

Meeting Notes

Natural Gas Demand Side Management Evaluation Advisory Committee (EB-2022-0295)

Meeting #32

Meeting Date: November 4, 2025

Time: 1:30 PM – 3:00 PM

Location: Virtual Meeting (MS Teams)

Attendees

EAC Members	Affiliation
Bailey Kaufman	Enbridge Gas Inc. representative
Stephanie Fife	Enbridge Gas Inc. representative
Geoff Chung	Enbridge Gas Inc. representative
Robert Wirtsafter	Non-utility member (Wirtsafter Associates, Inc.)
Katherine Johnson	Non-utility member (Johnson Consulting Group)
Dan Violette	Non-utility member (Apex Analytics)

Additional Attendees	Role/Affiliation
DNV Team	OEB's Evaluation Contractor
Luke Bond	Independent Electricity System Operator (IESO)
Alice Herrera	Independent Electricity System Operator (IESO)

OEB Staff	Role
Josh Wasylyk	OEB Staff/EAC Chair, Senior Advisor, Application Policy and Conservation
Taiwo Ishmail	OEB Staff, Advisor, Application Policy and Conservation

Regrets

EAC Members	Affiliation
Chris Neme	Non-utility member (Energy Future Group)

Purpose

These notes summarize the discussions of the Evaluation Advisory Committee.

Meeting Agenda:

1. **Welcome** (5 mins)
2. **Annual Verification (Group Discussion)** (40 mins)
3. **NTG Evaluation Post-Mortem (Group Discussion)** (10 mins)
4. **OEB Procurement (OEB Staff Update)** (20 mins)
5. **Wrap Up** (5 mins)

1. Welcome

OEB staff welcomed the group and provided an overview of the topics to be discussed.

2. Annual Verification

Item Description	Discussion Comments/Outcome	Action Items
To inform its approach in finalizing the 2024 Annual Verification Report, DNV sought EAC input and guidance on the approach to calculating cost-effectiveness and the portfolio level weighted average measure life (WAML).	DNV facilitated the discussion with the EAC on two key topics relevant to the 2024 DSM Annual Verification Report: 1. Removal of Consumer Carbon Price and Impact on Cost Effectiveness Testing 2. Weighted Average Measure Life (WAML) 1) Consumer Carbon Price Removal and Impact on Cost Effectiveness Testing: DNV sought EAC input on if and how to incorporate the consumer carbon price into the cost-effectiveness test. This is necessary following the federal government's March 2025 announcement to eliminate the consumer carbon price effective April 1, 2025, which a component of cost effectiveness calculation. Options considered include: a) Exclude consumer carbon price entirely from the 2024 DSM cost-effectiveness test. b) Include full measure life consumer carbon price, as they were in effect during 2024 program delivery. c) Apply consumer carbon price only until April 1, 2025 (the effective date of the Government of Canada direction), then zero consumer carbon price thereafter. Enbridge Gas (EGI) emphasized that all 2024 programming decisions were made under the assumption that consumer carbon pricing would remain in effect. Applying partial-year consumer carbon price would misrepresent the program's design and delivery. EGI drew parallels to avoided cost methodology, which is updated annually and not applied retroactively. EGI recommended that DNV highlight the consumer carbon price change impact in the report body and include an appendix explaining the zero-cost assumption and its implications.	1) DNV to incorporate the EAC's feedback as it finalizes the 2024 Annual Verification process. 2) EGI Gas to provide the EAC with insight on any program implications should its annual WAML ratio fall below 14 years. 3) DNV to provide more information on the WAML calculation and example calculations of WAML under the scenarios discussed.

