As submitted by Gord Eamer of CHEC August 12, 2009

RE: Draft of final CWG short-term framework report for your review and comment - comments due 2:30 p.m. today

I have reviewed the document and I appreciate receiving a copy for quick review and comment. I am pleased with the format and the manner in which input of the various members were captured. I do not have any specific comments or concerns with the report to note at this time.

While we all had hoped for more concensus I believe the report provides the Board with a full understanding of the issues. It clearly outlines the items that have not been agreed upon and the associated background discussions. This should prove effective for the Board as the set directions.

Good job, well done!

Gord Eamer, P. Eng
CHEC Chief Operating Officer
613-342-3984

Centre Wellington Hydro, COLLUS Power, Innisfil Hydro Distribution, Lakefront Utilities, Lakeland Power, Midland Power, Orangeville Hydro,
Parry Sound Power, Rideau St. Lawrence Distribution, Wasaga Distribution, Wellington North Power and West Coast Huron Energy.

As submitted by Rob Maxwell – City of Toronto August 12, 2009

Re: Draft of final CWG short-term framework report for your review and comment- comments due 2:30 p.m. today

Hi Shona,

One comment, and one question:

Sec. 3.6 (p. 14)

"In delivering the program, the gas utilities are expected to ***engage in (delete "encourage")*** collaborative efforts with partners such as private, not for profit and public partners, and to try to enhance delivery capacity in their franchise areas where the program is being delivered in 2010 and beyond. In choosing specific ***private and not for profit*** partners, the utilities are expected to continue with the***ir*** existing tendering practices."
(reference to tendering practices is not appropriate for public sector partners)

Sec. 3.8, top of page 16 - how is the word "communities" being used - geographic, or cultural? If cultural, how will results be measured and reported? If geographic, perhaps the word "neighbourhoods" could be used instead.

Thanks to you and the rest of the IndEco staff for your work on this initiative.

Rob

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ENBRIDGE GAS DISTRIBUTION

FINAL COMMENTS ON THE CONSERVATION WORKING GROUP'S FINAL REPORT ON THE PROPOSED SHORT TERM (2010) FRAMEWORK FOR NATURAL GAS LOW-INCOME DSM (AUGUST 12, 2009)

AUGUST 12, 2009

BACKGROUND

On July 29, 2009, Enbridge submitted its comments on the July 24 draft of the "Conservation Working Group's Draft Report on the Proposed Short Term (2010) Framework for Natural Gas Low-Income DSM." This Enbridge submission laid out the utility's position on the key framework issues covered in the CWG draft report, and the associated rationale.

At the final CWG meeting on August 6, Enbridge heard feedback on its position from a number of the CWG stakeholders, and participated in a productive discussion with the group on a number of issues and areas of non-consensus.

Enbridge still holds the positions outlined in its July 29, 2009 submission. Most of these positions are consistent with the CWG's areas of consensus in Section 3 of the CWG Final Report. Enbridge is also prepared to accept a number of enhancements to its position, based on CWG discussion and feedback on and since the August 6 meeting. These enhancements, as well as any clarifications on consensus items, are noted below under the heading "Areas of Consensus Requiring Clarification."

Some areas of non-consensus in the low-income framework still exist, and some submissions by CWG stakeholders include proposals that Enbridge does not support. Enbridge offers its submissions and commentary on these areas below under the heading "Areas of Non-Consensus."

For sections of the CWG report that are not included below, it may be assumed that Enbridge holds to its original position outlined in the July 29, 2009 submission.

