

Natural Gas Demand Side Management Evaluation Advisory Committee Terms of Reference

May 26, 2023

1.0 Background

In its November 15, 2022 [Decision and Order](#), the Ontario Energy Board (OEB) approved a new natural gas demand side management (DSM) plan for Enbridge Gas Inc. (Enbridge). As part of the OEB's DSM Decision, it established a new DSM Stakeholder Advisory Group and indicated that the Evaluation Advisory Committee (EAC) will continue as a sub-committee of the broader DSM Stakeholder Advisory Group.

Effective evaluation governance is an integral part of the OEB's coordination of DSM Evaluation, Measurement and Verification (EM&V) activities in Ontario. The OEB initially established an evaluation governance format as part of its 2015-2020 DSM Framework,¹ and that is continued as part of its post-2020 DSM Framework.²

The EAC Terms of Reference outlines the roles and accountabilities of the parties engaged in evaluation activities for DSM in Ontario.

2.0 Priorities and Scope of Work

The EAC is expected to provide input and advice on the evaluation of Enbridge's DSM programs, including but not limited to:

- Annual impact evaluation and verification of Enbridge's DSM results, coordinated by OEB staff,
- Updates to the Technical Resource Manual (TRM)³, coordinated by OEB staff,
- Development of a DSM EM&V Plan, coordinated by OEB staff with inclusion of a full process evaluation plan developed by Enbridge and shared with the EAC, and
- Annual process evaluation for Enbridge's DSM programs, coordinated by Enbridge.

¹ EB-2015-0245, OEB Letter, 2015-2020 DSM Evaluation Process of Program Results, August 21, 2015.

² EB-2019-0003, OEB Letter, Post-2020 Natural Gas Demand Side Management Framework, December 1, 2020.

³ The TRM is a document that is filed with the OEB to provide essential information and source materials underpinning prescribed energy savings assumptions and/or calculations for a number of energy efficient technologies that are or may be in the future promoted by the Ontario gas utility energy efficiency programs.

3.0 Membership

The EAC includes representatives from OEB staff and Enbridge, non-utility members, and observers. OEB staff, Enbridge, and observer organizations are expected to select their own representatives, while non-utility members are selected by the OEB as individuals, not representatives of specific organizations. Non-utility members are selected based on relevant demonstrable technical expertise that relates to and informs the activities to be addressed by the EAC. The OEB has ultimate authority regarding the selection and status of EAC members. The OEB's Evaluation Contractor, although not a formal member of the EAC due to its position of undertaking an independent evaluation of Enbridge's programs, will participate in all EAC meetings unless directed otherwise by OEB staff.

4.0 Term

The term of the EAC is expected to be for approximately four years, up until the completion of the evaluation process related to Enbridge's 2025 DSM program results which is expected to take place during the 2026 calendar year. However, the OEB will review non-utility membership on an annual basis to ensure the group continues to function effectively and provide value to the OEB's evaluation process.

5.0 Roles and Responsibilities

The primary purpose of the OEB's evaluation process is to provide an independent assessment of Enbridge's annual DSM program results. Ultimately, the results of the annual exercise will include the OEB's Evaluation Contractor providing an opinion on the appropriateness of Enbridge's DSM deferral and variance accounts, which include:

- Demand Side Management Variance Account to track spending relative to approved budget.⁴
- Lost Revenue Adjustment Mechanism Variance Account to track revenues that were not earned due to the natural gas savings from the DSM programs.⁵
- Demand Side Management Incentive Deferral Account to record shareholder incentives earned by Enbridge.
- Natural Gas Reduction Incentive Deferral Account to record the actual end-of-term shareholder incentive amount earned by Enbridge if its DSM programs result in the achievement of specific targeted natural gas sales reductions over the 2023 through 2025 DSM plan term.⁶

⁴ The Evaluation Contractor will not be conducted a financial audit but rather, reporting on spending figures provided by Enbridge.

⁵ The Evaluation Contractor is expected to verify the net savings by rate class and related estimated lost revenues and not full LRAMVA calculations.

⁶ The specific details of how the NGRIDA will be calculated and any subsequent evaluation and verification activities will be subject to EAC discussions.

The disposition of final amounts in these accounts will be subject to an OEB adjudicative process.

The specific roles of each member group within the EAC are outlined below.

All Evaluation Advisory Committee Members, Including Non-Utility Members

All EAC members will:

- Attend and actively participate at meetings.
- Treat each other with courtesy and respect.
- Share their expertise and knowledge as they relate to the topic areas being discussed and provide comments for consideration.
- Abide by the OEB's rules on the treatment of confidential items brought forth for discussion, including requirements of a confidentiality agreement.
- Follow up on action items or take on additional work as assigned.

