

**Ontario Energy
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**Commission de l'énergie
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BY EMAIL AND WEB POSTING

July 20, 2017

**To: All Natural Gas Distributors
All Participants in the Consultation Process EB-2015-0363
Other Stakeholders**

**Re: Report on the Marginal Abatement Cost Curve
EB-2016-0359**

The Ontario Energy Board (OEB) is issuing a report developed by ICF Consulting Canada Inc. which provides a Marginal Abatement Cost Curve (MACC) for natural gas abatement activities in Ontario. The MACC provides a basis for comparison of the relative cost-effectiveness of a range of GHG abatement activities. The OEB adopts the MACC for its stated purpose.

In its [Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities](#) issued on September 26, 2016, the OEB indicated it would provide a MACC, to be updated at the beginning of each three-year Compliance Plan term.

The single, province-wide MACC will provide the natural gas utilities and the OEB with a range of compliance options along a spectrum of costs. The MACC provides a consistent comparison of compliance options to inform the utilities' development of their Compliance Plans and the OEB's assessment of the cost consequences of the Compliance Plans.

The OEB's Long Term Carbon Price Forecast (LTCPF) was used as an input to develop the MACC.

The OEB retained ICF Consulting Canada Inc. to develop the MACC. The OEB also established a [Technical Advisory Group \(TAG\)](#) to provide input and advice on project data, methodologies, assumptions and results. The MACC methodology, results and

report, were developed by ICF and reviewed by the TAG.

Questions about the MACC Report should be directed to Valerie Bennett at valerie.bennett@oeb.ca or 416-440-7747 or Rachele Levin at rachele.levin@oeb.ca or 416-440-7673.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary