed Commercial Existing Building Commissioning (“EBCx”) Offering among facility owners and managers. This collaboration would focus on educating stakeholders about the benefits of commissioning existing buildings through expanded campaigns and workshops aimed at increasing participation.
- ii. Exploring collaboration opportunities with the IESO on initiatives such as Strategic Energy Management (“SEM”).
- iii. Exploring additional areas and opportunities, as appropriate.

1.4 Attribution Between Enbridge Gas and Electricity eDSM Programs

17. Regarding attribution between natural gas DSM programs and electricity eDSM programs, Enbridge Gas has proposed modifications to the DSM Framework at Section 2.4 of Exhibit C, Tab 1, Schedule 1. As a result of increased collaboration with the IESO, and in anticipation of further expanded collaboration, Enbridge Gas has proposed slightly modified language for this section to be more precise regarding the attribution of savings for scorecard purposes.
18. This change will ease collaboration with the IESO (or with an LDC) by allowing for more flexibility in the attribution of costs and benefits in a cost-effectiveness calculation. In particular, when a measure yields savings in one resource, but increases use of another resource (e.g., electric heat pumps) in a collaborative program, it may be inappropriate to allocate the natural gas and electricity benefits or costs in a simple manner.
19. By limiting the OEB’s direction on attribution to scorecard results only, it provides Enbridge Gas and its collaboration partners the flexibility to present a cost-effectiveness analysis that best represents a program’s persisting costs and benefits.

2. Coordination with Other Parties

20. In addition to collaboration with the IESO regarding electricity eDSM programs, Enbridge Gas is also actively collaborating with numerous other parties, in particular municipalities and federal and provincial government agencies involved in energy efficiency initiatives.

2.1 Municipalities

21. Municipalities play the key roles of “Influencer”, “Promoter”, “Enabler” and “Enforcer” of strategies, policies and programs that impact uptake in energy conservation.

22. Collaborative efforts with municipalities have proven valuable in identifying opportunities for energy efficiency improvements through the development and execution of municipal energy plans and fostering community engagement in energy conservation efforts. A few examples include:

- a) Supporting municipal energy concierge services. These services provide homeowners with guidance and project management assistance throughout the retrofit journey, such as planning energy efficient upgrades, assistance in selecting a contractor, and connecting them with available incentives and rebates.
- b) Collaborating on pilots in municipally owned buildings. These pilots have targeted multi-residential buildings and seek to understand how different technologies can significantly reduce a building’s energy usage to support deep energy retrofits.
- c) Delivering as well as supporting various workshops and training for residents, businesses, builders and municipal staff to build awareness, knowledge and desire to pursue energy efficient technologies and implement energy conservation strategies.

23. Throughout the 2027-2030 DSM Plan term, Enbridge Gas will continue to foster new relationships and deepen existing ones with municipalities to create opportunities for mutually beneficial partnerships and collaborations. The primary objective of municipal engagement during the DSM Plan term is to identify synergies between DSM programs and municipal energy objectives to advance shared goals and enhance the impact of DSM programs within local communities.
24. Enbridge Gas will employ a modified, targeted approach that empowers municipalities to leverage Enbridge Gas's DSM programs and incentives to advance their energy goals and complement implementation of municipal energy plans; thereby raising awareness and participation in Enbridge Gas's DSM programming. This is enabled by an Outreach Toolbox, comprised of various activities and tools to promote Enbridge Gas's DSM programs and financially support campaigns and collaborative initiatives. Please see Exhibit D, Tab 7, Schedule 1 for further details.

2.2 Federal and Provincial Governments

25. The Government of Canada and the Province of Ontario continue to offer a range of energy efficiency initiatives that support emissions reductions, improve energy performance, lower customer energy costs, and align with long-term energy planning.
26. While these initiatives provide significant opportunities for collaboration with Enbridge Gas, they also present a risk of market confusion, especially if new initiatives are introduced that overlap or compete with existing Enbridge Gas offerings.
27. As new opportunities arise, Enbridge Gas will continue to engage with government agencies to align program objectives and leverage government funding where

possible to ensure that efforts are complementary rather than duplicative and competitive.

28. Enbridge Gas, in conjunction with the IESO, is currently working on a proposal to Natural Resources Canada to deliver the Canada Greener Homes Affordability Program (“CGHAP”). CGHAP will provide low-to-median-income homeowners and tenants with no-cost home retrofits. It is anticipated that the program will be launched in Ontario in 2026. While the details of the proposal and subsequent agreement are still to be determined, Enbridge Gas will endeavour to have CGHAP programming be complementary to the proposed 2027-2030 DSM Plan offerings.

2.3 Other Natural Gas Utilities

29. Enbridge Gas is engaged in discussions with the other natural gas utilities in Ontario to explore potentially expanding the natural gas component of the HRS Program into their respective service areas. Discussions are ongoing at this time and are not expected to have any material impact on Enbridge Gas’s proposed Residential DSM Program for 2027-2030.

2.4 Attribution Between Enbridge Gas and Other Parties

30. The OEB’s DSM Framework outlines the approach to the attribution of benefits between Enbridge Gas and other parties as follows:

Attribution of savings between Enbridge Gas and other parties (e.g., governments, non rate-regulated private sector, etc.) should be based primarily on the shares established in a partnership agreement reached prior to the program’s launch.

Where Enbridge Gas’s allocated share of natural gas savings in the partnership agreement is more than 20% of the share that would have been allocated based on a “percentage of total dollars spent” basis, an explanation for the difference

should be provided.¹¹ In this case, Enbridge Gas is also expected to file anticipated spending in the delivery of the program before the program is launched and the actual amount spent within each program year that has taken place. As partnerships do not always evolve as originally planned, this additional information will help the Board and stakeholders to assess the reasonableness of the shares allocated in the partnership agreement reached prior to the program's launch and the actual contribution Enbridge Gas made to the program.¹²

31. In working to collaborate with other parties, Enbridge Gas has been challenged with this section of the DSM Framework. Specifically, developing a partnership agreement that outlines attribution can be a barrier to collaboration. The following illustrative example is provided to explain the challenge. In the illustrative example, Enbridge Gas has an offering with details as shown in Table 1.

Table 1
Illustrative Enbridge Gas Offer

	Item	Assumption
a.	Forecasted Units	10,000
b.	Savings (m ³) / Unit	100
c.	Forecasted m ³ (a x b)	1,000,000
d.	Incentive / Unit	\$100
e.	Budget (a x d)	\$1,000,000

32. Enbridge Gas then works with another party that offers the same incentive per unit as Enbridge Gas. The result is a collaboration that combines the incentives to offer customers double the incentive. The greater incentive is very attractive to participants and results in 25% greater participation and 25% greater savings per

¹¹ "For example, if the partnership agreement allocates a share of 50% of the natural gas savings to the gas utility, but the actual share of "dollars spent" by the utility is 30% or less, an explanation should be provided to justify why the 50% share is more reflective of the gas utility's actual contribution."

¹² EB-2021-0002, OEB DSM Framework, November 15, 2022, p.14.

participant. Assuming attribution is calculated based on the portion of funding from each partner, the outcome is shown in Table 2.

Table 2
Illustrative Attribution

	Item	Assumptions
a.	Total Forecasted Units	12,500
b.	Savings (m ³) / Unit	125
c.	Total Forecasted m ³ (a x b)	1,562,500
d.	Partner Incentive / Unit	\$100
e.	Total Incentive / Unit	\$200
f.	Total Budget (a x e)	\$2,500,000
g.	Attribution Factor (d / e)	50%
h.	Budget Contribution per Partner (f x g)	\$1,250,000
i.	Savings (m ³) Claimed per Partner (c x g)	781,250

33. As can be seen from Tables 1 and 2, the collaboration has resulted in greater participation and greater savings per participant, for a combined 56% increase in m³ savings (1,562,500 m³ in Table 2, compared to 1,000,000 m³ in Table 1) and a better experience for customers – all positive outcomes.

34. However, Enbridge Gas is only claiming 78% of the original stand-alone offering's results (781,250 m³ in Table 2, compared to 1,000,000 m³ in Table 1) and requires 25% more budget to do so (\$1,250,000 in Table 2, compared to \$1,000,000 in Table 1) resulting in a clear disincentive to collaborate.

35. This issue was discussed by the DSM Stakeholder Advisory Group ("SAG"). SAG members agreed that the existing approach to attribution was not ideal:

Non-utility members could not agree to an ideal approach for a framework to attribute natural gas savings and overall program benefits, but generally agreed

that the simple approach of allocating savings and benefits relative to entities' funding contribution is likely not ideal.¹³

36. As noted above, the SAG was not able to reach consensus, but some members proposed a simplified approach to attribution:

Some non-utility members were of the view that it may be easiest for all involved if instead of constructing an attribution framework, the OEB acknowledged that Enbridge collaborating and partnering with other entities will lead to better overall results and as such, it should be encouraged to do so.¹⁴

37. To address the concerns described above, Enbridge Gas proposes that the DSM Framework be modified so that the Company is not disincentivized and discouraged from collaborating with other parties by allowing Enbridge Gas to count all savings from a collaboration agreement towards the utility's relevant DSM metric. This proposal is consistent with the DSM Framework's Guiding Principle that "Enbridge Gas should not have a disincentive to coordinate DSM efforts with external energy conservation and carbon reduction initiatives." Enbridge Gas has proposed the modifications at Section 2.4 of Exhibit C, Tab 1, Schedule 1.

¹³ EB-2022-0295, SAG Report, November 11, 2024, p.24.

¹⁴ EB-2022-0295, SAG Report, November 11, 2024, p.24.

INTEGRATED RESOURCE PLANNING

1. In its Decision and Order for Enbridge Gas's 2022-2027 DSM Plan Application dated November 15, 2022, the OEB stated the following regarding the relationship between the Company's DSM Plan and Integrated Resource Planning ("IRP"):

The OEB agrees that no further direction is required at this time with respect to the relationship between Enbridge Gas's DSM plan and IRP. The OEB's Decision on IRP is still in the initial phase of implementation. The OEB appreciates the reporting thresholds proposed by Enbridge Gas and 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. Should any demand-side IRP activities overlap with the DSM programs approved in this Decision and Order, the details of the overlap and any implications will be reviewed by the OEB as part of the IRP Plan application made by Enbridge Gas.¹

2. On June 28, 2024, Enbridge Gas filed an updated application² seeking approval of an IRP Pilot Project in the Southern Lake Huron ("SLH") area. On March 27, 2025, the OEB issued its Decision and Order for the application and approved the IRP Pilot Project, subject to certain modifications. On the same day, the OEB issued a Notice of Review on the OEB's Own Motion regarding certain aspects of its IRP Pilot Project Decision³, and notified stakeholders that it is launching a consultation to support a review and evaluation of the IRP Framework⁴. At the time of this filing the OEB's IRP Framework review remains in progress, with next steps to be determined by the OEB.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.86-87.

² EB-2022-0335.

³ EB-2025-0124.

⁴ EB-2025-0125.

3. Notwithstanding the ongoing nature of the OEB's IRP Framework review, Enbridge Gas's approach to the IRP Pilot Project is consistent with the OEB's DSM Framework regarding DSM and IRP.⁵ More specifically, Enbridge Gas summarized its approach to attribution between DSM and the IRP Pilot Project's ETEE programming in its argument-in-chief for the IRP Pilot Project as follows:

For the purpose of the SLH IRP Pilot Project, Enbridge Gas has proposed a simplified attribution approach for ETEE offerings whereby all incentives will be funded by the Pilot Project, and accordingly, all results would be attributed to the Pilot Project's ETEE program and not to DSM programs. A general policy on the approach to DSM-IRP attribution is anticipated to be considered as part of the first non-pilot IRP Plan application filed by the Company.⁶

4. Enbridge Gas is not proposing any changes to Section 7.4 Energy Efficiency and Integrated Resource Planning of the DSM Framework and the Company is not seeking any approvals with respect to IRP or IRP Plans as part of its 2027-2030 DSM Plan Application. As noted above, a general policy regarding the approach to DSM/IRP attribution is anticipated to be considered as part of the first non-pilot IRP Plan application.

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.14-15.

⁶ EB-2022-0335, Argument In Chief, September 24, 2024, p.26.

APPROACH TO THE 2027-2030 DSM PLAN

1. This evidence is organized as follows:
 1. Overview
 2. Key Priorities
 - 2.1 Deliver Affordable and Cost-Effective Natural Gas Savings
 - 2.2 Enable Broad Participation
 - 2.3 Ensure Equity
 - 2.4 Facilitate Innovation
 - 2.5 Promote Market Consistency
 - 2.6 Accelerate Adoption
 3. DSM Plan Components
 4. DSM Plan Term

1. Overview

2. The OEB's DSM Framework is the foundational element guiding Enbridge Gas's 2027-2030 DSM Plan, ensuring alignment with regulatory expectations. The DSM Plan is strategically crafted to be responsive to the OEB's objectives¹ for ratepayer funded DSM programs emphasizing cost-effectiveness, broad accessibility, equity, innovation and coordinated market delivery, in accordance with the OEB's DSM Guiding Principles.²
3. The 2027-2030 DSM Plan also reflects Enbridge Gas's commitment to continuous improvement in DSM programming and was developed leveraging lessons learned in delivering DSM for over twenty-five years, implementing recommendations from process evaluations, and by engaging and incorporating feedback from customer,

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

² EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.2-4.

industry and regulatory stakeholders, including the DSM Stakeholder Advisory Group (“SAG”).

4. Enbridge Gas’s approach to process evaluations is described in Exhibit D, Tab 9, Schedule 1; the SAG consultative process is described in Exhibit C, Tab 1, Schedule 4; and details of various key stakeholder engagements undertaken to support Enbridge Gas’s DSM efforts and the 2027-2030 DSM Plan is described in Exhibit C, Tab 1, Schedule 5.
5. Further, in developing the 2027-2030 DSM Plan, Enbridge Gas carefully considered the feedback and recommendations provided by stakeholders throughout the Company’s previous multi-year DSM Plan proceeding³ within the context of the OEB’s DSM Framework, and while balancing the multiple priorities discussed herein.
6. The proposed DSM programs incorporate a comprehensive approach designed to align with stakeholder input and the OEB’s DSM Framework while driving innovation and delivering meaningful, cost-effective natural gas savings with increased program access for customers.

2. Key Priorities

7. Enbridge Gas has focused the 2027-2030 DSM Plan around six key priorities:
 - a) Deliver Affordable and Cost-Effective Natural Gas Savings
 - b) Enable Broad Participation
 - c) Ensure Equity
 - d) Facilitate Innovation
 - e) Promote Market Consistency
 - f) Accelerate Adoption

³ EB-2021-0002.

2.1 Deliver Affordable and Cost-Effective Natural Gas Savings

Related OEB Guiding Principle:

- *DSM plans should balance the achievement of cost-effective natural gas savings and customer bill impacts.*⁴

8. Changing baselines due to technological advancements and policy shifts, uncertain economic conditions, the cost to electrify customer energy use, persistent supply chain disruptions, inflationary impacts, and the removal of the Federal Carbon Charge are just a few substantial challenges to achieving cost-effective energy savings.
9. Changing baselines due to advancements in technology and policy shifts, such as the implementation of Natural Resources Canada's ("NRCan") Amendment 15, are making it increasingly challenging to achieve similar levels of cost-effective energy savings as previously experienced. As baselines rise, the incremental costs of achieving additional savings tend to grow, reducing the availability of lower-cost savings opportunities.
10. In addition to these baseline challenges, uncertain economic conditions, shifts in international trade policy, and elevated interest rates affect customer investment in DSM measures. Persistent supply chain disruptions and inflationary pressures continue to drive up costs and delay project timelines.
11. In response, Enbridge Gas is enhancing its DSM portfolio by expanding to other measure types to continue to provide substantial energy savings and customer benefits. While these measures may not match the previous levels of cost-effectiveness due to rising baselines, Enbridge Gas remains committed to presenting a cost-effective set of DSM programs and offerings.

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.2.

12. To address market-related cost challenges, Enbridge Gas is broadening its delivery model through new collaborations, improving access and mitigating the impact of supply chain disruptions. Additional support initiatives and tailored incentives are being introduced to encourage customer uptake by offsetting the impact of higher interest rates and inflationary pressures, including rising tariffs.
13. Enbridge Gas was mindful of the OEB's Decision for Enbridge Gas's previous multi-year DSM Plan Application ("Decision") which set reduction targets of 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis.⁵ Enbridge Gas spent a substantial amount of time and effort considering how such reduction targets could be met and what budgets would be necessary to achieve such targets.
14. As there was no evidence adduced in the above-noted proceeding regarding the budget levels that would be required to achieve these expectations, it was recognized that the rate impacts of proposing such budgets was not known at the time of the Decision.
15. Furthermore, as noted by the OEB, a central variable that has changed since the above-noted proceeding is the Federal Carbon Charge being set to zero.⁶
16. For the purposes of responding to the Decision, Enbridge Gas considered various inputs to determine what budgets would be required, and it shared this information with OEB staff and with stakeholders at several consultative sessions. Enbridge Gas determined that the rate impacts would not be acceptable because they would be in direct conflict with one of the foundational guiding principles: "*DSM plans should*

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.4.

⁶ EB-2024-0198, OEB Procedural Order No. 4, p.4.

balance the achievement of cost-effective natural gas savings and customer bill impacts".⁷

17. Affordability is also a key concern of the Government of Ontario as stated in Ministry of Energy Directives⁸ and further emphasized in the province's first Integrated Energy Plan ("IEP")⁹ released in June 2025. Specifically, the IEP identified affordability and "keeping energy costs low for families, businesses, and industry" as one of the four principles central to the government's energy plan.¹⁰

18. Enbridge Gas is adopting a pragmatic, forward-looking approach that prioritizes the cost-effective expenditure of ratepayer funds while carefully balancing costs and benefits. This approach recognizes that DSM is a key component of the province's IEP.¹¹

19. Please see Exhibit D, Tab 2, Schedules 1 and 2 for a more fulsome discussion on Enbridge Gas's approach to budget and target setting.

2.2 Enable Broad Participation

Related OEB Guiding Principles:

- *DSM plans should balance the expectation that cost-effective natural gas savings should be maximized while still providing opportunities for a broad spectrum of consumer groups and customer needs to encourage widespread customer participation over time and ensure all segments of the market are reached in some capacity.¹²*

⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.2.

⁸ For example see: MC-994-2023-864, Ministry of Energy, Office of the Minister, Letter to OEB, November 29, 2023, p.4.

⁹ IEP, pp. 12-19.

¹⁰ IEP, p.6.

¹¹ IEP, pp. 31-36.

¹² EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.2.

- *DSM plans should include strategies to increase the natural gas savings by targeting key segments of the market and customers where opportunities for efficiency improvements have been identified.*¹³

20. Serving approximately 3.9 million customers across the residential, commercial and industrial sectors, each with unique characteristics, needs, and stages in their energy journey, Enbridge Gas is committed to ensuring that all eligible residents and businesses across its service area in Ontario can access, participate in, and benefit from DSM programs.

21. Through targeted technical and market research, Enbridge Gas has gained valuable insights into the current state of its markets and has identified key barriers to participation. This understanding has bolstered tailored program design and outreach efforts, reducing barriers and improving accessibility for a broad range of customers.

22. The 2027-2030 DSM Plan builds on these learnings along with continuing investment in essential research and market analysis and an increased focus on innovation, to overcome both technical and market related challenges and deploy strategies to target key segments where opportunities for efficiency improvements have been identified.

23. The DSM Plan emphasizes a customer-centric approach, providing accessible, practical options tailored to each sector's needs. In the residential sector, a tiered "good, better, best" framework offers multiple entry points, helping customers engage in energy efficiency at a level that suits their awareness, readiness, and budget. To reinforce this strategic approach, two new offerings (the Moderate

¹³ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.3.

Income Direct Install and Energy Education and Outreach Offerings) are proposed to drive broader participation.

24. In the commercial and industrial sectors, the focus is on reducing and reusing energy, with targeted increased incentives available to support efficiency upgrades at the right time. Expanding relationships with trade allies and service providers, combined with increased marketing, educational efforts, and strategic incentives, ensures that the right opportunities are available to customers when they're most likely to benefit. In addition to these enhancements, two new offerings are proposed to drive increased participation (the Commercial Microbusiness and Commercial Existing Building Commissioning ("EBCx") Offerings), both designed to make energy efficiency more accessible and attractive to a wider range of businesses.

2.3 Ensure Equity

Related OEB Guiding Principle:

- *DSM plans should ensure that small volume, low-income and on-reserve First Nations communities are well-served.*¹⁴

25. Enbridge Gas has prioritized a diverse and balanced portfolio of DSM programs and offerings designed to achieve energy savings, support customers in managing energy costs, and remain accessible to all customers – regardless of income, geographic location, or specific energy efficiency needs. By focusing on inclusivity in offering design and eligibility criteria, and through expanded and targeted outreach, Enbridge Gas will ensure that underserved communities have equitable access to the benefits of DSM.

¹⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.3.

26. This commitment to equity is reflected in specific programs and offerings proposed such as the Income Qualified Program (Exhibit E, Tab 3, Schedule 1), the Residential Energy Education and Outreach Offering (Exhibit E, Tab 2, Schedule 7), the Residential Moderate Income Direct Install Offering (Exhibit E, Tab 2, Schedule 6), and the Commercial Microbusiness Offering (Exhibit E, Tab 4, Schedule 7). These programs and offerings address the unique needs of specific customer groups that face additional barriers or who have been historically underserved by DSM initiatives. Enbridge Gas is proposing enhanced incentives, expanded eligibility criteria for income-based offerings, and targeted outreach, including continued co-delivery opportunities with the IESO, to support equitable access to DSM for all customers.

2.4 Facilitate Innovation

Related OEB Guiding Principle:

- *DSM plans should support innovation, technology development and adoption of lower-carbon alternatives to enable longer-term energy efficiency and conservation opportunities, consistent with the advancement of provincial policy goals.*¹⁵

27. The 2027-2030 DSM Plan incorporates a multi-faceted approach to innovation that includes developing new technologies suited to sector-specific applications and piloting emerging solutions. Enbridge Gas will use both self-directed and market-driven research to identify effective, adaptable solutions that meet the varied needs of residential, commercial, and industrial customers. By continually assessing market conditions and jurisdictional best practices, Enbridge Gas ensures that DSM

¹⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.3.

programs remain responsive, evolving with advancements in technology and customer expectations.

28. To further support Ontario's IEP, Enbridge Gas is offering flexible energy options that align with both customer and provincial goals. This includes capacity-building initiatives such as specialized training for controls and commissioning, and collaborating with trade allies and delivery networks to expand access to these technologies. By aligning innovation efforts with Ontario's IEP, Enbridge Gas can provide practical, reliable energy solutions that support affordability, customer choice, and energy efficiency.

2.5 Promote Market Consistency

Related OEB Guiding Principle:

- *Where appropriate, Enbridge Gas should coordinate and integrate natural gas DSM, with other conservation initiatives, including electricity CDM efforts and municipal energy plans.¹⁶*

29. In Ontario, there is a growing emphasis on the integration and coordination of various energy conservation efforts to achieve comprehensive outcomes. The 2027-2030 DSM Plan contemplates three focus areas to address market consistency, described in more detail below.

Coordination with eDSM Programs

30. Enbridge Gas actively works with the IESO to design and deliver integrated energy conservation programming, where possible. Enbridge Gas is committed to both continuing and expanding its efforts with the IESO in support of the goal of delivering natural gas and electricity conservation programming to residential and income

¹⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.3.

qualified participants utilizing a one-window approach, as well as coordination efforts in commercial and industrial programs. Refer to Exhibit C, Tab 1, Schedule 6 for present initiatives and future coordination opportunities.

Government Energy Efficiency Initiatives

31. Federal and provincial energy efficiency programs provide significant opportunities for collaboration with Enbridge Gas; however, they also present a risk of market confusion, especially if new government initiatives are introduced that overlap or compete with existing Enbridge Gas DSM offerings.

32. The 2027-2030 DSM Plan will seek to coordinate and collaborate with government programs over the term to ensure that efforts are complementary rather than competitive. The DSM Plan's proposed budget and targets reflect the information currently available to Enbridge Gas. Misalignments in timing with regulatory cycles, government announcements, and program discussions will require adaptability as Enbridge Gas navigates the upcoming term to prevent duplication of efforts and maximize the overall impact of energy efficiency initiatives in Ontario.

33. Refer to Exhibit C, Tab 1, Schedule 6 for future coordination opportunities under consideration.

Municipalities

34. Ontario's municipal energy landscape continues to be highly diverse, influenced by the size and capacity of individual municipalities, as well as their unique energy needs and goals. This means that a standardized, one-size-fits-all approach to municipalities is not practical.

35. Given the wide range of alternative funding sources now available to municipalities, Enbridge Gas will shift to a modified, targeted approach that empowers municipalities to leverage Enbridge Gas's DSM programs and incentives to advance

their energy goals and complement implementation of municipal energy plans; thereby raising awareness and participation in Enbridge Gas DSM programming.

36. Outreach will prioritize municipalities whose energy efficiency objectives align with DSM goals. An Outreach Toolbox, comprised of various activities and tools, will be utilized to promote Enbridge Gas's DSM programs and financially support campaigns and collaborative initiatives.

37. As municipalities in Ontario strive to meet growing energy needs and goals, energy efficiency remains the most immediate and cost-effective solution to managing energy use. Please see Exhibit D, Tab 7, Schedule 1 for further details on the proposed Municipal Engagement Strategy.

2.6 Accelerate Adoption

Related OEB Guiding Principle:

- *DSM plans should minimize lost opportunities for energy efficiency and should be designed to pursue long term energy savings.¹⁷*

38. The 2027-2030 DSM Plan strives to enhance, expand and accelerate energy efficiency practices through innovation and a portfolio-wide focus on market transformational elements, such as energy literacy, capacity building, and market expansion. This investment is essential for realizing the DSM results proposed over the 2027 to 2030 DSM Plan term as well as achieving sustained energy savings and lasting impacts in the Ontario energy market.

39. First, a robust educational component will empower customers to assess and optimize their energy use and provide a better understanding of newer measures

¹⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.3.

along with how to influence energy bill impacts. In parallel, providing training targeted towards contractors ensures they are equipped with the knowledge and skills necessary to sell, install and size equipment correctly. This dual approach supports industry-wide adoption of best practices, transforming both customer behaviour and contractor capabilities in the long term.

40. Second, Enbridge Gas will leverage the energy efficiency ecosystem of weatherization and HVAC installation contractors, engineering firms, manufacturers, distributors, and service organizations necessary to support this critical work. These trade allies play an essential role in energy efficiency by connecting customers with solutions and guiding them through the process. They provide valuable insights that can integrate energy efficiency into customers' long-term energy plans and minimize lost opportunities for both large and small customers to participate in energy efficiency initiatives.
41. Enbridge Gas has a strong track record of effectively engaging with these stakeholders through education and training efforts, collaborations with industry associations, and offers intended to increase market demand. Enbridge Gas will increase its efforts in this area over the course of the term. Expanding these relationships will improve the cost-effectiveness of DSM program delivery while leading to greater natural gas savings results, which is essential to meet the increasing targets over the course of the term.
42. Collaborating with trade allies not only enhances their technical proficiency but also strengthens their ability to identify opportunities for customers. In empowering trade allies to better understand program benefits, navigate eligibility requirements and promote participation in DSM programs, Enbridge Gas can extend the reach and effectiveness of the DSM portfolio. This approach further enables trade allies to more effectively sell energy efficiency measures by educating and supporting

customers in making informed decisions customized to their needs and the stage of their energy journey.

3. DSM Plan Components

43. In this 2027-2030 DSM Plan Application, Enbridge Gas has included a set of programs and scorecards, including annual targets, metrics, and associated budgets, designed to achieve the various goals and objectives outlined by the OEB and the Company, while providing appropriate incentives to Enbridge Gas to aggressively undertake and deliver its DSM portfolio of offerings. The DSM portfolio is divided into three categories:

- a) *Resource acquisition programs* focused on the achievement of net annual natural gas savings¹⁸ (m³) with proposed four-year fixed targets and budgets to align with the OEB's expectation that "natural gas savings levels going forward will have fixed targets to allow for greater certainty."¹⁹ Please refer to Exhibit E, Tabs 2 through 5 for details.
- b) *Multi-year offerings and initiatives* where activities and participation span more than one year. This includes the Energy Innovation Fund discussed in Exhibit D, Tab 8, Schedule 3.
- c) *A Large Volume Program with an opt-out framework* developed in collaboration with the Industrial Gas Users Association ("IGUA") as detailed in Exhibit E, Tab 6, Schedule 1.

44. The scorecards for each of these programs are detailed in Exhibit D, Tab 2, Schedule 1 with corresponding budgets discussed in Exhibit D, Tab 2, Schedule 2.

¹⁸ Net annual natural gas savings refers to first-year net natural gas savings.

¹⁹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.5.

4. DSM Plan Term

45. In its Decision the OEB stated its expectation that “the next DSM plan will be for a five-year term from 2026-2030.”²⁰
46. A longer DSM plan term provides for regulatory efficiency and is supportive of government policy, allows for long term planning and program continuity, and provides stability for Enbridge Gas to commit to energy conservation efforts, as well as certainty for customers and other market participants across Ontario.
47. Furthermore, consideration should be given to how electricity conservation framework and planning cycles could be aligned in the future to facilitate collaboration and coordination of programming. The new 12-year electricity Demand Side Management (“eDSM”) Framework began in 2025 and will be delivered through a series of three-year program plans. The IESO’s current eDSM plan started in 2025, with the next three-year eDSM plan term expected to cover 2028 to 2030.
48. Enbridge Gas has already sought and received OEB approval for a one-year extension of the 2023-2025 DSM Plan to continue through 2026.²¹ For the reasons set out above, Enbridge Gas is proposing a four-year term for this Application (2027 to 2030).

²⁰ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.12.

²¹ EB-2024-0198.

DSM TARGETS AND ANNUAL PERFORMANCE SCORECARDS

1. This evidence is organized as follows:

1. Background
2. Proposed 2027-2030 DSM Plan Scorecards
3. Adjustments to DSM Targets

1. Background

2. In its Decision and Order for Enbridge Gas's 2022-2027 DSM Plan Application ("Decision"), the OEB set out its expectations regarding natural gas savings targets for the multi-year DSM Plan:

The OEB expects that, at a minimum, the level of natural gas savings from DSM programs during the next multi-year term will be the equivalent of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030, relative to the prior year on a weather normalized basis.¹

3. It is important to define how Enbridge Gas interprets the OEB's expectations. First, Enbridge Gas submits that only volumes that can be influenced by DSM programs should be considered. Specifically, Enbridge Gas believes that volumes from: (i) customers classified as natural gas-fired generators, (ii) wholesale customers, (iii) rate classes ineligible for DSM,² and (iv) Enbridge Gas's own operations, should be excluded from consideration. In addition, should the OEB approve an opt-out provision for large volume customers (as proposed at Exhibit E, Tab 6, Schedule 1), any volumes from large volume customers that opt-out should also be excluded.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.4.

² Rate classes not eligible for DSM programs include EGD Rates 125, 200, & 300 and Union Rates M9, T3, & R25. Overlap in these customers exist with natural gas-fired generator and wholesale customers.

4. Second, while the OEB indicates that these volumes should be weather normalized relative to the prior year, Enbridge Gas submits that in order to set targets ahead of time, forecast volumes for 2027 to 2030 should be used, which already use weather normalized heating degree days.
5. As an illustrative example, if the forecast natural gas sales in 2027 are 25 billion m³ and 5 billion m³ of volumes are exempt (for the reasons described above), then a 0.8% reduction of 20 billion m³ would be 160 million m³. If the forecast volumes for 2028 are forecast to increase to 25.5 billion m³ and the exempt volumes were expected to remain at 5 billion m³, then a 1% reduction of 20.5 billion m³ would be 205 million m³.
6. It is important to note that when the OEB set out its natural gas savings expectations in 2022 for Enbridge Gas's upcoming multi-year DSM Plan term, there had been no evidence adduced in the proceeding regarding the budget levels that would be required to achieve these expectations. The OEB stated in its Decision that "the results of an updated natural gas conservation potential study will be the primary input into future natural gas savings targets".³
7. As the development of the OEB's 2024 Achievable Potential Study ("2024 APS") progressed, draft budgets for certain scenarios and sectors were shared with Enbridge Gas by Guidehouse Inc. and OEB staff. While the study's final numbers differ, they are consistent with the magnitude of the draft numbers that were shared. As outlined further in Exhibit D, Tab 2, Schedule 2, based on Scenario A of the 2024 APS, Enbridge Gas estimates that in order to achieve a 1.0% net annual reduction in natural gas sales, a DSM budget of approximately \$1 billion per year would likely be required.

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.91.

8. It also became evident as the development of the 2024 APS progressed that its use would be best characterized as a reference point to provide context regarding the scale and magnitude of the DSM budget that would be required to meet each scenario, and to directionally inform possible opportunities in the various sectors, but not as a prescriptive or primary input to be used for Enbridge Gas's multi-year DSM Plan, to which the DSM Stakeholder Advisory Group ("SAG") agreed:

SAG members agreed that the APS is not and should not be used as a primary input to Enbridge Gas' next DSM plan or to the development of future natural gas savings targets, as specified by the OEB in its EB-2021-0002 Decision and Order.⁴

9. In consideration of the above and the reasons set out in Exhibit D, Tab 2, Schedule 2, Enbridge Gas was concerned that developing and filing a comprehensive DSM plan that proposed to achieve the OEB's expected targets would require such a substantial budget that it would result in rate impacts that would be unacceptably high and would not be approved, resulting in an extended and inefficient regulatory process. It is important to note that the Decision also approved an updated DSM Framework which included, as the very first Guiding Principle:

DSM plans should balance the achievement of cost-effective natural gas savings and customer bill impacts.⁵ (emphasis from the original)

10. Furthermore, affordability is a key concern to the Government of Ontario as set out in the Integrated Energy Plan ("IEP")⁶ and in Ministry of Energy Directives.⁷ The natural gas savings targets set out in the Decision did not have the benefit of knowing the associated impact on budgets and rates given that evidence of this nature was not adduced in the 2023-2025 DSM Plan proceeding. As a result, Enbridge Gas is

⁴ EB-2022-0295, SAG Report, November 11, 2024, p.12.

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.2.

⁶ IEP, pp. 12-19.

⁷ For example see: MC-994-2023-864, Ministry of Energy, Office of the Minister, Letter to OEB, November 29, 2023, p.4.

proposing a budget level that is more modest than what would be required to achieve the OEB's expected targets. The proposed budget still achieves meaningful reductions in natural gas usage but strikes an appropriate balance between natural gas savings and rate impacts.

11. Given the limitations and concerns with specific elements of the 2024 APS (as discussed in Exhibit C, Tab 1, Schedule 3), Enbridge Gas also relied on other guidance provided by the OEB in the DSM Framework regarding targets. More specifically, the DSM Framework states under "Section 5.1 Annual Targets":

The annual savings targets proposed will be informed by the following: an updated analysis of the level of natural gas energy efficiency potential available in Ontario; market opportunities; past DSM program experience; new innovations; and, industry capacity to deliver DSM program offerings.⁸

12. Additionally, several other inputs and priorities were considered by Enbridge Gas when developing the 2027-2030 DSM Plan and resulting targets and budgets, including the DSM Framework Objectives and Guiding Principles. Enbridge Gas's approach to the 2027-2030 DSM Plan is discussed in more detail at Exhibit D, Schedule 1, Tab 1 and detailed considerations regarding the development of the proposed DSM programs are outlined throughout Exhibit E.

13. Enbridge Gas notes that some stakeholders indicated that it was important for the Company to put forward an additional version of a multi-year DSM plan that achieved the OEB's expected targets. Due to the significant level of effort required to submit a DSM plan application, which requires consideration of hundreds (if not thousands) of variables in order to balance multiple priorities (such as savings, budgets, Guiding Principles, customer barriers, industry capacity and more, as demonstrated by the size of this Application and pre-filed evidence), Enbridge Gas focused its resources on

⁸ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB Framework), pp.5-6.

producing a single, detailed and optimal DSM plan. While Enbridge Gas has significant concerns with a number of the details of the 2024 APS, the Company submits that Scenario A in the 2024 APS could be used as an alternate consideration of the budgets required to achieve the OEB's expectations. Further details are outlined in Exhibit C, Tab 1, Schedule 3.

2. Proposed 2027-2030 DSM Plan Scorecards

14. Enbridge Gas is proposing fixed targets for all years of the 2027-2030 DSM Plan with metrics specified across defined scorecards, in accordance with the DSM Framework. Enbridge Gas is proposing four scorecards for each year between 2027 and 2029, and five scorecards for 2030. The proposed scorecards are listed below, including the years in which they are applicable and a reference to where the relevant program descriptions can be found.

- a) Residential Program Scorecard (2027-2030) (Exhibit E, Tab 2, Schedules 1-7)
- b) Income Qualified Program Scorecard (2027-2030) (Exhibit E, Tab 3, Schedules 1-3)
- c) Commercial Program Scorecard (2027-2030) (Exhibit E, Tab 4, Schedules 1-7)
- d) Industrial Program Scorecard (2027-2030) (Exhibit E, Tab 5, Schedules 1-2)
- e) Large Volume Program Scorecard (2030; the Large Volume Direct Access Offering target is a total target for the four-year term) (Exhibit E, Tab 6, Schedules 1-2)

15. The proposed scorecards for each year of the proposed four-year DSM Plan term are provided in Tables 1 to 4. The scorecards display the metrics, metric weightings, and the lower band, 100%, and upper band targets for the various DSM program offerings.

Table 1
2027 Annual Scorecard Targets

Offering(s)	Metric	Metric Weighting	DSMI Allocation	Lower Band (70%) ¹	100% Target	Upper Band (130%) ¹
Residential Program Scorecard						
Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m³)	100%	21% ²	10,684,990	15,264,272	19,843,554
Heat Pump	Net Annual Gas Savings (m³)	100%	4% ²	3,253,129	4,647,328	6,041,526
Income Qualified Program Scorecard						
Home Winterproofing	Single Family Net Annual Gas Savings (m³)	50%	25%	1,556,915	2,224,165	2,891,414
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%		1,717,172	2,453,102	3,189,033
Commercial Program Scorecard						
Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Large Customer Net Annual Gas Savings (m³) ³	50%	25%	12,752,961	18,218,515	23,684,070
	Small Customer Net Annual Gas Savings (m³) ³	50%		7,627,310	10,896,157	14,165,004
Industrial Program Scorecard						
Industrial Custom	Net Annual Gas Savings (m³)	100%	25%	37,950,428	54,214,897	70,479,366

- Notes:**
- ¹ When the calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts, the Scorecard Incentive will be calculated based on these precise thresholds.
- ² The calculation of the DSMI earned for the Heat Pump Offering is independent of the calculation of the DSMI for the balance of the Residential Program.
- ³ Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

Table 2
2028 Annual Scorecard Targets

Offering(s)	Metric	Metric Weighting	DSMI Allocation	Lower Band (70%) ¹	100% Target	Upper Band (130%) ¹
Residential Program Scorecard						
Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m³)	100%	21% ²	12,424,043	17,748,633	23,073,223
Heat Pump	Net Annual Gas Savings (m³)	100%	4% ²	3,256,467	4,652,096	6,047,724
Income Qualified Program Scorecard						
Home Winterproofing	Single Family Net Annual Gas Savings (m³)	50%	25%	1,691,199	2,415,999	3,140,799
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%		1,734,870	2,478,385	3,221,901
Commercial Program Scorecard						
Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Large Customer Net Annual Gas Savings (m³) ³	50%	25%	14,589,806	20,842,580	27,095,354
	Small Customer Net Annual Gas Savings (m³) ³	50%		8,410,860	12,015,515	15,620,169
Industrial Program Scorecard						
Industrial Custom	Net Annual Gas Savings (m³)	100%	25%	40,590,696	57,986,708	75,382,721

Notes:

¹ When the calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts, the Scorecard Incentive will be calculated based on these precise thresholds.

² The calculation of the DSMI earned for the Heat Pump Offering is independent of the calculation of the DSMI for the balance of the Residential Program.

³ Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

Table 3
2029 Annual Scorecard Targets

Offering(s)	Metric	Metric Weighting	DSMI Allocation	Lower Band (70%) ¹	100% Target	Upper Band (130%) ¹
Residential Program Scorecard						
Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m³)	100%	21% ²	13,418,277	19,168,967	24,919,657
Heat Pump	Net Annual Gas Savings (m³)	100%	4% ²	3,261,473	4,659,248	6,057,022
Income Qualified Program Scorecard						
Home Winterproofing	Single Family Net Annual Gas Savings (m³)	50%	25%	1,811,107	2,587,295	3,363,484
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%		1,755,839	2,508,342	3,260,844
Commercial Program Scorecard						
Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Large Customer Net Annual Gas Savings (m³) ³	50%	25%	15,833,144	22,618,777	29,404,410
	Small Customer Net Annual Gas Savings (m³) ³	50%		8,995,556	12,850,794	16,706,032
Industrial Program Scorecard						
Industrial Custom	Net Annual Gas Savings (m³)	100%	25%	42,202,388	60,289,126	78,375,864

Notes:

¹ When the calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts, the Scorecard Incentive will be calculated based on these precise thresholds.

² The calculation of the DSMI earned for the Heat Pump Offering is independent of the calculation of the DSMI for the balance of the Residential Program.

³ Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

Table 4
2030 Annual Scorecard Targets

Offering(s)	Metric	Metric Weighting	DSMI Allocation	Lower Band (70%) ¹	100% Target	Upper Band (130%) ¹
Residential Program Scorecard						
Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m³)	100%	20.16% ²	14,274,011	20,391,444	26,508,877
Heat Pump	Net Annual Gas Savings (m³)	100%	3.84% ²	3,263,142	4,661,632	6,060,121
Income Qualified Program Scorecard						
Home Winterproofing	Single Family Net Annual Gas Savings (m³)	50%	24%	1,961,479	2,802,113	3,642,746
Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m³)	50%		1,758,171	2,511,673	3,265,175
Commercial Program Scorecard						
Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Large Customer Net Annual Gas Savings (m³) ³	50%	24%	16,692,218	23,846,026	30,999,834
	Small Customer Net Annual Gas Savings (m³) ³	50%		9,421,917	13,459,882	17,497,847
Industrial Program Scorecard						
Industrial Custom	Net Annual Gas Savings (m³)	100%	24%	43,942,652	62,775,217	81,607,783
Large Volume Program Scorecard						
Large Volume Direct Access	2027-2030 Net Annual Gas Savings (m³) ⁴	100%	4%	56,818,968	81,169,954	105,520,940

Notes:

- ¹ When the calculation of the Upper and Lower Bands of the 100% Targets result in non-integer amounts, the Scorecard Incentive will be calculated based on these precise thresholds.
- ² The calculation of the DSMI earned for the Heat Pump Offering is independent of the calculation of the DSMI for the balance of the Residential Program.
- ³ Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.
- ⁴ The Large Volume Direct Access scorecard achievement is assessed in the final year of the four-year term based on a target savings for the four-year period. This target will be adjusted proportional to the volumes of customers that remain in the offering subject to any approved Opt-out provision.

16. Table 5 displays the total natural gas savings target (at the 100% target) for the entire DSM portfolio, and the total natural gas savings target as a percentage of forecasted natural gas sales (accounting for the exemptions noted above), with and without the Large Volume Program.

Table 5
Total Net Annual Natural Gas Savings Target (at 100% Target) as a Percentage of
Forecasted Natural Gas Sales

Line No.	Particulars	2027	2028	2029	2030
1	Net Annual Gas Savings (m ³) (excluding Large Volume Program)	107,918,436	118,139,916	124,682,548	130,447,986
2	% Savings of Forecast Sales (excluding Large Volume Program)	0.54%	0.59%	0.62%	0.65%
3	Net Annual Gas Savings (m ³) (including Large Volume Program)	126,168,056	138,296,213	145,928,374	151,966,196
4	% Savings of Forecast Sales (including Large Volume Program)	0.51%	0.55%	0.58%	0.60%

Note:

The numerator is the respective year's net annual gas savings target. The denominator is the adjusted forecast natural gas sales volume for that year.

3. Adjustments to DSM Targets

17. As described above, Enbridge Gas is proposing fixed targets for all years of the 2027-2030 DSM Plan term. However, it should be noted that there are specific cases where the targets throughout the term of the DSM Plan (i.e., the “term targets”) will need to be adjusted.

18. Exhibit C, Tab 1, Schedule 1 outlines a small number of cases where in-term changes to input assumptions and adjustment factors would impact term targets. Additionally, Enbridge Gas is also outlining specific cases below that will require updates to proposed term targets, to reflect updates to input assumptions or adjustment factors

that occur after the filing of this Application but prior to the start of the new DSM Plan term:

- a) Input assumption changes made to prescriptive measures through any Technical Resource Manual (“TRM”) update process completed in 2025 or 2026.
 - i. Since targets are based on the TRM measure inputs at the time of filing this Application (and prior to the completion of the 2025 or 2026 TRM updates), if any inputs are revised in the 2025 or 2026 TRM updates, targets will be updated accordingly.
- b) Codes and standards changes in 2025 or 2026.
 - i. Should a code or equipment standard change occur before 2027, the term targets should be updated accordingly. Enbridge Gas is not aware of any applicable upcoming codes or standards changes at this time.
- c) Changes to input assumptions and adjustment factors for new prescriptive measures included in the DSM Plan.
 - i. Any input assumptions and adjustment factors for new prescriptive measures included in the DSM Plan that have not been submitted to the Evaluation Contractor (“EC”) should be treated as placeholder values. A list of specific measures can be found in Exhibit D, Tab 10, Schedule 1, Table 1. Once Enbridge Gas submits measure research and substantiation documentation to the EC, the term targets will be revised based on those updated values. If further changes are made in 2025 through the TRM update process, the term targets will reflect the newly updated values.

- d) Any specific changes to input assumptions or adjustment factors included in Enbridge Gas's proposed term targets that are made through this Application's regulatory proceeding.
- i. Specific to net-to-gross ("NTG"), as discussed in Exhibit D, Tab 9, Schedule 2, Enbridge Gas developed term targets using NTG values, which are outlined in Exhibit D, Tab 10, Schedule 1, Attachment 2. In the event that these NTG values are changed through this Application's regulatory proceeding, all relevant annual targets will be updated based on the new NTG values. In the event the OEB does not support Enbridge Gas's NTG proposal (outlined in Exhibit D, Tab 9, Schedule 2), then the term targets will be updated based on:
- The most recently approved NTG values.
 - In the event that there are evaluated NTG values from a NTG study conducted on 2024, 2025, or 2026 program years, these values will supersede the bullet above.
- e) Changes to input assumptions or adjustment factors required to remain in alignment with third parties, such as IESO, with whom Enbridge Gas collaborates.

DSM PLAN BUDGET

1. This evidence is organized as follows:
 1. Approach to Establishing the 2027-2030 DSM Plan Budget
 - 1.1 Comparable Sources of Information
 - 1.2 DSM Guiding Principles
 - 1.3 Stakeholder Feedback
 - 1.4 Public Policy
 - 1.5 Residential Program Cost-Effectiveness
 2. 2027-2030 DSM Plan Budget
 - 2.1 Inflation
 - 2.2 Ring Fencing
 3. 2024 Achievable Potential Study Budgets

1. Approach to Establishing the 2027-2030 DSM Plan Budget

2. As budgets and targets are fundamentally linked, the OEB's 2026 to 2030 natural gas savings target expectations were an important consideration in determining the proposed budget for the 2027-2030 DSM Plan. For information regarding the OEB's expected natural gas savings targets, refer to Exhibit D, Tab 2, Schedule 1.
3. It is important to note that when the OEB set the expected targets of at least 0.6% of sales in 2026, 0.8% of sales in 2027 and 1.0% of sales in each year from 2028 through to the end of 2030 in its Decision and Order for Enbridge Gas's previous multi-year DSM Plan ¹("Decision") there had been no evidence adduced in the proceeding regarding the budget levels that would be required to achieve these expectations.

¹ EB-2021-0002.

4. As a result, Enbridge Gas considered several inputs when determining the proposed budget for its 2027-2030 DSM Plan, as discussed below.

1.1 Comparable Sources of Information

5. Enbridge Gas considered three main comparators to assess a reasonable budget for the 2027-2030 DSM Plan.

Jurisdictional Benchmarking

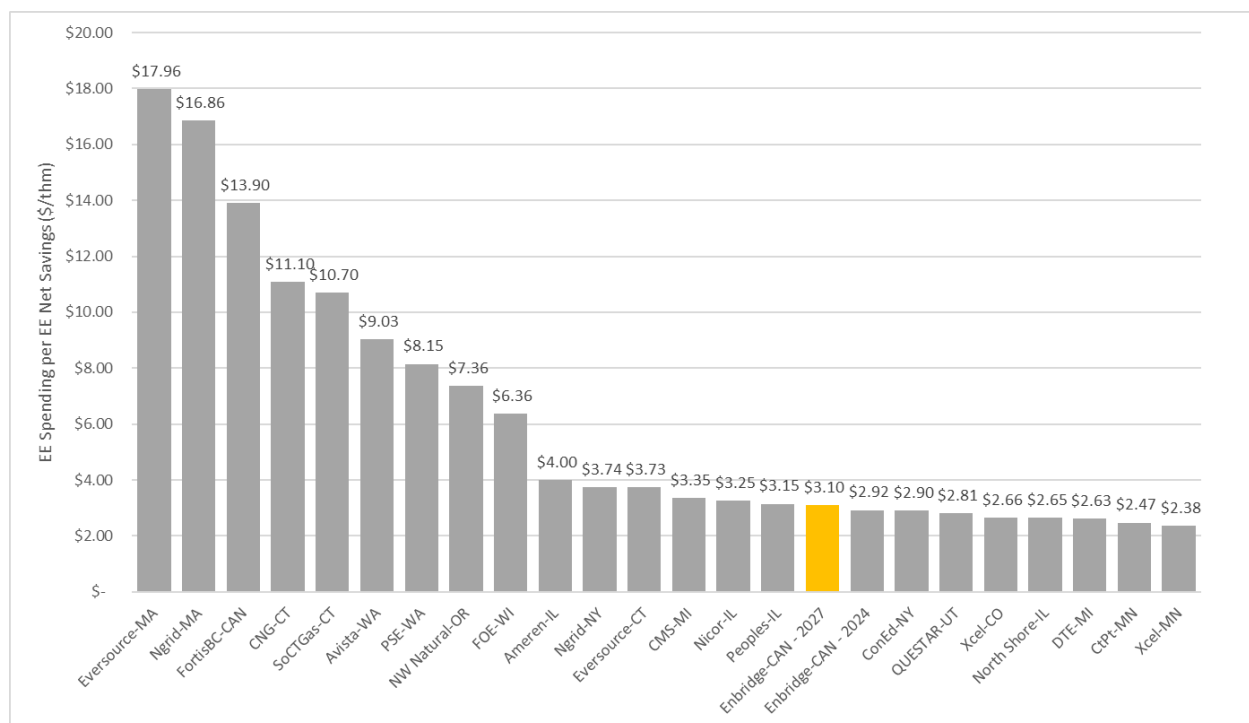
6. As Enbridge Gas began developing the multi-year DSM Plan, the Company undertook jurisdictional benchmarking to assist in understanding the level of budget that would be required to achieve the OEB's expected targets. A summary of this benchmarking study was included in the materials shared at the March 26, 2024 intervenor engagement session, which can be found in Exhibit C, Tab 1, Schedule 5, Attachment 1.
7. The benchmarking study identified four jurisdictions² which had planned 2024 net natural gas savings targets of 1% of sales or greater. The DSM budgets for these jurisdictions were on average three times greater than Enbridge Gas's current budgets on a normalized basis (\$/unit of energy saved). It should be noted that two of these jurisdictions utilized high deemed or assumed net-to-gross ("NTG") values of between 0.9 and 1.
8. Figure 1 provides an illustration of the average cost per unit of net savings of the energy efficiency programs in other jurisdictions (for the 2024 program year) compared to the average cost per unit of net savings forecast for 2027 in Enbridge Gas's 2027-2030 DSM Plan (additional detail regarding the DSM Plan's forecast \$/m³ costs can be found at Tables 5 to 8 in Exhibit D, Tab 3, Schedule 1). The jurisdictional data is drawn from a benchmarking study completed by Apex Analytics

² Minnesota, Massachusetts (National Grid and Eversource), Connecticut, and Michigan.

for Enbridge Gas which provides an overview of natural gas reduction targets and budgets related to DSM efforts across other leading jurisdictions in North America. The relevant materials from the benchmarking study undertaken by Apex Analytics can be found at Exhibit D, Tab 2, Schedule 2, Attachment 1.

9. This jurisdictional comparison demonstrates that Enbridge Gas's proposed 2027-2030 DSM Plan is cost effective relative to other leading jurisdictions, in terms of cost per m³ saved. Figure 1 compares the 2024 forecast cost per unit of net natural gas savings of various jurisdiction/utility energy efficiency plans (\$USD/therm)³ compared to the 2027 forecast cost per unit of net natural gas savings in Enbridge Gas's proposed DSM Plan (i.e., the yellow bar). Enbridge Gas's 2027 costs have been converted from \$CAD/m³ to \$USD/therm for comparison purposes.

Figure 1: Budget per Unit of Net Savings (\$USD/therm)



³ \$1 CAD/\$0.71 USD and 2.83 m³/1 therm.

Enbridge Gas's Past DSM Program Experience

10. Enbridge Gas analyzed past results regarding historical levels of DSM achievement, budget levels, actual spend and program effectiveness. A particularly meaningful comparator is Enbridge Gas's recent experience with the residential Home Efficiency Rebate Plus ("HER+") offering, which provides insight into the cost to achieve the OEB's expected targets. Based on the average incentive of Package C participants, the cost in 2024 was \$8.24 per net m³ of natural gas saved. This means the incentive budget alone required to achieve 1% savings of residential volumes, estimated at 70 million m³, would be over \$575 million per year.

2024 Achievable Potential Study

11. Based on Scenario A of the 2024 APS, Enbridge Gas estimates that in order to achieve a 1.0% net annual reduction in natural gas sales, a DSM budget of approximately \$1 billion per year would likely be required. This is discussed in further detail in Section 3 below.

Conclusions

12. The same conclusion is highlighted in each of these three distinct reference points: namely, that very significant budget increases would be required to meet the OEB's expected targets.

1.2 DSM Guiding Principles

13. As discussed at Exhibit D, Tab 1, Schedule 1, the OEB's DSM Framework is foundational to Enbridge Gas's 2027-2030 DSM Plan, which is intended to be responsive to the OEB's objectives and Guiding Principles for DSM.⁴ The DSM Framework outlines several elements that should be considered when developing

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.1-4.

DSM plans. Many of these have a direct relationship to the budget required to achieve natural gas savings, especially when considering equity and opportunity.

14. For example, the first OEB Guiding Principle directly outlines the need to balance natural gas savings with customer bill impacts. Other guiding principles such as reaching a broad spectrum of consumer groups, ensuring small volume, income qualified, and Indigenous customers are well-served, minimizing lost opportunities, and supporting innovation, are all important and require additional budget compared to a DSM plan that is solely focused on achieving the maximum level of natural gas savings.

1.3 Stakeholder Feedback

15. On March 26, 2024, Enbridge Gas held a session to provide stakeholders with an update regarding the progress of the Company's multi-year DSM Plan, including the potential budget impacts required to achieve the OEB's expected targets. As discussed in Exhibit C, Tab 1, Schedule 5, during the session and through subsequent written feedback, Enbridge Gas received mixed feedback regarding budget impacts, with some stakeholders viewing the potential budget requirements as appropriate and others expressing significant concern. The written feedback forms provided to Enbridge Gas can be found in Exhibit C, Tab 1, Schedule 5, Attachment 2, although this does not represent the full extent of the feedback received from all attendees.
16. Based on this feedback, Enbridge Gas felt it was prudent to undertake a customer survey to gather direct customer feedback. Enbridge Gas focused the survey on residential customers as the budget impacts to other customer groups is far more complex due to the various rates that apply to those customers. The survey results

also showed mixed opinions, ranging from desiring decreased spending to desiring increased spending, and various options in between.⁵

1.4 Public Policy

17. The Ontario Minister of Energy provided a Letter of Direction to the OEB on November 29, 2023, which included a section on Electricity and Natural Gas Conservation. The Letter was consistent with the Guiding Principles of the DSM Framework; seeking opportunities to generate more energy savings while ensuring natural gas costs remain affordable, stable and predictable.⁶

18. Affordability was further emphasized in the Government of Ontario's first Integrated Energy Plan ("IEP"), released in June 2025. Specifically, the IEP identified affordability and "keeping energy costs low for families, businesses, and industry" as one of the four principles central to the government's energy plan.⁷

1.5 Residential Program Cost-Effectiveness

19. As set out in Exhibit D, Tab 3, Schedule 1, the Residential Program TRC-Plus ratio forecast is less than 1.0 for 2027 to 2029. Enbridge Gas has made efforts to improve the program's cost-effectiveness, while also taking into consideration various DSM Guiding Principles and public policies (in particular the Government of Ontario's priority of providing residential customers with a one-window electric and natural gas offering). To improve the program's cost-effectiveness while ensuring a comprehensive program is available to residential customers, the proposed Residential Program includes a decreased emphasis and budget for less cost-effective offerings (such as the Residential Whole Home Offering). For further details please see Exhibit D, Tab 3, Schedule 1.

⁵ Enbridge Gas 2024 DSM Budget Customer Engagement Final Report, Innovative Research Group (July 29, 2024), p.25.

⁶ MC-994-2023-864, Ministry of Energy, Office of the Minister, Letter to OEB, November 29, 2023, p.4.

⁷ Government of Ontario, Energy for Generations (IEP), June 2025, p.6.

20. Enbridge Gas believes it is necessary to consider the cost-effectiveness of DSM programs when determining appropriate budget levels. The Residential Program's cost-effectiveness was a significant consideration for Enbridge Gas when determining the appropriate design and budget for the proposed program, and the Company believes the proposed program's budget level is appropriate given the various considerations noted above.

2. 2027-2030 DSM Plan Budget

21. With consideration of the above, Enbridge Gas is proposing a balanced budget for the 2027-2030 DSM Plan with areas of increases and decreases compared to the previous 2023-2025 DSM Plan budget. The proposed natural gas savings targets associated with the 2027-2030 DSM Plan budget can be found at Exhibit D, Tab 2, Schedule 1. For information regarding an estimated budget that would be required to meet the OEB's expected targets in addition to the information contained in the sections above please also see Section 3 below.

22. Enbridge Gas is proposing a total 2027 DSM budget of approximately \$191 million. This budget escalates over the four-year term to approximately \$227 million in 2030.

23. The proposed budget for the 2027-2030 DSM Plan term is provided in Table 1.

Table 1
2027-2030 DSM Plan Budget (\$000s)

DSM Budget Category	2027	2028*	2029*	2030*
Residential Program	\$ 72,787	\$ 75,692	\$ 78,555	\$ 81,536
Income Qualified Program	\$ 27,336	\$ 29,790	\$ 32,880	\$ 35,657
Commercial Program	\$ 43,048	\$ 48,468	\$ 52,454	\$ 55,837
Industrial Program	\$ 26,886	\$ 28,710	\$ 29,971	\$ 31,445
Large Volume Program	\$ 3,480	\$ 3,613	\$ 3,752	\$ 3,896
Program Subtotal	\$ 173,537	\$ 186,274	\$ 197,612	\$ 208,372
Administration Costs	\$ 9,897	\$ 9,863	\$ 10,033	\$ 10,206
Evaluation and Regulatory Costs	\$ 4,518	\$ 4,596	\$ 4,675	\$ 4,755
Research Costs	\$ 3,223	\$ 3,279	\$ 3,335	\$ 3,392
Portfolio Subtotal	\$ 17,638	\$ 17,738	\$ 18,043	\$ 18,353
Total	\$ 191,175	\$ 204,011	\$ 215,655	\$ 226,725

Note:

* Includes a 2% annual proxy inflation factor on incentive budget components and a 1.72% annual proxy inflation factor on non-incentive budget components (2% proxy inflation - 0.28% efficiency stretch factor).

24. A detailed breakdown of the proposed 2027-2030 DSM Plan budget for each year is provided in Tables 2 to 6. The references provided in the left column indicate where relevant information can be found in this Application.

Table 2
2027 DSM Plan Budget (\$000s)

2027 DSM Budget Item (Reference: Exhibit-Tab)	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	Total
Residential Program (E-2)	\$ 57,980	\$ 6,109	\$ 6,124	\$ 2,574	\$ 72,787
Whole Home	\$ 23,499	\$ 1,160	\$ 1,270	-	\$ 25,929
Single Measure	\$ 13,591	\$ 1,307	\$ 662	-	\$ 15,561
Heat Pump	\$ 7,650	\$ 872	\$ 783	-	\$ 9,305
Smart Home	\$ 3,090	\$ 2,370	\$ 625	-	\$ 6,084
Moderate Income Direct Install	\$ 10,150	\$ 300	\$ 425	-	\$ 10,875
Energy Education & Outreach	\$ 0	\$ 100	\$ 2,360	-	\$ 2,460
Income Qualified Program (E-3)	\$ 20,424	\$ 2,765	\$ 2,309	\$ 1,838	\$ 27,336
Home Winterproofing	\$ 12,972	\$ 1,745	\$ 2,059	-	\$ 16,775
Affordable Housing Multi-Residential	\$ 7,453	\$ 1,020	\$ 250	-	\$ 8,723
Commercial Program (E-4)	\$ 32,581	\$ 2,127	\$ 2,813	\$ 5,527	\$ 43,048
Commercial Custom	\$ 13,884	\$ 640	\$ 277	-	\$ 14,800
Com/Ind Prescriptive Downstream	\$ 3,934	\$ 464	\$ 456	-	\$ 4,853
Com/Ind Prescriptive Direct Install	\$ 10,024	\$ 412	\$ 517	-	\$ 10,952
Com/Ind Prescriptive Upstream	\$ 2,114	\$ 368	\$ 876	-	\$ 3,357
Com Existing Building Commissioning	\$ 247	\$ 100	\$ 226	-	\$ 573
Commercial Microbusiness	\$ 78	\$ 75	\$ 53	-	\$ 206
Commercial SEM	\$ 500	\$ 30	\$ 250	-	\$ 780
Commercial Energy Innovation (D-8)	\$ 1,800	\$ 40	\$ 160	-	\$ 2,000
Industrial Program (E-5)	\$ 20,622	\$ 940	\$ 510	\$ 4,814	\$ 26,886
Industrial Custom	\$ 18,322	\$ 870	\$ 100	-	\$ 19,292
Industrial SEM	\$ 500	\$ 30	\$ 250	-	\$ 780
Industrial Energy Innovation (D-8)	\$ 1,800	\$ 40	\$ 160	-	\$ 2,000
Large Volume Program (E-6)	\$ 3,179	\$ 25	\$ 0	\$ 276	\$ 3,480
Large Volume Direct Access	\$ 3,179	\$ 25	\$ 0	-	\$ 3,204
Program Subtotal	\$ 134,786	\$ 11,966	\$ 11,756	\$ 15,029	\$ 173,537
Portfolio Administration (D-4)	-	-	-	\$ 7,704	\$ 7,704
System Maintenance & Improvements (D-5)	-	-	-	\$ 1,583	\$ 1,583
Regulatory & Stakeholdering (D-6)	-	-	-	\$ 828	\$ 828
Municipal Engagement (D-7)	-	-	-	\$ 610	\$ 610
Research and Market Data (D-8)	-	-	-	\$ 3,223	\$ 3,223
EM&V (D-9)	-	-	-	\$ 3,100	\$ 3,100
Process Evaluation (D-9)	-	-	-	\$ 590	\$ 590
Portfolio Subtotal				\$ 17,638	\$ 17,638
Total	\$ 134,786	\$ 11,966	\$ 11,756	\$ 32,667	\$ 191,175

Table 3
2028 DSM Plan Budget (\$000s)

2028 DSM Budget Item (Reference: Exhibit-Tab)	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	Total
Residential Program (E-2)	\$ 61,145	\$ 6,149	\$ 5,780	\$ 2,618	\$ 75,692
Whole Home	\$ 21,572	\$ 1,068	\$ 1,068	-	\$ 23,709
Single Measure	\$ 16,822	\$ 1,320	\$ 694	-	\$ 18,836
Heat Pump	\$ 7,813	\$ 880	\$ 305	-	\$ 8,998
Smart Home	\$ 3,166	\$ 2,322	\$ 635	-	\$ 6,123
Moderate Income Direct Install	\$ 11,771	\$ 509	\$ 483	-	\$ 12,763
Energy Education & Outreach	\$ 0	\$ 51	\$ 2,594	-	\$ 2,645
Income Qualified Program (E-3)	\$ 22,520	\$ 2,941	\$ 2,459	\$ 1,870	\$ 29,790
Home Winterproofing	\$ 14,559	\$ 1,853	\$ 2,180	-	\$ 18,591
Affordable Housing Multi-Residential	\$ 7,961	\$ 1,088	\$ 280	-	\$ 9,329
Commercial Program (E-4)	\$ 37,445	\$ 2,164	\$ 3,237	\$ 5,622	\$ 48,468
Commercial Custom	\$ 16,367	\$ 650	\$ 334	-	\$ 17,352
Com/Ind Prescriptive Downstream	\$ 4,432	\$ 471	\$ 514	-	\$ 5,418
Com/Ind Prescriptive Direct Install	\$ 11,328	\$ 419	\$ 608	-	\$ 12,354
Com/Ind Prescriptive Upstream	\$ 2,481	\$ 374	\$ 1,056	-	\$ 3,911
Com Existing Building Commissioning	\$ 374	\$ 102	\$ 247	-	\$ 723
Commercial Microbusiness	\$ 117	\$ 76	\$ 60	-	\$ 253
Commercial SEM	\$ 510	\$ 31	\$ 254	-	\$ 795
Commercial Energy Innovation (D-8)	\$ 1,836	\$ 41	\$ 163	-	\$ 2,039
Industrial Program (E-5)	\$ 22,338	\$ 956	\$ 519	\$ 4,897	\$ 28,710
Industrial Custom	\$ 19,992	\$ 885	\$ 102	-	\$ 20,978
Industrial SEM	\$ 510	\$ 31	\$ 254	-	\$ 795
Industrial Energy Innovation (D-8)	\$ 1,836	\$ 41	\$ 163	-	\$ 2,039
Large Volume Program (E-6)	\$ 3,307	\$ 25	\$ 0	\$ 281	\$ 3,613
Large Volume Direct Access	\$ 3,307	\$ 25	\$ 0	-	\$ 3,333
Program Subtotal	\$ 146,755	\$ 12,236	\$ 11,995	\$ 15,288	\$ 186,274
Portfolio Administration (D-4)	-	-	-	\$ 7,836	\$ 7,836
System Maintenance & Improvements (D-5)	-	-	-	\$ 1,407	\$ 1,407
Regulatory & Stakeholdering (D-6)	-	-	-	\$ 842	\$ 842
Municipal Engagement (D-7)	-	-	-	\$ 620	\$ 620
Research and Market Data (D-8)	-	-	-	\$ 3,279	\$ 3,279
EM&V (D-9)	-	-	-	\$ 3,153	\$ 3,153
Process Evaluation (D-9)	-	-	-	\$ 600	\$ 600
Portfolio Subtotal				\$ 17,738	\$ 17,738
Total	\$ 146,755	\$ 12,236	\$ 11,995	\$ 33,026	\$ 204,011

Table 4
2029 DSM Plan Budget (\$000s)

2029 DSM Budget Item (Reference: Exhibit-Tab)	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	Total
Residential Program (E-2)	\$ 63,557	\$ 6,165	\$ 6,170	\$ 2,663	\$ 78,555
Whole Home	\$ 20,048	\$ 916	\$ 1,004	-	\$ 21,967
Single Measure	\$ 18,805	\$ 1,395	\$ 718	-	\$ 20,918
Heat Pump	\$ 7,985	\$ 930	\$ 310	-	\$ 9,225
Smart Home	\$ 3,266	\$ 2,356	\$ 646	-	\$ 6,268
Moderate Income Direct Install	\$ 13,452	\$ 517	\$ 543	-	\$ 14,513
Energy Education & Outreach	\$ 0	\$ 52	\$ 2,949	-	\$ 3,001
Income Qualified Program (E-3)	\$ 25,307	\$ 3,087	\$ 2,583	\$ 1,902	\$ 32,880
Home Winterproofing	\$ 16,492	\$ 1,938	\$ 2,273	-	\$ 20,703
Affordable Housing Multi-Residential	\$ 8,815	\$ 1,149	\$ 310	-	\$ 10,274
Commercial Program (E-4)	\$ 41,035	\$ 2,201	\$ 3,499	\$ 5,719	\$ 52,454
Commercial Custom	\$ 18,081	\$ 662	\$ 381	-	\$ 19,124
Com/Ind Prescriptive Downstream	\$ 4,969	\$ 480	\$ 575	-	\$ 6,024
Com/Ind Prescriptive Direct Install	\$ 12,167	\$ 426	\$ 655	-	\$ 13,247
Com/Ind Prescriptive Upstream	\$ 2,784	\$ 380	\$ 1,158	-	\$ 4,322
Com Existing Building Commissioning	\$ 403	\$ 103	\$ 239	-	\$ 746
Commercial Microbusiness	\$ 238	\$ 78	\$ 67	-	\$ 382
Commercial SEM	\$ 520	\$ 31	\$ 259	-	\$ 810
Commercial Energy Innovation (D-8)	\$ 1,873	\$ 41	\$ 166	-	\$ 2,080
Industrial Program (E-5)	\$ 23,490	\$ 973	\$ 528	\$ 4,981	\$ 29,971
Industrial Custom	\$ 21,097	\$ 900	\$ 103	-	\$ 22,101
Industrial SEM	\$ 520	\$ 31	\$ 259	-	\$ 810
Industrial Energy Innovation (D-8)	\$ 1,873	\$ 41	\$ 166	-	\$ 2,080
Large Volume Program (E-6)	\$ 3,441	\$ 26	\$ 0	\$ 286	\$ 3,752
Large Volume Direct Access	\$ 3,441	\$ 26	\$ 0	-	\$ 3,467
Program Subtotal	\$ 156,830	\$ 12,451	\$ 12,780	\$ 15,551	\$ 197,612
Portfolio Administration (D-4)	-	-	-	\$ 7,971	\$ 7,971
System Maintenance & Improvements (D-5)	-	-	-	\$ 1,431	\$ 1,431
Regulatory & Stakeholdering (D-6)	-	-	-	\$ 857	\$ 857
Municipal Engagement (D-7)	-	-	-	\$ 631	\$ 631
Research and Market Data (D-8)	-	-	-	\$ 3,335	\$ 3,335
EM&V (D-9)	-	-	-	\$ 3,208	\$ 3,208
Process Evaluation (D-9)	-	-	-	\$ 610	\$ 610
Portfolio Subtotal				\$ 18,043	\$ 18,043
Total	\$ 156,830	\$ 12,451	\$ 12,780	\$ 33,594	\$ 215,655

Table 5
2030 DSM Plan Budget (\$000s)

2030 DSM Budget Item (Reference: Exhibit-Tab)	Incentive Costs	Promotion Costs	Delivery Costs	Admin Costs	Total
Residential Program (E-2)	\$ 66,032	\$ 6,203	\$ 6,592	\$ 2,709	\$ 81,536
Whole Home	\$ 19,015	\$ 784	\$ 960	-	\$ 20,760
Single Measure	\$ 20,301	\$ 1,482	\$ 738	-	\$ 22,521
Heat Pump	\$ 8,150	\$ 988	\$ 316	-	\$ 9,454
Smart Home	\$ 3,369	\$ 2,371	\$ 657	-	\$ 6,398
Moderate Income Direct Install	\$ 15,196	\$ 526	\$ 605	-	\$ 16,328
Energy Education & Outreach	\$ 0	\$ 53	\$ 3,315	-	\$ 3,368
Income Qualified Program (E-3)	\$ 27,703	\$ 3,313	\$ 2,706	\$ 1,935	\$ 35,657
Home Winterproofing	\$ 18,401	\$ 2,113	\$ 2,390	-	\$ 22,904
Affordable Housing Multi-Residential	\$ 9,303	\$ 1,200	\$ 316	-	\$ 10,818
Commercial Program (E-4)	\$ 44,068	\$ 2,239	\$ 3,713	\$ 5,817	\$ 55,837
Commercial Custom	\$ 19,690	\$ 673	\$ 421	-	\$ 20,784
Com/Ind Prescriptive Downstream	\$ 5,320	\$ 488	\$ 614	-	\$ 6,423
Com/Ind Prescriptive Direct Install	\$ 12,756	\$ 433	\$ 691	-	\$ 13,880
Com/Ind Prescriptive Upstream	\$ 2,981	\$ 387	\$ 1,241	-	\$ 4,608
Com Existing Building Commissioning	\$ 452	\$ 105	\$ 239	-	\$ 796
Commercial Microbusiness	\$ 428	\$ 79	\$ 75	-	\$ 582
Commercial SEM	\$ 531	\$ 32	\$ 263	-	\$ 825
Commercial Energy Innovation (D-8)	\$ 1,910	\$ 42	\$ 168	-	\$ 2,121
Industrial Program (E-5)	\$ 24,852	\$ 989	\$ 537	\$ 5,067	\$ 31,445
Industrial Custom	\$ 22,411	\$ 916	\$ 105	-	\$ 23,432
Industrial SEM	\$ 531	\$ 32	\$ 263	-	\$ 825
Industrial Energy Innovation (D-8)	\$ 1,910	\$ 42	\$ 168	-	\$ 2,121
Large Volume Program (E-6)	\$ 3,580	\$ 26	\$ 0	\$ 290	\$ 3,896
Large Volume Direct Access	\$ 3,580	\$ 26	\$ 0	-	\$ 3,606
Program Subtotal	\$ 166,235	\$ 12,770	\$ 13,548	\$ 15,818	\$ 208,372
Portfolio Administration (D-4)	-	-	-	\$ 8,108	\$ 8,108
System Maintenance & Improvements (D-5)	-	-	-	\$ 1,456	\$ 1,456
Regulatory & Stakeholdering (D-6)	-	-	-	\$ 871	\$ 871
Municipal Engagement (D-7)	-	-	-	\$ 642	\$ 642
Research and Market Data (D-8)	-	-	-	\$ 3,392	\$ 3,392
EM&V (D-9)	-	-	-	\$ 3,263	\$ 3,263
Process Evaluation (D-9)	-	-	-	\$ 621	\$ 621
Portfolio Subtotal				\$ 18,353	\$ 18,353
Total	\$ 166,235	\$ 12,770	\$ 13,548	\$ 34,171	\$ 226,725

2.1 Inflation

25. Consistent with the previous 2023-2025 DSM Plan and the 2026 Rollover DSM Plan, the proposed budgets for the 2027-2030 DSM Plan include a 2% proxy annual inflation factor for years 2028 to 2030, which is updated for actual inflation annually.
26. New to this DSM Plan and in response to the OEB's Order in its Decision for the Company's 2026 Rollover DSM Plan which stated that "Enbridge Gas shall propose an updated incentive structure that includes a stretch factor to incentivize efficiency in program delivery" as part of its next multi-year DSM Plan,⁸ Enbridge Gas is proposing an efficiency stretch factor of 28 basis points to certain budget components (fixed for the term of the DSM Plan).
27. This factor would be applied to inflation for all non-incentive budget amounts, as described in Exhibit D, Tab 2, Schedule 3, Section 5. As a result, the proxy value for inflation for incentive budget amounts is 2%, and the proxy value for inflation for non-incentive budget amounts (i.e., portfolio, promotion, delivery and administration) is 1.72% (i.e., 2% - 0.28%).
28. The actual annual inflation factor used will be determined as part of the annual rates proceeding based on the annual average Consumer Price Index ("CPI") percentage change, not seasonally adjusted. The annual average percentage change is used to compare two consecutive annual average price indices; calculated as the average of all the months in a calendar year, from January to December. The factor used will be based on the year preceding the annual rates proceeding. For example, the inflation factor applied to 2028 budgets will be based on the 2026 annual average CPI percentage change, as the annual rates proceeding will be filed in 2026. The 28 basis point efficiency stretch factor will then be applied to this value (i.e., if the actual

⁸ EB-2024-0198, OEB Decision & Order, November 6, 2025, p.15.

