

ONTARIO ENERGY BOARD

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

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 2026-2030.

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS (“CME”) AND THE
COALITION OF CONCERNED MANUFACTURERS & BUSINESSES
CANADA (“CCMBC”) TO ENBRIDGE GAS INC. (“EGI”)**

C-CME-1

Ref: Exhibit C, Tab 1, Schedule 1, pp. 13-14 of 15.

At pages 13 and 14, EGI proposes to amend the DSM framework and proposes that it use a 2% inflation rate rather than the previous four-quarter moving inflation rate for avoided costs which must be calculated beyond their forecasted periods. As CME apprehended it, EGI’s basis for this change was because it was not reasonable for interest rates to remain as high as the current four quarter moving rate over the 35-year forecast period.

Questions:

- (a) Has the four-quarter moving inflation rate ever resulted in an inflation rate which is lower than 2% in either of the last two DSM periods? If so, please advise of the impact of that lower inflation rate on EGI’s previous DSM programs.
- (b) What work has EGI completed, if any, to determine how close the bank of Canada’s target inflation rate of 2% matches the actual experienced inflation over the long term.

C-CME-2

Ref: Exhibit C, Tab 1, Schedule 1, Attachment 1, p. 70 of 89.

At page 80, EGI stated that “process evaluation results of Enbridge’s approach have not been shared [with SAG] so it is difficult to assess the true effectiveness of Enbridge’s ESAs.”

Questions:

- (a) Please provide the reason why process evaluation results were not shared with the SAG, and whether EGI feels that there is any benefit to sharing these results with the SAG for improved input.

C-CME-3

Ref: Exhibit C, Tab 1, Schedule 6, p. 14 of 14.

At page 14 of 14, EGI proposes to count all savings from a collaboration agreement towards the utilities' relevant DSM metric regardless of any actual attributions between programs.

Questions:

- (a) Would EGI's proposal lead to double-counting results as between incentive providers?
- (b) How does EGI calculate when collaborations provide EGI with less favourable results than solo offerings? For instance, how does EGI know that it would have reached the same number of participants with its own incentive as it does with the combined incentive?
- (c) As a percentage, how many of EGI's collaborations result in lowered savings claimable by EGI and/or higher budget spending?

D-CCMBC-4

Ref: Exhibit D, Tab 1, Schedule 1, p. 13 of 14, para 43.

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.

Questions:

- (a) Is there an opt-out framework for Commercial Program and the Industrial Program? If the answer is yes, please describe it. If the answer is no, please explain why not.

D-CME-5

Ref: Exhibit D, Tab 2, Schedule 1, p. 6 of 12.

At page 6-9 of 12, EGI provided a table of annual scorecard targets from 2027-2030.

Questions:

- (a) Please provide the most recent four years of actual results for the industrial custom program in terms of the net annual gas savings (M3).

D-CME-6

Ref: Exhibit D, Tab 2, Schedule 1, p. 11 of 12.

At page 11, EGI stated that “Once Enbridge Gas submits measure research and substantiation documentation to the EC, the term targets will be revised based on those updated values.”

Questions:

- (a) Does the EC ever dispute or challenge EGI’s measure research and substantiation documentation?

D-CME-7

Ref: Exhibit D, Tab 2, Schedule 2, p. 13 of 16.

At page 13, EGI stated that “Enbridge Gas is proposing an efficiency stretch factor of 28 basis points to certain budget components (fixed for the term of the DSM Plan).”

Questions:

- (a) Please confirm what, if any, analysis EGI conducted to determine the appropriate stretch factor to apply to specific budget components.

D-CME-8

Ref: Exhibit D, Tab 4, Schedule 1, p. 4 of 9

At page 4, EGI stated that “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.”

Questions:

- a) Please explain why, given the above (in respect of industrial consumers), EGI feels the current level of FTE’s is appropriate for the industrial market (in other words, why no reallocations of FTE’s allocated for the industrial portion of the program).
- b) Please confirm whether the requested incremental FTE will service just the commercial program, or if they will also serve the industrial program.

D-CME-9

Ref: Exhibit D, Tab 8, Schedule 3, p. 6 of 8.

At page 6 of 8, EGI provided the criteria upon which successful projects will be chosen for the energy and innovation fund.

Questions:

- a) Has EGI created a scoring rubric or other protocols for balancing the various factors listed in the bullet points in paragraph 12? If so, please describe fully. If not, why not?

D-CME-10

Ref: Exhibit D, Tab 9, Schedule 2, p. 8 of 8.

At page 8 of 8, EGI states that “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.”

Questions:

- (a) What methodology did EGI use to determine that 80% net to gross value should be applied to new measures. Please describe fully, including any assumptions made.

D-CME-11

Ref: Exhibit D, Tab 4, Schedule 1, p. 4 of 10.

At page 4 of 10, EGI provided Table 2. Table 2 demonstrated that the average staff budget per FTE increased from \$102,869 to \$118,145 between the 2023 approved amount and the 2027 proposed amount.

Questions:

- (a) Please provide the drivers of the increased average FTE costs to account for the increase to the average.

D-CME-12

Ref: Exhibit D, Tab 8, Schedule 2, p. 5 of 6.

At page 5 of 6, EGI described research and development efforts that it will undertake as part of the upcoming DSM plan period.

Questions:

- (a) How does EGI measure whether research and development spending is successful? For instance, is it the number of successful projects and activities that it helps to develop? Total reduced emissions from those projects/activities or another measure?
- (b) How does EGI propose that the Board determine whether or not EGI’s proposed budget level for research and development is the appropriate one?