AREAS OF CONSENSUS REQUIRING CLARIFICATION

Section 3.1 – Program Description

- (page 9, second bullet) *"All cost effective measures will be installed in a home within the constraints of the overall program budget, subject to the agreement of the resident."*

  If the proposed performance scorecard outlined in Section 3.8 (page 15) is to be accepted by the Board, the utilities will be heavily motivated (40-45% of scorecard) to complete a certain number of extended measure participants, and to fall short will mean a significant reduction in incentive. Therefore, it must be acknowledged that the utilities will operate within a "budget-per-participant" constraint, rather than an "overall program budget" constraint when it comes to limiting the number of cost-effective measures to be installed in a home. This will ensure that the utilities have the opportunity and the budget to achieve the targeted number of participants, and will also give the Board and other stakeholders reassurance that no single household will receive an excessively high investment in deep energy efficiency measures.

Section 3.3 - Eligibility

- (page 12) *"Potential participants may self-identify themselves to the gas utilities, but social service agencies will complete pre-screening and referrals to the service providers. The gas utilities will not determine the low-income status of potential program participants."*

  In keeping with the CWG's third operating principle ("Provide a simple, non-duplicative, integrated and coordinated screening and intake process…"), potential program participants should not be forced through any unnecessary steps to gain access to the program. If a potential participant self-identifies to the utility, that customer should not have to be referred back to a social service agency – which the customer may view as a barrier – in order to be screened for eligibility. The utility should be able to refer directly to the service provider who can screen the customer on a confidential basis using pre-determined criteria.

Section 3.5 – Screening

- Some elements of consensus in the area of Screening were reached by the CWG during the August 6 meeting, and Enbridge views these as enhancements to its July 29 position. Enbridge is therefore supportive of these elements as outlined in Section 3.5 of the CWG Final Report.

Section 3.8 – Budgets and Targets

- Some elements of consensus in the area of Budgets and Targets were reached by the CWG during the August 6 meeting, and Enbridge views these as enhancements to its July 29 position. Enbridge is therefore supportive of these elements as outlined in Section 3.8 of the CWG Final Report, with one area of clarification, as follows:

- (page 16) *"The CWG agreed that both utilities are to make a commitment to the Board on: Increasing the number of communities served"*

  The importance of this goal is noted in the section immediately preceding this excerpt, where it is accepted that the "increase in number of communities served by extended measures" will be tracked and reported to the Board. It is not necessary, and in fact it is confusing, to also include this as a "commitment" when the discussion in the CWG on August 6 concluded that this should not be a performance metric for the utilities. This goal should be pursued on a best efforts basis, where possible in 2010, but not at the expense of program quality in the short term.

Section 3.9 – Incentive Structure

- Some elements of consensus in the area of Incentive Structure were reached by the CWG during the August 6 meeting, and Enbridge views these as enhancements to its July 29 position. Enbridge is therefore supportive of these elements as outlined in Section 3.9 of the CWG Final Report.

AREAS OF NON-CONSENSUS

Section 4.5 – Screening

- There are a number of errors in the Enbridge quotations on pages 21 and 22:

  (page 21, par. 3) There should be no quotation marks before "Enbridge does not support the use of a simple payback. (This statement accurately reflects Enbridge's view, but it is not a quote).

  (page 21, par. 3) The quote beginning "a simple payback calculation for measure screening…" is missing some words. It should read as follows: "a simple payback calculation for measure screening is also unsuitable, primarily because of the variability of energy prices from year to year, which may make some measures cost effective one year and not cost effective the next." [underline added to highlight missing words]

  (page 22, par. 2) Enbridge is quoted near the top of page 22 ("The second stage at which…"), however it appears as if this quote is being attributed to VECC, who is quoted directly above. Please clarify in the report that this is an Enbridge quote.