2026 annual average CPI percentage change is 3%, then a value of 2.72% (3% - 0.28%) will be applied to non-incentive budgets for 2028).

2.2 Ring Fencing

29. Consistent with past practice, certain budgets are considered ring fenced (i.e., a budget item where funds cannot be transferred to other areas). For the 2027-2030 DSM Plan, the following budgets are proposed to be ring fenced:

- a) Income Qualified Program
- b) Large Volume Program
- c) Evaluation, Measurement and Verification ("EM&V")
- d) Energy Innovation Fund
- e) Research, Development and Market Data

3. 2024 Achievable Potential Study Budgets

30. Several stakeholders requested that Enbridge Gas provide an estimate of the budgets required to achieve the OEB's expected targets of 0.6% of natural gas sales in 2026, 0.8% in 2027 and 1.0% in each year from 2028 to 2030. However, developing more than one DSM plan would require more time and resources than Enbridge Gas had available and is not reasonable.

31. For annual budget levels required to achieve 0.6% annual reductions in natural gas sales, see Enbridge Gas's proposed budget for 2028. Enbridge Gas does not have a scenario for annual budget levels that would be required to achieve 0.8% annual reductions in natural gas sales.

32. Although Enbridge Gas has several concerns with the 2024 APS, Scenario A of the 2024 APS can be used to estimate the budget level required to achieve a 1.1% annual reduction in natural gas sales (approximately \$1.1 billion per year). See Table 6 for information regarding Scenario A of the 2024 APS.

- a) Row 2 (APS Net Savings) displays the net natural gas savings for the scenario.
- b) Row 3 (% of Sales) displays the associated reduction of natural gas sales.
- c) Row 4 (APS Incentives) displays the associated DSM incentive budget requirement.
- d) Row 5 (APS Total Budget) displays the associated total DSM budget requirement.

33. As noted in the 2024 APS final report, the budget values do not account for participation from free riders:

Accordingly, all the estimated program delivery costs (incentive and program administration) associated with the estimated potential are for the costs associated with the net achievement and do not account for any free ridership.⁹

34. It is reasonable to assume that any DSM program will include participation from free riders, which means the budget required to achieve the savings amounts presented in the 2024 APS would be higher in practice. To account for this, for illustrative purposes, Enbridge Gas has shown the “gross” budget requirement in Row 6 (APS Gross Budget) of Table 6, assuming an overall average NTG ratio of 80%. This allows for a better comparison to the budget proposed by Enbridge Gas in the 2027-2030 DSM Plan since free ridership cannot as a practical matter be fully eliminated from program delivery.

⁹ 2024 Natural Gas Achievable Potential Study, Guidehouse Inc., November 5, 2024, p.53.

Table 6
APS Scenario A - Natural Gas Savings, Budgets, and TRC Benefits (2026-2030)

Line No.	Particulars (in millions)	2026	2027	2028	2029	2030	Average
1	Forecast Sales (m ³) ¹	19,649.2	19,832.7	19,919.2	19,992.4	20,042.2	19,887.2
2	APS Net Savings (m ³)	186.1	219.6	248.1	240.5	213.1	221.5
3	% of Sales	0.9%	1.1%	1.2%	1.2%	1.1%	1.1%
4	APS Incentives	\$ 635.3	\$ 738.2	\$ 839.6	\$ 670.1	\$ 453.1	\$ 667.3
5	APS Total Budget	\$ 898.2	\$ 1,041.1	\$ 1,178.8	\$ 954.7	\$ 664.5	\$ 947.4
6	APS Gross Budget	\$ 1,057.0	\$ 1,225.6	\$ 1,388.7	\$ 1,122.3	\$ 777.8	\$ 1,114.3
7	Net TRC Benefits ²	\$ 671.0	\$ 811.3	\$ 945.0	\$ 931.0	\$ 837.3	\$ 839.1

Notes:

¹ Forecast sales excluding natural gas-fired generators, other Ontario utilities (wholesale) and Enbridge Gas's own use fuel. Also excludes customers from the proposed Large Volume Program.

² Please note that the Net TRC Benefits from the APS include avoided costs associated with the previous Federal Carbon Charge, which the Government of Canada has since set to zero.

35. The rate impacts of the Scenario A budgets from the 2024 APS are provided at Exhibit F, Tab 1, Schedule 5, using the average gross budget required to achieve approximately a 1.1% reduction in natural gas sales (i.e., \$1,114.3 million).

36. It is imperative to note that if there is a material change to the budgets proposed by Enbridge Gas in its 2027-2030 DSM Plan, there will likely need to be material (and perhaps wholesale) changes to the DSM Plan's programs, targets and metrics. DSM programs cannot simply be increased or decreased linearly based on the level by which budgets have been increased or decreased. This can be seen in the example of the APS above, where the budget increases are much greater than the savings increases.



Gas utility benchmarking

Presentation

March 20, 2024



Approach



Goal: Provide meaningful comparisons of planned utility **savings** and **spending**

Approach:

- Gather data from (mostly) publicly available sources
 - Focused on 2024, but database includes other (planning) years
- Drive down to meaningful levels
 - Start with portfolio totals
 - Differentiate (or derive) sector totals
 - Assign to program "groups"
- Isolate meaningful data elements
 - Net vs. gross savings
 - Total vs. incentive spending
- Normalize for utility size
 - Sales/throughput, revenue, spending vs savings ratios
 - From EIA 176 (US) and commissions (Canada), plus data from Enbridge/Nicor

Caveats about this analysis



- **Standardization**
 - Tried our best for apples to pears, but some plans lacked clarity for 100% alignment
- **Savings**
 - Some portfolios *measure* only net, so gross comparisons are more useful
 - Some portfolios *report* only net, so needed to impute NTG/gross
- **Incentive categorization**
 - Can vary based on utility; presentation focuses on total costs
- **Isolating sectors/programs**
 - Utilities vary in levels of detail; tried to isolate low-income sectors; gas heating programs
- **Conversions**
 - CAN\$/US\$
 - GJs/m³/therms/ccf/Mcf
 - Presentation shows all values in US\$ and therms (dataset includes both)

Unresolved issues



- **NTG adjustments**
 - Some portfolios required portfolio-wide (or even estimated) NTG
- **Exempt large customers**
 - Used utility total volume/revenue for normalization
 - Identified states with exemption policy
 - Illinois only state with values to net out (waiting on data to update Illinois volumes/revenue)
 - Exemption summary at end of presentation
- **Incentives/total spend**
 - Reported only total cost comparisons
 - Database includes incentive cost for most programs
- **Program assignments**
 - Created ~ 5-7 categories for each sector; variable reporting resolution makes standardizing challenging (i.e., default “Other” likely too large for some portfolios)
- **Utility-specific data gaps**
 - Wisconsin: only has historic (2022) data and lacked IQ savings/spending

Summary of Data Collected

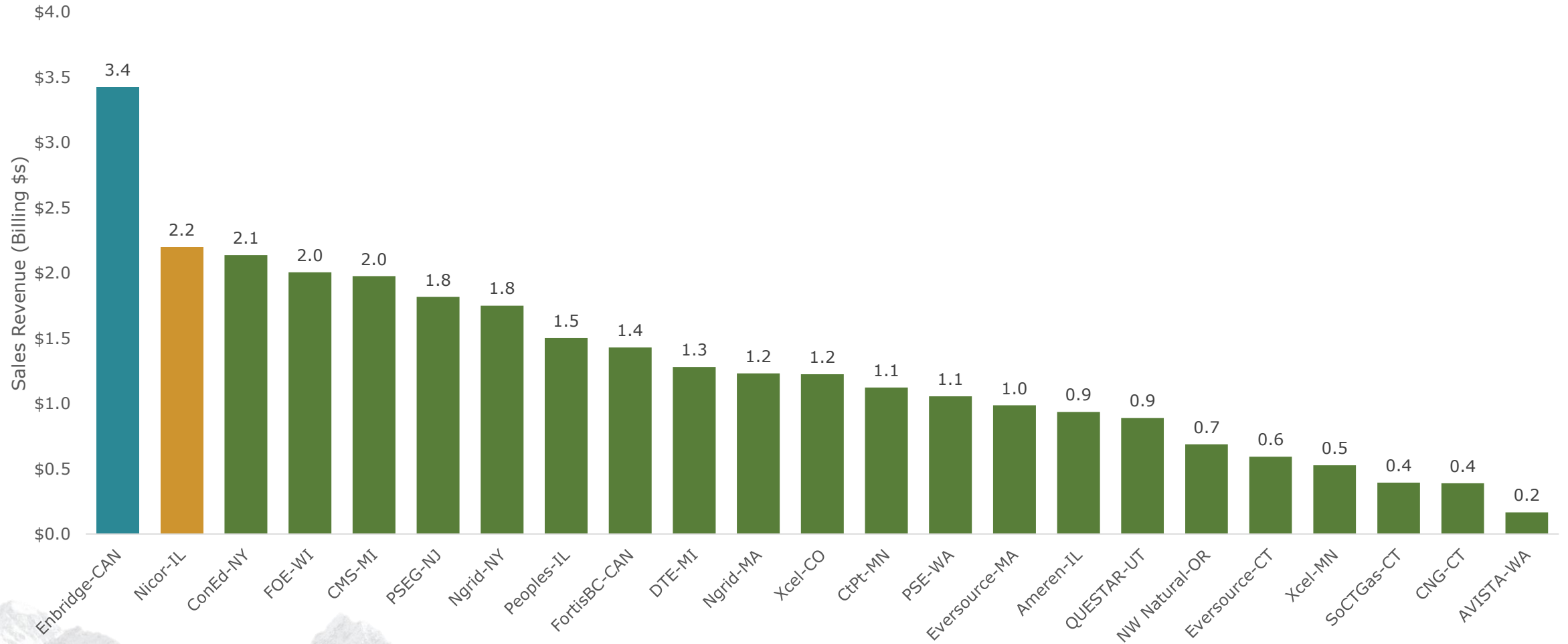


Jurisdiction	Utility	Years of Valid data available	Notes / Issues
Massachusetts	National Grid	2022-2024	Full data available in spreadsheet, plans include 2023-2024, better msr resolution vs Evsr
	Eversource	2022-2024	Full data available in spreadsheet, plans include 2023-2024, worse msr resolution vs Grid
Connecticut	Eversource	2024-2025	Full data available in spreadsheet, plans include 2024-2025
New York	National Grid	2024-2025	Full data available in spreadsheet, plans include 2024-2025. Had to assume 90% NTG
	ConEd	2024-2025	Full data available in spreadsheet, plans include 2024-2025. Had to assume 90% NTG
Michigan	Consumers Energy	2024-2025	Full data available in spreadsheet, plans include 2024-2025 (reflects updated plan)
	DTE Energy	2024-2025	Data available in PDF only. Assume 92% NTG for all.
Minnesota	Xcel Energy	2024-2026	Triennial plan, 2024-2026, available in PDF only. Gross = Net (1.0 NTG).
	CenterPoint Energy	2024-2026	Triennial plan, 2024-2026, available in PDF only. Gross = Net (1.0 NTG).
Illinois	Nicor Gas	2024	Full data available in spreadsheet, plans include 2024-2025
	Peoples Gas	2024	Missing gross, had to assume 90% NTG. Data available in spreadsheet. 2024 only
	North Shore Gas	2024	Missing detailed data, only aggregate program level.
	Ameren Illinois	2024	Missing gross, had to assume 90% NTG. Data available in spreadsheet. 2024 only
Wisconsin	Focus on Energy	2022	Only 2022 evaluation data available, in PDF format. Request for planned data denied.
Colorado	Xcel Energy	2024-2026	Plan data extracted from PDF.
Ontario	Enbridge	2023-204	Full data provided by client. Variable resolution for spend \$s vs savings
British Columbia	FortisBC	2023-2027	Full data provided in PDF. Significant effort to align participation with unit savings/spending.
Washington	Avista	2024-2025	Assume net=gross (NTG=1.0). Data available in spreadsheet.
	Puget Sound Energy	2024-2025	Assume net=gross (NTG=1.0). Data available in spreadsheet.
Oregon	Northwest Natural Gas	2024-2025	Assume net=gross (NTG=1.0). Data available in PDF.
Utah	Questar	2024	Assume NTG=0.9. Data available in spreadsheet.

Annual Sales Revenues (2022)



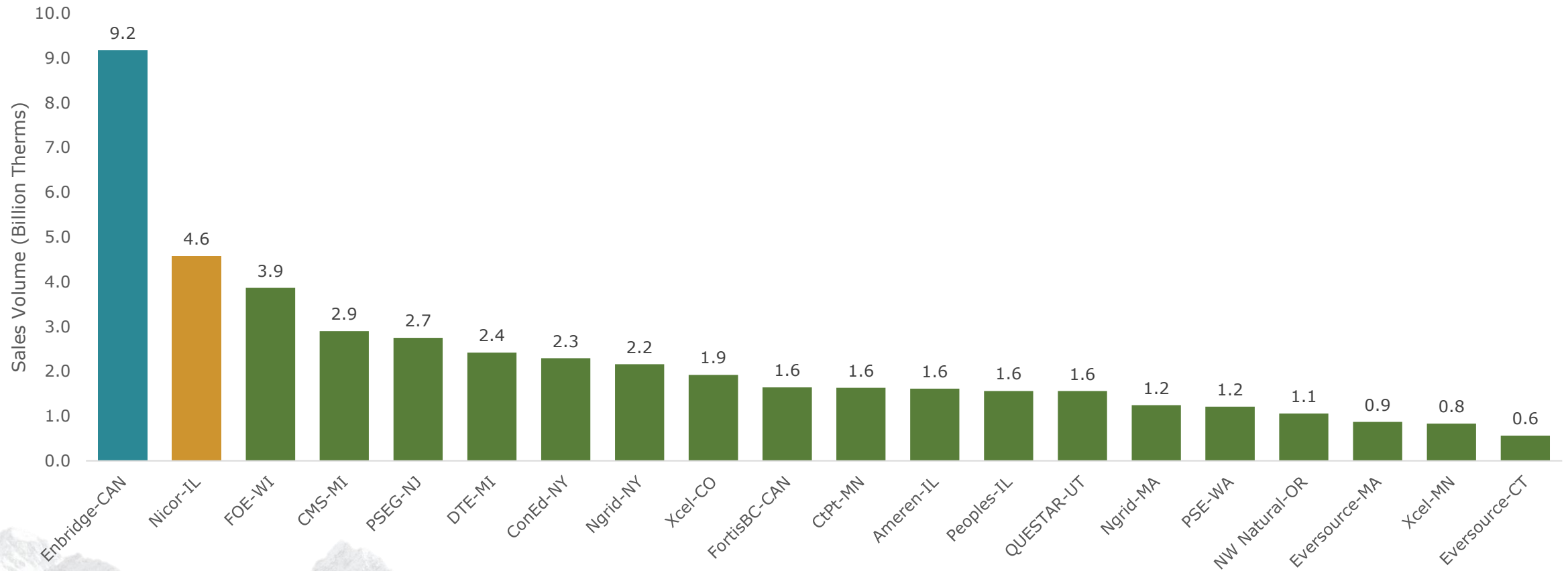
Enbridge and Nicor two largest gas utilities reviewed based on sales revenue (Billion US \$s)



Annual Sales Volumes (2022)



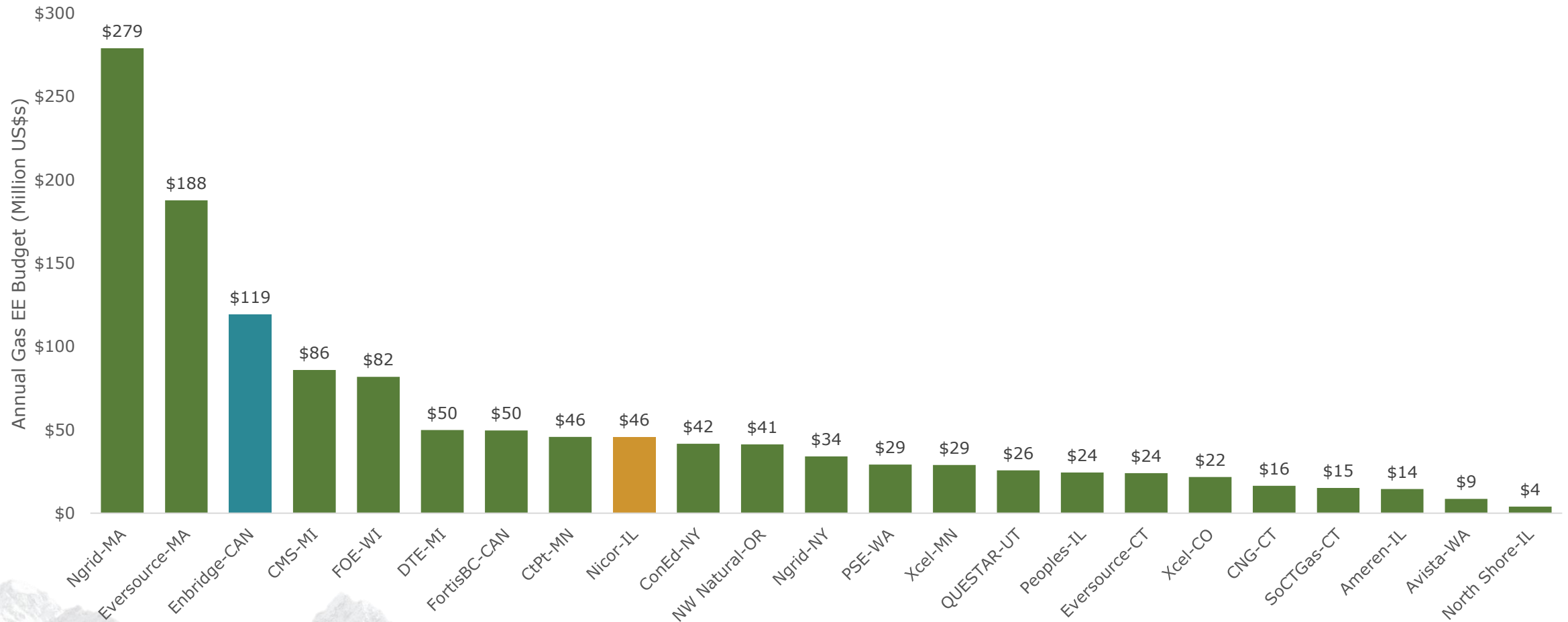
And the two largest gas utilities reviewed based on sales volumes (billion therms)



Planned 2024 Energy Efficiency Budgets



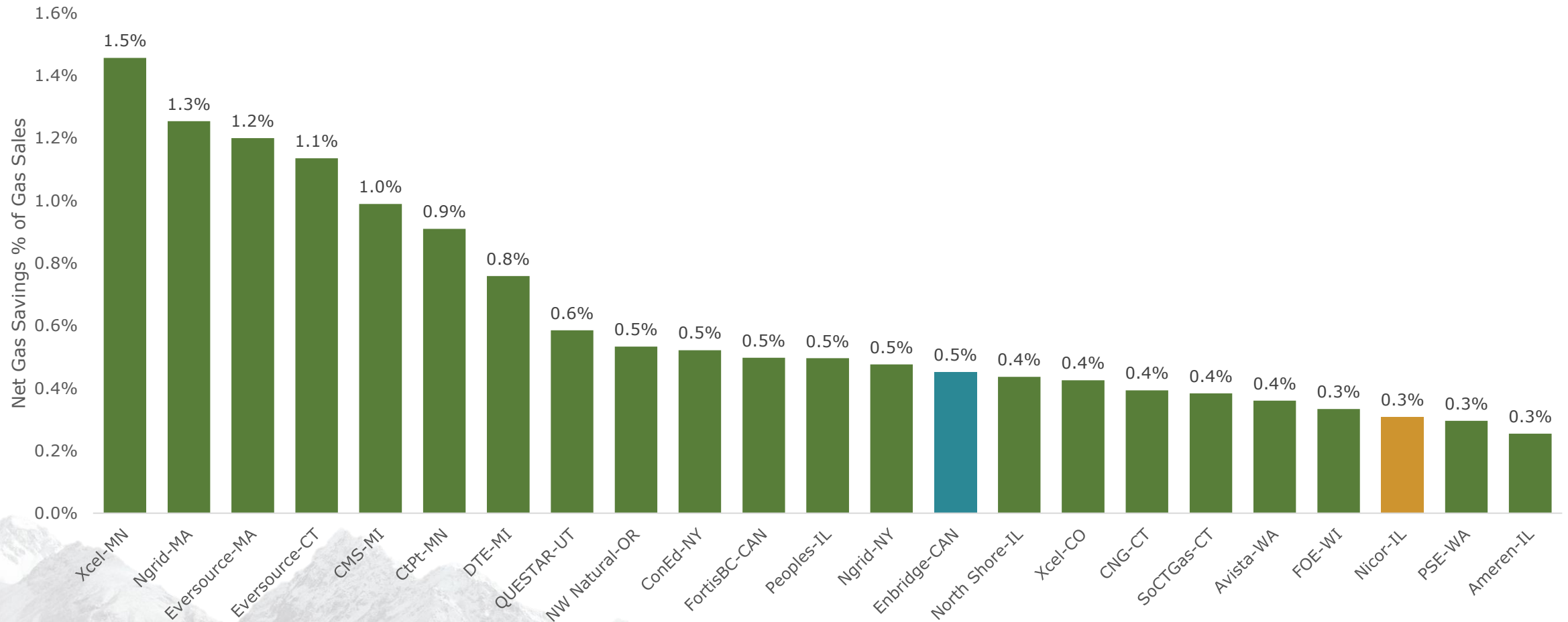
But do not have the highest EE budgets across benchmarked utilities



Planned 2024 **NET** Savings as % of Sales-Portfolio Wide



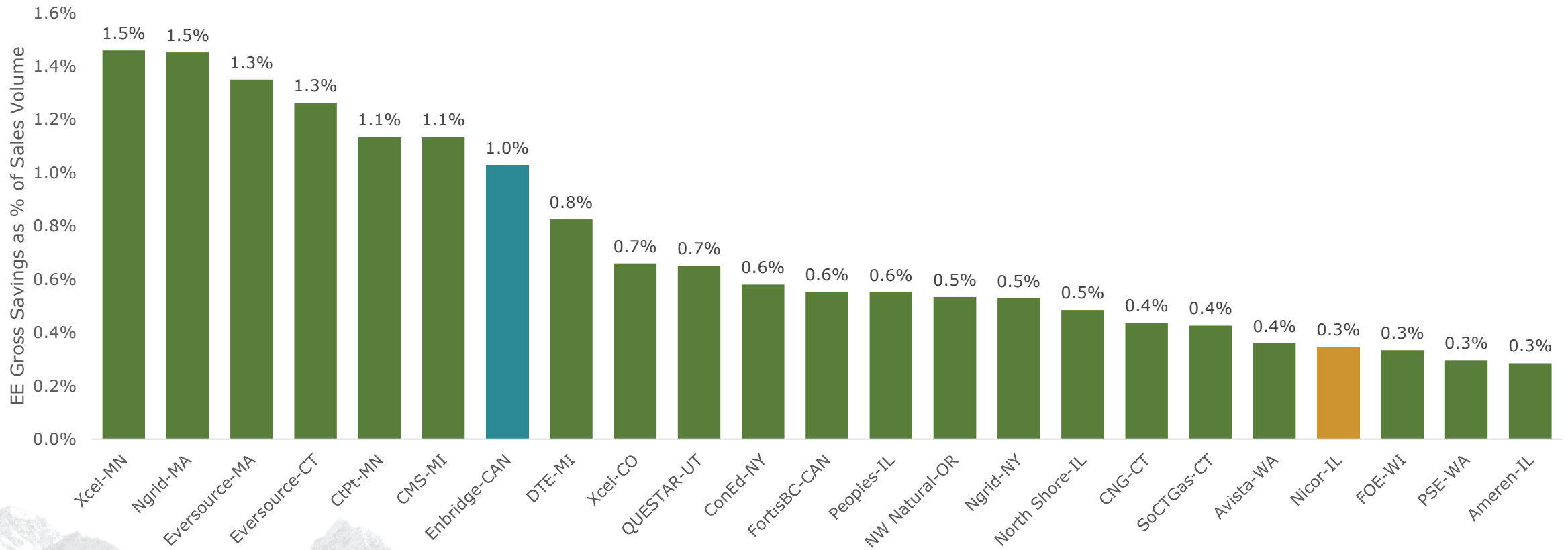
And fall on the lower half of **NET** EE gas savings ratios (EE savings/sales)



Planned 2024 **GROSS** Natural Gas Savings as % of Sales



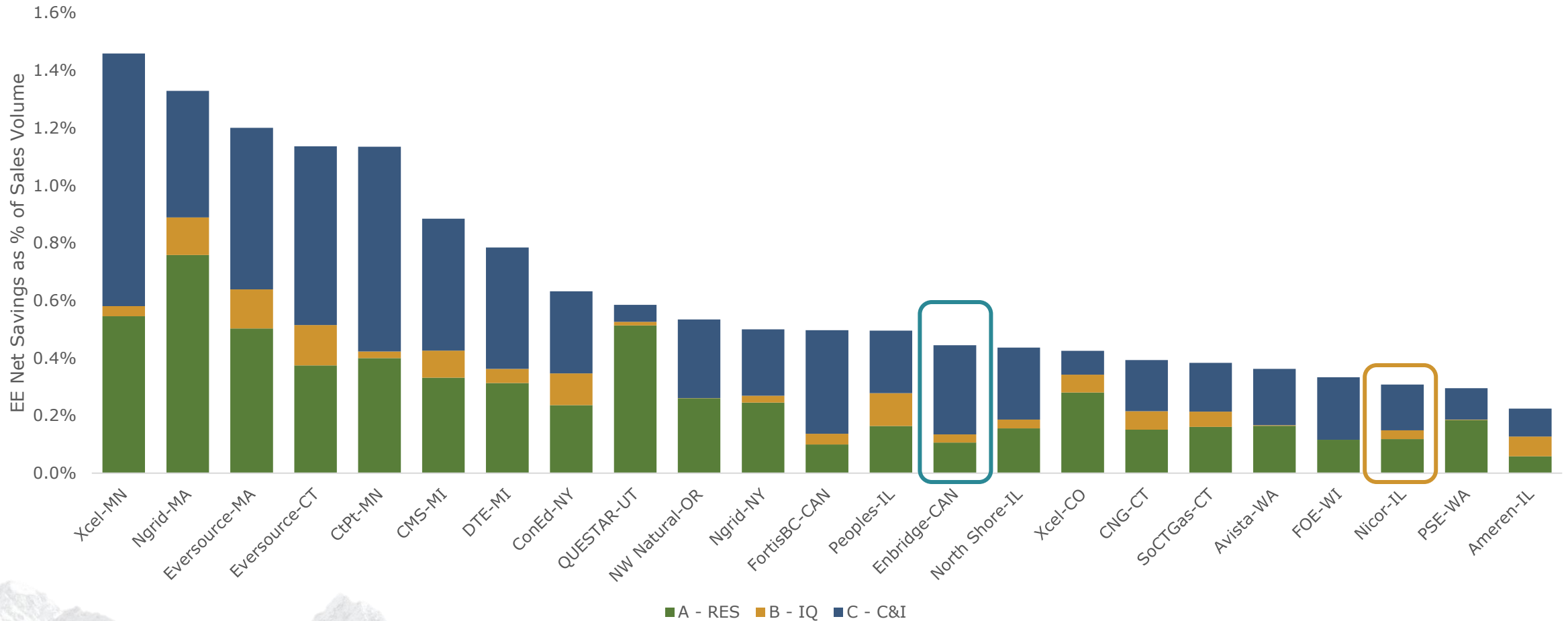
BUT Enbridge reverts to upper half of **GROSS savings ratios due to lower NTG ratios**



Planned 2024 **NET** Savings as % of Sales-By Sector



On average, even split between Res/C&I sector EE **NET savings but wide variation**

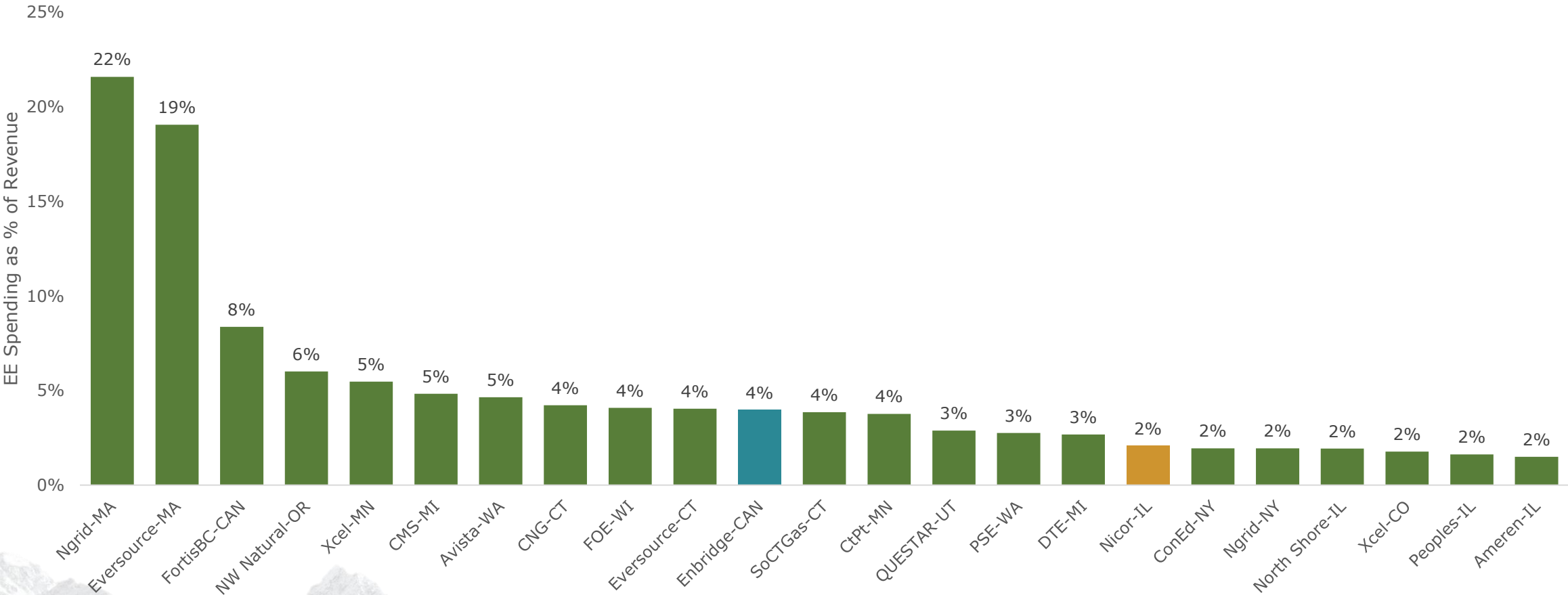


Note: Some programs had limited descriptions or differentiation for IQ programs

Planned 2024 Spend as % of Revenue



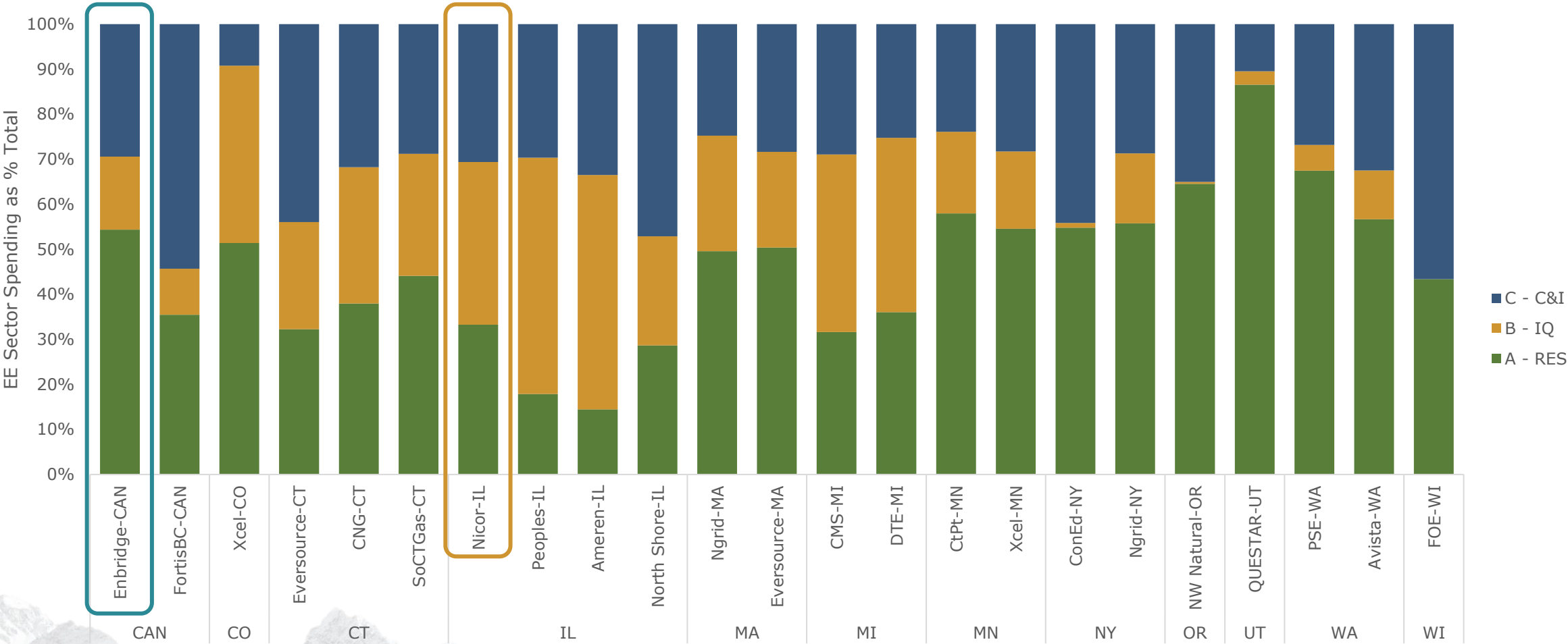
5% average EE spend of revenue, but skewed due to MA utilities



Planned 2024 Spend: Shares by Sector



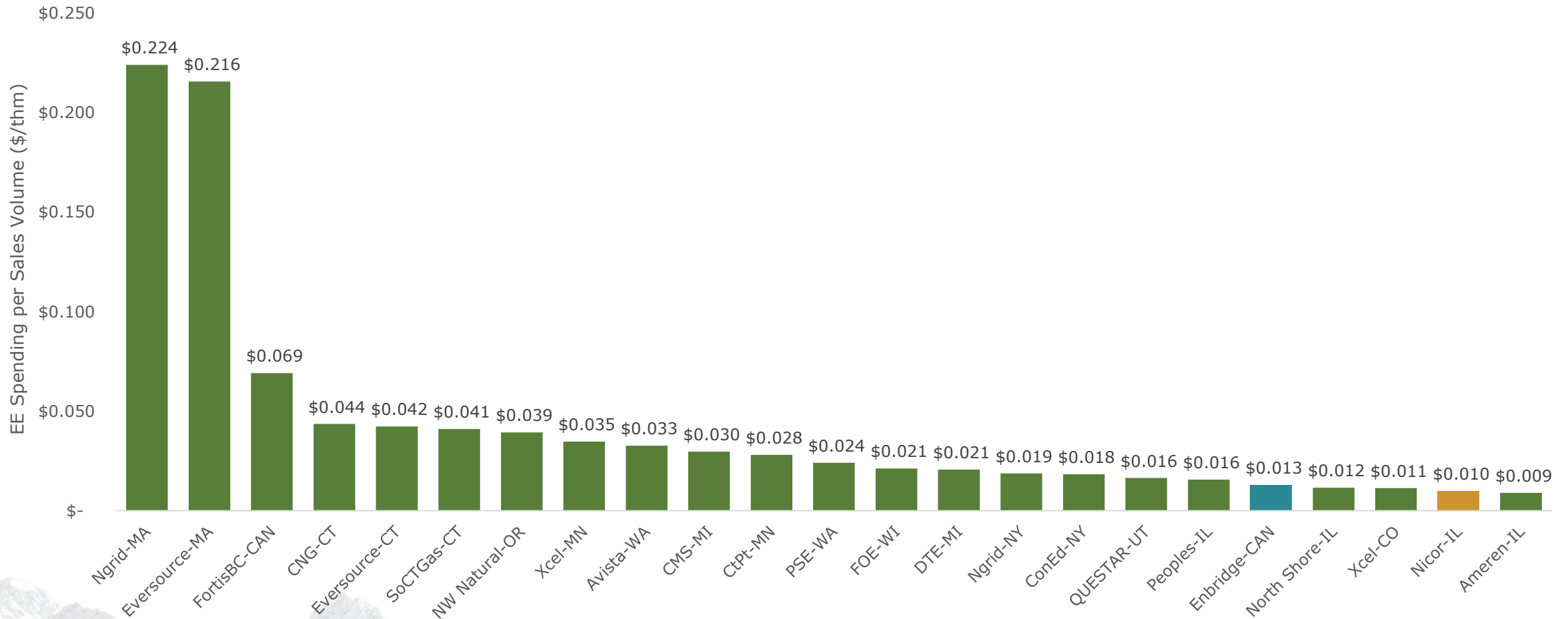
IQ spending can be significant for some utilities, and appears to be growing



Planned 2024 Spend per Unit of Throughput



Most <3 cents/therm; MA at 10-20 cents/therm (compare to ~20 cent commodity)



Residential Program Savings and Spending



Choose your programs wisely – kits and behavior help boost res portfolios



IQ Program Savings and Spending



Lower visibility into IQ programs, but kits and weatherization dominate



C&I Program Savings and Spending



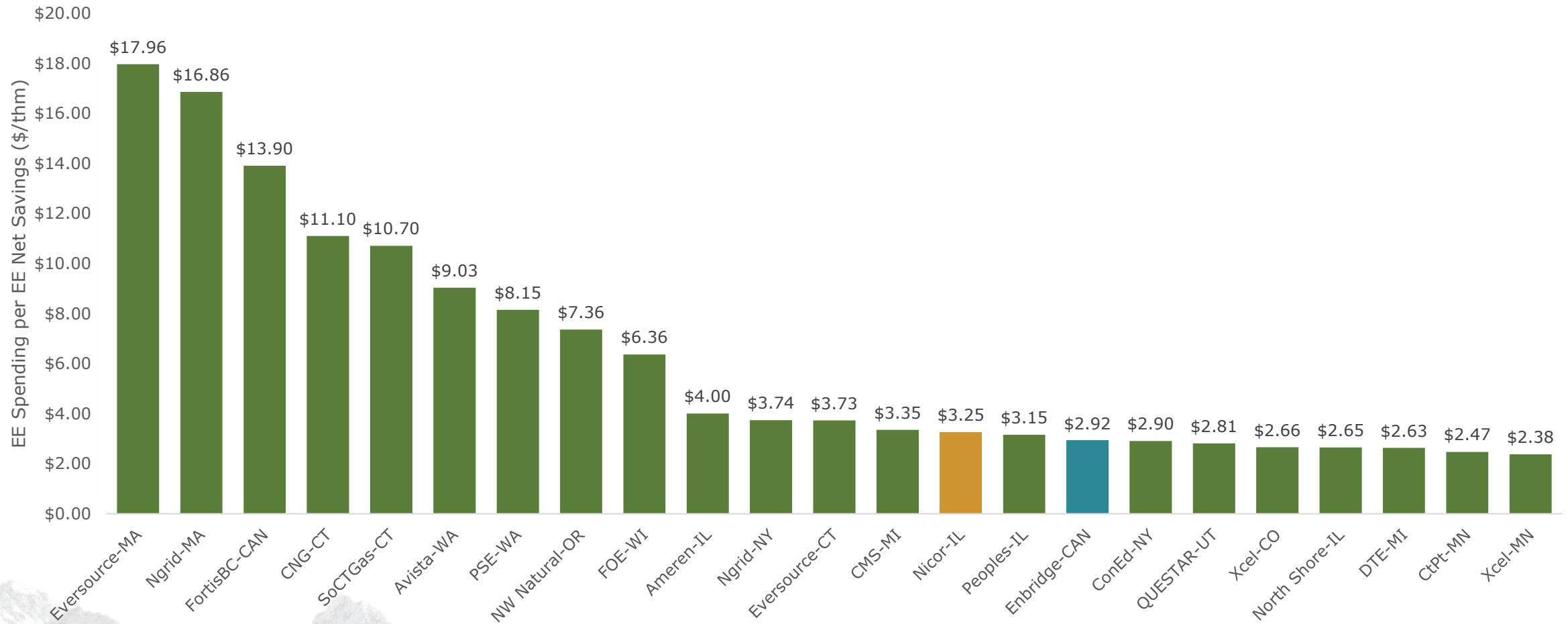
Low visibility into C&I programs, but custom dominates some C&I portfolios



Planned 2024 Spend per Net Savings - Total Portfolio



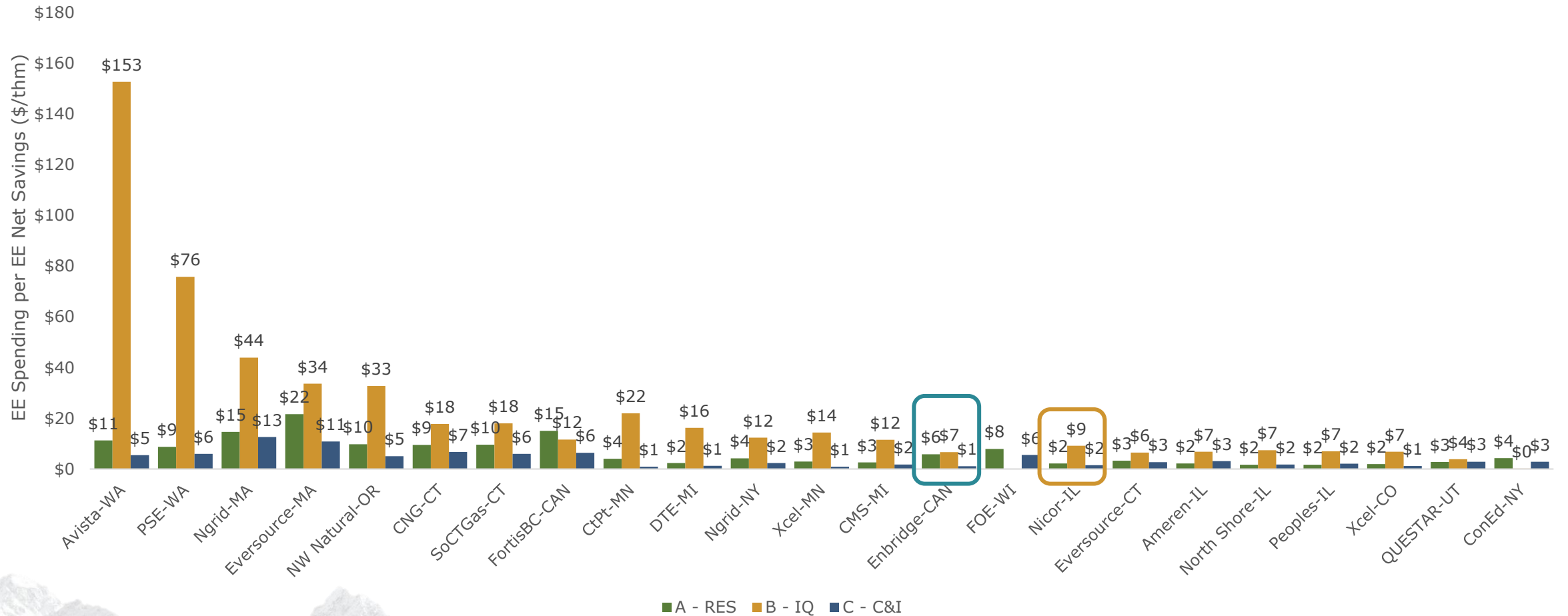
Half the portfolios are expensive (>\$5 / therm); Driven by IE/Wx/Res investments



Planned 2024 Spend per Net Savings - by Sector



IQ, Wx, and Res investment levels drive higher portfolio costs



DSM SHAREHOLDER INCENTIVES AND ANNUAL PERFORMANCE SCORECARD
DESIGN

1. This evidence is organized as follows:

1. Background
2. Annual Performance Scorecards – Shareholder Incentives
3. Annual Performance Scorecards – Scorecard Design
4. End-of-Term Natural Gas Reduction Incentive
5. Efficiency Stretch Factor

1. Background

2. Shareholder incentives are intended to motivate the utility to actively and efficiently pursue DSM objectives and to recognize performance. These incentives are achieved through various mechanisms and may support multiple objectives.
3. In its Decision and Order for Enbridge Gas's 2022-2027 DSM Plan Application ("Decision"), the OEB approved a maximum DSM shareholder incentive ("DSMI") related to annual performance scorecards of \$20.9 million for 2023, increasing in subsequent years by the annual rate of inflation.¹ The DSM Framework outlines the following regarding annual performance targets:

Enbridge Gas will respond to target guidance provided by the OEB and propose targets for metrics specified across defined scorecards. Three levels of achievement will be established for each individual metric on a given scorecard: one at 75%, 100% and 125%. To achieve the maximum shareholder incentive designated for achievement on each scorecard, Enbridge Gas will be required to meet the maximum score of 125% on the respective scorecard. No shareholder incentive will be paid on a given scorecard for achieving a scorecard weighted result of less than 75%. For a given scorecard, 40% of the maximum shareholder incentive designated to that scorecard will be awarded for a weighted scorecard performance of 100% on that scorecard. Where more than one metric is defined

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.2.

on a given scorecard, the minimum achievement for each individual metric will be 0% and the maximum achievement will be 200%.²

4. The OEB also introduced a new component to the shareholder incentive; the End-of-Term Natural Gas Reduction Incentive (“EOTNGRI”), applicable to the 2023-2025 term whereby Enbridge Gas would be eligible to earn an additional \$30 million shareholder incentive. This is separate from the shareholder incentive for annual performance scorecards. Enbridge Gas would be eligible for the EOTNGRI if, “at the end of the 3-year term, the total volume of natural gas sold to Enbridge Gas’s Ontario customers in 2025 is 1.5% less than total volume of natural gas sold by Enbridge Gas’s Ontario customers in 2022 on a weather normalized basis.”³

5. Regarding shareholder incentives for the next multi-year DSM Plan, the OEB stated:

[T]he OEB expects Enbridge Gas to work closely with the newly approved stakeholder advisory group to identify cost-effective opportunities where its natural gas conservation plan can be expanded. New shareholder incentives should also be considered. Based on the input received from the stakeholder advisory group, Enbridge Gas may bring forward new shareholder incentive proposals as part of its next multi-year natural gas conservation plan.⁴

2. Annual Performance Scorecards – Shareholder Incentives

6. Consistent with the OEB’s expectation noted above, Enbridge Gas and the other Stakeholder Advisory Group (“SAG”) members discussed the issue of shareholder incentives for annual performance scorecards over several SAG meetings. The purpose of the discussions was to assess the appropriateness of the current shareholder incentive structure (as outlined in the DSM Framework), and to assess whether any modifications or other approaches should be recommended for the multi-year DSM Plan Application. As a result of these discussions, SAG members

² EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.6.

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.62.

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

agreed on the proposal described at Section 4.4 of the Natural Gas DSM SAG Report to the OEB (“SAG Report”) and summarized below.⁵

7. Regarding the shareholder incentive amount available at 100% of scorecard target performance:
 - a) Recognizing that Enbridge Gas has not come close to earning the maximum shareholder incentive available in past years, the SAG recommendations focused on the shareholder incentive amount available at 100% scorecard performance.
 - b) The SAG recommended that the shareholder incentive amount available at 100% scorecard performance should be 5% of Enbridge Gas’s total annual DSM budget.
8. Regarding earnings thresholds:
 - a) Three target thresholds should be maintained (lower band, target, and upper band).
 - b) The lower and upper band thresholds should be revised slightly to:
 - i. Lower band: 70%
 - ii. Target: 100%
 - iii. Upper band: 130%
 - c) The current requirement that the lower band must be attained before any shareholder incentive is earned should be maintained.
 - d) The shareholder incentive amounts earned at the lower band, target and upper band achievement levels should be as follows:

⁵ EB-2022-0295, SAG Report, November 11, 2024, pp.20-22.

- i. 0% to 100% of shareholder incentive (i.e., 5% of annual budget) earned for scorecard target achievement from 70% to 100%.
 - ii. 100% to 200% of shareholder incentive earned for scorecard target achievement from 100% to 130%.
- 9. This proposal would result in a decrease to the maximum available DSMI relative to prior years. In 2027, for example, the maximum available DSMI would be approximately \$19.1 million, compared to the OEB-approved maximum available DSMI for 2026 of \$23.7 million.
- 10. Enbridge Gas believes these recommendations are reasonable and appropriate, as discussed further below.
- 11. Enbridge Gas agrees with the SAG's recommendation to focus on the 100% target achievement, as budget limitations make achieving the upper band very difficult and potentially infeasible.
- 12. Enbridge Gas agrees that the shareholder incentive amount available at the 100% target should be 5% of Enbridge Gas's total DSM annual budget and notes the SAG's comments regarding this recommendation:

[N]on-utility members noted that setting the 100% shareholder incentive value at 5% of budget is generally lower than other jurisdictions when compared to those included in expert evidence provided in Enbridge's last DSM proceeding, with most others being closer to 8.0% of budget, with Massachusetts' incentive that is 3.5% of its budget being lower, but with significantly higher annual budgets.⁶
- 13. Enbridge Gas agrees with the SAG's recommendation to maintain three earnings thresholds and the recommendation that the thresholds should be modified slightly "to acknowledge increased levels of uncertainty in new term period due to

⁶ EB-2022-0295, SAG Report, November 11, 2024, p.21.

changing energy landscape.”⁷

- a) Lower band: 70%
- b) Target: 100%
- c) Upper band: 130%

14. Finally, Enbridge Gas agrees with the SAG’s recommendations noted below:

Consensus that a change in pace of earning between bands be revised from current 40/60 split between lower and upper thresholds results in a more reasonable balance in available rewards, acknowledges that it has been challenging for Enbridge Gas to meet 100% of targets in the past, and appreciates that budgets approved do not allow for significant expansion of efforts beyond 100% target, particularly to achieve 30% greater savings.

- i. 0-100% of available annual shareholder incentive (i.e., 5% of annual budget) for achievement from 70% to 100%
- ii. 100-200% of available annual shareholder incentive for achievement above 100% to 130%.⁸

15. Implementation of these recommendations requires modifications to the relevant sections of the DSM Framework. Enbridge Gas has proposed the modifications at Sections 2.1 and 2.3 of Exhibit C, Tab 1, Schedule 1.

3. Annual Performance Scorecards – Scorecard Design

16. Although the OEB did not specifically request recommendations from the SAG regarding the design of annual performance scorecards, the SAG Report includes the following recommendations:

⁷ EB-2022-0295, SAG Report, November 11, 2024, p.21.

⁸ EB-2022-0295, SAG Report, November 11, 2024, pp.21-22.

Figure 1: Recommended Annual Performance Scorecard Structure from SAG Report⁹

Metric	Weight	Notes
Total Annual Natural Gas Savings (excluding Large Volume)	50%	Non-utility members agreed that ultimately, Enbridge Gas should be focused on maximizing annual natural gas savings and optimize across the portfolio. Former metrics dedicated to commercial and industrial savings are captured in this broader metric. This maintains the OEB's main objective for ratepayer funded DSM that it results in meaningful reductions in overall annual natural gas sales with consequent cost savings for ratepayers.
Income Qualified Annual Natural Gas Savings	20%	Non-utility members agreed that it is important to have specific metrics for income-qualified, residential and small business programming so that sufficient resources are dedicated to these segments and Enbridge Gas is motivated to deliver results. Ultimately, this will help ensure a greater level of equity across the portfolio.
Residential Annual Natural Gas Savings	15-20%	
Small Business Annual Natural Gas Savings	10-15%	
Large Volume Annual Natural Gas Savings	1%	Non-utility members agreed that there still remain cost-effective savings opportunities and that a minimum level of effort should be required in the Large Volume segment.

17. Enbridge Gas considered the SAG's recommendation but believes that an annual performance scorecard design that is more balanced and equitable across the major customer segments more appropriately reflects the OEB's objectives and Guiding Principles outlined in the DSM Framework. This approach ensures that Enbridge Gas maintains a focus on delivering DSM to all of its customers – big, small, hard-to-reach, sophisticated, and underserved, alike.

18. As a result, Enbridge Gas is proposing the annual performance scorecard design and metric weightings outlined below, which the Company believes provides a better balance across the customer segments and ensures continued focus across all sectors and DSM programs.

⁹ EB-2022-0295, SAG Report, November 11, 2024, Table 4, p.17.

19. Enbridge Gas notes that its proposed approach is similar to the Company's 2023 to 2025 annual performance scorecard design and metric weightings, which was recognized and supported by the OEB in the Decision:

The OEB also approves the proposed allocation of the annual maximum shareholder incentive amount equally across all major program scorecards... maintaining an equal allocation of the shareholder incentive is important to ensure there is equal focus on programming efforts for all customer segments. It is important that different types of customers are afforded opportunities to participate and enjoy the benefits of increased efficiency. Allocating meaningful shareholder incentives to each program motivates Enbridge Gas's efforts equally across the DSM portfolio.¹⁰

20. Tables 1 to 4 display Enbridge Gas's proposed 2027 to 2030 annual performance scorecard design, metrics, metric weightings and shareholder incentive amounts for achievements at each threshold. The scorecards incorporate the SAG's consensus recommendation of focusing on 100% achievement, setting incentive amounts as a percentage of budget, and the modifications to earnings threshold as described above. However, Enbridge Gas's proposed metrics and weightings differ from the SAG recommendations, which the Company believes more appropriately support a more equitable focus across sectors.

¹⁰ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.60.

Table 1
2027 Annual DSM Scorecard

Program Scorecard	Offering(s)	Metric	Metric Weighting	DSMI Allocation	DSMI at 70% Score on Scorecard	DSMI at 100% Score on Scorecard	DSMI at 130% Score on Scorecard
Residential Program	Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m ³)	100%	21% ¹	\$0	\$2,007,337	\$4,014,673
	Heat Pump	Net Annual Gas Savings (m ³)	100%	4% ¹	\$0	\$382,350	\$764,700
Income Qualified Program	Home Winterproofing	Single Family Net Annual Gas Savings (m ³)	50%	25%	\$0	\$2,389,687	\$4,779,373
	Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m ³)	50%				
Commercial Program	Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream	Large Customer Net Annual Gas Savings (m ³) ²	50%	25%	\$0	\$2,389,687	\$4,779,373
	Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Small Customer Net Annual Gas Savings (m ³) ²	50%				
Industrial Program	Industrial Custom	Net Annual Gas Savings (m ³)	100%	25%	\$0	\$2,389,687	\$4,779,373
Total				100%	\$0	\$9,558,746	\$19,117,492

Notes:

¹ The calculation of the DSMI earned for the Heat Pump metric is independent of the calculation of the DSMI for the balance of the Residential Program.

² Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

Table 2
2028 Annual DSM Scorecard

Program Scorecard	Offering(s)	Metric	Metric Weighting	DSMI Allocation	DSMI at 70% Score on Scorecard	DSMI at 100% Score on Scorecard	DSMI at 130% Score on Scorecard
Residential Program	Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m ³)	100%	21% ¹	\$0	\$2,142,119	\$4,284,237
	Heat Pump	Net Annual Gas Savings (m ³)	100%	4% ¹	\$0	\$408,023	\$816,045
Income Qualified Program	Home Winterproofing	Single Family Net Annual Gas Savings (m ³)	50%	25%	\$0	\$2,550,141	\$5,100,283
	Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m ³)	50%				
Commercial Program	Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream	Large Customer Net Annual Gas Savings (m ³) ²	50%	25%	\$0	\$2,550,141	\$5,100,283
	Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Small Customer Net Annual Gas Savings (m ³) ²	50%				
Industrial Program	Industrial Custom	Net Annual Gas Savings (m ³)	100%	25%	\$0	\$2,550,141	\$5,100,283
Total				100%	\$0	\$10,200,565	\$20,401,131

Note:

¹ The calculation of the DSMI earned for the Heat Pump metric is independent of the calculation of the DSMI for the balance of the Residential Program.

² Large commercial customers have a three-year average annual consumption greater than or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

Table 3
2029 Annual DSM Scorecard

Program Scorecard	Offering(s)	Metric	Metric Weighting	DSMI Allocation	DSMI at 70% Score on Scorecard	DSMI at 100% Score on Scorecard	DSMI at 130% Score on Scorecard
Residential Program	Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m ³)	100%	21% ¹	\$0	\$2,264,380	\$4,528,761
	Heat Pump	Net Annual Gas Savings (m ³)	100%	4% ¹	\$0	\$431,311	\$862,621
Income Qualified Program	Home Winterproofing	Single Family Net Annual Gas Savings (m ³)	50%	25%	\$0	\$2,695,691	\$5,391,382
	Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m ³)	50%				
Commercial Program	Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream	Large Customer Net Annual Gas Savings (m ³) ²	50%	25%	\$0	\$2,695,691	\$5,391,382
	Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Small Customer Net Annual Gas Savings (m ³) ²	50%				
Industrial Program	Industrial Custom	Net Annual Gas Savings (m ³)	100%	25%	\$0	\$2,695,691	\$5,391,382
Total				100%	\$0	\$10,782,763	\$21,565,526

Notes:

¹ The calculation of the DSMI earned for the Heat Pump metric is independent of the calculation of the DSMI for the balance of the Residential Program.

² Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

21. As described in Exhibit E, Tab 6, Schedule 2, Enbridge Gas is proposing a term (multi-year) target for the Large Volume Direct Access Offering, with achievement assessed in the final year of the term (i.e., 2030). As such, Enbridge Gas proposes the following 2030 Annual DSM Scorecard:

Table 4
2030 Annual DSM Scorecard

Program Scorecard	Offering(s)	Metric	Metric Weighting	DSMI Allocation	DSMI at 70% Score on Scorecard	DSMI at 100% Score on Scorecard	DSMI at 130% Score on Scorecard
Residential Program	Whole Home Smart Home Single Measure Moderate Income Direct Install Energy Education & Outreach	Net Annual Gas Savings (m ³)	100%	20.16% ¹	\$0	\$2,285,386	\$4,570,772
	Heat Pump	Net Annual Gas Savings (m ³)	100%	3.84% ¹	\$0	\$435,312	\$870,623
Income Qualified Program	Home Winterproofing	Single Family Net Annual Gas Savings (m ³)	50%	24%	\$0	\$2,720,698	\$5,441,395
	Affordable Housing Multi-Residential	Multi-Residential Net Annual Gas Savings (m ³)	50%				
Commercial Program	Commercial Custom Com/Ind Prescriptive Downstream Com/Ind Prescriptive Upstream Com/Ind Prescriptive Direct Install Com Existing Building Commissioning Commercial Microbusiness	Large Customer Net Annual Gas Savings (m ³) ²	50%	24%	\$0	\$2,720,698	\$5,441,395
		Small Customer Net Annual Gas Savings (m ³) ²	50%				
Industrial Program	Industrial Custom	Net Annual Gas Savings (m ³)	100%	24%	\$0	\$2,720,698	\$5,441,395
Large Volume Program	Large Volume Direct Access	2027-2030 Net Annual Gas Savings (m ³) ³	100%	4%	\$0	\$453,450	\$906,899
Total				100%	\$0	\$11,336,240	\$22,672,480

Notes:

¹ The calculation of the DSMI earned for the Heat Pump metric is independent of the calculation of the DSMI for the balance of the Residential Program.

² Large commercial customers have a three-year average annual consumption greater than/or equal to 100,000 m³/yr. Small commercial customers have a three-year average annual consumption below 100,000 m³/yr.

³ The Large Volume Direct Access scorecard achievement is assessed in the final year of the four-year term based on a target savings for the four-year period. This target will be adjusted proportional to the volumes of customers that remain in the offering subject to any approved Opt-out provision.

4. End-of-Term Natural Gas Reduction Incentive

22. The DSM Framework states: “End-of-term incentives are important in motivating meaningful action towards the objective of DSM, which is that DSM programs should result in meaningful reductions in overall annual natural gas sales volumes.”¹¹

However, in practice, the EOTNGRI provides an incentive for an outcome that is largely driven by factors that cannot be influenced by Enbridge Gas’s DSM programs, as explained below.

23. An example of a factor that impacts the total volume of natural gas sold to customers that extends beyond the influence of Enbridge Gas’s DSM programs is a customer with a large coal-burning facility that plans to convert to natural gas in an effort to reduce its greenhouse gas (“GHG”) emissions. The end result of such a project would reduce Ontario’s GHG emissions but would increase Enbridge Gas’s total volume of natural gas sold to customers. Notwithstanding any EOTNGRI available to Enbridge Gas, the Company would uphold its legal obligations and commitments to serve this customer.

24. Furthermore, the challenge with the appropriateness of the EOTNGRI as a measure of DSM performance can be observed in Enbridge Gas’s DSM program outcomes in 2023 and 2024.

25. In 2023 and 2024, Enbridge Gas’s DSM programs achieved approximately 283 million m³ of net annual natural gas savings.^{12,13} However, when assessing the progress towards the EOTNGRI, the weather normalized¹⁴ total volume of natural

¹¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.8.

¹² EB-2025-0189, 2023 Demand Side Management Annual Report, October 14, 2025, Exhibit A, Tab 4, Schedule 1, p.6.

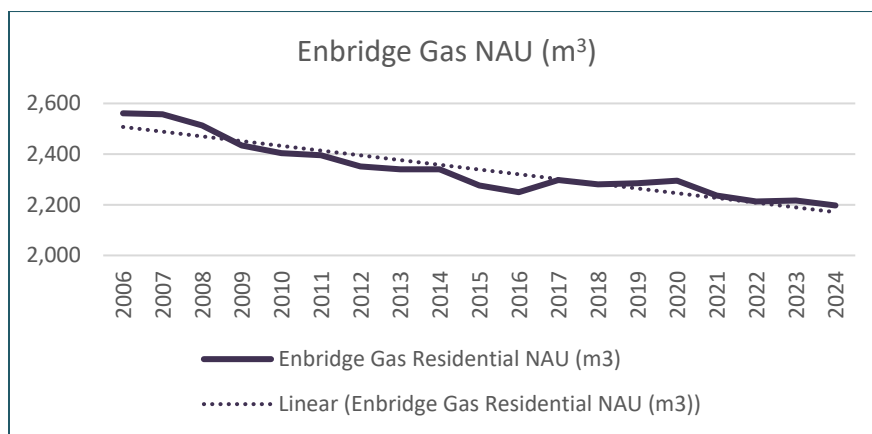
¹³ Draft 2024 Demand Side Management Annual Report, April 1, 2025, p.5. Does not reflect changes from the 2024 audit which is currently in progress.

