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September 3, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

Re: Joint Submission of the Low-Income Energy Network and the Vulnerable Energy Consumers Coalition re Enbridge Gas Inc.'s Application for a 2026 Demand Side Management Plan - OEB File No. EB-2024-0198

Willms & Shier Environmental Lawyers LLP is counsel for the Low-Income Energy Network ("LIEN"). The Public Interest Advocacy Centre is counsel for the Vulnerable Energy Consumers Coalition ("VECC").

LIEN and VECC enclose joint submissions in response to the application by Enbridge Gas Inc. ("EGI") for approval of EGI's 2026 Demand Side Management ("DSM") Plan, for a one-year extension of the Ontario Energy Board ("OEB") approved 2023-2025 DSM Plan with no modifications to the OEB's existing DSM Framework.

LIEN'S CO-ORDINATION WITH VECC

To promote efficiency in this proceeding, LIEN and VECC have made reasonable efforts to co-ordinate their intervention to the extent that LIEN's interests align with those of VECC, resulting in the enclosed joint submissions.

Yours truly,

Matt F. Gardner

Matt Gardner
Partner
Certified as a Specialist in Environmental Law
by the Law Society of Ontario

Geoff White

Geoff White
Executive Director and General Counsel – Public Interest Advocacy Centre

cc: All Parties in EB-2024-0198
LIEN Legal Subcommittee
Judy Simon – Consultant for LIEN
Shelley Grice – Consultant for VECC

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EB-2024-0198

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, as amended;

AND IN THE MATTER OF an application by Enbridge Gas Inc. pursuant to Section 36(1) of the *Ontario Energy Board Act*, *1998*, for an order or orders approving Enbridge Gas Inc.'s 2026 Demand Side Management Plan.

JOINT SUBMISSION OF THE LOW-INCOME ENERGY NETWORK AND THE VULNERABLE ENERGY CONSUMERS COALITION

September 3, 2025

I. INTRODUCTION

1 The Low-Income Energy Network ("LIEN") and the Vulnerable Energy Consumers Coalition ("VECC") make the following joint submissions in response to the application by Enbridge Gas Inc. ("EGI") for approval of EGI's 2026 Demand Side Management ("DSM") Plan, for a one-year extension of the Ontario Energy Board ("OEB") approved 2023-2025 DSM Plan with no modifications to the OEB's existing DSM Framework ("Rollover Application"), and approval of the following:

(a) the DSM programs for 2026 including the Residential Program, the Low-Income Program, the Commercial Program, the Industrial Program, the Large Volume Program, the Energy Performance Program, and the Building Beyond Code Program,

(b) the DSM budget for 2026, to include the budget into rates for 2026, and to continue to use the Deferred Participant Costs mechanism for 2026 for the Whole Building Pay for Performance Offering, the Residential Savings by Design Offering, and the Affordable Housing Savings by Design Offering, and

(c) the DSM scorecards for 2026 and the DSM shareholder incentive mechanism and amounts for 2026.[1]

II. COLLABORATION BETWEEN LIEN AND VECC

2 As stated in LIEN's intervention request to the OEB dated January 15, 2025, LIEN has made reasonable efforts to collaborate and co-ordinate its intervention with VECC to the extent that LIEN's interests align with those of VECC. Therefore, LIEN makes this submission jointly with VECC given the narrow scope of EGI's Rollover Application in this proceeding.

3 However, it is important to emphasize at the outset that a joint submission in this proceeding is not intended to set a precedent for future joint or separate submissions by LIEN and VECC in any OEB proceeding where both LIEN and VECC are intervenors. In this proceeding, EGI's Rollover Application is of such limited purview and scope that a joint submission by LIEN and VECC is appropriate based on common interests. To ensure efficiency, LIEN and VECC have collaborated and co-ordinated their intervention in this proceeding to the extent possible including co-ordinating and combining their interrogatories and questions at the Technical Conference held on July 24, 2025.

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1 EGI's Updated Pre-Filed Evidence for EB-2024-0198 dated July 9, 2025, Exhibit A, Tab 2, Schedule 1 pp. 2-3.

4 For the reasons set out below, LIEN and VECC submit that is in the best interest of all Ontario ratepayers including low-income and vulnerable energy consumers that the OEB approve EGI's Rollover Application.