- Enbridge still believes strongly that payback is not a suitable criterion for screening measures at the household level. To illustrate the potential impact of adopting a payback criterion for this purpose, consider the following sample payback calculations using two different gas commodity rates, one year apart:

SIMPLE PAYBACK CALCULATIONS USING VARIABLE COMMODITY RATES

	Installed Cost	Measure Life (Years)	Gas Savings	Gas Supply Charge (cents per m^3) (commodity cost)	Enbridge QRAM date	Operating Cost Savings Per Year	Simple Payback (Years)
Furnace	$4,000	18	385	20.4349	1-Jul-2009	$78.67	51
	$4,000	18	385	39.0121	1-Jul-2008	$150.20	27
Weatherization	$2,600	23	1134	20.4349	1-Jul-2009	$231.73	11
(2009 costs/savings)	$2,600	23	1134	39.0121	1-Jul-2008	$442.40	6

Note that the variation in actual gas commodity rates only 12 months apart results in an almost doubling of the payback period for these two measures. While these two commodity rates present the extremes in rate variability over the last few years, the message is clear: simple payback as a screening criterion is only potentially useful as a guide, and not as a firm requirement.

Also note that the payback calculations above for furnace replacements – a key extended measure in the 2010 framework – show paybacks well beyond the assumed measure life of a furnace, regardless of which commodity rate is used. The CWG unanimously agreed that furnaces should be part of the suite of extended measures, and Enbridge agrees – a furnace is typically the single largest energy consuming gas appliance in a home, and a $78 - $150 annual energy bill savings can be significant to a low income consumer. However, with a simple payback criterion, this measure would be excluded except in the most extreme circumstances (i.e. extremely old or inefficient existing furnace).

Enbridge submits that the smart protocols outlined in Section 3.5 of the CWG Final Report should be detailed enough for the low-income program service providers to make screening decisions in the field, and should be rationalized on the basis of a number of considerations:

- A minimum amount of gas/bill savings resulting from the measure
- Expert industry input on ages/efficiencies of equipment that should be replaced
- Existing protocols used by other parties in similar programs

These protocols will be defined in the utilities detailed program plans to be submitted to the Board.

During 2010, Enbridge expects to document and record data on all existing equipment and conditions in participants' homes, as well as replaced equipment and measures installed, to fully understand the net benefits created by the first year's protocols and processes. This analysis will help determine adjustments needed for future years.

Section 4.8 – Budgets and Targets

- (page 22) *"Issue: Is the DSM Budget proposed by Enbridge for 2010 appropriate?"*

  Enbridge believes that its proposed budget of $9.7 million and target of 1000 extended measure participants is appropriate for the focus needed on the low income segment, and the cost of achieving the desired results. In the event that the Board determines a lower budget is more suitable, as some stakeholders have proposed, Enbridge would like to emphasize the linkage between the budget and the target; the budget can not be reduced without reducing the number of participants.

The cost per participant that Enbridge has proposed for 2010 is based on actual experience in delivering a low-income weatherization program in 2008 and 2009, plus additional costs to cover pre-and post audits and an increase the number of measures available.

Section 4.9 – Incentive Structure

- (page 25) *"Issue: Are the incentive levels proposed by the utilities appropriate?"*

  As indicated, Enbridge supports the key principles of a shareholder incentive structure outlined in Section 3.9 of the CWG Final Report. Enbridge's proposed incentive amount of $750,000 for 100% achievement of scorecard results fits these principles:

  - *"Level of incentive is to be reflective of the level of utility activity and effort"* – With an anticipated 2.5 times increase in the number of historical annual participants, and an unprecedented level of coordination activity with social service agencies, electric utilities and service providers in 2010, Enbridge anticipates a significant level of effort to launch this program in 2010 and continue it successfully.

  - *"The incentive is to have some relationship to the benefits achieved"* – GEC has acknowledged that a 10-20% share of benefits is appropriate for an incentive range (page 25). Using the sample payback chart above on page 5, the weatherization measures alone, at the lower commodity rate, would result in lifetime gas bill savings of $5329 ($231.73 x 23 years), and Enbridge's proposed incentive per participant of $750 represents 14% of those benefits, well within GEC's proposed range.