¹⁴ Enbridge Gas applies weather normalization exclusively to volumes in general service rate classes while contract rate classes remain unaffected.

gas consumed by Enbridge Gas customers increased by 3.33% (or 832 million m³) in 2024, relative to 2022.¹⁵ This two-year natural gas consumption increase was greater than the EOTNGRI's 3-year reduction target of 1.5% and far greater than the offsetting impact of natural gas reductions achieved by DSM programs in 2023 and 2024.

26. Further evidence of this challenge is noticeable in the Normalized Average Use ("NAU") for Enbridge Gas residential customers. As shown in Figure 2, the NAU has been declining steadily for many years indicating that, on average, customers are becoming more efficient. Notwithstanding this decline in NAU, the total sales volume for residential customers has been increasing as attachments for new customers more than offset the per customer average usage reductions.

Figure 2: Residential Normalized Average Use ("NAU")



27. The Ontario Government's More Homes Built Faster Act and other recent initiatives in support of the province's goal of building 1.5 million homes across the province in the next 10 years will likely influence total natural gas usage through new attachments in the coming years.

¹⁵ There is a discrepancy with the EOTNGRI figures reported in the Draft 2024 Demand Side Management Annual Report, which is due to the correction of an error. The figures reported in the 2024 Draft Demand Side Management Annual Report erroneously included volumes associated with natural gas-fired generators, who are not eligible for DSM.

28. In addition to the above, Enbridge Gas believes the EOTNGRI could inappropriately reward the Company for achieving the target due to factors that are outside of its control. For example, if a severe recession were to occur which resulted in businesses shutting down thereby reducing Enbridge Gas's total volume of natural gas sold, the Company could receive a significant shareholder incentive from the EOTNGRI due entirely to the economic downturn rather than the success of its DSM programs.
29. The EOTNGRI was also discussed with the SAG. While the SAG indicated that this type of incentive was important, they also "agreed that DSM is not the only Enbridge Gas activity that affects the magnitude of gas sales."¹⁶
30. DSM programs, in Ontario and at this time, cannot reasonably be expected to reduce total natural gas sales volumes, for the reasons described above. As such, Enbridge Gas is not proposing an EOTNGRI as part of its 2027-2030 DSM Plan Application. As a result, Enbridge Gas is proposing modifications to the relevant sections of the DSM Framework. Enbridge Gas has proposed the modifications at Section 2.3 of Exhibit C, Tab 1, Schedule 1.

5. Efficiency Stretch Factor

31. In the OEB's Decision and Order for Enbridge Gas's 2026 DSM Plan Application, the OEB ordered Enbridge Gas as part of its 2027+ multi-year DSM Plan to "...propose an updated incentive structure that includes a stretch factor to incentivize efficiency in program delivery...".¹⁷ The OEB further ordered Enbridge Gas to "explain all efforts it will make to improve the cost-effectiveness of its proposed DSM programs, including, but not limited to: (i) reducing Enbridge Gas's administrative costs and

¹⁶ EB-2022-0295, SAG Report, November 11, 2024, p.22.

¹⁷ EB-2024-0198, OEB Decision & Order, November 6, 2025, p.15.

improving the efficiency of DSM program administration; and (ii) achieving increased efficiency and cost-effectiveness through Enbridge Gas's collaboration with IESO.¹⁸

32. First, it is important to note the limited impact that program level (i.e., administration) costs have on the cost-effectiveness of the proposed DSM programs. For example, in 2027, as can be seen in Table 1 at Exhibit D, Tab 3, Schedule 1, the Residential Program's TRC-Plus Benefits are \$109 million, the TRC Costs are \$122 million (including program level costs of \$2.6 million), and the TRC-Plus Net Benefits are negative \$13 million. Even eliminating all program level costs (\$2.6 million) would not materially impact the cost-effectiveness of the Residential Program (the program's TRC-Plus Ratio would increase by 0.02, from 0.89 to 0.91). Furthermore, it is important to acknowledge that the TRC-Plus inputs that have a far greater impact on the cost-effectiveness of DSM programs are not determined by Enbridge Gas and extend beyond the Company's control (i.e., natural gas and electricity avoided costs, incremental equipment costs, etc.).

33. In order to be responsive to the OEB's request, Enbridge Gas proposes that an efficiency stretch factor be applied to the inflation value for non-incentive budgets, as described below.

34. For the 2023-2025 DSM Plan term, Enbridge Gas's budgets included a 2% proxy inflation value which is updated with actual annual inflation values each year. For the 2027-2030 DSM Plan Enbridge Gas proposes an "I-X approach" such that an efficiency stretch factor is applied to actual inflation values for all non-incentive budgets to encourage Enbridge Gas to seek cost efficiencies during the DSM Plan term. Enbridge Gas proposes a fixed X-factor of 0.28%. This X-factor value is consistent with the X-factor value set out in the Settlement Proposal and approved by the OEB on November 29, 2024 in the Phase 2 Rebasing proceeding.¹⁹

¹⁸ EB-2024-0198, OEB Decision & Order, November 6, 2025, p.17.

¹⁹ EB-2024-0111, Decision on Interim Rate Order, November 29, 2024, p.3.

35. For clarity, all non-incentive budgets (i.e., administration, promotion and delivery budget amounts) in the 2027-2030 DSM Plan include a proxy inflation value of 2% less a 0.28% X-factor (i.e., 1.72%). All incentive budgets include a proxy inflation value of 2%. In all instances the 2% proxy inflation value will be updated using actual annual inflation. The budgets resulting from this approach are detailed in Exhibit D, Tab 2, Schedule 2, with the inflation approach outlined in Section 2.1.
36. Finally, it is important to note that Enbridge Gas does not anticipate overall cost efficiencies as a result of the Company's collaboration with the IESO for the one-window Home Renovation Savings ("HRS") Program. Rather, collaborations such as the HRS Program generally increase program level (i.e., administration) costs as a result of the extensive coordination activities that are required between Enbridge Gas and the IESO. Notwithstanding the lack of program level cost efficiencies, the HRS Program provides benefits to customers by providing them with a single platform to access information regarding natural gas and electricity conservation incentives.

BENEFIT-COST ANALYSIS

1. Principles of cost-effectiveness guided the development of the 2027-2030 DSM Plan and the Total Resource Cost Plus (“TRC-Plus”) test is the cost-effectiveness test used to assess DSM programs, consistent with the DSM Framework. For the purposes of cost-effectiveness screening, the TRC-Plus test should be performed at both the program and portfolio level.
2. The TRC-Plus test measures the benefits and costs of DSM programs for as long as those benefits and costs persist. The results of the TRC-Plus test can be expressed as a ratio of the present value (“PV”) of the benefits to the PV of the costs.
3. For a DSM program to be deemed cost-effective, the program must achieve a benefit/cost ratio (i.e., the PV of benefits over the PV of the costs) of 1.0 or greater. To recognize that DSM programs directed towards income qualified customers may result in important benefits not captured by the TRC-Plus test, the Income Qualified Program should continue to be screened using a lower threshold ratio of 0.7.
4. An alternative way to consider the cost-effectiveness of a DSM program is to determine whether the TRC-Plus net savings (or Net Benefits) are greater than zero. The Net Benefits are equal to the PV of benefits less the PV of costs.
5. Tables 1 to 4 provide the TRC-Plus test results (at the portfolio and program levels) for the 2027-2030 DSM Plan. For information purposes, the offering level values are also provided. In addition, the table also summarizes the TRC-Plus Net Benefits and the Program Administrator Cost (“PAC”) ratio forecasted for each level (i.e., portfolio, program, and offering levels).

Table 1
2027 TRC-Plus and Net Benefits

2027 TRC-Plus Forecast	TRC-Plus Benefits ¹ (\$000s)	TRC Costs (\$000s)	Net Benefits ² (\$000s)	TRC-Plus Ratio	PAC Ratio
Residential Program	\$ 109,052	\$ 122,122	(\$ 13,070)	0.89	1.18
Whole Home	\$ 27,064	\$ 46,334	(\$ 19,270)	0.58	1.02
Single Measure	\$ 25,104	\$ 22,030	\$ 3,074	1.14	1.33
Heat Pump	\$ 25,170	\$ 31,419	(\$ 6,248)	0.80	2.06
Smart Home	\$ 17,538	\$ 9,538	\$ 8,000	1.84	1.46
Moderate Income Direct Install	\$ 13,226	\$ 7,768	\$ 5,458	1.70	0.89
Energy Education & Outreach	\$ 949	\$ 2,460	(\$ 1,511)	0.39	0.29
Program Level Costs	-	\$ 2,574	(\$ 2,574)	-	-
Income Qualified Program	\$ 26,148	\$ 27,996	(\$ 1,848)	0.93	0.81
Home Winterproofing	\$ 12,793	\$ 15,815	(\$ 3,022)	0.81	0.70
Affordable Housing Multi-Residential	\$ 13,355	\$ 10,343	\$ 3,012	1.29	1.21
Program Level Costs	-	\$ 1,838	(\$ 1,838)	-	-
Commercial Program	\$ 125,921	\$ 80,275	\$ 45,646	1.57	2.49
Com Custom	\$ 74,519	\$ 47,293	\$ 27,227	1.58	4.68
Com/Ind Prescriptive Downstream	\$ 14,035	\$ 10,577	\$ 3,458	1.33	2.32
Com/Ind Prescriptive Direct Install	\$ 27,177	\$ 10,407	\$ 16,771	2.61	1.87
Com/Ind Prescriptive Upstream	\$ 9,734	\$ 5,220	\$ 4,515	1.86	1.70
Com Existing Building Commissioning	\$ 286	\$ 375	(\$ 89)	0.76	0.50
Com Microbusiness	\$ 167	\$ 396	(\$ 228)	0.42	0.75
Program Level Costs	-	\$ 6,007	(\$ 6,007)	-	-
Industrial Program	\$ 206,866	\$ 53,126	\$ 153,740	3.89	7.69
Industrial Custom	\$ 206,866	\$ 47,831	\$ 159,034	4.32	10.71
Program Level Costs	-	\$ 5,294	(\$ 5,294)	-	-
Large Volume Program	\$ 50,052	\$ 9,173	\$ 40,878	5.46	14.17
Large Volume Direct Access ³	\$ 50,052	\$ 8,897	\$ 41,154	5.63	15.39
Program Level Costs	-	\$ 276	(\$ 276)	-	-
Program Subtotal	\$ 518,038	\$ 292,692	\$ 225,346	1.77	2.71
Portfolio Costs	-	\$ 17,638	(\$ 17,368)	-	-
Total Portfolio	\$ 518,038	\$ 310,330	\$ 207,708	1.67	2.46

Notes:

¹ Forecast TRC-Plus Benefits and TRC Costs are calculated using avoided costs in Exhibit D, Tab 10, Schedule 1, Attachment 3.

² Net Benefits are the difference between the TRC-Plus Benefits and the TRC Costs.

³ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

Table 2
2028 TRC-Plus and Net Benefits

2028 TRC-Plus Forecast	TRC-Plus Benefits ¹ (\$000s)	TRC Costs (\$000s)	Net Benefits ² (\$000s)	TRC-Plus Ratio	PAC Ratio
Residential Program	\$ 118,316	\$ 125,105	(\$ 6,789)	0.95	1.23
Whole Home	\$ 25,295	\$ 41,650	(\$ 16,355)	0.61	1.05
Single Measure	\$ 31,627	\$ 26,578	\$ 5,049	1.19	1.38
Heat Pump	\$ 25,956	\$ 33,128	(\$ 7,172)	0.78	2.22
Smart Home	\$ 18,236	\$ 9,501	\$ 8,735	1.92	1.51
Moderate Income Direct Install	\$ 15,520	\$ 8,985	\$ 6,535	1.73	0.89
Energy Education & Outreach	\$ 1,682	\$ 2,645	(\$ 963)	0.64	0.53
Program Level Costs	-	\$ 2,618	(\$ 2,618)	-	-
Income Qualified Program	\$ 28,438	\$ 30,013	(\$ 1,575)	0.95	0.81
Home Winterproofing	\$ 14,417	\$ 17,289	(\$ 2,871)	0.83	0.70
Affordable Housing Multi-Residential	\$ 14,021	\$ 10,854	\$ 3,166	1.29	1.18
Program Level Costs	-	\$ 1,870	(\$ 1,870)	-	-
Commercial Program	\$ 148,545	\$ 91,565	\$ 56,980	1.62	2.60
Com Custom	\$ 88,522	\$ 55,204	\$ 33,318	1.60	4.73
Com/Ind Prescriptive Downstream	\$ 16,114	\$ 11,802	\$ 4,312	1.37	2.39
Com/Ind Prescriptive Direct Install	\$ 31,591	\$ 11,482	\$ 20,108	2.75	1.91
Com/Ind Prescriptive Upstream	\$ 11,608	\$ 6,004	\$ 5,604	1.93	1.77
Com Existing Building Commissioning	\$ 458	\$ 423	\$ 35	1.08	0.63
Com Microbusiness	\$ 253	\$ 540	(\$ 287)	0.47	0.92
Program Level Costs	-	\$ 6,110	(\$ 6,110)	-	-
Industrial Program	\$ 232,109	\$ 55,734	\$ 176,375	4.16	8.08
Industrial Custom	\$ 232,109	\$ 50,349	\$ 181,761	4.61	11.05
Program Level Costs	-	\$ 5,385	(\$ 5,385)	-	-
Large Volume Program	\$ 57,983	\$ 10,105	\$ 47,878	5.74	15.82
Large Volume Direct Access ³	\$ 57,983	\$ 9,824	\$ 48,158	5.90	17.15
Program Level Costs	-	\$ 281	(\$ 281)	-	-
Program Subtotal	\$ 585,391	\$ 312,522	\$ 272,869	1.87	2.86
Portfolio Costs	-	\$ 17,738	(\$ 17,738)	-	-
Total Portfolio	\$ 585,391	\$ 330,260	\$ 255,131	1.77	2.61

Notes:

¹ Forecast TRC-Plus Benefits and TRC Costs are calculated using avoided costs in Exhibit D, Tab 10, Schedule 1, Attachment 3.

² Net Benefits are the difference between the TRC-Plus Benefits and the TRC Costs.

³ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

Table 3
2029 TRC-Plus and Net Benefits

2029 TRC-Plus Forecast	TRC-Plus Benefits ¹ (\$000s)	TRC Costs (\$000s)	Net Benefits ² (\$000s)	TRC-Plus Ratio	PAC Ratio
Residential Program	\$ 125,479	\$ 127,884	(\$ 2,405)	0.98	1.25
Whole Home	\$ 23,864	\$ 37,921	(\$ 14,057)	0.63	1.07
Single Measure	\$ 35,861	\$ 29,133	\$ 6,728	1.23	1.41
Heat Pump	\$ 26,641	\$ 35,617	(\$ 8,976)	0.75	2.25
Smart Home	\$ 18,877	\$ 9,546	\$ 9,331	1.98	1.53
Moderate Income Direct Install	\$ 17,908	\$ 10,004	\$ 7,904	1.79	0.91
Energy Education & Outreach	\$ 2,328	\$ 3,001	(\$ 673)	0.78	0.65
Program Level Costs	-	\$ 2,663	(\$ 2,663)	-	-
Income Qualified Program	\$ 30,796	\$ 32,086	(\$ 1,290)	0.96	0.79
Home Winterproofing	\$ 15,977	\$ 18,733	(\$ 2,756)	0.85	0.70
Affordable Housing Multi-Residential	\$ 14,819	\$ 11,451	\$ 3,368	1.29	1.13
Program Level Costs	-	\$ 1,902	(\$ 1,902)	-	-
Commercial Program	\$ 166,464	\$ 99,897	\$ 66,567	1.67	2.70
Com Custom	\$ 99,449	\$ 60,532	\$ 38,917	1.64	4.81
Com/Ind Prescriptive Downstream	\$ 18,356	\$ 13,080	\$ 5,275	1.40	2.45
Com/Ind Prescriptive Direct Install	\$ 34,466	\$ 12,092	\$ 22,375	2.85	1.94
Com/Ind Prescriptive Upstream	\$ 13,163	\$ 6,571	\$ 6,592	2.00	1.83
Com Existing Building Commissioning	\$ 509	\$ 421	\$ 88	1.21	0.68
Com Microbusiness	\$ 522	\$ 986	(\$ 464)	0.53	1.27
Program Level Costs	-	\$ 6,216	(\$ 6,216)	-	-
Industrial Program	\$ 250,753	\$ 57,595	\$ 193,158	4.35	8.36
Industrial Custom	\$ 250,753	\$ 52,117	\$ 198,636	4.81	11.33
Program Level Costs	-	\$ 5,478	(\$ 5,478)	-	-
Large Volume Program	\$ 63,482	\$ 10,640	\$ 52,842	5.97	16.68
Large Volume Direct Access ³	\$ 63,482	\$ 10,355	\$ 53,128	6.13	18.06
Program Level Costs	-	\$ 286	(\$ 286)	-	-
Program Subtotal	\$ 636,975	\$ 328,102	\$ 308,873	1.94	2.93
Portfolio Costs	-	\$ 18,043	(\$ 18,043)	-	-
Total Portfolio	\$ 636,975	\$ 346,145	\$ 290,830	1.84	2.68

Notes:

¹ Forecast TRC-Plus Benefits and TRC Costs are calculated using avoided costs in Exhibit D, Tab 10, Schedule 1, Attachment 3.

² Net Benefits are the difference between the TRC-Plus Benefits and the TRC Costs.

³ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

Table 4
2030 TRC-Plus and Net Benefits

2030 TRC-Plus Forecast	TRC-Plus Benefits ¹ (\$000s)	TRC Costs (\$000s)	Net Benefits ² (\$000s)	TRC-Plus Ratio	PAC Ratio
Residential Program	\$ 131,792	\$ 128,694	\$ 3,097	1.02	1.27
Whole Home	\$ 22,902	\$ 35,221	(\$ 12,319)	0.65	1.08
Single Measure	\$ 39,138	\$ 30,878	\$ 8,261	1.27	1.43
Heat Pump	\$ 27,620	\$ 35,922	(\$ 8,302)	0.77	2.27
Smart Home	\$ 18,988	\$ 9,572	\$ 9,416	1.98	1.54
Moderate Income Direct Install	\$ 20,242	\$ 11,024	\$ 9,218	1.84	0.92
Energy Education & Outreach	\$ 2,902	\$ 3,368	(\$ 466)	0.86	0.73
Program Level Costs	-	\$ 2,709	(\$ 2,709)	-	-
Income Qualified Program	\$ 33,154	\$ 34,327	(\$ 1,173)	0.97	0.78
Home Winterproofing	\$ 17,744	\$ 20,443	(\$ 2,699)	0.87	0.69
Affordable Housing Multi-Residential	\$ 15,411	\$ 11,949	\$ 3,461	1.29	1.11
Program Level Costs	-	\$ 1,935	(\$ 1,935)	-	-
Commercial Program	\$ 180,358	\$ 108,825	\$ 71,532	1.66	2.75
Com Custom	\$ 108,501	\$ 67,366	\$ 41,135	1.61	4.83
Com/Ind Prescriptive Downstream	\$ 19,864	\$ 13,719	\$ 6,146	1.45	2.50
Com/Ind Prescriptive Direct Install	\$ 36,299	\$ 12,443	\$ 23,856	2.92	1.96
Com/Ind Prescriptive Upstream	\$ 14,167	\$ 6,910	\$ 7,257	2.05	1.86
Com Existing Building Commissioning	\$ 579	\$ 429	\$ 150	1.35	0.73
Com Microbusiness	\$ 947	\$ 1,636	(\$ 689)	0.58	1.51
Program Level Costs	-	\$ 6,322	(\$ 6,322)	-	-
Industrial Program	\$ 270,099	\$ 59,552	\$ 210,547	4.54	8.58
Industrial Custom	\$ 270,099	\$ 53,980	\$ 216,120	5.00	11.51
Program Level Costs	-	\$ 5,572	(\$ 5,572)	-	-
Large Volume Program	\$ 66,303	\$ 10,778	\$ 55,525	6.15	16.78
Large Volume Direct Access ³	\$ 66,303	\$ 10,487	\$ 55,815	6.32	18.13
Program Level Costs	-	\$ 290	(\$ 290)	-	-
Program Subtotal	\$ 681,706	\$ 342,176	\$ 339,529	1.99	2.98
Portfolio Costs	-	\$ 18,353	(\$ 18,353)	-	-
Total Portfolio	\$ 681,706	\$ 360,529	\$ 321,176	1.89	2.74

Notes:

¹ Forecast TRC-Plus Benefits and TRC Costs are calculated using avoided costs in Exhibit D, Tab 10, Schedule 1, Attachment 3.

² Net Benefits are the difference between the TRC-Plus Benefits and the TRC Costs.

³ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

6. Before discussing the specific considerations of the TRC-Plus forecasts, it is important to note that all TRC-Plus figures provided by Enbridge Gas are forecasts only. While forecasts always carry a degree of uncertainty, recent events show how variable TRC-Plus values can be.
7. For example, the Federal Carbon Charge being set to zero effective April 1, 2025 resulted in a significant decrease in the TRC-Plus values for the entire portfolio. This occurrence is an important reminder that changes outside of Enbridge Gas's control can result in significant impacts to actual TRC-Plus values.
8. Enbridge Gas has taken steps to improve the cost-effectiveness of the Residential Program while balancing other important considerations, as described further below. For example, Enbridge Gas is proposing decreased emphasis on the Whole Home Offering (which has a forecast TRC-Plus ratio of between 0.58 and 0.65 during the DSM Plan term) and increased emphasis on the Single Measure Offering (which has a forecast TRC-Plus ratio above 1.0 for the duration of the DSM Plan term).
9. Enbridge Gas acknowledges that the proposed Residential Program's forecasted TRC-Plus ratio is lower than the DSM Framework's cost-effectiveness screening threshold of 1.0, for 2027 to 2029. This is primarily driven by the cost-effectiveness of the Whole Home Offering although other measures, such as electric heat pumps within the Heat Pump Offering, also contribute to the Residential Program TRC-Plus ratio being below 1.0.
10. Regarding DSM programs with TRC-Plus ratios below 1.0, the DSM Framework provides the following flexibility:

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

programs may not pass the TRC-Plus test, the utility should ensure its overall DSM portfolio has a TRC-Plus ratio of 1.0 or greater.¹

11. It is important to note that the TRC-Plus forecast for the total DSM portfolio is significantly positive, with TRC-Plus Net Benefits of \$207.7 million and a TRC-Plus Ratio of 1.67 in 2027, increasing to \$321.2 million and 1.89, respectively, by 2030. This is consistent with the requirement in the DSM Framework that the overall DSM portfolio should have a TRC-Plus ratio of 1.0 or greater.
12. It is also important to note that all programs screen positive using the Program Administrator Cost (“PAC”) test, with all PAC ratios above 1.0 (with the exception of the Income Qualified Program). Enbridge Gas understands that the IESO utilizes the PAC test to screen its programs² and, as recognized by the OEB in its Decision and Order for Enbridge Gas’s 2026 DSM Plan, the OEB has previously relied on the PAC test as “a useful secondary screening test”.³
13. With respect to the Residential Program, there are several other important broader considerations beyond cost-effectiveness. Specifically, the DSM Framework includes the following Guiding Principles [emphasis added]:⁴
- DSM plans should balance the expectation that cost-effective natural gas savings should be maximized **while still providing opportunities for a broad spectrum of consumer groups and customer needs** to encourage widespread customer participation over time and ensure all segments of the market are reached in some capacity;
 - DSM plans should **minimize lost opportunities** for energy efficiency and should be designed to pursue long term energy savings; and,

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

² IESO Cost Effectiveness Guide for Energy Efficiency, May 16, 2022, p.10.

³ EB-2024-0198, OEB Decision and Order, November 6, 2025, p.9

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.2.

- Where appropriate, **Enbridge Gas should coordinate and integrate natural gas DSM, with other conservation initiatives, including electricity CDM efforts** and municipal energy plans.

14. Notwithstanding the cost-effectiveness of the proposed Residential Program, the program addresses the above Guiding Principles, including with respect to the important collaboration with the IESO regarding the one-window program which is a priority for the Government of Ontario. Specifically, the Heat Pump and the Whole Home Offerings within the Residential Program are important parts of this collaboration.
15. Regarding the Energy Education and Outreach Offering, this offering is designed to drive savings by helping customers understand their energy use and by providing energy savings tips. In addition, this offering will help build awareness of Enbridge Gas's other offerings and has a very broad reach, ensuring participation across the Company's residential customer base.
16. Enbridge Gas notes that the proposed Income Qualified Program's forecasted TRC-Plus ratio is below 1.0 from 2027 through 2030. As noted above, the DSM Framework recognizes a lower TRC-Plus ratio threshold (0.7) for this customer group. The proposed Income Qualified Program is forecast to result in a TRC-Plus ratio above 0.7 for all years from 2027 to 2030.
17. Enbridge Gas also notes that two offerings within the Commercial Program have a forecasted TRC-Plus ratio below 1.0 (the Commercial Microbusiness Offering and the Commercial Existing Building Commissioning Offering). As discussed above, the DSM Framework requires a TRC-Plus ratio above 1.0 at the portfolio level (not the offering level). Furthermore, the proposed Commercial Program overall is forecasted to result in a TRC-Plus ratio above 1.0 for all years. Enbridge Gas believes it is

appropriate to include these offerings as they address important DSM objectives, discussed further below.

18. The Commercial Microbusiness Offering is designed to reach a specific set of small business customers that have been historically underserved. In its Decision and Order for Enbridge Gas's previous multi-year DSM Plan, the OEB found that Enbridge Gas's DSM programs should consider additional opportunities for small business customers and directed Enbridge Gas to discuss this topic with the SAG.⁵ The SAG indicated that the Commercial Microbusiness Offering was a good addition.⁶ Further details regarding the offering can be found in Exhibit E, Tab 4, Schedule 7.
19. The Commercial Existing Building Commissioning Offering includes a forecasted TRC-Plus Ratio below 1.0 in 2027, after which the forecast increases to above 1.0. This is a new offering that is expected to take some time to realize the full benefits of the offering and therefore, in Enbridge Gas's view, a TRC-Plus Ratio below 1.0 for the first year is acceptable. Further details regarding the offering can be found in Exhibit E, Tab 4, Schedule 6.
20. Another important consideration regarding the costs and benefits of DSM programs and offerings is the level of spend compared to their natural gas savings. This provides insight into which DSM programs and offerings generate the greatest natural gas savings for the least amount of spend. Tables 5 to 8 provide the proposed budgets, proposed natural gas savings in net annual cubic metres (m³), and the calculated values of \$/m³ at both the program and offering level for 2027 to 2030.

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.37.

⁶ EB-2022-0295, SAG Report, November 11, 2024, p.57.

Table 5
2027 Spend Ratio (\$/m³)

2027 Spend Ratio (\$/Savings)	Budget (\$000s)	Net Annual Gas Savings (m ³)	\$/m ³
Residential Program	\$ 72,787	19,911,600	\$ 3.66
Whole Home	\$ 25,929	4,576,140	\$ 5.67
Single Measure	\$ 15,561	3,141,255	\$ 4.95
Heat Pump	\$ 9,305	4,647,328	\$ 2.00
Smart Home	\$ 6,084	3,150,352	\$ 1.93
Moderate Income Direct Install	\$ 10,875	1,869,025	\$ 5.82
Energy Education & Outreach	\$ 2,460	2,527,500	\$ 0.97
Program Level Costs	\$ 2,574	-	-
Income Qualified Program	\$ 27,336	4,677,267	\$ 5.84
Home Winterproofing	\$ 16,775	2,224,165	\$ 7.54
Affordable Housing Multi-Residential	\$ 8,723	2,453,102	\$ 3.56
Program Level Costs	\$ 1,838	-	-
Commercial Program	\$ 43,048	29,114,672	\$ 1.48
Com Custom	\$ 14,800	17,612,902	\$ 0.84
Com/Ind Prescriptive Downstream	\$ 4,853	3,145,181	\$ 1.54
Com/Ind Prescriptive Direct Install	\$ 10,952	6,227,205	\$ 1.76
Com/Ind Prescriptive Upstream	\$ 3,357	1,897,556	\$ 1.77
Com Existing Building Commissioning	\$ 573	196,590	\$ 2.91
Com Microbusiness	\$ 206	35,238	\$ 5.84
Com SEM	\$ 780	-	-
Com Energy Innovation	\$ 2,000	-	-
Program Level Costs	\$ 5,527	-	-
Industrial Program	\$ 26,886	54,214,897	\$ 0.50
Industrial Custom	\$ 19,292	54,214,897	\$ 0.36
Industrial SEM	\$ 780	-	-
Industrial Energy Innovation	\$ 2,000	-	-
Program Level Costs	\$ 4,814	-	-
Large Volume Program	\$ 3,480	18,249,621	\$ 0.19
Large Volume Direct Access ¹	\$ 3,204	18,249,621	\$ 0.18
Program Level Costs	\$ 276	-	-
Portfolio Costs	\$ 17,638	-	-
Total	\$ 191,175	126,168,056	\$ 1.52

Note:

¹ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

Table 6
2028 Spend Ratio (\$/m³)

2028 Spend Ratio (\$/Savings)	Budget (\$000s)	Net Annual Gas Savings (m ³)	\$/m ³
Residential Program	\$ 75,692	22,400,729	\$ 3.38
Whole Home	\$ 23,709	4,118,526	\$ 5.76
Single Measure	\$ 18,836	3,816,765	\$ 4.94
Heat Pump	\$ 8,998	4,652,096	\$ 1.93
Smart Home	\$ 6,123	3,150,352	\$ 1.94
Moderate Income Direct Install	\$ 12,763	2,105,990	\$ 6.06
Energy Education & Outreach	\$ 2,645	4,557,000	\$ 0.58
Program Level Costs	\$ 2,618	-	-
Income Qualified Program	\$ 29,790	4,894,384	\$ 6.09
Home Winterproofing	\$ 18,591	2,415,999	\$ 7.70
Affordable Housing Multi-Residential	\$ 9,329	2,478,385	\$ 3.76
Program Level Costs	\$ 1,870	-	-
Commercial Program	\$ 48,468	32,858,095	\$ 1.48
Com Custom	\$ 17,352	19,948,800	\$ 0.87
Com/Ind Prescriptive Downstream	\$ 5,418	3,474,427	\$ 1.56
Com/Ind Prescriptive Direct Install	\$ 12,354	6,903,155	\$ 1.79
Com/Ind Prescriptive Upstream	\$ 3,911	2,186,042	\$ 1.79
Com Existing Building Commissioning	\$ 723	294,499	\$ 2.46
Com Microbusiness	\$ 253	51,172	\$ 4.95
Com SEM	\$ 795	-	-
Com Energy Innovation	\$ 2,039	-	-
Program Level Costs	\$ 5,622	-	-
Industrial Program	\$ 28,710	57,986,708	\$ 0.50
Industrial Custom	\$ 20,978	57,986,708	\$ 0.36
Industrial SEM	\$ 795	-	-
Industrial Energy Innovation	\$ 2,039	-	-
Program Level Costs	\$ 4,897	-	-
Large Volume Program	\$ 3,613	20,156,297	\$ 0.18
Large Volume Direct Access ¹	\$ 3,333	20,156,297	\$ 0.17
Program Level Costs	\$ 281	-	-
Portfolio Costs	\$ 17,738	-	-
Total	\$ 204,011	138,296,213	\$ 1.48

Note:

¹ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

Table 7
2029 Spend Ratio (\$/m³)

2029 Spend Ratio (\$/Savings)	Budget (\$000s)	Net Annual Gas Savings (m³)	\$/m³
Residential Program	\$ 78,555	23,828,214	\$ 3.30
Whole Home	\$ 21,967	3,752,435	\$ 5.85
Single Measure	\$ 20,918	4,185,225	\$ 5.00
Heat Pump	\$ 9,225	4,659,248	\$ 1.98
Smart Home	\$ 6,268	3,150,352	\$ 1.99
Moderate Income Direct Install	\$ 14,513	2,342,955	\$ 6.19
Energy Education & Outreach	\$ 3,001	5,738,000	\$ 0.52
Program Level Costs	\$ 2,663	-	-
Income Qualified Program	\$ 32,880	5,095,637	\$ 6.45
Home Winterproofing	\$ 20,703	2,587,295	\$ 8.00
Affordable Housing Multi-Residential	\$ 10,274	2,508,342	\$ 4.10
Program Level Costs	\$ 1,902	-	-
Commercial Program	\$ 52,454	35,469,570	\$ 1.48
Com Custom	\$ 19,124	21,570,370	\$ 0.89
Com/Ind Prescriptive Downstream	\$ 6,024	3,818,290	\$ 1.58
Com/Ind Prescriptive Direct Install	\$ 13,247	7,263,120	\$ 1.82
Com/Ind Prescriptive Upstream	\$ 4,322	2,404,592	\$ 1.80
Com Existing Building Commissioning	\$ 746	310,854	\$ 2.40
Com Microbusiness	\$ 382	102,344	\$ 3.74
Com SEM	\$ 810	-	-
Com Energy Innovation	\$ 2,080	-	-
Program Level Costs	\$ 5,719	-	-
Industrial Program	\$ 29,971	60,289,126	\$ 0.50
Industrial Custom	\$ 22,101	60,289,126	\$ 0.37
Industrial SEM	\$ 810	-	-
Industrial Energy Innovation	\$ 2,080	-	-
Program Level Costs	\$ 4,981	-	-
Large Volume Program	\$ 3,752	21,245,827	\$ 0.18
Large Volume Direct Access ¹	\$ 3,467	21,245,827	\$ 0.16
Program Level Costs	\$ 286	-	-
Portfolio Costs	\$ 18,043	-	-
Total	\$ 215,655	145,928,374	\$ 1.48

Note:

¹ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

Table 8
2030 Spend Ratio (\$/m³)

2030 Spend Ratio (\$/Savings)	Budget (\$000s)	Net Annual Gas Savings (m ³)	\$/m ³
Residential Program	\$ 81,536	25,053,075	\$ 3.25
Whole Home	\$ 20,760	3,489,307	\$ 5.95
Single Measure	\$ 22,521	4,430,865	\$ 5.08
Heat Pump	\$ 9,454	4,661,632	\$ 2.03
Smart Home	\$ 6,398	3,150,352	\$ 2.03
Moderate Income Direct Install	\$ 16,328	2,579,920	\$ 6.33
Energy Education & Outreach	\$ 3,368	6,741,000	\$ 0.50
Program Level Costs	\$ 2,709	-	-
Income Qualified Program	\$ 35,657	5,313,786	\$ 6.71
Home Winterproofing	\$ 22,904	2,802,113	\$ 8.17
Affordable Housing Multi-Residential	\$ 10,818	2,511,673	\$ 4.31
Program Level Costs	\$ 1,935	-	-
Commercial Program	\$ 55,837	37,305,908	\$ 1.50
Com Custom	\$ 20,784	22,799,106	\$ 0.91
Com/Ind Prescriptive Downstream	\$ 6,423	4,011,725	\$ 1.60
Com/Ind Prescriptive Direct Install	\$ 13,880	7,447,854	\$ 1.86
Com/Ind Prescriptive Upstream	\$ 4,608	2,525,598	\$ 1.82
Com Existing Building Commissioning	\$ 796	341,940	\$ 2.33
Com Microbusiness	\$ 582	179,685	\$ 3.24
Com SEM	\$ 825	-	-
Com Energy Innovation	\$ 2,121	-	-
Program Level Costs	\$ 5,817	-	-
Industrial Program	\$ 31,445	62,775,217	\$ 0.50
Industrial Custom	\$ 23,432	62,775,217	\$ 0.37
Industrial SEM	\$ 825	-	-
Industrial Energy Innovation	\$ 2,121	-	-
Program Level Costs	\$ 5,067	-	-
Large Volume Program	\$ 3,896	21,518,209	\$ 0.18
Large Volume Direct Access ¹	\$ 3,606	21,518,209	\$ 0.17
Program Level Costs	\$ 290	-	-
Portfolio Costs	\$ 18,353	-	-
Total	\$ 226,725	151,966,196	\$ 1.49

Note:

¹ The Large Volume Direct Access Offering has a total target for the four-year term in 2030. For illustrative purposes, forecast values shown are yearly estimates and assume all eligible customers remain in the offering.

DSM STAFF BUDGETS

1. This evidence is organized as follows:

1. DSM Staff Budgets

1.1 Commercial and Industrial

1.2 Residential and Income Qualified

1. DSM Staff Budgets

2. Enbridge Gas has allocated DSM staff budgets directly to programs where the budgets can be directly tied to a program. Where DSM staff budgets cannot be directly tied to a DSM program, they have been allocated to the portfolio level.
3. Enbridge Gas is proposing to increase DSM staff levels from the 169 full-time equivalents ("FTE") approved for 2023 in the Company's 2023-2025 DSM Plan, to 172 FTEs for 2027. The 2027 proposed FTE level of 172 FTEs is expected to remain consistent throughout the 2027-2030 DSM Plan term.
4. Enbridge Gas may reallocate DSM staff resources between programs and/or the portfolio level as permitted by the DSM Framework to optimize DSM activities. Additionally, Enbridge Gas will be required to manage DSM staff resources within the budgets that are approved by the OEB, if they are adjusted from the proposed levels. As a result, the actual allocation of FTEs to the various DSM programs may change.
5. Table 1 displays the allocation of DSM staff FTEs at the program and portfolio levels approved for 2023 and proposed for 2027. In addition, Table 1 displays the net difference of FTEs by program and for the portfolio level, inclusive of reallocations and incremental resources.

6. It should be noted that Enbridge Gas has allocated FTEs to the program level and not to any individual offering level, as most DSM staff support entire sectors or program types. Therefore, any attempts to budget and allocate staffing resources to a particular offering would not be practical nor accurate.

Table 1
Approved 2023 DSM FTEs Compared to Proposed 2027 DSM FTEs

DSM Program/Portfolio	2023 FTE	Reallocation	Incremental	2027 FTE
Residential Program	17.0	+2.0	+2.0	21.0
Income Qualified Program	15.0	-	-	15.0
Commercial Program	33.5	+8.5	+1.0	43.0
Industrial Program	35.0	-	-	35.0
Large Volume Program	2.0	-	-	2.0
Energy Performance Program	0.5	(0.5)	-	0.0
Building Beyond Code Program	5.0	(5.0)	-	0.0
Program Subtotal	108.0	+5.0	+3.0	116.0
Portfolio Subtotal	61.0	(5.0)		56.0
Total	169.0		3.0	172.0

Note:

Figures reflect net changes.

7. As can be seen from Table 1, through the development of the 2027-2030 DSM Plan, Enbridge Gas has reallocated resources to programs from the portfolio level and from other programs. This includes a net reallocation of 5 FTEs from the portfolio level to the program level (3 to the Commercial Program and 2 to the Residential Program). Additionally, due to the discontinuation of programs from the previous multi-year DSM plan, 5.5 FTEs are reallocated between programs as follows:
- a) Building Beyond Code (“BBC”) Program
 - i. 5 FTEs are reallocated to the Commercial Program.
 - b) Energy Performance Program
 - i. 0.5 FTEs are reallocated to the Commercial Program.

8. Table 2 displays the approved 2023 DSM FTEs and staff budgets¹ along with the proposed 2027 amounts. This shows a proposed increase of 3 incremental FTEs and \$2,936,059 in DSM staff costs for 2027, relative to the 2023 approved budget. The increase in staff budget is primarily driven by inflation.

Table 2
DSM FTE and Staff Budget (2023 Approved and 2027 Proposed)

Line No.	Particulars	Approved 2023	Proposed 2027	Change
1	FTE	169	172	3
2	DSM Staff Budget	\$ 17,384,929	\$ 20,320,988	\$ 2,936,059
3	Average Staff Budget/FTE	\$ 102,869	\$ 118,145	\$ 15,276

9. Table 3 illustrates how the proposed DSM FTE increases are allocated within the program and portfolio level budgets.

Table 3
DSM FTEs for Programs and Portfolio Levels (2027 Proposed)

Line No.	Category	Total 2027 FTE	Incremental FTE vs. 2023	Total 2027 DSM Budget
1	Programs	116	3	\$ 13,842,336
2	Portfolio	56	0	\$ 6,478,652
3	Total	172	3	\$ 20,320,988

10. Moving forward in 2027 and beyond, Enbridge Gas continues to anticipate an evolution in the types of DSM programs, offerings, activities, and support that will be required to meet the primary and secondary objectives outlined by the OEB for DSM programming. Resources will continue to be trained and reallocated, as appropriate, to those activities that are adding the most value to customers.

¹ EB-2021-0002, Exhibit D, Tab 1, Schedule 1, Table 12, p.21.

11. In developing the 2027-2030 DSM Plan and in an effort to achieve meaningful natural gas savings results, it became evident to Enbridge Gas that increases would be required not only to some incentive, promotion and delivery budgets, but also for utility DSM staff, to deliver the expanded DSM portfolio. The 3 additional DSM FTEs are necessary to support the proposed increase in DSM programming, the need for more direct engagement, and the increasing complexity of program delivery for the 2027-2030 DSM Plan. Further detail is provided in the sections below.

1.1 Commercial and Industrial

12. The commercial and industrial sectors are navigating challenges that require increased expertise and resources within Enbridge Gas to support effective solutions. While many impacts from the COVID-19 pandemic are no longer acute, long-term labour churn has affected both Enbridge Gas and the broader market, creating a knowledge gap that needs to be bridged. This intensifies the need for specialized skills, proactive partner engagement, and a focused expansion of Enbridge Gas's project portfolio toward a broader mix of opportunities to meet aggressive energy savings goals. Specific challenges driving the need for additional staffing include:

- a) Evolving codes and standards: Baseline changes in codes and standards, including Amendment 15, have led to a significant shift in project viability and in the types of savings that can be claimed. Straightforward and cost-effective efficiency opportunities, like boiler replacement upgrades, are no longer eligible for savings claims. As a result, Enbridge Gas now needs to focus on more customized and complex projects, such as upgrades to controls and ventilation systems. These projects require specialized expertise and stronger collaboration with customers and trade partners to identify, design, and quantify potential savings.

- b) Increased project volume: To adapt to the shift away from boiler upgrade projects, Enbridge Gas expects an increase in the volume of complex projects to achieve annual savings targets. In an effort to broaden customer reach and support underserved customers, Enbridge Gas has also introduced new offers, such as the Commercial Existing Building Commissioning (“EBCx”) and Commercial Microbusiness Offerings, which will further contribute to the number of individual projects supported by the program each year. To effectively manage these changes, Enbridge Gas will need to enhance its efforts in customer and trade ally engagement, project evaluation, technical support and assessments, necessitating additional resources to meet these growing demands.
- c) Uncertainty around climate policy: Climate policy is changing, and there is a lack of clarity around the resources, technologies, and support mechanisms needed to achieve policy requirements. In addition, customers are proceeding with conservation plans and projects at different paces as policy evolves. Enbridge Gas needs to engage proactively with market actors to explore and implement solutions that align with DSM objectives.

- 13. Given these challenges, Enbridge Gas has reallocated 8.5 FTEs to the Commercial Program and is requesting 1 incremental FTE.
- 14. Of the 8.5 FTE reallocations, 2.5 FTEs are reallocated from the portfolio level and other programs to the Commercial Program. This adjustment ensures that these FTEs are more accurately attributed to the areas where their work is being performed.
- 15. The remaining 6 FTE reallocations and the 1 incremental FTE will provide the technical support and partner engagement needed to drive results in this evolving

market and to effectively navigate the shift towards more complex and more involved project opportunities, as described further below.

- a) Technical Support: Sales and technical services staff for diverse projects.
 - i. Rationale: With the baseline changes resulting from Amendment 15 requiring a shift from boiler upgrades to diverse energy efficiency projects, Enbridge Gas must adapt by supporting a range of more complex and more involved projects such as the addition of controls and upgrades to ventilation systems. These projects typically result in smaller individual savings but require skilled technical resources for customer engagement, project design, and technical support, particularly given the loss of boiler upgrade pathways as a key point of customer interaction.
 - ii. Roles and Details: Enbridge Gas will add 3 sales FTEs and 3 technical service FTEs, utilizing reallocations from other areas so that no net incremental FTEs are required. These roles are essential for:
 - Engaging customers and trade allies at critical decision points to provide the technical and financial support needed;
 - Managing increased project volume, with particular attention to integrating more complex solutions, such as the addition of controls and upgrades to ventilation systems into existing programming; and,
 - Ensuring each project meets DSM standards for energy savings.
- b) Partner Engagement: Expanded engagement with market actors, including trade allies and service providers.
 - i. Rationale: Dedicated support is required to effectively engage market actors in promoting and delivering Enbridge Gas's DSM programs, increasing market reach and program visibility, especially given the

reduced availability of traditional boiler upgrade pathways as engagement touchpoints.

- ii. Roles and Details: Enbridge Gas proposes to add 1 incremental FTE to support communication and engagement with trade allies. The role will focus on:
 - Designing and executing outreach campaigns to increase program awareness and trade ally participation; and,
 - Working with industry partners to continuously improve the number of engaged trade allies and service providers and extend Enbridge Gas's DSM impact across sectors.

1.2 Residential and Income Qualified

16. The residential and income qualified sectors are proposing new offerings that require additional resources to support their design and implementation. Specific challenges driving the need for additional staffing include:

- a) Coordination with other parties: Enbridge Gas has partnered with the Independent Electricity System Operator ("IESO") to deliver a one-window program for customers. One-window programming provides a single portal for customers to access information on energy savings programs and rebates across the province of Ontario. Collaborations increase non-incentive costs including coordination, shared infrastructure, customer outreach and education, and portfolio activities.
- b) Increased programming: The introduction of the Moderate Income Direct Install and Energy Education and Outreach Offerings require program support related to their design and implementation.
- c) Increased project reach: Newly launched offerings are expected to drive a broader reach into smaller communities, resulting in increases in customer

participation. For example, single measure attic insulation requires resources to support increased market participation by smaller contractors which helps to drive incremental results with the benefit of serving communities outside of large urban centres. In addition, newer offerings include projects that result in less savings per participant and therefore require more projects to achieve savings targets.

17. Given these changes, Enbridge Gas is reallocating 2 FTEs from the portfolio level to the Residential Program to ensure that these FTEs are more accurately attributed to the areas where their work is being performed, and is proposing 2 incremental FTEs to provide partner engagement and program design support.

18. The request for 2 net incremental FTEs is described further below.

- a) Partner engagement: Expanded engagement with market actors, including program collaboration partners, trade allies and service providers.
 - i. Rationale: Dedicated support is required to effectively engage market actors in promoting and delivering Enbridge Gas's DSM programs, increasing market reach and program visibility. Furthermore, coordination activities with the IESO for the HRS Program is required to align program details across all fuels.
 - ii. Roles and Details: Enbridge Gas proposes to add 1 incremental FTE to support outreach, communication and engagement with program collaboration partners, trade allies and service providers.
- b) Program design support for new program offerings.
 - i. Rationale: The introduction of new offerings requires additional program support to design programs as well as execute day-to-day program management, including working with marketing, delivery partners,

managing budgets, forecasting results and continuously improving the programs.

- ii. Roles and Details: Enbridge Gas proposes to add 1 incremental program design FTE to support increased programming.

SYSTEM MAINTENANCE AND IMPROVEMENTS BUDGET

1. The proposed system maintenance and improvements budget represents \$1.6 million of the portfolio budget in 2027, allocated to sustain, enhance, and optimize Enbridge Gas's tracking and reporting systems for DSM activities. These systems are essential for tracking, monitoring, verification, incentive payment and evaluation of DSM program performance, creating efficiencies for Enbridge Gas staff and third-party delivery partners.
2. By improving data collection, ensuring accuracy, and streamlining workflows, the systems support strategic decision-making, regulatory compliance, audit readiness, and labour cost savings.
3. The tracking and reporting systems are designed to flexibly incorporate new program offerings, allowing Enbridge Gas to confidently manage an expanded suite of offerings within the existing system framework. However, ongoing maintenance and upgrades will be required to ensure system functionality and adaptability, covering licenses, system support, integration and infrastructure, backup and recovery, and core system updates.
4. As Enbridge Gas aims to increase participation and broaden its customer and market reach in DSM programming, system enhancements will be essential to maintain efficiency and control tracking and reporting costs. These enhancements will support collaboration and coordination efforts with the IESO and other third parties as well as expanding the trade ally and service provider delivery channels.
5. Enbridge Gas utilizes a robust IT governance framework to guide all enhancements, aligned with industry best practices and compliance requirements. This framework includes resource allocation, portfolio planning, risk assessment, data security, disaster recovery planning, and continuous operational support. By following this

structured approach, Enbridge Gas aims to improve efficiency, minimize risks, and secure the sustainability of its IT systems.

6. Table 1 provides the proposed DSM system maintenance and improvement budgets for 2027 to 2030.

Table 1
2027 - 2030 DSM System Maintenance and Improvements Budget (\$000s)

Line No.	System Maintenance & Improvements	2027	2028*	2029*	2030*
1	Licenses	\$ 538	\$ 547	\$ 557	\$ 566
2	System Support Costs	\$ 431	\$ 438	\$ 446	\$ 454
3	Integration & Environments	\$ 143	\$ 145	\$ 148	\$ 151
4	Updates & Enhancements	\$ 440	\$ 244	\$ 248	\$ 253
5	Other	\$ 31	\$ 32	\$ 32	\$ 33
6	Total Budget	\$ 1,583	\$ 1,407	\$ 1,431	\$ 1,456

Note:

* Includes a 2% annual proxy inflation factor on incentive budget components and a 1.72% annual proxy inflation factor on non-incentive budget components (2% proxy inflation - 0.28% efficiency stretch factor).

REGULATORY AND STAKEHOLDERING BUDGET

1. The regulatory and stakeholdering budget is intended to cover the cost of OEB regulatory proceedings related to DSM, including annual clearance proceedings, annual rate filings, any significant DSM related involvement in other proceedings (such as leave to construct and IRP-related proceedings), and any intervenor costs associated with DSM (including for intervenor stakeholder sessions).
2. Enbridge Gas is proposing a budget of \$0.8 million in 2027, increasing by inflation for the remainder of the term. This estimated budget does not overlap with any salary budgets or other budgets included elsewhere in the 2027-2030 DSM Plan. Since many of the costs in this category are externally driven and can vary significantly, Enbridge Gas proposes that any overspend/underspend from the budget will be collected/returned to ratepayers through the DSMVA on an annual basis and that the budget will not be used for other purposes without OEB approval.

MUNICIPAL ENGAGEMENT

1. This evidence is organized as follows:

1. Overview
2. Objective
3. Target Market
 - 3.1 Relevant Enbridge Gas Survey Findings
4. Initiative Details
5. Outreach and Engagement Strategy
6. Budget

1. Overview

2. Enbridge Gas recognizes the unique position of municipalities as influencers, promoters, and enablers of strategies, policies and programs that impact energy conservation. The DSM Framework includes the following Guiding Principle that pertains to municipalities:

Where appropriate, Enbridge Gas should coordinate and integrate natural gas DSM, with other conservation initiatives, including electricity CDM efforts and municipal energy plans.¹

3. Current DSM-focused municipal engagement activities have supported municipalities in developing and executing energy efficiency initiatives and have provided funding for creating and implementing Climate Change Action Plans (“CCAP”) or Municipal Energy Plans (“MEP”). Given the wide range of alternative funding sources now available to municipalities, continuation of funding for the creation of municipal energy plans can lead to market confusion and duplication. For example, the Green Municipal Fund offers up to \$140,000 for Climate-Ready Plans

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.3.

and processes, up to \$70,000 for Feasibility Studies, and up to \$1 million for implementation projects.

4. Throughout the 2027-2030 DSM Plan term, Enbridge Gas will continue to foster new relationships and deepen existing ones with municipalities to create opportunities for mutually beneficial partnerships and collaborations. Enbridge Gas will continue to take an integrated approach to municipal engagement, informed by developing effective relationships with municipal staff-level contacts responsible for energy management, planning, and more. Enbridge Gas will employ a modified, targeted approach to program-based capacity building and marketing that empowers municipalities to leverage Enbridge Gas's DSM programs and incentives, thereby raising awareness and participation in Enbridge Gas DSM programming.

2. Objective

5. The primary objective of municipal engagement during the DSM Plan term is to identify synergies between DSM programs and municipal energy objectives to advance shared goals and enhance the impact of DSM programs within local communities.
6. Secondary objectives that the proposed approach will also address, include:
 - a) Providing geotargeted outreach to support offerings such as Income Qualified programming or the newly proposed Residential Moderate Income Direct Install Offering;
 - b) Establishing and maintaining relationships and contacts to leverage municipalities as another channel for all marketing campaigns on an ongoing basis; and,

- c) Supporting the DSM outreach strategy, targeting municipalities as customers and participants to advance energy efficiency in municipality owned or managed properties and providing financial incentives for the adoption of energy-efficient technologies.

3. Target Market

- 7. Ontario's municipal energy landscape is characterized by significant diversity, with variations arising from the size and capacity of individual municipalities, as well as their distinct energy needs and objectives. This means that a standardized, one-size-fits-all approach to municipalities is not practical.
- 8. According to the Association of Municipalities of Ontario ("AMO"), municipalities operate within three structural types:
 - a) Single-tier: Responsible for all municipal services in their area, except those provided by a Service System Manager.² With full control over planning, permitting, and building by-laws, single-tier municipalities typically have a larger role in influencing uptake and promotion of DSM programs.
 - b) Upper-tier: Serve broader geographic areas or larger populations, delivering services that benefit from regional scale (e.g., arterial roads, water and waste systems, health and social services). Upper-tier municipalities support region-wide energy planning and sometimes share costs, staff and communications across their lower-tiers.

² In Ontario, the delivery of some social services is planned, managed and co-funded by Service System Managers. Their areas of responsibility include income support (Ontario Works), childcare, homelessness prevention, community housing. There are 47 in the province: 37 called "Consolidated Municipal Service Managers (CMSMs)" in Southern Ontario, and 10 called "District Social Service Administration Boards (DSSABs)" in Northern Ontario.

- c) Lower-tier: Provide localized services tailored to community needs (e.g., local roads, fire services). These municipalities may have fewer staff and lower budgets, but provide strong value in terms of local outreach.

3.1 Relevant Enbridge Gas Survey Findings

9. A survey of municipalities commissioned by Enbridge Gas in 2024³ revealed that the majority of municipalities surveyed (83%) have demonstrated a strong interest in collaborating with Enbridge Gas on retrofit incentive opportunities. Although financial support (e.g., loans, rebates) is considered the top priority for collaboration with municipalities, two-thirds of respondents also pointed to non-financial retrofit support for building owners (e.g., education, energy coach, concierge service) as additional opportunities for coordination or support from Enbridge Gas.
10. The survey also revealed that there is an opportunity to raise awareness of DSM programs. Familiarity of Enbridge Gas's DSM programs is highest for residential and commercial/institutional offers at 74%, but drops to 24% for industrial/agricultural offers, signaling an opportunity to increase awareness of the full portfolio of programs to municipal partners.
11. Moreover, the survey showed that over the next five years, municipalities are looking to expand building retrofit programs, with a significant number of municipalities (79%) considering non-financial retrofit support for building owners (such as education, energy coach, or concierge service).
12. Effective municipal engagement should therefore focus on education and awareness of DSM programs. This will help to improve knowledge of, and access to, energy efficiency rebates for local businesses and residents and support municipal energy objectives.

³ Enbridge Gas Ontario Municipal DSM Survey, Ipsos, April 2024.

4. Initiative Details

13. Enbridge Gas will engage municipalities within its service area to collaborate on the promotion of DSM programming, including outreach to various community-based organizations, businesses, institutions, and residents to enhance the visibility and uptake of DSM programs and support new offerings, such as the Residential Moderate Income Direct Install Offering.
14. To support these outcomes Enbridge Gas proposes the following activities and tools, referred to as the “Outreach Toolbox”:
- a) Campaign Toolkit: A no-cost toolkit for municipalities to run outreach campaigns (local or regional) promoting Enbridge Gas’s DSM programs. Upon request and based on availability, an Enbridge Gas representative may present at local events hosted by municipalities.
 - b) Campaign Grant: A grant of up to \$10,000 to support the cost of delivering local outreach campaigns utilizing the no-cost campaign toolkit provided by Enbridge Gas. Municipalities may only receive a Campaign Grant every other calendar year.
 - c) Case studies: Develop and distribute case studies that showcase DSM successes in local facilities, businesses, and municipal buildings. This allows municipalities to learn from the successes of peer municipalities.
 - d) Municipal Engagement Surveys: Surveys that seek ongoing input from Ontario municipalities to better understand the needs, motivations, barriers and efficacy of Enbridge Gas’s engagement with these important stakeholders.

- e) Sponsorship and Events: Includes hosting workshops as well as participating in various events throughout Ontario, aside from those delivered with the support of the Campaign Grant. This helps build awareness with local businesses and municipal staff attendees, and actively engages residents to promote energy efficiency and available DSM offerings.
- f) Collaborative Initiatives: Provides financial support to amplify existing municipal efforts, such as energy coaches or energy concierge services, that support incremental DSM uptake or explore new energy efficiency opportunities.

5. Outreach and Engagement Strategy

- 15. Enbridge Gas will engage with municipalities within the Company's service area to promote the Outreach Toolbox inclusive of its applicable activities and tools. Outreach will prioritize municipalities whose energy efficiency objectives align with DSM goals. One of the considerations when prioritizing outreach efforts will be municipalities whose jurisdictional areas have been identified as having high-density pockets of moderate-income customers. This will support the new Residential Moderate Income Direct Install Offering, which is based in part on geotargeted eligibility.
- 16. One-on-one orientation sessions/webinars will be conducted with municipalities as part of delivering the Campaign Toolkit to support municipal marketing strategies. Topics could include establishing campaign scope and dates, discussing best practices for campaign outreach, and familiarizing municipal staff with Enbridge Gas's DSM program details.
- 17. Outreach may also be initiated with municipally-focused organizations and associations, such as the Federation of Canadian Municipalities, Rural Ontario

Municipal Association, Association of Municipalities of Ontario, Ontario Association of Municipal Real Estate Administrators, Municipal Corporate Energy Managers Community of Practice, as well as local Business Improvement Areas groups and Chambers of Commerce.

18. Further, dedicated municipality-focused Enbridge Gas resources will continue to be actively engaged with municipalities at the staff and council level to support energy planning and reporting activities. This includes providing natural gas consumption data and historical DSM program participation to municipalities that request it and broadly providing expertise on how DSM programs can be leveraged to advance their existing energy goals and complement implementation of municipal energy plans.

6. Budget

19. Table 1 displays the proposed budget for Municipal Engagement during the 2027-2030 DSM Plan term.

Table 1
Municipal Engagement Budget (\$000s)*

Line No.	Item	2027	2028	2029	2030
1	Campaign Toolkit	\$ 275	\$ 280	\$ 285	\$ 289
2	Campaign Grant	\$ 125	\$ 127	\$ 129	\$ 132
3	Case Studies	\$ 25	\$ 25	\$ 26	\$ 26
4	Municipal Engagement Survey	\$ 25	\$ 25	\$ 26	\$ 26
5	Sponsorship and Events	\$ 60	\$ 61	\$ 62	\$ 63
6	Collaborative Initiatives	\$ 100	\$ 102	\$ 103	\$ 105
7	Total Budget	\$ 610	\$ 620	\$ 631	\$ 642

Note:

* Includes a 2% annual proxy inflation factor on incentive budget components and a 1.72% annual proxy inflation factor on non-incentive budget components (2% proxy inflation - 0.28% efficiency stretch factor).

RESEARCH AND INNOVATION OVERVIEW

1. Enbridge Gas's 2027-2030 DSM Plan incorporates a multi-faceted approach to innovation and technology development. Relying on both self-directed and market-driven research, a range of activities are proposed to foster innovation within the natural gas sector; from a continued focus on robust market and jurisdictional analysis, to testing and evaluating emerging technologies, to assessing innovative program concepts or delivery models, to name a few.
2. New ideas for DSM often follow a typical product development process that includes stages such as: idea generation and research, idea screening, concept development, prototyping/testing, and eventually market testing and implementation.
3. Enbridge Gas is proposing two budgets related to research and innovation: (i) the research, development and market data budget; and (ii) the Energy Innovation Fund for commercial and industrial sectors. See Table 1 for an overview.
4. The proposed research, development and market data budget is intended for activities related to early stages of development, including research to support idea generation, idea screening, concept development and prototype/pilot testing that is not included within the scope of the Energy Innovation Fund. Also included in the budget is work required to sustain current programming amidst market changes, such as technical research required to update and maintain measures in the Technical Resource Manual ("TRM"). Details regarding the research, development and market data budget are provided at Exhibit D, Tab 8, Schedule 2.
5. Pilots for technologies in the later stages of this process that are ready to be piloted within a commercial or industrial environment will be funded through the proposed

Energy Innovation Fund. Details for the Energy Innovation Fund are provided at Exhibit D, Tab 8, Schedule 3.

Table 1
Comparison of Research, Development and Market Data Budget and Energy Innovation Fund

Category	Research, Development and Market Data Costs	Energy Innovation Fund
Sector(s)	All	Commercial and Industrial
Objective	To support research, development, market data, and other types of insight-generating projects that will support Enbridge Gas to continuously improve its DSM programming and ultimately result in lower natural gas consumption.	To support the advancement of innovative energy efficiency solutions towards market adoption. More specifically, it will target energy efficiency technologies in the upper ranges of the Technology Readiness Level Scale ("TRL") as well as innovative applications and delivery of existing solutions.
Project Types	• Market, Jurisdictional and Technical Research and Analysis • Memberships and Sponsorships • Market Data • Testing/Pilots	• Technology and Applicability Pilots • Community Energy Initiatives • Market Facilitation • Advanced Envelope Treatment
Project Management	Projects managed internally by Enbridge Gas	Combination of Enbridge Gas-led and externally led projects
Project Idea Solicitation	Internal, linked to broader planning activities for programs and offerings	Majority open bid, where customers and/or key market actors will be invited to submit project proposals
Project Selection Criteria	Primarily based on: • The anticipated value each initiative will provide to DSM programming • Required costs and resources	Based on: • Technical Feasibility • Addressing specific Market Gaps • Cost-Effectiveness • Natural Gas Savings Potential • Scalability and Replicability • Alternative Funding Sources or Co-Funding Potential • Expertise of group submitting proposal • References (External Support of Project)

6. The research and innovation budgets will consider both natural gas and electric technologies, and will prioritize those that most optimally meet the objectives of the budgets. Enbridge Gas acknowledges that the OEB's Decision and Order for the Company's previous multi-year DSM Plan restricted the use of research and development funding for natural gas technologies where electric alternatives exists;¹ however, in light of the Government of Ontario's Integrated Energy Plan's emphasis on consumer choice, affordability, and the critical role of natural gas to Ontario's energy mix,² the previous restriction is inconsistent with current Ontario energy policy and should not be applicable to Enbridge Gas's 2027-2030 DSM Plan.
7. The heightened focus and combined funding of research and innovation activities and initiatives in the 2027-2030 DSM Plan ensures that Enbridge Gas's DSM programs remain responsive and effective, supporting the evolution of DSM programming in driving substantial, cost-effective energy savings aligned with both OEB and government objectives.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.77-78.

² Government of Ontario, Energy for Generations (IEP), June 2025, pp.12-19 and 92-102.

RESEARCH, DEVELOPMENT AND MARKET DATA BUDGET

1. This evidence is organized as follows:

1. Objective
2. Initiative Benefits
3. Initiative Details
4. Project Types and Scope
5. Project Selection
6. Budget

1. Objective

2. Research, development and market data funding is critical to support Enbridge Gas's DSM programming and is required to ensure new measures, concepts and program approaches are investigated and tested, technical resources are sustained, and target markets are identified and understood. By supporting projects that produce actionable insights, these costs have a direct connection to the sustainment and growth of opportunities in the DSM portfolio, ultimately resulting in lower natural gas consumption in the province.

2. Initiative Benefits

3. The research, development and market data budget:
- a) Enables Enbridge Gas to be responsive to the ever-changing consumer and energy landscape in Ontario through the acquisition of up-to-date data and insights;
 - b) Provides necessary funds for technical research and analysis to consistently and accurately estimate the natural gas savings generated through DSM program delivery; and,

- c) Facilitates collaboration opportunities for activities aligned with research and insight generation with entities such as the IESO, municipalities, community organizations, industry associations, academics, and other utilities.

3. Initiative Details

- 4. The 2027-2030 DSM Plan term will see a continuation of rapid change and Enbridge Gas believes it has a central role to play in supporting the corresponding evolution and advancement of energy efficiency technology and DSM programming. Key to this is allocating funding for research, development, market data, and other types of insight-generating projects that will allow Enbridge Gas to be responsive to the ever-changing consumer and energy landscape in Ontario, and to evolve DSM programming accordingly.
- 5. Specifically, the research, development and market data budget is necessary to investigate new measures and innovative program approaches; identify technical and market barriers of new energy efficiency opportunities; test new concepts; sustain and update technical resources; and procure market data to understand and effectively target potential participants.
- 6. The research, development and market data budget builds off the success of the previously approved Research and Innovation Fund ("RIF") by continuing support for critical research, development and market data activities. Pilots that involve energy efficient technologies and solutions that could transition into custom and prescriptive offers for the commercial or industrial sectors will now be funded under the proposed Energy Innovation Fund (see Exhibit D, Tab 8, Schedule 3).

7. With these efforts, an increased emphasis and a material amount of budget is being directed to research and development as recommended by the non-utility members of the DSM Stakeholder Advisory Group (“SAG”).¹

4. Project Types and Scope

8. Research, development, and market data activities will include projects within the following categories:
 - a) Market Research and Analysis: This reflects the quantitative and qualitative assessment of customer markets/sectors. This includes objectives such as determining the size of a market, end-use profiling, seeking to understand customer buying patterns/decision making, and identifying perceived barriers and enablers to adopt energy efficient technologies and practices.
 - b) Jurisdictional Research and Analysis: This includes the review of policies, programs, and regulations from other regions to identify successful strategies that can be adapted for Ontario. These types of scans can help avoid duplicating efforts or investing in strategies that have already been tested and found ineffective elsewhere and provide insights into lessons learned and potential pitfalls.
 - c) Technical Research and Analysis: This includes research and analysis undertaken to consistently and accurately estimate the natural gas savings generated through DSM program delivery. Enbridge Gas conducts research on new and current Technical Resource Manual (“TRM”) measures which is provided to the Evaluation Contractor for their review and inclusion in the TRM. In addition, Enbridge Gas conducts desktop and field measurement

¹ EB-2022-0295, SAG Report, November 11, 2024, p.36.

research to develop and maintain calculators and modelling tools to estimate natural gas savings for custom offerings.

- d) **Memberships & Sponsorships:** Enbridge Gas is involved with a number of memberships and associations to identify innovative technologies and program approaches, identify and leverage collaboration opportunities, and to generally benefit from the learning and experience of other entities involved with energy efficiency programs and technologies.
- e) **Market Data:** This includes 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 essential in identifying potential participants that may be well suited for targeted DSM program offerings. By leveraging this market data, offerings and outreach can be tailored to the specific needs and characteristics of different customer segments, ensuring more effective delivery of natural gas savings opportunities. Enbridge Gas can also create additional value by combining third-party data sets with its own customer data, as well as any new data acquired through DSM research.
- f) **Testing:** This category provides the opportunity to test ideas through market research (such as focus groups), pilots, and other types of trials prior to committing additional resources to them. These activities generate valuable insights about the effectiveness and scalability of the ideas being tested, as well as feedback and other data that can be used to refine the ideas prior to a wider roll-out. Testing occurs not only with new technologies, but also with innovative program concepts or market approaches. For example, new program delivery methods or communication channels can be piloted to test customer reactions. Pilot projects involving the commercial and industrial

sectors will be funded through the Energy Innovation Fund, while the rest will be funded from the research, development and market data budget.

9. When pursuing projects, Enbridge Gas will look for ways to collaborate with external efforts or entities in activities aligned with research, development and market data. Enbridge Gas will leverage complementary efforts, including energy efficiency innovation activities by external organizations such as the IESO, private industry, industry trade organizations, corporate laboratories, Natural Resources Canada and regional, national and international partners including utility, academia, non-governmental organizations, municipalities and other market stakeholders. Collaborative projects could take the form of market research, technology research, pilots, and the other project categories outlined above.

5. Project Selection

10. Enbridge Gas will focus research, development and market data costs on projects and activities that directly benefit current and future DSM programming. An annual research planning process will be conducted to bring forward project ideas and insight needs from across the DSM business unit. This process is integrated with broader DSM program and offering planning activities for all sectors to ensure research and other insight needs are considered proactively as plans for the upcoming year are developed. This approach aligns with the SAG recommendation that research and development be done in a comprehensive manner.
11. Approval and prioritization of these ideas will be primarily based on:
 - a) The anticipated value each initiative will provide to DSM programming; and,
 - b) The required costs and resources.

