



Enbridge  
Response to the CWG Draft Report on the  
Proposed Short-Term Framework for  
Natural Gas Low Income DSM

OEB Conservation Working Group  
August 6, 2009

# Presentation Format

1. Summary of agreed-upon framework elements
2. Summary of proposed alternative framework elements
3. Enbridge-specific target/budget/scorecard/incentive



## Agreed-Upon Framework Elements (with some minor wording adjustments and clarifications)

1. Guiding Principles
2. Program Description Target Audience
3. Eligibility
4. Program Measures
5. Program Delivery
6. Education and Training
7. Scorecard Model
8. Program Research
9. LRAM, DSMVA (at 25%), evaluation

# Proposed Alternative Framework Elements

## 1. Screening

- Screening should occur at two stages:
  1. Measure screening: measures should meet one of three criteria to be included in low-income portfolio:
    - i. Measure is TRC positive in traditional DSM portfolio
    - ii. Measure is commonly included in low-income programs in other jurisdictions
    - iii. Measure is included in either Federal or Provincial energy efficiency programs
  2. Household screening: measures should be selected for installation in any given household on the basis of audit recommendations and smart protocols developed by utility (for example, on the basis of age or efficiency of existing equipment, and/or budget limit per household)
- Screening should not be based on simple payback criteria due to variability in commodity prices and resulting measure bias

## Proposed 2010 Target

	<b>2009 Board-Approved Low-Income Plan Participants</b>	<b>2010 Proposed Low-Income Plan Participants</b>	<b>Increase</b>
Deep Measure Participants	400	1,000	150%
Basic Measure Participants	5,000	5,000	0%

# Proposed 2010 Budget

BUDGET CATEGORY	2010 BUDGET (\$millions)
Variable Costs	\$8.3
Fixed Costs	\$1.4
TOTAL	\$9.7

Variable cost per participant (Basic): \$95

Variable cost per participant (Extended): \$6,400



# Proposed 2010 Scorecard

Enbridge Low Income DSM Scorecard		2010 Performance Levels			
Element	Performance Metrics	50%	100%	150%	Weights
ULTIMATE OUTCOMES	1) Basic Measure Participants -	4,600	5,000	5,400	20%
	2) Extended Measure Participants	800	1,000	1,200	40%
	3) Total Gas Savings (m <sup>3</sup> ) (measure savings x measure life)	TBD <sup>1</sup>	TBD <sup>1</sup>	TBD <sup>1</sup>	40%
MARKET EFFECTS	4) Increase in number of communities served by program (over 2009)	TRACKING MEASURE ONLY			0%
<sup>1</sup> The 50%, 100% and 150% performance levels for the “Total Gas Savings” metric will be proposed in Enbridge’s Plan to be filed with the Board, as detailed measure shares have not yet been determined.					



# Shareholder Incentive

## Key Principles:

1. Shareholder incentive should be based on assessed value of program benefits and utility effort
2. Incentive amount must be significant enough relative to the benefits produced and effort expended to be competitive with other utility DSM activity

Proposed shareholder incentive amount: \$750,000 for 100% achievement of scorecard performance metrics