  - *"Incentive levels are to be large enough to attract utilities' management attention"* and *"Incentive levels are to be comparable to those obtained through non-low-income DSM"* – In a utility of Enbridge's size, with its history of success in traditional DSM, there is a minimum "cost of doing business" that must be considered when attracting attention away from other revenue-generating activities to a new one. There is sufficient risk in the new low-income framework (large, unprecedented targets and anticipated on-going evolution due to emerging electricity rules) that Enbridge management needs sufficient motivation to re-direct resources to this new portfolio. A potential incentive of $750,000 puts the low income activity in the range of other, established DSM incentives ($500,000 for market transformation, $4.75 million for traditional DSM), taking into consideration resource intensity, budget, and historical DSM activity and contribution to results.

- (page 26) *"Issue: Should the incentive level be capped?"*

There should be no cap on the incentive level, to ensure the utilities are motivated to achieve greater success, and to prevent the suspension of program delivery if the cap is reached before year-end.

There are already some agreed-upon indirect capping mechanisms in the framework to offer the Board some reassurance that the incentive payment will not continue to grow unchecked. The approved budget acts as an indirect cap on continued program delivery beyond the target. Similarly, the agreed-upon limit to the basic measures budget will prevent re-allocation of funds from extended measures to the less expensive basic measures, which will also indirectly cap potential incentive earnings by the utilities.

- (page 27) *"Issue: Should there be a basic threshold for incentives?"*

  The utilities should earn an incentive from the first unit of savings/benefits, as it does in the traditional DSM/SSM framework.

UNION GAS LIMITED – COMMENTS ON THE FINAL CWG'S PROPOSED SHORT TERM (2010) FRAMEWORK FOR NATURAL GAS LOW-INCOME DSM.

Section 3.3. Eligibility

"Potential program participants may self identify themselves to the gas utilities, but social service agencies will complete pre-screening and referrals to the service providers. The gas utilities will not determine the low-income status of potential program participants", pg.12 of CWG report.

Union wants to clarify that social service agencies may determine low-income status of customers that are referred through them but that it is also acceptable for delivery agents to screen for income eligibility in cases where the customer is not referred by a social service agency. Reference section 3.3 of Union's submission to the Board, *"In the event where a Low-Income customer self-identifies and applies directly to the utility for access to the program (i.e. does not engage a social service agency), the utility's service provider (i.e. the contractor hired to manage delivery of the program) will confidentially screen the consumer for income eligibility using the same criteria (this is currently done in Union's Low-Income weatherization program).*

Section 3.8 Budgets and Targets

"*Consensus was reached by the CWG that the budget for the basic measures will be siloed from the rest of the program budget and capped", pg. 14 of CWG report.*

Union strongly disagrees with the position that the basic measure budget be capped. Best efforts were made to show the CWG the anticipated budget spend per measure, however Union cannot predict nor control any potential price increases in the market for delivery of the programs. For this reason, Union needs flexibility to spend their budgets where needed in order to achieve program targets. For example, if Union is able to under spent on the basic measures there should be flexibility to use the remaining budget on deeper measures.

Section 4.3 Eligibility

Issue: Should the Green Communities LICO table be used as an eligibility screen?

As stated in section 3.3 of Union's submission to the Board, *"While Union is in agreement with the second criteria listed in the CWG report, the third criteria listed is a modified version of the generally accepted Statistics Canada LICO and is not required."* Union has requested on numerous occasions to see the methodology behind the numbers put forward in the Green Communities LICO table and none has been provided. Without receiving any justification behind using modified LICO levels, Union is of the opinion that LICO levels as set-out by Statistics Canada should be the basis for any LICO table used in program design.

Section 4.8 Budgets and Targets

"Union proposed a DSM budget of $3.1M for 2010. The comments of those CWG members that objected to Union budget of $3.1M are presented below.", pg. 23 of CWG report.