12. Technology research and pilots that involve emerging technologies will also consider:

- a) Technical feasibility;
- b) Addressing specific market gaps;
- c) Cost-effectiveness;
- d) Natural gas savings potential;
- e) Scalability and replicability; and,
- f) Alternative funding sources or co-funding potential.

6. Budget

13. Table 1 displays the proposed budget for research, development and market data during the 2027-2030 DSM Plan term. Enbridge Gas notes that the budget could be underspent in some years due to the cyclical nature of business needs, with the underspent amount to be returned through the DSMVA.

Table 1
2027-2030 Proposed Research, Development & Market Data Budget (\$000s)

	2027	2028*	2029*	2030*
Total	\$ 3,223	\$ 3,279	\$ 3,335	\$ 3,392

Note:

* Includes a 2% annual proxy inflation factor on incentive budget components and a 1.72% annual proxy inflation factor on non-incentive budget components (2% proxy inflation - 0.28% efficiency stretch factor)

ENERGY INNOVATION FUND

1. This evidence is organized as follows:

1. Objective
2. Initiative Benefits
3. Initiative Details
4. Project Types and Scope
5. Project Selection
6. Outreach and Engagement Strategy
7. Budget
8. Savings Attribution

1. Objective

2. This initiative marks an evolution from previous innovation efforts under the Research & Innovation Fund (“RIF”), shifting towards a predominantly market-driven approach in response to feedback from the DSM Stakeholder Advisory Group (“SAG”). SAG members “reached consensus that Enbridge should proceed with including an energy innovation offer as part of its next DSM plan.”¹ While Enbridge Gas remains committed to continuing its own efforts in driving research and innovation within the commercial and industrial sectors, the majority of the funding will be allocated to support projects through an open bid, market driven process.
3. The fund aims to advance energy-efficient solutions toward market readiness by actively engaging various market actors, promoting both the development of new technologies and innovative applications, and the delivery of existing solutions.

¹ EB-2022-0295, SAG Report, November 11, 2024, p.67.

4. Most projects will be selected through an open bid process, encouraging participation from customers, engineering firms, academic institutions, municipalities, and other stakeholders. The remainder of projects will focus on closing perceived program and/or market gaps not addressed through the bidding process.
5. While the primary goal is to integrate successful initiatives into Enbridge Gas's DSM programs, additional outcomes may include the development of new delivery models, heightened market engagement, and broader adoption of energy-efficient practices across the commercial and industrial sectors.

2. Initiative Benefits

6. Energy Innovation Fund benefits include:

- a) **Driving Innovation:** The initiative aims to foster exploration of both new and existing energy efficiency technologies by providing funding, technical support, and a platform for piloting innovative solutions. By shifting towards a market-driven process, it has the potential to enable broader participation, enhance awareness, and address barriers that traditionally hinder adoption.
- b) **Enhanced Market Engagement:** By actively engaging customers, market actors, and industry stakeholders through an open bid process, the initiative may drive market transformation and facilitate collaboration across sectors. This approach may lead to new delivery models that streamline the customer experience and simplify project implementation, as well as innovative strategies for integrating energy-efficient solutions, ultimately accelerating their adoption across commercial and industrial markets.
- c) **Broader Environmental Impacts:** The initiative supports advancements in technologies that may contribute to greenhouse gas emissions reductions, aligning with broader climate goals. Its flexibility in supporting a range of

solutions – from new technologies to improved deployment of existing ones – has the potential to address both immediate and long-term sustainability outcomes in commercial and industrial settings.

3. Initiative Details

7. The Energy Innovation Fund is designed to accelerate market adoption of innovative energy efficiency solutions. The fund targets technologies ready to be tested in a commercial or industrial environment, including those in mid to late stages of technology development, ranging from Technology Readiness Level (“TRL”) 5 to TRL 9.² Figure 1 displays the TRL stages.
8. The fund also supports innovative applications of existing solutions, new delivery models, and strategies that enhance market engagement. This comprehensive approach aims to bridge the gap from concept to large-scale adoption in commercial and industrial sectors, utilizing an open bid, market-driven process to maximize participation and impact.

² TWI, What are Technology Readiness Levels (2024). <https://www.twi-global.com/technical-knowledge/faqs/technology-readiness-levels>. Note: TRLs, developed by NASA and adapted by the EU, assess a technology’s maturity from early research (level 1) to full deployment (level 9). The fund will focus on projects validated at mid to late stages (TRL 5-9)

Figure 1: Technology Readiness Level (“TRL”)

RESEARCH	9	ACTUAL SYSTEM PROVEN IN OPERATIONAL ENVIRONMENT
	8	SYSTEM COMPLETE AND QUALIFIED
	7	SYSTEM PROTOTYPE DEMONSTRATION IN OPERATIONAL ENVIRONMENT
DEVELOPMENT	6	TECHNOLOGY DEMONSTRATED IN RELEVANT ENVIRONMENT
	5	TECHNOLOGY VALIDATED IN RELEVANT ENVIRONMENT
	4	TECHNOLOGY VALIDATED IN LAB
DEPLOYMENT	3	EXPERIMENTAL PROOF OF CONCEPT
	2	TECHNOLOGY CONCEPT FORMULATED
	1	BASIC PRINCIPLES OBSERVED

4. Project Types and Scope

9. The Energy Innovation Fund will prioritize projects within the following categories:

- a) Technology and Applicability Pilots: This category supports the testing and evaluation of emerging technologies, such as advanced electric heat pumps, smart management systems, and energy-efficient appliances with significant potential for broad market adoption. It also encompasses innovative applications of existing solutions, piloting them in real-world settings to assess their effectiveness, adaptability across different building types, and scalability.
- b) Community Energy Initiatives: These projects focus on energy conservation at the community level, closely aligned with municipal planning and coordination efforts. They integrate not only advanced technologies but also innovative planning, process optimization, and retrofit strategies that enhance energy efficiency across entire communities.

- c) **Market Facilitation:** This category supports initiatives that aim to increase awareness and adoption of energy-efficient solutions among commercial and industrial customers. It includes education, outreach, and innovative delivery models that bridge the gap between development and adoption, helping to drive demand and scalability across the market.
- d) **Advanced Envelope Treatment:** Initiatives in this category prioritize optimizing building energy performance by addressing envelope improvements. By utilizing innovative materials and strategies to minimize energy leakage, these projects right-size energy loads, supporting potential future integration with electric-based systems where they are economic and viable. This approach goes beyond technology alone, focusing on holistic solutions that improve overall building performance.

5. Project Selection

- 10. Projects being driven by market actors will be selected through an open bid process, guided by a scoring framework that considers how well the projects align with criteria outlined below. Key market actors, including but not limited to customers, contractors, technology providers, engineering firms, academic institutions and municipalities, will be invited to submit project proposals.
- 11. For the projects being led by Enbridge Gas, the focus will be on addressing market gaps that were not covered through the open bid process. Areas of focus will align with the categories of prioritized projects outlined above, however may be more specific, such as testing a particular form of electric heat pump application within identified building types, or supporting an innovative delivery model that caters to overcoming supply chain challenges with upgrading a specific type of technology on burnout.

12. Successful projects will be selected based on:

- Technical feasibility;
- Addressing specific market gaps;
- Cost-Effectiveness;
- Natural gas savings potential;
- Scalability and replicability;
- Alternative funding sources or co-funding potential;
- Expertise of group submitting proposal; and,
- References (external support of project).

13. Enbridge Gas will encourage proposals that involve multiple partners, recognizing that collaborative efforts can enhance project effectiveness and scalability.

6. Outreach and Engagement Strategy

14. The success of the Energy Innovation Fund will depend on proactive outreach to ensure broad market awareness and participation. Key outreach activities include:

- a) Strategic Alliances: Closely collaborate with industry associations, academic research centers, and other stakeholders to create awareness of the initiative and encourage diverse and innovative project submissions.
- b) Workshops and Webinars: Host informational sessions for potential applicants, including municipalities, contractors, academic institutions, technology developers, Indigenous communities, and non-profit organizations. These sessions will cover the fund's purpose, eligibility requirements, and application process.
- c) Targeted Outreach: Conduct direct outreach to high-potential sectors (e.g., commercial real estate, industrial manufacturing) with tailored communication

strategies that highlight mutual benefits. Engaging with national accounts and property owners will also help test the scalability of certain solutions.

7. Budget

15. Table 1 displays the proposed budget for the Energy Innovation Fund during the 2027-2030 DSM Plan term. An annual budget starting at \$2 million in 2027 is proposed per sector (commercial and industrial), increasing by inflation for subsequent years. Each sector's funds will be split, with \$0.5 million allocated for Enbridge Gas-led projects and \$1.5 million for market-led projects through an open bid process.
16. Unused funds are being proposed to be carried forward into the next year and tracked through the DSMVA, as described in Section 2 of Exhibit F, Tab 2, Schedule 1.

Table 1
2027-2030 Proposed Energy Innovation Fund (\$000s)

Line No.	Particulars	2027	2028*	2029*	2030*
1	Enbridge Gas-led	\$ 500	\$ 510	\$ 520	\$ 530
2	Market-led	\$ 1,500	\$ 1,530	\$ 1,560	\$ 1,591
3	Total Commercial Energy Innovation Fund	\$ 2,000	\$ 2,039	\$ 2,080	\$ 2,121
4	Enbridge Gas-led	\$ 500	\$ 510	\$ 520	\$ 530
5	Market-led	\$ 1,500	\$ 1,530	\$ 1,560	\$ 1,591
6	Total Industrial Energy Innovation Fund	\$ 2,000	\$ 2,039	\$ 2,080	\$ 2,121
7	Total	\$ 4,000	\$ 4,079	\$ 4,159	\$ 4,241

Note:

* Includes a 2% annual proxy inflation factor on incentive budget components and a 1.72% annual proxy inflation factor on non-incentive budget components (2% proxy inflation - 0.28% efficiency stretch factor).

8. Savings Attribution

17. Savings from completed pilot projects, where they can be appropriately measured and accounted for, will be captured in the appropriate DSM program scorecard.

PROGRAM EVALUATION

1. This evidence is organized as follows:

1. OEB-led Activities

2. Utility-led Activities

2.1 Process Evaluation Guidelines

1. OEB-led Activities

2. As described in the DSM Framework, the OEB is accountable for activities related to the Evaluation, Measurement, and Verification (“EM&V”) Plan, impact evaluation and annual verification of DSM results, and the Technical Resource Manual (“TRM”) updates.¹ Enbridge Gas will continue to collaborate with OEB staff and the Evaluation Advisory Committee (“EAC”) to identify and support priorities related to these activities during the 2027-2030 DSM Plan term.
3. The budget for these activities is \$3.1 million for 2027, escalating annually by inflation for 2028 to 2030. In addition to supporting activities related to the EM&V Plan, impact evaluation and annual verification of DSM results, and the TRM updates, this budget also supports costs associated with the EAC and any other OEB-led studies, such as achievable potential studies. The budget does not include funding for any utility costs. As the costs for this budget item are entirely managed by OEB staff, Enbridge Gas expects that any actual overspend/underspend relative to the budget will be collected/returned to ratepayers through the DSMVA on an annual basis.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp. 18-19.

2. Utility-led Activities

4. As described in the DSM Framework, Enbridge Gas is accountable for activities related to process evaluation.²
5. The budget for these activities is \$0.59 million for 2027, escalating annually by inflation for 2028 to 2030. This budget supports the costs associated with utility-led evaluations of DSM offerings, including process evaluations, ongoing participant feedback studies, and any other utility-led studies. Administrative costs (such as for utility salaries) are not included in this budget item.
6. In its submissions for the previous multi-year DSM Plan³, OEB staff expressed concern that Enbridge Gas had not conducted enough process evaluations and had not promptly implemented resulting improvements to its DSM offerings.⁴ To address this concern and to support more efficient execution of process evaluation, Enbridge Gas undertook a new approach to process evaluations by focusing on targeted inquiries that addressed specific offering-related questions, as opposed to comprehensive or broad process evaluations that were conducted in prior years. As a result, Enbridge Gas is on track to complete more process evaluations in a shorter amount of time, with recommendations that are more applicable into the offering's design or delivery.
7. Since the start of the previous multi-year DSM Plan term (i.e., since 2023) and as of the filing of this Application, Enbridge Gas has completed four process evaluations and is currently in the process of completing one other, which is anticipated to be completed prior to the end of 2026.

² EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.19.

³ EB-2021-0002.

⁴ EB-2021-0002, OEB Staff Submission, May 19, 2022, pp.40-41.

2.1 Process Evaluation Guidelines

8. For the 2027-2030 DSM Plan term, Enbridge Gas has developed Process Evaluation Guidelines to be considered when developing its Process Evaluation Workplan, to support the identification and prioritization of offerings suitable for a process evaluation in pursuit of continuous improvements to program design and delivery. The guidelines will identify the offerings that will benefit the most from a process evaluation as well as the research goals and areas of investigation. The guidelines will enhance transparency of the process and provide the EAC with a better opportunity to provide informed and comprehensive feedback. Similar guidelines exist in jurisdictions such as Arkansas, Pennsylvania, and California.
9. Enbridge Gas's Process Evaluation Guidelines consist of three components:
 - a) Determining Whether and When to Perform a Process Evaluation
 - b) Key Focus Areas
 - c) Types of Process Evaluation

Determining Whether and When to Perform a Process Evaluation

10. The purpose of this guideline component is to help identify which offerings should undergo process evaluation based on the merits of the design and delivery of the offering itself. Ultimately, this will help Enbridge Gas prioritize timing and resources compared to potential process evaluations for other offerings.
11. Circumstances influencing the decision to conduct a process evaluation are provided below:
 - a) The offering has not previously undergone a process evaluation: Ideally, every program will have had a process evaluation within the last five years.
 - b) The offering is new: New offerings should be in market for at least one full program year before initiating a process evaluation. This allows for the

offering to be fully implemented and affords time to address any early design or delivery issues. A process evaluation performed too early in the offering lifecycle may affect the results of the process evaluation, for example, by highlighting issues that have already been resolved.

- c) Significant modifications to program design or delivery have occurred: Where an offering is not new but significant changes have been implemented, a process evaluation may be suitable to evaluate the effects of the changes.
- d) Delivery challenges: A process evaluation may help resolve known delivery or operational concerns with an offering, for example, administrative challenges, concerns with a delivery agent or trade ally, etc.
- e) Diminishing results or participation challenges: If an offering is not meeting targets or results are on a downward trend, a process evaluation could help identify areas of improvement in the offering.
- f) Offering-specific question(s): If Enbridge Gas has offering-specific questions that warrant exploration, a targeted process evaluation may be initiated for this purpose. For example, an offering may have a unique and innovative incentive mechanism where feedback from participants, trade allies, etc., would be of value.

Key Focus Areas

12. The purpose of this guideline component is to help define relevant focus areas for process evaluation. Without placing restrictions on what a process evaluation should or should not evaluate, this list of common key focus areas (which is not necessarily comprehensive and can be enhanced over time) can aid in determining the scope of a process evaluation.

13. Key Focus Areas include:

- a) New or modified aspects of program design or delivery
- b) Program marketing
- c) Administration
- d) Program delivery
- e) The impacts of various offering details, including:
 - i. Incentives
 - ii. Technical education
- f) Overall participant experience, including:
 - i. Motivation
 - ii. Goals
 - iii. Barriers
 - iv. Influence mediums
- g) The experience of other stakeholders (e.g., delivery agents or contractors)
Program systems

Types of Process Evaluations

14. Once Enbridge Gas has identified the offerings for which process evaluation would be most valuable and the appropriate focus areas of the research, Enbridge Gas will then determine the size of the study.

15. As outlined above, Enbridge Gas recently undertook a new approach to process evaluations by focusing on targeted inquiries that addressed specific offering-related questions, as opposed to comprehensive or broad process evaluations conducted in prior years. This approach will continue to be the appropriate approach for many offerings; however, some offerings will still benefit from broad process evaluations.

16. Understanding the size of the research being considered will help Enbridge Gas schedule and allocate resources for upcoming process evaluations, described further below.

- a) Comprehensive Process Evaluation: This type of process evaluation engages a wide range of stakeholders including end-users, trade allies, utility personnel, etc. Comprehensive process evaluations address multiple key focus areas and are often more expensive, due to their wide scope.
- b) Targeted Process Evaluation: Where a comprehensive process evaluation is not warranted or optimal, a targeted process evaluation allows Enbridge Gas to focus on a narrow group of key focus areas that may address specific questions or concerns the Company may have about the offering. Ideally, these process evaluations result in very focused recommendations for Enbridge Gas to apply to the offering to resolve any identified concerns.

17. Using these Process Evaluation Guidelines, Enbridge Gas intends to submit an updated Process Evaluation Workplan to the EAC in early 2027. The Process Evaluation Workplan will identify upcoming process evaluations and their anticipated scopes.

NET-TO-GROSS

1. This evidence is organized as follows:

1. The Application of NTG in the Development of Term Targets and Budgets
2. Developing and Applying NTG Values and Updates to Results and Targets
 - 2.1 Prospective Application of NTG Values and Updates to Results
 - 2.2 One-Time Prospective Application of NTG Updates to Targets
 - 2.3 Annual Methodology to Review and Update NTG Values
3. NTG Values for New Measures

1. The Application of NTG in the Development of Term Targets and Budgets

2. Net-to-gross (“NTG”) values (which include free-ridership and spillover) are applied to gross natural gas savings to reflect the savings specifically influenced by energy conservation programs.
3. During the development of the 2027-2030 DSM Plan, Enbridge Gas presented its proposed targets and budgets to the DSM Stakeholder Advisory Group (“SAG”). A member of the SAG asked if in developing these targets and budgets, Enbridge Gas utilized its previous evaluated NTG ratios to “gross up” the net targets to determine the associated budgets. Enbridge Gas confirmed that the previous NTG ratios were used when determining the relationship between the increased net results and total budget.
4. In order to achieve the ambitious targets proposed within the 2027-2030 DSM Plan, Enbridge Gas designed DSM programs to aggressively pursue savings results. As described throughout Exhibit E, changes to proposed DSM programming within the 2027-2030 DSM Plan includes increased incentives to reduce payback periods, increased incentives to support enabling activities, and increased engagement with trade allies and service providers.

5. After learning of these new approaches to program design and delivery, members of the SAG felt it would be inappropriate to apply NTG ratios that were the result of evaluations of historical offerings to these newly designed offerings.
6. There are some important limitations that require highlighting with respect to the historical NTG values, which arose during conversations with the SAG as follows:
 - a) Determining the effect of a DSM program's influence on an individual's decision making is complex and uncertain. The non-utility members of the SAG agreed "that there is no perfect way to precisely assess a program's influence."¹
 - b) The evaluated NTG ratios were the result of self-report surveys, which are generally understood to be uncertain due to the influence of many factors, including response bias, survey timing, and means of scoring free ridership.²
 - c) The previous NTG studies were conducted on offerings with a different approach to market than the newly proposed offerings. The newly proposed offerings include larger incentives and an updated suite of measures that better meet the current needs of customers.
 - d) At the outset of this process, the best available evaluated NTG studies were quite old, ranging from 2015 to 2018. Toward the end of SAG discussions on NTG, 2023 evaluated free rider results for the custom commercial, industrial, and large volume offerings were available, and factored into final conversations with the SAG and the Evaluation Advisory Committee ("EAC").³

¹ EB-2022-0295, SAG Report, November 11, 2024, p.26

² EB-2021-0002, Exhibit E, Tab 4, Schedule 5, Attachment 1, pp.19 – 20.

³ Since that time, new evaluated 2024 free rider results are available although have not been published as of the time of this filing.

e) Some historical NTG ratios, in particular for prescriptive measures, were based on dated studies with very small sample sizes and might not be appropriate for application into future target development. The Natural Gas DSM Stakeholder Advisory Group Report to the OEB (“SAG Report”) noted that “[t]he OEB’s Evaluation Contractor, DNV, provided some insights related to the previous prescriptive NTG assessments, noting that for certain measures, there was limited participation which resulted in very small sample groups for some measures.”⁴

7. Considering the SAG conversations noted above and the limitations associated with the historical NTG values, it became clear to SAG members that new NTG values were needed to develop proposed targets for this Application. These new NTG values should represent the best estimate of future actual NTG ratio values. As noted in the SAG Report:

Non-utility members stressed the importance that as part of its planning process, Enbridge develop budgets and targets with estimated NTG values that consider future programs. It was acknowledged by non-utility members that forecasting budgets and targets for future programs with a NTG ratio that is too high or too low provides risk to ratepayers (through inflated budgets that are not required to meet the natural gas savings targets, or a windfall shareholder incentive for Enbridge) or Enbridge (through natural gas savings targets that cannot be met).⁵

8. As a result, NTG values for the purpose of forecasting results and budgets were deemed through a OEB staff led forum, involving utility and non-utility members of the SAG and EAC, with input from the Evaluation Contractor.⁶ In this way, it was possible to develop more realistic natural gas savings targets and associated

⁴ EB-2022-0295, SAG Report, November 11, 2024, p.28.

⁵ EB-2022-0295, SAG Report, November 11, 2024, p.25.

⁶ NTG values proposed in support of this Application are provided at Exhibit D, Tab 10, Schedule 1, Attachment 2.

budgets that are reflective of new program designs. For the purpose of this Application, “deemed NTG values” are those that are not evaluated, instead they are either: a) estimated by the SAG and/or EAC; b) historical estimates; or c) estimated at 80% for new measures (see Section 3).

2. Developing and Applying NTG Values and Updates to Results and Targets

9. The decision to use deemed NTG values in the development of term targets and budgets led to detailed discussions at the SAG and resulted in a number of inter-related recommendations. Enbridge Gas proposes that all three of the following changes be approved in order to minimize risk to the ratepayers and the utility. The changes are summarized here and described in full below:

- a) NTG values and updates should be applied prospectively to results for all programs. This approach aligns with the approach used in Illinois⁷ and has been identified as regulatory best practice.⁸
- b) NTG updates should be applied prospectively into targets on a one-time basis, the first time a deemed NTG value is updated per NTG value per term.
- c) NTG values will be reviewed by the EAC annually and updated when appropriate.

2.1 Prospective Application of NTG Values and Updates to Results

10. Establishing NTG values to determine scorecard results as well as the application of NTG updates (i.e., retroactive vs. prospective) were important discussions at the SAG, and included consideration of impacts to both ratepayers and the utility. As noted in the SAG report, non-utility members felt that decisions governing NTG policy should avoid unreasonable risk to ratepayers and the utility, including:

⁷ Illinois Energy Efficiency Policy Manual Version 3.0, Section 6.3, p.30. https://www.ilsag.info/wp-content/uploads/IL_EE_Policy_Manual_Version_3.0_Final_11-3-2023.pdf

⁸ EB-2021-0002, Exhibit E, Tab 4, Schedule 5, Attachment 2, p.17.

- a) Ratepayers incurring risk if a pessimistic NTG assumption is used to set savings targets and future evaluation finds the NTG value to be considerably higher than that used to set savings targets, such that savings are inflated but targets unadjusted and higher shareholder incentives are recovered as a result.
- b) The utility incurring risk if there are fixed savings targets for each year of its DSM plan, an overly optimistic assumption about NTG is used at the outset of a multi-year plan for setting those targets, future OEB evaluations finds the NTG to be considerably lower such that savings in future years are reduced but targets are unadjusted and lower shareholder incentives are earned as a result.⁹

11. Applying NTG values to results that are misaligned with the NTG values used to develop targets (i.e., the retroactive application of NTG updates) creates significant uncertainty for the utility as well as risk to both the ratepayers and utility. Further, as a result of the time required to complete a NTG study following a program year, NTG values that only reflect a snapshot of one program year, when applied retroactively, often impact more than one year's worth of program results. In that scenario, results and targets would be misaligned. Additionally, retroactive application of NTG updates increases regulatory burden throughout the audit and the Deferral and Variance Account Disposition Application proceeding.

12. Enbridge Gas believes that the prospective application of NTG values into results reduces the risk for both the ratepayer and utility of either a windfall for Enbridge Gas or a reduced ability for Enbridge Gas to realistically achieve targets.

⁹ EB-2022-0295, SAG Report, November 11, 2024, p.30.

13. Non-utility SAG members supported a prospective application of NTG updates for all programs:

Non-utility members agreed that the OEB should apply updated NTG values on a prospective basis for all programs/offers. Non-utility members acknowledged that Enbridge has a greater level of influence and control over participants in its custom commercial and industrial offers, but that applying the updated NTG values prospectively strikes a reasonable balance of risk between ratepayers and the utility – as long as NTG assumptions are updated regularly (e.g., annually).¹⁰

2.2 One-Time Prospective Application of NTG Updates to Targets

14. As outlined above, there can be a risk to the ratepayers and the utility when there is a misalignment between the NTG value applied to set targets and to determine net results. The term targets in this Application were developed using deemed NTG values, estimated by the SAG and EAC in consideration of future programming. However, it is uncertain what future NTG evaluations will determine. In the event a NTG evaluation, conducted part way through the term, yields updated NTG values that vary significantly from the deemed NTG, which was estimated in 2024, then results and targets for the following year will be misaligned. This is because the updated NTG value will be applied prospectively into results, but the target will still reflect the deemed NTG as it was estimated prior to the plan term.

15. To mitigate the risk of targets set either too high or too low due to inaccurate predictions of NTG values, Enbridge Gas proposes a one-time prospective adjustment to targets, which was addressed in the SAG Report, as follows:

Non-utility members agreed that it would be reasonable to consider a one-time target amendment to recognize NTG values determined through evaluations, appreciating that the updated NTG values recommended by the non-utility members are only educated estimates, and empirical results

¹⁰ EB-2022-0295, SAG Report, November 11, 2024, p.31.

will be available, which have the potential to impact savings in either a positive or negative manner. Non-utility members agreed that this would provide for reasonable flexibility early in the next plan period and recognize the variability in actual versus estimated results in response to a number of program changes, some material in nature.¹¹

16. This target adjustment would only update term targets once per deemed NTG value.

2.3 Annual Methodology to Review and Update NTG Values

17. Enbridge Gas largely supports the Process to Apply Updated Net-to-Gross Values as outlined in the SAG report, as follows:

- a) NTG values are determined (i.e., approved) at the outset of the plan term by the OEB, with the granularity of the NTG values commensurate with the impacts of the program/offer/measure.
- b) Each year, annual adjustments to NTG values are considered by the EAC when there's a basis for making a change (e.g., an evaluation has taken place, a party has identified a value that requires consideration, etc.)
- c) The OEB's Evaluation Contractor proposes its initial recommendation for changes to NTG values based on their assessment of relevant information (including recent evaluation results, NTG results from other jurisdictions, documentation and proposals from Enbridge and/or EAC members, etc.).
- d) EAC members, including both non-utility and utility members, try to come to consensus on revised NTG values, informed by information provided by the independent evaluator.

¹¹ EB-2022-0295, SAG Report, November 11, 2024, p.20.

- e) If consensus is reached by members of the EAC, the agreed-to NTG value is used prospectively for all programs/offers/measures and included as part of the program implementation and evaluation for the program year that immediately follows.
- f) If the EAC does not reach consensus, the OEB's Evaluation Contractor, based on its expert judgement and independent review (and the benefit of the discussion among the EAC and Enbridge), determines the updated NTG value to be applied going forward.¹²

18. Enbridge Gas believes that the above should be supplemented with additional details regarding timelines and definitions to be determined through the EAC and documented as appropriate.

3. NTG Values for New Measures

19. For the purpose of assigning NTG values to new measures, a deemed NTG adjustment of 80% should be applied until a NTG value specific to the measure is established by the EAC. Enbridge Gas proposed this approach for NTG values for new measures to the SAG¹³ and EAC; non-utility SAG members did not provide any objections.

20. Implementation of the recommendations described throughout this Schedule requires modifications to the DSM Framework. The proposed modifications are provided at Sections 2.6 and 2.7 of Exhibit C, Tab 1, Schedule 1.

¹² EB-2022-0295, SAG Report, November 11, 2024, p.31.

¹³ EB-2022-0295, SAG Report, November 11, 2024, p.31.

DSM PLAN INPUTS

1. This evidence is organized as follows:

1. Input Assumptions and Adjustment Factors
 - 1.1 New Prescriptive Measure Input Assumptions and Adjustment Factors
2. Avoided Costs
3. Weighted Average Measure Life (“WAML”)

1. Input Assumptions and Adjustment Factors

2. For the purpose of forecasting DSM results and establishing targets for this Application, Enbridge Gas has applied input assumptions and adjustment factors. As outlined in the DSM Framework,¹ input assumptions include natural gas savings, electricity impacts (reflecting both reductions and increases in electricity use), water impacts, effective useful life (“EUL”), and equipment cost. Adjustment factors include net-to-gross (“NTG”) adjustments and verification adjustments.
3. Since the filing of its previous multi-year DSM Plan², Enbridge Gas consulted with the IESO and has updated its approach to quantifying electricity impacts to more closely align with the IESO’s methodology, as encouraged by the OEB.³ While Enbridge Gas has always quantified annual and lifetime kWh impacts (energy impacts), the Company is now also quantifying electricity peak kW impacts (capacity impacts). Peak kW impacts are estimated as the portion of kWh impacts that occur during peak hours as defined by the IESO.
4. For prescriptive measures that are currently in the TRM, Enbridge Gas has applied either TRM input assumptions or historical averages for the purposes of forecasting

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.20.

² EB-2021-0002.

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.84.

DSM results and setting targets.⁴ The current TRM (Version 9.0, dated May 23, 2025) was completed by the OEB's Evaluation Contractor ("EC") as part of its annual TRM review. Enbridge Gas will continue to use the TRM to claim energy savings results, accounting for any future TRM updates as appropriate.

5. For measures that are not in the TRM, for example, commercial custom projects or residential whole home projects, Enbridge Gas used best available input assumptions at the time of filing this Application for the purposes of forecasting DSM results and proposing targets. Enbridge Gas will use project-specific input assumptions or best available information to claim energy savings results. Best available information also includes EUL input assumptions. Enbridge Gas will use the EULs provided in Exhibit D, Tab 10, Schedule 1, Attachment 1 in order to determine actual results, until such time as EUL values are re-evaluated through the OEB led evaluation, measurement and verification ("EM&V") process.
6. As outlined in the DSM Framework,⁵ adjustment factors are used to determine the final net savings to be claimed by the utility. These include NTG and verification adjustments. For the purposes of forecasting DSM results and proposing targets, Enbridge Gas used adjustment factors from prior verification studies available at the time of filing this Application for all measures and offerings, with the exception of NTG adjustments.
7. As described in Exhibit D, Tab 9, Schedule 2, for the purposes of forecasting DSM results and proposing targets, Enbridge Gas used NTG values (provided at Exhibit

⁴ There are a number of measures for which Enbridge Gas has submitted research to the Evaluation Advisory Committee to support the development of new or updated TRM values. These new or updated input assumptions will not be approved or form part of the TRM until after the submission of this Application. On an exception basis, Enbridge Gas believes it is appropriate to use new or updated inputs as best available information to forecast DSM results and set targets.

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.21-22.

D, Tab 10, Schedule 1, Attachment 2) that were either deemed or evaluated. To claim energy results, Enbridge Gas will use the NTG values provided in Attachment 2 until such time as new NTG values are determined by the Evaluation Advisory Committee (“EAC”), consistent with the methodology proposed in Exhibit D, Tab 9, Schedule 2.

8. As described in Exhibit D, Tab 9, Schedule 2 and supported in the Natural Gas DSM Stakeholder Advisory Group Report to the OEB (“SAG Report”),⁶ changes to NTG adjustments will be applied prospectively.

1.1. New Prescriptive Measure Input Assumptions and Adjustment Factors

9. In the development of this Application, Enbridge Gas has introduced two prescriptive measures, which are new to the Company’s DSM programming and have not yet been included in the TRM review process.
10. For these new measures, Enbridge Gas expects to provide research to the EC for their inclusion into a future TRM update. To forecast DSM results, Enbridge Gas has used placeholder input assumptions for these measures. The input assumptions are informed by internal analysis and TRMs from other jurisdictions. Table 1 details these placeholder input assumptions and adjustment factors for the new measures included in this Application.

⁶ EB-2022-0295, SAG Report, November 11, 2024, p.31.

Table 1
Input Assumptions and Adjustment Factors for New Measures^{1,2,3,4}

	Water Heating Electric Heat Pump	Water Heating Electric Heat Pump
Sector	Commercial/ Industrial	Residential, Microbusiness
Natural Gas (m³)	434	596
Electricity (kWh)	-1,325	-1,325
Summer Electric Peak Impacts (kW)	-0.152	-0.152
Winter Electric Peak Impacts (kW)	-0.240	-0.240
Water (L)	0	0
EUL (Years)	15	15
Incremental Cost (\$)	3,260	1,832
NTG (%)	80	80

Notes:

¹ The savings and energy usage data presented in this table are derived from averages across multiple scenarios.

² A positive value indicates energy savings and a negative value indicates an increased energy usage.

³ The NTG values indicated in this table exclude the Income Qualified Program, which has a NTG of 100% as per the DSM Framework.⁷

⁴ Where applicable to the Income Qualified Program, input assumptions used for forecasting may differ from the table due to program design and baselines unique to the program.

11. As outlined in Exhibit D, Tab 2, Schedule 1, Enbridge Gas will update its term targets once the measure research and substantiation has been provided to the EC. For the purpose of claiming energy savings results, Enbridge Gas will use the researched values provided to the EC following the TRM process outlined in Section 8.5 of the DSM Framework, rather than the placeholder values provided above. Subsequently, any changes to the input assumptions and adjustment factors for the measures above in future years will follow the processes proposed in Section 2.7 of Exhibit C, Tab 1, Schedule 1.

⁷ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.10-11.

2. Avoided Costs

12. For previous multi-year DSM plans, Enbridge Gas updated avoided costs on an annual basis. Enbridge Gas now proposes maintaining the current estimates of avoided costs (provided at Exhibit D, Tab 10, Schedule 1, Attachment 3) for the duration of the 2027-2030 DSM Plan term, adjusted each year only for inflation. This is similar to the IESO's historical approach of filing a fixed set of avoided costs in their 2021-2024 CDM plan and updating them only as part of their mid-term filing.⁸
13. Enbridge Gas proposes fixing the avoided costs to allow for certainty in designing DSM programming, prioritizing research, and forecasting results. In the event that there is a significant development impacting the DSM avoided costs, Enbridge Gas will update the avoided costs to reflect these changes, as appropriate.
14. Enbridge Gas is using the following approaches and information for its DSM avoided cost components.
- a) Avoided natural gas upstream transportation and third-party services and avoided natural gas seasonal storage requirement costs: Based on supply planning models (e.g., SENDOUT®).
 - b) Avoided natural gas commodity costs: Based on supply planning models (e.g., SENDOUT®), and third-party long-term commodity forecasts.
 - c) Avoided unaccounted for natural gas fuel losses: Based on OEB approved unaccounted for gas annual rate, applied to all rate zones.

⁸ IESO, 2021-2024 Conservation and Demand Management Framework Mid-Term Review, December 2022, p.19.

- d) Avoided natural gas downstream infrastructure costs: Based on the 2015 Navigant Avoided Distribution Costs report for the EGD rate zone, and the 2018 ICF Assessment of Union Avoided Local Distribution System Infrastructure Costs report for the Union rate zones.
- e) Avoided costs, other resources (electricity): Enbridge Gas applies the IESO's Annual Marginal Energy Cost for avoided electricity energy costs (\$/kWh) and the IESO's Annual Marginal Capacity Costs for summer and winter avoided electricity capacity costs (\$/kW), applying either the summer or winter peak capacity costs, reflecting the IESO's forecast of system need.⁹
- f) Avoided costs, other resources (water): Based on the average rates of retail cost of water, from the municipalities within the EGD rate zone and the Union rate zones, reduced to estimate the portion of the retail cost that is consumption-variable.
- g) Avoided carbon costs: Effective April 1, 2025, the Government of Canada set the Federal Carbon Charge to zero.¹⁰

3. Weighted Average Measure Life ("WAML")

15. In alignment with the proposed language in the DSM Framework provided at Exhibit C, Tab 1, Schedule 1, Section 2.1, Enbridge Gas is proposing a WAML threshold of 12 years, which the Company believes is the appropriate value reflecting the measure mix included in the 2027-2030 DSM Plan.

⁹ IESO, 2025 Annual Planning Outlook, Marginal Energy Costs and Capacity Costs, May 2025.

¹⁰ Government of Canada. (March 15, 2025). Regulations Amending Schedule 2 to the Greenhouse Gas Pollution Pricing Act and the Fuel Charge Regulations: SOR/2025-107, <https://canadagazette.gc.ca/rp-pr/p2/2025/2025-03-15-x2/pdf/g2-159x2.pdf>

16. The threshold of 12 years is lower than the value directed by the OEB in the previous multi-year DSM Plan proceeding.¹¹ This is because Enbridge Gas has changed its measure mix in order to improve the cost-effectiveness of the DSM portfolio. For example, for the Residential Program there is a greater emphasis on the Single Measure Offering (which has a shorter average measure life) relative to the Whole Home Offering (which has a longer average measure life).

¹¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.67.

Table 1
Custom EUL guideline

Technology	Equipment Type	Sector	EUL
Boilers	Industrial Process - greater than 2500 MBHp	Industrial	25 yrs.
	Space heating - Under 300 MBHp	Commercial & Multi-Residential	25 yrs.
	Space heating - 300 to 2500 MBHp	Commercial & Multi-Residential	25 yrs.
	Domestic Hot Water	Commercial & Multi-Residential	25 yrs.
	Controls (Non Burner Mod.)	All	15 yrs.
	Controls (Burner Modification)	All	20 yrs.
	Air Makeup (line)	Industrial	15 yrs.
	Oxy-Fuel	Industrial	20 yrs.
	Low NOx Boiler	Industrial	25 yrs.
Building Optimization	Operational Improvement	Commercial	5 yrs.
Economizers	Conventional and condensing	Industrial & Commercial	20 yrs.
Electronic Burner Control	Linkage-Less Controls, Modulating Motors, Mod Motors	Industrial & Commercial	20 yrs.
Agriculture	IR Poly	Greenhouse	5 yrs.
	Energy Curtains	Greenhouse	10 yrs.
	Grain Dryer	Commercial	20 yrs.
HVAC	Air Curtains (single and double door)	Commercial	15 yrs.
	High Speed Doors	Industrial & Commercial	15 yrs.
	Building Automation System - New	Industrial & Commercial	15 yrs.
	Cooling tower for HVAC systems	Commercial	15 yrs.
	Destratification	Industrial & Commercial	15 yrs.
	Dessicant Cooling	Industrial & Commercial	15 yrs.
	Exhaust Fan Controls	Commercial	15 yrs.
	Heat Recovery (COM)	Commercial	15 yrs.
	Heat Recovery (IND)	Industrial	20 yrs.
	Infiltration Controls - Dock Seals	Commercial	10 yrs.

Technology	Equipment Type	Sector	EUL
	Infiltration Controls - Air Doors	Industrial & Commercial	15 yrs.
	Advance Building Automation System	Commercial & Multi-Residential	15 yrs.
	Demand Control Ventilation	Industrial & Commercial	15 yrs.
	Make-Up Air	All	15 yrs.
	Heat Reflector Panels	Commercial & Multi-Residential	15 yrs.
	VFD retrofit on MUA	Commercial / Multi-Residential and Industrial	15 yrs.
	Infrared heaters	Industrial	17 yrs.
	Furnace	Industrial	18 yrs.
	Turndown controls on Modulating Boiler	Commercial	15 yrs.
Heat Exchangers	Plate - Plate or Tube-Tube (COM)	Commercial	17 yrs.
	Plate - Plate or Tube-Tube (IND)	Industrial	
	Air -Air (COM)	Commercial	
	Air -Air (IND)	Industrial	
Insulation	Roof/Ceiling insulation	Industrial & Commercial	25 yrs.
	Pipe Insulation	Industrial & Commercial	14 yrs.
	Building Weatherization - Air sealing	Commercial	15 yrs.
	Building Envelope	Commercial	25 yrs.
	Tank Exterior Insulation	Industrial & Commercial	20 yrs.
Ovens and Thermal oxidizers	Low Temperature (less than 300°C)	Industrial	20 yrs.
	Medium Temperature (300°C - 1000°C)	Industrial	20 yrs.
	High Temperature (>1000°C)	Industrial	20 yrs.
Process Controls	Electronic Loop Controllers	Industrial	20 yrs.
	PLC's	Industrial	20 yrs.
	Flame Supervision (relays)	Industrial	20 yrs.
Steam Distribution	Steam Traps	Industrial & Commercial	6 yrs.
	Steam Valve	Industrial Food Services	10 yrs.

Technology	Equipment Type	Sector	EUL
Water Conditioners	Reverse Osmosis (RO)	Industrial	20 yrs.
	Ion Exchange	Industrial	20 yrs.
Industrial Equipment	All other industrial equipment	Industrial	20 yrs.
Water Heating	High Extraction Washer	Commercial	10 yrs.
	Ice Resurfacing	Commercial	10 yrs.
HVAC	Heat Pumps	Commercial	15 yrs.
Residential	Whole Home	Residential	25 yrs.
	Income Qualified – Whole Home	Residential	25 yrs.
	Air Sealing (Single Measure)	Residential	15 yrs.
	Behavioural	Residential	1 yr.

Table 1
Offering-Level Net to Gross Values

Program: Offering	Free Rider Rate	Spillover	NTG	Source
Commercial Program: Commercial Custom Offering, Commercial Existing Building Commissioning Offering	28%	3%	75%	1
Industrial Program: Industrial Custom Offering	33%	3%	70%	1
Large Volume Program: Large Volume Direct Access Offering	77.07%	0.82%	23.75%	2
Residential Program: Whole Home Offering	20%	10%	90%	1
Residential Program: Smart Home Offering	21%	7%	86%	1
Residential Program: Energy Education and Outreach Offering	0%	0%	100%	3
Income Qualified Program: All offerings	0%		100%	4
Commercial Program: Commercial Microbusiness Offering			80%	5

Sources:

- (1) Deemed values set via SAG/EAC discussions as outlined in SAG report.¹
- (2) Studied values measured via EC-led studies. Free rider value determined through the 2023 and 2024 NTG studies² and spillover value determined in the 2015 custom spillover study.³
- (3) Deemed value determined via a jurisdictional scan of North American behavioural programs. See Exhibit D, Tab 10, Schedule 1, Attachment 4.
- (4) As per DSM Framework⁴ and continued support within SAG discussions.
- (5) As proposed in Section 2.6 of Exhibit C, Tab 1, Schedule 1.

¹ EB-2022-0295, SAG Report, November 11, 2024, pp.28-29.

² Pending release.

³ CPSV Participant Spillover Results Report, DNV, (May 23, 2018), <https://engagewithus.oeb.ca/26884/widgets/108755/documents/94560>

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework) pp.10-11.

Table 2
Commercial/Industrial Net to Gross Values (Deemed Unless Otherwise Noted)

Measure Grouping	Prescriptive Downstream NTG	Direct Install NTG	Upstream NTG
Adaptive Thermostat	85%	97%	85%
Air Curtains	50% ¹	95%	95%
Combi-Oven	80%	80%	80%
Condensing Storage Water Heater	95%	95%	95%
Condensing Tankless Water Heater	98%	98%	98%
Condensing Unit Heater	100%	100%	100%
Conveyor Broilers	80%	80%	80%
Conveyor Ovens	80%	80%	80%
Demand Control Kitchen Ventilation (DCKV)	62% ¹	95%	95%
Demand Control Ventilation (DCV)	80%	80%	80%
Destratification Fan	90%	90%	90%
Dock Door Seals	50%	95%	95%
Energy Star Convection Oven	80%	80%	80%
Energy Star Dishwasher - Conveyor type	73%	73%	73%
Energy Star Dishwasher - Stationary door type	80%	80%	80%
Energy Star Dishwasher - Undercounter	60%	60%	60%
Energy Star Fryer	80%	80%	80%
Energy Star Rack Oven	80%	80%	80%
Energy Star Steam Cooker	80%	80%	80%
ERV and ERV In-suite	30% ¹	95%	95%
Faucet Aerator	90%	90%	90%
Griddles	80%	80%	80%
Heat Pump Water Heater	80%	80%	80%
High Efficiency Condensing Furnace	82.5%	82.5%	82.5%
HRV and HRV In-suite	95%	95%	95%
Hybrid Rooftop Unit (RTU)	97.5%	97.5%	97.5%
Infrared Heater	67%	67%	67%
Low-Flow Showerhead	90%	90%	90%
Make-Up Air (MUA) Unit	95%	95%	95%
Ozone Laundry	92%	92%	92%
Under Fired Broilers	80%	80%	80%

Notes

¹ 2017 CI Prescriptive Verification Report, Itron, (February 7, 2020),
<https://engagewithus.oeb.ca/26884/widgets/108755/documents/136076>

Table 3
Residential Net to Gross Values (Deemed)

Measure Grouping	Single Measure NTG	Moderate Income Direct Install NTG
Air Sealing	80% ¹	80% ¹
Attic Insulation	89%	89%
Heat Pump	91% ²	91% ²
Heat Pump Water Heater	80% ¹	80% ¹
Heat reflector panels	100%	100%
Pipe wrap	96%	96%
Faucet Aerator	67%	67%
Low-Flow Showerhead	90%	90%
Smart Thermostat	86% ³	86% ³

Notes:

¹ As proposed in Section 2.6 of Exhibit C, Tab 1, Schedule 1.

² These NTG values were deemed via SAG/EAC discussions as outlined in the SAG report⁵ and consist of 31% Free Ridership and 22% Spillover.

³ These NTG values were deemed via SAG/EAC discussions as outlined in the SAG report⁶ and consist of 21% Free Ridership and 7% Spillover.

⁵ EB-2022-0295, SAG Report, November 11, 2024, pp.28-29.

⁶ EB-2022-0295, SAG Report, November 11, 2024, pp.28-29.

2027 Avoided Costs

Inflation Rate	2.00%
Discount Rate Nominal	6.08%
Discount Rate Real	4%

Table 1
2027 Avoided Costs^{1,2}

Year	Gas Costs (\$/m ³)		Carbon Costs (\$/m ³)	Water Costs (\$/m ³)	Electricity Marginal Energy Costs (\$/kWh) ³	Electricity Summer Peak Marginal Capacity Costs (\$/kW) ³	Electricity Winter Peak Marginal Capacity Costs (\$/kW) ³
	Baseload	Weather Sensitive					
2027	0.203	0.245	0.00	1.078	0.066	210.85	0.00
2028	0.236	0.269	0.00	1.100	0.065	242.80	0.00
2029	0.262	0.295	0.00	1.122	0.072	263.47	0.00
2030	0.283	0.317	0.00	1.144	0.067	290.39	0.00
2031	0.299	0.333	0.00	1.167	0.062	350.63	0.00
2032	0.300	0.335	0.00	1.190	0.054	391.39	0.00
2033	0.311	0.348	0.00	1.214	0.048	397.76	0.00
2034	0.314	0.350	0.00	1.238	0.040	398.72	0.00
2035	0.316	0.353	0.00	1.263	0.035	400.98	0.00
2036	0.320	0.359	0.00	1.288	0.040	399.48	0.00
2037	0.329	0.368	0.00	1.314	0.042	406.82	0.00
2038	0.341	0.381	0.00	1.341	0.048	422.67	0.00
2039	0.356	0.396	0.00	1.367	0.059	0.00	431.12
2040	0.367	0.408	0.00	1.395	0.057	446.92	0.00
2041	0.381	0.423	0.00	1.423	0.062	463.90	0.00
2042	0.390	0.433	0.00	1.451	0.064	480.75	0.00
2043	0.411	0.455	0.00	1.480	0.078	0.00	513.80
2044	0.425	0.470	0.00	1.510	0.072	0.00	545.57
2045	0.450	0.496	0.00	1.540	0.066	578.67	0.00
2046	0.462	0.508	0.00	1.571	0.055	612.69	0.00
2047	0.477	0.525	0.00	1.602	0.047	645.29	0.00
2048	0.494	0.542	0.00	1.634	0.042	676.61	0.00
2049	0.511	0.560	0.00	1.667	0.037	706.79	0.00
2050	0.528	0.579	0.00	1.700	0.036	735.91	0.00
2051	0.546	0.598	0.00	1.734	0.036	750.63	0.00
2052	0.564	0.617	0.00	1.769	0.037	765.64	0.00
2053	0.583	0.637	0.00	1.804	0.038	780.95	0.00
2054	0.603	0.657	0.00	1.840	0.039	796.57	0.00
2055	0.615	0.671	0.00	1.877	0.039	812.50	0.00
2056	0.627	0.684	0.00	1.915	0.040	828.75	0.00
2057	0.640	0.698	0.00	1.953	0.041	845.33	0.00
2058	0.652	0.712	0.00	1.992	0.042	862.23	0.00
2059	0.666	0.726	0.00	2.032	0.043	879.48	0.00
2060	0.679	0.740	0.00	2.072	0.044	897.07	0.00
2061	0.692	0.755	0.00	2.114	0.044	915.01	0.00

Notes:

¹ Costs are in nominal dollars except for carbon, which are in real dollars.

² IESO, 2025 Annual Planning Outlook, Marginal Energy Costs and Capacity Costs, May 2025.

ENBRIDGE GAS'S JURISDICTIONAL SCAN OF FREE RIDERSHIP IN
BEHAVIOURAL PROGRAMS, NOVEMBER 2025

Brief description of research

Seeking to understand what the average free ridership rate is for other behavioural programs, particularly those that have both treatment and control groups. Behavioural programs are also referred to as Home Energy Reports.

Key Objectives

To find the free ridership rates from different jurisdictions.

Research Results

A key feature of the randomized control trial ("RCT") design for the Home Energy Report program is that the analysis estimates net savings, rather than gross savings. Customers are randomly assigned to treatment and control groups, ensuring that both groups have, on average, the same likelihood of taking energy-conserving actions in the absence of the program. This design inherently addresses free ridership, so no NTG adjustment is necessary.

Jurisdiction	Measure	Free Ridership Rate
Connecticut ¹	Behavioral Change (electric and gas)	0%
Massachusetts ²	Home Energy Reports (electric and gas)	0%
Rhode Island (National Grid) ³	New Movers Dual Fuel (home energy reports, gas)	0%
Rhode Island (National Grid) ⁴	Existing Gas (home energy reports, gas)	0%
Rhode Island (National Grid) ⁵	New Movers Gas only (home energy reports, gas)	0%
Rhode Island (National Grid) ⁶	Existing Dual Fuel (home energy reports, gas)	0%
PacifiCorp (WY, ID) ⁷	Home Energy Report (electric)	0%
People's Gas and North Shore Gas (IL) ⁸	Home Energy Report (gas)	0%
Evergy (MO) ⁹	Home Energy Report (electric)	0%
Nicor Gas (IL) ¹⁰	Home Energy Report, (gas)	0%
Eversource, Liberty, Unitil, NHEC (New Hampshire)	Statewide Hew Hampshire, (electric and gas)	0%

¹ Connecticut's 2025 Program Savings Document, energizeCT (March 1, 2025), p.587,

<https://app.box.com/s/fifmyf2x4l2t09q0wohezi5pe14js2py>

² Massachusetts eTRM, Version 2025-2027 Three-Year Plan, Measures – Behavior – Home Energy Report, p.33, <https://www.masssavedata.com/Public/TechnicalReferenceLibrary>

³ Rhode Island Technical Reference Manual For Estimating Savings from Energy Efficiency Measures 2025 Program Year, Rhode Island Energy (October 2024), p.1047, <https://ripuc.ri.gov/sites/g/files/xkqbur841/files/2024-10/24-39-EE%20Rhode%20Island%20Technical%20Reference%20Manual%20%E2%80%93%202025%20Program%20Year.pdf>

⁴ Ibid, p.1049.

⁵ Ibid, p.1053.

⁶ Ibid, p.1051.

⁷ Wyoming Home Energy Reports Program 2015-2016 Evaluation Report, Navigant Consulting (August 18, 2017), p.11, https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/wyoming/Rocky_Mountain_Power_Wyoming_HER_Evaluation_Report_final.pdf

⁸ Residential Education and Outreach Program Impact Evaluation Report, Guidehouse (June 15, 2021), p.5, https://www.ilsag.info/wp-content/uploads/PGL_NSG-Home-Energy-Reports-2020-Impact-Eval-Report-2021-06-15-Final.pdf

⁹ MEEIA Cycle III: Residential & Demand Response Measurement, and Verification Report Evergy Metro and Missouri West: Main Report, ADM Associates (July 1, 2021), pp.2-4, <https://efis.psc.mo.gov/Document/Display/4531>

¹⁰ Home Energy Reports Impact Evaluation Report, Program Year 2022, Guidehouse (June 16, 2023), p.1, <https://www.nicorgas.com/wp-content/uploads/2023/06/16-Final.pdf>

PROGRAM OVERVIEW

1. Enbridge Gas has designed the DSM programs within its 2027-2030 DSM Plan in alignment with the OEB's DSM Framework and in consideration of stakeholder feedback. The proposed DSM programs deliver meaningful natural gas savings with increased program access for customers.
2. In addition to providing financial incentives to customers for energy efficiency upgrades, the 2027-2030 DSM Plan is focused on achieving market transformational outcomes by advocating for the integration of energy efficiency into everyday practices and business operations. This focus is embedded throughout the 2027-2030 DSM Plan and is a core component of the DSM program strategies.
3. To influence long term market transformation and adoption of energy efficient technologies, the DSM programs within Enbridge Gas's 2027-2030 DSM Plan are designed with a focus of expanding market accessibility, capacity building, and increasing energy literacy by fostering a culture of energy awareness.

1. Expanding Market Accessibility

4. To broaden access to energy efficiency solutions, the 2027-2030 DSM Plan will target historically underserved sub-segments and will expand its network of participating retailers, contractors, and professional trade allies across all sectors. This expanded network will enhance program awareness and encourage participation among a diverse customer base. Key examples include:
 - a) The proposed residential Moderate Income Direct Install Offering aims to serve customers that may not qualify for traditional income-based programs yet still face financial barriers to investing in energy efficiency solutions.

- b) Recruiting additional participating retailers and contractors in the residential Smart Home Offering ensures more customers are aware of and have access to the offering, while the post-purchase rebate option is expected to help address geographic challenges and increase engagement among residents in Northern Ontario, where natural gas use is higher but historical DSM program uptake is lower than Southern Ontario.
 - c) The residential Education & Outreach Offering will engage 150,000 to 263,000 participants, empowering customers to understand and optimize their energy use.
 - d) The Commercial Microbusiness offering will drive adoption of weatherization measures and increase the reach of DSM programming for the smallest commercial customers.
 - e) The expansion of the Commercial/Industrial Prescriptive Direct Install Offering delivery network is expected to extend the reach of current DSM programming by engaging hard-to-reach customers and addressing geographic participation gaps.
 - f) Increasing participation of distributors and manufacturers through the Commercial/Industrial Prescriptive Upstream Offering can influence shifts in the supply chain with the goal of altering what is promoted and made available in the market.
5. Additionally, the Home Renovation Savings (“HRS”) Program, launched in 2025, significantly improves residential market accessibility. This coordinated and jointly delivered program between Enbridge Gas and the IESO provides a convenient, simplified “one-stop-shop” experience for customers and trade allies to access all

residential energy conservation incentives and rebates available through Enbridge Gas or the IESO, regardless of fuel type.

2. Capacity Building

6. To achieve the 2027-2030 DSM Plan's natural gas savings goals and to support customers in making informed decisions about their energy efficiency options, it is essential to invest in the skills and capacity of the energy efficiency industry.

Examples include:

- a) In the residential market, HVAC and attic insulation contractors will be provided targeted tools and resources to ensure they are equipped with the knowledge and skills necessary to confidently address customer inquiries and support customers with energy conservation choices.
- b) In the commercial and industrial markets, education, training, technical tools, sales support, and other resources will be made available to trade allies and commercial contractors to increase their understanding of technologies and enhance their comfort with promoting them to customers.

3. Fostering a Culture of Energy Awareness

7. Enbridge Gas's DSM programs will continue to support the development of an environment in Ontario where individuals and businesses understand the impact of their energy use and are motivated to reduce consumption.
8. Combined with community engagement and municipal partnerships, delivery of the HRS Program throughout Ontario will extend reach and amplify messaging to residential consumers on the benefits of energy conservation, inspiring additional residential households to adopt similar energy-saving measures.

9. Transparent communications and available resources will help consumers assess operational economics and make informed decisions about their energy efficiency investments.
10. In the commercial and industrial markets, efforts will focus on supporting and promoting a continuous improvement mindset with customers, emphasizing reducing overall heating demands through system optimization and projects that reuse energy. Examples include:
 - a) The Commercial Existing Building Commissioning Offering and the Commercial and Industrial Custom Offering will provide tools and training for long term performance maintenance, driving more efficient energy use and contributing to improving overall efficiency of facilities across Ontario.
 - b) Through the Commercial and Industrial Custom offerings, funding for audits, metering, studies and Energy Management Information Systems will help to address knowledge barriers related to identification, cost, benefits, and feasibility of efficiency opportunities. Personalized support provided by Enbridge Gas Energy Solutions Advisors through site walk-throughs, portfolio benchmarking, and planning processes helps customers understand their energy usage, how to identify and prioritize efficiency opportunities, and encourages sharing and adoption of best practices.

4. Summary

11. In order to reach the natural gas savings targets included in Enbridge Gas's 2027-2030 DSM Plan and to support long term market transformational outcomes, Enbridge Gas will need to remain flexible, adapt to changing market conditions, and evolve program design and delivery methods to meet customer needs.

12. As the primary natural gas DSM program administrator in Ontario, Enbridge Gas will continue to evolve DSM programs and offerings over the course of the DSM Plan term based on lessons learned and in consideration of evaluation results, to respond to changing market conditions, to balance cost-effectiveness, and to pursue collaboration opportunities with the IESO and other parties. Enbridge Gas may modify incentive levels, eligible measures, and approaches to market as necessary, in compliance with the DSM Framework.

RESIDENTIAL PROGRAM

1. This evidence is organized as follows:
 1. Residential Sector Overview
 - 1.1 Customers
 - 1.2 Market Actors
 - 1.3 Energy Use
 - 1.4 External Factors
 - 1.5 Motivations and Barriers
 2. Residential Program Proposal
 - 2.1 Home Renovation Savings (“HRS”) Program
 3. Considerations for Electric Heat Pumps
 - 3.1 Consumer Operational Economics of Electric Heat Pumps for Space Heating
 - 3.2 Impacts to the Residential DSM Program
 - 3.3 Electric Heat Pump Communications

1. Residential Sector Overview

2. Enbridge Gas serves approximately 3.6 million residential customers across its service area. The residential sector includes two different markets, existing housing and new construction. The existing housing market represents the largest customer group in Enbridge Gas’s service area. Consequently, Enbridge Gas undertakes significant efforts to serve these customers through various DSM offerings and initiatives operating under the Residential and Income Qualified Program scorecards.
3. The new construction market refers to Part 9 housing under the Ontario Building Code (“OBC”) and represents an estimated forecast of 30,000 or more additional Part 9 housing units annually in Ontario. As of 2012, the province of Ontario implemented a supplementary standard, SB-12, into the 2006 OBC. This standard

introduced a performance element to new construction, requiring builders to meet energy efficiency minimum requirements through either a prescriptive or performance track. The SB-12 standard was updated in 2024 and remains in effect.

1.1 Customers

4. For the purposes of DSM programming, Enbridge Gas customers in the residential sector can be segmented by income level as follows:
 - a) Residential: This segment includes approximately 2.8 million customers residing in single-family type residential buildings (i.e., detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation). For the purposes of the 2027-2030 DSM Plan, multi-residential buildings are considered part of the commercial sector and served through the Commercial Program (refer to Exhibit E, Tab 4, Schedule 1 for further details). The residential segment consists of customers with household incomes that exceed the defined thresholds for moderate income and income qualified groups detailed below. These income thresholds are aligned with the Independent Electricity System Operator (“IESO”) and are periodically revised to reflect economic conditions.
 - b) Moderate Income: Representing approximately 333,000 customers, the moderate income segment constitutes a substantial group of Enbridge Gas customers. Many moderate income households experience high home energy cost burdens and barriers to participation in energy efficiency,¹ but do not qualify for the Income Qualified Program. To ensure equitable access to energy conservation initiatives, additional support is required to enable meaningful engagement from this group. Moderate income thresholds are

¹ Canadian Urban Sustainability Practitioners (October 2019), Energy poverty in Canada: A CUSP backgrounder, p.9. <http://www.energypoverity.communitydata.ca/backgrounder.pdf>

currently defined as follows, in alignment with income screening thresholds utilized by the IESO:

Table 1
Moderate Income Eligibility Thresholds²

Number of people in the home	Before-tax household income
1	\$71,437
2	\$101,027
3	\$123,731
4	\$142,873
5	\$159,737
6+	\$174,983

- c) Income Qualified (formerly Low Income): This segment is estimated to include 435,000 customers. In recognition of the unique needs and additional barriers faced by this lowest income segment, income qualified customers are supported directly through the Income Qualified Program detailed at Exhibit E, Tab 3, Schedule 1. The income thresholds for this customer segment are currently defined as follows in alignment with income screening thresholds utilized by the IESO:

² IESO, Save on Energy, Energy Affordability Program (December 2025), <https://saveonenergy.ca/For-Your-Home/Energy-Affordability-Program>. Note: These values will be adjusted annually throughout the term in alignment with the IESO.

Table 2
Income Qualified Eligibility Thresholds³

Number of people in the home	Before-tax household income
1	\$48,220
2	\$68,193
3	\$83,518
4	\$96,439
5	\$107,823
6	\$118,113
7+	\$127,576

1.2 Market Actors

5. Market Actors in the residential sector include:

- a) Service Organizations (“SO”): SOs are licensed through Natural Resources Canada (“NRCan”) and perform several key functions such as HOT2000 training, quality assurance and quality control, and employing a team of Registered Energy Advisors. These advisors are certified to perform the pre- and post-assessments required for the Whole Home Offering.
- b) Registered Energy Advisors (“REA”): REAs are certified energy advisors who conduct EnerGuide Assessments to inform customers about energy efficiency opportunities in their homes. These assessments are also used to measure whole-home energy savings after a post-assessment is completed.
- c) Contractors: Contractors sell, source, and install energy efficiency measures. Applicable measures for residential buildings include, but are not limited to, HVAC equipment, insulation, and windows and doors.

³ IESO, Save on Energy, Energy Affordability Program (December 2025), <https://saveonenergy.ca/For-Your-Home/Energy-Affordability-Program>. Note: These values will be adjusted annually throughout the term in alignment with the IESO.

d) Builders: Builders are companies that design and construct new homes.

1.3 Energy Use

6. While consumption varies based on housing type and vintage, as depicted in Figure 1, the average annual natural gas consumption in this sector is currently approximately 2,300 m³ per customer account (i.e., per home).

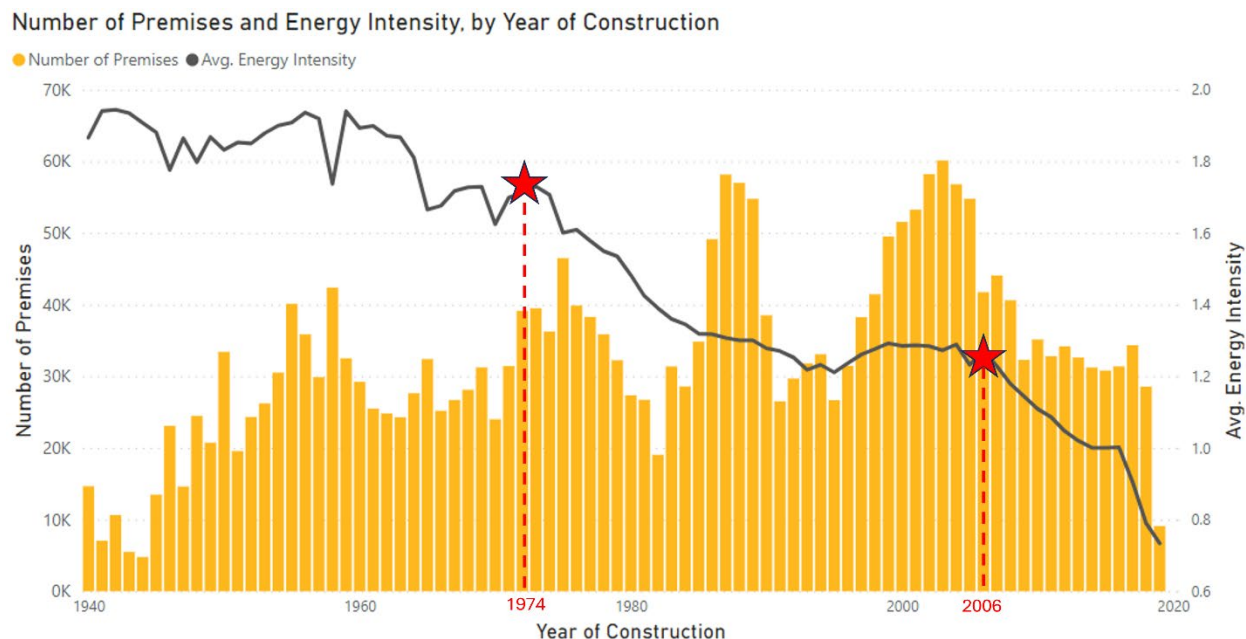
Figure 1: Residential Sector Natural Gas Consumption by Building Type⁴

Characteristics	Detached	Semi-Detached	Row/Townhouse
Average Consumption (m ³)	2,516	1,898	1,560
Total Premises	2,620,000	320,000	560,000
Older than 1975	1,150,000	160,000	135,000
1975 - 2006	1,100,000	135,000	255,000
2007 - Present	350,000	50,000	165,000

7. An effective way to illustrate energy performance is through energy intensity, which is the ratio of total natural gas consumption to the total square footage of a home. As shown in Figure 2, energy intensity was highest until 1974, when the Ontario Building Code was introduced. Approximately half of Enbridge Gas's customer base lives in homes built before 1974. Targeted offers, such as direct install of attic insulation for moderate income customers, can significantly reduce natural gas consumption in this vintage of homes and lower energy bills for these customers.

⁴ Enbridge Gas Residential Consumption Data, 2023

Figure 2: Number of Premises and Energy Intensity, by Year of Construction⁵



1.4 External Factors

8. The adoption of energy efficiency measures within Ontario's residential sector is shaped by a variety of external factors, spanning political, economic, social, and technological influences. These dynamics affect the affordability and appeal of energy-saving investments, guiding how homeowners and tenants prioritize such improvements. The following factors are presumed to be most relevant and impactful to residential investment in energy savings:

- a) Federal Policies and Programs: Federal policies can have an influence on the direction of provincial energy efficiency initiatives, particularly in the residential sector. Such policies can create opportunities or challenges for Enbridge Gas to influence and support customers interested in reducing their energy usage. For example, the Government of Canada's decision to set the

⁵ Enbridge Gas Residential Consumption Data, 2020.

Federal Carbon Charge (“FCC”) to zero effective April 1, 2025 impacts consumer decision-making regarding potential energy efficiency projects.

- b) Economic Challenges to Energy Efficiency Investments: The global rise in the cost of living has residents in Canada struggling with affordability.⁶ As illustrated in Table 3, the rapid increase in inflation has led to higher home costs and mortgage rates. In addition, there has been added uncertainty around the potential impact from tariffs. As a result, many Canadians are prioritizing immediate concerns with the cost of living and housing over longer-term investments in energy conservation.⁷ To encourage participation in energy conservation programs, incentives must be designed to account for the immediate socioeconomic pressures faced by consumers.

Table 3
Ontario Change in CPI from January 2023 – October 2025 (%)⁸

Category	Percent Change
All Items	6.9%
Food purchased from stores	7.9%
Shelter	9.9%
Rent	16.1%
Mortgage interest (Canada)	42.7%
Electricity	7.0%
Natural Gas	-34.2%

- c) Changing Demographics: In Ontario, the age of the population is expected to shift over time, with a gradual increase in the percentage of Ontarians aged

⁶ Government of Canada (April 16, 2024), Budget 2024, Chapter 3: Lowering Everyday Costs.
<https://budget.canada.ca/2024/report-rapport/chap3-en.html>

⁷ Abacus Data (October 4, 2024), Public concern about Climate Change drops 14-points since last year.
<https://abacusdata.ca/from-climate-action-to-immediate-relief/>

⁸ Statistics Canada (October 15, 2024), Table 18-10-0004-01 Consumer Price Index.
<https://doi.org/10.25318/1810000401-eng>.

65 or older.⁹ Insights from Enbridge Gas's 2024 Residential End Use Study ("REUS") show that customers age 65+ are the least likely to have plans to make their home more energy efficient.¹⁰ This suggests that additional efforts may be required to effectively engage and market energy efficiency initiatives to the growing older demographic.

9. Emerging Technologies: Electric cold climate air source heat pump ("ccASHP") technology has been highly preferred in the electric heat pump market in Ontario due to improved performance in colder temperatures. As outlined in Section 3 below, the Government of Canada's decision to set the FCC to zero has impacted the economics of ccASHPs.