OEB Staff Members

- Coordinate all impact evaluation and verification activities.
- Provide Enbridge with financial documentation sufficient for Enbridge's financial accounting responsibilities in a reasonably timely manner.⁷ This includes providing a quarterly update for all spends to date, and providing outstanding spends that have not yet been invoiced but will be invoiced within the current calendar year, by November 30th of each year, for accrual purposes.
- Chair meetings of the EAC, or designate the Evaluation Contractor/consultant to chair the meeting.
- Provide (or ensure the Evaluation Contractor or appropriate EAC member provides) any materials for discussion in advance of meetings.
- Co-ordinate attendance through online meeting invitations, or designate to the Evaluation Contractor/other evaluation consultants leading specific projects.
- Circulate an agenda in advance of the meeting noting the purpose of each item (for discussion, for information, etc.), or designate to the Evaluation Contractor/consultant.
- Record key meeting outcomes with an action items list and follow up to ensure action items are completed as assigned to EAC members, or designate to the Evaluation Contractor/consultant.
- Confirm any decisions and/or action items at close of the meeting and provide targeted timelines for each action item, or designate to the Evaluation Contractor/consultant.
- Support impact evaluation and verification activities, by:

⁷ Evaluation spends are funded through Enbridge's DSM budget, and as such are required to be reported by Enbridge using the same standards as its other DSM spends. Since impact evaluation and verification activities are coordinated by OEB staff and not Enbridge, it is important that OEB staff report budget forecasts and actual spends to Enbridge in a clear and timely manner.

- Providing input to the Evaluation Contractor on the DSM EM&V Plan; and,
 - Providing input to the Evaluation Contractor on impact evaluation and verification activities, including scope of work and deliverables.
- Support TRM and eTRM+ update process, by:
 - Providing input to the Evaluation Contractor on TRM measure updates; and,
 - Publishing final TRM version updates.
- Arrange for the posting of the Evaluation Contractor's final Ontario Natural Gas DSM Annual Verification Report on an annual basis.
- Provide input to Enbridge on process evaluation plans, scope of work and draft/final deliverables.

Evaluation Contractor

The OEB's Evaluation Contractor has the following responsibilities and will be solely managed by OEB staff:

- Execute impact evaluation and verification activities for Enbridge's DSM programs, including:
 - Developing the Ontario Natural Gas DSM EM&V Plan, with input from OEB staff, Enbridge and non-utility members;
 - Developing project materials for each impact evaluation and verification activity, and providing them to the EAC for input;
 - Conducting and finalizing all impact evaluation and verification activities and assessments; and,
 - Hiring any evaluation sub-contractors required to support impact evaluation and verification activities it has been contracted to complete, and holding these parties accountable to the terms of the contract(s).
- Update the TRM and eTRM+, including facilitating the annual update process with engagement from the EAC.
- Prepare and finalize the Evaluation Contractor's final Ontario Natural Gas DSM Annual Verification Report, which includes the Evaluation Contractor's verified DSM results for each year.
- Provide Enbridge with sufficient information/calculations of the Evaluation Contractor's final DSM results, to allow Enbridge to accurately report the Evaluation Contractor's final DSM results for other reporting requirements (DSM annual reports, interrogatory responses, etc.) and to allow Enbridge to update its tracking databases with post-audit information/calculations.
- Provide input to Enbridge on process evaluation plans, scope of work and draft/final deliverables.

Enbridge Members

- Support impact evaluation and verification activities, by:
 - Providing input to the Evaluation Contractor on the Ontario Natural Gas DSM EM&V Plan;

- Providing input to the Evaluation Contractor on impact evaluation and verification activities, including scope of work and deliverables;
 - Providing a pre-audit draft DSM Annual Report to OEB staff; and,
 - Providing program data and support to the Evaluation Contractor as requested.
- Support TRM update process, by:
 - Submitting research to the Evaluation Contractor for the inclusion of new measures into the TRM; and,
 - Providing input to the Evaluation Contractor on TRM measure updates.
- Coordinate and execute process evaluation activities, including:
 - Developing a draft process evaluation plan and providing to the Evaluation Contractor and EAC for comment. The final process evaluation plan will be provided to the Evaluation Contractor for inclusion within the Evaluation Contractor's broader Ontario Natural Gas DSM EM&V Plan.
 - Gathering input from the EAC and Evaluation Contractor on the scope of work for process evaluation activities, as well as draft/final report deliverables; and,
 - Reporting on finalized process evaluation activities within Enbridge Gas's DSM Annual Report.
- File DSM Deferral and Variance Account Disposition applications to the OEB for each program year, following the publishing of the Evaluation Contractor's final Ontario Natural Gas DSM Annual Verification Report for the program year.