Union intended to propose a budget of $3 million dollars in their submission, not $3.1 million, and asks that it be changed in the report. There was an addition error in the budget breakdown which has been corrected in the chart below:

UNION GAS PROPOSED 2010 BUDGET	
Budget Category (All detailed costs are estimates until program plan is complete)	**2010 Budget** (before 3rd party rebates)
Program Variable Costs	
Audit Costs	$0.1 million
Basic Measures	$0.8 million
Extended Measures	$1.4 million
Total Program Variable Costs	**$2.3 million**
Variable Cost per Participant – Basic Measures	*$135*
Variable Cost per Participant – Extended Measures (includes audit costs)	*$6,000*
Program Fixed Costs	
Education/Training	$0.05 million
Marketing/Service Provider Fees	$0.4 million
Total Program Fixed Costs	**$0.45 million**
Other Fixed Costs	**$0.25 million**
(labour, expenses, evaluation, research)	
Total Budget	**$3 million**

"Union proposes a target of 6,000 for basic measure participants, representing a 33% increase from the 2009 Board approved low-income plan, and a target of 250 for extended measure participants, representing a 100% increase for extended measure participants from the 2009 Board approved low-income plan.", pg.23 of CWG report.

Union's proposal of a target of 6,000 basic measure participants represents a 33% *decrease* from the 2009 Low-Income plan. This should be corrected in the report.

"An alternative weighting of 10%/45%/45% was raised at the CWG meeting # 5, however, the written submissions of most members did not address this alternative. The views expressed in the written submission on the weighting of the metrics are presented below.", pg. 24 of CWG report.

Union remains firm on their proposal of a 20% weighting for basic measures on the scorecard. Historically, the majority of Union's Low-Income program targets were made up of basic measure participants. Union feels that a shift to a 20% basic measure weighting and an 80% deep measures weighting is a significant departure from 2009 and demonstrates a strong commitment to shift predominantly towards the delivery of deep measures to the Low-Income market. This commitment is also supported in Union's proposed targets which reflect a 100% increase in deep measures and a 33% decrease in basic measures.

4.9 Incentives

"Incentive levels are to be comparable to those obtained through non-low-income DSM", pg.16 of CWG report.

Union maintains their proposal of a $650,000 incentive payout for 100% achievement of program targets is appropriate. When structuring the proposed incentive, Union considered the incentive structure and earnings in non-low-income DSM, as supported by the CWG. The chart below identifies that the proposed 2010 Low-Income incentive is in fact a smaller percentage of budget in comparison to our non-low-income DSM incentive structure. In order to maintain consistency with the current DSM framework, Union has proposed a potential incentive in-line with the existing DSM incentives.

Portfolio	2008 Budget	2008 SSM*	Incentive as % of Budget
Overall DSM Portfolio	$18,700,000	$4,750,000	25%
Market Transformation	$1,100,000	$500,000	45%
Proposed 2010 LI Portfolio	**$3,000,000**	**$650,000**	**22%**

**Number is reflective of a 100% payout*

"Level of incentive is to be reflective of the level of utility activity and effort", pg.16 of CWG report.

The level of utility effort must be considered in an incentive payout as stated in the CWG report. Throughout Union's submission, it is noted that there are unique challenges in our franchise area including geographic spread and lack of service providers in our territory. Overcoming these challenges lead to further efforts on Union's part to deliver deep measure programs to our customers. Due to Union's unique challenges, Enbridge and Union should have distinct incentive earnings as proposed by both utilities in their submissions when considering the different markets and geographic spread served.

"Issue: Should the incentive level be capped", pg. 26 of CWG report.

Union proposes that there be no cap on the incentive in order to encourage the utilities to continue to deliver the program beyond set targets if achievable. Union put their best efforts forward to develop aggressive targets based on past program performance. However, if Union is in a position to overachieve on targets we should be incented to do so. As stated by Cornerstone Hydro Electric Concepts, the budget will limit an ongoing stream of incentive potential.

CHEC: "There should be no cap on the incentive as a question of principle if there is belief that the budget limits the potential incentive. Whether to have a cap or not may be better determined once the "total gas savings" number is added into the scorecard."

"Issue: Should there be a basic threshold for incentives?", pg.27 of CWG report.