1.5 Motivations and Barriers

10. One of the principal factors influencing residential customer decisions to undertake energy upgrades is access to rebates that offset project costs. Customers are motivated by other important factors such as efforts to improve the energy efficiency of the home, lower energy use, replace end of life equipment or windows/doors, and improved home comfort.
11. Several barriers and factors affecting motivation to complete energy upgrades exist in the residential market:
 - a) Energy Bills: With the FCC set to zero, customers are experiencing lower energy bills. Since energy savings are a key motivator for potential upgrades, this recent change creates uncertainty with respect to Residential Program participation. Indicating benefits beyond cost savings on natural gas bills can help drive participation.

⁹ Ministry of Finance, Government of Ontario (October 1, 2024), Ontario Population Projections. <https://www.ontario.ca/page/ontario-population-projections>.

¹⁰ Enbridge Gas 2024 Residential End Use Study - Energy Conservation, p.10.

b) Energy Literacy: Customer awareness of opportunities for energy conservation in the home is limited. For example, according to the 2024 Enbridge Gas REUS, 84% of customers who have an attic believe their attic is adequately insulated or well insulated,¹¹ despite data showing that almost all homes built before 2005 are under-insulated, as illustrated in Table 4. Educating customers on energy use in the home will continue to play an important role in driving interest and participation in the Residential Program.

Table 4
Percentage of Under-Insulated Attics (R-10 below Section 9.36 Requirements)¹²

Province	# of Homes	Built before 1945	Built between 1945-1960	Built between 1960-1977	Built between 1977-1983	Built between 1983-1995	Built between 1995-2005	2005+
Ontario	2,854,757	100%	99%	99%	99%	99%	99%	95%

c) Contractor Knowledge of Programs: The role of contractors and SOs in supporting customers with energy efficiency decisions is critically important. In Enbridge Gas's satisfaction survey of HER+ Offering participants, 42% reported that they first learned about the HER+ Offering from a contractor or industry professional.¹³ Enbridge Gas will continue efforts to strengthen contractor channels to ensure they have comprehensive program knowledge and are confidently addressing customer inquiries.

d) Engagement: The Residential Program has achieved strong participation over time, though engagement still reflects only a portion of the broader residential market. This highlights the importance of continuing to diversify offerings and explore new engagement strategies to better reach and serve the needs of the residential market. Strengthening engagement through varied and

¹¹ Enbridge Gas 2024 Residential End Use Study - Energy Conservation, p.5.

¹² NAIMA Canada (2016), An Analysis of Under-Insulated Houses in the Existing Canadian Housing Stock, p.13.

¹³ Enbridge Gas HER+ Participant Satisfaction Survey, June 2023-September 2024 results.

accessible pathways can help drive continued growth in participation across the residential market.

- e) Equity: The residential sector includes many different customer segments, including Indigenous communities, each with distinct socio-economic barriers that shape their ability to participate in conservation activities. To ensure equitable access, programs should offer a range of pathways that respond to the various barriers customers face. These offerings and supports must also be balanced within an overall budget that is reasonable and acceptable to ratepayers.
- f) Accessibility: Participation remains lower in Northern Ontario relative to Southern and Central Ontario. Fewer REAs and qualified contractors in northern parts of the service area pose challenges to participation in these communities. Addressing those barriers through additional offerings and capacity building activities are critical in improving participation levels in these areas. Programs should focus on addressing geographic challenges to broaden reach.

12. By balancing the above noted factors, Enbridge Gas aims to drive program awareness, uptake, and participation in order to achieve the proposed energy savings targets.

13. Enbridge Gas plans to implement a three-pronged approach to meet the needs of customers across the residential sector:

- a) Build: Support growth through capacity building;
- b) Engage: Encourage participation by enhancing awareness; and,
- c) Execute: Achieve natural gas savings by maximizing opportunities for program uptake.

Table 5
Enbridge Gas's Approach to the Residential Sector

	Objectives	Activities
Build	Support contractor training to ensure best practices are followed	Contractor training and recruitment
Engage	- Advance energy literacy and conservation awareness - Provide no/low-cost opportunities for customers to explore energy conservation concepts - Offer incentives to customers to engage in activities to help identify and execute energy-saving practices	- Behavioural offering (home energy reports) - In-home EnerGuide assessments - Draft proofing kits (whole home)
Execute	- Provide flexible offerings to meet diverse customer needs - Develop multiple delivery paths to broaden reach	- Whole home customer solutions (the Whole Home Offering and Home Winterproofing Offering encouraging multiple measures) - Single measures (attic insulation) - Electric heat pumps for space and water heating - Smart thermostats - Direct install

2. Residential Program Proposal

14. The proposed Residential Program has been developed based on the following design principles:

- a) Broaden participation and increase savings
- b) Incorporate flexibility into offerings
- c) Focus on accessibility and equity
- d) Advance energy literacy
- e) Promote envelope upgrades before mechanicals

- f) Support ongoing collaboration and partnerships
- g) Attract increased market activity
- h) Work towards scalability

15. The offerings have been designed with a “good, better, best” approach to offer a variety of entry points to ensure maximum participation, accessibility and to drive incremental savings. Generally, programs with additional features and requirements tend to achieve higher natural gas savings.

16. Educating consumers on energy use in their home is a foundational step in the residential sector, paving the way for increased motivation to act and participate in energy conservation programming. Efforts to improve energy use education include the delivery of home energy reports as part of a new behavioural offering and the continuation of in-person EnerGuide assessments.

17. Recognizing that affordability has become a bigger challenge in the current economic climate, a full home retrofit may not be an accessible option for everyone. Offerings incenting smaller single measure projects and a new direct install offering targeting moderate income customers aim to address the affordability barrier. The DSM Stakeholder Advisory Group (“SAG”) supported the inclusion of both offerings in the Residential Program.¹⁴

18. The residential suite of offerings has been designed to provide flexibility to customers. The offerings proposed in the 2027-2030 DSM Plan will meet diverse customer needs and project sizes.

19. The Whole Home Offering will continue to motivate homeowners to pursue deeper energy savings by undertaking multiple energy upgrades to their home, guided by an

¹⁴ EB-2022-0295, SAG Report, November 11, 2024, p.43.

energy report generated through an in-home assessment. The Single Measure and Heat Pump Offerings provide a simplified approach that provides residential customers with an incentive for a single measure energy upgrade without the need for a whole home energy assessment – saving time and upfront costs for customers. The Smart Home Offering helps customers manage their energy consumption and energy bills through installation and use of a smart control device. SAG members were largely supportive of Enbridge Gas’s proposed Whole Home Offering and enhancements.¹⁵

20. To support the uptake of residential offerings and better support the residential customer in making energy conservation choices, Enbridge Gas engages with and equips contractors with targeted tools and resources to deliver energy-efficient solutions. These professionals will continue to play a critical role in serving as an extension of Enbridge Gas’s existing delivery channels supporting residential energy conservation programming.
21. The Residential Program is comprised of the following offerings, including offerings targeted towards the moderate income segment.

¹⁵ EB-2022-0295, SAG Report, November 11, 2024, p.43.

Table 6
Residential Offering Descriptions and Enabling Activities

Residential Program		
Offering	High-Level Description	Key Offering Elements
Whole Home	This offering will motivate homeowners to pursue deeper energy savings by undertaking multiple energy upgrades to their home, guided by an energy report generated through a home assessment and with home weatherization kits (draft proofing). The result is increased comfort of homes and reduced energy consumption.	Participants must complete a pre- and post-assessment as well as install two or more measures from the list below: • Attic Insulation • Exterior Wall Insulation • Basement Insulation • Crawl Space Insulation • Air Sealing • Window/Door/Skylight/Sliding Door Prescribed incentives are provided for the associated project measures and a portion of the assessment related costs
Single Measure	This offering reduces the barriers to entry that some customers face with the Whole Home Offering (such as time and cost). The Single Measure Offering provides a simplified approach for smaller projects, as it does not require an assessment.	• Simplified, faster process to receive an incentive • Includes attic insulation, delivered through contractors • Will target attic insulation towards older homes for maximum savings
Heat Pump	This offering provides a simplified approach to improving the efficiency of space and/or water heating measures. The Heat Pump Offering, similar to single measure projects, does not require an assessment.	• Simplified, faster process to receive an incentive • Includes electric air source heat pumps, electric ground source heat pumps, and electric heat pump water heaters delivered through contractors
Smart Home	This offering will replace existing thermostats with smart control devices, such as smart thermostats, to reduce natural gas consumption in the home.	• Rebates provided to participants for common Smart Thermostat models (Nest, ecobee, Sensii, Honeywell) • Multiple incentive pathways: Rebates can be redeemed in-store, online or through a participating contractor. Both instant rebate and post-purchase rebates are available

Table 6 (continued)*
Residential Offering Descriptions and Enabling Activities (continued)

Residential Program		
Offering	High-Level Description	Key Offering Elements
Moderate Income Direct Install	This offering will target moderate income communities that may not qualify for the Income Qualified Program but still face cost barriers.	• Work with municipalities to geo-target high-density moderate income zones; homes older than 1974 to maximize savings with attic insulation • Delivered by third party Delivery Agents at zero cost to participant • Measures include: Attic Insulation and Smart Thermostat • No assessment required
Energy Education and Outreach	This offering will increase residential customer understanding of energy usage in their homes and educate them on available energy efficiency upgrade opportunities, as well as available incentive programs.	• Home Energy Report will show customers their consumption relative to other homes, and provide educational tips tailored to their usage and habits to drive changes in energy usage • Serves as a gateway to other residential energy conservation offers
Enabling Activities	High-Level Description	
Online Home Assessments and Targeted Outreach	The online home assessment will provide targeted customers with a customized list of prioritized energy efficiency opportunities and the associated incentive offerings. This information will be generated for customers based on the information they provide in an online questionnaire, supported by data analytics. This information is aimed at enhancing customer energy literacy and driving greater market awareness of available programs and, in turn, program uptake.	
Industry Capacity Building	Enbridge Gas will help strengthen and expand market participants that support the delivery of DSM. For example, Enbridge Gas will engage HVAC and attic insulation contractors to recruit and train new qualified contractors, supporting the broader market adoption of these measures.	

2.1 Home Renovation Savings (“HRS”) Program

22. The HRS Program is a collaborative effort between Enbridge Gas and the IESO, in response to Ministerial directives from the Government of Ontario, to align energy efficiency programming and provide a single journey for participating residential consumers in Ontario, regardless of fuel type.

23. Enbridge Gas’s Residential Program represents the natural gas component of the jointly delivered HRS Program. For the purposes of this DSM Plan application, this arrangement is expected to continue for the full 2027-2030 DSM Plan term. While

the HRS Program provides incentives to residential consumers on behalf of both Enbridge Gas and the IESO (and the Company will seek to align with the IESO where possible on any proposed changes to the plan), the IESO components of the program are outside the scope of Enbridge Gas's DSM Plan.

24. The HRS Program will include the following DSM offerings:

- a) The Whole Home Offering (as part of the HRS Program stream that requires a home energy assessment);
- b) The Single Measure and Heat Pump Offerings (as part of the HRS Program stream that does not require an energy assessment); and,
- c) The Smart Home Offering (as part of the HRS Program stream that does not require an energy assessment).

25. Please see Exhibit C, Tab 1, Schedule 6, Section 1 for discussion of development, implementation and coordination details related to the residential one-window HRS Program.

3. Considerations for Electric Heat Pumps

26. Enbridge Gas is proposing to continue offering incentives for electric cold climate air source heat pumps ("ccASHPs") for space heating and for heat pump water heaters as part of the 2027-2030 DSM Residential Program. Continuing these incentives supports customer choice regarding energy efficiency options and is consistent with ongoing collaboration with the IESO through the HRS Program, where ccASHPs are a prominent component.

27. It is important to note, however, that the Government of Canada's decision to set the FCC to zero effective April 1, 2025, has materially impacted the consumer operational economics of fuel switching from natural gas to ccASHPs for space heating. The purpose of this evidence is to provide an overview of the changing

consumer operational economics of ccASHPs following the removal of the FCC, and the corresponding implications to forecasting Residential Program participation and savings targets.

3.1 Consumer Operational Economics of Electric Heat Pumps for Space Heating

28. The consumer operational economics of fuel switching from natural gas to ccASHPs for space heating, excluding upfront equipment costs, are primarily driven by the variable price ratio of electricity to natural gas and the relative efficiency of the equipment. This is described in further detail below.

Variable Price Ratio of Electricity to Natural Gas

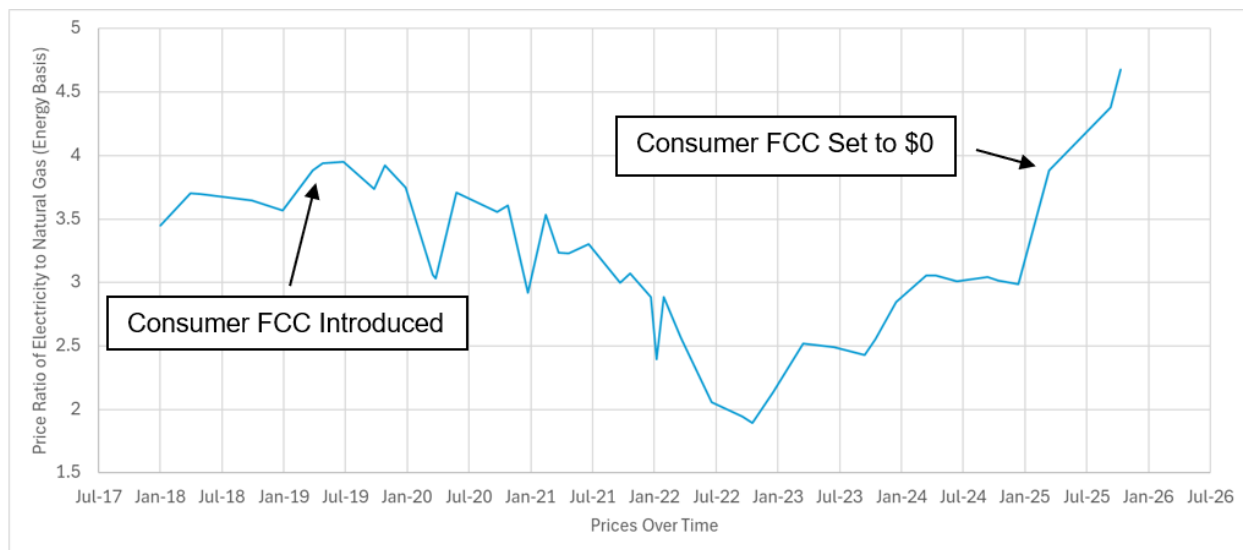
29. The variable price ratio of electricity to natural gas reflects the relationship between the variable price consumers pay for electricity versus the variable price they pay for natural gas, on an energetic (per unit of energy) basis. For example, if the ratio is 3, the variable price of electricity is three times the variable price of natural gas on an energetic basis.¹⁶

30. Figure 3 illustrates the historical variable price ratio of electricity¹⁷ to natural gas on an energetic basis, for a typical residential consumer in Toronto.

¹⁶ The variable price ratio includes variable energy costs only. The variable price ratio does not include fixed energy costs or any capital costs associated with using the energy source.

¹⁷ Including the Ontario Electricity Rebate.

Figure 3: Historical Variable Price Ratio of Electricity to Natural Gas¹⁸

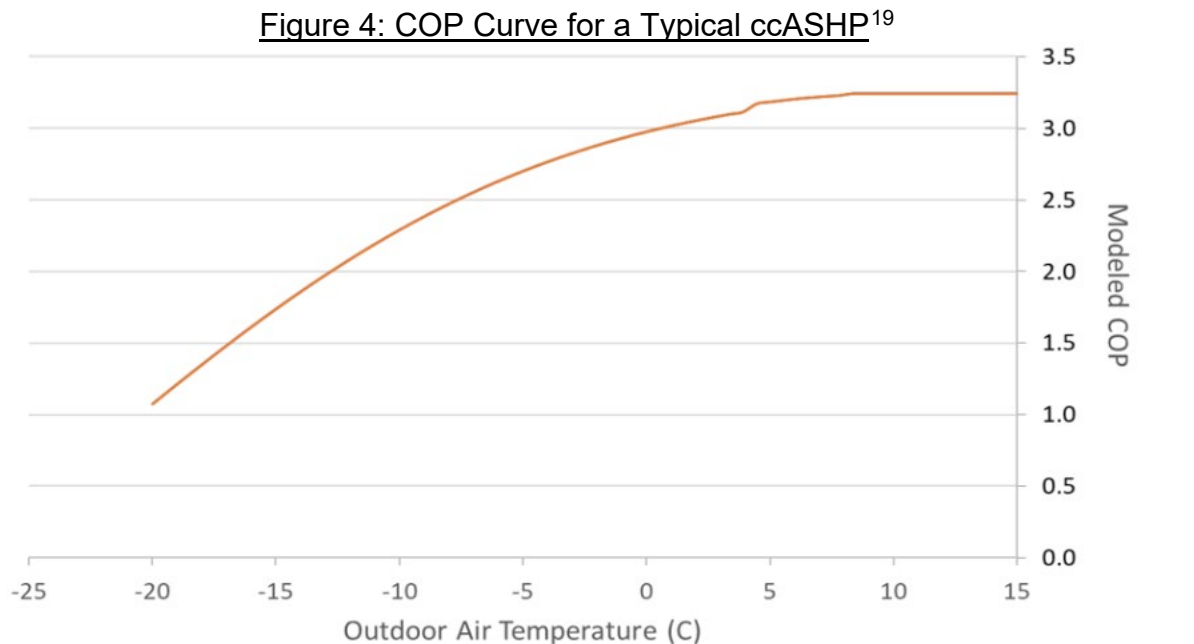


31. As shown in Figure 3, for several years prior to the FCC being set to zero in April 2025 (i.e., between mid-2021 and early-2025), the variable price ratio of electricity to natural gas for a typical residential consumer ranged between 2 and 3.5. In other words, the variable price of electricity was 2 to 3.5 times higher than the variable price of natural gas on an energetic basis.
32. With the FCC set to zero as of April 1, 2025, the variable price ratio has increased to more than 4. This means the variable price of electricity is now more than four times higher than the variable price of natural gas, on an energetic basis, for a typical residential consumer.

¹⁸ It is important to note that the variable prices of electricity and natural gas used in Figure 3 reflect the variable prices for a typical residential consumer in Toronto and are provided for illustrative purposes only. The actual variable prices of electricity and natural gas for a specific consumer in Ontario can vary (for example, depending on the consumer's natural gas rate zone and/or their electricity rate, including as it relates to the time of day).

Equipment Efficiency

33. ccASHPs move heat from one location to another rather than generating heat through combustion, as natural gas furnaces do. The efficiency of a ccASHP is commonly referred to as the coefficient of performance (“COP”), which represents the ratio of heat output to energy input. For example, a COP of 2 means two units of heat are delivered for every one unit of energy input.
34. ccASHPs can operate at COPs greater than 2 for most of the heating season in Toronto, however their performance depends on outdoor air temperature. By contrast, natural gas furnaces consistently produce nearly one unit of heat output for each unit of energy input, largely independent of outdoor temperature. On an energetic basis, ccASHPs are therefore more efficient than natural gas furnaces.
35. Figure 4 illustrates the COP (y-axis) at different outdoor air temperatures (x-axis) for a typical ccASHP. As shown in Figure 4, the COP of ccASHPs decrease as the outdoor temperature decreases. This is because it becomes more energy intensive (i.e., less efficient) to move heat from colder outdoor air to the desired indoor air temperature.



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

36. In general, for consumers to realize meaningful operational energy cost savings when fuel switching from natural gas to a ccASHP for space heating, the ccASHP must operate at a COP that exceeds the electricity to natural gas price ratio. If the ccASHP operates at a COP below the price ratio, the consumer's operational energy costs for space heating will be higher after converting to a ccASHP from natural gas.²⁰

¹⁹ The COP curve is based on data from the Northeast Energy Efficiency Partnership ("NEEP") database for ccASHPs for various equipment configurations. The COP curve also includes impacts of defrost cycle energy as standard COP curves will not include defrost cycle energy. The defrost cycle is when the ccASHP uses energy to prevent ice build-up on the exterior coils that would degrade the performance of the equipment. The energy used in the defrost cycle results in an operational cost to the consumer and therefore needs to be accounted for in the performance of the equipment.

²⁰ This considers variable energy costs associated with space heating only. Fixed energy cost savings associated with full electrification extends beyond fuel switching for space heating (i.e., including fuel switching for water heating, appliances, etc.). Based on Enbridge Gas's experience through its residential DSM program, almost all participant homes that install a ccASHP maintain their natural gas service.

37. Comparing Figure 3 and Figure 4, there are no outdoor temperatures at which the COP of a typical ccASHP exceeds the current electricity to natural gas variable price ratio of more than 4. This means that, in general, consumers pay more in operational energy costs for space heating after converting from a natural gas furnace to a ccASHP.

3.2 Impacts to the Residential DSM Program

38. A primary objective of ratepayer-funded DSM is to achieve meaningful natural gas savings. For Residential Program participants who install a ccASHP to displace natural gas-fired space heating, their natural gas savings depends on how the consumer chooses to operate the ccASHP (i.e., consumer behaviour). In turn, those choices can be influenced by the operational economics discussed above (i.e., consumer operational economics). This is described in further detail below.

Consumer Behaviour

39. For a hybrid system (i.e., natural gas furnace and ccASHP), annual natural gas savings largely depends on the outdoor temperature at which the consumer switches from operating their ccASHP to operating their natural gas furnace (referred to as the outdoor switch-over temperature). Above this temperature, the ccASHP is used; below it, the natural gas furnace is used. Table 7 shows the annual natural gas savings that a typical Toronto residential consumer can realize by operating a ccASHP instead of a natural gas furnace at various outdoor switch-over temperatures.

Table 7
Annual Natural Gas Savings vs. Outdoor Switch-Over Temperature for a
Typical Residential Consumer in Toronto

Line No.	Outdoor Switch-Over Temperature	Annual Natural Gas Savings from Operating ccASHP Above Outdoor Switch-Over Temperature
1	10 °C	25 m ³
2	5 °C	250 m ³
3	0 °C	760 m ³
4	-5 °C	1370 m ³
5	-10 °C	1675 m ³
6	-16 °C ²¹	1765 m ³

40. As Table 7 illustrates, the lower the outdoor switch-over temperature, the more hours in a year the ccASHP operates instead of the natural gas furnace and, therefore, the greater the annual natural gas savings. Importantly, as described below, consumer operational economics can influence the switch-over temperature that consumers choose, and therefore the magnitude of natural gas savings.

Consumer Operational Economics

41. As noted above, as a result of the FCC being set to zero there are no outdoor temperatures where the COP of a typical ccASHP exceeds the current electricity to natural gas variable price ratio of more than 4. This implies that there may be few or no hours in a typical year when operating a ccASHP is less expensive than operating a natural gas furnace for space heating.

42. Furthermore, as illustrated in Figure 4, the COP of a ccASHP declines as outdoor temperature falls. Since the variable price ratio remains constant regardless of outdoor air temperature, the economics of operating a ccASHP relative to a natural gas furnace worsen as outdoor air temperatures decrease.

²¹ Assuming all days in the year are above -16 °C, this scenario can be used to estimate the annual natural gas savings from using a ccASHP exclusively for space heating.

43. These consumer operational economics can influence consumer behaviour, including the outdoor switch-over temperature selected. In a scenario where there are effectively no outdoor air temperatures at which operating a ccASHP is less expensive than operating a natural gas furnace, some consumers may choose not to operate their ccASHP for space heating at all, resulting in no annual natural gas savings.
44. Despite the data indicating that operating a ccASHP for space heating is generally uneconomic under current energy prices, some consumers may still choose to operate their ccASHP. In those cases, the unfavourable economics may lead them to choose a relatively high outdoor switch-over temperature so that the ccASHP operates only during milder weather. This would limit the number of operating hours of the ccASHP and the annual natural gas savings realized.²²

Impacts to the Residential DSM Program

45. In order to forecast natural gas savings for the Residential Program, Enbridge Gas must make assumptions about:
- How many participants will install a ccASHP; and,
 - How those participants will operate their ccASHP (i.e., whether they will use them for space heating and, if so, at what outdoor switch-over temperature).
46. If participants operate their ccASHP at higher outdoor switch-over temperatures than assumed, or choose not to use them for space heating at all, actual natural gas savings will be lower than forecasted. This would increase the program cost per unit of natural gas saved relative to the forecast.

²² For example, as can be seen in Table 7, operating a ccASHP at an outdoor switch-over temperature of 5°C would result in approximately 250 m³ of annual natural gas savings for a typical home in Toronto.

47. For each participant, information regarding ccASHP operational settings will be collected from the HVAC contractor and used to determine actual natural gas savings. These settings may differ from the assumptions used to develop the proposed savings targets and current forecasts.
48. The interrelated factors described above (i.e., consumer behaviour in setting the outdoor switch-over temperature and the influence of consumer operational economics on that behaviour) create significant challenges for forecasting both participation and natural gas savings for the Residential Program as they relate to ccASHPs.
49. The forecasted natural gas savings used in the proposed Heat Pump Offering targets reflect current assumptions and modelling inputs available at the time this Application was developed. Actual results may vary based on:
- a) The number and types of ccASHP projects consumers undertake;
 - b) Geographic location;
 - c) Heat pump sizing; and,
 - d) The outdoor switch-over temperature selected by the participant.
50. By way of illustration, for a typical home in Toronto with an outdoor switch-over temperature of 0 °C, the gross annual natural gas savings are expected to be approximately 719 m³. If the outdoor switch-over temperature is set at 5 °C, gross annual savings are expected to be approximately 252 m³, a reduction of about 65%. As discussed above, given current energy prices, the consumer economics of fuel switching to ccASHPs for space heating are highly likely to be negative.

51. In addition to the challenges associated with forecasting natural gas savings discussed above, ccASHPs also present significant challenges in forecasting TRC-Plus values. Table 8 below provides an illustrative example showing how sensitive the TRC-Plus calculation is to assumptions regarding ccASHPs for space-heating (relatively small changes in operational assumptions can have large impacts on cost-effectiveness).

Table 8
TRC-Plus Sensitivity – Illustrative Example

Illustrative Scenario	Net Annual Natural Gas Savings* (m ³)	Participant Acquisition Cost – Incentive and Delivery Only (\$/m ³)	Measure Level TRC-Plus Ratio
ccASHP 4A, 0 °C outdoor switch-over temperature (base forecast)	654	\$1.99	1.01
ccASHP 4A, 5 °C outdoor switch-over temperature (higher than base forecast)	229	\$5.70	0.83
% Difference	- 65%	+ 186%	- 18%

Note:

*The natural gas savings in this table are “net” in order to demonstrate the impact on TRC-Plus

52. Accordingly, the proposed natural gas savings targets for ccASHPs should be interpreted as having a high degree of uncertainty, with the understanding that actual natural gas savings achieved may vary significantly over time as additional data regarding consumer adoption and operation become available.

3.3 Electric Heat Pump Communications

53. As part of the OEB’s Decision for Enbridge Gas’s 2026 DSM Plan, the OEB directed the Company to include a description of all cost and performance comparisons it intends to use in its communications and training materials, along with supporting

evidence laying out all assumptions and data relied on to make those comparisons.²³

54. To help residential consumers make informed decisions about their energy efficiency investments, the HRS Program website includes a disclaimer regarding the potential consumer operational economics of ccASHPs. The disclaimer explains that, with the FCC set to zero, installing a ccASHP may result in little to no energy cost savings and, in some cases, may increase overall energy costs.
55. Enbridge Gas is currently in the process of updating the HRS Program website to include an updated disclaimer, which is expected to be available to consumers in Q1 2026. The updated disclaimer can be found at Exhibit E, Tab 2, Schedule 1, Attachment 1, and may be updated further over time. This attachment includes a note in the first line that is not part of the actual disclaimer, and is intended to identify the highlighted items that will be updated periodically based on changes to OEB-approved rates.
56. All the assumptions and data relied on to make the comparisons are provided as part of references within the disclaimer.
57. Regarding cost comparison information for contractors, they will be provided with the same disclaimer information that is posted and provided to consumers, so they can accurately convey the potential operational economics of ccASHPs to customers.

²³ EB-2024-0198, OEB Decision and Order, p.17.

[Highlighted items are expected to be updated periodically 2 times per year with adjustments based on OEB published rate changes]

Heat Pump & Hybrid Heating: what homeowners should know

This information is designed to help homeowners understand their options for home heating, including electric heat pumps, hybrid systems, and natural gas furnaces. The goal is to provide clear, factual details so you can make an informed decision based on your household's needs.

Understanding Your Options

When choosing a heating system, consider:

- **Fuel price ratio** (the ratio of how much you pay for electricity versus natural gas per unit of energy)
- **Realized equipment efficiency** (how effectively your system converts energy into heat)
- **Greenhouse gas (GHG) emissions** (the environmental impact of your heating choices)

Different households have different needs and priorities. There is no single “best” solution; what’s right for you depends on your preferences, budget, and home characteristics.

Furnaces and heat pumps

If you currently heat your home with natural gas and are looking to reduce some or all of your natural gas home heating with an electric heat pump, here’s what most consumers can expect:

1. **Higher heating costs if the fuel price ratio exceeds your increased realized equipment efficiency** (magnitude will depend on how much electricity vs natural gas is consumed for heating and the rates you pay for each. See illustrative cost comparison below).
2. **Lower overall energy use and GHG emissions** (as electric heat pumps use energy more efficiently than gas furnaces).

Comparing Heating Systems

This chart illustrates the potential monthly home energy costs of heating using an air source heat pump vs. a natural gas furnace, based on approximate residential electricity prices from Toronto Hydro and natural gas prices in the Enbridge Gas Distribution rate zone.

The cost comparisons use rates as of November 1, 2025, including the Ontario Electricity Rebate (OER).

Equipment Type	Heat Energy Delivered to Home ^a	Equipment Efficiency ^b	Energy Consumed (what you see on your utility bill)	Energy Cost (Energy Used x Energy Prices ^c)
Electric air source heat pump	3,200 kWh	200%	1,600 kWh	~ \$200.00
Electric air source heat pump	3,200 kWh	400%	800 kWh	~ \$100.00
High efficiency natural gas furnace	3,200 kWh	90%	3,556 kWh (~343 m ³)	~ \$93.88
High efficiency natural gas furnace	3,200 kWh	98.50%	3,249 kWh (~314 m ³)	~ \$85.77

- The chart is an illustrative example only and not intended to represent energy cost impacts specific to your property.
- Fixed monthly charges for electricity and natural gas are not included in this comparison.
- See footnotes for details on how these figures were derived.

Hybrid Heating Systems

- A hybrid system combines an electric heat pump with a natural gas furnace. The system's settings – especially the **outdoor “switchover temperature” setpoint** – determine when heating will switch between the heat pump and furnace. Lower setpoints mean the heat pump runs longer; higher setpoints mean the furnace runs longer. This is because when it's warmer outside than the setpoint, the heat pump will run. When it's colder outside than the setpoint, the furnace will run.
- Your total energy bill will depend on these settings and local rates. Your **total energy bill may go up** where electricity is more expensive than natural gas (per equivalent unit of heating after accounting for your realized equipment efficiency), and vice versa.
- Determining the switchover temperature setpoint is an important decision/makes a difference.
- Hybrid system economics are complex and vary with weather, equipment efficiency, user preferences and other factors which vary from home to home. Because these details are complex and unique to each installation, we recommend discussing hybrid options directly with your HVAC contractor for personalized advice.

Key Facts

- Natural gas and electricity have different costs per unit of energy. As of November 2025, electricity costs are more than **4.5 times higher** per energy unit than natural gas, however heat pumps are more efficient than gas furnaces.
- Heat pumps can reduce overall energy use and GHG emissions compared to traditional furnaces, but may result in higher energy bills depending on rates, realized equipment efficiency and usage.
- Hybrid heating systems combine a gas furnace and heat pump, reducing energy consumption but with home-specific impacts to overall running costs.
- Your choice should reflect your household needs, budget, and environmental priorities.

What Should You Do?

- Consult your HVAC contractor to determine which system is right for your home.
- Ask about system settings (especially switchover temperature for hybrid systems) and how they affect your energy consumption, bills, and GHG emissions.
- Review current utility rates and rebates to understand your potential costs.

Footnotes

a) **3,200 kWh** represents the approximate space heating energy requirement for a Toronto home for the month of **January**. For reference, the average Ontario household space heating energy for the entire heating season is about 15,556 kWh, based on the [Natural Resources Canada energy use data system](#) (showing a total Ontario space heating requirement of 325.4 PJ for 5,810,900 households in 2022, or on average 56 GJ per household per year, which converts to 15,556 kWh per household at 277.78kWh/GJ). These heating requirements are for illustrative purposes only and will vary significantly depending on month, actual temperatures, equipment efficiency, and size, age and condition of the building.

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

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

c) Effective April 1, 2025, the Federal Carbon Charge (FCC) under the Greenhouse Gas Pollution Pricing Act has been set to zero. This action has changed the price spread between natural gas and electricity **significantly**. As a result, this changes the economics of electric heat pump operation, particularly for natural gas customers who are looking to offset some or all of their space heating energy consumption with an electric heat pump.

The fuel price spread in Ontario without the FCC and including the Ontario Electricity Rebate (OER) is more than 4.5 **times as of November 1, 2025**. This means that electricity energy costs are more than 4.5 **times** those of natural gas energy costs per unit of equivalent energy. This cost spread reflects variable energy pricing only (does not include fixed utility charges) and is based on the below published resources. Energy prices may differ depending on your location in the province, whether you are under the OEB's regulated price plan for electricity, your natural gas rate class, and who your electricity and natural gas providers are.

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

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

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

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

The Ontario Energy Board also publishes rate information on other utilities. See <https://www.oeb.ca/consumer-information-and-protection/bill-calculator>

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

WHOLE HOME OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The objective of the Whole Home Offering is to motivate homeowners to pursue deeper energy savings by undertaking multiple energy upgrades to their home. Registered Energy Advisors (“REA”) recommend which energy upgrades would be most beneficial based on an energy report generated after a pre-retrofit home assessment. Savings achieved are then confirmed via a post-retrofit assessment. The goal is to assist consumers with making the right choices to increase the comfort of their homes and reduce their energy consumption and bills, with a focus on thermal envelope upgrades.

2. Participant Benefits

3. Benefits to participants include:

- a) Partial cost coverage for upgrades and assessment costs.

- b) In person home assessments by REAs, which provide energy savings education and information that both identifies and prioritizes energy efficiency projects/measures.
- c) Free draft proofing / weatherization kit to provide additional support to address air leakage issues.

3. Target Market

- 4. The Whole Home Offering targets all residential customers interested in understanding and implementing holistic home efficiency improvements and those interested in weatherization upgrades, subject to eligibility details outlined below.

4. Eligibility Criteria

- 5. To be eligible for the offering:
 - a) Participants must be a residential Enbridge Gas customer with an active account and whose property is a single detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation and is primarily heated with a natural gas furnace or boiler.
 - b) Participants must own the home where the eligible measure will be installed (tenants cannot apply on behalf of the homeowner).
 - c) “New build” homes are not eligible (the new home must have been occupied for at least 6 months to be considered an eligible home).
 - d) Participants must not have participated in or received a rebate for the same qualified measure(s) for the same home in the past from an Enbridge Gas program.

5. Offering Details

6. The Whole Home Offering is designed to generate natural gas savings in the residential sector by educating customers about their energy consumption, promoting a holistic approach to maximize both energy savings and customer benefits. The program consists of the following participation activities:
- a) An initial home energy assessment, called the pre-assessment or D-assessment, conducted by an REA through an SO qualified by Enbridge Gas and licensed by NRCan.
 - b) Installation of at least two eligible measures (draft proofing kit does not count as one of the two measures).
 - c) A final home energy assessment, called the post-assessment or E-assessment, conducted by an REA through an SO qualified by Enbridge Gas and licensed by NRCan.
7. All participants will receive a no cost weatherization draft proofing kit to support air sealing efforts that are identified during the pre-assessment air leakage identification.

6. Key Changes

8. Compared to Enbridge Gas's previous DSM Plan,¹ the Whole Home Offering in the proposed 2027-2030 DSM Plan includes the following key changes:
- a) Addressing Cost Effectiveness: To ensure Enbridge Gas is continuing to optimize the Whole Home Offering, exposed floor insulation will be removed as an eligible measure due to its low cost effectiveness. In addition, recognizing windows/doors also have low cost effectiveness but is an entry point for many customers into this offering, Enbridge Gas will collaborate with

¹ EB-2021-0002.

the IESO to explore opportunities to improve cost-effectiveness. This could help control the impact that windows have on the overall Whole Home Offering cost effectiveness.

- b) New Measures: A free draft proofing kit will be provided for all Whole Home Offering participants consisting of weatherstripping, rope caulking and outlet caskets. The draft proofing kit is designed to assist the participant to improve air leakage issues identified in their home through the in-person home energy assessment.

7. Incentives

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

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

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

Note:

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

10. There are two types of incentives available for participants of the Whole Home Offering: measure incentives and assessment incentives. There is a combined maximum for measure and assessment incentives of \$5,000 through Enbridge Gas.

Measure incentives are provided to participants according to the HRS Program funding packages (administered jointly with the IESO). Incentives for each eligible measure are shown in Table 2.

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

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

Notes:

Rebate cap inclusive of \$600 home assessment rebate.

To adhere to the principle of a one-window approach for Ontario consumers, Enbridge Gas will seek to align with the IESO on rebate levels by measure.

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

8. Enabling Activities

12. Enabling activities are activities that drive increased uptake in-year or in future years by increasing awareness of energy saving opportunities and available incentive offerings. Enabling activities include:

- a) Online Questionnaire: The online questionnaire on the Enbridge Gas website is designed to help customers identify energy conservation opportunities specific to their home. Based on the responses provided, the tool recommends relevant offerings and incentives to support informed decision-making and encourages participation in energy efficiency upgrades.
- b) Contractor Engagement: Contractors, SO's, and their REAs have the greatest influence on customer decisions. These professionals will receive tools, training, and promotional materials to help consumers navigate DSM offerings and upgrade to high-efficiency measures.

9. Metric

13. The metric for the Whole Home Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

14. NRCan HOT2000 software, used in EnerGuide Mode, is required for estimating natural gas savings for participants in the Whole Home Offering. Homes will be initially modelled based on the existing state of the home and again based on the post-retrofit state of the home. All completed HOT2000 assessments and associated documentation will be submitted to NRCan in accordance with its QA/QC processes.

SINGLE MEASURE OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The goal of the Single Measure Offering is to encourage broader participation in the Residential Program through the delivery of simplified, single measure alternatives to a whole home assessment, encouraging additional customers (those who would not have or could not have participated in the Whole Home Offering) to work with contractors to identify and undertake energy efficiency improvements. The Single Measure Offering adds flexibility to the Residential Program, meeting customers at different stages of their energy journey and providing additional ways for them to engage with Enbridge Gas's DSM programs.

2. Participant Benefits

3. Benefits to participants include:

- a) Reduced time and cost barriers to energy efficiency upgrades by allowing participants to complete one upgrade at a time.

- b) Simplified approach without the requirement to schedule pre and post energy assessments.
- c) Energy efficiency measures contribute to comfort improvements in the home.

3. Target Market

- 4. The Single Measure Offering is targeted to residential customers, subject to eligibility details outlined below.

4. Eligibility Criteria

- 5. To be eligible for the offering, a participant must be a residential Enbridge Gas customer at the time of measure installation, whose residence (detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation) is heated with natural gas.
- 6. Participants must own the home where the eligible measure will be installed (tenants cannot apply on behalf of the homeowner) and be the person responsible for the purchase of the eligible measure.
- 7. “New build” homes are not eligible (the new home must have been occupied for at least 6 months to be considered an eligible home).

5. Offering Details

- 8. The Single Measure Offering provides incentives for the installation of an eligible single measure by an HRS Program approved contractor. No pre or post energy assessment is required.
- 9. Eligible measures include attic insulation; however, Enbridge Gas may introduce additional measures in the future based on Technical Resource Manual (“TRM”) measures approved during the DSM Plan term.

6. Key Changes

10. Compared to Enbridge Gas's previous DSM Plan,¹ the Single Measure Offering in the proposed 2027-2030 DSM Plan includes the following key change:

- a) Limited Time Offer ("LTO"): An increased incentive will be offered for a limited time to homes that have lower attic insulation R-values and therefore a greater opportunity to generate higher per-project savings. Outreach efforts will be geotargeted with a focus on older homes with greater insulation needs.

7. Incentives

11. The offering will use a tiered incentive approach based on the existing nominal R-value by attic type and the project cost for the insulation upgrade. The incentive available to a participant will be 50% of the project cost up to the maximum incentive per category as defined in Table 1.

Table 1
Attic Single Measure – Incentive Structure

Attic Insulation	Rebate
Attic Insulation R12 or less (achieve R50)	50% of project costs up to max. \$1,250
Attic Insulation greater than R12 to R25 (achieve R50)	50% of project costs up to max. \$1,000
Attic Insulation greater than R25 to R35 (achieve R50)	50% of project costs up to max. \$800
Cathedral/Flat Roof Insulation	50% of project costs up to max. \$750

¹ EB-2021-0002.

8. Enabling Activities

12. The Single Measure Offering will be delivered by HRS Program approved contractors. These professionals will receive tools, training, and promotional materials to help consumers navigate DSM offerings and upgrade to high-efficiency measures.

9. Metric

13. The metric for the Single Measure Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

14. For prescriptive measures, the offering will use the TRM (including the established process for the introduction of new measures) as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

HEAT PUMP OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The objective of the Heat Pump Offering is to encourage broader participation in the Residential Program through the delivery of simplified, single measure alternatives to a whole home assessment, encouraging additional customers (those who would not have or could not have participated in the Whole Home Offering) to work with contractors to identify and undertake energy efficiency improvements. The Heat Pump Offering enhances program flexibility by supporting customers who are considering offsetting some or all of their natural gas usage for space or water heating with an electric heat pump. By providing a simple, single-measure option, it creates an accessible way for customers to adopt electric heat pumps while remaining engaged with Enbridge Gas's DSM programs.

2. Participant Benefits

3. Benefits to participants include:

- a) Reduced time and cost barriers to energy efficiency upgrades by allowing participants to complete one upgrade at a time.
- b) Simplified approach without the requirement to schedule pre and post energy assessments.
- c) Provides greater consumer choice by allowing households to select electric heat pump solutions that best match their need, budget, and long-term energy plans.

3. Target Market

- 4. The Heat Pump Offering is targeted to residential customers, subject to eligibility details outlined below.

4. Eligibility Criteria

- 5. To be eligible for the offering, a participant must be a residential Enbridge Gas customer at the time of measure installation, whose residence (detached house, semi-detached house, row house, townhouse, or a mobile home with a permanent foundation) is heated with natural gas at the time the measure is installed.
- 6. Participants must own the home where the eligible measure will be installed (tenants cannot apply on behalf of the homeowner) and be the person responsible for the purchase of the eligible measure.
- 7. “New build” homes are not eligible (the new home must have been occupied for at least 6 months to be considered an eligible home).
- 8. The home where the eligible measure will be installed must not have an existing electric heat pump system used for space heating (replacements of existing electric heat pump systems are not eligible for an incentive).

5. Offering Details

9. The Heat Pump Offering provides incentives for the installation of an eligible electric heat pump measure by an HRS Program approved contractor. Contractors are required to attend mandatory electric heat pump training and submit a completed NRCan sizing and selection tool for each electric air source heat pump application. No pre or post energy assessment is required.
10. Eligible measures are listed below; however, Enbridge Gas may introduce additional measures in the future based on Technical Resource Manual (“TRM”) measures approved during the DSM Plan term:
- a) Electric Cold Climate Air-Source Heat Pump
 - b) Electric Ground Source Heat Pump
 - c) Electric Heat Pump Water Heater

6. Key Changes

11. Compared to Enbridge Gas’s previous DSM Plan¹, the Heat Pump Offering in the proposed 2027-2030 DSM Plan includes the following key changes.
12. Electric heat pumps for space heating were previously included in the Whole Home Offering in 2023 and 2024 but were moved to the Single Measure Offering effective January 2025 when the HRS Program was launched. Electric heat pumps for water heating will be a new measure in the TRM, as discussed in Exhibit D, Tab 10, Schedule 1. This change streamlines the delivery approach of these measures through the one-window HRS Program and provides more predictable savings values by using prescriptive input assumptions as part of a TRM substantiation document.

¹ EB-2021-0002.

13. Aligning requirements for the HRS Program and moving to prescriptive input assumptions changed some of the eligible electric heat pump incentives and measures compared to those previously included in the Whole Home Offerings (HER+ and HER Offerings), as outlined below:

- a) Electric air source heat pumps (“ASHP”) without cold climate designation are no longer eligible, based on limited uptake of the measure and market trends observed through the HER+ and HER Offerings. Electric cold climate air source heat pumps (“ccASHP”) remain an eligible measure.
- b) To support meaningful natural gas savings per project, replacements of existing electric heat pump systems are no longer eligible.
- c) For electric ground source heat pumps (“GSHP”), only full system installs are eligible; incentives for replacing the heat pump unit only are no longer offered.
- d) Water-to-water electric GSHPs on the Energy Star Certified Geothermal Heat Pump List and available in Canada have been added as an eligible measure.
- e) The previous requirement that new furnaces installed alongside an electric heat pump must be part of an eligible combination unit (per NRCAN’s list) has been removed. Feedback from contractors indicated that NRCAN’s list did not reflect a wide range of feasible furnace and electric heat pump combinations.

14. Electric heat pumps for space and water heating have been moved to a dedicated offering for better visibility of budget, savings and cost-effectiveness.

7. Incentives

15. Incentive details are as follows:

- a) Electric Cold Climate Air-Source Heat Pump (Space Heating): Includes a flat incentive of \$1,250, which will be provided for each of the capacity options

listed below. This consistent incentive supports a cost-effective approach and accommodates a range of system configurations aimed at reducing natural gas consumption, while also simplifying program delivery. Offering requirements are aligned with best practices as defined in Natural Resources Canada's ("NRCan") electric air-source heat pump sizing and selection guide.² NRCan heat pump sizes include:

- i. Option 4A – Emphasis on cooling: The electric heat pump is primarily sized to meet cooling needs and provide mild heating. A secondary system covers most of the heating season.
- ii. Option 4B – Balanced heating and cooling: The heat pump is sized slightly above cooling requirements to provide moderate heating, with a secondary system used during colder weather.
- iii. Option 4C – Emphasis on heating: The heat pump serves as the main heating source for most of the season, with backup heating used during extreme cold.
- iv. Option 4D – Sized on design heating load: The heat pump is sized to meet most or all heating needs under design conditions, minimizing reliance on secondary heating.
- v. Option Ground Source – full system.

As noted in Section 2.3 of Exhibit C, Tab 1, Schedule 4, Enbridge Gas proposes to limit conservation program incentives for electric heat pumps to models which meet the cold climate standard, as suggested by the SAG.³

² Natural Resources Canada (December 21, 2020), Air-source Heat Pump Sizing and Selection Guide, [https://natural-resources.canada.ca/sites/nrcan/files/canmetenergy/pdf/ASHp%20Sizing%20and%20Selection%20Guide%20\(EN\).pdf](https://natural-resources.canada.ca/sites/nrcan/files/canmetenergy/pdf/ASHp%20Sizing%20and%20Selection%20Guide%20(EN).pdf)

³ EB-2022-0295, SAG Report, November 11, 2024, p.43.

- b) Electric Heat Pump Water Heater: \$1,000 per unit, with a maximum of 1 unit per home.

8. Enabling Activities

16. The Heat Pump Offering will be delivered by the HRS Program approved network of contractors. This network of professionals will receive tools, training, and promotional materials to help consumers navigate DSM offers and upgrade to high-efficiency measures.

9. Metric

17. The metric for the Heat Pump Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

18. The offering will use the TRM (including the established process for the introduction of new measures) as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

SMART HOME OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The goal of the Smart Home Offering is to encourage the installation and use of a smart control device in the homes of residential customers, thereby helping them to manage their energy consumption and their energy bills.

2. Participant Benefits

3. Benefits to participants include:

- a) A straightforward action that participants can take to improve their energy management and lower energy costs.
- b) Multiple pathways are available to receive a rebate, including point of sale, post purchase or through contractor installation.
- c) Optimizes home temperature for comfort and efficiency and may extend the life of HVAC systems.

3. Target Market

4. The Smart Home Offering is targeted to residential customers subject to eligibility details outlined below.

4. Eligibility Criteria

5. To be eligible for the offering, a participant must be a residential Enbridge Gas customer with an active account whose residence (detached house, semi-detached house, row house, townhouse, or a mobile home on a permanent foundation) is primarily heated using natural gas at the time the measure is installed.
6. A participant cannot have previously received a smart thermostat incentive, discount or device through Enbridge Gas DSM programming, Save on Energy, or the HRS Program.

5. Offering Details

7. The Smart Home Offering provides residential Enbridge Gas customers with incentives to support the purchase of smart control devices. Currently, the offering proposed provides an incentive for qualifying smart thermostats, which control temperature settings to drive energy savings to a customer's space heating load. Enbridge Gas will continue to monitor the smart home space to introduce additional smart control devices to the offering as they become market ready.
8. The offering will be delivered using an online incentive platform that connects two incentive delivery channels: instant retail incentives and post-purchase incentives.
 - a) Instant retail incentives will be provided directly upon purchase to the customer at participating retailers or e-commerce web sites.

- b) Post purchase incentives will be available to participants after purchasing an eligible smart control device through any retail channel or a participating contractor. Enbridge Gas uses a third party to provide and manage a contractor portal to facilitate this incentive delivery mechanism.

6. Key Changes

- 9. Compared to Enbridge Gas's previous DSM Plan¹, the Smart Home Offering in the proposed 2027-2030 DSM Plan includes the following key changes:
 - a) Financial Incentives: The previous moderate income rebate will be removed from the Smart Home Offering and a direct install replacement will be included as part of the Moderate Income Direct Install Offering.
 - b) Delivery: Enbridge Gas will focus on expanding market reach and accessibility through the recruitment of additional participating retailers (point-of-purchase) and contractors participating in the offering.

7. Incentives

- 10. Eligible participants will receive a \$100 incentive towards the purchase of a qualifying smart control device. Eligible devices include qualifying ecobee, Copeland Sensi (Emerson), Honeywell, and Google Nest smart thermostats.

8. Enabling Activities

- 11. Specific enabling activities that will be utilized to support the Smart Home Offering include:
 - a) Flexible participation pathways: Multiple pathways to participate, including both self-installation and contractor installation options, encourages higher uptake by accommodating different customer preferences and capabilities.

¹ EB-2021-0002.

- b) Promotional campaigns: Limited Time Offers (“LTO”) have proven effective in driving incremental results in the offering and will continue to be used going forward, whereby incentives are increased by \$25 to \$125 for a specified period.
- c) Partnership with retailers and contractors: Enbridge Gas will collaborate with local retailers and contractors to promote the offering.

9. Metric

12. The metric for the Smart Home Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

13. The offering will use the Technical Resource Manual (“TRM”) as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

MODERATE INCOME DIRECT INSTALL OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The objective of the Moderate Income Direct Install Offering is to support the strategy of equity participation within the residential sector by targeting moderate income customers and communities that do not qualify for the Income Qualified Program but still face cost barriers. The offering is designed as a zero-cost, direct install option targeting both:

- a) Concentrated areas of moderate income customers with older vintage homes based on data analytics and municipal partnerships; and,
- b) Customers who have applied to the Home Winterproofing (“HWP”) Offering but do not meet the low-income qualification threshold, however, still face significant financial barriers to participate in residential conservation programming.

3. This offering removes the barriers of qualification for participants and the scheduling process for audits and contractors.

2. Participant Benefits

4. Benefits to participants include:
 - a) No-cost installation of applicable energy efficiency measures.
 - b) Turnkey installation – no need to find and hire a contractor.
 - c) Timely access to energy efficiency measures without the requirement to schedule pre and post energy audits.

3. Target Market

5. The Moderate Income Offering is targeted at customers that meet the household income threshold as defined by the IESO and shown in Table 1 and subject to the eligibility details outlined below. Enbridge Gas will utilize data analytics to geographically target areas with the highest density of moderate income customers who live in older neighborhoods.

4. Eligibility Criteria

6. To be eligible for the offering, a participant must be a residential Enbridge Gas customer whose residence (a detached house, semi-detached house, row housing, townhome, or a mobile home on a permanent foundation) is primarily heated using natural gas at the time the measure is installed, and satisfies either of the following two requirements:
 - a) The participant lives in a community identified by Enbridge Gas with a high propensity of customers that meet the moderate income household threshold;

OR

- b) The participant did not meet the income qualification threshold for the Home Winterproofing (“HWP”) Offering, however, meets the household moderate income threshold as outlined in Table 1.

Table 1
Moderate Income Eligibility Thresholds¹

Number of people in the home	Low-Income household income before tax	Moderate-Income household income before tax
1	\$48,220	\$71,437
2	\$68,193	\$101,027
3	\$83,518	\$123,731
4	\$96,439	\$142,873
5	\$107,823	\$159,737
6+	\$118,113	\$174,983
7+	\$127,576	N/A

7. Income thresholds change periodically, and these values will be adjusted throughout the 2027-2030 DSM Plan term in alignment with the IESO and other income qualified conservation programming.
8. Customers who have previously received a DSM incentive from Enbridge Gas for a smart thermostat, attic insulation or air sealing are not eligible for those measures under this offering.

5. Offering Details

9. The Moderate Income Direct Install Offering provides a turnkey approach, delivering the following measures:

¹ IESO, Save on Energy, Energy Affordability Program (December 2025), <https://saveonenergy.ca/For-Your-Home/Energy-Affordability-Program>

- a) Direct install attic insulation and air sealing
- b) Direct install smart thermostats

10. Direct install attic insulation and associated air sealing will be delivered through an approved set of delivery agents via two streams:

- a) Geographically identified high-density pockets of moderate income customers in detached homes older than 1974, as these represent the largest area of opportunity for natural gas and energy savings for participants.
- b) Leveraging HWP Offering delivery agents targeting customers who did not meet the income eligibility requirements for that offering but meet the moderate income household threshold.

11. Direct install smart thermostats will continue to be delivered through existing delivery agents that deliver the HWP Offering and understand the direct install process for smart thermostats.

6. Key Changes

12. This is a newly proposed standalone offering in the 2027-2030 DSM Plan that was not included in the previous DSM Plan².

7. Incentives

13. All of the offering's components including installation will be provided at no cost to the participant and costs will be reimbursed directly to the contractors or delivery agents. Contractors must be qualified and approved by Enbridge Gas to deliver the offering.

² EB-2021-0002.

8. Enabling Activities

14. Enabling activities include:

- a) Data Driven Tools: Enbridge Gas will utilize data sets like Municipal Property Assessment Corporation ("MPAC"), Statistics Canada, Environics Demostats, and previous DSM participant data to identify communities that meet the eligibility requirements for this offering. This will remove the barrier of pre-screening customers on an individual basis that is currently an identified barrier for the Income Qualified Program.
- b) Centralized Contractor Engagement: The objective will be to have a centralized engagement strategy for market participants. This will include free training to ensure the offering-related elements are being delivered as designed and are in line with industry best practices. Additionally, tools will be provided to reduce administrative time requirements.

9. Metric

15. The metric for the Moderate Income Direct Install offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

16. The offering will use the Technical Resource Manual ("TRM") (including the established process for the introduction of new measures) as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

ENERGY EDUCATION AND OUTREACH OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The Energy Education and Outreach Offering is designed to achieve the following three objectives:

- a) To advance energy education by providing participants with an understanding of energy usage in their homes relative to comparable homes, personalized energy savings tips, and identifying energy efficiency projects.
- b) To drive incremental savings by motivating participants to make energy efficient behavioural changes in their home.
- c) To promote and build awareness of Enbridge Gas's DSM offerings that can support identified energy efficiency projects.

2. Participant Benefits

3. Benefits to participants include:

- a) No cost to learn about where energy is being used in the home through customized online home energy reports.
- b) Meaningful advice about how to improve the home's energy management and lower energy costs or improve home comfort.
- c) Applicable to all customers, regardless of income level or where they are on their energy journey.

3. Target Market

- 4. The Energy Education and Outreach Offering is targeted but not limited to residential customers (including income qualified) that have high energy usage subject to the eligibility details outlined below.

4. Eligibility Criteria

- 5. To be eligible for the offering, a participant must be a residential Enbridge Gas customer whose residence (detached house, semi-detached house, row housing, townhome, or a mobile home on a permanent foundation) is primarily heated using natural gas.

5. Offering Details

- 6. Enbridge Gas's Energy Education and Outreach Offering is designed with the following structure:
 - a) Third-party vendor delivery: Enbridge Gas intends to work with a vendor with expertise in energy behavioural based programming.

- b) Enrollment: Designed as a free, opt-out initiative to reach participants who may otherwise not be aware of their energy use and, therefore, are not actively looking for ways to reduce usage. Participants will only be considered for enrollment if they have not opted-out from receiving communications from Enbridge Gas. All participants will have a clear method for opting out of the offering if they no longer want to receive the information.
 - c) Home Energy Reports: Targeted households will receive a welcome message (mail and/or email) and are considered a participant in the offering once they have received the message. Participants will then receive a combination of email and print home energy reports annually. These reports will include specific savings tips based on their energy usage patterns, housing characteristics, and demographics.
 - d) Web portal: All participants will have access to a web portal that will enable them to create a profile, access information on other program offers, explore energy savings tips, monitor usage over time, and compare usage to comparable homes for benchmarking purposes.
7. Enbridge Gas intends to roll the offering out to 150,000 customers in 2027, expanding the offering to 263,000 customers in 2030, representing approximately 7.5% of the entire residential sector. In addition to this treatment group, a control group will be required for the purpose of measuring and validating savings.

6. Key Changes

8. This is a newly proposed offering in the 2027-2030 DSM Plan that was not included in the previous DSM Plan¹.

¹ EB-2021-0002.

7. Incentives

9. This offering takes a different approach from the typical incentive structure. Instead of direct financial incentives, customers benefit from curated home energy reports that highlight immediate energy saving tips, educational resources to advance energy literacy, and guidance on how to further reduce energy consumption. The offering also highlights available DSM program offers, giving customers access to support for further energy saving actions.

8. Enabling Activities

10. The entire Energy Education and Outreach Offering is comprised of enabling activities that support the offering as well as support increased engagement for other DSM offerings. Through the modules on the home energy reports, Enbridge Gas can display relevant program information and available rebates for other DSM programs to encourage participants to implement more energy saving measures.

9. Metric

11. The metric for the Energy Education and Outreach Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

12. Annual natural gas savings are determined by comparing the average usage between the treatment and control groups. A regression analysis is involved, which incorporates pre-treatment data to provide more accurate savings.

INCOME QUALIFIED PROGRAM

1. This evidence is organized as follows:
 1. Income Qualified Sector Overview
 - 1.1 Customers
 - 1.2 Market Actors
 - 1.3 Energy Use
 - 1.4 External Factors
 - 1.5 Motivations and Barriers
 2. Income Qualified Program Proposal

1. Income Qualified Sector Overview

2. The income qualified segment in the Enbridge Gas service area spans customers in both the residential and commercial sectors, representing approximately 435,000 residential and 5,000 commercial multi-residential premises. To ensure overall equitable participation in DSM programming, the income qualified segment has a separate scorecard and Enbridge Gas will refer to it as a separate sector for the purposes of its 2027-2030 DSM Plan.
3. As outlined in Figure 1, this sector includes social housing, co-operative housing, supportive housing, market rate rentals, and Indigenous housing under both single-family and multi-unit residential building ("MURB") housing types. Income qualified private homes are also included under the single-family housing type. Each income qualified housing type is characterized by distinct energy consumption patterns, decision-making structures, and unique barriers to participation in energy conservation programs.

Figure 1: Income Qualified Single-Family and MURB Housing Types

Income Qualified Sector – Single-Family Housing Types					
					
Social Housing Housing provided by the municipality based on income.	Co-operative Housing Housing controlled by members who have a vote in decisions. Rents are less than local average; some units subsidized.	Supportive Housing Supportive housing provided by a non-profit agency (e.g., charity, Indigenous housing). Tenancy is based on income.	Market Rate Rentals Homes rented without regard to tenant income, but tenant meets income eligibility.	Private Homes People living in the home are the homeowners and meet income eligibility.	Indigenous Housing Indigenous people living in on-reserve and off-reserve housing which varies by type.
Income Qualified Sector - MURB Housing Types					
					
Social Housing Housing provided by the municipality based on income.	Co-operative Housing Housing controlled by members who have a vote in decisions.	Supportive Housing Supportive housing provided by a non-profit agency (e.g., charity, Indigenous housing). Tenancy is based on income.	Market Rate Rentals Units rented without regard to tenant income, but rent roll meets the Canada Mortgage and Housing Corporation (CMHC) guideline for affordable housing. ¹	Indigenous Housing Indigenous people living in on-reserve and off-reserve housing which varies by type.	

4. In Ontario, the income qualified sector includes some of the province’s most vulnerable populations. There is no standardized policy definition of “low-income”, “income qualified” or “energy poverty”, though the terms are often used in utility program planning. Energy poverty is defined by Natural Resources Canada (“NRCan”) as households spending more than 30% of their income on shelter or 10% of their income on energy alone.² Statistics Canada defines poverty using the Low-Income Measurement (“LIM”), which fluctuates annually based on socio/economic factors. Both Enbridge Gas and the IESO set thresholds as a

¹ At least 30% of the units are rented at less than 80% of the median market rent.

² Statistics Canada (February 20, 2024), Income Inequality in Canada, <https://www150.statcan.gc.ca/n1/pub/46-28-0001/2024001/article/00001-eng.htm>

function of the LIM, which Statistics Canada specifies on annual before-tax income and household size. As of October 2025, the aligned income qualification values for the IESO and Enbridge Gas are shown in Table 1. These values will be adjusted annually throughout the 2027-2030 DSM Plan term in alignment with the IESO. Enbridge Gas is committed to supporting this sector through comprehensive DSM programs designed to address the specific challenges of this sector.

Table 1
IESO Income Eligibility Thresholds³

Number of people in the home	Before-tax household income
1	\$48,220
2	\$68,193
3	\$83,518
4	\$96,439
5	\$107,823
6	\$118,113
7+	\$127,576

1.1 Customers

5. As outlined above, Enbridge Gas's customers in the income qualified sector include:

- a) Social Housing: Social housing (sometimes referred to as community housing) is government-assisted (including municipally-assisted) housing that provides lower cost rental units to households with low-to-moderate incomes and can include:
 - i. Public housing (owned directly or indirectly by service managers)
 - ii. Rent supplement programs (often in the private market)
 - iii. Rural and urban Indigenous housing (owned by Ontario Aboriginal Housing Services)

³ IESO, Save on Energy, Energy Affordability Program (December 2025), <https://saveonenergy.ca/For-Your-Home/Energy-Affordability-Program>

- iv. Housing provided by municipalities based on income. These units are often in poorer condition and subject to lengthy waitlists.⁴
- b) Co-operative Housing: Governed by members with voting rights, these units offer below-average rents, with some units subsidized. Decision-making can be slow due to the need for board approval.
- c) Supportive Housing: Provided by community-based non-profit agencies (e.g., individual charities), including Indigenous housing, with tenancy based on income. Also known as private non-profit housing.⁵
- d) Market Rate Rentals:
 - i. Single-family – This includes independent owner/landlords and tenants. Landlords may be skeptical of free DSM programs, and tenants often fear eviction if they disclose their income qualified status. This sector likely houses a high percentage of income qualified tenants, especially in rural and remote areas.
 - ii. MURB – This primarily includes purpose-built rental apartments, which make up a small percentage of the housing stock in urban areas like the Greater Toronto Area (“GTA”). Rising rents have reduced the number of affordable units available to income qualified tenants.

⁴ Ministry of Municipal Affairs and Housing (August 6, 2024), Ontario’s interim Action Plan under the National Housing Strategy (2022–23). <https://www.ontario.ca/document/ontarios-second-action-plan-under-national-housing-strategy-2022-23/ontarios-context#foot-1>

⁵ Ontario Non-profit Housing Association (October 2024), About non-profit housing, <https://onpha.on.ca/about-ontario-nonprofit-housing-association/>

e) Private Homes (single-family):

- i. Private homes, owned by the occupants, who may fall into the income qualified bracket at different life stages, such as during retirement or while raising a family, regardless of the characteristics of their home.
- ii. These homes are typically less energy efficient due to their age, leading to higher energy costs. Customers in these homes often face energy poverty, spending a significant portion of their income on energy bills.

f) Indigenous Housing:

- i. On-Reserve Indigenous Housing: Residential housing units on reserves can vary widely in terms of quality and age. Some homes may be newer and built to recent standards, while others may face challenges related to maintenance and structural issues.
- ii. Off-Reserve Indigenous Housing: These homes are typically located in urban, suburban, or rural areas and are not managed by a band council. Instead, they are often overseen by Indigenous-led housing organizations, non-profits, or local housing authorities, and are sometimes supported by federal, provincial, or municipal programs aimed at addressing housing needs. Off-reserve Indigenous housing can vary in type, including single-family homes, multi-family dwellings, rental units, and subsidized housing.

1.2 Market Actors

6. Market Actors in the income qualified sector include:

- a) Delivery Agents (“DA”): DAs are full-service organizations that provide home energy assessments and contractor services to support the Home Winterproofing Offering.

- b) Service Organizations (“SO”): SOs are licensed through NRCan and perform several key functions such as HOT2000 training, quality assurance/quality control (“QA/QC”) and employing a team of Registered Energy Advisors.
- c) Registered Energy Advisors (“REA”): REAs are certified energy advisors who conduct EnerGuide Assessments to inform customers about energy efficiency opportunities in their homes. These assessments are also used to measure whole-home energy savings after a post-assessment is completed. REAs work with SOs that are licensed through NRCan.
- d) Contractors: Contractors sell, source, and install energy efficiency measures. Applicable measures for residential buildings include, but are not limited to, HVAC equipment, insulation, and windows and doors.
- e) Affordable Housing and Market Rate Associations: Organizations such as the Ontario Non-Profit Housing Association (“ONPHA”), Co-operative Housing Federation of Canada (“CHFC”), and the Federation of Rental Housing Providers (“FRPO”) advocate for affordable housing and support energy efficiency initiatives. These associations can be leveraged for program promotion and customer outreach.
- f) Municipalities: Municipalities are key partners in delivering income qualified programs. They are responsible for housing plans, environmental plans, and enforcing building codes.
- g) Indigenous Housing Services: The Ontario Aboriginal Housing Service (“OAHS”) collaborates with Indigenous housing providers to support income qualified Indigenous families. These entities are crucial for reaching and serving Indigenous communities both on and off reserves.

- h) Enbridge Gas Energy Solutions Advisors (“ESA”): Enbridge Gas ESAs promote the Affordable Housing Multi-Residential Offering to building owners, working with both social housing providers and market-rate landlords.
- i) IESO: Enbridge Gas collaborates with the IESO to provide a comprehensive energy efficiency program that includes both natural gas and electricity savings for the single-family housing type. This collaboration offers participants a one window approach to address their energy efficiency needs.
- j) Social Agencies: Social agencies are key partners to promote and create program awareness, for example United Way Simcoe Muskoka is an organization that intakes all Low-income Energy Assistance Program (“LEAP”) applications and promotes the Home Winterproofing Offering to LEAP participants.

1.3 Energy Use

7. Energy use in the income qualified sector is consistent with similar single-family building types outlined in the Residential Sector Overview (Exhibit E, Tab 2, Schedule 1) and MURB types outlined in the Commercial Sector Overview (Exhibit E, Tab 4, Schedule 1). Energy use is significantly affected by the age and condition of the housing stock. Older homes and MURBs typically have higher energy consumption due to inefficient building systems which affects energy consumption and comfort. For these reasons and more, “households who live in less efficient homes will typically have higher energy costs than their counterparts in more efficient homes.”⁶ When considering the number of households with high home energy cost burdens, single-family homes (single detached housing) account for the

⁶ Canadian Urban Sustainability Practitioners (October 2019), Energy poverty in Canada: A CUSP backgrounder, p.8. <https://energypoverity.communitydata.ca/backgrounder.pdf>

largest share, totaling 1.8 million households in Canada.⁷ Financial constraints also mean that income qualified households spend a higher percentage of their income on energy, often leading to energy poverty.

8. Enbridge Gas is well positioned to support broader investment in the capital upgrades and energy retrofit requirements for these buildings. With a proven track record of success in delivering energy efficiency initiatives, Enbridge Gas offers financial incentives and technical support to facilitate improvements in the energy systems of income qualified buildings. Recognizing the growing number of income qualified individuals living in privately owned buildings, driven by the shortage of social housing in Ontario, Enbridge Gas acknowledges the importance of enhancing efforts to identify and target these buildings throughout its service area by extending support through income qualified energy conservation programming.

1.4 External Factors

9. The income qualified sector is shaped by a variety of external factors, spanning political, economic, social and technological influences. The following factors are presumed to be the most impactful on the income qualified customer base:
 - a) Complex Political Environment: Political support for affordable housing and climate change initiatives is robust at federal, provincial, and municipal levels, leading to significant funding and regulatory changes. However, navigating these complex regulatory environments, aligning with OEB mandates, and engaging effectively with Indigenous communities are essential for optimizing program delivery.

⁷ Canadian Urban Sustainability Practitioners (October 2019), Energy poverty in Canada: A CUSP backgrounder, p.8. <https://energypoverty.communitydata.ca/backgrounder.pdf>.

