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VIA RESS

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Dear Ms. Marconi:

Re: EB-2024-0198 – Enbridge Gas Inc. (EGI) Application for 2026-2030 DSM Plan

Industrial Gas Users Association (IGUA) Submissions on Coordinating Interventions

IGUA appreciates the opportunity to address the OEB's suggestion in P.O. No. 1 that IGUA and OGVG *"both appear to represent the interests of large consumers of natural gas"* and as such are appropriately directed to *"coordinate their participation in this proceeding"* in the more prescribed manner than has historically (and voluntarily) been the case.

With respect, IGUA disagrees with this suggestion.

Distinct and Different Constituencies

An important qualification to the OEB's observation that both OGVG and IGUA represent *"large consumers of natural gas"* is that IGUA represents large industrial consumers, or in EGI's parlance "large volume customers". This distinction between IGUA's constituency and OGVG's constituency has important implications, including in respect of the instant proceeding.

IGUA's members are served primarily under Rates T2 and Union 100.¹ We have confirmed through discussions with counsel for OGVG that these are different rate classes than those under which Ontario greenhouses generally take service. Not only do these distinct rate classes (as between IGUA's members and OGVG's members) reflect significant differences in the volume of gas consumed, these rate classes have been, and are proposed to continue to be, subject to different DSM programs.

Also relevant is the fact that IGUA's members are generally captured as mandatory participants in Ontario's Emissions Performance Standards (EPS) regime under Ontario Regulation 241/19, whereas Ontario greenhouses are not. This has implications for IGUA's position on EGI's DSM

¹ There are IGUA members who take service under one or more of rates M4, M5, M7 and T1, but most of the volumes consumed by IGUA's members are consumed under Rates T2 and Union 100.

programming in general, and EGI's proposal in this case for its large volume customer program in particular.

IGUA and OGVG also differ in respect of their positions on ratepayer funded DSM.²

The consequence of the foregoing differentiations in the context of this case is that the interests herein of these two constituencies are not by definition similar, and in fact there will likely be very little, if any, overlap in hearing activities by these two parties. In the result, there would be little, if any, efficiency gained through expectations of co-ordination between these parties (beyond the general co-ordination properly expected from all intervenors in any proceeding). On the contrary, any such specific co-ordination requirements, and consequent limitations on cost eligibility for costs of representation by counsel, could inappropriately constrain participation by these parties, each of which have been determined by the OEB to *"have a substantial interest in the proceeding"*.

Historical and Proposed DSM Programs

EGI has for some time offered, and proposes to continue to offer, a specifically delineated and unique DSM program to customers that it refers to as *"large volume customers"*.³ These are customers in industries including steel, pulp and paper, mining, and petroleum production.⁴ Historically these large volume customer dedicated DSM programs were offered to rate classes T2 and Union 100. As we understand it, Ontario greenhouses do not generally take service under these rate classes. IGUA's members generally do.

A basic differentiator between rates T2 and Union 100, and the rates under which we understand OGVG's members generally take service (M4, M5, M7 and T1) is volume. The former are rate classes delineated for higher volume customers. This is a basic differentiator as between IGUA's industrial members and OGVG's greenhouse members, as gas consumers.

In EGI's proposal, going forward the unique "large volume" DSM program will be applicable to most IGUA members, and specifically exclude agriculture and greenhouse customers⁵. As we understand it, the latter would obtain, and pay for, completely different DSM programming under EGI's "industrial sector" DSM programming.⁶ To be clear, while in the context of DSM EGI calls its some 46,300 manufacturing and agricultural sector customer accounts "industrial", these are not the same as the 30 customer accounts that qualify for DSM under EGI's "large volume sector" program⁷. The latter group is the group which includes IGUA's members. The former group is the group that includes

² We acknowledge the OEB's comment in P.O. No. 1 [page 4] in considering the interests of CCMBC and CME that; *The OEB notes that there are inherently different views amongst other categories of interests as well, but representatives of these customers must work to pull together and express common viewpoints.*" While we don't fully understand this comment, we do not take it to be to effect that it is inappropriate for different parties before the OEB to have different views, and they must instead come to common views. Such an expectation would be, with respect, entirely inappropriate in the context of regulatory policy, and very likely contrary to basic administrative law principles.

