



BY EMAIL AND WEB POSTING

September 16, 2019

To: All Rate-regulated Natural Gas Distributors  
All Participants in EB-2019-0003

Re: **Post-2020 Natural Gas Demand Side Management Framework**  
**Board File Number: EB-2019-0003**

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This letter provides an update on the consultation process that the Ontario Energy Board (OEB) is undertaking to develop a post-2020 Demand Side Management (DSM) framework for natural gas distributors.

## Background

The existing 2015-2020 DSM framework is set to expire on December 31, 2020. In a [letter](#) dated May 21, 2019, the OEB indicated that it will undertake the post-2020 DSM framework consultation in stages. As part of Phase 1, the OEB held a Stakeholder Meeting on June 13, 2019 to seek input and comments from interested stakeholders on underlying guiding principles, on the goals and objectives to be achieved and on the scope of the review. Interested stakeholders were also given an opportunity to provide written comments on these three topics following the Stakeholder Meeting.

The OEB also indicated that it would finalize the scope of the consultation and provide more details related to subsequent phases of the consultation after receiving input from interested stakeholders in Phase 1.

## Scope of DSM Framework Consultation Process

A total of 33 stakeholder representatives participated in the Stakeholder Meeting, and 25 stakeholders provided written comments. Stakeholders differed in terms of their perspectives and suggested approaches. The majority suggested that the OEB conduct a comprehensive review of the current 2015-2020 DSM framework and extend the timing of the policy review. Certain others were of the view that the current 2015-2020 DSM framework continues to be largely appropriate and recommended that only minor changes be made to it for the post-2020 period.

In light of the input received at the Stakeholder Meeting and in written comments, the OEB considers that it is appropriate to undertake a comprehensive review of the current 2015-2020 DSM framework for the purposes of establishing a new framework for the future. The scope of the review will include consideration of the objectives to be achieved by DSM activities, cost recovery, program mix and how utility performance should be incentivized and measured.

A comprehensive review will also allow:

- A consideration of the results of the ongoing 2019 Achievable Potential Study, which is expected to be completed at the end of September 2019
- Time for Enbridge Gas Inc. to more effectively consider and propose efficiencies following the merger of Enbridge Gas Distribution Inc. and Union Gas Limited, consistent with the expectation set out in the OEB's November 29, 2018 [Mid-Term Review Report](#)<sup>1</sup>
- A consideration of Enbridge Gas Inc.'s future integrated resource planning proposals, which Enbridge Gas Inc. plans to file by the end of 2019<sup>2</sup>

The OEB expects to continue its policy consultation on a new DSM framework in the fall of 2019 and into 2020. Further details will be provided at a later date, including any requirements necessary to facilitate the transition from the current framework to the new framework. The OEB thanks stakeholders for their contributions during this phase of the consultation. The OEB will address cost awards for consultation activities to-date by separate correspondence in the near term.

Questions about this consultation process should be directed to Josh Wasylyk at [josh.wasylyk@oeb.ca](mailto:josh.wasylyk@oeb.ca) or at 416-440-7723. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

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<sup>1</sup> EB-2017-0127/128, 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. 7

<sup>2</sup> EB-2019-0003, Enbridge Gas Inc. written comments, June 27, 2019, p. 11