Non-Utility Members

- Support impact evaluation and verification activities, by:
 - Providing input to the Evaluation Contractor on the Ontario Natural Gas DSM EM&V Plan; and,
 - Providing input to the Evaluation Contractor on impact evaluation and verification activities, including scope of work and deliverables.
- Support TRM update process, by:
 - Providing input to the Evaluation Contractor on TRM measure updates.
- Provide input to Enbridge on process evaluation plan, scope of work and draft/final deliverables.
- Abide by the rules on the treatment of confidential items set out in Section 9.
- Follow up on action items or take on additional work as assigned.

Observers

EAC observers will:

- Attend EAC meetings.
- Provide input on matters when solicited/as appropriate and/or if it pertains to their area of expertise/experience.

- Abide by the OEB's rules on the treatment of confidential items brought forth for discussion, including requirements of a confidentiality agreement.

Any materials authored by the DSM EAC and filed with the OEB will not be considered to represent the views of EAC observers, or their organizations.

The EAC includes observers from the Independent Electricity System Operator, Natural Resources Canada, and the Ministry of Energy.

6.0 Meeting Frequency, Preparation, and Public Reporting

It is anticipated that the EAC will generally meet on a monthly basis, but meeting frequency will be scheduled in relation to the various evaluation activities and may occur more frequently. It is anticipated that meetings will typically be held by video conference, but that from time to time in-person meetings or hybrid meetings will also be scheduled. A quorum of at least two (2) of four (4) non-utility members plus representatives of Enbridge and OEB staff is required to hold a meeting.

Frequency of meetings going forward and the timing of any deliverables for the EAC will be determined in consultation with the EAC members. Members may be asked to take on additional work between meetings, depending on their experience and the tasks at hand.

A summary of key outcomes from each meeting held will be prepared and shared with meeting participants to review for accuracy. Once they are reviewed and approved by members of the EAC, the OEB will post the relevant meeting materials on its website (unless confidential treatment of materials has been determined).

7.0 Issues Resolution

Impact evaluation and verification activities for DSM programs involve decision points on technical, policy, and other issues. OEB staff, the Evaluation Contractor, Enbridge and non-utility Members will attempt to achieve consensus on all impact evaluation and verification related decisions. However, if consensus is not reached, for the purpose of finalizing the Evaluation Contractor's Ontario Natural Gas DSM Annual Verification Report without delay, the following parties will be relied upon to make decisions for the following issues.

Technical, impact evaluation and verification

- The Evaluation Contractor, with input from OEB staff, Enbridge and the non-utility Members, makes decisions on technical issues related to impact evaluation and verification activities, to finalize the Evaluation Contractor's Ontario Natural Gas DSM Annual Verification Report. This can include recommending approaches or methodologies based on their expert opinion.

- Should other parties, including Enbridge and non-utility members, disagree with the Evaluation Contractor's findings related to its evaluation they may file evidence and argument to the OEB as part of the OEB's adjudicative process related to Enbridge's DSM Deferral and Variance Account Disposition proceeding for that program year. The OEB will make any final determinations related to program results as necessary.

Policy, impact evaluation and verification

- Any party may identify policy issues that would benefit from a resolution. If consensus is not reached, OEB staff will direct the Evaluation Contractor how to proceed, based on their judgement of relevant OEB DSM references (frameworks, filing guidelines, Decisions, etc.) and the Evaluation Contractor's experience with similar policies in other jurisdictions.
- OEB staff's policy instructions to the Evaluation Contractor are delivered to move the process forward, to finalize the Evaluation Contractor's Ontario Natural Gas DSM Annual Verification Report without delay, but are not considered a decision or direction from the OEB. Material policy disagreement between parties are to be documented and maintained by OEB staff.
- Should other parties disagree with OEB staff's direction on the policy issue(s), they may file evidence and argument to the OEB as part of the OEB's adjudicative process related to Enbridge's DSM Deferral and Variance Account Disposition proceeding for that program year. The OEB will make any final determinations necessary.

It is important to ensure that non-utility member's efforts and positions remain independent, and are not unduly influenced by other parties. Though all members provide input and advice to each other (and to any contracted third parties), all non-utility members must represent and maintain their independent professional opinion.

8.0 Documentation Management

Any materials for which the Evaluation Contractor is requesting EAC input on will be delivered to all parties at the same time. Substantive comments from each party for significant documents will be recorded in a comment matrix by the Evaluation Contractor and will be posted on the Evaluation Contractor's document sharing website or a similarly accessible space for access by the EAC.

Examples of impact evaluation and verification material for which the EAC can provide input and advice on include:

- Work plans, scope of work, methodologies, interim progress and timelines, reporting, deliverables; and
- RFPs and third-party proposals, if appropriate as determined by OEB staff, including proposed approaches, timelines and budgets.

