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DECISION ON ISSUES LIST AND PROCEDURAL ORDER NO. 2

EB-2024-0198

ENBRIDGE GAS INC.

**Application for Multi-Year Natural Gas Demand Side Management
Plan (2026-2030)**

BEFORE: Fred Cass
Presiding Commissioner

Patrick Moran
Commissioner

Vinay Sharma
Commissioner

April 10, 2025

1 INTRODUCTION AND SUMMARY

Enbridge Gas Inc. filed an application on November 29, 2024 under section 36(1) of the *Ontario Energy Board Act, 1998*, seeking approval for a new gas DSM policy framework effective January 1, 2026 and approval of a new multi-year DSM plan, inclusive of budgets, programs and targets, to run from January 1, 2026 to December 31, 2030.

The OEB issued [Procedural Order No. 1](#) on March 4, 2025, which among other things, set out the schedule for establishing the issues list.

This Decision approves the issues list that is attached as Appendix A. The OEB has also included its decision regarding intervenor groupings.

Enbridge Gas asked to put the application in abeyance pending the preparation of updated evidence, which it proposes to file no later than May 30, 2025. The OEB granted the request by letter dated March 24, 2025. In this procedural order, the OEB is providing direction for additional evidence to be prepared. A revised procedural schedule has also been provided.

2 DECISION

2.1 Issues List

The OEB used a two-stage process to seek input on the draft issues list developed by OEB staff. Enbridge Gas and intervenors were invited to file written submissions on the draft issues list. Following these submissions, all parties (including Enbridge Gas and OEB staff) had an opportunity to provide additional comments regarding the submissions of other parties.

The following parties made submissions on the draft issues list:

- Building Owners and Managers Association (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Enbridge Gas
- Industrial Gas Users Association (IGUA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Pollution Probe
- School Energy Coalition (SEC)
- Small Business Utility Alliance (SBUA)

The following parties made joint submissions on the draft issues list:

- Environmental Defence and Green Energy Coalition (GEC)
- Low-Income Energy Network (LIEN) and Vulnerable Energy Consumers Coalition (VECC)
- Minogi Corp. and Three Fires Group Inc.

The OEB has considered these comments in the development of the final issues list

2.2 General Issues

As part of its initial submission, Enbridge Gas expressed general support for the draft issues list and emphasized that the issues list should be interpreted in light of the work undertaken by the Stakeholder Advisory Group (SAG)¹. Enbridge Gas stated that the

¹ The SAG is OEB staff-led advisory group set up in response to direction from the OEB in the last DSM proceeding. The SAG's role includes providing input related to natural gas conservation and energy

review of the application should involve assessing the appropriateness of issues pertaining to the proposed budgets, scorecards, incentive levels, and program offerings.

Enbridge Gas also submitted that this application should not provide an opportunity for intervenors to raise fundamental policy issues, such as whether Enbridge Gas should be undertaking Demand Side Management (DSM) at all, or whether ratepayer-funded DSM activities during the 2026-2030 term should be undertaken by other entities. Enbridge Gas argued that these matters fall outside the scope of this application.

In its initial submission, SEC proposed that the OEB consider whether Enbridge Gas should continue to be the sole administrator of DSM programs or if other entities should be involved in the design and delivery of DSM programs in Ontario. SEC argued that as DSM programs expand, relying solely on Enbridge Gas may no longer be appropriate due to its inherent conflict of interest in reducing natural gas use.

SEC contended that adding this issue to the General Issues section would enable parties to propose alternative DSM program administrator models, scrutinize Enbridge Gas's efforts to explore alternative approaches, and assess whether competition would lead to improved results and cost efficiency.

In their reply submissions, Environmental Defence, GEC and Pollution Probe supported SEC's position. These parties noted that addressing this issue is an important part of this application and needs to be considered to determine the best value for ratepayers and maximize cost-effective DSM programming.

OEB staff did not support including the new issue proposed by SEC. OEB staff noted that Enbridge Gas (and its predecessor companies) have long been the natural gas DSM program administrator in Ontario and the Minister of Energy and Electrification (now Minister of Energy and Mines) has suggested that Enbridge Gas continue in this role, at least in the near to medium term. The Minister has indicated an expectation that Enbridge Gas work with the Independent Electricity System Operator (IESO) on delivering integrated conservation programs to the benefit of residential and low-income customers. OEB staff indicated that any effort to create or authorize a new DSM program administrator in the near term could frustrate the Minister's direction that both the IESO and the OEB work with Enbridge Gas to facilitate a one-window platform for the delivery of energy efficiency programs.

efficiency projects, as well to Enbridge Gas on the makeup of DSM plan being considered in this application.

In its reply comments, Enbridge Gas also noted that entertaining DSM contestability would run contrary to the Minister's direction. Further, Enbridge Gas noted that the Minister has not directed the OEB to engage a third-party DSM delivery agent other than Enbridge Gas, and instead, required the OEB to support the collaboration of Enbridge Gas with the IESO.

OEB staff also highlighted the challenge in commenting on SEC's suggestion due to a lack of details regarding the administration of an alternative model and the OEB's jurisdiction to order such an arrangement.