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	OEB staff supported EGI's recommendation to document the impact clearly, emphasizing the importance of context to all parties including, ratepayers, stakeholders, especially considering pending DSM proceeding which cost effectiveness is expected to be a central topic of discussion. EAC non-utility members inquired about potential financial and incentive implications. EGI and OEB staff confirmed there were no direct impacts on incentives. EAC members reached consensus that consumer carbon price should be applied in two ways: in the body of the report, include avoided carbon costs over the life of the measure; and, in the appropriate appendix, including avoided carbon costs until April 2025. This approach was supported based on precedent related to avoided cost treatment. The EAC also recommended that DNV present both scenarios; cost-effectiveness with and without carbon costs and reference the avoided cost precedent to explain why a sudden change in carbon tax treatment will not be applied. EAC members agreed that this would provide valuable context and understanding of the impacts of carbon costs on EGI's portfolio and cost-effectiveness estimates. 2) Weighted Average Measure Life (WAML): DNV provided the EAC member with an overview of WAML, including its background and purpose. WAML was introduced as part of the OEB's Decision and Order on EGI's 2023-2025 DSM Plan (EB-2021-0002). As part of that Decision, the OEB approved a change in the central performance metric from lifetime annual gas savings to annual natural gas savings as proposed by EGI. Under this framework, EGI Gas is required to maintain a minimum WAML of 14 years to encourage the adoption of long-term energy-saving measures. WAML is the ratio of lifetime net savings divided by first-year net savings. Net savings are the product of tracking savings (the savings reported by EGI), a gross savings realization rate, and a NTG adjustment. DNV noted that WAML was reported for the first time last year, as part of the 2023 Annual Verification process. DNV's approach was to use two distinct Net-to-Gross (NTG) factors: one applied to first-year energy savings, and another used for lifetime savings. These NTG values were derived as part of recent NTG Evaluations of the Commercial and Industrial Programs. During the reporting process, it became apparent that EGI had been using a single NTG factor; aligned with the cumulative (or lifetime) value to calculate the WAML ratio. DNV sought the EAC's input on the appropriate approach to calculate WAML going forward and provided two options for consideration a) Continue to follow DNV's approach and use separate NTG factors for first-year and lifetime savings (and potentially consider recalibrating the 14-year threshold in a future OEB proceeding), or	
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	b) Use EGI's proposed approach to apply a single NTG factor for both the numerator (lifetime savings) and denominator (first-year savings) of the WAML calculation. c) Continue using DNV's approach a single NTG factor for both first year and lifetime savings. DNV clarified that while NTG survey results remain fixed, the average can shift depending on the measure life. Measure life effectively acts as a weight on the first-year savings and affects how individual projects contribute to the overall WAML. EGI committed to follow up with the EAC to provide feedback on how the program design may be impacted if its portfolio were to fall below the WAML threshold set by the OEB. The EAC expressed a general preference for a simplified approach to calculating WAML, noting that lifetime net saving adjustment factor (GRR and NTG) would likely be appropriate. However, members indicated an interest in better understanding the nuances within the calculation and requested the DNV provide more information, including a working example under the various scenarios discussed. The EAC was also interested in more information from EGI on the potential impact to its program implementation strategy should the portfolio WAML ratio fall below the OEB threshold of 14 years.	
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3. Net-to-Gross (NTG) Evaluation

Item Description	Discussion Comments/Outcome	Action Items
DNV summarized EAC feedback on the recent C&I NTG evaluation.	DNV addressed feedback from the EAC regarding the NTG evaluation completed recently. Key points include: Evaluation Context: DNV acknowledged they could have provided clearer context in the deliverable, particularly that the evaluation focused specifically on free ridership; one component of NTG evaluation. NTG Value Interpretation: DNV recognized the need for clearer explanation on how the recent NTG value relates to previous results. Although the study was a standalone evaluation, this distinction was not fully communicated. DNV emphasized the importance of clarifying such differences and recommended closer collaboration with EGI to improve communication and support the program team's understanding going forward. Comment Matrix: DNV accepted feedback that the comment matrix did not clearly show how the draft evolved into the final report. DNV also acknowledged that the comment matrix can act as a useful communication tool and committed to enhancing its clarity and effectiveness in future evaluations.	N/A

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4. OEB Procurement Update for Evaluation Studies

Item Description	Discussion Comments/Outcome	Action Items
OEB provided the EAC with updates on the RFS related to future DSM evaluation projects.	OEB provided EAC members with a status update on its evaluation study procurement process. In June 2025, the OEB issued two Requests for Services (RFS) to secure contractors for evaluating the Residential Program and Commercial & Industrial programs. The OEB has received several bids and is nearing the selection phase. The selected contractor(s) will conduct evaluations over the next two years. The next step will involve soliciting input from the EAC members on the scope of evaluation activities and recommendations for the chosen vendors across both program areas.	N/A

5. Wrap up – Next Steps

OEB staff provided an overview of the agenda for the next meeting.

List of Action Items

No.	Action Item	Assignment/Owner	Due Date
1	DNV to incorporate the EAC's feedback as it finalizes the 2024 Annual Verification process.	DNV	Nov. 17, 2025
2	EGI will provide the EAC members with in-year program implications should it fall below the OEB-approved WAML threshold of 14-years.	EGI	Nov. 17, 2025
3	DNV to provide more information regarding WAML calculation and example calculations of WAML under the scenarios discussed.	DNV	Nov. 17, 2025

Meeting Adjourned: 2:50 pm.

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