Union proposes that there should be no threshold for incentives. For example, Union should be able to receive a 25% payout as this is consistent with our current SSM structure. A significant level of effort is required to design programs and to develop the support infrastructure (i.e. marketing and outreach) and therefore Union should be able to start earning from dollar one.

RESPONSE TO COMMENTS FROM CWG IN APPENDICES

CHEC

Union report Section 3.2 Target Audience

Union has suggested a change in the third point in this section. Not exactly sure why the change is needed. Perhaps some clarification can be obtained from Union with respect to the proposed change.

Union requested the change to ensure it was clear that the tenant would be the recipient of the energy saving benefits, not the landlord or property manager.

DIRECT ENERGY

Union report *Section 3.1 Program Description*

I do not concur: No, we do not concur

Rationale: The "basic measures" do not appear to be producing meaningful bill savings to low-income customers. Therefore the scale of this component should be considerably downsized to allow a greater weighting for the "deeper measures" program component. Measure screening must be based on a simple "discounted" payback

Union contends that basic measures do provide meaningful bills savings to customers, particularly to low-income customers who generally have older measures (i.e. showerheads) to replace. These savings are supported by annual 3rd party research that measures the m3, water and kWh savings these measures provide. Beyond the bill savings, basic measure programs act as a lead generation for deep measure programs, which will ultimately lead to even further bill savings.

Union report Section 3.8 Budgets and targets

Budget proposals:

I Concur: Yes, we concur conditional on the following: Union is to increase the number of treated homes and to decrease the average amount spent per home on extended measures.

Union maintains that an average cost of $6,000 per home is a fair estimate based on previous experience in the market. The overwhelming consensus from the CWG is that we need to go deeper in the home, so Union added additional dollars to the average assuming more measures will be installed in the home. Union also assumed that a small percentage of customers will be in need of a furnace replacement, which bears a significant cost to install. Union will make every effort to remain cost effective and to increase the number of homes we apply deep measures to, where possible.

GCC

• *what is the overall expectation of payback? sounds like it is up to the utilities to decide - wide open. I think there was consensus (at very least) about the need to meet simple payback over life of measure in participant bill savings.*

As stated in section 3.5 of Union's submission, *"There are many factors to consider while developing a simple payback tool, such as weather over the geographic spread (south vs. north). For this reason, Union will need time to develop a sophisticated and effective tool. Union will recommend a set of payback numbers and smart protocols as suggested by the CWG in our detailed program plans."* Union's detailed program plans will be reviewed and approved by the Board.

Union report Section 3.5 Screening

I do not concur –Union proposes simple payback – (i.e., no discount rate or scaling of measure life) –however, regardless of whether TRC is used to screen measures, the program is ratepayer funded and will ultimately have to justify itself at least partly in terms of TRC – let's see how the smart protocols proposed by utilities measures up against TRC before judging whether simple payback is the right approach, or whether the payback needs to be scaled.

As stated in section 3.5 in the July 24th Draft of the CWG Report, *"Based on the consensus reached (as discussed above) regarding the use of the TRC, the CWG proposes that a TRC approach to screening should not be adopted. Instead the CWG proposes the following approach for cost-effectiveness screening: The measures should be screened based on a simple payback to the low-income energy consumer."* Union supported the CWG's recommendation and developed a strawman simple payback tool.

In Section 3.5 of Union's submission to the Board, it states that, *"Union supports the CWG consensus that the "TRC approach to screening should not be adopted." Union agrees with the CWG's recommendation to screen measures based on a simple payback to the Low-Income energy consumer. By focusing on simple paybacks we will be able to provide deeper measures in the home while still delivering a cost effective program. This will benefit the Low-Income customers by providing them with a more robust program* ***while being prudent with rate-payer dollars****."*

Union report Section 3.9 Incentive structure

I do not concur: Green Communities believes $650K is an excessively high incentive for Union relative to Enbridge – we think the Board should develop a proportionate incentive

Refer to Union's comment in section 4.9 above under subsection, ***"Level of incentive is to be reflective of the level of utility activity and effort", pg.16 of CWG report."***, that clearly states distinctions between the utilities and said earnings.