OEB staff agreed that the central issues raised by SEC, including Enbridge Gas's performance, budget, natural gas savings levels, cost-effectiveness and value to ratepayers, are important and submitted that they can all be assessed and critiqued through the issues list as currently drafted. OEB staff also indicated that parties could file evidence that compares Enbridge Gas's past results and future proposals relative to other program administrators in North America and use this comparison as the basis for evaluating the effectiveness and value for money of Enbridge Gas's proposed plan.

In its reply comments, Enbridge Gas reiterated that this proceeding is not the time to ask questions of contestability, which are more appropriately dealt with in a separate proceeding.

In their joint reply comments, Environmental Defence and GEC stressed the importance of this issue, noting that it can be addressed as part of issue 16, similar to what was done in the last DSM plan proceeding where the OEB considered arguments for alternative program administrator models, including outsourcing delivery to the IESO, partnering with the IESO or engaging other entities. Environmental Defence also noted that it argued that the OEB has the jurisdiction to direct ratepayer funding to be used by a third party in the previous DSM proceeding, similar to the OEB's Framework for Energy Innovation process.

As part of its reply comments, SEC reiterated its initial submission that the OEB should find the best way to spend ratepayer funding to achieve DSM objectives. Additionally, SEC indicated that Enbridge Gas appears to have taken the position that it has the right to be the sole entity delivering DSM programs in Ontario and that the OEB is not allowed to consider if all or any part of the DSM programs should be delivered by persons other than Enbridge Gas. SEC argued that if the OEB were to accept Enbridge Gas's argument, this would imply that the OEB has no power to deny approval of Enbridge Gas's application, and only order modifications.

Findings

The OEB does not approve SEC's request to add a new issue related to DSM contestability or consideration of a fundamental change to the DSM program administrator model.

The OEB is mindful of the materiality of Enbridge Gas's requested budget and the importance of effective DSM program delivery. The OEB agrees with parties on the importance of determining the effectiveness and value of Enbridge Gas's proposal. However, this assessment will not extend to whether Enbridge Gas should be the program administrator.

Instead, the OEB is of the view that a consideration in this proceeding is an assessment of the effectiveness of Enbridge Gas's proposed approach to program delivery, in relation to both gas savings to be achieved and value for money spent to achieve those savings. This necessitates an assessment of Enbridge Gas's approach to engagement with third party delivery partners and the involvement of its affiliates. While SEC has characterized its concern as one of inherent conflict of interest, the issue is more about the interaction between a utility's natural desire to expand the gas system by way of investment to earn a return on that investment, on the one hand, and its delivery of DSM programming that can have the impact of reducing or delaying the need for such expansions, on the other hand. The OEB is of the view that it is important to include a new general issue to focus consideration on the role that this dynamic may play in the design and delivery of the DSM plan. How are energy advisors selected and qualified? Are they independent of Enbridge Gas and its affiliates? What role will the Enbridge Gas affiliates play? Therefore, the OEB is including a new issue:

- Has Enbridge Gas proposed a DSM program delivery model that:
 - o Appropriately addresses the tension arising from the natural desire to expand the utility's rate base while administering a DSM program that may mitigate against that objective; and
 - o Optimizes the efficiency and effectiveness of ratepayer funded DSM programs, ensuring value for money?

Issue 1 – Government Policies

Draft Issue 1 asked if Enbridge Gas's 2026-2030 DSM Plan adequately supports energy conservation, energy efficiency, and integrated planning in accordance with the policies

of the Government of Ontario, including having regard to the economic circumstances of consumers.

Intervenors were largely supportive of draft Issue 1 with limited suggestions discussed below.

Enbridge Gas questioned the inclusion of “integrated planning” and recommended its removal, noting that it was unclear which government policies would apply to this term. Enbridge Gas noted that these words are not referenced in the DSM Framework, but instead, were included in the Minister of Energy and Electrification’s (now Minister of Energy and Mines) Renewed Letter of Direction to the OEB, where the Minister also refers to the Government of Ontario’s intention to develop a long-term Integrated Energy Plan.

BOMA, Environmental Defence, GEC, Pollution Probe, SEC, and OEB staff all opposed Enbridge Gas’s submission. Parties strongly supported the inclusion of the term “integrated planning” in draft Issue 1. OEB staff noted that natural gas DSM is one component of effective system planning. The OEB’s guidance regarding the main objective of DSM specifically mention integrated resource planning, noting that “as experience is gained with the IRP [Integrated Resource Planning] framework, future considerations should be given to the role of DSM and how that relates to IRP activities as there are significant benefits to deferring and/or avoiding future natural gas infrastructure projects.”²

SEC emphasized that the OEB should make it clear that integrated planning is and will be an important part of the assessment of the proposed plan. SEC noted that whether the wording of the issue is changed or not, the underlying principle of integrated planning should be retained.

Minogi Corp and Three Fires Group requested that the OEB update draft Issue 1 to ensure that the DSM Plan incorporates the views and perspectives of Enbridge Gas’s Indigenous customers.

Parties, including Enbridge Gas, did not object to the Minogi Corp and Three Fires Group proposal.

² OEB DSM Framework, pp. 1-2

Separately, Pollution Probe suggested that it may be useful to indicate at the end of each issue additional wording such as “what changes or additions are required to address any gaps or deficiencies identified?” should parties interpret the issues wording as inherently restrictive.

