

2019 Conservation Achievable Potential Study

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Written Comments Prepared by Enbridge Gas Distribution Inc.
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Terms of Reference

Section 2: Objectives and Scope

Within the Objectives and Scope of the Achievable Potential Study (APS) Advisory Group Terms of Reference, the Advisory Group is characterized as “the forum for stakeholder members to provide input and advice on the APS and for the Project Team to communicate study updates.” Advisory Group members are obliged to review and provide comment on scope of work, progress, and the draft report. The Project Team (i.e. OEB/IESO) is responsible for detailing how the views of stakeholders and Advisory Group members were considered and incorporated into the Study.

Enbridge strongly urges that language for full transparency between the Project Team, the Advisory Group, Expert Panel and the Consultant be included to ensure that Advisory Group members can adequately fulfill the obligations to provide input and advice on the progress of the APS. Without full transparency, throughout the process, of the assumptions, data, and decision-making (where consensus cannot be reached), Enbridge is concerned that Advisory Group members will be unable to fulfill their obligations of providing informed feedback throughout the progress, thus potentially impacting the quality of the final report. Furthermore, as Enbridge expects to utilize the output to develop future programs, it's key that Enbridge have full visibility into the process so that we can apply the results correctly

Enbridge further argues that given the scope appears to be GHG abatement which squarely impacts the natural gas utilities, that the natural gas utilities be given a stronger voice in this process, beyond acting as one of a number of members of the Advisory Group. A joint gas and electric Achievable Study would benefit if the natural gas utilities were given opportunity to provide their expertise throughout the process. Enbridge recommends that the Project Team consider allowing the natural gas utilities to have more seats at the table to provide greater expertise.

Project Charter

Section 2: Study Objective

While Enbridge supports an integrated study to quantify natural gas and electric energy savings, we question the value of a 20 year forecast. Enbridge understands that the study will be used to inform provincial policy, future CDM and DSM Frameworks, and long-term planning; however in Enbridge's opinion a 10 year forecast would be sufficient for the aforementioned activities.

Section 4: Study Governance

Enbridge would like a voice in reviewing and endorsing “expert panel” members. Enbridge strongly urges the Project Team to revisit the selection process of experts for the Expert Panel. Experts selected to sit on the panel should not be a current representative for an intervenor group from present day to June 2019 regulatory proceedings within CDM, DSM or Cap and Trade. Enbridge is concerned that accepting experts who are also intervenors in current or upcoming proceedings will be unable to provide an unbiased and objective expert viewpoint on the Study. Enbridge believes that any expert with a conflict of interest must be removed from the expert panel. Further, Enbridge advocates that the expert panel be comprised of Canadian professionals to promote and develop the strength of energy efficiency expertise within the country – local, high quality employment being a noted benefit of energy efficiency investment.

To underscore the previous comment for full transparency, Enbridge strongly urges that the natural gas utilities and the electric LDC's be given the opportunity to provide comment on the scoring and evaluation methodology to be used when evaluating RFP submissions for the project Consultant. Enbridge assumes that the cost of the study will be allocated back to our ratepayers and thus, should be aware of how the deliverables are prioritized in order to manage the budget and avoid scope creep throughout the process.

Scope of Work

Slides 24 - 30

All savings should be presented as gross savings net of natural conservation but not of the Net-to-Gross ("NTG") factors (which can only be determined knowing program sector, and design amongst other factors). This gross savings, net of natural savings is consistent with the most recent natural gas Conservation Potential Study (CPS) completed by ICF International for the Ontario Energy Board.

It is extremely problematic to forecast net to gross assumptions for a 20 year or even a 10 year forecast as net to gross assumptions will change over time. Fixed NTG assumptions for 20 or 10 year forecast will impact the usefulness of the study as an input into the design of future DSM Frameworks and program planning.

If the net savings are included in the Study then Enbridge strongly argues that the gross savings must also be included. The utilities and LDC's must have visibility into the NTG assumptions used in order to fully understand the true savings potential.

Further, large final emitters (LFEs) should be included as part of the Study as they continue to participate in DSM programming.

Slides 29 – 30

1. Enbridge requests clarification on two of the three scenarios to be tested for Achievable Potential.
 - Scenario 1: Maximum Achievable
 - Enbridge understands to be unconstrained budget.
 - Scenario 2: Budget Constrained
 - Enbridge requests further clarity
 - Scenario 3: Targeting Only Measures with a Min Cost Effectiveness
 - Enbridge requests further clarity

2. Enbridge believes that additional scenarios should be included as either an Appendix to the Study or as its own separate chapter to show the possibilities of what shape the post-2020 DSM and CDM Frameworks could take. Natural gas utilities, electric LDC's, the IESO and the OEB could benefit from the following budget scenarios to inform program planning and achievement levels:
 - 100% higher than 2020 budget levels
 - 50% higher than 2020 budget levels
 - 50% lower than 2020 budget levels

3. The roll out of additional funding for energy efficiency and conservation programming over time from the GreenON must be captured within the Achievable Potential. The future amounts deployed from the Greenhouse Gas Reduction Account (GGRA) and administered by the GreenON are largely unknown at this time. The scenarios must reflect a various levels of GreenON spending to better understand the future of the marketplace.
4. Integrated Resource Planning should remain out of scope. Components of IRP are alluded to within the Scope without specifying if it is related to gas or electric. The Study is considerably large, and Enbridge argues that including IRP would substantially increase the size and cost of Study. This is duplicative as the natural gas utilities are currently undertaking an IRP Study – for which the scope of work was reviewed and approved through the multi-year DSM proceeding (EB-2015-0049).

Slides 33 – 34

Please clarify what is meant by “net peak demand impacts”. First, what is meant by “net”? Second, does this refer to peak hour demand, or peak day demand? The implications to the distribution system are different depending on the meaning of demand.

Slides 31 - 32

Enbridge does not support that a Marginal Abatement Cost Curve (MACC) be included as part of the scope of work, and strongly argues that this task be completely removed from the Study. Without full insight into how much and where the GreenON will disperse Cap and Trade proceeds, the consultant will have no understanding of the baseline of spending upon which it is necessary to understand the incremental or “marginal” cost of energy efficiency, thus calling into question the value the MACC would provide.

If the MACC is to be used to inform the next Compliance Period effective August 1st 2020, as confirmed verbally at the March 21st 2018 Advisory Group meeting, the MACC will be obsolete at that time. MACC’s are intended to be snap shots of a single point in time to give high level policy guidance on abatement opportunities. Including a MACC as part of this Study that will use 2017 data as a baseline means the MACC would be a minimum of three years old by the time the decisions against it would be enacted making it effectively useless in informing Compliance Plan activities.