

January 17, 2020

Andrew Howse,
Ministry of Energy, Northern Development and
Mines, Conservation and Renewable Energy Division
77 Grenville St., 5th Floor
Toronto, ON
M7A 2C1
Canada

Dear Mr Howse:

**Re: Ontario Regulation 509/18, Energy Efficiency – Appliances and Products
Environmental Registry Amendment 25 Posting, Draft Technical Sheet (Gas-Fired
Commercial Boilers)**

Enbridge Gas Inc (EGI) has significant experience, through its 25 plus years of delivering Energy Conservation programs in the province of Ontario, with advising its customers on cost-effective natural gas energy efficiency solutions. This experience includes regularly providing provincial and federal bodies, guidance and commentary on contemplated code and equipment regulation related advancements.

The purpose of this letter is to share EGI's ongoing concerns regarding the Amendment 25 posting currently under consideration by the province; specifically, as it relates to the decision to align with the recently updated (SOR/2019-164 - Amendment 15) federal efficiency regulations regarding gas-fired commercial boiler retrofits.

In reviewing and providing commentary to the Federal Government regarding Amendment 15, EGI, Fortis BC and the Canadian Gas Association, among others, submitted a comprehensive list of concerns to Natural Resources Canada (NRCan). Amendment 15 response letters are attached.

While NRCan recognized and responded to the issues raised in its publication by a select group of participating stakeholders, it did not provide adequate transparency or data to support those positions. EGI's primary concerns remain:

1. The potential to place an undue financial burden on the existing commercial building sectors, including institutional, retail, office, and multi-family.
 - There were several deficiencies identified in the Amendment 15 Cost-Benefit Analysis, including the following:
 - Building archetypes utilized in Amendment 15 do not reflect existing Ontario buildings.
 - Unrealistic product distribution between new construction and retrofit applications bias the analysis towards higher benefit new construction.
 - The technical analysis lacks clarity, consistency, and justification for key inputs, such as boiler seasonal efficiency, upon which the analysis critically depends.
 - A full and transparent cost analysis was not provided. Major cost considerations associated with retrofitting the combustion venting system were not identified or accounted for in the replacement scenario costs.

- Energy costs were not disclosed to allow comparison to Ontario specific values.
 - As a result, building owners would be required in many instances to undergo significant building retrofits to meet the installation requirements of condensing type boilers and achieve the desired performance.
 - These significant, and in many cases, costly retrofits would be eventually passed on to residential and commercial tenants.
2. There is a potential safety risk for certain older buildings with multiple boilers that should a single boiler failure (beyond repair) occur during the heating season, the building could be without space heat, and possibly domestic hot water, for an extended period while owners and their consultants evaluate the cost and complexity of replacing one or all existing boilers with new condensing boilers originally not intended for the building system.

EGI feels that these concerns remain inadequately addressed by NRCan, and until such a time as they are, believes that it is premature to set a date for such a major change to be implemented.

EGI understands and respects the province's desire to follow federal regulations to simplify and align equipment performance requirements. However, this one-size-fits-all approach, despite advanced timing provided by the federal government of these new regulations being in force, will create real problems for Ontario building owners, managers and ultimately, tenants.

In its most current environment plan, the province commits to the following action, "Review the Building Code and support the adoption of **cost effective** energy efficiency measures that can lower the cost of electricity and natural gas needed to operate buildings."¹

EGI, and other stakeholders did not feel they were provided transparent access to the data and assumptions backstopping the cost / benefits analysis conducted by NRCan, and therefore there is concern that the findings could be incomplete and/or misrepresentative. Seeing as it was also identified by NRCan that approximately 60 percent of all Canadian building stock resides within Ontario, it is even more important for us to be certain that this decision will not have a disproportionately negative impact in this province.

It is primarily for these reasons that EGI would appreciate the opportunity for broader, Ontario led consultation with industry stakeholders, to conduct a proper and representative cost / benefit analysis of the potential impacts adopting this commercial boiler retrofit application could have in Ontario.

While EGI is supportive of the federal new construction boiler regulations, it would ask the province to delay the decision to adopt the requirements for retrofit applications until such a time as a more representative understanding of what the financial, performance and safety impacts will be to the commercial building market in Ontario and those that work and live in those buildings.

Should further analysis support the concerns expressed by EGI and others, we would ask the province to consider partnering to re-engage the Federal Government to seek an exception to the federal performance regulation for replacement hot water boilers.

¹ A Made-in-Ontario Environment Plan, p. 32

About Enbridge Gas Inc.

Enbridge Gas Inc. is Canada's largest natural gas storage, transmission and distribution company based in Ontario with a more than 170-year history of providing safe and reliable service to customers. The distribution business serves about 3.7 million customers, heating over 75 per cent of Ontario homes. Since 1995, Enbridge's natural gas conservation programs have helped customers reduce their energy consumption by 30 percent—this is the equivalent of removing nine point three million cars from the road for one year. Enbridge's 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 Inc. is owned by Enbridge Inc., a Canadian-based leader in energy transportation and distribution.

Sincerely

Sarah Van Der Paelt
Director, Marketing & Energy Conservation

Attached:

1. Enbridge Gas Inc., response to Canada Gazette, Part I – 2018 Amendment 15 to Energy Efficiency Regulations
2. Fortis BC, response to Canada Gazette, Part I – 2018 Amendment 15 to Energy Efficiency Regulations
3. Canadian Gas Association response to Canada Gazette, Part I – 2018 Amendment 15 to Energy Efficiency Regulations