Findings

The OEB agrees that integrated planning is an important part of the assessment of the proposed DSM plan, including the extent to which coordination and integration with the IESO is possible. The DSM relationship with integrated resource planning is addressed in Issue 17. The OEB accepts the amendment proposed by Minogi Corp and Three Fires Group. Issue 1 has been amended accordingly.

- Does Enbridge Gas’s 2026-2030 DSM Plan adequately support energy conservation, energy efficiency, and integrated planning in accordance with the policies of the Government of Ontario, including having regard to the economic circumstances of consumers and Indigenous communities?

Issue 2 – Responsiveness to OEB Direction

Draft Issue 2 asked if Enbridge Gas’s 2026-2030 DSM Plan adequately responds to previous OEB direction and guidance on future DSM activities (e.g., EB-2021-0002 DSM Decision)?

Environmental Defence and GEC suggested modifications related to the DSM Framework as part of its comments on draft Issue 7. However, if those recommendations are not accepted, they recommended that draft Issues 1 and 2 be amended to include consideration of the DSM Framework, as was included in the last DSM proceeding.

LIEN and VECC stated that the DSM Framework is an integral part of this issue and should be included.

OEB staff recommended that draft Issue 2 be approved without any modifications. OEB staff noted that the current wording allows for evaluation of how Enbridge Gas’s application aligns with previous OEB direction, including the DSM Framework approved in the last DSM proceeding.

OEB staff submitted that instead of undertaking a broader policy review, as some parties might be advocating for, it is more practical to focus on the specific updates proposed by Enbridge Gas or other parties in this proceeding. This approach would be

consistent with the OEB's standard method for establishing policy and then assessing applications based on the established policy. OEB staff also noted this would be consistent with the SAG's recommendations.

Enbridge Gas did not support any change to this issue. Enbridge Gas clarified that the DSM Framework is not an Enbridge Gas document, rather it is the OEB's policy guidance established in prior proceedings, including the last DSM proceeding, where the OEB directed that it be used as the basis for Enbridge Gas's 2026 to 2030 DSM plan.³

Enbridge Gas also noted that the OEB specially directed Enbridge Gas and the SAG to consider certain DSM elements and that any resulting proposals may require updates to the DSM Framework. Enbridge Gas argued that draft Issue 7 addresses this expectation.

In their reply comments, Environmental Defence and GEC reiterated the importance of ensuring there be a venue for more significant changes to the DSM Framework, including the possibility of different design and delivery agents. Environmental Defence and GEC noted that this is particularly important as DSM programs expand and because DSM is increasingly important due to the energy transition. Environmental Defence and GEC argued that it would be shortsighted to rule out options to make DSM more effective and cost-effective simply because they require higher levels of change. Environmental Defence and GEC noted that the SAG Report highlights the importance of addressing wider issues and suggested that this takes place on a different track that occurs "simultaneous" with or "immediately following" consideration of the proposed plan elements.⁴

Environmental Defence and GEC recommended that the OEB proceed with multiple phases, first addressing the specifics of the 2026 to 2030 DSM plan to ensure continued programming, and then a separate phase to address more fundamental issues on a different timeframe or after the first phase. Environmental Defence and GEC argued that this would ensure that the important issues identified are addressed, fulfill the SAG recommendations, and address Enbridge Gas's timing concerns.

³ EB-2021-0002, Decision and Order, p. 16

⁴ Natural Gas Demand Side Management Stakeholder Advisory Group, Report to the OEB, November 11, 2024, p. 14

Findings

The DSM Framework was part of what was reviewed and approved in the previous DSM proceeding, EB-2021-0002, and there is value to determining if Enbridge Gas's proposed DSM plan is responsive to it, as part of this issue. The issue is amended as follows:

Does Enbridge Gas's 2026-2030 DSM Plan adequately respond to previous OEB direction and guidance on future DSM activities, including the OEB's DSM Framework.

Issue 3 – Consideration of Stakeholder Feedback and Analysis

Draft Issue 3 asked if Enbridge Gas's 2026-2030 DSM Plan adequately considers and reflects input from the SAG report, the Achievable Potential Study (APS), and that provided by parties during stakeholder sessions.

Minogi Corp and Three Fires Group requested an addition to draft Issue 3 to make clear that the views and perspectives of the Indigenous Working Group are relevant to this issue.

OEB staff supported this revision. As part of the 2022 DSM Decision, the OEB expressed its expectation that Enbridge Gas would engage more extensively with Indigenous representatives to inform this application.

Findings

The OEB accepts Minogi Corp and Three Fires Group's proposal. Issue 3 has been amended accordingly.

Issue 4 – Consistent with Industry Best Practice

Draft Issue 4 asked if Enbridge Gas's 2026-2030 DSM plan is consistent with energy conservation industry best practices in Ontario and other relevant Canadian and U.S. jurisdictions.

Parties did not suggest any revisions to this issue.

Findings

No changes to Issue 4 are required.

Issue 5 – Term

Draft Issue 5 asked if Enbridge Gas's DSM Plan term of 2026-2030 is appropriate. Parties did not suggest any revisions to this issue.

Findings

No changes to Issue 5 are required. As part of the consideration of this issue, the OEB is interested in the views of the parties about the alignment of DSM, IRP and rate-making processes.

Issue 6 – Electrification/Fuel Switching

Draft Issue 6 asked if Enbridge Gas's proposed inclusion of electrification and fuel switching program offerings is appropriate.

