
2019/20 CENTRA GAS GENERAL RATE APPLICATION

Centra Gas Undertaking #3

Centra to seek to confirm who was assumed responsible for the replacement of furnaces in the out years, right, beyond 2019/20.

Response:

Under *The Efficiency Manitoba Act*, responsibility for the planning, design and implementation of demand-side management (DSM) programs to achieve electricity and natural gas reduction moves to Efficiency Manitoba. This direction would include responsibility for the current Furnace Replacement Program (FRP) or any other potential DSM programming encouraging the replacement of standard efficiency natural gas furnaces with high efficiency units.

Through consultations with the Province of Manitoba as outlined under *The Energy Savings Act* and recognizing the pending transition of DSM programming to Efficiency Manitoba, the Corporation was advised to maintain a status quo approach to DSM. Under this direction, the Corporation continues to deliver the FRP.

In preparing the forecast, Centra included projections for potential future DSM expenditures including future disbursements under the FRP. These projections recognize the Corporation's responsibility to continue offering DSM programming until the transition to Efficiency Manitoba and its future responsibility under *The Efficiency Manitoba Act* to fund Efficiency Manitoba in the execution of an approved efficiency plan. In preparing these projections for 2019/20 and beyond, Centra did not specifically assume who would be delivering the DSM programming or at what point responsibility for DSM programming would transition to Efficiency Manitoba. The projections acknowledge that the Corporation would continue to deliver programming until the work moves to Efficiency Manitoba at which time the Corporation's responsibility would shift to funding Efficiency Manitoba's DSM efforts.

Subsequent to this Application, the Province of Manitoba introduced and enacted the Efficiency Manitoba Regulation (119/2019) pursuant to *The Efficiency Manitoba Act* which provides specific direction on the Furnace Replacement Program fund and any residual funding as of April 1, 2020. The regulation also outlines additional factors that the PUB is to consider in its review of Efficiency Manitoba's efficiency plan including whether the plan adequately considers the interests of residential, commercial and industrial customers, and more specifically allocations to initiatives targeting low-income or hard-to-reach customers.