5 LIEN and VECC further submit that as a condition for approval for the Rollover Application, the OEB should require that EGI collect and provide appropriate data for an independent OEB program evaluator to verify that no cross-subsidization exists between natural gas customers and customers of other kinds of fuels that the Independent Electricity System Operator ("IESO") is providing for the Residential Program in 2026.

III. THE ROLLOVER APPLICATION SHOULD BE APPROVED BECAUSE THE OVERALL 2026 DSM PORTFOLIO IS COST-EFFECTIVE

6 The DSM Framework has established the Total Resource Cost-Plus ("TRC-Plus") test for a program to be deemed cost-effective.[2] This requires that, for a program to be cost-effective, it must pass a screening threshold benefit/cost ratio of 1.0 or greater.[3] Of note is that low-income programs are an exception to this requirement and are not required to be cost-effective in order to be approved.

7 LIEN and VECC recognize that the Government of Canada's March 2025 decision to set the Federal Carbon Charge ("FCC") to zero effective on April 1, 2025, results in the 2026 Residential Program not being cost effective. However, the DSM Framework allows for the inclusion of programs that do not pass a cost-effectiveness

[2] EB-2021-0002, OEB DSM Framework (Schedule E of the OEB Decision and Order), November 15, 2022, p.25.

[3] EB-2021-0002, OEB DSM Framework (Schedule E of the OEB Decision and Order), November 15, 2022, p.26.

screening threshold, as long as the overall DSM portfolio is expected to have a TRC-Plus ratio of greater than 1.0.

8 The overall 2026 DSM portfolio complies with the DSM Framework because it is expected to result in a TRC-Plus ratio above 1.0 and is cost-effective. Therefore, EGI's Rollover Application should be approved even though both the 2025 and 2026 Residential Programs are forecast and expected to result in a TRC-Plus ratio of less than 1.0.

9 During the Technical Conference for this proceeding, Environmental Defence asked EGI whether the Residential Program would be cost effective if EGI were to apply the federally prescribed social cost of carbon in its cost-effectiveness evaluations. In response, EGI confirmed that inclusion of the federally prescribed social cost of carbon in cost-effectiveness evaluations would have resulted in a TRC-Plus ratio of greater than 1.0 for the Residential Program.[4]

10 During the Technical Conference, Environmental Defence asked EGI whether applying a 0.5% societal discount rate to cost-effectiveness evaluations would also make the Residential Program cost-effective by resulting in a TRC-Plus ratio of 1.0. In response, EGI stated: "The Residential Program 2025 forecast (and proxy 2026 forecast) TRC-Plus ratio (excluding the HER+ Offering) is 1.0 (with TRC-Plus net benefits of $42,635) when using the requested real discount rate of 0.5%, while maintaining all other input assumptions."[5]

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4 Technical Conference Transcript pp. 15-16.
5 EGI's Updated Responses to Undertakings dated August 14, 2025, Exhibit JT1.1.

11 LIEN and VECC have reviewed submissions by the School Energy Coalition ("SEC") and support and rely on SEC's recommendation that the OEB increase the adder in the DSM Framework's TRC-Plus test from 15%[6] to 65%. This increase, according to SEC's estimated calculation (confirmed through subsequent correspondence on August 28, 2025 between SEC, LIEN, and VECC), represents a first-cut estimate of the value that would have been added had the FCC not been cancelled.

12 In an August 29, 2025 email addressed to the intervenors in this proceeding, counsel for SEC further explained the rationale for recommending that the adder be increased to 65% and stated:

> *"Since the FCC was essentially a government price adjustment to reflect a particular non-monetary benefit (emissions reductions), the OEB by adjusting the adder would be continuing the status quo for cost-effectiveness purposes until it can hear evidence on the cost of carbon and other non-monetary benefits of DSM, and its jurisdiction to recognize those benefits in establishing rates."*

13 LIEN and VECC concur with SEC's rationale and submit that given the exclusion of FCC in EGI's cost-effectiveness analysis, increasing the adder for non-monetary benefits to 65% would make the Residential Program cost-effective.

14 Regardless, LIEN and VECC submit that EGI's Rollover Application should be approved despite the 2026 Residential Program not being cost-effective due to the removal of the FCC, because the overall DSM portfolio is cost-effective.

[6] Technical Conference Transcript p. 129.