Enbridge Gas proposed that the issue be reworded to read: "Does Enbridge Gas's DSM Plan appropriately include fuel switching measures/opportunities?"

Enbridge Gas noted that while there are no dedicated electrification or fuel switching programs being proposed, certain measures within existing programs may result in fuel switching.

Environmental Defence and GEC did not suggest any revisions to this issue. However, they questioned the necessity of separating the appropriateness of electrification and fuel switching, as these topics seem to be covered under General Issues (Issues 1-4) and the program offering issue (Issue 12). Environmental Defence and GEC pointed out that the OEB's 2022 DSM Decision included specific findings on the inclusion of fuel switching and electrification in Enbridge Gas's DSM plan. BOMA supported Environmental Defence and GEC's recommendation and suggested that Issue 6 be removed.

OEB staff supported Enbridge Gas's proposed revision, noting that it allows parties to assess the reasonableness of Enbridge Gas's proposals related to fuel switching and electrification.

Regarding Environmental Defence and GEC's suggestion, OEB staff recommended that the issue remain separate from the others due to its significance in terms of program costs and benefits, particularly within a DSM plan administered by a natural gas distributor.

Findings

The OEB agrees with Enbridge Gas's proposed revision. Fuel switching opportunities are important to distinguish from other program proposals, due to practical considerations, including customer incentives, availability of various types of equipment, cost-effectiveness and natural gas savings, as well as alignment with government direction and interaction with other programs available in the market. As part of this issue, the OEB will consider if there should be incentives specifically for fuel-switching.

Issue 7 – DSM Framework

Draft Issue 7 asked if Enbridge Gas's proposed updates to the OEB's DSM Framework are appropriate.

Environmental Defence and GEC proposed amending draft Issue 7 to clarify that Enbridge Gas is not the only party that may suggest updates to the DSM Framework. Environmental Defence and GEC noted that this aligns with the OEB's 2022 DSM Decision, which stated that "the OEB will consider future updates or revisions to the DSM Framework where necessary," without restricting the ability to propose such updates to Enbridge Gas. BOMA supported Environmental Defence and GEC's proposal.

OEB staff did not support Environmental Defence and GEC's proposal. Consistent with its submissions on proposed changes to Issue 2, OEB staff recommended that the OEB confirm this proceeding is intended to evaluate the merit and reasonableness of Enbridge Gas's proposed DSM plan and specific changes to the DSM Framework, rather than consider broad policy changes.

Enbridge Gas opposed Environmental Defence and GEC's proposal for many of the reasons noted by OEB staff. Enbridge Gas indicated that this is not a generic hearing, rather, it is a proceeding to review its proposed DSM plan application based on the OEB's existing DSM Framework. Enbridge Gas argued that the OEB should indicate that proposals that go to the fundamentals of the DSM Framework should be found to be out of scope and are better considered in a separate process.

Findings

The OEB notes that Enbridge Gas has included a request to make changes to the DSM Framework. The OEB is of the view that there is value to reviewing the DSM Framework. Based on its experience with the DSM Framework in the previous

proceeding, the OEB expects that this issue will not extend to proposals for a complete overhaul of the DSM Framework. The issue is amended as follows:

- Are the proposed updates to the DSM Framework appropriate?

Issue 8 – Budgets

Draft Issue 8 asked if Enbridge Gas's proposed budget, including program costs and portfolio costs, results in reasonable rate impacts, while addressing the OEB's DSM objectives in its DSM Framework.

Enbridge Gas suggested adding wording to this issue to include consideration of the OEB's guiding principles in the DSM Framework when evaluating budget proposals. Enbridge Gas proposed: *"Does Enbridge Gas's proposed budget, including program costs and portfolio costs, result in reasonable rate impacts while addressing the OEB's DSM objectives and guiding principles in its DSM Framework?"*

LIEN and VECC recommended additional wording similar to what was included in Issue 6 of EB-2021-0002. LIEN and VECC proposed: *"Does Enbridge Gas's proposed budget, including program costs and portfolio costs, result in reasonable rate impacts while addressing the OEB's DSM objectives in its DSM Framework, including consideration of consumers' economic circumstances?"*

OEB staff supported Enbridge Gas's proposed change for its added clarity.

Regarding LIEN and VECC's suggestion, OEB staff stated that the proposed change is unnecessary as it is already encompassed in the OEB's objectives and noted in the DSM Framework under Section 4 – DSM Budgets, but did not object if the OEB saw the proposed wording beneficial.

Findings

The OEB agrees with the proposals from Enbridge Gas, LIEN and VECC. Issue 8 has been amended accordingly.

Issue 9 – Cost Recovery

Draft Issue 9 asked if Enbridge Gas's proposed cost recovery approach is appropriate. The draft issue also asks if other recovery approaches should be included in addition to or to replace the approach proposed by Enbridge Gas.

Parties did not suggest any revisions to this issue.

Findings

In the past, the cost of DSM programming has been recovered as an expense in the year it is incurred. In light of the large expenditure in the current proposal, the OEB wishes to consider what role other cost recovery methods could play, such as amortizing recovery of program costs to match the timing of program benefits, as well as other approaches to program delivery, such as on-bill financing for cost recovery from individual customers. The issue has been amended as follows:

- Is Enbridge Gas's proposed cost recovery approach appropriate?
 - a. Are there any other cost recovery approaches that should be considered in addition to or to replace the approach proposed by Enbridge Gas, such as amortization of cost recovery to match the timing of program benefits or on-bill financing for the recovery of the cost of measures from individual customers?

