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Kelly McCarthy
10th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Re: EX33.22 Proposed Energy and Water Efficiency Initiative for the Residential Sector

Dear Mayor Ford & Members of the Executive Committee,

The Canadian Gas Association is providing this letter in support of the work underway in the City of Toronto to pilot a local improvement charge (LIC) program involving one of our member companies from Ontario - Enbridge Gas Distribution - that would facilitate residential and multi-unit residential building energy efficiency retrofits.

The CGA is the voice of Canada's natural gas distribution industry. Our members are distribution companies, transmission companies, equipment manufacturers and other service providers. Today, affordable natural gas meets 30% of Canada's energy needs – more than the 20% from electricity.

Canadian natural gas distribution companies, through an extensive underground distribution system, serve nearly 6.5 million customers in all sectors of the economy including residential, commercial, industrial, power generation and transportation.

As gas distribution utilities, CGA member companies are committed to identifying and providing the most innovative services to customers – including information and pilot programs that support energy efficiency. Two of CGA's members, Enbridge Gas Distribution and Union Gas, are actively doing this with their 3.5 million customers across the province of Ontario.

Enbridge alone meets the natural gas needs of 2 million customers in some of the province's largest urban centers, including Toronto. Since the year 2000, Enbridge has invested hundreds of millions to support energy efficiency programs and new technology solutions for its consumers.

It is therefore CGA's belief that Enbridge is well suited to support and provide assistance with the LIC efficiency pilot. Through it, meaningful experience can be gained and used to improve the understanding of opportunities to drive energy efficiency and deliver affordable energy to Toronto residents.

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CGA is also pleased to see that the City of Toronto intends to use NRCan's EnerGuide Rating System (ERS) in the pilot. The ERS will allow the city to identify effective energy efficient upgrades and provide homes with a standardized label that supports long-term market recognition of energy efficiency in the residential sector.

CGA is actively collaborating with Natural Resources Canada (NRCan) on EnerGuide and a host of other residential energy efficiency initiatives, all under a broader CGA/NRCan multi-year Letter of Cooperation. Innovative financing mechanisms, such as LIC-based energy efficiency programs, are very much consistent with our cooperative efforts, and we believe the Toronto project could be a model for efforts across the country.

CGA believes ERS offers an effective system to facilitate demand side management programs, ultimately offering a means to let a home's energy efficiency be reflected in its value. The pilot of ERS by Enbridge and the City of Toronto (and other players) can help demonstrate this, and shows leadership in the ongoing effort to reduce energy costs for Torontonians.

We look forward to following the developments of this timely initiative and would be happy to take any questions around our endorsement here, or related matters.

Yours respectfully,

A handwritten signature in black ink, appearing to read 'Tim Egan', with a horizontal line extending to the right from the end of the signature.

Timothy M. Egan
President and Chief Executive Officer
Canadian Gas Association

C.c.: Josie Scioli, Chief Corporate Officer, City of Toronto
Jim Baxter, Director, Environment & Energy Division, City of Toronto