- b) **Economic Challenges to Energy Efficiency Investments:** The sector faces substantial challenges, many of which overlap with challenges outlined in the Residential Sector Overview (Exhibit E, Tab 2, Schedule 1). Rising costs of materials and labour due to inflation have significantly impacted the feasibility of energy efficiency projects. The commercialization of the housing market, where large investors drive up rents, complicates the qualification of buildings for income qualified programs.⁸
- c) **Social Stigma:** Trust and identification issues hinder program participation, as income qualified customers often hesitate to self-identify and share income information due to stigma and past experiences with scams. The poor conditions of older housing stock present additional health and safety challenges that must be addressed to facilitate energy efficiency upgrades. Building strong relationships with community organizations and municipalities are important to overcome these barriers and improve outreach.

1.5 Motivations and Barriers

- 10. Energy conservation presents a compelling opportunity for cost savings and improved comfort, which is especially crucial for income qualified households facing financial constraints. Beyond economic benefits, energy conservation resonates with Indigenous values of stewardship, providing an environmentally responsible approach that also promotes healthier living conditions.
- 11. In addition to the barriers outlined in the Residential Sector Overview (Exhibit E, Tab 2, Schedule 1) and the MURB-specific barriers and needs noted in the Commercial

⁸ Ministry of Municipal Affairs and Housing (August 6, 2024), Ontario's interim Action Plan under the National Housing Strategy (2022-23). <https://www.ontario.ca/document/ontarios-interim-action-plan-under-national-housing-strategy-2022-23/ontarios-context>

Sector Overview (Exhibit E, Tab 4, Schedule 1), the following are specific to the income qualified sector:

a) Identification and Trust

- i. Many individuals are hesitant to self-identify as income qualified due to the sensitive nature of income qualification, making them uncomfortable with sharing personal information. This challenge represents a major barrier to the success of income qualified programs. Trust is an important aspect of programming when working with Indigenous communities and requires a unique approach to outreach. Additionally, a general mistrust of free programs persists, largely stemming from past experiences with scams, further complicates engagement efforts.

b) Economic Barriers

- i. Single-Family: Rising costs of goods, labour, and services impact the feasibility of energy efficiency projects. Many income qualified customers live in older homes that require significant upgrades, which can be costly. Many Ontarians are more financially constrained than ever, with a greater percentage of incomes going towards basic needs such as paying for rent and groceries.
- ii. Multi-Residential: Energy efficiency projects often compete for capital, with building managers/owners prioritizing more urgent repairs. Moreover, any additional capital is heavily reliant on funding streams, which affect long-term decision making for multi-residential building owners.⁹ Further, the commercialization of the housing market has led

⁹ Enbridge Gas Stakeholder Engagement, Brickworks Communications, August 7, 2024, p.38.

to increased rents, making it more difficult for buildings to be eligible for income qualified programs.

c) Social Barriers

- i. Tenants may fear eviction if they disclose their income qualified status. There is also a stigma associated with being income qualified, which can deter participation in programming.
- ii. There are challenges associated with the decision-making processes for multi-residential customers. Operational scale and structure vary significantly, with social housing often having centralized decision-making governed by larger organizations, while co-operative housing is member-governed with smaller organizations, each with varying degrees of technical knowledge.¹⁰
- iii. Across all multi-residential building types, there are limited resources available to track and learn about the various types of energy efficiency offerings and technologies, and the capacity to implement projects. Some housing providers lack professional property managers, relying on volunteer boards that may not have such knowledge and experience.¹¹

d) Health and Safety Barriers

- i. The condition of a home may cause a participant to be disqualified from participating. This includes physical and structural problems within single-family housing units such as asbestos, pest infiltration or excessive hoarding, elevating the safety risk for residents (and contractors) in undertaking improvement projects. In these unfortunate

¹⁰ Enbridge Gas Stakeholder Engagement, Brickworks Communications, August 7, 2024, p.39.

¹¹ Enbridge Gas Stakeholder Engagement, Brickworks Communications, August 7, 2024, p.29.

instances, units are ineligible for participation until environmental and safety risks are adequately addressed.

2. Income Qualified Program Proposal

12. The Income Qualified Program extends the principles of the Residential Program, adapting its design to meet the specific needs of this customer segment. While grounded in similar design principles, the Income Qualified Program goes further by addressing the distinct challenges faced by income qualified households in Ontario. Hence, the Income Qualified Program encompasses important components such as:

- a) Strategic outreach specifically tailored to the unique characteristics of hard-to-reach customers;
- b) Updated, province-wide income eligibility criteria in collaboration with the IESO;
- c) Turnkey, fully funded weatherization programming for income qualified residents of single-family and low-rise social housing. DSM Stakeholder Advisory Group “members agreed that the continuation of no cost opportunities for income-qualified customers is a critical component of Enbridge’s future DSM plan.”¹²
- d) Standardized private multi-residential building eligibility screening; and,
- e) Enhanced incentives, low or no cost direct install measures to improve economic feasibility of efficiency projects contributing to the preservation and improvement of the multi-residential social and assisted housing supply and qualified privately-owned multi-residential buildings.

¹² EB-2022-0295, SAG Report, November 11, 2024, p.48.

13. The Income Qualified Program is comprised of offerings that support the income qualified sector for both the residential and commercial multifamily sectors.

Table 2:
Income Qualified Offering Descriptions and Enabling Activities

Income Qualified Program		
Offering	High Level Description	Key Offering Elements
Home Winterproofing	Provides no-cost upgrades to income qualified customers to reduce their energy consumption and help lower their energy bills. Targeted to the following market segments: social housing, supportive housing providers, co-operative housing, private market rate housing for single-family housing, and Indigenous housing.	No-cost home energy assessments and energy efficient upgrades including insulation, draft proofing and a smart thermostat. Professional installation by qualified contractors. New Measures: • Windows (in the case where damaged and compromises building envelope) • Heat reflector panels.
Affordable Housing Multi-Residential	Support for property managers that have income qualified tenants living in their buildings; to increase the efficiency of buildings, help save on energy costs and increase comfort for residents. Targeted to the following market segments: social housing, supportive housing providers, co-operative housing, private market rate housing providers, and Indigenous housing.	Up to \$15,000 for energy audits to identify energy upgrades for qualifying participants. Incentives for prescriptive, custom, and direct install measures, plus new Commercial Existing Building Commissioning Offering. Up to \$30,000 for Energy Manager support to help social housing providers that do not have energy management staff. Delivered through Enbridge Gas ESAs and third-party DAs (for direct install).

Table 2: (continued)*
Income Qualified Offering Descriptions and Enabling Activities (continued)

Income Qualified Program	
Enabling Activities	High Level Description
Indigenous Outreach	Enbridge Gas will continue to work with elected Chiefs and Councils to deliver the Income Qualified Program to both existing and new Indigenous communities. The Enbridge Gas Senior Advisor, Indigenous Energy Conservation, will develop community-based outreach strategies, meeting with housing providers and tenants to directly connect them with Enbridge Gas program offerings.
Community Based Outreach	Working with front-line agencies, Enbridge Gas will develop targeted marketing campaigns that reflect the language and culture of the diverse community base.
Municipal Partnerships	Municipalities maintain socio-economic and demographic information about their communities and neighborhoods as well as offering various assistance programs to income qualified residents. Enbridge Gas proposes to further expand contact with municipalities to leverage various offices that address low-income issues and build collaborative outreach campaigns. Municipal Initiatives that could be leveraged for outreach campaigns include: a. Utility Arrears Assistance Programs b. Property Tax Rebate/Deferral Programs c. Transit and Recreational Subsidies d. Home Energy Retrofit Loans e. Ontario Renovates f. Designated Vulnerable Neighborhood Initiatives
Non-Profit Housing Delivery Agent	Successfully working with housing providers is significantly different than with owner-occupied homes. Housing providers require a longer planning cycle and more guidance and support in planning and decision-making than owner-occupied participants. Enbridge Gas will utilize experienced non-profit housing DAs, who are skilled in servicing this sector and able to build the business case for management teams and provide them with post-project metrics to demonstrate goals are met. Since tenants have the right of refusal, the delivery team will also engage residents through community engagement events to answer all questions, address concerns and, ultimately, build trust; ensuring all tenants participate.

HOME WINTERPROOFING OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The objective of the Home Winterproofing (“HWP”) Offering is to reduce energy costs for residents of income qualified single-family households, or residents of an eligible social or assisted housing property, by improving the energy efficiency of their homes.

2. Participant Benefits

3. Benefits to participants include:

- a) No-cost energy assessment and direct installation of energy efficient upgrades deemed necessary.
- b) Turnkey, one window delivery aligned with the IESO (i.e., no need for participants to find and hire multiple contractors or to qualify for separate programs).

- c) Remediation of health and safety issues that would otherwise prevent participation.
- d) Free installation of carbon monoxide detectors if missing from the home.

3. Target Market

- 4. Customers living in either owner-occupied or rental homes qualify for the offering through proof of income or proof of participation in specified programs. Housing providers, including social and assisted housing, non-profit housing and co-operative housing are eligible for this program, and may apply on behalf of their tenants. Consistent with the direction given by the OEB in the DSM Framework,¹ the HWP Offering is aligned with the Tier 1 eligibility income screening criteria outlined in the IESO Energy Affordability Program (“EAP”), as described in the section below.

4. Eligibility Criteria

- 5. To qualify for low income (Tier 1) support, the participant must be:
 - a) A resident of an eligible social or assisted housing property. Social and Assisted Housing, for the purposes of the Income Qualified Program includes:
 - i. 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);
 - ii. Public housing corporations owned by municipalities directly or through local housing corporations;
 - iii. Non-profit housing co-operatives as defined in the Co-operative Corporations Act;

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), Section 7.2, p.13.

- iv. Non-profit housing corporations that manage or own residential (including multi-residential) buildings developed under the CMHC Affordable Housing Fund; and,
- v. Non-profit organizations, or municipal or provincial governments, that manage or own residential (including multi-residential) supportive housing, shelters and hostels.

OR

- b) An individual who owns, rents, or leases a residence in Ontario and meets ONE of the following criteria:
 - i. Has an annual household income for the previous year that does not exceed the following limits:²

Table 1
HWP Offering Income Eligibility Thresholds

Number of people in the home	Before-tax household income
1	\$48,220
2	\$68,193
3	\$83,518
4	\$96,439
5	\$107,823
6	\$118,113
7+	\$127,576

- ii. Received one of the following types of assistance in the past 12 months.
 - Allowance for Survivors
 - Guaranteed Income Supplement

² Values as of December 2025. These values will be adjusted annually throughout the term in alignment with the IESO.

- Allowance for Seniors
 - Ontario Works
 - Ontario Disability Support Program (“ODSP”)
 - Healthy Smiles Ontario Child Dental Program
 - Ontario Electricity Support Program
- iii. Received a Low-Income Energy Assistance Program (“LEAP”) grant or were part of the Ontario Electricity Support Program (“OESP”) within the last 12 months.
- iv. Qualified to participate in the Tier 1 CDM Energy Assistance Program (“EAP”) formally known as the Home Assistance Program (“HAP”) during the past 12 months.

OR

- c) A resident of an on-reserve Indigenous single-family home that can demonstrate one of the following:
- i. A letter from Band Housing confirming that community income thresholds are within income eligibility criteria,

OR

- ii. Confirmation that the community has participated in the CDM Energy Assistance Program Tier 1 during the past 12 months.

5. Offering Details

6. The HWP Offering is provided free of cost to all income eligible residential customers.

7. Eligible measures for the offering include:

- Insulation (attic, basement & wall) and air sealing
- Smart thermostats
- Reflector panels

- Pipe wraps, aerators and showerheads
 - Windows (in the case where damaged and compromises building envelope)
8. The offering is delivered by third-party Delivery Agents (“DA”) who cover specific postal codes within Enbridge Gas’s service area. The DAs screen eligibility of a potential participant. If eligible, a Registered Energy Advisor (“REA”) is sent to the home to conduct an energy assessment. The REA collects information on the home, including size and layout, current insulation levels, airtightness, and heating and cooling equipment. This information is used to create a model using HOT2000, an energy simulation program developed and maintained by Natural Resources Canada (“NRCan”). Based on the results of the audit and model, the DA determines which measures the home qualifies for through the offering. If the customer agrees to proceed with the recommended measures, the DA arranges for a qualified contractor to schedule and install them. An REA then conducts a post-installation energy assessment. The savings for insulation and air sealing are based on the improvements shown between the initial and post HOT2000 models. All remaining measures are direct install prescriptive, and the offering will reference the Technical Reference Manual (“TRM”) as the basis for natural gas savings. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.
9. Enbridge Gas notes that there is an important policy consideration for the income qualified space regarding electric heat pump technology, which was discussed with the DSM Stakeholder Advisory Group (“SAG”) during intervenor engagement sessions (Exhibit C, Tab 1, Schedule 5). While electric heat pumps reduce natural gas and offer efficiency gains, they involve fuel switching and can increase electricity costs, especially if the home previously lacked air conditioning. For this reason, implementing them in the income qualified sector would not be appropriate, as it could raise energy costs for individuals already facing financial constraints.

6. Key Changes

10. Compared to Enbridge Gas's previous DSM Plan³, the HWP Offering in the proposed 2027-2030 DSM Plan includes the addition of the following new measures:

- a) Heat reflector panels;
- b) Window replacements (will be offered as a building envelope measure where existing windows are damaged and are a source of air leakage beyond repair).

7. Incentives

11. The HWP Offering continues to offer direct install measures at no cost to the customer.

8. Enabling Activities

12. The primary enabling activity of this offering is the pre-energy assessment performed by the REA assigned to the home. This assessment provides all the recommendations required for customers to realize energy efficiency opportunities based on their specific home and equipment.

13. Ongoing support throughout the upgrade process is another key enabling activity. Enbridge Gas has designed the offering to fully guide customers through the entire journey from start to finish.

14. Additional enabling initiatives include strategic partnerships with municipalities and community-based front-line agencies. Furthermore, Enbridge Gas will address income eligible provider participation by creating a delivery model specific to their needs.

³ EB-2021-0002.

15. Finally, a key enabling initiative involves Enbridge Gas's Indigenous housing strategy where a dedicated Enbridge Gas staff member will develop and deliver an outreach strategy specifically for the on-reserve HWP Offering as well as off-reserve Indigenous housing.

9. Metric

16. The metric for the HWP Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

17. NRCan HOT2000 software, used in General Mode, is currently required for estimating natural gas savings achieved from weatherization improvements of participants in the HWP Offering. Homes will be initially modelled based on the existing state of the home (pre-assessment) and again after upgrades have been installed in the home (post-assessment).

18. In the case of direct install prescriptive measures, the offering will reference the TRM as the basis for natural gas savings (m³). Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

AFFORDABLE HOUSING MULTI-RESIDENTIAL OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The Affordable Housing Multi-Residential (“AHMR”) Offering provides enhanced incentives and technical support to multi-residential buildings that house the province’s most vulnerable populations. These buildings are typically government funded or non-profit social housing but increasingly include privately owned multi-residential housing. The offering aims to reduce natural gas consumption through energy efficiency upgrades, helping to lower energy costs while contributing to the province’s overall energy goals.

2. Participant Benefits

3. Benefits to participants include:

- a) A variety of enhanced incentives available through a mix of prescriptive, custom and direct install energy efficiency measures.

- b) Financial support is provided for energy manager services to help social housing providers that do not have energy management staff identify, plan and implement energy savings solutions.
- c) Incentives are provided for energy assessments to support understanding of building energy usage and to inform the scoping of energy efficiency projects.
- d) Participants may experience increased comfort for residents, extended equipment life, and reduced greenhouse gas emissions due to lower energy consumption.

3. Target Market

4. The AHMR Offering will target:

- a) All social and assisted housing providers including non-profit social housing providers, non-profit housing co-operatives, non-profit housing corporations, supportive housing, and shelters.
- b) Owners/managers of privately owned multi-residential buildings that meet the eligibility criteria supporting high incidence of below market rental units.

4. Eligibility Criteria

- 5. Participants must be an Enbridge Gas multi-unit residential building ("MURB")¹ customer falling under one of the two classifications described in the criteria below:
 - a) Social and Assisted Housing – This includes:
 - i. Non-profit providers of social or assisted housing under a federal, provincial, or municipally funded program, and includes, without

¹ Properties used for residential purposes that typically have seven or more self-contained units, though some buildings may deviate from this general description.

limitation, non-profit corporations governed by the Housing Services Act, 2011 (as amended or any successor legislation);

- ii. Public housing corporations owned by municipalities directly or through local housing corporations;
- iii. Non-profit housing co-operatives as defined in the Co-operative Corporations Act;
- iv. Non-profit housing corporations that manage or own residential (including multi-residential) buildings developed under the Canada Mortgage and Housing Corporation ("CMHC") Affordable Housing Fund; and,
- v. Non-profit organizations, or municipal or provincial governments that manage or own residential (including multi-residential) supportive housing, shelters, and hostels.

b) Privately Owned Multi-Residential Buildings – The following must be demonstrated:

- i. 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 CMHC. Where median rental data is not available through the CMHC Rental Market Survey, Enbridge Gas will use the rental data outlined within the Affordable Residential Units for the Purposes of the Development Charges Act Bulletin.
- ii. The building has participated in a federal, provincial, or municipal affordable housing funding program within the preceding 5 years.
- iii. Participants with privately owned facilities must also sign a declaration indicating they have been qualified via rent roll or by receiving previous funding for affordability.

6. New and existing MURBs are eligible for the offering.

5. Offering Details

7. The AHMR Offering is available across the entire Enbridge Gas service area and aims to help social housing providers and private apartment building owners improve the energy efficiency of their aging buildings. The incentives in this offering take a “building as a system” approach, and provide participants comprehensive building assessments, greater financial incentives for mechanical upgrades, and technical expertise to improve efficiency for heating, hot water systems, and building controls. In the absence of incentives and other support, cost constraints may lead owners to implement only lower cost options which provide less energy conservation benefits.
8. While the AHMR Offering is structured like the Commercial Program, the AHMR Offering provides increased customer incentives that offset a greater share of upgrade costs, helping affordable housing providers overcome the significant capital constraints that often limit their participation. A key challenge in this market is motivation to carry out the upgrades as the building owners, who are the ones making large financial investments in upgrades, are not the beneficiaries of those upgrades directly. Moreover, the residents that are the ultimate energy users, lack the ability to reduce their consumption. Enhanced financial incentives help bridge this gap by making energy efficiency investments more financially viable for building owners.
9. Affordable housing and privately owned multi-residential building owners and property managers often do not have the staff to understand the technical aspects of their building or what energy improvements are needed in the building. With Enbridge Gas’s technical support to assist building owners and property managers to better understand the energy efficiency options available to them, and enhanced incentives to buy-down the project costs, Enbridge Gas will help these customers

realize meaningful energy savings while improving the comfort of the building for tenants.

6. Key Changes

10. Compared to Enbridge Gas's previous DSM Plan,² the AHMR Offering in the proposed 2027-2030 DSM Plan includes the following key changes:

- a) Financial incentives: Addition of an Energy Manager Assistance incentive; up to \$30,000 is available to qualified customers who do not have an energy manager in-house and require assistance.
- b) Measures: A new Commercial Existing Building Commissioning ("EBCx") Offering is proposed that aims to enhance operational efficiency of existing building systems through operational and behavioral improvements.

7. Incentives

11. The AHMR Offering will include five categories of incentives:

- a) Custom incentives will be increased from \$2/gross m³ saved to \$3/gross m³ saved, to reflect changes in the market such as economic conditions over the last few years causing higher interest rates and material/labour/equipment supply cost increases.
- b) Prescriptive downstream incentives are available for the following measures:

² EB-2021-0002.

Table 1
AHMR Offering Prescriptive Measure Incentives

AHMR Offering Prescriptive Measures	Incentive Levels
Heat Recovery Ventilators (“HRV”)	\$1.60/CFM to \$6.25/CFM
Energy Recovery Ventilators (“ERV”)	\$2.00/CFM to \$7.80/CFM
In-suite HRV	\$240/unit to \$900/unit
In-suite ERV	\$450/unit to \$1200/unit
Condensing Make-Up Air (“MUA”) unit	\$0.60/gross m ³ saved to \$1.10/gross m ³ saved
Condensing Storage Water Heater	\$4.00/gross m ³ saved
Condensing Tankless Water Heater	\$1.80/gross m ³ saved

- c) Direct install of reflective panels, including full cost coverage.
- d) The EBCx Offering which includes no cost pre- and post- assessments to identify no cost/low-cost measures and a custom incentive calculated at \$1/gross m³ saved.
- e) Enabling Incentives:
 - i. Energy Assessment costs covered up to \$15,000 per project.
 - ii. Energy Manager costs covered up to \$30,000.

8. Enabling Activities

12. Enabling activities include:

- a) Energy Managers – Enbridge Gas proposes to increase equity in the offering by ensuring small portfolio housing providers can access the AHMR Offering. Enbridge Gas will pay up to \$30,000 for energy manager services. To be eligible, the customer must not employ energy manager services (or engineering or similar services) in-house.

- b) Indigenous Strategy – Enbridge Gas’s Senior Advisor, Indigenous Energy Conservation, will lead outreach and delivery to Indigenous housing providers both on and off reserves.
- c) Site Walk-throughs – Conducted by Energy Solutions Advisors (“ESA”) and/or participating trade allies to identify potential efficiency opportunities.
- d) Portfolio Benchmarking – ESAs work with key accounts to identify and prioritize buildings with the highest potential for efficiency improvements.
- e) Capital Asset Renewal Planning – ESAs collaborate with customers to review capital asset renewal plans and identify opportunities to enhance efficiency during equipment, envelope, and other planned capital replacements. This form of proactive planning helps mitigate supply chain, installation, and resource barriers by addressing them ahead of time rather than at the time of replacement.
- f) Funding for Audits, Metering, Studies and EMIS – To address knowledge barriers related to identification, cost, benefits, and feasibility of efficiency opportunities.
- g) Educational Tools – Webinars and workshops to raise awareness of and interest in high efficiency equipment.
- h) Building Operator Training – To support more efficient building operations.

9. Metric

13. The metric for the AHMR Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

14. Custom Projects: This offering will employ several customized approaches in the calculation of natural gas savings (m^3) including engineering calculations and energy modelling, as determined reasonable by Enbridge Gas's technical experts. For commonly implemented measures, standard calculators have been developed such as e-tools to ensure that common baseline assumptions and calculation methodology are applied across similar types of projects. This offering will use a custom calculator as the basis for natural gas savings (m^3) gross measurement resulting from EBCx Offering measures.
15. Prescriptive and Direct Install Measures: Natural gas savings claims (m^3) will reference the current version of Technical Resource Manual ("TRM") applicable to the program year. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

COMMERCIAL PROGRAM

1. This evidence is organized as follows:

1. Commercial Sector Overview
 - 1.1 Customers
 - 1.2 Market Actors
 - 1.3 Energy Use
 - 1.4 External Factors
 - 1.5 Motivations and Barriers
 - 1.6 Segment-Specific Needs
2. Commercial Program Proposal

1. Commercial Sector Overview

2. The commercial sector in Ontario encompasses approximately 242,000 premises that collectively consume over 6 billion cubic meters of natural gas each year. This sector is diverse and can be divided into three main segments: Business, MURB (Multi-Unit Residential Building), and MUSH (Municipal, University, School, and Hospital). Each segment has distinct consumption patterns, decision-making structures, and barriers to participating in energy conservation programs, reflecting their distinct energy needs and potential for savings.
3. Recognizing the sector's significant potential for natural gas savings, Enbridge Gas has developed a comprehensive program with tailored offerings designed to address its unique characteristics. This approach aligns with Enbridge Gas's broader mission to provide reliable, cost-effective energy efficiency solutions that adapt to the evolving needs of commercial customers.

1.1 Customers

4. As outlined above, Enbridge Gas classifies the Commercial sector into three market segments:

1. Business:

- i. Includes retail stores, warehouses, long-term care facilities, food service establishments, office buildings, hotels/motels, entertainment complexes, places of worship, and recreational centers.
- ii. Represents 88% of premises but only 44% of consumption.
- iii. Despite lower consumption at an account level, collectively, these customers represent a substantial energy savings opportunity.

2. MURB:

- i. Comprised of multi-unit residential buildings with four or more stories and greater than 600 m² in building area. Includes privately owned buildings (approximately 13,000 premises) but excludes buildings that are income qualified – both publicly and privately owned (approximately 5,000 premises).¹
- ii. Represents a higher proportion of consumption (27%) relative to the number of premises (7%).
- iii. These customers are made up of a relatively homogeneous set of building types, ideal to target for scalable energy efficiency research and upgrades.

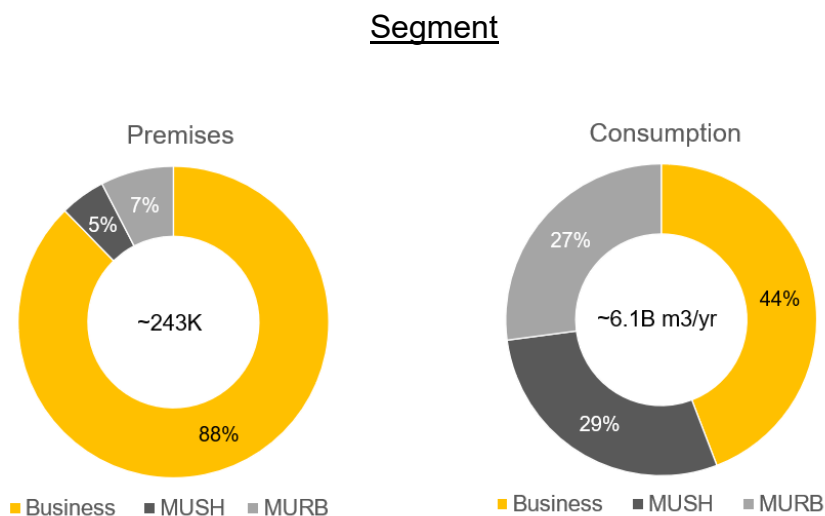
3. MUSH:

- i. Covers buildings owned by municipalities, universities, colleges, schools, and hospitals.

¹ The affordable housing multi-residential market is addressed as part of the Income Qualified Program.

- ii. Similar to MURB, represents a higher proportion of consumption (29%) relative to the number of premises (5%) and is typically the most cost-effective to reach from a results per capita perspective.
- iii. Targeting energy efficiency programs to this group can yield significant energy savings but also requires a high level of engagement and longer project timelines.

Figure 1: 2024 Premises and Annual Natural Gas Consumption by Commercial Market



5. The commercial sector can also be further divided into small and large commercial premises. Small commercial premises are defined as those that consume less than 100,000 m³ of natural gas annually,² while large commercial premises consume more than this amount. Customer size is important to consider, as large commercial customers have more potential for savings by reducing their energy use³ and participating in DSM, but they also tend to have larger and more complex buildings

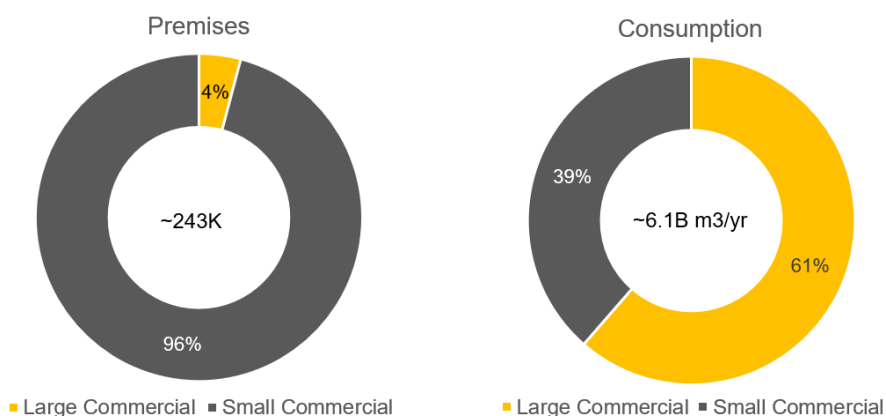
² As assessed based on a three-year average of previous consumption (as available, provided the premise is not newer than 3 years).

³ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.52.

that may require a customized approach. Conversely, small commercial customers tend to have less complex buildings, supporting a prescribed approach to DSM.

6. While financial constraints to investing in efficiency opportunities are experienced by customers across the sector, they are more pronounced for small customers who are more selective with how they prioritize their limited funds and consider energy efficiency a mid-range priority or not important at all.⁴

Figure 2: 2024 Premises and Annual Natural Gas Consumption by Large and Small Commercial Premises



1.2 Market Actors

7. The successful implementation of energy efficiency initiatives within the commercial sector relies on the collaboration of various market actors, each playing a distinct role in driving awareness, adoption, and execution of energy-saving measures:
 - a) Enbridge Gas Energy Solutions Advisors (“ESA”) work towards developing and managing relationships with building owners, property managers, facility operators and trade allies (i.e., contractors, engineering firms and equipment

⁴ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p.37.

- manufacturers, distributors, retailers, etc.) to facilitate opportunity identification, prioritization, planning, and implementation (both capital and operational).
- b) Contractors and engineering firms represent a key point of contact and potential source of energy efficiency information for customers during times of equipment replacement and/or procurement.
 - c) Distributors, retailers, and manufacturers are vital partners that control the supply chain and availability of equipment, with established market channels, industry partnerships, and real-time market insights.
 - d) Industry associations are stakeholders that have broad reach and influence over businesses as well as other trade allies. They can help generate awareness of conservation programs and adoption of best practices.
 - e) Utilities, government and regulatory agencies often provide programs and regulations to encourage emissions reduction and conservation efforts.
 - f) Customers add credibility to efficiency opportunities by sharing experiences and best practices (i.e., word of mouth).
8. Strategically engaging the relevant market actors is essential to maximize program awareness, reach, influence, uptake, and cost effectiveness. By leveraging the unique strengths and insights from these market actors, Enbridge Gas can enhance the effectiveness of its offerings, drive broader adoption of best practices, and foster more sustainable and energy efficient practices in the commercial sector.

1.3 Energy Use

9. For most commercial customers, space heating and ventilation requirements drive the greatest amount of natural gas consumption. However, energy use patterns vary significantly across different building types and market segments (see Table 1).

Table 1
Natural Gas Uses by Commercial Segment

Market Segment	Building Types	Natural Gas Uses			
		Space Heating	Ventilation	Water Heating	Cooking
Business	Food service establishments, long-term care facilities, hotels	x	x	x	x
	Retail and office spaces, entertainment complexes, places of worship, recreational centers, warehouses	x	x		
MURB	Large apartment complexes, high-rise condo buildings, smaller low-rise buildings	x	x	x	
MUSH	Municipal buildings – offices, recreation centers, arenas, fire/police stations	x	x	x	
	Municipal buildings – long-term care	x	x	x	x
	Primary and secondary schools	x	x		
	Universities* and colleges	x	x	x	x
	Hospitals*	x	x	x	x

Note:

* Some hospitals and universities also have on-site combined heat and power (“CHP”) units or steam systems

1.4 External Factors

10. The adoption of energy efficiency measures within Ontario’s commercial sector is shaped by a range of external factors, encompassing political, economic, social, and technological dynamics. These factors influence both the feasibility and attractiveness of energy-saving investments, impacting how businesses prioritize such initiatives. Enbridge Gas has determined the following factors to be the most impactful on the commercial customer base:

- a) Natural Resources Canada (“NRCan”) Amendment 15 to the Energy Efficiency Regulations: Amendment 15, effective January 2025, raised the minimum efficiency standards for commercial boilers to condensing levels. While this promotes energy efficiency, it may require additional system modifications⁵ that customers might be unaware of or unable to fund. For Enbridge Gas, the new advanced efficiency standards limit the savings opportunities traditionally associated with boiler upgrades and reduce a valued touchpoint with customers that has historically led to additional savings/educational opportunities. As a result, a greater focus will now shift towards encouraging customers to optimize their boiler systems. Although this will result in less savings per boiler-related project, it will help to ensure that installed condensing boilers operate as intended and provide a continued touchpoint with customers.
- b) Economic Challenges to Energy Efficiency Investments: The industry faces increased costs for labour, transportation, and raw materials,⁶ affecting businesses financially. Small-to-medium sized enterprises and sectors like food service have been particularly impacted,⁷ limiting their ability to invest in costly energy efficiency projects. High interest rates further deter these investments, as do shifts in international trade policy beginning in early 2025 which contribute to economic uncertainty⁸ and further increase the cost of goods and materials critical to energy efficiency projects.⁹ Incentive programs

⁵ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.138.

⁶ Enbridge Gas Insights into Market Actors Qualitative Report, Ipsos, November 2023, p.16.

⁷ Restaurants Canada, Ontario budget: Some welcomed initiatives, but nothing specific for restaurants, March 26, 2024, <https://www.restaurantscanada.org/ontario-budget-some-welcomed-initiatives-but-nothing-specific-for-restaurants/>

⁸ Special CFIB Survey on the Impact of U.S. – Canada Tariffs – Preliminary Results, Canadian Federation of Independent Business (CFIB), February 2025, p.26.

⁹ Enbridge Gas Current Market Challenges Due to Tariffs: A Survey of Manufacturers, Distributors, Contractors and Installers, September 2025, p.4.

offering financial support can help businesses justify energy-saving upgrade business cases, turning economic challenges into catalysts that drive the search for opportunities to realize cost reductions.

- c) Climate Change Legislation: Many Ontario municipalities have declared climate emergencies and are creating emissions reduction plans.¹⁰ However, many commercial customers view net-zero goals as too ambitious and are not fully motivated or equipped with financial and technical resources to pursue them.¹¹
- d) Emerging Technologies: Prior to the Federal Carbon Charge being set to zero, there were growing interests in lower-carbon solutions, such as electric air source and ground source heat pumps, which represent an opportunity for substantial natural gas savings. In the commercial sector, adoption of these technologies was limited due to high upfront costs and technical barriers, including building electrical capacity constraints and the cost of service line upgrades.¹² Additionally, concerns about the long-term performance and reliability of such technologies, especially in older multi-unit residential buildings, further slowed their implementation.¹³ The introduction of tariffs also impacts upfront costs, with rising material costs being reported as a challenge by three quarters of respondents surveyed in September 2025.¹⁴ Furthermore, following the Federal Carbon Charge being set to zero as of April 1, 2025,¹⁵ the economic appeal of low-carbon solutions, such as electric

¹⁰ Enbridge Gas Ontario Municipal DSM Survey – Climate Change Focus, Ipsos, April 2024, p.5.

¹¹ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.118.

¹² Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.120.

¹³ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.31.

¹⁴ Enbridge Gas Current Market Challenges Due to Tariffs: A Survey of Manufacturers, Distributors, Contractors and Installers, September 2025, p.4.

¹⁵ Removing the Consumer Carbon Price, Effective April 1, 2025, Government of Canada, March 2025, <https://www.canada.ca/en/departement-finance/news/2025/03/removing-the-consumer-carbon-price-effective-april-1-2025.html>

heat pumps, has further diminished. In certain instances, in addition to the previously identified upfront financial challenges, operational costs for these systems can surpass those of traditional natural gas systems, adversely affecting the payback period for efficiency projects that incorporate the technology.

1.5 Motivations and Barriers

11. Reducing operational costs is a universal motivator across the commercial sector, but the specific drivers for energy efficiency investments differ by segment.
12. In the business segment, cost-cutting and attracting investors and tenants are key priorities.¹⁶ Businesses are also motivated by the need to replace failing equipment and to increase safety and comfort.
13. In addition to those motivators that typically drive business segment energy efficiency upgrade decisions, MURB customers are also driven by the need to improve property values and tenant retention, and to meet benchmarking goals like Energy Star or Leadership in Energy and Environmental Design (“LEED”) certification.¹⁷
14. For the MUSH segment, achieving sustainability goals such as greenhouse gas reduction targets is a driver.¹⁸ However, when budgeting, schools and hospitals often prioritize operational safety over sustainability.¹⁹

¹⁶ Enbridge Gas Commercial Next Gen DSM Planning Stakeholder Engagement Report of Qualitative Research Findings, October 2020, p.23.

¹⁷ Enbridge Gas Commercial Next Gen DSM Planning Stakeholder Engagement Report of Qualitative Research Findings, October 2020, p.23.

¹⁸ Enbridge Gas Commercial Next Gen DSM Planning Stakeholder Engagement Report of Qualitative Research Findings, October 2020 p.57.

¹⁹ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.64.

15. While many motivational factors support conservation efforts in the commercial sector, key barriers also exist, with the most common being knowledge gaps, decision making, financial constraints, and competing priorities.

- a) Knowledge Gaps: Customer awareness of available incentives and of energy efficiency technologies is limited in the commercial sector. Often, customers do not recognize the value and benefits of efficiency solutions.²⁰ Contractors not actively engaged with a market actor, like an ESA, often lack awareness of newer technologies²¹ and are, therefore, less likely to promote high-efficiency options. While Enbridge Gas ESAs are continuously developing and leveraging relationships with market actors, there is a clear need for a more comprehensive approach. This highlights the importance of increased focus on building relationships with trade allies to help Enbridge Gas engage and educate both customers and market actors on DSM offerings, thus broadening reach and increasing cost-effective participation in DSM programming. DSM Stakeholder Advisory Group (“SAG”) members largely agreed with Enbridge Gas “that training contractors, trade allies, commercial building managers and operators will be critical to ensuring efficiency opportunities are identified, pursued, completed and maintained.”²²
- b) Decision-Making Barriers: In the MUSH and MURB segments, decision-making is often slowed down by bureaucracy and fragmented ownership structures. MURB owners typically lack transparency into tenants’ energy consumption,²³ complicating justifications for in-suite energy efficiency upgrades. Commercial tenants frequently lack control over major capital

²⁰ Enbridge Gas Commercial Next Gen DSM Planning Stakeholder Engagement Report of Qualitative Research Findings, October 2020, p.39.

²¹ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.131.

²² EB-2022-0295, SAG Report, November 11, 2024, p.59.

²³ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.24.

investments such as HVAC systems, making operational improvements through recommissioning more applicable. In the MUSH segment, especially municipalities, decision-making can be delayed by complex approval processes.²⁴ As a result, the program must support complex capital improvements while also targeting operational improvements and incentivize technologies that require minimal owner involvement, fostering faster adoption among tenants and other non-owner decision-makers. Furthermore, programming must accommodate extended decision-making periods, which can be challenging when attempting to encourage customers to adjust procurement practices that extend several years beyond the DSM Plan term. This underscores the need for continuity in efficiency programs to drive sustained energy savings over time.

- c) Financial Constraints: Across all market segments, financial limitations represent a significant obstacle to adopting energy efficiency measures. In particular, small businesses operate on thinner margins and the post-COVID-19 pandemic economic environment has made it more difficult for them to invest in long-term energy-saving measures.²⁵ Furthermore, with the Federal Carbon Charge being set to zero, the financial benefits of natural gas conservation measures have become less attractive. These measures may no longer meet required payback periods or compete effectively with other, more profitable investment opportunities, especially when funds are limited. Financial pressures are also expected to mount with ongoing shifts in international trade policy straining the Canadian economy, as most Ontario

²⁴ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.40.

²⁵ Ontario Chamber of Commerce, 2024 Ontario Economic Report, February 7, 2024, p.31.

businesses foresee negative impacts.²⁶ This suggests that businesses of all sizes are likely to reduce spending,²⁷ which will inevitably impact investments in energy efficiency. By offering higher incentive levels and reducing upfront costs, energy efficiency programs can align better with the current financial realities of Canadian businesses, helping them prioritize these investments.

- d) Competing Priorities: A customer's decision to move forward with energy efficiency projects is weighed against a number of priorities beyond just selecting the most energy efficient option, such as the potential additional maintenance requirements of the new high efficiency equipment, whether the occupant comfort will be negatively impacted, health and safety concerns, or more lucrative financial investment opportunities. In some cases, even the potential disruption to operations during equipment installations further discourages some from adopting efficiency upgrades.

16. The categories mentioned above capture common barriers experienced, to varying extents, across the sector. However, each segment also has unique needs that demand customized solutions for effective adoption and implementation of energy-saving measures. An outline of these segments is provided below, including particular subgroups within them, and other influential groups that must be considered for a successful program design.

²⁶ Two-Thirds of Businesses Bracing for Negative Impact of U.S. Tariffs: Ontario Chamber, Ontario Chamber of Commerce, February 2025, <https://occ.ca/mediareleases/two-thirds-of-businesses-bracing-for-negative-impact-of-u-s-tariffs-ontario-chamber/>

²⁷ How Canadian Businesses and Households are Reacting to the Trade Conflict, Bank of Canada, February 2025, p.3, <https://www.bankofcanada.ca/wp-content/uploads/2025/03/consultations-2025-03-12.pdf>.

1.6 Segment-Specific Needs

17. Small Commercial Customers: Small businesses are often hindered by more pronounced barriers²⁸ and require a turnkey solution that provides end-to-end support from identifying opportunities to equipment installation and application submission. These businesses often need guidance on available technologies, simplified application processes,²⁹ and increased financial incentives to cover a higher proportion of project costs. Given that many small commercial customers lease their spaces and therefore do not have decision-making authority on capital measures, but likely pay the monthly energy bill, solutions focused on operational improvements (rather than infrastructure upgrades) are more relevant. A subgroup of small commercial customers that face similar constraints are microbusinesses that operate out of former residential dwellings, and that have traditionally been underserved by commercial DSM programs.
18. Key Accounts: Characterized by centralized decision-making across multiple properties, key accounts span various segments within the sector and require a hands-on portfolio management approach. Key accounts include large retail chains, school boards, municipal buildings, university campuses, hospitals, and major commercial property management firms. Given their size and level of natural gas consumption across multiple premises, employing a portfolio level opportunity identification approach represents a significant energy savings opportunity. In terms of sustainability goals, while some key accounts (i.e., municipalities, universities and hospitals) have established roadmaps and are actively managing projects to meet their sustainability targets, others are still in the early stages and lack concrete plans.³⁰

²⁸ Ontario Chamber of Commerce, 2024 Ontario Economic Report, February 7, 2024, p.7.

²⁹ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.55.

³⁰ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.10.

19. MURB Customers: The MURB segment faces unique barriers related to ownership and tenant relationships. Owners, who are responsible for making efficiency investments, don't directly see cost savings while tenants, who benefit, lack control over these decisions. Addressing this barrier requires targeted support, such as financial incentives that make upgrades more attractive for owners, and educational resources such as case studies that motivate tenants to endorse improvements while building confidence in innovative technologies among owners through examples of successful implementations.³¹ MURB customers also benefit from technical support for identifying and pursuing efficiency opportunities, especially when it reduces administrative burden on owners.

20. MUSH Customers: In the MUSH segment, municipalities are looking for ways to decarbonize to meet their climate action goals. Although municipalities are motivated by these goals, they face staff shortages and funding gaps,³² which can slow or stop implementation. Multiple customers within the MUSH segment have indicated that they expect to continue to use natural gas in most of their buildings for space and water heating for the next ten years.^{33,34} School boards specifically require help balancing sustainability goals with ongoing natural gas use; they need technical and financial support, as well as ongoing education on newer technologies.³⁵ Universities and hospitals, despite having identified energy-saving opportunities, often struggle with funding for project implementation,³⁶ making higher incentive caps and project-specific financial assistance their most pressing needs.

³¹ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.25.

³² Enbridge Gas Ontario Municipal DSM Survey – Climate Change Focus, Ipsos, April 2024, p.5.

³³ Enbridge Gas Municipality Building Sustainability Survey Final Report, Ipsos, October 2024, p.15.

³⁴ Enbridge Gas School Board Energy Planning Survey, Ipsos, April 19, 2024, p.15.

³⁵ Enbridge Gas School Board Energy Planning Survey, Ipsos, April 19, 2024, p.16.

³⁶ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.69.

21. To develop an impactful Commercial Program, it's crucial to address both broad customer segments and the unique needs of specific segments. By taking these varied needs into account, Enbridge Gas's Commercial Program can achieve significant energy savings and support broader sustainability goals while delivering clear benefits to each customer group.

2. Commercial Program Proposal

22. The Commercial Program is designed to address barriers and meet the diverse needs of Enbridge Gas's commercial customers while adapting to the changing market landscape. It supports energy efficiency by helping customers identify, prioritize, plan, and implement energy-saving projects through the delivery of targeted conservation offerings that provide the right mix of education, technical, and financial support to meet customers' specific challenges. For the 2027-2030 DSM Plan, the program's core strategies will be structured around three key themes:

- a) Shifting Focus Beyond Equipment "Replacement" to Pursue More Opportunities that "Reduce" and "Reuse" Energy: The implementation of Amendment 15 has altered the baseline of boiler upgrade projects. Consequently, Enbridge Gas is no longer able to claim direct savings associated with upgrades to high efficiency or condensing boilers. Boiler upgrade projects have historically served as crucial touchpoints for engaging customers and business partners in promoting alternative energy efficiency solutions. As a result, the program will increase its focus on a greater mix of projects that can "reduce" and "reuse" energy rather than relying heavily on boiler replacement opportunities specifically. For instance, HVAC systems can be enhanced by adding controls, adjusting set points, and improving building envelopes to reduce air infiltration; furthermore, energy reuse will be explored through solutions like Energy Recovery Ventilators. Despite the removal of boiler replacements as an efficiency measure, the program will

continue to support customers through the replacement process by ensuring equipment is properly sized and by educating them on high-efficiency alternatives, including hybrid heat pumps. However, certain fuel-switching projects may face reduced demand due to potentially higher operating costs following the Federal Carbon Charge being set to zero. Additionally, cost-effectiveness challenges associated with the need for service line upgrades caused by existing building electricity capacity constraints could also result in higher costs and longer timelines for customers.^{37,38,39}

Although this shift in focus aims to help offset the impact of Amendment 15 on the achievement of DSM-influenced natural gas savings, it requires a more technically complex and resource-intensive approach for project identification, quantification, and justification compared to traditional boiler upgrade projects, as it emphasizes the discovery of less apparent, and in some cases, lower-return opportunities.

- b) Enhancing and Expanding Commercial Offerings to Cater to Customer Needs: Existing offerings, such as the Commercial/Industrial Prescriptive Downstream and the Commercial/Industrial Prescriptive Direct Install Offerings, will be enhanced with increased incentives and new Technical Resource Manual (“TRM”) measures such as recently-added hybrid roof top units (“RTU”) and smart thermostats, to drive increased adoption of energy-efficiency upgrades. The Commercial/Industrial Prescriptive Direct Install Offering will focus on hard-to-reach customers (e.g., restaurants, retail) by providing turnkey solutions with higher incentives, while the

³⁷ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.120.

³⁸ Toronto Hydro (2025), Service Upgrade Request. <https://www.torontohydro.com/for-home/service-connections/service-upgrade-request>

³⁹ Alectra Utilities (2025), Make a Service Request. <https://alectrautilities.com/make-service-request#serviceupgrades>

Commercial/Industrial Prescriptive Upstream Offering will see an increase in incentives and an expansion of participating distributors and manufacturers. The Commercial Custom Offering will focus on optimizing boiler performance, enhancing heating and ventilation systems through advanced controls and heat recovery solutions, and improving building envelopes for greater energy efficiency.

To further support underserved customers, new Commercial Microbusiness and Commercial Existing Building Commissioning Offerings will be introduced. The Commercial Microbusiness Offering will mirror the Residential Program in terms of measures and delivery. It will cater to very small businesses operating from former residential dwellings with residential sized heating and cooling equipment. The offering will provide participants with incentives for electric heat pumps, smart thermostats, and envelope upgrades. The Commercial Existing Building Commissioning Offering will help commercial customers consider the overall energy efficiency performance of their building and provide low cost / no cost recommendations for equipment and system improvements. For customers with multiple properties of similar design, an opportunity to create a more standardized commissioning plan exists; this need has been particularly identified in the MURB segment.⁴⁰ Enbridge Gas heard from the SAG that supporting the commissioning of existing buildings should be a priority area for the next DSM plan as it creates “opportunities for both direct natural gas savings and the ability to enable other program opportunities with customers.”⁴¹

⁴⁰ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.18.

⁴¹ EB-2022-0295, SAG Report, November 11, 2024, p.50.

To overcome knowledge barriers, enabling activities such as site walk-throughs by Enbridge Gas ESAs and participating trade allies, and the provision of funding towards assessments, studies, metering, Energy Management Information Systems (“EMIS”), and, if possible / where applicable, collaboration with the IESO on a Strategic Energy Management (“SEM”) initiative for larger commercial customers will help identify and prioritize efficiency opportunities. Finally, a proposed Energy Innovation Fund will, among other things, pilot cutting-edge, market driven solutions with strong commercial potential.

- c) **Strengthening Customer and Trade Ally Relationships through Ongoing Personalized ESA Engagement:** As the Commercial Program evolves, Enbridge Gas ESAs will continue to be essential to the successful delivery of the DSM initiatives. ESAs will provide personalized services to key accounts and larger commercial customers, assisting with project planning, implementation, and securing incentives to lower upfront costs. They will also assist customers in incorporating efficiency upgrades into capital asset renewal plans, ensuring proactive improvements rather than waiting for equipment to break down. This proactive approach is particularly beneficial for municipalities and MURBs that have long-term sustainability plans as it helps them navigate potential supply chain or installation challenges. Additionally, ESAs will manage relationships with participating trade allies, ensuring they receive the level of support needed to actively promote and deliver programs to customers. Trade allies will expand awareness of DSM offerings, particularly among smaller commercial customers who tend to only address energy needs as they arise. Trade allies will play a key role in promoting high-efficiency equipment at critical decision points, such as during equipment failure assessments. By broadening the geographic and customer

segment reach, participating trade allies will also address gaps in DSM participation and support efforts to explore electric heat pumps and other innovative commercial energy efficiency solutions. Relationship building with participating trade allies will focus on ensuring that they have the necessary experience, training, and geographic reach to serve diverse customer needs.

23. Enbridge Gas is proposing the following offerings and enabling activities to address the needs of the commercial sector and support customers in their energy efficiency efforts:

Table 2
Commercial Offering Descriptions and Enabling Activities

Commercial Program		
Offering	High Level Description	Key Offering Elements
Commercial Custom	The Commercial Custom Offering helps customers lower natural gas usage and associated energy costs by identifying and supporting energy-saving projects that require detailed, site-specific calculations, as well as projects that do not meet TRM requirements.	• Site walkthroughs conducted by ESAs and/or participating trade allies. • Financial incentives. • Enabling activities such as audits, studies, metering, EMIS and Building Operator Training. • Energy literacy tools such as case studies, technology sheets, calculators, etc.
Commercial/Industrial Prescriptive Downstream	The Commercial/Industrial Prescriptive Downstream Offering applies standardized financial incentives and natural gas savings amounts to commonly applicable technologies in the marketplace to simplify the application process and allow for more of a mass market approach to promoting eligible measures. Measure uptake is typically more easily quantifiable based on pre-approved inputs and assumptions outlined in the TRM.	• Financial incentives for eligible measures. • Support with identification, implementation and incentive application from an ESA or a qualified participating trade ally. • Energy literacy tools such as case studies, technology sheets, calculators, etc.

Table 2 (continued)*
Commercial Offering Descriptions and Enabling Activities (continued)

Commercial Program		
Offering	High Level Description	Key Offering Elements
Commercial/ Industrial Prescriptive Direct Install	The Commercial/Industrial Prescriptive Direct Install Offering applies a turnkey solution whereby the customer is supported throughout the equipment application and installation process by a participating contractor who installs eligible measures at little or no cost to the customer.	- Free site assessment to identify upgrade opportunities. - Financial incentives up to 100% project cost coverage for eligible measures.
Commercial/ Industrial Prescriptive Upstream	The Commercial/Industrial Prescriptive Upstream Offering aims to influence more customers through a broader reach, by encouraging equipment retailers, distributors, and manufacturers to promote energy-efficient options to contractors and end-use customers.	- Financial incentives to support the upselling of high efficiency measures. - Financial incentives and/or point of sale discounts to end-users. - Ongoing engagement of market actors at a corporate level and at a store level to increase awareness of the offering and available incentives, and to provide education, support, and sales training on upselling high efficiency equipment.
Commercial Microbusiness	The Commercial Microbusiness Offering mirrors the Residential Program, targeting businesses that operate from former residential dwellings with residential sized heating and cooling equipment, and where the dwelling can be modelled through HOT2000.	Financial incentives for site assessments and implementation of eligible measures.
Commercial Existing Building Commissioning	The Commercial Existing Building Commissioning Offering applies a simplified approach to investigating an existing building's operations and implementing low cost / no cost changes that improve the building's efficiency to reduce overall natural gas consumption and related costs.	- Financial incentives for site assessments/opportunity identification. - Financial incentives calculated per cubic meter of natural gas saved.

Table 2 (continued)*
Commercial Offering Descriptions and Enabling Activities (continued)

Enabling Activities	High Level Description
Site Walkthroughs	Conducted by Enbridge Gas ESAs or qualified trade allies to identify potential opportunities in a specific building.
Audits, Metering and Studies	Incentives available for a portion of third-party audits, assessments, and studies, as well as energy modelling and sub-metering.
Strategic Energy Management	Supports large commercial customers and key accounts by engaging in activities such as workshops, technical training and resource support that drive continuous energy management and performance improvement. Collaboration on this initiative with the IESO is currently being explored.
Building Operator Training	Provides training and education to building operators on optimizing energy use and reducing operating costs while maintaining occupant expectations.
Energy Innovation Fund	Supports the advancement of innovative energy efficiency technologies towards market readiness. Qualified technologies will include those ready for piloting within a commercialized environment. The majority of pilot projects are expected to be market driven through an open bid process, encouraging customers, engineering firms and other market actors to submit technology projects for funding. In addition, Enbridge Gas expects to drive a smaller number of projects on its own, and in collaboration with interested market actors. Ultimately, the goal of this fund is to transition proven technologies and applicable energy efficient solutions into the custom and prescriptive offerings. See Exhibit D, Tab 8, Schedule 3 for further details.

COMMERCIAL CUSTOM OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The primary objective of the Commercial Custom Offering is to help commercial customers reduce natural gas consumption and energy costs. This is achieved by working with customers to identify, prioritize, and incentivize energy efficiency projects, providing both technical and financial support for measures that require site-specific analysis. These projects often involve complex measures with interactive effects or process improvements that are not included in the Technical Resource Manual ("TRM"). By enabling customers to make informed decisions, the offering aims to foster long-term energy efficiency and cost savings across a range of commercial facilities.

2. Participant Benefits

3. Benefits to the participant include:

- a) Incentives reduce upfront project costs which improves return on investment / payback periods on the efficiency upgrade. Operational cost savings are achieved through avoided energy consumption.
- b) Improved energy efficiency which supports reduced greenhouse gas emissions and more sustainable buildings and businesses.
- c) Improved comfort and positive impact on health and safety of occupants/employees, and improved equipment performance.

3. Target Market

- 4. This offering is available to Enbridge Gas commercial business, MURB and MUSH customers. While the Custom Offering is typically more aligned with the needs of larger more complex commercial customers with annual consumption exceeding 100,000 m³ of natural gas per year, it is also available to smaller commercial customers with slightly more complex projects or energy efficiency upgrades that do not meet the measure eligibility criteria for the prescriptive offerings.
- 5. This offering is also well-suited for customers implementing multi-measure projects and projects requiring site-specific calculations due to their complexity. The Custom Offering's adaptability addresses the diverse natural gas consumption patterns across commercial sub-segments, which can range from primarily space heating needs to various combinations of space heating, water heating, and business-specific requirements. Additionally, the offering supports the implementation of advanced technologies, including but not limited to electric heat pump systems.

4. Eligibility Criteria

- 6. Commercial customers (specifically business, MURB, and MUSH) within the Enbridge Gas service area are eligible for this offering. All commercial buildings are

eligible, including various commercial sub-segments (e.g., offices, warehouses, retail, food service, accommodation).¹

7. New and existing commercial facilities are eligible for the offering.

5. Offering Details

8. The Commercial Custom Offering provides participants with technical support and financial incentives for both opportunity identification and project implementation. With the implementation of Amendment 15² raising the base case for most commercial boilers to condensing levels beginning in 2025, the offering will place increased emphasis on optimizing equipment and system performance, energy recovery, and where economically and logistically viable, exploring the application of heat pumps. This shift aims to support customers in reducing overall energy needs and adopting advanced efficiency technologies.

9. Key components of the offering include:

- a) Technical Support: Energy Solutions Advisors (“ESA”) or participating trade allies may conduct site walkthroughs on their own, or work in tandem to identify efficiency opportunities.
 - i. Third-party audits, assessments, and studies (e.g., steam trap studies, ASHRAE audits) may be suggested to further quantify opportunities.
 - ii. ESAs assist both customers and trade allies with project planning and implementation.
 - iii. Forecast natural gas savings estimates are provided based on engineering calculations and/or diagnostic tools.

¹ Industrial customers and income qualified multi-residential customers are targeted through the Industrial and Income Qualified Programs, respectively.

² NRCan, Amendment 15 to the Energy Efficiency Regulations (June 2019), <https://natural-resources.canada.ca/energy-efficiency/energy-efficiency-regulations/planning-and-reporting/amendment-15-the-energy-efficiency-regulations/19384>

b) Financial Incentives:

- i. Incentives help reduce costs associated with assessments, studies and Energy Management Information Systems (“EMIS”), as well as procurement and installation of high-efficiency measures.³

c) Eligible Measures: While there is no predefined list of eligible measures due to the custom nature of the offering, anticipated common measure types include:

- i. Boiler optimization (e.g., outdoor air temperature reset controls, low temperature emitter upgrades, etc.).
- ii. Heat recovery systems.
- iii. Advanced controls (e.g., Variable Frequency Drives, Building Automation System, Demand Control Ventilation, etc.).
- iv. Electric heat pumps.
- v. Steam trap replacement.
- vi. Building envelope improvements.
- vii. Temperature setback and equipment scheduling.

d) Delivery Mechanisms:

- i. Primarily delivered through ESAs, providing one-on-one support to large commercial customers and key accounts.
- ii. Increased trade ally engagement expected to extend the reach of ESAs in supporting commercial customers.

e) Outreach and Marketing:

- i. ESA and trade ally driven direct customer outreach, such as cold calling, conducting site-visits, responding to direct customer inquiries.

³ A performance based incentive model may be introduced in collaboration with the IESO.

- ii. Targeted tactics include industry association sponsorships/memberships, event participation, and seminars/workshops.
- iii. Additional communications through newsletters, case studies, and digital ad campaigns to increase awareness, education, and participation.

6. Key Changes

10. Compared to Enbridge Gas's previous DSM Plan⁴ the Commercial Custom Offering in the proposed 2027-2030 DSM Plan includes the following key changes:

- a) Financial incentives: Incentives for project implementation have been increased to allow more projects to achieve a desired 3-4 year⁵ payback period and address financial barriers. Proposed incentives reflect a shift to more costly measures, inflation, and higher project costs associated with materials and labour.⁶ Additionally, more funds are allocated for enabling initiatives, including project identification, audits, metering, studies, EMIS, and operator training, to address knowledge gaps and support heat pumps and optimization measures.⁷
- b) Measures: Due to recent changes in equipment minimum energy performance standards, the focus will shift from boiler upgrades to other opportunities such as boiler optimization, heat pumps, and heat recovery. These options are generally more expensive, necessitating higher incentives to overcome financial barriers. For example, high upfront costs often limit adoption of heat pumps.⁸

⁴ EB-2021-0002.

⁵ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.57.

⁶ Enbridge Gas Insights Into Market Actors Qualitative Report, Ipsos, November 2023, p.20.

⁷ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.75.

⁸ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.31.

- c) Delivery: Enbridge Gas will continue to focus on expanding relationships with trade allies to support broader customer reach, especially among smaller commercial customers. Through enhanced tools such as simplified savings calculators, program training and sales support materials, trade allies will help increase offer awareness, engagement, and ultimately participation.

7. Incentives

- 11. Table 1 outlines the offering's proposed implementation, enabling and bonus incentives.

Table 1
Commercial Custom Offering Incentives

Implementation Incentives	
Incentive Details	Incentive Rates (per gross m ³ saved)
- Calculated per project based on estimated annual natural gas savings (m³). - Designed to reduce project payback periods. - Cover up to 100% of incremental project costs.	\$0.65/gross m³ saved. - Maximum of \$250,000 per project, capped at 100% of incremental cost. - Exceptions: - Institutions (Hospitals and Universities): Maximum of 100% of incremental cost and \$500,000 per project.
Enabling Activities Incentives	
Incentive Details	Incentive Rates
Third party audits and studies	- Large commercial premises (annual consumption greater than 100,000 m³): Up to 50% of costs, max \$8,000/year/premise. - Small commercial premises (annual consumption less than 100,000 m³): Up to 50% of costs, max \$3,000/year/premise. - Institutions: Up to 50% of costs, max \$10,000/study, up to 3 studies per year.
Energy Management Information Systems ("EMIS") and Metering	- Up to 50% of incremental costs, max \$40,000 per customer. - Supports large commercial premises.
Bonus Incentives	
Based on DSM Stakeholder Advisory Group ("SAG") recommendations, limited time bonus incentives may be available for: - First-time program participants - Underperforming measures - Multi-measure projects	

8. Enabling Activities

12. Enabling activities support customers in overcoming knowledge and resource barriers to identifying and implementing efficiency opportunities. These activities are instrumental for building and maintaining a robust pipeline of projects to meet year-over-year forecasted results. Specific enabling activities that will be utilized to support the Commercial Custom Offering include:

- a) Site walk-throughs: Conducted by ESAs and/or participating trade allies to identify potential efficiency opportunities.
- b) Portfolio benchmarking: ESAs work with key accounts to identify and prioritize buildings with the highest potential for efficiency improvements.
- c) Capital asset renewal planning: ESAs collaborate with customers to review capital asset renewal plans and identify opportunities to enhance efficiency during equipment, envelope, and other planned capital replacements. This form of proactive planning helps mitigate supply chain, installation, and other resource barriers by addressing them ahead of time rather than at the time of replacement.
- d) Funding for audits, metering, studies and EMIS: To address knowledge barriers related to identification, cost, benefits, and feasibility of efficiency opportunities.
- e) Educational tools: Webinars and workshops to raise awareness of and interest in high efficiency equipment.
- f) Building operator training: To support more efficient building operations.

9. Metric

13. The metric for the Commercial Custom Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

14. This offering will use various customized approaches as the basis for natural gas savings (m³) gross measurement, examples include but are not limited to, engineering calculations, measurement and verification (“M&V”) and energy modelling, as determined appropriate by Enbridge Gas technical experts. For commonly implemented measures, standardized calculators have been developed such as eTools to ensure that common baseline assumptions and calculation methodologies are applied across similar project types.

COMMERCIAL / INDUSTRIAL PRESCRIPTIVE DOWNSTREAM OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The Commercial/Industrial Prescriptive Downstream Offering provides standardized financial incentives and natural gas savings estimates for widely used technologies and applications in the marketplace. By utilizing pre-approved inputs and assumptions from the Technical Resource Manual ("TRM"), this offering simplifies the process of quantifying energy savings and communicating costs and benefits to customers. This simplified approach allows for a mass market method to promoting eligible measures, and is more aligned with current sales practices of contractors, engineering firms, and other trade allies, thereby leading to an expected increase in market reach as a result. The primary goal is to help customers reduce energy costs by making it easier to adopt efficient solutions by lowering the upfront investment required for upgrades.

2. Participant Benefits

3. Benefits to the participant include:

- a) Lower out-of-pocket costs for the project/upgrade, increased return on investment and faster payback, lower operational/energy costs.
- b) Improved energy efficiency, more sustainable building and/or business, reduced carbon footprint and greenhouse gas emissions.
- c) Improved comfort for occupants/employees, increased productivity, reduced noise level, etc.

3. Target Market

4. The Commercial/Industrial Prescriptive Downstream Offering targets commercial and industrial customers across the Enbridge Gas service area. Contractors, suppliers, and manufacturers of eligible measures, as defined in the TRM, are secondary targets as they play a key role in influencing customer decisions. Certain TRM measures are restricted to specific building types or configurations, such as Demand Control Kitchen Ventilation, which targets commercial kitchens.

4. Eligibility Criteria

5. To be eligible for the offering, participants must be an Enbridge Gas commercial or industrial customer.¹
6. New and existing commercial and industrial facilities are eligible, though some measures apply only to existing buildings.

¹ Commercial customers include MURBs, MUSH and other non-industrial businesses. 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. Large volume customers, as defined in Exhibit E, Tab 6, Schedule 1 and income qualified multi-residential customers, as defined in Exhibit E, Tab 3, Schedule 3, are not eligible.

5. Offering Details

7. The Commercial/Industrial Prescriptive Downstream Offering is designed to lower the upfront costs associated with implementing high-efficiency technologies through prescribed incentives associated with measures that have predefined savings outlined in the TRM. This strategy simplifies the application process and encourages mass market adoption by making energy efficiency upgrade decisions easier for both customers and service providers.
8. Measures that will be included in the offering are listed below, however additional measures may be added throughout the duration of the 2027-2030 DSM Plan to increase participation and natural gas savings.
 - a) Air Curtains
 - b) Condensing Make up Air Units
 - c) Condensing Unit Heaters
 - d) Condensing Tankless Water Heaters
 - e) Demand Control Kitchen Ventilation
 - f) Demand Control Ventilation
 - g) Destratification Fans
 - h) Dock Door Seals
 - i) Energy and Heat Recovery Ventilators
 - j) Ozone Laundry
9. Trade allies, such as contractors and engineering firms are well positioned to present efficiency opportunities to customers, as they are often the first point of contact when equipment breaks down or renovations are planned and are influential

in the decision-making process,² making them a critical delivery channel in supporting the Commercial/Industrial Prescriptive Downstream Offering. Efforts will focus on building relationships with trade allies to broaden the offerings' reach through enhanced training, sales/technical support, and other benefits for participating contractors.

10. Enbridge Gas ESAs will focus on larger commercial and industrial customers and key accounts. ESAs will help identify savings opportunities, quantify results, and support customers in developing business cases for their projects.

11. In addition to ESA and trade ally outreach efforts, targeted marketing activities such as case studies, email communications, digital advertising campaigns and segment or technology specific collateral will continue to be leveraged as a means of building customer awareness and interest in adopting prescriptive measures.

6. Key Changes

12. Compared to Enbridge Gas's previous DSM Plan³, the Commercial/Industrial Prescriptive Downstream Offering in the proposed 2027-2030 DSM Plan includes the following key changes:

- a) Financial incentives: Increased incentives to cover on average approximately 50% of incremental project costs for most measures, improving the business case for high-efficiency natural gas equipment and addressing financial barriers.
- b) Measures: It is expected that new TRM measures will be added over the DSM Plan term to broaden the offering's reach to more customers.

² Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p.23.

³ EB-2021-0002.

- c) Delivery: Increased focus on building relationships with trade allies to grow the number of participating service providers and increase market participation.
 - i. ESAs will focus on capital planning to help customers integrate efficiency measures into their capital asset renewal plans for optimized efficiency.

7. Incentives

- 13. The proposed incentive levels for the Commercial/Industrial Prescriptive Downstream Offering have been increased to cover, on average, 50% of incremental costs, as outlined in the TRM. Special bonus offers may be introduced, for a limited time, to encourage earlier upgrades and volume-based incentives may be applied where one decision maker oversees multiple sites.
- 14. Table 1 outlines proposed incentive levels by measure type.

Table 1
Commercial/Industrial Prescriptive Downstream Offering Incentives

Measure Type	Incentive Levels
Air Curtains - Pedestrian & Shipping Door	\$800 - \$12,500
Condensing Make-up Air	\$1,000 - \$15,000
Condensing Unit Heater	\$1,400 - \$2,000
Condensing Tankless Water Heater	\$750 - \$1,000
Demand Control Kitchen Ventilation	\$2,500 - \$13,000
Demand Control Ventilation with CO2 Sensor	\$500 - \$1,500
Destratification Fan	\$1,500 - \$3,500
Dock Door Seals – Compression & Shelter	\$700 - \$1,700
Energy Recovery Ventilator	\$50 - \$12,000*
Heat Recovery Ventilator	\$25 - \$8,000*
Ozone Laundry	\$7,500 - \$20,000

Note:

*The incentive range for Energy and Heat Recovery Ventilators is large as the incentive is based on several factors: CFM of the unit installed, whether the unit is in-suite, and whether there is no baseline or a 55% efficiency baseline.

8. Enabling Activities

15. Activities will vary based on individual customer and trade ally needs:

- a) Site walkthroughs: Conducted by Enbridge Gas ESAs and participating trade allies.
- b) Educational tools: Training and support materials such as case studies, technology specification sheets, and calculators will be provided to both customers and trade allies to ensure they have the necessary knowledge when making equipment purchasing and/or upgrade decisions.

- c) Capital asset renewal collaboration: For key accounts and larger customers with centralized decision-making over multiple sites, ESAs collaborate with customers to review capital asset renewal plans and identify opportunities to enhance efficiency during equipment, envelope, and other planned capital replacements.
- d) Building operator training: For key accounts and larger customers, this supports more efficient use of prescriptive equipment installed.

9. Metric

16. The metric for the Commercial/Industrial Prescriptive Downstream Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

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

COMMERCIAL / INDUSTRIAL PRESCRIPTIVE DIRECT INSTALL OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The primary goal of the Commercial/Industrial Direct Install Offering is to engage harder-to-reach customers who face significant financial, time, resource, and/or knowledge barriers, making them less likely to participate in DSM programs. By offering a turnkey solution, where participating contractors manage the entire equipment installation and application process at little to no cost, this offering enables resource-constrained customers to undertake energy-saving projects that would otherwise be unattainable. A secondary objective is to expand program reach by targeting small commercial and industrial customers, who represent 96% and 91% of premises within these sectors, respectively.