Issue 10 – Shareholder Incentives

Draft Issue 10 asked if Enbridge Gas's proposed shareholder incentives are appropriate. The draft issue also asked if the proposed annual maximum shareholder incentive, including its structure and amount, is appropriate. Additionally, the draft issue questioned whether other incentives mechanism should be included in addition to or to replace those proposed by Enbridge Gas.

Parties did not suggest any revisions to this issue.

Findings

No changes to Issue 10 are required.

Issue 11 – Scorecards, Performance Metrics and Target

Draft Issue 11 asked if Enbridge Gas's proposed program scorecards, including targets and performance metrics are appropriate.

Enbridge Gas suggested expanding this issue to also reference its proposed Large Volume opt-out framework. Enbridge Gas proposed the revised issue to read: "Is Enbridge Gas's proposed Large Volume Program Scorecard, including targets and performance metrics appropriate, including the impact of the opt-out framework proposal as proposed?"

OEB staff supported this proposed change to ensure Enbridge Gas's full proposal can be considered.

Findings

The OEB accepts Enbridge Gas's proposed addition to the wording of draft Issue 11. Issue 11 has been amended accordingly.

Issue 12 – Optimal Suite of Program Offerings

Draft Issue 12 asked if Enbridge Gas has proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding.

Enbridge Gas proposed that while maximizing natural gas savings and providing value for ratepayers are important objectives, they do not encompass all of the DSM Framework's objectives and guiding principles which have informed the development of its application and the DSM SAG Report. Enbridge Gas proposed that draft Issue 12 be revised as follows:

~~"Has Enbridge Gas proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding~~ is responsive to the DSM Framework's objectives and guiding principles?"

Enbridge Gas also recommended that sub-issue 12(b) is not necessary as the Residential Building Beyond Code offering is a subset of and part of the Residential Program referenced in Draft sub-issue 12(a).

SBUA suggested that a new sub-issue be added to draft Issue 12 to ensure that the unique energy needs of small and micro businesses do not fall between the cracks of larger commercial and residential interests in the proceeding. SBUA proposed the issue read: *"Are Enbridge Gas's proposed program offerings for small and micro business customers appropriate?"*

OEB staff supported all the changes proposed by parties. As noted by Enbridge Gas, maximizing natural gas savings and providing best value for ratepayers are already included in the objectives and guiding principles of the DSM Framework and therefore can be a focus for parties in this proceeding.

Findings

The responsiveness to the DSM Framework by Enbridge Gas has already been addressed in Issue 2. The appropriateness of the proposed updates to the DSM Framework is addressed in Issue 7. In response to the submission by Enbridge Gas regarding sub-issues 12(a) and (b), the OEB has amended sub-issue 12(a) to make it clear that it applies to the programs for existing residential customers. The OEB agrees with the proposal by SBUA. Issue 12, including sub-issues, has been amended accordingly.

Issue 13 – Research and Development

Draft Issue 13 asked if Enbridge Gas's proposed research and development intentions and activities are appropriate.

Enbridge Gas proposed an update to increase the clarity of this issue, removing the term "intentions" and proposing the following: *"Are Enbridge Gas's research and development proposals appropriate?"*

OEB staff supported this change as it does not limit parties' ability to test Enbridge Gas's proposal

Findings

The OEB agrees with Enbridge Gas's proposed changes. Issue 13 has been amended accordingly.

Issue 14 – Evaluation, Measurement and Verification

Draft Issue 14 asked if Enbridge Gas's proposed changes to the evaluation, measurement and verification (EM&V) of natural gas savings are appropriate.

CCC proposed expanding the scope of this issue to allow parties to consider all components of the EM&V process, not just the changes proposed by Enbridge Gas. This could include examining the free ridership rates for Enbridge Gas's programs or assessing the overall appropriateness of the current EM&V process. Environmental Defence and GEC supported CCC's proposal.

OEB staff did not support broadening this issue as proposed by CCC. OEB staff submitted that fundamental changes to the DSM Framework should be out of scope in this proceeding. OEB staff noted it is of the view that Enbridge Gas's proposals related to program evaluation, including net-to-gross values (proxy values and application to

targets), can be reviewed within Issue 14. Other evaluation proposals, such as program evaluation plans, approaches to gross savings measurement, and process evaluations for specific programs/offerings, can be reviewed within Issue 12 (programs).

Similarly, Enbridge Gas submitted that CCC's proposal appears to go substantially beyond the scope of this proceeding. Enbridge Gas submitted that the issues list should not be amended to include or allow for fundamental DSM Framework issues.

Findings

The OEB agrees with the submission by CCC to consider the EM&V process, including Enbridge Gas's proposed approaches to measuring gross natural gas savings and updates to determining net natural gas savings, and there may be proposals from other parties. The OEB does not expect parties to propose fundamental changes to the DSM Framework, including roles and responsibilities related to evaluation activities. Issue 14 has been amended accordingly.

Issue 15 – Input Assumptions, Cost effectiveness and Avoided Cost

Draft Issue 15 asked if Enbridge Gas's proposed updates to the treatment of input assumptions, cost-effectiveness, and avoided costs are appropriate.