D-CME-13

Ref: Exhibit D, Tab 8, Schedule 3, p. 3 of 8.

At page 3 of 8, EGI described projects that would receive innovation funding. EGI stated that the focus of the program would be on energy efficient solutions that were “ready to be tested in a commercial or industrial environment.”

Questions:

- (a) Please confirm whether or not EGI would provide funding for any initiatives or innovations put forward by entities which it or its affiliates owned.
- (b) Please confirm whether or not EGI would take any ownership in any businesses, or any innovations as a result of supplying funding from the Energy Innovation Fund.
- (c) Please describe EGI’s “own efforts in driving research and innovation within the commercial and industrial sectors” and any areas of overlap or areas of dissimilarity with the solutions and measures that will be funded through the Energy Innovation Fund.
- (d) While the “majority” of funding will be allocated through an open bid, market driven process (p. 1 of 8) how much funding will not be allocated through this mechanism? Who will it be allocated to? What criteria will have to be met in order to receive this funding?

D-CME-14

Ref: Exhibit D, Tab 10, Schedule 1, p. 5 of 7

At page 5, EGI stated that “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.”

Questions:

- a) For the purposes of this statement, how does EGI define a “significant development impacting the DSM Avoided costs.”? Is it a percentage or dollar figure change? Is it completely discretionary on EGI’s part?

E-CCMBC-15

Ref: Exhibit E, Tab 4, Schedule 3, pp. 5-6 of 7, para. 14, Table 1, Commercial/ Industrial Prescriptive Downstream Offering Incentives

Questions:

- (a) Please explain how the incentives in Table 1 were determined and why they are appropriate for the Commercial/Industrial Prescriptive Downstream Offering.

E-CME-16

Ref: Exhibit E, Tab 4, Schedule 3, p. 5 of 7

At page 5, EGI stated that it would increase “focus on building relationships with trade allies to grow the number of participating service providers and increase market participation.

Questions:

- a) Please describe how EGI will execute on this changed focus. In other words, how will EGI engage with trade allies either in ways it did not before or in quantities it did not before in order to achieve an increase in participating service providers and increased market participation?

E-CCMBC-17

Ref: Exhibit E, Tab 4, Schedule 4, p. 7 of 8, Paragraph 18, Table 1, Commercial/Industrial Direct Install Offering Incentives

Questions:

- (a) Please explain how the incentives in Table 1 were determined and why they are appropriate for the Commercial/Industrial Direct Install Offering.

E-CCMBC-18

Ref: Exhibit E, Tab 4, Schedule 5, pp. 5-6 of 7, para. 13, Table 1, Commercial/Industrial Prescriptive Upstream Offering Incentives

Questions:

- (a) Please explain how the incentives in Table 1 were determined and why they are appropriate for the Commercial/Industrial Prescriptive Upstream Offering.

E-CCMBC-19

Ref: Exhibit E, Tab 4, Schedule 6, pp. 6-7 of 8, para. 15

Questions:

- (a) Please explain how the incentives were determined and why they are appropriate for the Commercial Existing Building Commissioning Offering.

E-CCMBC-20

Ref: Exhibit E, Tab 4, Schedule 7, p. 5 of 6, para. 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.”

Questions:

- (a) Will the incentives be the same as for the Residential Program? If the answer is no, please explain the differences.
- (b) Please explain how the amounts of incentives for landlords will be determined. Will there be negotiations with landlords?

E-CCMBC-21

Ref: Exhibit E, Tab 5, Schedule 1, p. 13 of 13, Table 1, Industrial Offering Descriptions and Enabling Activities

Questions:

- (a) Please describe how the Financial Incentives towards efficiency investments will be determined and explain why they are appropriate for the Industrial Offering.
- (b) Please describe how the Enabling incentives towards audits, studies, metering, EMIS will be determined and why they are appropriate for the Industrial Offering.

E-CCMBC/CME-22

Ref: Exhibit E, Tab 5, Schedule 2, p. 7 of 9 including Table 1, Industrial Custom Offering Incentives

At page 7, EGI stated that it proposes to offer a higher incentive value for the first 75,000 m³ of cubic meters of gas saved then the subsequent savings. EGI also provided Table 1 of Industrial Custom Offering Incentives.

Questions:

- (a) Please describe how the Implementation Incentives will be determined and explain why they are appropriate for the Industrial Custom Offering.
- (b) Please describe how the Enabling Activity incentives towards audits, studies, metering, EMIS will be determined and why they are appropriate for the Industrial Custom Offering.
- (c) Has EGI conducted any sensitivity analyses to determine how much more participation is generated from higher first block savings?

- (d) If the answer to a) is no, does EGI have a view as to whether 75,000 is the appropriate block structure, or whether the delta between incentive rates between the first block and subsequent savings is optimal?

E-CME-23

Ref: Exhibit E, Tab 5, Schedule 2, p. 8 of 9

At page 8, EGI stated that: “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.”

Questions:

- a) Would these initiatives be completed within this plan term? If so, on what basis would EGI decide to engage in any of these activities?
- b) Would these initiatives only derive from SAG initiatives, or would EGI generate its own initiatives and implement them?

F-CCMBC-24

Ref: Exhibit F, Tab 1, pp. 1-2 of 6, Allocation Methodology

Questions:

- (a) Please describe the allocation methodology for Commercial and Industrial Programs.