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North York, Ontario M2J 1P8

December 18, 2024

VIA RESS AND EMAIL

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas, or the Company)
EB-2024-0111 - 2024 Rebasing – Phase 2 – Exhibits K2.3 and K2.4**

Enclosed please find exhibits K2.3 and K2.4.

Sincerely,

Joel Denomy
Technical Manager, Strategic Applications – Rate Rebasing

Proposed Amendments to the Electricity Act, 1998, Ontario Energy Board Act, 1998 and the Energy Consumer Protection Act, 2010 to enable an affordable energy future

ERO (Environmental Registry of Ontario) number	019-9284
Notice type	Act
Act	Ontario Energy Board Act, 1998
Posted by	Ministry of Energy
Notice stage	Proposal
Proposal posted	October 23, 2024
Comment period	October 23, 2024 - November 22, 2024 (30 days) Closed
Last updated	October 23, 2024

This consultation was open from:

**October 23, 2024
to November 22, 2024**

Proposal summary

The Ministry of Energy and Electrification is proposing legislative amendments that would enable the development of Ontario's first Integrated Energy Resource Plan, make it more cost-effective to connect to the electricity grid, help reduce energy use to save families and businesses money, and support the growth of EV adoption in Ontario.

Proposal details

The Ministry of Energy and Electrification (ministry) is seeking feedback on legislative amendments that would enable integrated energy resource planning and kick start early actions to ensure Ontario's energy system remains affordable, reliable and clean while supporting intensifying electrification and

economic growth. These proposed changes align with and support progress on Ontario's policy vision, "Ontario's Affordable Energy Future: The Pressing Case for More Power".

1. Integrated Energy Resource Planning Amendments

The ministry is seeking feedback on proposed amendments to the Electricity Act, 1998, which would enable an integrated energy resource planning process by:

- Ensuring energy planning is integrated and considers all forms of energy including electricity, natural gas, hydrogen and other energy resources, as well as energy efficiency, storage and demand management.
- Changing the name of the plan from "Long-Term Energy Plan" to an "Integrated Energy Resource Plan" to reflect a planning process that is more integrated.
- Updating the goals and objectives of the Integrated Energy Resource Planning process to align with the priorities of an evolving energy sector in the province.
- Creating a predictable planning cycle for investors, stakeholders and Indigenous communities by requiring integrated planning consultations to begin at least once every five years from the issuance of the last plan.
- Establishing regulation-making authority to define the specific technical information, documents or reports that would need to be considered in the development of future Integrated Energy Resource Plans.
- Enhancing agency implementation processes by removing the requirement for the Independent Electricity System Operator (IESO) and Ontario Energy Board (OEB) to submit implementation plans to the Minister if they receive an implementation directive. While directives could still require implementation plans or other agency reports, this amendment would provide flexibility to enable government to move quickly on issues that would not benefit from additional planning and report-back steps.

2. Electricity Connections to Support Growth

The ministry is seeking feedback on proposed amendments to the Ontario Energy Board Act, 1998 to enable more timely and cost-effective electricity grid expansions to support high growth areas. The proposed amendments would give Government regulation-making authority to change how costs are

allocated and recovered for transmission and distribution connection infrastructure where the prospect of load materializing in the future is very likely.

If this legislation is passed, the ministry would propose regulations that could allow for allocating costs for certain electricity system connection infrastructure, particularly in high-growth areas. Regulation(s) could include provisions that reduce the cost and financial burden on 'first mover' customers and enable more timely development of connection infrastructure to enhance system readiness for industrial and housing development and electrification. The design and implementation of the regulation(s), including the types of projects that would be subject to new cost-allocation and the controls to ensure that costs are allocated fairly, will be determined through a separate consultation process. Parties can access that consultation process below.

3. Exemptions for Electric Vehicle (EV) Charging Companies and Flexible Billing

The ministry is seeking feedback on proposed amendments to the Ontario Energy Board Act, 1998, the Electricity Act, 1998, and the Energy Consumer Protection Act, 2010 (the Acts) to support the growth of EV adoption in Ontario.

These proposed amendments would state that the Acts do not apply with respect to the distribution or retail of electricity for electric vehicle charging. This would confirm that EV charging companies are exempt from regulation under these Acts for their EV charging activities, such as licensing, rate setting and reporting. Regulation of these activities would impose administrative burdens and barriers to entry, and unnecessarily limit billing options that EV chargers can employ (e.g., billing based on volume of electricity used for charge).

The ministry is also proposing to establish regulation-making authority to enable government to apply certain electricity retailing and distribution requirements in the Acts to EV charging, should there be a need to introduce such requirements in the future.