2. Participant Benefits

3. Benefits to the participant include:

- a) Little or no out-of-pocket cost for the upgrade, lower energy bills, reduced operating costs.
- b) More energy efficient business/building, reduced greenhouse gas emissions.
- c) Simplified application and product procurement process, most measures improve comfort for employees/patrons (better temperature control, better air quality, less noise, etc.).

3. Target Market

- 4. The Commercial/Industrial Direct Install Offering primarily targets smaller commercial/industrial customers,¹ who typically consume less than 100,000 m³ of natural gas annually² and who tend to have higher seasonal consumption profiles versus process heavy loads.³
- 5. Many of the eligible commercial customers are independently owned businesses within the business market segment. However, larger customers, including key accounts with centralized decision-making, may also be eligible since size and ownership type do not always correlate with a customer having the aforementioned resources necessary to undertake energy conservation projects. Furthermore, research indicates that 93% of corporately owned customers (i.e., part of a national chain or key account) have not participated in DSM programs,⁴ demonstrating they too are less likely to participate in DSM programming without incremental financial and resource support.

¹ Large volume customers are ineligible to participate in the Commercial Program.

² As assessed based on a three-year average of previous consumption (as available provided the premise is not newer than 3 years).

³ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.5.

⁴ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p. 28.

6. Small industrial customers tend to have higher seasonal consumption profiles vs. process heavy loads. Recent survey results have identified that this customer group has more pronounced knowledge, financial and capacity barriers, and can be best supported by a turnkey solution to engage in energy efficiency.
7. Both tenants and landlords are included, recognizing that many businesses operate from leased spaces,⁵ requiring a solid business case to motivate landlords.

4. Eligibility Criteria

8. To be eligible for the offering, a participant must be an Enbridge Gas commercial or industrial customer,⁶ and the participant must not have participated in non-direct install DSM offerings for the same measure in the prior three program years.⁷
9. New and existing commercial and industrial facilities are eligible for the offering.

5. Offering Details

10. The Commercial/Industrial Direct Install Offering provides a turnkey approach, delivering Technical Resource Manual (“TRM”) measures directly to eligible customers via participating contractors. The process begins with a free site assessment conducted by the contractor, who identifies and qualifies specific high-efficiency equipment / upgrade opportunities. The contractor then provides the customer with a quote showing the project cost, including applied incentives. If the customer proceeds, the contractor manages equipment ordering and installation. The contractor also supports incentive application paperwork, with incentives in most

⁵ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p.10.

⁶ Commercial customers include MURBs, MUSH and other non-industrial businesses. 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. Large volume customers, as defined in Exhibit E, Tab 6, Schedule 1 and income qualified multi-residential customers, as defined in Exhibit E, Tab 3, Schedule 3, are not eligible.

⁷ Historical non-participation criteria does not apply to hybrid heat pump solutions, which are available to all customers that meet facility requirements outlined in the TRM.

cases being deducted directly from the final invoice to minimize customer budget impact.

11. Eligible measures for the Commercial/Industrial Direct Install Offering are listed below, although additional measures may be added throughout the 2027-2030 DSM Plan term to increase participation and natural gas savings:

- a) Adaptive thermostats
- b) Air curtains - shipping doors
- c) Dock door seals
- d) Demand control kitchen ventilation ("DCKV")
- e) Hybrid Rooftop Units ("RTU")
- f) Destratification fans

12. Uptake for hybrid RTUs is expected to be limited due to high incremental costs and market capability/supply chain issues such as long lead times and stocking challenges.⁸ Customer interest in these technologies is also low,⁹ indicating a need to generate more awareness and interest among customers with various building types. To overcome these adoption barriers, Enbridge Gas intends to include this measure in the Commercial/Industrial Direct Install Offering to build momentum, drive uptake, and develop market capability for the technology.

13. Over the course of the 2027-2030 DSM Plan term, Enbridge Gas will shift from solely using a small number of contracted direct install service providers to deliver this offering, to an expanded network of participating trade allies from across the province, such as local contractors. This expanded network of contractors will have

⁸ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.131.

⁹ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p.19.

the expertise to install eligible technologies and manage offering participation documentation and will be engaged by Enbridge Gas to ensure they are trained on the program offering details and participation guidelines. This expansion is expected to increase direct install offering participation and address geographic participation gaps, which previously occurred due to contractor concentration in the Greater Toronto Area. Research indicates that the primary target market (smaller and mid-size customers) is most likely to work directly with installers,¹⁰ which positions participating trade allies (like local contractors) well to engage these hard-to-reach customers. Local contractors are highly influential in energy efficiency upgrades and are often the first point of contact for customers experiencing equipment failure.¹¹

14. To ensure offering success and maintain the value of its turnkey aspect, Enbridge Gas will provide participating contractors with initial and follow up training (as needed) and support for measure identification, qualification, quoting, installation, and documentation submission. Enbridge Gas ESAs may also work with eligible customers, particularly key accounts, and participating contractors to create offering awareness and assist with decision-making, planning, and project implementation.

15. Outreach will employ a multi-pronged approach including:

- a) Targeted marketing efforts.
- b) Offering promotion and canvassing by participating contractors.
- c) Outreach via ESAs.

16. Marketing efforts will include promotions through various channels and partnerships with industry and business improvement associations, municipalities, and chambers of commerce. Both tenants and landlords will be targeted, with messaging tailored to

¹⁰ Enbridge Gas Insights Into Market Actors Qualitative Report, Ipsos, November 2023, p.4.

¹¹ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p.23.

their specific needs and decision-making authority. Participating contractors will work closely with Enbridge Gas ESAs to identify project leads, qualify customers, and inform them of the offering. ESAs will focus on key accounts to identify resource-constrained locations that could benefit from the offering's additional support and higher incentives.

6. Key Changes

17. Compared to Enbridge Gas's previous DSM Plan¹², the Commercial/Industrial Direct Install Offering in the proposed 2027-2030 DSM Plan includes the following key changes:

- a) Financial incentives: Increased incentives now cover up to 100% of the incremental equipment and installation costs. This increase aims to improve engagement from non-DSM participants and encourage the selection of high-efficiency natural gas equipment. The current 2023-2026 DSM incentive levels cover, on average, approximately 89% of the incremental project costs.
- b) Measures: The offering now includes additional TRM measures such as Adaptive Thermostats and Hybrid Rooftop Units ("RTU"). This expansion caters to a broader group of eligible customers and aligns with recommendations from previous DSM Plan proceedings to add new measures to the direct install offering to enable meaningful participation from small commercial customers.¹³
- c) Delivery: The offering will transition from a small contractor network to a larger network of participating trade allies. This strategic shift addresses several objectives:

¹² EB-2021-0002.

¹³ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.36.

- i. Ensures broader reach across the target market.
- ii. Addresses geographic constraints of a smaller delivery network.
- iii. Aims to increase offer awareness and participation.

7. Incentives

18. The Commercial/Industrial Direct Install Offering features enhanced incentive levels, covering up to 100% of the incremental project costs, depending on the specific measure. It is important to note that where opportunities arise to collaborate with the IESO, and efficiencies can be found, Enbridge Gas expects to leverage these efficiencies to attract additional participation.

Table 1
Commercial/Industrial Direct Install Offering Incentives

Measure Type	Incentive Levels
Adaptive Thermostats	\$200
Air Curtains – Shipping Door	\$5,500-\$20,000
Demand Control Kitchen Ventilation	\$9,000-\$25,000
Dock Door Seals	\$2,000-\$3,000
Hybrid RTUs	\$2,500-\$10,000
Destratification Fans	\$6,000-\$7,000

8. Enabling Activities

19. The primary enabling activity for this offering is a free site assessment conducted by participating contractors. This assessment provides recommendations to help customers identify and prioritize energy efficiency opportunities based on their specific facility and existing equipment. Following the assessment, the contractor provides the customer with a project quote that includes incentives for eligible measures, helping to build a business case for project implementation.

20. Ongoing support throughout the upgrade process is another key activity. Enbridge Gas provides training and support tools such as case studies, technology specification sheets, and calculators to both customers and participating contractors. These resources aim to increase knowledge of eligible technologies and facilitate smoother project implementation.
21. Additional enabling activities that will be implemented include collaborating with municipalities, industry and business associations, small business groups, and other stakeholders. These collaborations will be primarily leveraged for outreach and education purposes.

9. Metric

22. The metric for the Commercial/Industrial Direct Install Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

23. This offering will use the TRM as the basis for natural gas savings (m³) gross measurement. Projects must meet requirements as outlined in the version of the TRM applicable to the program year.

COMMERCIAL / INDUSTRIAL PRESCRIPTIVE UPSTREAM OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The Commercial/Industrial Prescriptive Upstream Offering (previously referred to as the midstream offering) focuses on increasing customer adoption of high-efficiency equipment by applying incentives “upstream” from the end-user, at the supply chain level. This approach aims to increase the reach of the offering and influence more customers by encouraging distributors, retailers, manufacturers, and rental companies to promote energy-efficient options to contractors and end-use customers.

2. Participant Benefits

3. Benefits to the participant include:

- a) Point of sale discount directly lowers out-of-pocket costs for the project/upgrade, improving return on investment and shortening payback. Measures also provide immediate operational / energy savings

- b) Promotion of energy efficient benefits at time of purchase supports customers in making informed decisions.
- c) Improved energy efficiency, more sustainable building and/or business, reduced greenhouse gas emissions.
- d) Other benefits may include improved comfort for occupants/employees, increased productivity, reduced noise level, etc.

3. Target Market

- 4. The primary target market for the Commercial/Industrial Prescriptive Upstream Offering includes distributors, retailers, manufacturers, and rental companies who support the sale and installation of qualifying equipment to end-users. The offering currently focuses on high-efficiency commercial kitchen equipment, positioning businesses with commercial kitchens as a secondary target audience.

4. Eligibility Criteria

- 5. To be eligible for the offering, equipment must be installed for commercial or industrial use by an Enbridge Gas customer.¹ Qualifying products and customers must meet requirements outlined in the current version of the Technical Resource Manual ("TRM").
- 6. New and existing commercial and industrial facilities are eligible for the offering. Equipment must be procured from a participating dealer (manufacturer, distributor and/or retailer).

¹ Commercial customers include MURBs, MUSH and other non-industrial businesses. 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. Large volume customers, as defined in Exhibit E, Tab 6, Schedule 1 and income qualified multi-residential customers, as defined in Exhibit E, Tab 3, Schedule 3, are not eligible.

5. Offering Details

7. The Commercial/Industrial Prescriptive Upstream Offering is managed by a third-party vendor who in addition to identifying and enrolling manufacturers, distributors, and retailers, provides outreach, training, and support to help dealers promote and upsell energy-efficient equipment. An online portal developed and managed by the third-party vendor is used to handle customer and product validation, process incentives, and track key performance metrics.
8. The offering targets a selection of prescriptive commercial food service measures from the current version of the TRM. Because measures are influenced at the point of sale (upstream from the customer), prescriptive measures with broad applicability and minimal customization are necessary for an upstream offering since Enbridge Gas will not always have detailed visibility into the customer or specific features of their facility. A breakdown of eligible upstream measures and their corresponding incentives are included in the incentives section below.

6. Key Changes

9. Compared to Enbridge Gas's previous DSM Plan², the Commercial/Industrial Prescriptive Upstream Offering in the proposed 2027-2030 DSM Plan includes the following key changes:
 - a) Measure Mix: HVAC measures will be removed from the offering and instead supported through the Commercial/Industrial Prescriptive Downstream Offering. Commercial kitchen equipment is often procured by end-users directly from distributors and retailers.³ In this case, offering financial incentives via distributors to provide instant discounts at the point of purchase will directly benefit end-users. Conversely, HVAC equipment is generally

² EB-2021-0002.

³ Enbridge Gas Commercial Kitchen Market Characterization, Finn Projects, September 16, 2024, p.5.

purchased by contractors on behalf of end-users, therefore instant discounts to contractors may not necessarily benefit the end-user.⁴ Transitioning HVAC measures to the Commercial/Industrial Prescriptive Downstream Offering incents customers directly upon the installation of eligible HVAC equipment ensuring they benefit.

- b) Measures: Consideration will be given to adding new measures over the DSM Plan term to address supply chain challenges associated with the adoption of high-efficiency technologies.
- c) Delivery: The dealer network will be expanded to encompass more distributors and retailers as well as the inclusion of manufacturers specializing in high-efficiency commercial kitchen equipment. The provision of financial incentives at the manufacturing level could alleviate the incremental costs associated with higher-efficiency equipment, rendering it more feasible for retailers and distributors to stock.⁵

7. Incentives

- 10. Enbridge Gas's goal in providing upstream incentives is to mitigate the price barrier between standard and high-efficiency equipment, and to motivate distributors to present customers with energy-efficient alternatives when addressing equipment orders.
- 11. For food service equipment, incentives are paid directly to the participating dealer, who passes on a portion of the incentive to customers at the "point of sale" to provide an instant discount on equipment – this is referred to as "passthrough." The remaining portion of the incentive is retained by the participating dealer. This

⁴ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.124.

⁵ Enbridge Gas Commercial Kitchen Market Characterization, Finn Projects, September 16, 2024, p.20.

retained amount is intended to cover incremental offering related administrative costs, mitigate risks associated with stocking higher efficient equipment, and encourage investment in training of staff to increase sales of eligible measures.⁶

12. To increase uptake of high-efficient commercial kitchen equipment, passthrough incentives proposed in the new offering have increased to cover approximately 50% of incremental project costs as outlined in the TRM.
13. As the offering expands to include manufacturers of high efficiency equipment, elements of the incentive model may shift to accommodate anticipated changes in incremental project costs to customers downstream, with the objective of continuing to offer end-users incentives to cover approximately 50% of incremental project costs.⁷

⁶ Trade Ally Engagement and Incentive Design in Midstream Programs, ESource, November 16, 2023, p.1.

⁷ Enbridge Gas Commercial Kitchen Market Characterization, Finn Projects, September 16, 2024, p.3.

Table 1
Commercial/Industrial Prescriptive Upstream Offering Incentives

Technology	Passthrough Incentive, Approximate \$/Unit*
ENERGY STAR Fryers (2022 increase applied as base incentive)	\$1,000 - \$1,500
ENERGY STAR Steam Cookers	\$1,500
High-Efficiency Under-Fired Broilers	\$1,000 - \$1,500
ENERGY STAR Convection Oven	\$500
ENERGY STAR Rack Ovens	\$1,200
ENERGY STAR Combination Oven	\$1,500
Energy Star Griddles	\$2,400
ENERGY STAR Dishwashers	\$1,000
High-Efficiency Conveyor Broiler	\$1,500
High-Efficiency Conveyor Oven	\$500

Note:

*Limited time incentive offers may also be made available to encourage broader participation across dealers, and adoption among end users. Additional measures may be added to the offering over the term of the DSM Plan.

8. Enabling Activities

14. Promoting the sale of high-efficiency equipment by distributors, retailers, and manufacturers necessitates a comprehensive strategy encompassing various supply chain elements, from awareness and education to financial incentives and strategic partnerships. Key initiatives include:

- a) Education and training: Collaborating with manufacturers to conduct knowledge sessions for participating dealers, emphasizing the benefits and selling points of high-efficiency technologies. This also involves partnering with dealers to host workshops and demonstrations for contractors and customers. Commercial test kitchens, for example, showcase the practical applications and benefits of high efficiency equipment to consumers.

- b) Financial incentives: To encourage dealers to promote and sell more high-efficiency equipment, as well as reduce upfront costs for end-users to promote wider adoption.
- c) Marketing Support: Development of point-of-sale materials such as brochures to educate customers and contractors on the advantages of high-efficiency equipment. Enbridge Gas collaborates with distributors on targeted campaigns, joint advertising initiatives, and promotional events aimed at end-users.
- d) Distributor portal: Leveraging a distributor web-based platform providing single point of access to key information including a qualified product list, methods for verifying end-user eligibility, and tools for submission and tracking of projects.
- e) Upstream offering training: Hands-on training and support for participating dealers, provided by a third-party offering administrator.

9. Metric

15. The metric for the Commercial/Industrial Prescriptive Upstream Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

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

COMMERCIAL EXISTING BUILDING COMMISSIONING OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The Commercial Existing Building Commissioning (“EBCx”) Offering aims to enhance operational efficiency of existing building systems, thereby reducing natural gas consumption and associated costs. It employs a targeted approach to analyzing building operations, focusing on how equipment and systems interact. As designed, the intention is for this offering to engage underserved commercial customers, including tenants and those with capital constraints, providing them an opportunity to participate in commercial programming. By addressing issues that typically emerge over a building's lifespan, the EBCx Offering strives to improve overall building performance through enhanced operations and maintenance (“O&M”) practices that go beyond customer routine procedures (which may be non-existent).

2. Participant Benefits

3. Benefits to the participant include:

- a) The EBCx Offering targets a 3-5% reduction¹ in natural gas consumption per participant, resulting in operational cost savings.
- b) More energy efficient business, reduced greenhouse gas emissions.
- c) Participants gain insights into operational and behavioral improvements with recommendations to enhance building efficiency. The offering includes strategies for maintaining efficiency, such as procedural updates and operator training to support continuous improvement. The offering may also help identify potential capital upgrades for long-term efficiency gains.
- d) Participants may experience increased comfort, extended equipment life, and reduced greenhouse emissions due to lower energy consumption.

3. Target Market

- 4. While the EBCx Offering is applicable to all commercial market segments, it will primarily target mid and small commercial customers such as medium-sized offices, schools, and multi-residential buildings that typically consume less than 100,000 m³ of natural gas per year. Larger more complex customers such as institutional (hospital and university) buildings are better suited by more comprehensive audits available through the Commercial Custom Offering.

4. Eligibility Criteria

- 5. To be eligible for the EBCx Offering, participants must be Enbridge Gas commercial customers² and the facility must not have undertaken a similar recommissioning exercise within the preceding five years.

¹ Based on outcomes of historical no-cost/low-cost offerings such as Run It Right.

² Commercial customers include MURBs, MUSH and other non-industrial businesses. Income qualified multi-residential customers, as defined in Exhibit E, Tab 3, Schedule 3, are not eligible.

5. Offering Details

6. The EBCx Offering provides commercial customers with financial incentives to investigate and implement no-cost/low-cost measures that improve the performance of existing building equipment and systems.
7. Recent studies indicate that 51% of commercial and industrial customers do not have equipment-based energy conservation strategies. Only 19% have conducted operational or maintenance improvements, and a mere 2% have undertaken whole building retro-commissioning.³ Enbridge Gas's EBCx Offering aims to promote building retro-commissioning by engaging customers to identify and correct operational deficiencies. This offering provides tools and training for long-term performance maintenance, contributing to broader market adoption of operational efficiency practices and a continuous improvement mindset.
8. Participants are required to work with a participating Enbridge Gas EBCx Offering service provider, who will guide them through the entire process. This begins with a site assessment of the building's systems, resulting in a report with recommendations for operational improvements, energy savings estimates, and incentive details. Recommendations will focus on low-cost and no-cost measures, such as:
 - a) Correcting simultaneous or unnecessary heating and cooling.
 - b) Addressing manual overrides in energy management systems.
 - c) Ensuring equipment operates only when needed.
 - d) Optimizing building pressurization and operational sequences.

³ Enbridge Gas Commercial End Use Survey: Overview Presentation, Ipsos, December 2021, p.47.

9. After recommended actions are implemented, EBCx Offering service providers will conduct post-project verification and assist with project incentive applications. To promote long-term efficiency, customers will also receive guidance on updating building operator manuals/guidelines and access to operator training opportunities.
10. To support the identification and quantification of savings opportunities, a custom intake form and calculator will be developed for EBCx Offering service providers, which will:
 - a) Simplify the energy savings assessment process.
 - b) Enable broader participation by including commercial customers without daily consumption meters.
 - c) Collect key facility information (e.g., building type, square footage, equipment, operating hours, weather data, historical energy consumption).
 - d) Guide service providers in identifying low-cost or no-cost measures.
 - e) Calculate estimated energy savings, cost savings, and return on investment for each measure.
 - f) Generate customer reports and calculate claimable savings after post-project verification.
11. To ensure adequate geographic coverage, Enbridge Gas will prioritize a targeted group of participating EBCx Offering service providers who can establish a presence across key regions. This approach allows Enbridge Gas to ensure market availability in diverse geographic areas rather than opening the offering to all providers from the outset. As the program matures, additional service providers may be added to broaden the offering's reach. All participating EBCx Offering service providers will be

required to demonstrate building recommissioning credentials and complete mandatory training on offering structure, intake form, calculator, and customer eligibility requirements.

12. Marketing efforts will include targeted campaigns (e.g., e-blasts, industry newsletters, digital platforms) aimed at engaging small to mid-size commercial customers. EBCx Offering service providers will receive sales support materials, such as brochures and case studies, to promote the offering. Outreach materials will emphasize best practices, the benefits of operational efficiency, and common areas for building improvement.

6. Key Changes

13. This is a newly proposed offering in the 2027-2030 DSM Plan that was not included in the previous DSM Plan⁴. The EBCx Offering is distinct from the former Run it Right and P4P offerings⁵ as it does not require savings to be quantified at the meter. Offerings requiring meter-based savings have been a challenge in the past for the following reasons:

- a) Many customers do not possess daily meter readers, rendering them ineligible to participate.
- b) Establishing a baseline consumption value necessitates a year's worth of daily meter reading data.
- c) It typically takes a year post-project implementation to measure the results of participation.

⁴ EB-2021-0002.

⁵ EB-2021-0002, Exhibit E, Tab 2, Schedule 1, p.3.

- d) The 3-5% savings attributable to operational improvements could easily be overshadowed by other factors when simply measuring at the meter, such as increased occupancy rates at hotels, schools renting out facilities over weekends, or expansions added to buildings. While it is possible to account for these factors, the time and cost involved prohibit this type of approach from being applied at a mass market level.

14. The EBCx Offering will utilize a streamlined custom calculator to estimate savings associated with operational improvements, leveraging inputs from pre- and post-project implementation site assessments to quantify and validate improvements and their respective impacts. This method of calculating savings addresses all the aforementioned challenges, enabling the offer to cater to a broader group of customers by eliminating the requirement for customers to have a daily meter reader and allowing for savings to be calculated on the spot upon verification, allowing for a more streamlined process for contractors.

7. Incentives

15. Participants in the EBCx Offering will receive two types of incentives designed to offset assessment costs and recognize energy saving efforts.

- a) Assessment Incentive: Up to \$1,500 for small commercial customers (those who consume less than 100,000 m³/year) and up to \$5,000 for large commercial customers (those who consume greater than 100,000 m³/year) towards initial site assessment and post-site assessment. Incentives are capped at 100% cost of pre and post-site assessments.
- b) Performance Incentive: \$0.25 per gross m³ of natural gas saved, up to the lesser of 15% of the facility's annual natural gas consumption or \$25,000 per facility based on estimated savings from implemented measures. These savings must be associated with recommended measures implemented by

the customer and verified by the EBCx Offering service provider. To motivate participation, incentives are awarded based on savings performance, irrespective of incremental costs associated with the adoption of no cost, low-cost measures.

8. Enabling Activities

16. The EBCx Offering includes enabling activities for both customers and service providers.

17. For customers:

- a) Site walk-throughs, assessments, and recommendation reports.
- b) Financial incentives for identification, quantification, and implementation of efficiency improvements.
- c) Guidance for updating building manuals and guidelines.
- d) Building operator training opportunities.

18. For EBCx Offering service providers:

- a) Streamlined calculator for quantifying and validating savings.
- b) Technical training on calculator usage and eligible measures.
- c) Sales support tools (e.g., brochures, case studies).

19. These initiatives aim to facilitate participation, improve decision-making, and ensure long-term efficiency maintenance while equipping service providers with necessary tools and knowledge to effectively deliver the offering.

9. Metric

20. The metric for the EBCx Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

21. This offering will use a custom calculator as the basis for natural gas savings (m³) gross measurement.

COMMERCIAL MICROBUSINESS OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The Commercial Microbusiness Offering is designed to meet the specific needs of small commercial businesses operating from former residential dwellings. This customer group has historically been underserved¹ in energy conservation efforts. Additionally, these businesses are hard to reach and face significant barriers to participation.² The objective of this offering is to fill the programming gap by providing financial incentives, technical support, and implementation assistance to help microbusinesses complete energy efficiency projects.

2. Participant Benefits

3. Benefits to the participant include:

- a) Partial coverage of the project cost, lower energy bills and reduced operating costs, increased property value.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.36.

² Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.54.

- b) More energy efficient business, reduced greenhouse gas emissions.
- c) Improved comfort for owner/employees/patrons (better temperature control, better air quality, less noise, etc.).

3. Target Market

- 4. The target market for this offering is micro-commercial customers that operate out of former residential dwellings. Common examples of such types of microbusinesses include hair and beauty salons, law firms, dental and doctor offices. While some of these customers can be categorized as corporately owned or as a franchise, the majority are expected to be independently owned businesses.
- 5. Eligibility will not be restricted by natural gas consumption; however, it is expected that most of these customers will consume less than 5,000 m³ of natural gas annually. Furthermore, much of the natural gas consumption is likely to be attributed to space heating and water heating equipment.³
- 6. As described above, the types of businesses that operate from residential-sized facilities are, for the most part, independently owned businesses. Recently conducted market research on the small commercial customer base indicates that sixty percent of independently owned small businesses lease their business space.⁴ Therefore, particular attention will focus on engaging landlords and building owners, (to address the split incentive issue) highlighting the benefits of property upgrades even when they don't pay the energy bills.

³ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p. 11.

⁴ Enbridge Gas Small Commercial Market Research Results, Resource Innovations, June 5, 2024, p. 10.

4. Eligibility Criteria

7. To be eligible for the offering, participants must be small commercial customers in the Enbridge Gas service area.⁵ Further, buildings must:
- a) Be used primarily for commercial purposes.
 - b) Be heated with natural gas.
 - c) Be a former residential dwelling (detached house, semi-detached house, row housing, townhome, or a mobile home on a permanent foundation).
8. Buildings must not have participated in or received a rebate for the same qualified measure(s) from an Enbridge Gas DSM program in the past.

5. Offering Details

9. The Commercial Microbusiness Offering is designed for small businesses operating in residential-style buildings. This offering mirrors the residential Whole Home, Single Measure, Heat Pump, and Smart Home Offerings, providing incentives for site assessments, energy-efficient equipment, and weatherization measures suited to residential-sized needs.

10. Eligible Measures include:

- a) Insulation (Attic, Wall, Basement, etc.)
- b) Air Sealing
- c) Electric Heat Pumps (Space Heating and Water Heating)
- d) Smart Thermostats
- e) Windows and Doors

⁵ Commercial customers include MURBs, MUSH and other non-industrial businesses. Income qualified multi-residential customers, as defined in Exhibit E, Tab 3, Schedule 3, are not eligible.

11. Additional measures may be added throughout the duration of the 2027-2030 DSM Plan term to increase participation and achieve greater natural gas savings.
12. Customers can participate in the offering by engaging with a program approved participating contractor to install single-measures substantiated through the Technical Resource Manual (“TRM”). Recognizing that small business owners may have limited time and budget for energy efficiency improvements, this approach allows contractors to identify eligible upgrades during service calls, helping capture energy-saving opportunities at critical moments like equipment replacement.
13. Customers may also choose to work with a Natural Resources Canada (“NRCan”) licensed Registered Energy Advisor (“REA”) from an Enbridge Gas-approved Service Organization. The REA will perform a pre-audit of the building to identify potential energy efficiency upgrades and a post-audit after at least two qualifying measures have been implemented.
14. As a new offering within the Commercial Program, targeted outreach will be required to build awareness. Enbridge Gas will explore a multifaceted strategy, focusing on broad geographic representation among program approved participating contractors, targeted awareness campaigns for eligible customers, and partnerships with industry associations, small business groups, business improvement districts, chambers of commerce, and municipalities.
15. Outreach and education will emphasize the value of available incentives, efficiency upgrades suitable for small business settings, and the financial benefits of high-efficiency investments. For leased properties, outreach will include targeted messaging to both tenants – highlighting energy-saving benefits – and landlords, underscoring financial incentives and non-energy benefits, such as increased property value and tenant appeal.

6. Key Changes

16. This is a newly proposed offering that was not included in the previous DSM Plan.⁶

7. Incentives

17. Incentives will be available for both site assessments and the installation of eligible measures, aligning with those offered in the Residential Program. To encourage participation, incentives may be enhanced through limited time offers, particularly for landlords who do not pay the energy bills and require additional financial motivation to implement efficiency upgrades. Proposed incentive levels for measures can be found in the Residential Program section (the Whole Home Offering can be found at Exhibit E, Schedule 2, Tab 2; the Single Measure Offering can be found at Exhibit E, Schedule 2, Tab 3; the Heat Pump Offering can be found at Exhibit E, Schedule 2, Tab 4; and the Smart Home Offering can be found at Exhibit E, Schedule 2, Tab 5).

8. Enabling Activities

18. Enbridge Gas will leverage enabling activities to help customers overcome knowledge and resource barriers that inhibit them from identifying and implementing energy efficiency opportunities. Customers who work with a participating REA for site assessments and efficiency recommendations will receive expert guidance and incentives to help offset project costs. Collaborations with organizations like chambers of commerce and municipalities will further raise awareness of high-efficiency technologies and available resources. Finally, Enbridge Gas will offer participating REAs and program approved contractors with sales support tools and training to enhance their capacity and extend the reach of the offering.

⁶ EB-2021-0002.

9. Metric

19. The metric for the Commercial Microbusiness Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

20. If a single measure is installed, the offering will reference the TRM as the basis for natural gas savings (m³). Projects must meet requirements as outlined in the version of the TRM applicable to the program year.
21. If a TRM substantiation document is not available for the measure, NRCan HOT2000 software, used in EnerGuide Mode, is required for estimating natural gas savings. Buildings will be initially modelled based on the existing state of the building and again based on the post-retrofit state of the building. All completed HOT2000 assessments and associated documentation will be submitted to NRCan in accordance with its QA/QC processes.
22. To correctly claim energy savings, Enbridge Gas will make adjustments to the savings determined by the HOT2000 models to account for baseline considerations as appropriate.

INDUSTRIAL PROGRAM

1. This evidence is organized as follows:

1. Industrial Sector Overview
 - 1.1 Customers
 - 1.2 Market Actors
 - 1.3 Energy Use
 - 1.4 External Factors
 - 1.5 Motivations and Barriers
2. Industrial Program Proposal

1. Industrial Sector Overview

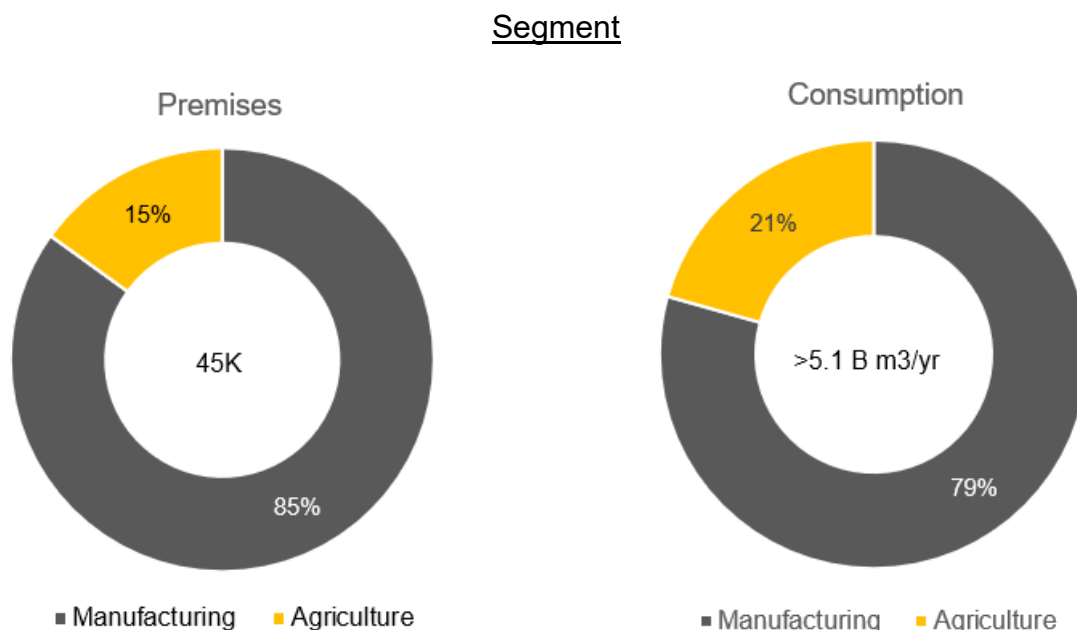
2. The industrial sector within the Enbridge Gas service area comprises over 46,300 customer accounts, collectively consuming 5.2 billion cubic meters of natural gas annually.¹ Customers within the sector include a mix of larger complex facilities in conjunction with smaller more straightforward buildings who are involved in the production, enhancement or cultivation of mercantile goods, plants and livestock. Industrial customers can be classified into two market segments: agriculture and manufacturing, each with distinct consumption profiles, decision-making structures, and barriers to participating in conservation efforts.
3. The proposed Industrial Program builds on its past successes and lessons learned by introducing enhancements and enabling activities designed to engage more customers, overcome participation barriers, and support continuous efficiency improvements; ultimately driving both economic and sustainability benefits.

¹ Large volume customers are ineligible to participate in the Industrial Program and are not included in these figures.

1.1 Customers

4. As outlined above, Enbridge Gas classifies the industrial sector into two market segments:
- a) Agricultural: Includes facilities that cultivate plants or livestock, such as vegetable, fruit, and flower greenhouses, vineyards, farms, and grain storage and drying facilities. This segment accounts for approximately 15% of the industrial sector's premises and 21% of its natural gas consumption.
 - b) Manufacturing: Encompasses a wide range of industrial facilities, including those involved in automotive, pharmaceutical, asphalt, packaged goods, pulp and paper, food/beverage/confectionary production, etc. This segment represents approximately 85% of the industrial sector's premises and 79% of its natural gas consumption. Given the extensive diversity of processes within manufacturing sites, even those within the same industry, further sub-segmentation to generalize opportunities at an industry level is impractical.

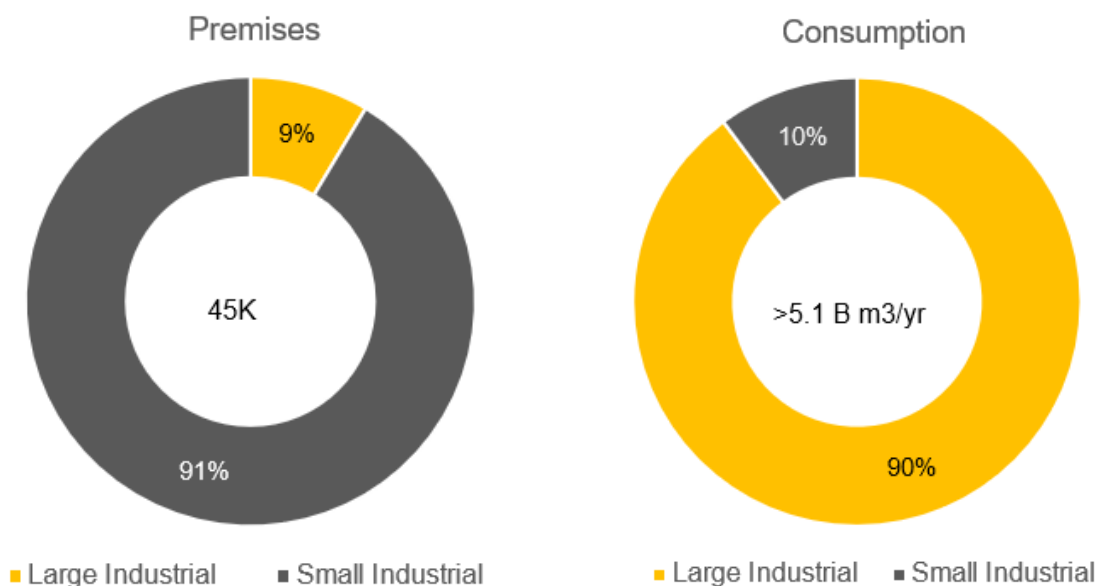
Figure 1: 2024 Premises and Annual Natural Gas Consumption by Industrial Market



5. Segmenting customers by size provides a practical means of addressing customer needs. Industrial customers consuming on average less than 100,000 m³ of natural gas annually typically exhibit seasonal load profiles, underscoring the importance of focusing on efficiency opportunities supporting building envelope and HVAC system improvements.² Although these small industrial customers represent 92% of premises, they account for only 10% of total consumption. Therefore, a prescriptive, mass-market approach is a reasonable method for addressing their primary space heating needs. In contrast, larger industrial facilities with distinct and complex process loads necessitate a more customized approach to identifying and implementing energy efficiency solutions. These distinctions have been considered in the development of the proposed offerings to ensure that the Industrial Program appropriately addresses the needs of large and small customers.

² Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.5.

Figure 2: 2024 Large and Small Industrial Premises and Consumption



1.2 Market Actors

6. A variety of market actors are influential in supporting the adoption of conservation initiatives, collectively contributing to the successful implementation of energy efficiency programming.
7. Enbridge Gas Energy Solutions Advisors (“ESA”) establish long-term relationships with larger industrial customers, acting as an extension of their teams to drive continuous efficiency improvements by helping to identify, prioritize and justify conservation opportunities.
 - a) Customer in-house experts (Energy Managers, Maintenance Managers, Plant Managers, Finance Managers, and Environmental, Social, and Governance (“ESG”) Managers, etc.) are key influencers and decision makers for conservation projects.

- b) Service providers represent a number of different types of market actors including but not limited to energy services companies and consulting firms that may be engaged by facilities to help identify, prioritize, and quantify efficiency improvement measures to achieve cost-effective energy and/or sustainability goals.
 - c) Contractors and engineering firms represent a key point of contact and a potential source of energy efficiency information for customers during times of equipment replacement and/or procurement.
 - d) Distributors, retailers, and manufacturers are vital partners that control the supply chain and availability of equipment, with established market channels, industry partnerships, and real-time market insights.
8. Industry associations are stakeholders that have broad reach and influence over businesses and can help generate awareness of conservation programs and adoption of best practices.
- a) Utilities, government, and regulatory agencies often provide programs and regulations to encourage emissions reductions and conservation efforts.
 - b) Customers add credibility to efficiency opportunities by sharing experiences and best practices (i.e., word of mouth).
9. Strategically engaging the relevant market actors is essential to maximize program reach, cost effectiveness, and influence. By leveraging the unique strengths and insights from these market actors, Enbridge Gas can enhance the effectiveness of its offers, drive broader adoption of best practices, and foster more sustainable and energy-efficient practices in the industrial sector.

1.3 Energy Use

10. In the agricultural segment, energy is used for applications like process heating (e.g., drying crops or pasteurizing dairy) and in greenhouses for maintaining optimal temperatures, as well as powering pumps and ventilation systems, directly impacting operational efficiency and productivity.³
11. Manufacturing, on the other hand, uses energy for space and process heating (e.g., steel, chemicals, food processing) as well as for driving equipment like conveyors, fans, and compressors, and occasionally natural gas is used as feedstock.⁴
12. Facilities in both industrial segments also use energy for motors and compressed air to support various operations.
13. Small industrial customers who consume on average less than 100,000 m³ of natural gas per year, regardless of market segment, are more likely to use natural gas for space heating purposes (seasonal load vs. process load) as described above.⁵

1.4 External Factors

14. External factors, including political, economic, social, and technological dynamics, play a crucial role in influencing energy efficiency investments among customers in the industrial sector. These dynamics impact how businesses prioritize and adopt energy-saving measures. The following factors are presumed to be most impactful on the industrial customer base:

³ Enbridge Gas Ontario Greenhouse Market and Energy Efficient Technologies, Agritecture Consulting, August 9, 2024, p.7.

⁴ Manufacturing Canada's Future, Canadian Manufacturers and Exporters, November 2023, p.20.

⁵ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.5.

- a) Emissions Performance Standards (“EPS”): The EPS Regulation (O. Reg. 241/19), under the Environmental Protection Act, manages greenhouse gas emissions from large facilities in the manufacturing, resource, and electricity generation sectors. Effective from January 1, 2022, this program sets annual emissions limits for industrial facilities, which become stricter over time. Eligible facilities must either reduce their emissions or pay for exceeding these limits.⁶ Because reducing natural gas consumption can lead to reduced emissions, EPS helps motivate participation in conservation programs.⁷
- b) Labour Shortages: The sector faces labour shortages as experienced workers retire, creating knowledge gaps and resource constraints.⁸ This impacts capacity from a resourcing perspective, delaying project advancement and necessitating relationship-building between Enbridge Gas ESAs and their new counterparts at various facilities.
- c) Financial Constraints: Financial considerations have intensified due to rising labour and material costs, higher interest rates, poor economic conditions,⁹ and uncertainty around changes to international trade policy such as the introduction of tariffs.¹⁰ An Enbridge Gas stakeholder engagement study conducted by Ipsos in 2020 revealed that most manufacturing customers require project payback periods of less than two years.^{11,12} In recent market

⁶ Ministry of the Environment, Conservation and Parks, Government of Ontario Emissions Performance Standards program, (September 16, 2024), <https://www.ontario.ca/page/emissions-performance-standards-program>

⁷ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.118.

⁸ 2024 Manufacturing Workforce Report, Canadian Manufacturers and Exporters, May 2024, p.3.

⁹ 2024 Manufacturing Workforce Report, Canadian Manufacturers and Exporters, May 2024, p.14.

¹⁰ New Data: U.S. Tariffs continue to hammer Canadian manufacturing, threatening jobs and investment, Canadian Manufacturers & Exporters (“CME”), June 18, 2025. <https://cme-mec.ca/blog/new-data-u-s-tariffs-continue-to-hammer-canadian-manufacturing-threatening-jobs-and-investment/>

¹¹ EB-2021-0002, Exhibit E, Tab 1, Schedule 5, Attachment 2, p.6.

¹² Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos, June 2024, p.99

stakeholder discussions, the need for shorter payback periods has become more pronounced.^{13,14}

1.5 Motivations and Barriers

15. The primary motivators for energy efficiency projects in the industrial sector include cost savings, productivity improvements, and ESG goals.^{15,16} For agricultural customers, where energy costs constitute a substantial portion of operating expenses, optimizing natural gas consumption relative to productivity is crucial for maintaining profitability,¹⁷ while for manufacturing customers, improving productivity and meeting ESG targets such as emission reductions are key drivers.^{18,19}

16. While there are many motivational factors to support conservation efforts, several barriers to investment also exist. The most common challenges encountered by industrial customers in engaging in energy efficiency initiatives can be categorized as competing priorities, knowledge gaps and resource constraints.

- a) Competing Priorities: Industrial facilities must balance energy efficiency with other critical business concerns, including production deadlines, quality control, safety requirements, and regulatory compliance.²⁰ Additionally, capital investments are frequently directed towards expanding production capacity or upgrading technology for productivity gains, rather than energy efficiency. These operational priorities often take precedence over energy saving measures, especially when the benefits of energy efficiency are seen

¹³ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.83 and 85.

¹⁴ 2024 Manufacturing Workforce Report, Canadian Manufacturers and Exporters, May 2024, p.14.

¹⁵ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.20.

¹⁶ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.82.

¹⁷ Enbridge Gas Ontario Greenhouse Market and Energy Efficient Technologies, Agritecture Consulting, August 9, 2024, p.50.

¹⁸ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.80

¹⁹ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.85,99.

²⁰ Process Evaluation of Enbridge Gas's CI Custom Offering, Ipsos, 2023, p.22.

as secondary or uncertain.²¹ In smaller facilities, the lack of structured decision-making processes further compounds this issue, as energy efficiency initiatives are frequently reactive, triggered by equipment failures or external mandates, rather than being proactive investments in operational efficiency.²²

- b) Knowledge Gaps: Knowledge gaps are prevalent across the sector, especially among smaller industrial customers.²³ These gaps relate to identifying energy-saving opportunities, quantifying potential savings, and validating business cases for energy efficiency investments.²⁴ Additionally, skilled trade labour shortages have compounded the issue, as many facilities lack internal expertise to engage in energy efficiency initiatives.²⁵
- c) Resource Constraints: Across the industrial sector, financial limitations are a significant obstacle to implementing energy efficiency measures.²⁶ Large industrial customers, although better resourced, still face substantial costs associated with upgrading complex production equipment.²⁷ Smaller industrial customers operate on thin margins, making it difficult to justify capital-intensive projects despite high energy prices.²⁸ These constraints underscore the importance of financial incentives to advance energy conservation efforts. Limited personnel poses significant barriers, especially for smaller industrial customers.²⁹ Without dedicated staff to manage energy projects, many

²¹ Process Evaluation of Enbridge Gas's CI Custom Offering, Ipsos, 2023, p.22.

²² Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.21.

²³ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.31.

²⁴ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.31.

²⁵ 2024 Manufacturing Workforce Report, Canadian Manufacturers and Exporters, May 2024, p.3.

²⁶ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.85.

²⁷ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.85

²⁸ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.21.

²⁹ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.34

potential energy-saving opportunities are overlooked or deprioritized.³⁰ Larger industrial facilities may have more resources but often struggle to allocate them to energy efficiency due to competing operational priorities.³¹

- d) Investment Barriers: Industrial customers are impacted by uncertainty surrounding international trade policy objectives and the Federal Carbon Charge being set to zero. For customers previously subject to the charge, its removal reduces the financial incentive for natural gas conservation projects. Without this additional cost, some measures may no longer meet payback expectations or compete effectively with other investment opportunities, especially when capital is limited. At the same time, shifting trade policies are prompting many industrial facilities to delay or scale back non-essential investments, including equipment upgrades for conservation initiatives.³²

2. Industrial Program Proposal

17. The Industrial Program aims to drive continuous energy efficiency improvements year-over-year by addressing the specific barriers and motivations identified in the sector analysis. The program's core strategies will be structured around three key themes:

- a) Empowering customers through knowledge and tools: Before industrial customers can decide to move forward with a project, they require knowledge related to opportunity identification, cost-benefit, payback period and validation of natural gas savings potential. Empowering customers with the knowledge to make informed decisions is therefore essential for driving energy efficiency initiatives. By enhancing investments in audits,

³⁰ Enbridge Gas Small Industrial Study, ICF, September 12, 2024, p.5

³¹ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.85.

³² New Data: U.S. Tariffs continue to hammer Canadian manufacturing, threatening jobs and investment, Canadian Manufacturers & Exporters ("CME"), June 18, 2025. <https://cme-mec.ca/blog/new-data-u-s-tariffs-continue-to-hammer-canadian-manufacturing-threatening-jobs-and-investment/>

assessments, and submetering, as well as hosting topical workshops and training sessions, awareness and interest in efficiency opportunities can grow and contribute to a robust project funnel. Several DSM Stakeholder Advisory Group (“SAG”) members “agreed that the proposed enabling initiatives, including studies, metering, EMIS [Energy Management Information Systems], and SEM [Strategic Energy Management] should be included” in the Industrial Program.”³³

- b) Addressing resource barriers: Providing the necessary technical and financial resources is key to overcoming barriers to project implementation. Enbridge Gas recognizes that the ongoing role of ESAs in collaborating with industrial customers to educate and drive continuous improvement is a critical factor in the success of the Industrial Program. Strengthening and expanding these one-to-one relationships will remain a priority to extend market reach and deliver greater value to industrial ratepayers. From a financial resource constraint perspective, increasing project implementation incentives will help reduce the payback period to less than two years for manufacturing projects, and three years for most agricultural projects. This financial support makes energy efficiency projects more attractive and feasible for implementation, enabling more organizations to undertake these initiatives. Enbridge Gas received positive SAG support for this strategy of increasing incentives for industrial customers.³⁴
- c) Managing competing priorities: Industrial sites, though highly advanced, prioritize production over energy efficiency. Any project that poses a risk to production is unlikely to be considered. Furthermore, investments in

³³ EB-2022-0295, SAG Report, November 11, 2024, p.66.

³⁴ EB-2022-0295, SAG Report, November 11, 2024, p.66.

production equipment often take precedence over energy efficiency opportunities. Ongoing engagement by ESAs with customers is essential to work through project obstacles, identify and promote both energy and non-energy benefits, and mitigate perceived project risks. The SAG “agreed that the conceptual approach to using dedicated account managers to work with larger customers on an on-going basis to drive efficiency projects is best practice allows for detailed one-on-one interactions that are required in the industrial sector.”³⁵ This continuous engagement ensures that energy efficiency projects remain a priority amidst other competing interests.

18. Enbridge Gas is proposing the following offering and enabling activities to address the needs of the industrial sector and support customers in their energy efficiency efforts:

³⁵ EB-2022-0295, SAG Report, November 11, 2024, p.67.

Table 1
Industrial Offering Descriptions and Enabling Activities

Industrial Program		
Offering	High Level Description	Key Offering Elements
Industrial Custom	The Industrial Custom Offering helps customers use natural gas more efficiently by identifying, prioritizing, and incentivizing energy saving projects. This offering supports measures that require site specific inputs to calculate savings, making it ideal to address the unique processes, equipment and efficiency opportunities that exist across larger and/or more complex industrial facilities.	• Technical support and account management provided by ESAs. • Financial incentives towards efficiency investments. • Enabling incentives towards audits, studies, metering, EMIS. • Knowledge-building tools such as case studies, technology sheets, calculators, workshops, etc.
Commercial / Industrial Prescriptive Downstream	Please refer to Exhibit E, Tab 4, Schedule 3, for a description of this offering.	
Commercial / Industrial Prescriptive Direct Install	Please refer to Exhibit E, Tab 4, Schedule 4, for a description of this offering.	
Commercial / Industrial Prescriptive Upstream	Please refer to Exhibit E, Tab 4, Schedule 5, for a description of this offering.	
Enabling Activities	High Level Description	
Technical support and account management from ESAs	Enbridge Gas's ESAs work with large industrial customers as an extension of their team, and provide support to help identify, quantify, and develop an implementation plan for efficiency projects. This might include support and expertise in conducting assessments, putting together the figures to build a business case, recommendations for third party contractors and experts, and understanding industry-specific or general best practices.	
Studies, Metering, Audits, EMIS	Funds for a portion of third-party audits, assessments, and studies, as well as energy modelling and sub-metering.	
Strategic Energy Management ("SEM")	Supports industrial customers in activities such as workshops, technical training and resource support that drive continuous energy management and performance improvement. Collaboration on this initiative with the IESO is currently being explored	
Energy Innovation Fund	Supports the advancement of innovative energy efficiency technologies towards market readiness. Qualified technologies will include those ready for piloting within an industrial environment. The majority of pilot projects are expected to be market driven through an open bid process, encouraging customers, engineering firms and other market actors to submit technology projects for funding. In addition, Enbridge Gas expects to drive a smaller number of projects on its own, and in collaboration with interested market actors. Ultimately, the goal of this fund is to transition proven technologies and applicable energy efficiency solutions into the custom and prescriptive offerings. See Exhibit D, Tab 8, Schedule 3 for further details.	

INDUSTRIAL CUSTOM OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market
4. Eligibility Criteria
5. Offering Details
6. Key Changes
7. Incentives
8. Enabling Activities
9. Metric
10. Gross Measurement

1. Objective

2. The primary objective of the Industrial Custom Offering is to help manufacturing and agricultural customers achieve continuous efficiency improvements and financial savings through avoided natural gas consumption. This is accomplished by Enbridge Gas Energy Solutions Advisors (“ESA”) working with customers to identify, prioritize, and implement natural gas efficiency measures. This technical support coupled with financial incentives addresses barriers such as knowledge gaps, resource constraints and competing priorities to enable customers to invest in behavioural, operational and capital conservation efforts that are often complex, unique to customer production or cultivation processes, and not included in the Technical Resource Manual (“TRM”).

2. Participant Benefits

3. Benefits to the participant include:

- a) Incentives reduce upfront project costs which improves return on investment / payback period on the efficiency upgrade. Operational cost savings are achieved through avoided energy consumption.
- b) Improved energy efficiency leads to reduced greenhouse gas (“GHG”) emissions and more sustainable buildings and businesses.
- c) Improved production and operations support achievement of Emissions Performance Standards (“EPS”) requirements as well as enhanced understanding of energy consumption and efficiency opportunities through ongoing strategic account management support.

3. Target Market

- 4. The offering primarily caters to larger industrial customers who typically consume over 100,000 m³ of natural gas annually, with a significant portion utilized in their production processes. It is also suitable for smaller industrial customers with slightly more complex projects or energy efficiency upgrades that do not meet the measure eligibility criteria for the Commercial/Industrial Prescriptive Downstream, Prescriptive Upstream or Prescriptive Direct Install Offerings. A tailored solution is essential to meet the distinct needs of the unique production processes across each facility.

4. Eligibility Criteria

- 5. Industrial customers (specifically manufacturing and agriculture) within the Enbridge Gas service area are eligible for this offering.¹

¹ 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. Large volume customers, as defined in Exhibit E, Tab 6, Schedule 1, are not eligible.

6. New and existing industrial facilities are eligible for the offering.

5. Offering Details

7. The Industrial Custom Offering is designed to support measures requiring site-specific inputs for calculating savings, tailored to the unique production processes of each facility. Enbridge Gas ESAs serve as the primary delivery channel, offering technical support and strategic guidance on project identification, quantification, and implementation. Additionally, financial incentives are provided to help overcome the financial barriers associated with these projects.

8. Key components of the offering include:

- a) Technical and administrative support: Dedicated ESAs collaborate with customers to map out their consumption profiles, identify efficiency opportunities and work with them towards the achievement of their short and long-term business and sustainability objectives. Such activities may include:
 - i. Conducting detailed site visits and assessments to uncover energy-saving opportunities.
 - ii. Assistance with project planning and implementation, ensuring seamless execution and providing expertise on energy management best practices.
 - iii. Where necessary, supporting the scoping of third-party audits, studies, or metering (e.g., for energy-intensive processes or equipment) to validate opportunities.
 - iv. Quantification of project savings based on engineering calculations or diagnostic tools specific to the industrial process.
 - v. Providing administrative support with offering applications for financial incentives.

- b) Financial incentives: Two forms of financial incentives are available through the offer:
- i. Implementation incentives help offset the costs of implementing energy-saving measures, including equipment procurement and installation. They are calculated based on estimated annual gross cubic meters of natural gas saved associated with implemented projects.
 - ii. Incentives are also available to offset the costs associated with enabling activities such as third-party assessments and installation of metering and/or Energy Management Information Systems (“EMIS”) to overcome knowledge barriers to identifying, quantifying and/or validating natural gas savings opportunities.
- c) Custom measures: Custom projects vary significantly across manufacturing and agriculture customers depending on the facility’s unique processes. While there is no predefined list of eligible measures, projects typically focus on activities that reduce overall energy requirements, recovering and reusing energy where possible, and replacing outdated equipment with more efficient equipment. Examples of each of these categories are outlined below.
- i. Energy reduction: e.g., adding insulation, improving process controls, optimizing heating systems.
 - ii. Energy recovery and reuse: e.g., energy recovery from waste heat streams redistributed to other energy users, destratification fans to redistribute heated air.
 - iii. Energy replacement: e.g., replacing outdated equipment with more efficient models, such as regenerative burners replacing standard burners in furnaces.

Larger projects, such as facility expansions or plant retooling, also present opportunities to incorporate energy-saving measures, even when efficiency is not the primary focus of the project.

- d) Delivery mechanisms: Primary delivery is through ESAs, who work closely with large industrial customers to provide one-on-one support. An ESA's ongoing influence can help foster a customer's focus on comprehensive energy management and continuous energy improvement leading to that customer undertaking DSM activities year-over-year, driving incremental natural gas reductions over time.
- e) Outreach and marketing: Outreach and marketing efforts include engaging industrial customers through targeted communications, such as industry-specific events, newsletters, workshops, case studies, and digital campaigns to raise awareness about the offering, best practices and the benefits of energy efficiency.

6. Key Changes

9. Compared to Enbridge Gas's previous DSM Plan², the Industrial Custom Offering in the proposed 2027-2030 DSM Plan includes the following key changes:

- a) Financial Incentives: Consideration of DSM Stakeholder Advisory Group ("SAG") feedback has been incorporated into the incentive structure as described in the Incentives section below, and includes the following key changes:
 - i. Project implementation incentives have been increased to account for higher costs of manufacturing equipment, in order to buy-down project payback periods to a more industry accepted level (less than 2 years

² EB-2021-0002.

for manufacturers). In 2024, standard industrial incentives averaged about \$0.15/m³ saved. Newly proposed Industrial Custom Offering incentives are expected to average \$0.22/m³ saved in 2027.

- ii. Additional funding towards enabling initiatives such as financial incentives for audits, studies, metering and EMIS has also been proposed to provide access to a broader group of customers each year.

b) Delivery: Tailored delivery and outreach will be used, specifically:

- i. Segment targeted outreach and enabling initiatives, based on the SAG recommendation, to tailor delivery and outreach efforts to specific subsectors within the manufacturing and agriculture industries.
Enbridge Gas will enhance its ongoing targeted initiatives, such as:
 - a. Continuing to deploy ESAs who specialize in select subsectors to leverage learnings across businesses and share best practices.
 - b. Distinct brochures and workshops, addressing the unique challenges and opportunities within market segments will continue to be provided.
 - c. Customer workshops on cross-cutting topics such as heating and ventilation in industrial facilities, process heating, water heating, and energy management will be prioritized to attract a diverse audience and stimulate dynamic discussions.
 - d. These targeted strategies are designed to support customers in navigating unique energy challenges while fostering a collaborative environment for the exchange of knowledge.

7. Incentives

Table 1
Industrial Custom Offering Incentives

Implementation Incentives	
Incentive Details	Incentive Rates (per gross m ³ saved)
- Calculated per project based on estimated annual natural gas savings. - Designed to reduce payback periods to less than 2 years for manufacturing customers,³ and 3-5 years for agricultural customers.⁴ - Cover up to 100% of incremental project costs.	Standard incentive: \$0.45 per gross m³ saved for the first 75,000 m³, \$0.25 per gross m³ saved for the remaining. - Maximum of \$500,000 per project. - Maximum of 100% of incremental project costs.
Enabling Activity Incentives	
Incentive Details	Incentive Rates
Third party audits, assessments and studies.	Up to 50% of costs, max \$10,000/study up to 3 studies per year.
Energy Management Information Systems ("EMIS") and metering.	Up to 50% of incremental costs, max \$40,000 per customer.

10. As depicted in Table 1, a tiered incentive structure is proposed. This system offers a higher dollar amount per gross cubic meter saved for the first 75,000 m³, with a reduced incentive for any additional savings beyond that threshold. Historically, this approach has been effective in motivating industrial customers to undertake both large and small projects. It ensures a fair distribution of incentives, accommodating both large-scale and smaller initiatives. Furthermore, projects for smaller industrial customers, who often face greater challenges in investing in efficiency improvements, typically do not exceed the 75,000 m³ savings mark. Finally, larger projects, which generally yield more substantial savings, are anticipated to continue to achieve desirable payback periods with the proposed tiered incentive structure. Although the Federal Carbon Charge being set to zero and the implementation of

³ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.85.

⁴ Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, June 2024, p.99.

tariffs are expected to affect project payback periods for some customers, Enbridge Gas proposes to retain the proposed incentive structure. Increasing incentives to offset carbon costs is projected to yield diminishing returns.

11. Enbridge Gas may implement a versatile bonus incentive design strategy that considers various options, such as first-time bonus incentives, tiered incentives, and other recommendations from the SAG, with the goal of encouraging broader participation and/or promoting the adoption of underperforming or deep energy savings measures.

8. Enabling Activities

12. Enabling activities are instrumental in building sustained project opportunities throughout the course of the 2027-2030 DSM Plan term, as they support customers in securing critical information to justify moving forward with projects. There are three main categories of enabling activities:

- a) Funding for third-party assessments or studies, installation of EMIS, and sub-metering: All support overcoming cost/benefit and project viability knowledge barriers.
- b) Strategic Energy Management (“SEM”) initiative: Supports customers who require more than sub-metering and an EMIS to better understand, monitor, and manage their energy usage.
- c) Knowledge-building initiatives: Includes site walkthroughs, energy mapping, workshops, webinars, case studies, and newsletters to build knowledge of best practices.

13. ESAs will work with customers to recommend the most suitable enabling activities to support their needs.

9. Metric

14. The metric for the Industrial Custom Offering is net annual (first-year) natural gas savings, measured in m³.

10. Gross Measurement

15. This offering will use various customized approaches as the basis for natural gas savings (m³) gross measurement. Examples include, but are not limited, to engineering calculations, measurement and verification (“M&V”), and energy modelling such as the USDA Agricultural Research Service’s Virtual Grower, as determined appropriate by Enbridge Gas’s technical experts.

LARGE VOLUME PROGRAM

1. This evidence is organized as follows:
 1. Large Volume Sector Overview
 - 1.1 Customers
 - 1.2 Energy Use
 - 1.3 External Factors
 - 1.4 Motivations and Barriers
 2. Large Volume Program Proposal
 - 2.1 Large Volume Customers
 - 2.2 Large Volume Opt-Out Framework

1. Large Volume Sector Overview

2. Large volume customers are, by definition, some of the largest customers in terms of natural gas consumption within Enbridge Gas's service area. These complex and sophisticated energy consumers are primarily industrial customers with extremely high natural gas consumption which often accounts for a significant portion of their overall production costs.
3. Enbridge Gas's proposed Large Volume Program builds on the successes and learnings of the existing program, with modifications intended to be responsive to the OEB's Decision and Order for Enbridge Gas's previous multi-year DSM Plan Application ("Decision"), and reflecting feedback received from stakeholders throughout the course of the development of the 2027-2030 DSM Plan.

1.1 Customers

4. Enbridge Gas's large volume customers span a variety of industries including steel, pulp and paper, mining and petroleum production. Many of these industries are

currently experiencing challenging economic pressures related to changes and uncertainty surrounding international trade policy since early 2025.

5. Historically, the Large Volume Program was applicable to all customers in two rate classes; Rate T2 and Rate 100 in the Union rate zones. However, for the 2023-2025 DSM Plan term, the OEB directed the exemption of natural gas-fired generators in these rate classes from participation in the Large Volume Program.¹
6. Through the 2027-2030 DSM Plan, Enbridge Gas is proposing new criteria for the Large Volume Program, as described in Section 2. Under the new proposed criteria, customers within the large volume sector will comprise of approximately 30 accounts, collectively representing approximately 5 billion cubic meters of natural gas usage annually.

1.2 Energy Use

7. Large volume customers utilize tremendous amounts of natural gas in their operation, predominantly as part of the production process, and occasionally as feedstock.² While energy usage can significantly contribute to overall production costs, in some cases natural gas conservation efforts remain lower on the priority list in comparison to attention focused on broader energy use as well as operational considerations including production timelines, quality, reliability, and safety. As a result, Enbridge Gas has an opportunity to help certain customers with their efforts to optimize the natural gas efficiency of their operations.

1.3 External Factors

8. These large manufacturing facilities can be impacted by similar external factors to those detailed in the industrial sector overview in Exhibit E, Tab 5, Schedule 1.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.43.

² Enbridge Gas Commercial and Industrial Stakeholders' Engagement, Ipsos, (June 2024), p.80.

These include labour shortages, escalating labour and material costs, increased capital expenses and global competitive pressures including changes to international trade policy – all of which affect the prioritization of investment in energy efficiency initiatives.

1.4 Motivations and Barriers

9. The primary motivators for energy efficiency projects among manufacturing customers include improving production efficiency, cost reduction, and meeting Environmental, Social, and Governance (“ESG”) targets such as emissions reductions.³
10. Ontario’s Emissions Performance Standards Regulation (“EPS”) introduced in the province in 2022, encourages emissions reduction efforts, potentially encompassing natural gas reduction projects.
11. Challenges encountered by large volume customers vary, but can be categorized as follows:
 - a) Competing Priorities: More pressing investment opportunities related to safety, regulatory, production, etc., that compete for the same resources.
 - b) Knowledge Gaps: Not having enough information (for example, regarding quantified savings, return on investment, technology reliability, etc.) to move forward with a project.
12. The introduction, uncertainty and threat of changes to international trade policy are adding to challenges encountered by large volume customers. A June 2025 Canadian Manufacturers & Exporters (“CME”) survey of over 100 manufacturers highlights significant investment concerns tied to tariff uncertainty. 49% of Canadian

³ Enbridge Gas Commercial and Industrial Stakeholders’ Engagement, Ipsos (June 2024), p.80.

manufacturers are pursuing new export markets, 39% anticipate hiring freezes or layoffs as a direct response to tariff impacts, and 44% have cancelled or delayed investment plans. These findings underscore the potentially detrimental impact of changes to international trade policies on business confidence and investment decisions, including investments in conservation projects.⁴

2. Large Volume Program Proposal

13. The Large Volume Program will continue to support a Large Volume Direct Access Offering, which ensures a dedicated amount of funds are allocated towards natural gas conservation efforts.
14. Changes have been made to the design of the Large Volume Direct Access Offering based on feedback received from stakeholders, to enable unspent incentive budgets to carry forward from year to year until the end of the 2027-2030 DSM Plan term. This enhancement provides greater flexibility in utilizing funds over an extended period, thereby supporting projects with longer planning and implementation timelines. Consequently, Large Volume Program targets will be determined based on the total savings achieved at the conclusion of the DSM Plan term.
15. Table 1 provides an overview of the Large Volume Program offering.

⁴ New Data: U.S. Tariffs continue to hammer Canadian manufacturing, threatening jobs and investment, Canadian Manufacturers & Exporters ("CME") Survey, June 18, 2025, <https://cme-mec.ca/blog/new-data-u-s-tariffs-continue-to-hammer-canadian-manufacturing-threatening-jobs-and-investment/>

Table 1
Large Volume Offering Description

Large Volume Program		
Offering	High Level Description	Key Offering Elements
Large Volume Direct Access Offering	The Large Volume Direct Access Offering engages large volume customers to prioritize, plan and pursue energy efficiency by developing a comprehensive Energy Efficiency Plan (“EEP”) and implementing targeted efficiency initiatives.	• Delivered by dedicated Enbridge Gas Energy Solutions Advisors • Development of an EEP • Direct access incentive mechanism based on consumption • Incentives towards audits, assessments and project implementation

2.1 Large Volume Customers

16. In the previous multi-year DSM Plan proceeding⁵, the Industrial Gas Users Association (“IGUA”) recommended that, should the OEB approve the continuation of a program for large volume customers, an opt-out framework should be developed. With respect to a possible opt-out framework, the OEB stated:

[M]ore evidence is required before an opt-out provision can be implemented. Enbridge Gas is expected to work with relevant stakeholders, such as IGUA, to develop opt-out protocols and share with the SAG for input. The resulting opt-out framework, if supported by large volume customers, should be included as part of Enbridge Gas’s next DSM plan application.⁶

17. Enbridge Gas has responded to the OEB’s expectation and consulted with large volume customers, first to ensure the Large Volume Program and corresponding Large Volume Direct Access Offering is designed in an effort to meet the needs of

⁵ EB-2021-0002.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.44.

these customers and, second, to work collaboratively on the development of a framework that provides an opt-out option for these customers. The effort and feedback of IGUA and large volume customers were instrumental in the development of this proposal.

18. As noted above, the Large Volume Program has been historically applicable to customers within Rate T2 and Rate 100 in the Union rate zones, and most recently with an exception for natural gas-fired generators. However, in anticipation of the potential impact of the proposed rate harmonization plan filed in Phase 3 of the 2024 Rebasing Application (which is proposed to be implemented in 2027) and in acknowledgement of the requirements of large industrial customers under Ontario's EPS,⁷ Enbridge Gas determined that it was appropriate and necessary to no longer rely on Rate T2 and Rate 100 as the criteria to establish the customer population that will be served by the 2027-2030 Large Volume Program.

19. Rather, the proposed 2027-2030 Large Volume Program will be applicable to customers that meet the following eligibility criteria:

- a) As of November 30th, 2026, prior to the first year of the DSM Plan period:
 - i. A customer must be required (i.e. has a mandatory obligation) to register in Ontario's Emissions Performance Standards Regulation (O.Reg. 241/19), as defined in that regulation;
 - ii. A customer must be an industrial manufacturing facility, i.e. the primary activity of the facility is an industrial activity (excludes agriculture, greenhouse, institutional, and other non-industrial facilities) with contract accounts for unbundled or semi-unbundled services; and,

⁷ The Emissions Performance Standards Regulation (O. Reg. 241/19) under the *Environmental Protection Act* regulates greenhouse gas emissions from large facilities in the following industries: manufacturing, resource, and electricity generation.

- iii. The total aggregate of firm contract demand (“CD”) across a given customer’s eligible natural gas accounts (see below) must be a minimum of 150k m³/day as of November 30th, 2026. Eligible natural gas accounts that can be aggregated together are defined as:
 - a. Those with natural gas meters servicing customer facilities that are required to register as an EPS facility under the Ontario EPS regulation,
 - b. Those with a daily CD of at least 60k m³/day per account; and,
 - c. All such aggregated gas accounts must be for facilities under the effective control of the same owner.⁸

20. Additionally, to ensure customer continuity for the Large Volume Program, until the results of any rate harmonization are established, current Rate T2 and Rate 100 customers that do not meet the eligibility criteria described above will continue to be served by the Large Volume Program. However, unlike the customers that meet the eligibility criteria above, Rate T2 and Rate 100 customers that do not meet the eligibility criteria will not have an option to opt out of the Large Volume Program (as described in Section 2.2) should it be approved.

