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

Dear Mr. Murray:

Re: Submissions of the Low-Income Energy Network re Consultation on the Review and Evaluation of the Integrated Resource Planning Framework for Enbridge Gas - OEB File No. EB-2025-0125

Willms & Shier Environmental Lawyers LLP is counsel for the Low-Income Energy Network ("LIEN"). LIEN is a participant in the above referenced consultation.

LIEN encloses its submissions below, in response to the questions posed by the Ontario Energy Board ("OEB") Staff contained in Appendix A of the OEB Staff Discussion Paper titled: "Integrated Resource Planning Framework Review EB-2025-0125", dated October 2025.

Yours truly,

Ali Naraghi
Associate Lawyer

cc: LIEN Legal Subcommittee
Judy Simon – Consultant for LIEN

1377-5571-0746, v. 1

Review and Evaluation of the

Integrated Resource Planning Framework for Enbridge Gas

Ontario Energy Board File No.: EB-2025-0125

LIEN's Comments in Response to OEB Staff's Questions posed to Stakeholders at the October 22, 2025 Stakeholder Meeting

As a joint program of the Advocacy Center for Tenants Ontario and the Canadian Environmental Law Association, The Low-Income Energy Network ("LIEN") occupies a unique intersection of anti-poverty and public interest environmental advocacy and represents over 75 member groups across Ontario. As a network representing the intersection of interests related to low-income consumers and energy sustainability, LIEN's focus is on reducing the energy bills of all low-income consumers and providing low-income consumers with the opportunity to better manage their energy bills. LIEN also advocates for low-income communities to be part of future approaches to energy generation and consumption, and for sustainable solutions to societal challenges such as climate change.

With the above objectives in mind, LIEN has prepared responses to questions posed by the Ontario Energy Board ("OEB") Staff contained in Appendix A: Consolidated Questions to Stakeholders of the Board Staff Discussion Paper, "Integrated Resource Planning Framework Review EB-2025-0125" dated October 2025 ("OEB Discussion Paper").

LIEN has prepared these responses to the questions in the order in which they appear in Appendix A.

1. **What implications does the current public policy environment have for an evolved IRP Framework and the OEB's IRP-related expectations of natural gas distributors?**

The Integrated Resource Planning ("IRP") Framework "defines IRP as a planning strategy and process that considers Facility Alternatives and IRP Alternatives (including the interplay of these options) to address the system needs of Enbridge Gas's regulated operations, and identifies and implements the alternative (or combination of alternatives) that is in the best interest of Enbridge Gas and its customers, taking into account reliability and safety, cost-effectiveness, public policy, optimized scoping and risk management." (Staff Discussion Paper, p. 28).

Ontario's Integrated Energy Plan ("IEP") (Energy for Generations, June 2025) provides four principles which are the central focus of the IEP: affordability, security, reliability, and clean energy. The IEP includes both electricity and natural gas and indicates a strong commitment to energy efficiency for both electricity and natural gas use.

As quoted in the OEB Discussion Paper, the IEP indicates that Ontario's Natural Gas Policy Statement includes "as part of a gradual transition to a more diverse energy system, Ontario will continue to support the important role of natural gas in Ontario's energy system and economy while pursuing options to lower costs and reduce emissions through energy efficiency, electrification, clean fuels (e.g., renewable natural gas, low-carbon hydrogen) and carbon capture and storage" and that "there is a need for an economically viable natural gas framework – as the province builds a more diverse energy system – to attract industrial investment, drive economic growth, to maintain customer choice and ensure overall energy system resiliency, reliability and affordability." (p. 96, IEP).

An evolved IRP framework must include processes, plans and appropriate regulatory oversight that adheres to the four principles of the IEP. This oversight must be designed to ensure that the most cost-effective (broadly defined from a societal perspective) solutions are implemented and selected for implementation by comparing Facility Alternatives (pipe solutions) with IRP Alternatives (non-pipe solutions) on a level playing field which is transparent, fair and equitable.

As is the case with natural gas DSM, it is important to align Enbridge Gas corporate interests with carrying out aggressive IRP Alternatives investigation and effective implementation. Therefore, it is key that the IRP Framework provide adequate financial incentive to Enbridge Gas to overcome the barriers the company faces in carrying out IRP Alternatives, such that Enbridge Gas can be agnostic as to whether it implements a Facility Alternative, IRP Alternative or a solution which includes both Facility and IRP Alternatives. Without such incentive, the playing field will continue to be tilted in favour of Facility Alternatives, and there will be lost opportunities for implementing the most cost-effective options from a societal perspective.