4. Programs to increase Energy Affordability

Ontario currently offers a suite of electricity energy efficiency (EE) programs that are funded through electricity rates to address electricity system needs and help customers reduce their electricity consumption and bills. Current

legislation limits the Independent Electricity System Operator (IESO) to only administer EE programs that result in electricity savings. The ministry is seeking feedback on proposed amendments to the Electricity Act, 1998 that would enable the IESO to administer enhanced energy efficiency programs that support beneficial electrification (BE) - the use of electricity instead of other fuels to reduce overall energy use and subsequently reduce costs for high consumption activities such as home heating and cooling, regardless of fuel-type (i.e., propane, oil, wood).

If the proposed legislative amendments are passed, this programming could be funded through electricity rates to provide direct assistance to customers to help reduce energy costs and participate in electrification.

Proposed amendments would also include adding additional purposes of the Act and objects of the IESO in connection with BE programs.

Background

Strong economic growth, increased electrification and a population forecasted to increase by two million people over the coming decade means there will be a much greater demand for affordable, reliable and clean energy to power Ontario's future. The IESO has forecasted electricity demand is expected to rise by 75% by 2050. Coordinated planning and action is needed now to ensure Ontario has the energy resources and infrastructure needed, both electricity and natural gas, to support growth, and to support customer choice and affordability throughout the energy transition.

The above proposed legislative amendments would enable Ontario to move away from its historically siloed energy planning processes to manage growth and the energy transition in a paced and targeted way that is coordinated across electricity and other fuels. They would also address current challenges and barriers that may not sufficiently incent timely and cost-effective grid-expansion, that may be creating uncertainty for EV charging companies that may slow the deployment of EV charging infrastructure, or that may be limiting the types of energy efficiency programs that are available to ensure all customers have options to reduce their energy usage and costs.

Environmental Impact

The ministry considered its statement of environmental values in application to these proposed legislative amendments.

The proposed integrated energy resource planning amendments will have a positive environmental impact, particularly when taken together with the new object added to promote electrification. A portion of the amendments also articulate that an integrated energy resource plan may discuss goals and objectives including building a clean energy economy for future Ontarians. Separate consultations will be had on integrated energy resource plans and further consideration would be given at that time to potential environmental impacts of the plan.

The proposed amendments enabling timelier and more cost-effective electricity connections to support growth would create regulation-making authority that intends to make it easier and more cost effective for homes and businesses to choose clean electricity for their energy needs. The proposed amendments would not change the existing Environmental Assessment process, which will remain the core mechanism by which the environmental costs and risks of electricity infrastructure expansions are evaluated and environmental protections are planned.

The proposed legislative amendments in relation to EVs would facilitate the development of EV charging infrastructure, enabling EV charging station owners and operators to invest confidently in expanding their services. This, in turn, supports uptake of EVs thereby reducing emissions.

The proposed legislative amendments to increase energy affordability would enable the IESO to administer programs that support BE. BE programs would provide incentives to adopt clean electricity measures for use in daily life and provide consumers with more options to reduce their overall energy use and emissions without compromising comfort while reducing their energy bills and carbon footprint.

For example, by switching from oil space heating to a cold-climate air-source heat pump, a single-family home in Ontario can reduce up to 50% of heating energy use, which would translate to a reduction of up to \$2,500 in their annual heating bill and a reduction of GHG emissions by up to 4.5 tonnes/year.

**Supporting
materials**

Related links

[Ontario Energy Board Act, 1998](https://www.ontario.ca/laws/statute/98o15)

(<https://www.ontario.ca/laws/statute/98o15>)

[Electricity Act, 1998](https://www.ontario.ca/laws/statute/98e15) (<https://www.ontario.ca/laws/statute/98e15>)

[Energy Consumer Protection Act, 2010](https://www.ontario.ca/laws/statute/10e08)

(<https://www.ontario.ca/laws/statute/10e08>)

[Bill 214, Affordable Energy Act, 2024](https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-214) (<https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-214>)

Related ERO (Environmental Registry of Ontario) notices

[Integrated Energy Resource Plan Consultation \(/index.php/notice/019-9285\)](/index.php/notice/019-9285)

[Proposal to create a regulation under the Ontario Energy Board Act, 1998 to change cost responsibility rules for certain electricity system connection infrastructure for high-growth areas where load growth materializing in the future is very likely \(/index.php/notice/019-9300\)](/index.php/notice/019-9300)

View materials in person

Some supporting materials may not be available online. If this is the case, you can request to view the materials in person.

Get in touch with the office listed below to find out if materials are available.

Comment

Commenting is now closed.