21. Additionally, consistent with the OEB’s Decision,⁹ natural gas-fired generators will continue to be exempt from the Large Volume Program.

2.2 Large Volume Opt-Out Framework

22. The proposed large volume opt-out framework and protocols were developed in consultation with the relevant stakeholders.

⁸ Energy service providers may not aggregate client natural gas accounts for opt-out purposes.

⁹ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.43.

Opt-Out Eligibility Criteria

23. To opt-out of the Large Volume Program, the following eligibility criteria must be met as of November 30th 2026, prior to the first year of the DSM Plan period.

- a) A customer must be required (i.e. has a mandatory obligation) to register in Ontario's Emissions Performance Standards Regulation (O.Reg. 241/19), as defined in that regulation;
- b) A customer must be an industrial manufacturing facility, i.e. the primary activity of the facility is an industrial activity (excludes agriculture, greenhouse, institutional, and other non-industrial facilities) with contract accounts for unbundled or semi-unbundled services; and,
- c) The total aggregate of firm contract demand ("CD") across a given customer's eligible natural gas accounts (see below) must be a minimum of 150k m³/day as of November 30th in the year prior to the first year of the DSM Plan period (2027). Eligible natural gas accounts that can be aggregated together are defined as:
 - i. Those with natural gas meters servicing customer facilities that are required to register as an EPS facility under the Ontario EPS regulation;
 - ii. Those with a daily CD of at least 60k m³/day per account; and,
 - iii. All such aggregated gas accounts must be for facilities under the effective control of the same owner.¹⁰

Opt-Out Process

24. The option to opt-out will be available on a one-time basis prior to the commencement of the 2027-2030 DSM Plan term and would be applicable for the

¹⁰ Energy service providers may not aggregate client natural gas accounts for opt-out purposes.

duration of the DSM Plan term. Large volume customers who are not eligible to, or do not elect to, opt-out will remain in the Large Volume Program and will be eligible to participate in the offering for the duration of the 2027-2030 DSM Plan term.

Reporting

25. Enbridge Gas has taken guidance from stakeholders regarding a reporting proposal for those customers who elect to opt-out of the Large Volume Direct Access Offering. Through consultation with stakeholders, IGUA proposed that the annual reporting of emission performance in accordance with public information available under the Ontario EPS regulation provides the required information to demonstrate the year-over-year efforts and investments that opt-out eligible customers are undertaking to manage their own emissions, and should satisfy provisions allowing a customer's election to opt-out of DSM programming.

Rate Harmonization Considerations

26. In the event rate harmonization is approved by the OEB during the 2027-2030 DSM Plan term, Enbridge Gas will analyze the impacts of the change to the opt-out framework and the Large Volume Direct Access Offering.

27. Enbridge Gas will file its analysis within the Company's first DSM-related application following the release of the rate harmonization decision (for example, within an annual DSM Deferral and Variance Account Disposition application), for consideration by Enbridge Gas, the OEB and interested parties, regarding any appropriate adjustments to the Large Volume Direct Access Offering. Such adjustments will consider the feasibility of offering opt-out for the duration of the then current plan term to any large volume customers newly qualifying under existing criteria for participation in the program as a result of rate harmonization. This would include the impacts to both the Industrial Program and Large Volume Program budgets and targets.

Expression of Interest from Opt-Out Eligible Customers

28. In November 2024, Enbridge Gas issued a brief questionnaire to opt-out eligible large volume customers requesting they provide a non-binding indication of their company's anticipated election to either remain in, or opt-out of, the Large Volume Direct Access Offering, assuming an opt-out framework is approved by the OEB for the next multi-year DSM Plan term. Notwithstanding the limited time provided to customers to respond to the questionnaire (less than a week), just over half of the customers responded by the deadline. Of the customers that responded, 94% indicated that they anticipate opting-out of the Large Volume Program.

LARGE VOLUME DIRECT ACCESS OFFERING

1. This evidence is organized as follows:

1. Objective
2. Participant Benefits
3. Target Market and Eligibility Criteria
4. Offering Details
5. Key Changes
6. Incentives
7. Enabling Activities
8. Metric
9. Gross Measurement

1. Objective

2. The Large Volume Direct Access Offering empowers and motivates large volume customers to prioritize, plan and pursue energy efficiency improvement projects by providing support and guidance in developing a comprehensive Energy Efficiency Plan (“EEP”) and implementing targeted efficiency initiatives.

2. Participant Benefits

3. Benefits to the participant include:

- a) Financial incentives to help reduce the upfront costs associated with investments in energy efficiency opportunities. Once implemented, the efficiency opportunities lead to financial benefits from improved operational efficiency, lower energy costs and reduced emissions costs.
- b) Participants receive technical assistance in identifying project opportunities, sharing best practices and knowledge, developing business cases, prioritizing

opportunities, and providing estimated energy savings and project payback metrics.

- c) Participation in efficiency projects offers social benefits by demonstrating environmental and sustainability goals.
- d) Supports greenhouse gas emissions reduction activities in compliance with Ontario's Emissions Performance Standards Regulation ("EPS").

3. Target Market and Eligibility Criteria

- 4. The Large Volume Direct Access Offering targets Enbridge Gas's largest, most complex and sophisticated industrial customers across Ontario as defined at Exhibit E, Tab 6, Schedule 1. To be eligible for the Large Volume Direct Access Offering a customer must not have opted-out of the Large Volume Program.

4. Offering Details

- 5. Participants in the Large Volume Direct Access Offering must submit an EEP, which is developed in collaboration with Enbridge Gas Energy Solutions Advisors ("ESA"). This plan provides a strategic framework that enables customers and ESAs to work together on identifying and implementing energy efficiency projects at eligible customer sites. Each project outlined in the EEP is evaluated and considered for potential funding.
- 6. Once the EEP is established, customers collaborate with Enbridge Gas ESAs to quantify potential energy savings, develop a business case, and implement identified projects. This partnership ensures a shared focus on achieving measurable energy efficiency improvements.
- 7. To encourage participation and motivate customers to pursue cost-effective energy conservation measures, Enbridge Gas utilizes a direct access funding model. Under

this approach, each customer is allocated a forecasted incentive budget, known as their Direct Access Budget, which is determined based on their consumption levels and contract demand ("CD") thresholds. By knowing their allocated funding for the program year, customers can plan their energy efficiency investments strategically, targeting reductions in annual energy usage at their facilities.

8. Should a participant fail to allocate or utilize their budgeted funds by the specified deadline, the unused funds are redirected through an aggregated pool approach. These unallocated funds are transferred to a large volume aggregate pool and made available to support additional energy efficiency initiatives for other eligible customers on a first-come, first-served basis. This approach reinforces the importance of executing the EEP and underscores the "use it or lose it" principle of the funding model, driving a focus on energy efficiency and timely action.

5. Key Changes

9. Compared to Enbridge Gas's previous DSM Plan¹, the Large Volume Direct Access Offering in the proposed 2027-2030 DSM Plan includes the following key changes:
 - a) Opt-out Provision: With the newly proposed opt-out framework, incentive budgets and targets associated with the Large Volume Direct Access Offering will be scaled linearly based on the natural gas consumption of customers who remain in or opt-out of the offering.
 - b) Multi-Year Budgets and Targets: In the previous DSM Plan offering, budgets and targets were forecasted on an annual basis, with the requirement for participants to spend the annual direct access budget and aggregate funds in each calendar year. To allow more flexibility among participants in the planning and implementation of projects, participants will be eligible to carry

¹ EB-2021-0002.

forward unused direct access funds for one year. Any direct access funds that remain unallocated at the end of two years from when they were initially made available will then be transferred to the aggregate pool the following year, where they will be available to all other offering participants on a first-come, first-served basis. Unallocated funds from the aggregate pool will roll over each year until the conclusion of the plan term. This approach provides additional flexibility for customers to utilize incentive budgets for complex efficiency projects that require multiple years to complete. These funds would be tracked through the DSMVA as noted in Section 2 of Exhibit F, Tab 2, Schedule 1.

6. Incentives

10. Incentives are available to customers for both opportunity identification and project implementation. Incentives have been increased from previous years to align with inflation, which takes into consideration the increased costs of equipment and labour associated with conservation projects.
11. Opportunity identification incentives are typically used for steam trap surveys, energy assessments, sub-metering, and other project related studies. The incentives cover up to a maximum of the lesser of 50% of the cost or \$20,000 per opportunity identification project, with a maximum of two opportunity identification projects per year totaling no more than 25% of the customer's annual Direct Access Budget.
12. Project implementation incentives include:
 - a) Standard incentives: \$0.12/m³ of annual gross natural gas saved, up to the lesser of \$500,000 or 100% of incremental project costs per project. Combined opportunity identification and project implementation incentives cannot exceed the customer's Direct Access Budget.

- b) Aggregate pool incentives: \$0.06/m³ of annual gross natural gas saved, up to the lesser of \$250,000 or 100% incremental project costs, available on a first-come, first-served basis, and limited by available funds.

7. Enabling Activities

13. Participants receive access to a dedicated ESA who will aid them in the development of an EEP to identify and prioritize efficiency opportunities. ESAs can also provide support with the scoping of studies, project implementation planning and connections to service providers who can perform the project work.

8. Metric

14. The metric for the Large Volume Direct Access Offering is net annual (first-year) natural gas savings, measured in m³.

9. Gross Measurement

15. Natural gas savings (m³) achieved by customers in the Large Volume Direct Access Offering will be quantified by professional engineers using the custom engineered approach (determined relative to an Enbridge Gas approved baseline), incorporating the use of engineering calculations and process data. Due to the size, complexity and production variability of the customers participating in this offering, site meter-based analysis will not be used.

RATE IMPACTS AND ALLOCATION METHODOLOGY

1. This evidence is organized as follows:

1. Allocation Methodology
2. 2027-2030 DSM Plan Rate Impacts
3. 2024 Achievable Potential Study Rate Impacts

1. Allocation Methodology

2. Enbridge Gas will include 2027-2030 DSM budgets in rates for each year of 2027 to 2030, in accordance with the allocation methodology described below. Variances in actual spend compared to the budget amounts included in rates will be captured in the Demand Side Management Variance Account (“DSMVA”) in accordance with the OEB’s DSM Framework.¹
3. Currently, Enbridge Gas proposes to allocate the 2027-2030 DSM budget to rate classes in a manner that is consistent with the OEB-approved 2026 budget allocation methodology, described below:
 - a) Program and administration costs specific to each DSM program, excluding the Income Qualified Program, are allocated to in-franchise rate classes based on the forecast customer participation in each program by rate class.
 - i. For residential rates, Enbridge Gas implements a uniform approach as directed by OEB in its Decision and Order for Enbridge Gas’s 2022-2027 DSM Plan Draft Rate Order.
 - ii. Large Volume Program and administration costs will be allocated to rate classes based on the proportion of volumes of eligible Large Volume customers (as defined in Exhibit E, Tab 6, Schedule 1).

¹ EB-2021-0002, OEB DSM Framework, November 15, 2022, p.34.

- b) Program and administration costs specific for the Income Qualified Program are allocated to in-franchise rate classes in proportion to forecast delivery revenues. This results in all in-franchise rate classes contributing to the recovery of the Income Qualified Program budget, including rate classes that are not eligible to participate in DSM programs.² This allocation methodology is consistent with the electricity eDSM framework, as well as the OEB's Low-Income Energy Assistance Program ("LEAP").
 - c) Administration costs that support the DSM portfolio that cannot be attributed to an individual DSM program are allocated to in-franchise rate classes in the same proportion as the allocation of total DSM program costs by rate class, with a portion of the administration costs attributed to the Income Qualified Program.
4. Shareholder incentive amounts are not included in the allocation of the DSM budget into rates. Shareholder incentive amounts are recovered through the DSM Incentive Deferral Account ("DSMIDA") in accordance with the DSM Framework.³
5. Enbridge Gas has proposed rate class harmonization as part of Phase 3 of the Company's Rebasing proceeding⁴, which is currently before the OEB. The harmonized rate classes would replace the existing rate classes if approved by the OEB in that proceeding, which may result in a change to the current DSM allocation methodology. Once an OEB decision has been issued regarding the harmonized rate structure, it may be necessary to propose changes to the DSM allocation methodology. Enbridge Gas expects to file a more detailed implementation plan as part of its 2027 Rates Application, prior to the implementation of any approved rate

² EGD rates 125, 200, & 300 and Union rates M9, T3, & R25 are not eligible for DSM programs.

³ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), November 15, 2022, p.37.

⁴ EB-2025-0064.

harmonization changes. If necessary, Enbridge Gas will propose changes to the DSM allocation methodology as part of this implementation plan and application. The implementation timing in 2027 depends on the timing and outcomes of the OEB decision in the Phase 3 Rebasing proceeding.

6. Please see Exhibit F, Tab 1, Schedule 2 for the rate class allocation of the 2027-2030 DSM Plan budget.

2. 2027-2030 DSM Plan Rate Impacts

7. Please see Exhibit F, Tab 1, Schedule 3, for the 2027-2030 DSM Plan rate impacts for all in-franchise rate classes.⁵ For comparison purposes, rate impacts based on the approved 2026 DSM budget are also provided.

8. The residential rate impacts for the 2027-2030 DSM Plan are summarized below:

- a) For the average Rate 1 residential customer in the EGD rate zone (consuming 2,400 m³ per year), the 2027 rate impact for DSM is approximately \$29.17 per year or \$2.43 per month. This is a decrease of approximately \$5.66 per year from 2026 (or a decrease from 3.3% of total bill costs in 2026 to 2.7% of total bill costs in 2027).

By 2030, the rate impact for DSM increases to \$33.63 per year or \$2.80 per month (3.2% of total bill costs).

- b) For the average Rate M1 residential customer in the Union South rate zone (consuming 2,200 m³ per year), the 2027 rate impact for DSM is approximately \$27.47 per year or \$2.29 per month. This is a decrease of

⁵ A proxy rate for future annual inflation has been applied to the budget amounts; however, in practice actual annual CPI rates will be used.

approximately \$6.92 per year from 2026 (or a decrease from 3.8% of total bill costs in 2026 to 3% of total bill costs in 2027).

By 2030, the rate impact for DSM increases to \$31.36 per year or \$2.61 per month (3.5% of total bill costs).

- c) For the average Rate 01 residential customer in the Union North rate zone (consuming 2,200 m³ per year), the 2027 rate impact for DSM is approximately \$27.47 per year or \$2.29 per month. This is a decrease of approximately \$6.92 per year from 2026 (or a decrease from 2.9% of total bill costs in 2026 to 2.3% of total bill costs in 2027).

By 2030, the rate impact for DSM increases to \$31.36 per year or \$2.61 per month (2.6% of total bill costs).

9. Some stakeholders requested that Enbridge Gas provide total rate impacts inclusive of shareholder incentive amounts and LRAM, which can be challenging to estimate due to unknowns related to future shareholder incentive amounts earned. For illustrative purposes only, please see Exhibit F, Tab 1, Schedule 4 for the 2027-2030 DSM Plan rate impacts for all in-franchise rate classes, inclusive of shareholder incentives and LRAM⁶ (assuming 100% target achievement across all scorecards).

3. 2024 Achievable Potential Study Rate Impacts

10. Enbridge Gas provides an overview of the OEB-led 2024 Achievable Potential Study ("2024 APS") at Exhibit C, Tab 1, Schedule 3. Furthermore, at Section 3 of Exhibit D, Tab 2, Schedule 2, Enbridge Gas provides information regarding the 2024 APS budgets.

⁶ LRAM amounts have been discounted by a proxy of 50% as LRAM amounts are applied in the month of installation in practice.

11. For illustrative purposes, please see Exhibit F, Tab 1, Schedule 5 for the rate impacts for Scenario A of the 2024 APS, based on the average gross budget from 2026 through 2030 (i.e., \$1,114.3 million). The residential rate impacts for Scenario A of the 2024 APS are summarized below:

- a) For the average Rate 1 residential customer in the EGD rate zone (consuming 2,400 m³ per year), the rate impact for Scenario A of the 2024 APS is approximately \$192.67 per year or \$16.06 per month. This is an increase of approximately \$157.85 per year from 2026 (or an increase from 3.3% of total bill costs in 2026 to 18.2% of total bill costs).
- b) For the average Rate M1 residential customer in the Union South rate zone (consuming 2,200 m³ per year), the rate impact for Scenario A of the 2024 APS is approximately \$184.37 per year or \$15.36 per month. This is an increase of approximately \$149.98 per year from 2026 (or an increase from 3.8% of total bill costs in 2026 to 20.3% of total bill costs).
- c) For the average Rate 01 residential customer in the Union North rate zone (consuming 2,200 m³ per year), the rate impact for Scenario A of the 2024 APS is approximately \$184.37 per year or \$15.36 per month. This is an increase of approximately \$149.98 per year from 2026 (or an increase from 2.9% of total bill costs in 2026 to 15.5% of total bill costs).

12. Please note, the 2024 APS did not provide a budget specifically for income qualified programs. As a result, Enbridge Gas could not allocate costs for income qualified programming to all rate classes in Exhibit F, Tab 1, Schedule 5, as per the cost allocation methodology for income qualified budgets described in Section 1. For this reason, some aspects of Exhibit F, Tab 1, Schedule 5 are not entirely accurate. For example, the -100% change in column (c) for some rate classes is not accurate, as this reflects rate classes that are ineligible for DSM programming; however, in

practice these rate classes would be allocated some costs for income qualified programming. Notwithstanding this limitation, Exhibit F, Tab 1, Schedule 5 provides a general illustration of the rate impacts for Scenario A of the 2024 APS.

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
DSM Budget - Proposed Allocation to Rates

Line No.	(\$000's)	2027 Budget			2028 Budget	2029 Budget	2030 Budget
		Budget less Income Qualified (1)	Income Qualified Budget	Total Budget			
		(a)	(b)	(c)=(a+b)	(d)	(e)	(f)
<u>EGD Rate Zone</u>							
1	Rate 1	\$ 49,800	\$ 11,557	\$ 61,357	\$ 64,120	\$ 67,198	\$ 70,225
2	Rate 6	\$ 30,433	\$ 5,041	\$ 35,474	\$ 39,389	\$ 42,485	\$ 45,165
3	Rate 100	\$ 167	\$ 24	\$ 191	\$ 211	\$ 227	\$ 241
4	Rate 110	\$ 3,752	\$ 407	\$ 4,159	\$ 4,480	\$ 4,726	\$ 4,979
5	Rate 115	\$ 885	\$ 67	\$ 952	\$ 1,019	\$ 1,069	\$ 1,123
6	Rate 125	\$ -	\$ 148	\$ 148	\$ 161	\$ 177	\$ 191
7	Rate 135	\$ 1,253	\$ 15	\$ 1,267	\$ 1,346	\$ 1,401	\$ 1,467
8	Rate 145	\$ 102	\$ 11	\$ 112	\$ 120	\$ 126	\$ 133
9	Rate 170	\$ 489	\$ 32	\$ 521	\$ 559	\$ 588	\$ 618
10	Rate 200	\$ -	\$ 59	\$ 59	\$ 64	\$ 71	\$ 76
11	Total EGD	\$ 86,879	\$ 17,362	\$ 104,242	\$ 111,469	\$ 118,067	\$ 124,217
<u>Union North Rate Zone</u>							
12	Rate 01	\$ 9,436	\$ 2,190	\$ 11,626	\$ 12,264	\$ 12,913	\$ 13,532
13	Rate 10	\$ 2,266	\$ 338	\$ 2,604	\$ 2,895	\$ 3,125	\$ 3,323
14	Rate 20	\$ 1,487	\$ 342	\$ 1,829	\$ 1,954	\$ 2,060	\$ 2,171
15	Rate 25	\$ -	\$ 59	\$ 59	\$ 64	\$ 70	\$ 76
16	Rate 100	\$ 765	\$ 129	\$ 894	\$ 930	\$ 972	\$ 1,014
17	Total Union North	\$ 13,954	\$ 3,058	\$ 17,013	\$ 18,108	\$ 19,140	\$ 20,117
<u>Union South Rate Zone</u>							
18	Rate M1	\$ 29,915	\$ 6,942	\$ 36,858	\$ 38,794	\$ 40,800	\$ 42,730
19	Rate M2	\$ 10,914	\$ 970	\$ 11,884	\$ 13,107	\$ 14,043	\$ 14,885
20	Rate M4	\$ 5,149	\$ 353	\$ 5,502	\$ 5,870	\$ 6,144	\$ 6,451
21	Rate M5	\$ 351	\$ 33	\$ 384	\$ 410	\$ 429	\$ 451
22	Rate M7	\$ 10,260	\$ 299	\$ 10,560	\$ 11,274	\$ 11,786	\$ 12,364
23	Rate M9	\$ -	\$ 21	\$ 21	\$ 23	\$ 25	\$ 27
24	Rate T1	\$ 731	\$ 154	\$ 885	\$ 952	\$ 1,007	\$ 1,063
25	Rate T2	\$ 2,846	\$ 889	\$ 3,736	\$ 3,905	\$ 4,105	\$ 4,301
26	Rate T3	\$ -	\$ 93	\$ 93	\$ 100	\$ 110	\$ 119
27	Total Union South	\$ 60,168	\$ 9,753	\$ 69,921	\$ 74,434	\$ 78,448	\$ 82,391
28	Total EGI	<u>\$ 161,001</u>	<u>\$ 30,174</u>	<u>\$ 191,175</u>	<u>\$ 204,011</u>	<u>\$ 215,655</u>	<u>\$ 226,725</u>

Notes:

- (1) EGD Rates 125, 200 and 300 and Union Rates M9, T3, and R25 are not eligible for DSM programs. These rate classes will however be subject to rate allocations related to the Income Qualified Program as well as the Income Qualified portion of Portfolio overheads.

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
2027 DSM Budget Bill Impacts

Line No.	Rate Class	2026 DSM Budget in Rates (1)	2027 Proposed DSM Budget in Rates (2)	Change (%)	Typical Annual Billing Units (m³)	2026 DSM Amounts in Total Bill Annual (\$)	2027 DSM Amounts in Total Bill		2027 Budget Change Impact (3)	2026 Total Bill (4)	2026 DSM Total Bill (%)	2027 DSM Budget	
		(a)	(b)	(c)=(b-a)/(a)		(e)	Annual (\$)	Monthly (\$)	(h)=(f-e)		(j)=(e/i)	Total Bill (k)=(f/i)	Change Impact (l)=(h/i)
					(d)		(f)	(g)=(f/12)		(i)		(k)=(f/i)	(l)=(h/i)
<u>EGD Rate Zone</u>													
1	Rate 1	\$ 75,786	\$ 61,357	-19%	2,400	\$ 34.83	\$ 29.17	\$ 2.43	\$ (5.66)	\$ 1,061	3.3%	2.7%	-0.5%
2	Rate 6	\$ 33,911	\$ 35,474	5%	22,606	\$ 159.86	\$ 167.24	\$ 13.94	\$ 7.37	\$ 7,437	2.1%	2.2%	0.1%
3	Rate 100	\$ 316	\$ 191	-40%	598,567	\$ 4,607	\$ 2,785	\$ 232	\$ (1,822)	\$ 203,405	2.3%	1.4%	-0.9%
4	Rate 110	\$ 2,721	\$ 4,159	53%	9,976,120	\$ 22,495	\$ 34,385	\$ 2,865	\$ 11,890	\$ 2,027,016	1.1%	1.7%	0.6%
5	Rate 115	\$ 1,105	\$ 952	-14%	69,832,850	\$ 253,172	\$ 218,196	\$ 18,183	\$ (34,975)	\$ 13,646,721	1.9%	1.6%	-0.3%
6	Rate 125	\$ 163	\$ 148	-9%	206,000,000	\$ 39,852	\$ 36,359	\$ 3,030	\$ (3,493)	\$ 28,877,365	0.1%	0.1%	0.0%
7	Rate 135	\$ 1,040	\$ 1,267	22%	598,567	\$ 9,562	\$ 11,655	\$ 971	\$ 2,092	\$ 123,037	7.8%	9.5%	1.7%
8	Rate 145	\$ 350	\$ 112	-68%	339,188	\$ 2,670	\$ 857	\$ 71	\$ (1,813)	\$ 73,346	3.6%	1.2%	-2.5%
9	Rate 170	\$ 425	\$ 521	23%	9,976,121	\$ 17,525	\$ 21,490	\$ 1,791	\$ 3,964	\$ 1,753,249	1.0%	1.2%	0.2%
10	Rate 200	\$ 65	\$ 59	-9%	140,305,600	\$ 47,609	\$ 43,436	\$ 3,620	\$ (4,173)	\$ 31,532,141	0.2%	0.1%	0.0%
11	Total EGD	\$ 115,880	\$ 104,242	-10%									
<u>Union North Rate Zone</u>													
12	Rate 01	\$ 13,249	\$ 11,626	-12%	2,200	\$ 34.39	\$ 27.47	\$ 2.29	\$ (6.92)	\$ 1,186	2.9%	2.3%	-0.6%
13	Rate 10	\$ 1,750	\$ 2,604	49%	93,000	\$ 614.89	\$ 914.51	\$ 76.21	\$ 299.62	\$ 33,861	1.8%	2.7%	0.9%
14	Rate 20	\$ 1,502	\$ 1,829	22%	3,000,000	\$ 4,257	\$ 5,131	\$ 428	\$ 874	\$ 681,759	0.6%	0.8%	0.1%
15	Rate 25	\$ 64	\$ 59	-9%	2,275,000	\$ 825	\$ 755	\$ 63	\$ (70)	\$ 495,684	0.2%	0.2%	0.0%
16	Rate 100	\$ 825	\$ 894	8%	27,000,000	\$ 26,855	\$ 29,117	\$ 2,426	\$ 2,262	\$ 6,022,269	0.4%	0.5%	0.0%
17	Total Union North	\$ 17,390	\$ 17,013	-2%									
<u>Union South Rate Zone</u>													
18	Rate M1	\$ 42,841	\$ 36,858	-14%	2,200	\$ 34.39	\$ 27.47	\$ 2.29	\$ (6.92)	\$ 909	3.8%	3.0%	-0.8%
19	Rate M2	\$ 7,788	\$ 11,884	53%	73,000	\$ 513.89	\$ 783.99	\$ 65.33	\$ 270.10	\$ 20,213	2.5%	3.9%	1.3%
20	Rate M4	\$ 6,005	\$ 5,502	-8%	875,000	\$ 10,207	\$ 9,349	\$ 779	\$ (858)	\$ 216,237	4.7%	4.3%	-0.4%
21	Rate M5	\$ 295	\$ 384	30%	825,000	\$ 3,971	\$ 5,329	\$ 444	\$ 1,358	\$ 197,336	2.0%	2.7%	0.7%
22	Rate M7	\$ 4,690	\$ 10,560	125%	36,000,000	\$ 110,195	\$ 248,149	\$ 20,679	\$ 137,954	\$ 7,123,605	1.5%	3.5%	1.9%
23	Rate M9	\$ 23	\$ 21	-9%	20,178,000	\$ 7,574	\$ 6,930	\$ 578	\$ (644)	\$ 4,149,326	0.2%	0.2%	0.0%
24	Rate T1	\$ 1,003	\$ 885	-12%	11,565,938	\$ 19,559	\$ 17,236	\$ 1,436	\$ (2,324)	\$ 2,286,709	0.9%	0.8%	-0.1%
25	Rate T2	\$ 3,782	\$ 3,736	-1%	197,789,850	\$ 124,563	\$ 123,716	\$ 10,310	\$ (847)	\$ 36,089,422	0.3%	0.3%	0.0%
26	Rate T3	\$ 101	\$ 93	-9%	272,712,000	\$ 105,773	\$ 96,779	\$ 8,065	\$ (8,994)	\$ 54,140,065	0.2%	0.2%	0.0%
27	Total Union South	\$ 66,528	\$ 69,921	5%									
28	Total EGI	\$ 199,798	\$ 191,175	-4%									

Notes:

- (1) EB-2025-0163, Rate Order, Working Papers, Schedule 9, p. 1, column (b).
- (2) Exhibit F, Tab 1, Schedule 2.
- (3) Year-over-Year for 2027 is relative to 2026 Current Approved.
- (4) Total Bill - Sales Service as per EB-2025-0163, Rate Order, Working Papers, Schedule 3, column (c).

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
2028 DSM Budget Bill Impacts

Line No.	Rate Class	2027 Proposed DSM Budget in Rates (1) (\$000s)	2028 Proposed DSM Budget in Rates (1) (\$000s)	Change (%)	Typical Annual Billing Units (m³)	2027 DSM Amounts in Total Bill Annual (\$)	2028 DSM Amounts in Total Bill		2028 Budget Change Impact (2) (\$ / customer)	2026 Total Bill (3) (\$)	2027 DSM Total Bill (%)	2028 DSM Budget	
		(a)	(b)	(c)=(b-a)/(a)		(e)	Annual (\$)	Monthly (\$)	(h)=(f-e)		(j)=(e/i)	Total Bill (%)	Change Impact (4) (%)
					(d)		(f)	(g)=(f/12)		(i)		(k)=(f/i)	(l)=(h/i)
<u>EGD Rate Zone</u>													
1	Rate 1	\$ 61,357	\$ 64,120	5%	2,400	\$ 29.17	\$ 30.61	\$ 2.55	\$ 1.44	\$ 1,061	2.7%	2.9%	0.1%
2	Rate 6	\$ 35,474	\$ 39,389	11%	22,606	\$ 167.24	\$ 185.69	\$ 15.47	\$ 18.46	\$ 7,437	2.2%	2.5%	0.2%
3	Rate 100	\$ 191	\$ 211	11%	598,567	\$ 2,785	\$ 3,079	\$ 257	\$ 294	\$ 203,405	1.4%	1.5%	0.1%
4	Rate 110	\$ 4,159	\$ 4,480	8%	9,976,120	\$ 34,385	\$ 37,038	\$ 3,086	\$ 2,653	\$ 2,027,016	1.7%	1.8%	0.1%
5	Rate 115	\$ 952	\$ 1,019	7%	69,832,850	\$ 218,196	\$ 233,508	\$ 19,459	\$ 15,312	\$ 13,646,721	1.6%	1.7%	0.1%
6	Rate 125	\$ 148	\$ 161	8%	206,000,000	\$ 36,359	\$ 39,388	\$ 3,282	\$ 3,028	\$ 28,877,365	0.1%	0.1%	0.0%
7	Rate 135	\$ 1,267	\$ 1,346	6%	598,567	\$ 11,655	\$ 12,380	\$ 1,032	\$ 725	\$ 123,037	9.5%	10.1%	0.6%
8	Rate 145	\$ 112	\$ 120	7%	339,188	\$ 857	\$ 918	\$ 76	\$ 60	\$ 73,346	1.2%	1.3%	0.1%
9	Rate 170	\$ 521	\$ 559	7%	9,976,121	\$ 21,490	\$ 23,075	\$ 1,923	\$ 1,585	\$ 1,753,249	1.2%	1.3%	0.1%
10	Rate 200	\$ 59	\$ 64	8%	140,305,600	\$ 43,436	\$ 47,054	\$ 3,921	\$ 3,618	\$ 31,532,141	0.1%	0.1%	0.0%
11	Total EGD	\$ 104,242	\$ 111,469	7%									
<u>Union North Rate Zone</u>													
12	Rate 01	\$ 11,626	\$ 12,264	5%	2,200	\$ 27.47	\$ 28.70	\$ 2.39	\$ 1.24	\$ 1,186	2.3%	2.4%	0.1%
13	Rate 10	\$ 2,604	\$ 2,895	11%	93,000	\$ 914.51	\$ 1,016.84	\$ 84.74	\$ 102.33	\$ 33,861	2.7%	3.0%	0.3%
14	Rate 20	\$ 1,829	\$ 1,954	7%	3,000,000	\$ 5,131	\$ 5,481	\$ 457	\$ 350	\$ 681,759	0.8%	0.8%	0.1%
15	Rate 25	\$ 59	\$ 64	8%	2,275,000	\$ 755	\$ 818	\$ 68	\$ 63	\$ 495,684	0.2%	0.2%	0.0%
16	Rate 100	\$ 894	\$ 930	4%	27,000,000	\$ 29,117	\$ 30,299	\$ 2,525	\$ 1,182	\$ 6,022,269	0.5%	0.5%	0.0%
17	Total Union North	\$ 17,013	\$ 18,108	6%									
<u>Union South Rate Zone</u>													
18	Rate M1	\$ 36,858	\$ 38,794	5%	2,200	\$ 27.47	\$ 28.70	\$ 2.39	\$ 1.24	\$ 909	3.0%	3.2%	0.1%
19	Rate M2	\$ 11,884	\$ 13,107	10%	73,000	\$ 783.99	\$ 864.69	\$ 72.06	\$ 80.69	\$ 20,213	3.9%	4.3%	0.4%
20	Rate M4	\$ 5,502	\$ 5,870	7%	875,000	\$ 9,349	\$ 9,975	\$ 831	\$ 626	\$ 216,237	4.3%	4.6%	0.3%
21	Rate M5	\$ 384	\$ 410	7%	825,000	\$ 5,329	\$ 5,688	\$ 474	\$ 359	\$ 197,336	2.7%	2.9%	0.2%
22	Rate M7	\$ 10,560	\$ 11,274	7%	36,000,000	\$ 248,149	\$ 264,926	\$ 22,077	\$ 16,777	\$ 7,123,605	3.5%	3.7%	0.2%
23	Rate M9	\$ 21	\$ 23	8%	20,178,000	\$ 6,930	\$ 7,507	\$ 626	\$ 577	\$ 4,149,326	0.2%	0.2%	0.0%
24	Rate T1	\$ 885	\$ 952	8%	11,565,938	\$ 17,236	\$ 18,543	\$ 1,545	\$ 1,307	\$ 2,286,709	0.8%	0.8%	0.1%
25	Rate T2	\$ 3,736	\$ 3,905	5%	197,789,850	\$ 123,716	\$ 128,931	\$ 10,744	\$ 5,215	\$ 36,089,422	0.3%	0.4%	0.0%
26	Rate T3	\$ 93	\$ 100	8%	272,712,000	\$ 96,779	\$ 104,839	\$ 8,737	\$ 8,061	\$ 54,140,065	0.2%	0.2%	0.0%
27	Total Union South	\$ 69,921	\$ 74,434	6%									
28	Total EGI	\$ 191,175	\$ 204,011	7%									

Notes:

- (1) Exhibit F, Tab 1, Schedule 2.
- (2) Year-over-Year for 2028 is relative to 2027 proposed.
- (3) Total Bill - Sales Service as per EB-2025-0163, Rate Order, Working Papers, Schedule 3, column (c).

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
2029 DSM Budget Bill Impacts

Line No.	Rate Class	2028	2029	Change (%)	Typical Annual Billing Units (m³)	2028	2029 DSM Amounts		2029	2026 Total Bill (3) (\$)	2028	2029 DSM Budget	
		Proposed DSM Budget in Rates (1) (\$000s)	Proposed DSM Budget in Rates (1) (\$000s)			DSM Amounts in Total Bill Annual (\$)	in Total Bill		Budget Change Impact (2) (\$ / customer)		DSM Total Bill (%)	Total Bill (%)	Change Impact (4) (%)
		(a)	(b)			(c)=(b-a)/(a)	(d)	(e)	(f)		(g)=(f/12)	(h)=(f-e)	(i)
EGD Rate Zone													
1	Rate 1	\$ 64,120	\$ 67,198	5%	2,400	\$ 30.61	\$ 32.14	\$ 2.68	\$ 1.53	\$ 1,061	2.9%	3.0%	0.1%
2	Rate 6	\$ 39,389	\$ 42,485	8%	22,606	\$ 185.69	\$ 200.29	\$ 16.69	\$ 14.60	\$ 7,437	2.5%	2.7%	0.2%
3	Rate 100	\$ 211	\$ 227	8%	598,567	\$ 3,079	\$ 3,311	\$ 276	\$ 231	\$ 203,405	1.5%	1.6%	0.1%
4	Rate 110	\$ 4,480	\$ 4,726	6%	9,976,120	\$ 37,038	\$ 39,075	\$ 3,256	\$ 2,037	\$ 2,027,016	1.8%	1.9%	0.1%
5	Rate 115	\$ 1,019	\$ 1,069	5%	69,832,850	\$ 233,508	\$ 244,958	\$ 20,413	\$ 11,450	\$ 13,646,721	1.7%	1.8%	0.1%
6	Rate 125	\$ 161	\$ 177	10%	206,000,000	\$ 39,388	\$ 43,319	\$ 3,610	\$ 3,932	\$ 28,877,365	0.1%	0.2%	0.0%
7	Rate 135	\$ 1,346	\$ 1,401	4%	598,567	\$ 12,380	\$ 12,885	\$ 1,074	\$ 506	\$ 123,037	10.1%	10.5%	0.4%
8	Rate 145	\$ 120	\$ 126	5%	339,188	\$ 918	\$ 964	\$ 80	\$ 46	\$ 73,346	1.3%	1.3%	0.1%
9	Rate 170	\$ 559	\$ 588	5%	9,976,121	\$ 23,075	\$ 24,254	\$ 2,021	\$ 1,179	\$ 1,753,249	1.3%	1.4%	0.1%
10	Rate 200	\$ 64	\$ 71	10%	140,305,600	\$ 47,054	\$ 51,750	\$ 4,313	\$ 4,697	\$ 31,532,141	0.1%	0.2%	0.0%
11	Total EGD	\$ 111,469	\$ 118,067	6%									
Union North Rate Zone													
12	Rate 01	\$ 12,264	\$ 12,913	5%	2,200	\$ 28.70	\$ 30.07	\$ 2.51	\$ 1.37	\$ 1,186	2.4%	2.5%	0.1%
13	Rate 10	\$ 2,895	\$ 3,125	8%	93,000	\$ 1,016.84	\$ 1,097.37	\$ 91.45	\$ 80.53	\$ 33,861	3.0%	3.2%	0.2%
14	Rate 20	\$ 1,954	\$ 2,060	5%	3,000,000	\$ 5,481	\$ 5,777	\$ 481	\$ 297	\$ 681,759	0.8%	0.8%	0.0%
15	Rate 25	\$ 64	\$ 70	10%	2,275,000	\$ 818	\$ 899	\$ 75	\$ 82	\$ 495,684	0.2%	0.2%	0.0%
16	Rate 100	\$ 930	\$ 972	5%	27,000,000	\$ 30,299	\$ 31,667	\$ 2,639	\$ 1,368	\$ 6,022,269	0.5%	0.5%	0.0%
17	Total Union North	\$ 18,108	\$ 19,140	6%									
Union South Rate Zone													
18	Rate M1	\$ 38,794	\$ 40,800	5%	2,200	\$ 28.70	\$ 30.07	\$ 2.51	\$ 1.37	\$ 909	3.2%	3.3%	0.2%
19	Rate M2	\$ 13,107	\$ 14,043	7%	73,000	\$ 864.69	\$ 926.39	\$ 77.20	\$ 61.71	\$ 20,213	4.3%	4.6%	0.3%
20	Rate M4	\$ 5,870	\$ 6,144	5%	875,000	\$ 9,975	\$ 10,440	\$ 870	\$ 465	\$ 216,237	4.6%	4.8%	0.2%
21	Rate M5	\$ 410	\$ 429	5%	825,000	\$ 5,688	\$ 5,960	\$ 497	\$ 272	\$ 197,336	2.9%	3.0%	0.1%
22	Rate M7	\$ 11,274	\$ 11,786	5%	36,000,000	\$ 264,926	\$ 276,961	\$ 23,080	\$ 12,035	\$ 7,123,605	3.7%	3.9%	0.2%
23	Rate M9	\$ 23	\$ 25	10%	20,178,000	\$ 7,507	\$ 8,257	\$ 688	\$ 749	\$ 4,149,326	0.2%	0.2%	0.0%
24	Rate T1	\$ 952	\$ 1,007	6%	11,565,938	\$ 18,543	\$ 19,616	\$ 1,635	\$ 1,073	\$ 2,286,709	0.8%	0.9%	0.0%
25	Rate T2	\$ 3,905	\$ 4,105	5%	197,789,850	\$ 128,931	\$ 135,022	\$ 11,252	\$ 6,091	\$ 36,089,422	0.4%	0.4%	0.0%
26	Rate T3	\$ 100	\$ 110	10%	272,712,000	\$ 104,839	\$ 115,304	\$ 9,609	\$ 10,465	\$ 54,140,065	0.2%	0.2%	0.0%
27	Total Union South	\$ 74,434	\$ 78,448	5%									
28	Total EGI	\$ 204,011	\$ 215,655	6%									

Notes:

- (1) Exhibit F, Tab 1, Schedule 2.
- (2) Year-over-Year for 2029 is relative to 2028 proposed.
- (3) Total Bill - Sales Service as per EB-2025-0163, Rate Order, Working Papers, Schedule 3, column (c).

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
2030 DSM Budget Bill Impacts

Line No.	Rate Class	2029 Proposed DSM Budget in Rates (1) (\$000s)	2030 Proposed DSM Budget in Rates (1) (\$000s)	Change (%)	Typical Annual Billing Units (m³)	2029 DSM Amounts in Total Bill Annual (\$)	2030 DSM Amounts in Total Bill		2030 Budget Change Impact (2) (\$ / customer)	2026 Total Bill (3) (\$)	2029 DSM Total Bill (%)	2030 DSM Budget	
		(a)	(b)	(c)=(b-a)/(a)		(e)	Annual (\$)	Monthly (\$)	(h)=(f-e)		(j)=(e/i)	Total Bill (%)	Change Impact (4) (%)
					(d)		(f)	(g)=(f/12)		(i)		(k)=(f/i)	(l)=(h/i)
<u>EGD Rate Zone</u>													
1	Rate 1	\$ 67,198	\$ 70,225	5%	2,400	\$ 32.14	\$ 33.63	\$ 2.80	\$ 1.49	\$ 1,061	3.0%	3.2%	0.1%
2	Rate 6	\$ 42,485	\$ 45,165	6%	22,606	\$ 200.29	\$ 212.92	\$ 17.74	\$ 12.63	\$ 7,437	2.7%	2.9%	0.2%
3	Rate 100	\$ 227	\$ 241	6%	598,567	\$ 3,311	\$ 3,514	\$ 293	\$ 204	\$ 203,405	1.6%	1.7%	0.1%
4	Rate 110	\$ 4,726	\$ 4,979	5%	9,976,120	\$ 39,075	\$ 41,163	\$ 3,430	\$ 2,088	\$ 2,027,016	1.9%	2.0%	0.1%
5	Rate 115	\$ 1,069	\$ 1,123	5%	69,832,850	\$ 244,958	\$ 257,382	\$ 21,448	\$ 12,423	\$ 13,646,721	1.8%	1.9%	0.1%
6	Rate 125	\$ 177	\$ 191	8%	206,000,000	\$ 43,319	\$ 46,840	\$ 3,903	\$ 3,521	\$ 28,877,365	0.2%	0.2%	0.0%
7	Rate 135	\$ 1,401	\$ 1,467	5%	598,567	\$ 12,885	\$ 13,486	\$ 1,124	\$ 601	\$ 123,037	10.5%	11.0%	0.5%
8	Rate 145	\$ 126	\$ 133	5%	339,188	\$ 964	\$ 1,014	\$ 84	\$ 50	\$ 73,346	1.3%	1.4%	0.1%
9	Rate 170	\$ 588	\$ 618	5%	9,976,121	\$ 24,254	\$ 25,501	\$ 2,125	\$ 1,247	\$ 1,753,249	1.4%	1.5%	0.1%
10	Rate 200	\$ 71	\$ 76	8%	140,305,600	\$ 51,750	\$ 55,956	\$ 4,663	\$ 4,206	\$ 31,532,141	0.2%	0.2%	0.0%
11	Total EGD	\$ 118,067	\$ 124,217	5%									
<u>Union North Rate Zone</u>													
12	Rate 01	\$ 12,913	\$ 13,532	5%	2,200	\$ 30.07	\$ 31.36	\$ 2.61	\$ 1.29	\$ 1,186	2.5%	2.6%	0.1%
13	Rate 10	\$ 3,125	\$ 3,323	6%	93,000	\$ 1,097.37	\$ 1,167.11	\$ 97.26	\$ 69.74	\$ 33,861	3.2%	3.4%	0.2%
14	Rate 20	\$ 2,060	\$ 2,171	5%	3,000,000	\$ 5,777	\$ 6,089	\$ 507	\$ 312	\$ 681,759	0.8%	0.9%	0.0%
15	Rate 25	\$ 70	\$ 76	8%	2,275,000	\$ 899	\$ 972	\$ 81	\$ 73	\$ 495,684	0.2%	0.2%	0.0%
16	Rate 100	\$ 972	\$ 1,014	4%	27,000,000	\$ 31,667	\$ 33,033	\$ 2,753	\$ 1,366	\$ 6,022,269	0.5%	0.5%	0.0%
17	Total Union North	\$ 19,140	\$ 20,117	5%									
<u>Union South Rate Zone</u>													
18	Rate M1	\$ 40,800	\$ 42,730	5%	2,200	\$ 30.07	\$ 31.36	\$ 2.61	\$ 1.29	\$ 909	3.3%	3.5%	0.1%
19	Rate M2	\$ 14,043	\$ 14,885	6%	73,000	\$ 926.39	\$ 981.98	\$ 81.83	\$ 55.59	\$ 20,213	4.6%	4.9%	0.3%
20	Rate M4	\$ 6,144	\$ 6,451	5%	875,000	\$ 10,440	\$ 10,962	\$ 913	\$ 522	\$ 216,237	4.8%	5.1%	0.2%
21	Rate M5	\$ 429	\$ 451	5%	825,000	\$ 5,960	\$ 6,262	\$ 522	\$ 302	\$ 197,336	3.0%	3.2%	0.2%
22	Rate M7	\$ 11,786	\$ 12,364	5%	36,000,000	\$ 276,961	\$ 290,555	\$ 24,213	\$ 13,595	\$ 7,123,605	3.9%	4.1%	0.2%
23	Rate M9	\$ 25	\$ 27	8%	20,178,000	\$ 8,257	\$ 8,928	\$ 744	\$ 671	\$ 4,149,326	0.2%	0.2%	0.0%
24	Rate T1	\$ 1,007	\$ 1,063	6%	11,565,938	\$ 19,616	\$ 20,709	\$ 1,726	\$ 1,093	\$ 2,286,709	0.9%	0.9%	0.0%
25	Rate T2	\$ 4,105	\$ 4,301	5%	197,789,850	\$ 135,022	\$ 141,055	\$ 11,755	\$ 6,033	\$ 36,089,422	0.4%	0.4%	0.0%
26	Rate T3	\$ 110	\$ 119	8%	272,712,000	\$ 115,304	\$ 124,674	\$ 10,390	\$ 9,371	\$ 54,140,065	0.2%	0.2%	0.0%
27	Total Union South	\$ 78,448	\$ 82,391	5%									
28	Total EGI	\$ 215,655	\$ 226,725	5%									

Notes:

- (1) Exhibit F, Tab 1, Schedule 2.
- (2) Year-over-Year for 2030 is relative to 2029 proposed.
- (3) Total Bill - Sales Service as per EB-2025-0163, Rate Order, Working Papers, Schedule 3, column (c).

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
Total DSM Costs Bill Impacts (1)

Line No.	Rate Class	Typical Annual Billing Units (m³) (a)	2027	2027	2027 Proposed LRAM (4) (\$000s) (d)	2027	2027 DSM Amounts in Total Bill		2030	2030	2030 Proposed LRAM (4) (\$000s) (j)	2030	2030 DSM Amounts in Total Bill	
			Proposed DSM Budget In Rates (2) (\$000s) (b)	Proposed DSM Incentive in Rates (3) (\$000s) (c)		Total Proposed DSM Costs (\$000s) (e)=(b+c+d)	Annual (\$) (f)	Monthly (\$) (g)=(f/12)	Proposed DSM Budget In Rates (2) (\$000s) (h)	Proposed DSM Incentive in Rates (3) (\$000s) (i)		Total Proposed DSM Costs (\$000s) (k)=(h+i+j)	Annual (\$) (l)	Monthly (\$) (m)=(l/12)
<u>EGD Rate Zone</u>														
1	Rate 1	2,400	\$ 61,299	\$ 2,499	\$ -	\$ 63,798	\$ 30.36	\$ 2.53	\$ 70,175	\$ 2,829	\$ -	\$ 73,004	\$ 34.99	\$ 2.92
2	Rate 6	22,606	\$ 35,474	\$ 1,994	\$ -	\$ 37,468	\$ 176.63	\$ 14.72	\$ 45,165	\$ 2,270	\$ -	\$ 47,434	\$ 223.62	\$ 18.63
3	Rate 100	598,567	\$ 191	\$ 11	\$ 0	\$ 202	\$ 2,948	\$ 246	\$ 241	\$ 13	\$ 0	\$ 253	\$ 3,700	\$ 308
4	Rate 110	9,976,120	\$ 4,159	\$ 304	\$ 71	\$ 4,534	\$ 37,487	\$ 3,124	\$ 4,979	\$ 347	\$ 85	\$ 5,410	\$ 44,733	\$ 3,728
5	Rate 115	69,832,850	\$ 952	\$ 73	\$ 7	\$ 1,032	\$ 236,462	\$ 19,705	\$ 1,123	\$ 83	\$ 8	\$ 1,214	\$ 278,280	\$ 23,190
6	Rate 125	206,000,000	\$ 148	\$ 12	\$ -	\$ 160	\$ 39,239	\$ 3,270	\$ 191	\$ 13	\$ -	\$ 205	\$ 50,118	\$ 4,177
7	Rate 135	598,567	\$ 1,267	\$ 102	\$ 22	\$ 1,391	\$ 12,792	\$ 1,066	\$ 1,467	\$ 116	\$ 27	\$ 1,609	\$ 14,794	\$ 1,233
8	Rate 145	339,188	\$ 112	\$ 9	\$ 2	\$ 123	\$ 936	\$ 78	\$ 133	\$ 10	\$ 2	\$ 145	\$ 1,104	\$ 92
9	Rate 170	9,976,121	\$ 521	\$ 39	\$ 2	\$ 562	\$ 23,192	\$ 1,933	\$ 618	\$ 44	\$ 3	\$ 665	\$ 27,445	\$ 2,287
10	Rate 200	140,305,600	\$ 59	\$ 5	\$ -	\$ 64	\$ 46,876	\$ 3,906	\$ 76	\$ 5	\$ -	\$ 82	\$ 59,873	\$ 4,989
11	Total EGD		\$ 104,183	\$ 5,047	\$ 104	\$ 109,334			\$ 124,167	\$ 5,729	\$ 125	\$ 130,021		
<u>Union North Rate Zone</u>														
12	Rate 01	2,200	\$ 11,646	\$ 475	\$ -	\$ 12,121	\$ 28.59	\$ 2.38	\$ 13,549	\$ 546	\$ -	\$ 14,095	\$ 32.66	\$ 2.72
13	Rate 10	93,000	\$ 2,604	\$ 151	\$ -	\$ 2,755	\$ 967.45	\$ 80.62	\$ 3,323	\$ 172	\$ -	\$ 3,495	\$ 1,227.38	\$ 102.28
14	Rate 20	3,000,000	\$ 1,829	\$ 138	\$ 7	\$ 1,974	\$ 5,536	\$ 461	\$ 2,171	\$ 172	\$ 8	\$ 2,351	\$ 6,594	\$ 549
15	Rate 25	2,275,000	\$ 59	\$ 5	\$ -	\$ 64	\$ 814	\$ 68	\$ 76	\$ 5	\$ -	\$ 81	\$ 1,040	\$ 87
16	Rate 100	27,000,000	\$ 894	\$ 10	\$ 8	\$ 912	\$ 29,706	\$ 2,475	\$ 1,014	\$ 104	\$ 9	\$ 1,128	\$ 36,734	\$ 3,061
17	Total Union North		\$ 17,032	\$ 778	\$ 15	\$ 17,825			\$ 20,134	\$ 999	\$ 18	\$ 21,150		
<u>Union South Rate Zone</u>														
18	Rate M1	2,200	\$ 36,897	\$ 1,504	\$ -	\$ 38,401	\$ 28.59	\$ 2.38	\$ 42,763	\$ 1,724	\$ -	\$ 44,487	\$ 32.66	\$ 2.72
19	Rate M2	73,000	\$ 11,884	\$ 742	\$ -	\$ 12,626	\$ 832.95	\$ 69.41	\$ 14,885	\$ 845	\$ -	\$ 15,730	\$ 1,037.71	\$ 86.48
20	Rate M4	875,000	\$ 5,502	\$ 450	\$ 69	\$ 6,021	\$ 10,231	\$ 853	\$ 6,451	\$ 513	\$ 83	\$ 7,047	\$ 11,974	\$ 998
21	Rate M5	825,000	\$ 384	\$ 31	\$ 7	\$ 422	\$ 5,864	\$ 489	\$ 451	\$ 36	\$ 9	\$ 495	\$ 6,877	\$ 573
22	Rate M7	36,000,000	\$ 10,560	\$ 858	\$ 24	\$ 11,442	\$ 268,881	\$ 22,407	\$ 12,364	\$ 977	\$ 29	\$ 13,370	\$ 314,197	\$ 26,183
23	Rate M9	20,178,000	\$ 21	\$ 2	\$ -	\$ 22	\$ 7,479	\$ 623	\$ 27	\$ 2	\$ -	\$ 29	\$ 9,553	\$ 796
24	Rate T1	11,565,938	\$ 885	\$ 68	\$ 1	\$ 953	\$ 18,567	\$ 1,547	\$ 1,063	\$ 78	\$ 1	\$ 1,142	\$ 22,251	\$ 1,854
25	Rate T2	197,789,850	\$ 3,736	\$ 70	\$ 3	\$ 3,809	\$ 125,548	\$ 10,462	\$ 4,301	\$ 425	\$ 3	\$ 4,729	\$ 155,480	\$ 12,957
26	Rate T3	272,712,000	\$ 93	\$ 7	\$ -	\$ 100	\$ 104,443	\$ 8,704	\$ 119	\$ 8	\$ -	\$ 128	\$ 133,401	\$ 11,117
27	Total Union South		\$ 69,960	\$ 3,734	\$ 103	\$ 73,797			\$ 82,424	\$ 4,608	\$ 125	\$ 87,157		
28	Total EGI		\$ 191,175	\$ 9,559	\$ 222	\$ 200,955			\$ 226,725	\$ 11,336	\$ 267	\$ 238,328		

Notes:

- (1) Includes proposed DSM budget, DSM incentive, and lost distribution revenue.
- (2) Exhibit F, Tab 1, Schedule 2. The DSM budget allocation for Rate 1, Rate M1 and Rate 01 differs from Exhibit F, Tab 1, Schedule 2 due to uniform rate design being calculated including the DSM incentive.
- (3) Assumes 100% target achievement across all scorecards.
- (4) Lost revenues assume 50% of first year savings.

ENBRIDGE GAS INC.
2027 - 2030 DSM Plan
Average 2024 APS DSM Budget Bill Impacts

Line No.	Rate Class	2026 DSM Budget in Rates (1)	Average APS Proposed DSM Budget in Rates (2)	Change (%)	Typical Annual Billing Units (m ³)	2026 Approved DSM Amounts in Total Bill Annual (\$)	Average APS DSM Amounts in Total Bill		Average APS Budget Change Impact (3) (\$ / customer)	2026 Total Bill (4) (\$)	2026 DSM Total Bill	Average APS DSM Budget	
		(\$000s)	(\$000s)	(c)=(b-a)/(a)			Annual (\$)	Monthly (\$)			(%)	Total Bill	Change Impact (3)
		(a)	(b)		(d)	(e)	(f)	(g)=(f/12)	(h)=(f-e)	(i)	(j)=(e/i)	(k)=(f/i)	(l)=(h/i)
<u>EGD Rate Zone</u>													
1	Rate 1	\$ 75,786	\$ 409,742	441%	2,400	\$ 34.83	\$ 192.67	\$ 16.06	\$ 157.85	\$ 1,061	3.3%	18.2%	14.9%
2	Rate 6	\$ 33,911	\$ 188,060	455%	22,606	\$ 159.86	\$ 885.82	\$ 73.82	\$ 725.96	\$ 7,437	2.1%	11.9%	9.8%
3	Rate 100	\$ 316	\$ 999	217%	598,567	\$ 4,607	\$ 14,587	\$ 1,216	\$ 9,980	\$ 203,405	2.3%	7.2%	4.9%
4	Rate 110	\$ 2,721	\$ 18,778	590%	9,976,120	\$ 22,495	\$ 155,257	\$ 12,938	\$ 132,762	\$ 2,027,016	1.1%	7.7%	6.5%
5	Rate 115	\$ 1,105	\$ 4,230	283%	69,832,850	\$ 253,172	\$ 969,557	\$ 80,796	\$ 716,386	\$ 13,646,721	1.9%	7.1%	5.2%
6	Rate 125	\$ 163	\$ -	-100%	206,000,000	\$ 39,852	\$ -	\$ -	\$ (39,852)	\$ 28,877,365	0.1%	0.0%	-0.1%
7	Rate 135	\$ 1,040	\$ 5,712	449%	598,567	\$ 9,562	\$ 52,528	\$ 4,377	\$ 42,966	\$ 123,037	7.8%	42.7%	34.9%
8	Rate 145	\$ 350	\$ 487	39%	339,188	\$ 2,670	\$ 3,711	\$ 309	\$ 1,042	\$ 73,346	3.6%	5.1%	1.4%
9	Rate 170	\$ 425	\$ 2,396	464%	9,976,121	\$ 17,525	\$ 98,841	\$ 8,237	\$ 81,316	\$ 1,753,249	1.0%	5.6%	4.6%
10	Rate 200	\$ 65	\$ -	-100%	140,305,600	\$ 47,609	\$ -	\$ -	\$ (47,609)	\$ 31,532,141	0.2%	0.0%	-0.2%
11	Total EGD	\$ 115,880	\$ 630,404	444%									
<u>Union North Rate Zone</u>													
12	Rate 01	\$ 13,249	\$ 75,684	471%	2,200	\$ 34.39	\$ 184.37	\$ 15.36	\$ 149.98	\$ 1,186	2.9%	15.5%	12.6%
13	Rate 10	\$ 1,750	\$ 14,520	730%	93,000	\$ 614.89	\$ 5,099.52	\$ 424.96	\$ 4,484.63	\$ 33,861	1.8%	15.1%	13.2%
14	Rate 20	\$ 1,502	\$ 6,612	340%	3,000,000	\$ 4,257	\$ 18,545	\$ 1,545	\$ 14,288	\$ 681,759	0.6%	2.7%	2.1%
15	Rate 25	\$ 64	\$ -	-100%	2,275,000	\$ 825	\$ -	\$ -	\$ (825)	\$ 495,684	0.2%	0.0%	-0.2%
16	Rate 100	\$ 825	\$ -	-100%	27,000,000	\$ 26,855	\$ -	\$ -	\$ (26,855)	\$ 6,022,269	0.4%	0.0%	-0.4%
17	Total Union North	\$ 17,390	\$ 96,816	457%									
<u>Union South Rate Zone</u>													
18	Rate M1	\$ 42,841	\$ 241,412	464%	2,200	\$ 34.39	\$ 184.37	\$ 15.36	\$ 149.98	\$ 909	3.8%	20.3%	16.5%
19	Rate M2	\$ 7,788	\$ 65,917	746%	73,000	\$ 513.89	\$ 4,348.57	\$ 362.38	\$ 3,834.67	\$ 20,213	2.5%	21.5%	19.0%
20	Rate M4	\$ 6,005	\$ 24,705	311%	875,000	\$ 10,207	\$ 41,981	\$ 3,498	\$ 31,774	\$ 216,237	4.7%	19.4%	14.7%
21	Rate M5	\$ 295	\$ 1,684	471%	825,000	\$ 3,971	\$ 23,387	\$ 1,949	\$ 19,415	\$ 197,336	2.0%	11.9%	9.8%
22	Rate M7	\$ 4,690	\$ 49,663	959%	36,000,000	\$ 110,195	\$ 1,167,040	\$ 97,253	\$ 1,056,845	\$ 7,123,605	1.5%	16.4%	14.8%
23	Rate M9	\$ 23	\$ -	-100%	20,178,000	\$ 7,574	\$ -	\$ -	\$ (7,574)	\$ 4,149,326	0.2%	0.0%	-0.2%
24	Rate T1	\$ 1,003	\$ 3,662	265%	11,565,938	\$ 19,559	\$ 71,355	\$ 5,946	\$ 51,796	\$ 2,286,709	0.9%	3.1%	2.3%
25	Rate T2	\$ 3,782	\$ -	-100%	197,789,850	\$ 124,563	\$ -	\$ -	\$ (124,563)	\$ 36,089,422	0.3%	0.0%	-0.3%
26	Rate T3	\$ 101	\$ -	-100%	272,712,000	\$ 105,773	\$ -	\$ -	\$ (105,773)	\$ 54,140,065	0.2%	0.0%	-0.2%
27	Total Union South	\$ 66,528	\$ 387,043	482%									
28	Total EGI	\$ 199,798	\$ 1,114,263	458%									

Notes:

- (1) EB-2025-0163, Rate Order, Working Papers, Schedule 9, p. 1, column (b).
- (2) Based on scenario A average budget from 2026 to 2030. The 2024 APS did not provide an income qualified budget so allocations based on forecast delivery revenue not possible. Refer to Exhibit F, Tab 1, Schedule 1 for details.
- (3) Year-over-Year for Average APS is relative to 2026 Current Approved.
- (4) Total Bill - Sales Service as per EB-2025-0163, Rate Order, Working Papers, Schedule 3, column (c).

DSM ACCOUNTING CONSIDERATIONS

1. This evidence is organized as follows:

1. Overview
2. Tracking of Budget Carryover in the DSMVA
3. Impacts of Electric Heat Pumps on Lost Volumes and Revenues

1. Overview

2. As part of Enbridge Gas's previous multi-year DSM Plan Application the Company proposed to establish new deferral and variance accounts to reflect the amalgamation of Enbridge Gas Distribution Inc. ("EGD") and Union Gas Limited ("Union") DSM programs into a combined Enbridge Gas DSM plan. In its Decision and Order for the aforementioned Application ("Decision"), the OEB approved the following DSM deferral accounts for Enbridge Gas commencing January 1, 2023:¹

- Demand Side Management Variance Account ("DSMVA")
- Lost Revenue Adjustment Mechanism ("LRAM")
- Demand Side Management Incentive Deferral Account ("DSMIDA")
- Conservation Demand Management Deferral Account ("CDMDA")
- Natural Gas Reduction Incentive Deferral Account ("NGRIDA")

3. The above-noted deferral accounts continue to remain relevant for the 2027-2030 DSM Plan term.

¹ EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.85-86.

4. Furthermore, Deferred Participant Costs (“DPC”) represent future financial commitments to current participants. The DSM Framework² allows Enbridge Gas to account for funds associated with meeting a future program commitment in the DSMVA at the time the participant enrolls in the offering until such time as the performance eligibility period has expired.
5. The following DSM offerings had provisions for DPC; however, Enbridge Gas is not proposing continuation of these offerings in its 2027-2030 DSM Plan.
 - a) Residential Savings by Design
 - b) Commercial Savings by Design
 - c) Affordable Housing Savings by Design
 - d) Whole Building Pay for Performance (“P4P”)
6. Funds needed to fulfill the commitments for these offerings will continue to be held in the DSMVA as DPC deposits until expiry. At the time of expiration, unused deposits will be refunded to ratepayers through the DSMVA. For the 2027-2030 DSM Plan, no proposed offerings require DPC treatment.
7. DPCs associated with participants who enrolled in the P4P Offering between 2024 and 2026 may have associated net annual natural gas m³ savings during the 2027-2030 DSM Plan term. As noted above, Enbridge Gas is not proposing to continue this offering for new participants for the 2027-2030 DSM Plan and, as a result, there is no longer a separate program, offering or scorecard to capture these results. As such, Enbridge Gas intends to claim these savings through the Commercial Custom Offering under the Commercial Program Scorecard. The gross measurement will

² EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), pp.35-36.

adhere to the methodology described in Enbridge Gas's 2022-2027 DSM Plan Application,³ subject to any modifications adopted through the Evaluation Contractor's annual verification of results.

2. Tracking of Budget Carryover in the DSMVA

8. Enbridge Gas is requesting approval to modify the use and accounting order for the DSMVA to allow for budget carryover where a program or initiative design relies on a multi-year budget approach, as discussed below. Specifically, Enbridge Gas is requesting the budget carryover provision for the Large Volume Direct Access Offering and the Energy Innovation Fund.
9. Within the Decision, the OEB requested that Enbridge Gas work with relevant stakeholders, such as the Industrial Gas Users Association ("IGUA"), to develop opt-out protocols for large volume customers for consideration in this Application.⁴ Through these discussions, Enbridge Gas received feedback from large volume customers that there needs to be increased flexibility to utilize direct access funds over multiple years to support complex projects with longer planning and implementation timelines.
10. As a result of the feedback, changes have been made to the design of the Large Volume Direct Access Offering to permit carrying forward unused funds from one year to the next, continuing through until 2030 when any unused amounts would then be returned to ratepayers. In alignment with this approach, Large Volume Program targets will be determined based on the total savings achieved at the conclusion of the 2027-2030 DSM Plan term. Details of the Large Volume Program, including the proposed opt-out framework and the Large Volume Direct Access Offering, can be found in Exhibit E, Tab 6, Schedules 1 and 2.

³ EB-2021-0002, Exhibit E, Tab 2, Schedule 1, pp.8-10

⁴ EB-2021-0002, OEB Decision and Order, November 15, 2022, p.44.

11. Furthermore, the Energy Innovation Fund (described in Exhibit D, Tab 8, Schedule 3) would also benefit from the ability to carryover budget amounts. Projects supported by the Energy Innovation Fund, in particular large projects, will require flexibility in funding and may not advance from proposal to completion stage within a calendar year. These projects may not otherwise proceed without this flexibility and that would be detrimental to the success of this initiative, which is largely based on engaging customers, market actors, and industry stakeholders as part of an open bid, market driven project selection process.
12. Budget carryover ensures that the DSM budget drives the intended results and that DSM funding is available to support programs and initiatives at the time they are needed.
13. The budget carryover provision described above is not being proposed to exceed the 2027-2030 DSM plan term. The proposed multi-year budget approach will only be available for ringfenced budgets (i.e., budgets where funds cannot be transferred to other areas) and budget carryover amounts will not include any utility staff-related costs. Carryover balances will be tracked within the DSMVA (but separately from DPC offerings) until all funds are either used, or unused amounts are cleared in Enbridge Gas's Deferral and Variance Account Disposition application for the final year of the DSM Plan term (i.e., 2030).
14. Budget carryover requires a modification to the DSM Framework. The modification is proposed in Section 2.9 of Exhibit C, Tab 1, Schedule 1.

3. Impacts of Electric Heat Pumps on Lost Volumes and Revenues

15. The OEB Decision included consideration of the agreement with Natural Resources Canada ("NRCan") for a joint residential whole home offering delivered by Enbridge Gas across Ontario. In the Decision, the OEB modified the proposed measure

incentives to provide DSM funding for electric heat pumps.⁵ In Enbridge Gas's 2027-2030 DSM Plan, the Company is proposing to continue to offer incentives for electric heat pumps including support for this measure through the following offerings: Residential Heat Pump, Commercial Custom, Commercial/Industrial Prescriptive Direct Install, and Commercial Microbusiness.

16. Through the joint whole home offering collaboration with NRCan, Enbridge Gas identified a subset of participants who installed electric heat pumps and are no longer natural gas utility customers; a result of DSM funding for fuel-switching measures.

17. A fundamental concept of DSM is the ability for Enbridge Gas to recover costs and lost revenues associated with the delivery of DSM programs:

The OEB has determined that lost revenues related to reductions in customer gas consumption as a result of DSM programming should not be a disincentive to delivering DSM programs. As such, the OEB established a Lost Revenue Adjustment Mechanism (LRAM).⁶

18. Currently, LRAM captures the change in customer volumes attributable to DSM activities, versus the amount reflected in rates, for contract rate classes and is effective when the customer remains a customer. The AUVA ("Average Use Variance Account")⁷ captures volumetric impacts of the change in actual average use, versus the forecast average use in rates, for general service rate classes, inclusive of impacts attributable to DSM activities.

⁵ EB-2021-0002, OEB Decision and Order, November 15, 2022, pp.28-29.

⁶ EB-2021-0002, OEB Decision and Order, November 15, 2022, Schedule E (OEB DSM Framework), p.25.

⁷ As of January 1, 2024, AUVA replaces the previous AUTUVA for the EGD rate zone and NAC for Union rate zones. This approval was granted in the Decision and Order, 2024 Rates Application – Phase 1 (EB-2022-0200).

19. When a customer leaves the natural gas system, neither LRAM nor AUVA capture the associated losses in base volumes and fixed monthly customer charges.
20. With support for electric heat pumps through measure incentives and capacity building efforts aimed at trade allies and service providers, this issue may require consideration in the future as it could lead to impacts to Enbridge Gas's volumes and revenues (directly resulting from the Company's DSM activities).