GEC

CWG report Section 3.5 Screening

For 2010 we suggest that the LDC plans should utilize a screening level in the range of a simple payback within 75% of measure life. This roughly corresponds to a cost effectiveness of 1 at a 3% discount rate for the measures being considered. Where a longer payback is proposed (for example for solar hot water) it should be justified based on societal benefits.

Union is concerned that discussions around discounted paybacks and limits on measure life is leading down the path of developing a tool that mirrors TRC. The CWG is in strong support of moving away from TRC, which Union fully supports. Union agrees that they must develop a screening method that ensures prudence to the rate-payer. Union is committed to work alongside Enbridge to develop smart protocols that ensure cost effectiveness in the delivery of the program and consistency amongst the utilities. These smart protocols will be submitted in Union's detailed program plans for approval by the Board.

LIEN

LIEN recommends a two-step targeting principle:

To begin, the program should target the highest users within these market segments first. Determining who represents the "highest user" amongst various potential households that are otherwise eligible for low-income measures is an objective decision that can be based on data that easily available and verifiable from the utility.

Next, should there be a group of households with equal (or reasonably equal) levels of natural gas consumption, the program should target those users with the highest arrears. The use of arrears does not displace the use of consumption as a targeting principle. The consideration of the level of arrears is only within a group of consumers that otherwise stand in equal position for efficiency investments based on their respective usage characteristics.

Union supports LIEN's first step in their proposed targeting approach which is reflected in our 40% weighting of total m3 savings on Union's proposed scorecard. Union does not support the second step in LIEN's proposed targeting approach as higher levels of arrears does not equal a more at-need customer. Low-income customers who make a priority of paying their utilities in a timely manner should not be penalized for their superior payment history.

SHSC

Union report Section 2, 2.1

Under guiding principle #2 Union needs to explain what they mean by "Union plans to address the energy efficiency needs of all categories of low-income consumers "overtime", in private and social housing, recognizing that some segments may take longer to develop effective programs for, particularly where the low-income consumer does not pay their own utility bills." What is meant by "overtime" – not in 2010 but included in 2011 and going forward?

Union is referring to low-income customers residing in high-rise buildings where utilities are included in their rent. Under section 3.10 of the CWG report it states that Union and Enbridge should research, *"Investigate how to penetrate the missing low-income market segments that were not offered the low-income program in 2010, including low rise rental housing and high rise multi-residential market rate apartments with utilities included in rent."* Union commits to performing this research and will include this segment into the program once a reasonable solution is found.

VECC

CWG report Section 3.7 Education and training

3. Branding of the Program should be part of the overall strategy. There should be a single brand such as helping homes conserve, preferably this should be used by the electricity sector for this segment of the CDM market as well.

Union cannot commit to co-branding at this time until discussions are had between Union and Enbridge.

CWG report Section 3.8 Budgets and targets

For example incentives for basic measures (based on the scorecard) should not exceed those for the "regular" LI DSM programs to date. It is understood that for Union this is the case and is not appropriate.

Union contends that the proposed incentives for basic measures are a decrease from the "regular" Low-Income programs to date. In 2008, Union earned $327,467 in SSM based on hitting 150% of their target. Based on Union's proposed 2010 scorecard, Union would earn $195,000 for achieving 150% of their target (assuming a $975,000 overall payout at 150%).

As submitted by Roger Higgin for VECC August 12, 2009

Fw: Draft of final CWG short-term framework report for your review and comment - comments due 2:30 p.m. today

Judy/Shona
Indeco has done a good job capturing the range of views where consensus was not reached. What will be done with comments from EGD/Union on CWG Report. I trust they will go in the Appendix.
Regards Roger Higgin