The comment period was from October 23, 2024 to November 22, 2024

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Consultation to support the important role for natural gas in Ontario's energy system and economy.

ERO.(Environmental Registry.of.Ontario) number	019-9501
Notice type	Policy
Posted by	Ministry of Energy
Notice stage	Proposal
Proposal posted	December 17, 2024
Comment period	December 17, 2024 - January 16, 2025 (30 days) Open
Last updated	December 17, 2024

This consultation closes at 11:59 p.m.
on:

January 16, 2025

Proposal summary

We are seeking feedback from the public, stakeholders and Indigenous communities on what principles and commitments should inform the government's policy on natural gas, which will provide policy direction on the long-term role of natural gas in the province's energy system.

Proposal details

In October 2024, Ontario released a vision statement on the province's energy future. Ontario's Affordable Energy Future: The Pressing Case for More Power committed to include a Natural Gas Policy Statement in the province's integrated energy plan, to provide clear direction on the important role of natural gas in Ontario's future energy system. The development of a Natural Gas Policy Statement was also a recommendation of Ontario's Electrification and Energy Transition Panel (EETP).

The Ministry of Energy and Electrification (ENERGY) is seeking feedback on principles and commitments for how the continued role of natural gas should be reflected in this statement, which will be released as part of Ontario's integrated energy plan in early 2025.

Background

Natural gas currently makes up almost 40 per cent of Ontario's total energy use, with gasoline, diesel and other refined petroleum products accounting for about 36 per cent, electricity just over 20 per cent, and other energy types accounting for the remainder (less than 5 per cent). Because natural gas provides a powerful combination of low cost and high energy density that cannot be matched by other energy sources, it is Ontario's dominant fuel used for heating, serving about 3.8 million customers. It is a vital component of Ontario's long-term mix and the province's first integrated energy plan.

It fulfills diverse roles across the industrial, residential, commercial and agricultural sectors. It is also a critical component of the province's electricity generation mix to maintain reliability and meet peak electricity demand: increased electricity generation through natural gas can help reduce province-wide emissions by supporting cost-effective electrification in other sectors like transportation and heavy industry. By 2035, Ontario's electricity sector will reduce emissions by at least three times the amount it produces as a result of cost-effective electrification.

A premature phase-out of natural gas-fired electricity generation could hurt electricity consumers and the economy. According to the Independent Electricity System Operator (IESO) in its 2021 Natural Gas Phaseout Study, completely phasing out natural gas generation by an arbitrary date of 2030 could lead to power system blackouts, a 60 per cent increase in residential electricity bills (about \$100 per month) and stifle investments in low-carbon solutions.

There is a need for the energy system to adapt to the pace of change so consumers continue to be empowered to make choices about their energy sources. That will require coordination among natural gas utilities, electricity utilities and the IESO to manage energy system costs and ensure reliability as significant investments in energy infrastructure are needed to support a growing and evolving economy. This coordination would ensure that electricity

resources keep pace with demand as an increasing number of consumers switch energy sources over time, while reducing the risk of stranding assets before the end of their useful life.

Over the long-term, an economically viable natural gas network can also support the integration of clean fuels to reduce emissions, including renewable natural gas (RNG) and low-carbon hydrogen. Consumers in Ontario already have access to programs offered by regulated and non-utility suppliers to voluntarily add RNG to their gas supply. Pilot projects are also underway to increase low-carbon hydrogen production and use, including projects supported through the Hydrogen Innovation Fund.

Carbon capture and storage is another emerging technology that could reduce emissions generated by the continued use of natural gas by large industrial consumers. Ontario is committed to developing and implementing a framework to regulate commercial-scale geologic carbon storage projects in the province.

Going forward, Ontario will include a Natural Gas Policy Statement in its integrated energy plan to provide clear direction on the role this fuel source plays in Ontario's long-term energy future.

Keeping Energy Costs Down Act, 2024

In December 2023, the Ontario Energy Board (OEB) issued a split decision which would have dramatically increased the upfront cost to consumers of installing natural gas connections for new homes and small businesses. Specifically, the OEB decided that for these low volume customer connections, the "revenue horizon" which gas utilities use to calculate the upfront cost of new connections for customers would be reduced from forty years to zero, effective January 1, 2025. As a result, new customers would have had to pay 100 per cent of their connection cost upfront – or an average of approximately \$4,400 being added to the price of new homes, or tens of thousands of dollars being added to the price of a home in rural Ontario – rather than maintaining the long-standing practice of paying these costs over forty years.