Parties did not suggest any revisions to this issue.

Findings

No changes to Issue 15 are required.

Issue 16 – Rate Allocation and Accounting

Draft Issue 16 asked if Enbridge Gas's proposed rate allocation methodology, and accounting treatment, including the function of various deferral and variance accounts are appropriate.

Parties did not suggest any revisions to this issue.

Findings

No changes to Issue 16 are required.

Issue 17 – Integrated Resources Planning

Draft Issue 17 asked if Enbridge Gas's proposed 2026-2030 DSM Plan requires any changes to be consistent with direction and guidance regarding IRP.

Pollution Probe suggested that draft Issue 17 implicitly addresses the efficient and effective coordination of DSM and IRP as intended by the OEB. Pollution Probe recommended that the OEB clarify this by amending the issue to explicitly state as much.

OEB staff indicated it is of the view that coordination between DSM and IRP is subsumed within this issue as well as draft Issue 8 which considers proposals related to DSM objectives. Therefore, no updates are necessary. However, if the OEB finds that additional clarity would be beneficial, OEB staff did not object.

Enbridge Gas submitted that the draft issue is worded appropriately and should remain unchanged. Enbridge Gas noted that what is relevant in this proceeding is whether the DSM activities proposed will operate in alignment with existing IRP direction/guidance. This involves the examination of the proposed DSM activities, not Enbridge Gas's IRP activities.

Findings

DSM programming, along with system optimization, is a key component of integrated resource planning. The DSM Framework states that “as experience is gained with the IRP framework, future considerations should be given to the role of DSM and how that relates to IRP activities as there is (sic) significant benefits to deferring and/or avoiding future natural gas infrastructure projects.”⁵ In light of the IRP objective of avoiding or delaying the need for new gas infrastructure, it is important to understand to what extent Enbridge Gas has considered deploying DSM programming to meet that objective. The OEB has revised the wording of this issue:

- How has Enbridge Gas considered deploying its proposed DSM programs to meet the Integrated Resource Planning objectives?

Issue 18 – Coordination with Other Energy Conservation Programs

Draft Issue 18 asked if Enbridge Gas has proposed a reasonable approach to ensure natural gas DSM programs are effectively coordinated with electricity conservation programs and other energy conservation and greenhouse gas reduction programs applicable in its service territory. The draft issue also asks if Enbridge Gas's proposed approach to natural gas savings attribution when coordinating or collaborating with other programs is appropriate.

⁵ DSM Framework, Section 2 – Objectives of Ratepayer Funded Natural Gas DSM, p. 2

CCC commented on the need to consider Enbridge Gas's overall programs and budgets in relation to the Government of Ontario's recently announced expanded electricity energy efficiency portfolio. CCC sought clarification on whether this could be explored under draft Issue 1.

Pollution Probe suggested that although the current draft Issue 18 implicitly includes coordination with municipalities, the OEB may wish to make this clear.

OEB staff submitted that draft Issue 1 provides sufficient flexibility for parties to seek further understanding of Enbridge Gas's proposal relative to the policies of the Government of Ontario, including announcements for expanded electricity energy efficiency programming.

Findings

The OEB agrees with OEB staff that while draft Issue 1 provides sufficient flexibility for parties to explore Enbridge Gas's programs and alignment and coordination and integration with the Government of Ontario electricity programs, as well as coordination with municipalities, Issue 18 provides further clarity. The OEB has amended the issue to include a reference to municipal programming.

Issue 19 – Transition and/or Implementation Guidance

Draft Issue 19 asked if the OEB should provide any transition or implementation guidance related to the proposed 2026-2030 DSM plan and any future DSM plan applications.

Parties did not suggest any revisions to this issue.

Findings

No changes to Issue 19 are required.

3 INTERVENOR GROUPINGS

As part of Procedural Order No. 1, the OEB initiated intervenor categorization, consistent with the direction outlined in the OEB's Report Back to the Minister on Intervenor and Regulatory Efficiency Direction. As part of this initial roll-out, the OEB set out groupings of intervenors with similar interests to pilot the approach and to begin to develop feedback on the effectiveness of formal intervenor coordination in avoiding duplication and enhancing efficiency.

As part of its direction regarding the sets of intervenor groupings, the OEB provided an opportunity for certain parties to file written comments on the proposed coordination of their intervention requests. This included IGUA and OGVG, each of which represents the interests of large consumers of natural gas. This also included FRPO and HSC, each of whom represent housing sector interests.

IGUA and OGVG

IGUA disagreed with the suggestion to coordinate with OGVG, emphasizing that although it and OGVG represent large consumers of natural gas, it represents large industrial consumers, or, as classified by Enbridge Gas, large volume customers primarily served under Rates T2 and Union 100, while OGVG represents greenhouse consumers in different rate classes. Additionally, IGUA highlighted that the distinct rate classes for each representative's members reflect significant differences in the volume of gas consumed and subjects each group to different DSM programs. IGUA also highlighted that its members are generally captured as mandatory participants in Ontario's Emissions Performance Stands regime whereas OGVG members are not.

