

# Lower-Carbon Energy Program

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# Lower-Carbon Energy Program



- Enbridge Gas is requesting OEB approval to procure lower-carbon energy, with a focus on renewable natural gas (RNG) as part of the gas supply commodity portfolio beginning in 2026
- Proposed recovery mechanism includes:
  1. Lower-Carbon Voluntary Program (LCVP) – customizable program available to large volume sales service customers to receive elected % supply as low carbon energy
  2. Procured lower carbon supply cost and benefits not elected under LCVP to be incorporated as part of supply for all customers
    - > Limit impact of \$2 per month for an average residential customer per target % of supply

# Lower-Carbon Energy Program



- Enbridge Gas proposes a target percentage of 0.25% of lower-carbon energy supply in 2026
  - Increasing annually to a target percentage of 2% by 2029

Program Year	Target Percentage	PJ	Max Monthly Bill Impact (\$)*	Max Annual Bill Impact (\$)*
2026	0.25%	1.3	0.50	6.00
2027	0.75%	4.0	1.50	18.00
2028	1.25%	6.6	2.50	30.00
2029	2.00%	10.5	4.00	48.00

\* Maximum bill impact for the average residential customer.

# Indigenous Participation Consideration

- Phase 2 settlement included a provision for the consideration of Indigenous Participation in RNG procurement:

*“... the Parties, except for Energy Probe which takes no position, do agree that if procurement of low-carbon energy (or RNG) is approved, then any approval relating to Enbridge Gas’s proposals regarding RNG procurement should include consideration of how any such approved program or initiative can contribute to advancing economic reconciliation with First Nations, which could potentially include procurement targets for First Nation-owned businesses in Ontario and/or discount pricing advantages for bids from First Nation-owned businesses as potential measures to help stimulate related First Nations business activity.”*

- Enbridge Gas and Three Fires Group/Minogi held discussions following the settlement which have resulted in agreement on a framework which we are jointly submitting that would accommodate Indigenous participation in the RNG supply.

# Indigenous Participation Framework Proposal

- Indigenous participation framework proposal:

*In the event the OEB substantially approves EGI's proposed Lower-Carbon Voluntary Program, EGI will apply the following framework to its procurement of RNG and its evaluation of RNG bids under the approved program (which would include both voluntary participation by large volume customers and procurement on behalf of all system gas customers):*

- > EGI will provide all bids from qualifying Indigenous-owned businesses located in Ontario ("**Indigenous Bids**") with a 10% discount advantage to incent support for Indigenous participation (the "**Indigenous Discount Advantage**"). For clarity, "qualifying Indigenous owned businesses" shall mean any corporation, partnership, JV, etc, that includes Indigenous ownership or equivalent participation of 25% or more that is put forward to EGI by Indigenous communities in Ontario via a Business Information Sheet or official correspondence. EGI will factor the Indigenous Discount Advantage into the evaluation of bids for the procurement of RNG by implying a 10% discount to the bid price received from Indigenous Bids.*

# Indigenous Participation Framework Proposal

(continued)



*The Indigenous Discount Advantage shall apply to the consideration of all Indigenous Bids until the earliest of the two following events:*

- *A. Upon reaching 5% of the total amount of RNG procured under the approved program from Indigenous-owned businesses (the “5% Indigenous Target”); or*
- *B. The end of the approved program term.*

*EGL will report on the status of its progress towards the 5% Indigenous Target as part of the annual gas supply plan update process (including information with respect to any price paid for Indigenous Bids for RNG).*

*In addition, in EGL’s evaluation of the lowest reasonable price, EGL will consider the 5% Indigenous Target amongst other applicable factors, which may include consideration of the past performance of bidders.*

*EGL’s agreement to the Indigenous Discount Advantage is contingent on associated costs being considered part of the overall RNG costs of the approved program such that these costs would be recoverable from program participants, which include both voluntary participants and all system gas customers.*