

Enbridge Feedback on New Proposal for An Electricity Energy Efficiency Programming to Promote Beneficial Electrification

ERO: 019- 9373

December 8, 2024

Submitted online

About Enbridge Gas Inc.

Enbridge Gas is Canada's largest natural gas storage, transmission and distribution company based in Ontario, with more than 175 years of service to customers. The distribution business provides safe, affordable, reliable energy to about 3.9 million homes, businesses and industries in Ontario and is supporting the transition to a clean energy future through net-zero emissions targets and investments in innovative low-carbon energy solutions. With the recently announced acquisition of three gas utilities serving customers in five US states, Enbridge owns and operates the largest gas utility franchise in North America. The storage and transmission business offers a variety of storage and transportation services to customers at the Dawn Hub, the largest integrated underground storage facility in Canada and one of the largest in North America. Enbridge Gas is owned by Enbridge Inc., a Canadian-based leader in energy transportation and distribution.

Learn more at www.enbridgegas.com.

Introduction

Enbridge Gas Inc. (Enbridge) commends the Government of Ontario for consulting on the new proposal for an electricity energy efficiency programming to promote beneficial electrification. Enbridge welcomes the opportunity to provide feedback and remains committed to delivering the energy needed to meeting Ontario's growing energy demands while advancing energy efficiency and emissions reduction.

Executive Summary

Enbridge believes beneficial electrification should focus on reducing GHG emissions through fuel-switching without compromising system reliability or requiring additional investments in generation, transmission, or distribution infrastructure. While Enbridge supports energy efficiency programs for both natural gas and electricity, we emphasize that beneficial electrification should be treated separately. It should not be funded through electricity Demand Side Management (eDSM), as beneficial electrification promotes additional load rather than effectively managing demand. Additionally, clear distinctions between natural gas and electricity efficiency and conservation programs are essential to avoid overlap, ensure program effectiveness, and prevent unnecessary infrastructure investments.

Enbridge recommends the government provides a clear definition of beneficial electrification, ensures it is not included in eDSM, and avoids duplication between electricity and natural gas efficiency and conservation programs.

Comments

Beneficial Electrification

Enbridge recommends **clearly defining beneficial electrification**. The current consultation materials define beneficial electrification as “the use of electricity instead of other fuels to reduce overall energy use and emissions and subsequently reduce costs for high consumption activities such as home heating and cooling, regardless of fuel type.” However, Bill 214, Section 2, which proposes an amendment to allow the IESO to pursue beneficial electrification, states “to engage in activities that promote electrification and facilitate energy efficiency measures aimed at using electricity to reduce overall emissions in Ontario”. The different definitions leave unclear whether the primary goal of beneficial electrification is cost reduction for consumers or GHG emissions reduction.

Enbridge believes beneficial electrification is switching from higher-emitting fuels to electricity to reduce GHG emissions without (1) necessitating additional investments in generation, transmission, or distribution infrastructure and (2) compromising the current and long-term safety, reliability and resiliency of the required energy supplied to the home or business.

While Enbridge supports the decarbonization of Ontario's energy systems, we believe energy efficiency and eDSM should continue to focus exclusively on electricity conservation and demand reduction. Efforts, targets, funding, or objectives aimed at supporting beneficial electrification should remain separate and distinct from energy efficiency frameworks. Any such growth of electric consumption activities is, by definition, incompatible with the universal objective of eDSM, which encompasses activities aimed at reducing electricity consumption and reducing peak electricity demand. Conversely, beneficial electrification is growth in electric demand, not a reduction or conservation of electricity, and therefore should naturally be funded by the resulting increase in revenues of the local distribution company (LDC).

Distinguishing Between DSM and eDSM

To ensure clarity and effective governance, it is essential to distinguish between the natural gas demand-side management (DSM) and eDSM objectives, avoiding duplication of programs that could lead to confusion in the market and inefficient use of ratepayer dollars. Including beneficial electrification within eDSM would conflict with current natural gas DSM objectives and targets, which include reductions in overall annual natural gas sales volumes, including fuel-switching consistent with DSM funding and ensuring affordability and consequent cost savings for ratepayers.

Conclusion

Enbridge Gas Inc. appreciates the opportunity to provide feedback on the new proposal for an electricity energy efficiency programming to promote beneficial electrification.

Enbridge recommends the government provides a clear definition of beneficial electrification, ensures it is not included in eDSM, and avoids duplication between electricity and natural gas efficiency and conservation programs.

For any further inquiries or additional information, please contact Islam Elsayed, Senior Advisor, Government Affairs (islam.elsayed@enbridge.com).