OGVG provided similar comments to those of IGUA. OGVG also highlighted that the interests of each party's respective members are not aligned, nor is there any overlap between the organization's membership. OGVG highlighted the differences in the rates members take service under, with the vast majority of OGVG members in the M4, M5 and M7 contract rate classes which are much smaller than the T2 and Union 100 classes. OGVG noted that the focus on Enbridge Gas's DSM proposals will be distinctly different as the programs available to each set of customers is different, with OGVG's customers eligible for the Industrial Program whereas IGUA members would be eligible for the Large Volume Program, each with distinct eligibility and cost consequences for each party's participation.

IGUA and OGVG each identified that the interests of the two constituencies are different and that there will be little, if any, overlap in hearing activities by the two parties, resulting in little, if any, efficiency gained through a coordinated intervention.

Findings

The OEB will not require IGUA and OGVG to coordinate their interventions in this proceeding. Like the distinction made between SBUA and CCMBC and CME, the customers represented by IGUA and OGVG are different, both from a rates perspective, including natural gas consumption levels and end-uses, and from a DSM programming perspective. For example, technologies specifically tailored for greenhouse structures may have limited or no application for the industries that are represented by IGUA. Due to these differences, the same efficiency and value from other intervenor groupings is not apparent in this instance. Although not formally required to coordinate efforts, the OEB encourages both IGUA and OGVG to continue to coordinate with other parties to the extent possible.

FRPO and HSC

HSC indicated its preference to participate separately from FRPO. HSC indicated that it represents the unique needs of the community (social) housing sector, providing homes to low-income Ontarians who cannot afford market rent. HSC noted that this differs from FRPO which represents the private housing market that includes for-profit organizations and Ontarians of every income. HSC noted that certain factors applicable to the community housing sector differentiate it from FRPO. These include operating under the *Housing Services Act, 2011*, which brings stringent service agreements with municipal service managers (restrictions on their ability to seek funding, amounts they can charge for rent and how they spend operating dollars). HSC indicated it will strive for efficiency in its participation where possible.

FRPO indicated it was supportive of working collaboratively with HSC.

Findings

The OEB finds that HSC and FRPO's interventions should be coordinated for the purposes of process efficiency, and this will be considered at the cost award stage. HSC and FRPO both represent housing providers, largely multi-residential buildings, many of which are composed of low-income tenants in both social and private housing buildings. The fact that there is a difference in the ownership of such buildings does not necessarily result in fundamental differences in gas consumption levels and end-uses, and the types of applicable DSM programming. As a result, the OEB expects both

parties will focus on the same issues and program proposals that impact the same or similar customers.

4 ENBRIDGE GAS'S ABEYANCE REQUEST

By letter dated March 24, 2025, the OEB granted Enbridge Gas's abeyance request. In granting the abeyance request, the OEB is providing the following direction to Enbridge Gas.

- (a) In preparing evidence relating to the Government of Canada's removal of the consumer fuel charge, Enbridge Gas shall include to what extent the social cost of carbon should be considered, if at all, and discuss any considerations related to the cost of carbon Enbridge Gas has given to determining what value or benefit will be achieved by the proposed DSM measures.
- (b) On January 7, 2025, after Enbridge Gas had already filed its application, the Government of Ontario announced new energy efficiency programs.⁶ Subsequently, a home renovations website was launched.⁷ On the welcome page, the following message appears:

Enbridge Gas and Save on Energy, with support from the Ontario Government, have partnered to launch the new Home Renovation Savings™ program to help Ontarians improve home energy efficiency and comfort.

The website goes on to describe incentives that vary, depending on whether one is an Enbridge Gas customer. To provide clarity for this proceeding, the OEB requires Enbridge Gas to provide evidence describing its role in the program announced by the Government of Ontario, the source of funding for the program, the nature of the support from the Government of Ontario, and the relationship between that program and Enbridge Gas's proposed DSM plan. This update should address any impacts that these announcements have on Enbridge Gas's DSM plan, including changes to budget, targets or changes to program proposals.

- (c) The OEB notes that Enbridge Gas's application has been informed by conclusions from the OEB staff-led 2024 Natural Gas Conservation Achievable Potential Study (APS). The 2024 APS is of interest in this proceeding as it, at a minimum, provides directional guidance on the level of energy efficiency and natural gas conservation potential in Ontario. The OEB is interested in

⁶ [Ontario Launches New Energy Efficiency Programs to Save You Money | Ontario Newsroom](#)

⁷ [Home Renovation Savings](#)

considering how Enbridge Gas has used the 2024 APS to inform its application, with particular interest in how Enbridge Gas has incorporated key findings regarding certain opportunities that were identified to have greater potential for natural gas reductions. In addition to any update provided by Enbridge Gas, the OEB directs OEB staff to file the 2024 APS as evidence in this proceeding.

- (d) In light of the approved issues list, Enbridge Gas should also consider whether other aspects of its application should be updated.
- (e) Enbridge Gas shall report on the status of its preparation of the updates by May 2, 2025.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The scope of the proceeding is specified by the approved issues list attached as Appendix A to this Decision and Procedural Order No. 2.
2. Enbridge Gas Inc. shall provide a progress report on the preparation of its evidence updates by May 2, 2025.
3. OEB staff shall file with the OEB a copy of the 2024 Natural Gas Conservation Achievable Potential Study, copying all parties, by April 23, 2025.
4. All other procedural steps set out in Procedural Order No. 1 are suspended.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2024-0198** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Bell at Michael.Bell@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

DATED at Toronto, **April 10, 2025**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

Schedule A

Enbridge Gas Inc.