³ See EE/T6/S1 and EE/T6/S2.

⁴ EE/T6/S1, paragraph 4.

⁵ EE/T6/S1, paragraph 19.

⁶ EE/T5/S1, paragraph 2.

⁷ EE/T6/S1, paragraph 6.

OGVG's members. The respective DSM programs for each of these two groups – both historical and proposed – are completely different.

Interests in Respect of DSM Programs

IGUA has for some time advocated for constrained DSM programming (and associated rate funding) and opt-out opportunity for its members (i.e. large volume industrial gas consumers). In the last DSM Plan proceeding the OEB directed EGI to consult with IGUA and address in the current proceeding an opt-out mechanism for large industrial customers, which EGI has done. This will be the basic focus for IGUA's participation in this proceeding, as indicated in its intervention request form (under the "Issues" heading). This proposed opt-out mechanism has been fashioned for large volume industrial gas consumers such as those represented by IGUA, and would not apply to greenhouses represented by OGVG.⁸

In contrast, we understand based on historical positions that OGVG's advocacy in respect of EGI's DSM programming has been generally supportive, provided that programs are made available to its members broadly. In its intervention request form for this proceeding OGVG indicates that its *"participation will be focussed on the overall spending levels on DSM, the structure of that spending, and the specific programs offered to its members as part of the agricultural sector, which sector is included within EGI's proposed industrial sector program"*.⁹ As noted above, EGI's "industrial sector program" which OGVG indicates as the focus of its intervention is distinct from EGI's "large volume program" which applies to IGUA's members and is the focus of IGUA's intervention.

Emissions Regulation

IGUA's members are generally subject to mandatory participation in the EPS regime under Ontario Regulation 241/19, whereas Ontario greenhouses are not. This has implications for IGUA's position on EGI's DSM programming in general. IGUA has advocated, and will continue to advocate, that given direct carbon regulation under provincial legislation, required DSM participation to reduce gas consumption and GHG emission is "pancaking" of regulatory requirements and counter-productive.

The applicability, or not, of EPS regulation, also has particular implications for EGI's proposal in this case for its large volume customer DSM program, as well as for the proposed opt-out availability for that program. EGI has proposed as both a large volume program inclusion criterion and a criterion for opt-out from that program that customers be subject to a mandatory EPS registration requirement.¹⁰ As noted, above, IGUA's members generally are, and OGVG's members generally are not.

IGUA's intervention request anticipates seeking approval to file evidence to address the carbon compliance associated obligations, and resulting costs, faced by its members under Ontario's EPS framework. IGUA anticipates that such evidence will support consideration of whether these regulatory compliance obligations and associated costs supplant the need for, and the value of, compulsory utility customer funded DSM programs for those large volume industrial customers who

⁸ EE/T6/S1, subparagraph 18ii.

⁹ OGVG Intervention Request Form, under the heading "Issues".

¹⁰ EE/T6/S1, subparagraph 18i.

are subject to stand alone emissions regulation. OGVG would have no nexus to such evidence, given that its members are not mandatory EPS participants and are not subject to the regulatory compliance obligations and associated costs thereunder.

Conclusion

We believe that IGUA's members interests are generally distinguishable from other EGI customer groups, and their regular OEB intervening representative organizations. In this submission we have addressed such differences in respect of OGVG and in the particular context of EGI's historical and proposed DSM programing. This focus is in response to the OEB's observations in P.O. No. 1 in this case in particular, and should not be taken as addressing (or not) considerations in respect of commonalities and differences between IGUA's members and other customer groups and intervenors (including OGVG) more generally, or in any other proceedings.

As was the case in respect of the OEB's conclusions for this proceeding in considering the customers represented by SBUA as compared to the customers represented by CCMBC and CME¹¹, the customers represented by IGUA and the customers represented by OGVG are different. The differences as outlined above are particularly consequential in this DSM proceeding, given the different programs offered to the distinct sectors into which IGUA's and OGVG's members, respectively, fall.

This is not to say that we will not continue to co-ordinate efforts with OGVG and all other parties, as we have consistently done in the past and always strive to do. However, it would be both inaccurate and (thus) inappropriate to elevate expectations in this respect, in this case, in respect of IGUA and OGVG in particular.

Yours truly,



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¹¹ P.O. No. 1, page 5.