Examples of process evaluation material for which the EAC and Evaluation Contractor can provide input and advice on include process evaluation plans, scope of work and draft/final deliverables.

EAC members and the Evaluation Contractor are asked to complete their review of materials within the comment period provided, and in as thorough a manner as possible. If the comment period provided does not allow enough time to complete the analysis, EAC members and the Evaluation Contractor are to inform the other members with alternative arrangement options.

OEB staff may circulate documentation to the EAC while excluding the Evaluation Contractor, particularly if the documentation is related to the procurement of contractors (i.e., an RFP that the Evaluation Contractor may bid on). OEB staff may exclude other EAC members from circulation or discussions if there is a pertinent reason to do so, but will let all members, including the excluded member, know the reason for the exclusion.

EAC members are not to share, reference or otherwise use beyond their involvement within the EAC, any non-final documents or information that have been received through participation at the EAC, without explicit permission from OEB staff, the Evaluation Contractor, Enbridge, and the non-utility members.

9.0 Confidentiality

To support the OEB's objectives of transparency and openness, materials marked as final sent to or authored by the EAC will generally be considered non-confidential and placed on the OEB website, with confidential treatment only on an exception basis. Draft materials in the process of being developed by the EC, other evaluation contractors or the EAC will not be placed on the public record until finalized, even if not considered confidential, without explicit permission from OEB staff, the Evaluation Contractor, Enbridge, and the non-utility members. Enbridge or other EAC members may indicate that certain materials that they propose to provide to the EAC should be treated as confidential information. After providing an opportunity for input from the EAC members, OEB staff will determine whether those materials will be treated as confidential for the purposes of the EAC. In exception circumstances, members may request that specific members not participate in the review or discussion of issues of a commercially sensitive nature. OEB staff, after providing an opportunity for input from the EAC, will also determine whether those requests are appropriate. EAC members that wish to review confidential materials will sign a Declaration and Undertaking in a form approved by the OEB, which will apply to all confidential information provided to the EAC. For greater clarity, OEB staff decisions to treat information received by the EAC as confidential does not determine whether confidential treatment will be granted

over such information should that information be filed in a future adjudicative proceeding with the OEB.

10.0 Conflicts of Interest

EAC members may have actual or potential conflicts of interest arising from their engagement with Enbridge Gas or another party on matters related to DSM. Non-utility Members and observers must declare any actual or potential conflicts of interest resulting from their current or proposed work engagements, to OEB staff, Enbridge Gas and non-utility Members as soon as possible and provide any relevant updates to these conflicts as they arise. OEB staff, after providing an opportunity for input from the EAC Members, may ask certain members to not participate in certain group discussions and restrict those members from accessing related materials where appropriate. Enbridge should also inform the EAC of any actual or potential conflicts of interest and provide relevant updates to these conflicts as they arise.

11.0 Participant Costs

Cost awards will be available under Section 30 of the *Ontario Energy Board Act, 1998* to eligible non-utility members in relation to their participation on the EAC. The OEB will initiate a cost awards process on a regular basis to ensure that non-utility members are compensated for their contributions to the EAC. The maximum number of hours eligible for non-utility member cost claims will be determined by the OEB and generally be based on EAC meeting time, preparation and follow-up time, consistent with the volume of materials circulated. OEB staff will indicate the amount of time available with each request for input from the EAC, with a general multiplier of up to double the meeting time to account for preparation and follow-up for most work products. Preparation and follow-up time will vary depending on the volume of materials that have been distributed in advance of meetings.

Additionally, individual EAC members, or a subset of EAC members, may agree to take on additional tasks, and, with approval from the OEB, will be eligible to claim cost awards for the time to complete those additional tasks. OEB staff will provide guidance regarding costs as appropriate.

Appendix A: DSM Evaluation Advisory Committee Members

Name	Role
Josh Wasylyk	OEB staff representative (EAC chair)
Alexander Di Ilio	OEB staff representative
Hatem Hassan	OEB staff representative
Bailey Kaufman	Enbridge Gas representative
Eric Buan	Enbridge Gas representative
Robert Wirtsafter, Wirtsafter Associates, Inc.	Non-utility member
Chris Neme, Energy Futures Group	Non-utility member
Katherine Johnson, Johnson Consulting Group	Non-utility member
Dan Violette, Apex Analytics, LLC	Non-utility member
Alice Herrera, Independent Electricity System Operator	Observer
Luke Bond, Independent Electricity System Operator	Observer
Robert Blain, Natural Resources Canada	Observer
Gabriel Weeks, Ministry of Energy	Observer
Parvez Khan, Ministry of Energy	Observer

As representatives and membership may change from time to time, this list will be updated at least annually.