**Application for Multi-Year Natural Gas Demand Side
Management Plan (2026-2030)**

EB-2024-0198

Approved Issue List

Issues List
Enbridge Gas Inc.

Natural Gas Demand Side Management Plan (2026-2030) Application

General Issues

1. Has Enbridge Gas proposed a DSM program delivery model that:
 - a. Appropriately addresses the tension arising from the natural desire to expand the utility's rate base while administering a DSM program that may mitigate against that objective; and
 - b. Optimizes the efficiency and effectiveness of ratepayer funded DSM programs, ensuring value for money?
2. Does Enbridge Gas's 2026-2030 DSM Plan adequately support energy conservation, energy efficiency, and integrated planning in accordance with the policies of the Government of Ontario, including having regard to the economic circumstances of consumers and Indigenous communities?
3. Does Enbridge Gas's 2026-2030 DSM Plan adequately respond to previous OEB direction and guidance on future DSM activities, including the OEB's DSM Framework?
4. Does Enbridge Gas's 2026-2030 DSM Plan adequately consider and reflect input from the Stakeholder Advisory Group report, the OEB's Achievable Potential Study, and from parties during stakeholder sessions and the Indigenous Working Group?
5. Is Enbridge Gas's 2026-2030 DSM plan consistent with energy conservation industry best practices in Ontario and other relevant Canadian and U.S. jurisdictions?
6. Is Enbridge Gas's proposed DSM Plan term of 2026-2030 appropriate?
7. Does Enbridge Gas's DSM Plan appropriately include electrification and fuel switching measures?

SPECIFIC ISSUES

8. Are the proposed updated DSM Framework appropriate?
9. Does Enbridge Gas's proposed budget, including program costs and portfolio costs, result in reasonable rate impacts, while addressing the OEB's DSM objectives and guiding principles in its DSM Framework, including having regard to consumers' economic circumstances?
10. Is Enbridge Gas's proposed cost recovery approach appropriate?
 - a. Are there any other cost recovery approaches that should be considered in addition to or to replace the approach proposed by Enbridge Gas, such as amortization of cost recovery to match the timing of program benefits or on-bill financing for the recovery of the cost of measures from individual customers?
11. Are Enbridge Gas's proposed shareholder incentives appropriate?
 - a. Is Enbridge Gas's proposed annual maximum shareholder incentive, including structure, and amount appropriate?
 - b. Are there any other incentive mechanisms that should be included in addition to or to replace those proposed by Enbridge Gas?
12. Are Enbridge Gas's proposed scorecards, including performance metrics, metric weightings, and targets appropriate?
 - a. Is Enbridge Gas's proposed Residential Program Scorecard, including targets and performance metrics appropriate?
 - b. Is Enbridge Gas's proposed Income Qualified Program Scorecard, including targets and performance metrics appropriate?
 - c. Is Enbridge Gas's proposed Commercial Program Scorecard, including targets and performance metrics appropriate?
 - d. Is Enbridge Gas's proposed Industrial Program Scorecard, including targets and performance metrics appropriate?

- e. Is Enbridge Gas's proposed Large Volume Program Scorecard, including targets and performance metrics appropriate, including the impact of the opt-out framework proposal as proposed?
 - f. Should there be any other scorecards, targets and/or metrics included in addition to or to replace those proposed by Enbridge Gas?
13. Has Enbridge Gas proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding?
- a. Are Enbridge Gas's proposed program offers for existing residential customers appropriate?
 - b. Are Enbridge Gas's proposed residential beyond building code program offerings appropriate?
 - c. Are Enbridge Gas's proposed program offerings for income qualified customers appropriate?
 - d. Are Enbridge Gas's proposed program offerings for commercial customers appropriate?
 - e. Are Enbridge Gas's proposed program offerings for industrial customers appropriate?
 - f. Are Enbridge Gas's proposed program offerings for large volume customers appropriate?
 - g. Are Enbridge Gas's proposed program offerings appropriate for customers in Indigenous communities?
 - h. Are Enbridge Gas's proposed program offerings for small and micro business customers appropriate?
 - i. Should there be any other program offerings included in addition to or to replace those proposed by Enbridge Gas?

14. Are Enbridge Gas's proposed research and development proposals appropriate?
15. Is the proposed evaluation, measurement and verification of natural gas savings appropriate?
 - a. Are Enbridge Gas's proposed deemed proxy net-to-gross ratios appropriate?
 - b. Is Enbridge Gas's proposal for the application of updates to deemed net-to-gross ratios appropriate?
16. Are Enbridge Gas's proposed updates to the treatment of input assumptions, cost-effectiveness, and avoided costs appropriate?
17. Is Enbridge Gas's proposed rate allocation methodology, and accounting treatment, including the function of various deferral and variance accounts appropriate?
18. How has Enbridge Gas considered deploying its proposed DSM programs to meet the Integrated Resource Planning objectives?
19. Has Enbridge Gas proposed a reasonable approach to ensure natural gas DSM programs are effectively coordinated with electricity conservation programs and other energy conservation and greenhouse gas reduction programs applicable in its service territory, including activities of municipalities?
 - a. Is Enbridge Gas's proposed approach to natural gas savings attribution when coordinating or collaborating with other programs appropriate?
20. Is there any transition and/or implementation guidance required related to the proposed 2026-2030 DSM plan and any future DSM plan application?