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VIA RESS

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Dear Mr. Murray:

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

Industrial Gas Users Association (IGUA) – Submissions on 2026 Rollover

We write as counsel to IGUA.

The OEB's consideration of the 2026 rollover proposal has largely focussed on the residential DSM program's continuation and its continued cost effectiveness, which are not matters that IGUA generally engages in. The impact of the rollover proposal on IGUA members, relative to the OEB approved 2025 DSM program, is minimal.¹ In these circumstances, including in particular the OEB's prior clear direction on the scope for consideration of this rollover proposal, IGUA has no objection to the rollover proposal.

IGUA relies on the OEB's clarification to parties that matters related to the social cost of carbon will be considered as part of the broader multi-year DSM plan application and are out of scope for consideration of the 2026 rollover proposal.² IGUA will have a view on the appropriateness of including, and the OEB's jurisdiction to include, monetized externalities in the cost-effectiveness analysis for future DSM initiatives. The OEB has directed that such considerations will not be entertained by the OEB at this time, and IGUA has relied on that direction in formulating these submissions.

We note that questions arose at the Technical Conference herein on use of a social discount rate in DSM program evaluation. We understand those questions to have arisen in the context of considering the continued cost effectiveness of EGI's residential DSM program in 2026. As is the case with the social cost of carbon, IGUA assumes that any consideration of the appropriateness of adoption of a social discount rate for the purposes of evaluating DSM cost effectiveness would be a matter for consideration as part of the broader multi-year DSM plan application review and will not be entertained by the OEB at this time.

¹ Exhibit JT1.8, Attachment 1.

² Procedural Order No. 6.

We had the benefit of considering a draft of SEC's contemplated submissions herein, and we have also reviewed other parties' submissions filed earlier today. It is our understanding that SEC's submissions do not propose that the OEB make any determinations at this time regarding non-monetary benefits of the cost of carbon, given the OEB's previous procedural direction excluding those issues from this part of the proceeding. As noted above, IGUA relies on that previous procedural direction.

On the basis of that reliance, IGUA takes no position in respect of the continued cost effectiveness of the residential DSM program, and the implications of that for continuation of the current residential program for 1 year pending the broader review of EGI's DSM programming as a whole. In general, however, we do acknowledge that considerations of continuity are appropriately taken into account in determining whether rates which include charges to customers for continued DSM programming remain just and reasonable over time. Such considerations could be argued to support interim continuation of existing DSM programming pending more complete consideration by the OEB of broader issues, including issues regarding monetization of externalities through social cost of carbon, social discount rate, and/or other such approaches, going forward. We understand this to be the basis of SEC's submissions.

With respect, we do not believe that the OEB needs to *"change the 15% adder for non-monetary benefits to 65% with respect to the Residential Program"* as SEC has suggested in order accept as appropriate a one year rollover of the current DSM programs. On the contrary, a finding to that effect would clearly be an artifice and would obfuscate the very issues that, as noted above, the OEB has indicated it will consider in its broader review of EGI's full multi-year DSM program proposal. In a context in which, given past OEB practice and Ontario government policy, continuation of ratepayer funded DSM programming is likely, regulatory continuity and certainty provide sufficient justification for a short-term (1 year) rollover of current DSM programs pending the upcoming more complete review. In their submissions SEC and other parties have articulated the value of such continuity, in the current context, for this relatively brief interim period, despite the current cost-effectiveness challenges for the residential DSM programs.

Yours truly,



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