In May 2024, Ontario passed Bill 165, the Keeping Energy Costs Down Act, 2024, which gave the government time-limited authority to set the revenue horizon for residential, small commercial and small farm customers. The government then filed **Ontario Regulation 273/24** (<https://www.ontario.ca/laws/regulation/240273>) under the Ontario Energy

Board Act, 1998, to reset the revenue horizon for natural gas connection costs to 40 years – restoring the status-quo policy in place since 1998 that the OEB’s December 2023 decision overturned.

The Keeping Energy Costs Down Act, 2024, also allows the government to make regulations to require the OEB to hold a new hearing in the future to revisit the revenue horizon. Once the government introduces a Natural Gas Policy Statement, a recommendation of the EETP’s final report, it intends through regulation to require the OEB to consider this issue again.

After the government’s time-limited authority to set the revenue horizon expires (January 1, 2029), the exclusive jurisdiction to determine a revenue horizon will be returned to the OEB.

Consultation Questions

Natural gas is the primary heating source for three-quarters of Ontarians. It is also an insurance policy that provides the electricity system with reliability to meet peak electricity demand on the hottest and coldest days of the year when other resources like wind and solar are not available.

It is critical to attracting new jobs in manufacturing, including the automotive industry and agriculture, given the role natural gas plays in supporting energy affordability, system reliability and continued growth.

We are seeking feedback from the public, stakeholders and Indigenous communities on the questions below to help inform the province’s Natural Gas Policy Statement:

- What principles should the government provide to the OEB to help inform the Board’s ongoing development of natural gas connection policies?
- What role should natural gas play in supporting energy affordability and customer choice in residential and small commercial applications (e.g., space and water heating)?
- What role should natural gas play in supporting economic development in Ontario’s industrial and agricultural sectors, including those processes

that may be difficult to electrify?

- What role should the government play in supporting and expediting the rational expansion of the natural gas system to make home heating more affordable and support economic growth in communities that are seeking natural gas service?
- For natural gas expansion projects receiving government support, should the approvals processes be streamlined to support affordable home heating for Ontarians? In what ways?
- What role should natural gas play in supporting power system security and resiliency?
- What role should natural gas play in offsetting higher GHG-emitting fuel sources?
- What are the challenges and opportunities for enhanced energy efficiency, adoption of clean fuels (e.g., RNG, Hydrogen) and emission reduction methods (e.g., carbon capture and storage) to lower emissions in the natural gas system?

Environmental Impact of the Proposal

The Natural Gas Policy Statement will support Ontario's integrated energy plan to achieve the government's vision of an affordable, reliable and clean energy system. Success in achieving these objectives for the province's energy system could have significant positive impacts on the environment through the buildout of a cleaner and more diversified economy.

Supporting materials

Related links

[Ontario's Affordable Energy Future: The Pressing Case for More Power](https://www.ontario.ca/page/ontarios-affordable-energy-future-pressing-case-more-power)
(<https://www.ontario.ca/page/ontarios-affordable-energy-future-pressing-case-more-power>)

[Powering Ontario's Growth: Ontario's Plan for a Clean Energy Future](https://www.ontario.ca/files/2023-07/energy-powering-ontarios-growth-report-en-2023-07-07.pdf)
(<https://www.ontario.ca/files/2023-07/energy-powering-ontarios-growth-report-en-2023-07-07.pdf>)

[Ontario's clean energy opportunity: Report of the electrification and energy transition panel](https://www.ontario.ca/document/ontarios-clean-energy-opportunity-report-electrification-and-energy-transition-panel)
(<https://www.ontario.ca/document/ontarios-clean-energy-opportunity-report-electrification-and-energy-transition-panel>)

[IESO Natural Gas Phaseout Study](https://ieso.ca/en/Learn/The-Evolving-Grid/Natural-Gas-Phase-Out-Study)
(<https://ieso.ca/en/Learn/The-Evolving-Grid/Natural-Gas-Phase-Out-Study>)

[Keeping Energy Costs Down Act](https://news.ontario.ca/en/backgrounder/1004216/the-keeping-energy-costs-down-act)
(<https://news.ontario.ca/en/backgrounder/1004216/the-keeping-energy-costs-down-act>)

Related ERO (Environmental Registry of Ontario) notices

[Integrated Energy Resource Plan Consultation](/notice/019-9285)
(</notice/019-9285>)

View materials in person

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Get in touch with the office listed below to find out if materials are available.

Comment

Let us know what you think of our proposal.

Have questions? Get in touch with the contact person below. Please include the ERO (Environmental Registry of Ontario) number for this notice in your email or letter to the contact.

[Read our commenting and privacy policies.](/page/commenting-privacy)
(</page/commenting-privacy>)

Submit by mail

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