IV. EGI’S EFFORTS AND COMMITMENTS TO IMPROVE THE RESIDENTIAL PROGRAM’S COST-EFFECTIVENESS SHOULD CONTINUE IN 2026

15 At the Technical Conference, LIEN and VECC inquired about steps that EGI has taken in 2024 and 2025 towards improving the TRC-Plus ratio for the Residential Program offerings. LIEN and VECC further inquired about what steps EGI has planned to monitor, track, and improve the TRC-Plus ratio for the Residential Program in 2026 should the Rollover Application be approved.

16 In response to the question about steps taken to date, EGI referred to several steps and measures that it has taken to manage the Residential Program within the OEB-approved budget with the goal of improving cost-effectiveness.

17 In response to the question about EGI’s plans in 2026 to monitor, track and improve the Residential Program’s cost effectiveness, EGI stated that it plans to collaborate with IESO and expects this collaboration would yield efficiencies over time. As part of the collaboration, EGI expects to have discussions with IESO by November 2025 with respect to the necessary process improvements that lead to increased cost-effectiveness for implementation in 2026.

18 LIEN and VECC support and encourage EGI to continue to collaborate with IESO and other intervenors in 2026 and on an ongoing basis and take effective steps to ensure improvements in Residential Program participant uptake, efficiency, delivery, and cost-effectiveness.

V. <u>THE ROLLOVER APPLICATION SHOULD BE APPROVED BECAUSE THE CHANGE IN RESIDENTIAL RATE IMPACT ON LOW-INCOME, VULNERABLE ENERGY CONSUMERS AND OTHER RESIDENTIAL CUSTOMERS IS NOT UNDUE IN 2026</u>

19 At the Technical Conference, EGI was asked to provide by way of an undertaking, a full breakdown of the 2026 DSM proposal. In response, EGI provided a table containing information about the rate and bill impacts for the proposed 2026 DSM Plan budget.[7]

20 Upon review of the information provided by EGI, LIEN and VECC note that for the residential Rate 1, Rate 01 and Rate M1, the change in the rate impact between the previously approved 2025 DSM Plan and the proposed 2026 DSM Plan is 0.1%, based on the budget increase from 2025 to 2026. This is not an undue rate impact in 2026 for low-income, vulnerable energy consumers, and other residential customers.

21 Therefore, LIEN and VECC submit that the Rollover Application should be approved given the likely rate impact on residential gas customers in 2026.

VI. <u>THE ROLLOVER APPLICATION SHOULD BE APPROVED BECAUSE TERMINATION OF THE RESIDENTIAL PROGRAM WILL NEGATIVELY IMPACT RESIDENTIAL CUSTOMERS</u>

22 LIEN and VECC further submit that the Rollover Application should be approved because it would be inappropriate for residential customers including low-income and vulnerable customers to have disruption and discontinuity in the Residential Program and its offerings. Ramp-down Residential Program processes would be implemented and associated costs incurred in 2025, if the Residential Program is not approved for 2026, resulting in a more costly Residential Program in 2025, customer and market

[7] EGI's Updated Responses to Undertakings dated August 14, 2025, Exhibit JT1.8.

confusion, and reduced and inadequate residential customer service and customer choice in 2026, all of which can be avoided with program continuity.

23 Furthermore, the government of Ontario is expecting collaboration between EGI and IESO on the Residential Program, which would be disrupted without approval of the Rollover Application. This disruption may cause harm to potential future collaboration between EGI and IESO, should EGI obtain approval of a Residential Program beyond 2026.

VII. NEED FOR IMPROVEMENT IN RESIDENTIAL PROGRAM PARTICIPATION

24 Upon further review of EGI's response to undertakings, specifically the information about the number of Residential Program participants for the years 2023 to 2026, LIEN and VECC express their concern about the significant drop in the number of residential participants from 2024 (118,818 homes) to 2026 (64,398 homes).[8]

25 LIEN and VECC recognize that the drop in the number of Residential Program participants may be attributed in part to the cancellation of the FCC in March 2025 and the impacts of this cancellation on the Residential Program.

26 LIEN and VECC submit that as a condition for approval, the OEB should require EGI to report on the number of residential participants for each of the streams under the Residential Program as part of EGI's 2026 reporting obligation if such a requirement is not already in place.

27 LIEN and VECC further submit that EGI should take all reasonable steps necessary to increase participation in the Residential Program in 2026 and beyond as

[8] EGI's Updated Responses to Undertakings dated August 14, 2025, Exhibit JT1.7.

part of EGI’s existing and proposed plans with the IESO to increase program participant uptake, efficiency, delivery and cost-effectiveness and report back on these efforts in the next DSM application.

All of which is respectfully submitted

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