There are costs for Enbridge Gas ratepayers in the continued evolution of the IRP Framework to a mature evolved framework, which are necessary to ensure an effective framework that meets the four principles of the IEP, and especially for low-income ratepayers, meeting the affordability principle. As a result, the OEB should consider establishing an Ontario natural gas support program for low-income natural gas consumers to defray any rate impacts these customers may incur as a result of implementation of IRP Plans (pilots and rollout programs), especially in the early years of the maturing IRP Framework.

2. **Which of the procedural options, if any, for updating the IRP Framework do you prefer, and why?**

   The OEB Discussion Paper (p.38) presents three options for developing an updated IRP Framework:

   - Enbridge Gas drafting and filing an updated IRP Framework for adjudicative review and approval (Enbridge-only adjudicative proceeding)
   - OEB staff drafting and filing an updated IRP Framework for adjudicative review and approval (generic proceeding or Enbridge-only proceeding)
   - OEB drafting and issuing a non-adjudicated updated IRP Framework as a policy document (which may also be applicable to EPCOR).

Of note is that the OEB's 2022 Natural Gas Facilities Handbook requires all rate-regulated natural gas distributors, which includes EPCOR, to provide evidence as to how IRP Alternatives have been considered as an alternative at the preliminary stage of project development in any pipeline Leave to Construct application (OEB Discussion Paper, p. 36).

At this point in the consultation process LIEN (LIEN reserves the right to review and revise its preference based on the outcome of this consultation process), prefers OEB staff drafting and filing an updated IRP Framework for adjudicative review and approval in an Enbridge-only proceeding to be held in 2026. OEB staff has gained sufficient expertise and experience through the work of the OEB's IRP Working Group and the extensive efforts of Enbridge Gas to implement and evolve the IRP Framework to enable OEB Staff to develop the next iteration of the IRP Framework for adjudicative review.

In the development of this next iteration, LIEN urges OEB staff to consult in a meaningful way with Enbridge Gas and stakeholders to develop a more robust IRP Framework for adjudication. With OEB staff taking a leadership role in the IRP Framework development, this should increase the transparency of the development and the collaboration with stakeholders, resulting in an enhanced IRP Framework for adjudication.

An adjudicative process rather than a non-adjudicative process for the approval of the IRP Framework will allow for more effective testing by stakeholders of the proposal, and will result in a more informed decision by the OEB regarding the Framework.

LIEN supports the continuation of the requirement for EPCOR to consider IRP Alternatives at the preliminary stage of project development in all of its pipeline Leave to Construct applications. Because of the lack of maturity of the IRP Framework in Ontario and the small size of EPCOR, only serving about 9,000 customers in Ontario, the IRP Framework proceeding should not apply to EPCOR. EPCOR expenditures on IRP should be limited to avoid undue rate impacts to its customers from EPCOR exploring IRP policy in detail. Such exploration and the associated costs incurred would likely be necessary if the adjudicated IRP proceeding applied to EPCOR. Significant EPCOR expenditures at this early stage of IRP Framework development should be limited to Leave to Construct applications within

which EPCOR would conduct effective exploration and review of IRP Alternatives as alternatives to as well as part of Facility Alternative solutions to provide its customers with the most cost-effective solution from a societal perspective. As part of the IRP proceeding, the OEB should consider criteria and a schedule for bringing all natural gas distributors under the IRP Framework.

3. **Should any updated IRP Framework be specific to Enbridge Gas, or applicable to all rate-regulated gas distributors?**

Provided that the IRP Framework is updated in a timely manner, beginning with an adjudicated proceeding in 2026, LIEN supports having the new IRP Framework applied to Enbridge Gas only. As part of the adjudicated proceeding, LIEN suggests the OEB explore and identify appropriate criteria and timing for all rate-regulated gas distributors to become subject to the full IRP Framework. The OEB should consider a staged approach to inclusion of other natural gas distributors in the IRP Framework, starting with Enbridge Gas and then including others as appropriate. LIEN supports the continuation of the requirement for EPCOR to consider IRP Alternatives at the preliminary stage of project development in all of its pipeline Leave to Construct applications. Because of the lack of maturity of the IRP Framework in Ontario and the small size of EPCOR, only serving about 9,000 customers in Ontario, its expenditures on IRP should be limited to avoid unnecessary rate impacts and to focus its IRP-related expenditures for effective consideration of IRP Alternatives within its Leave to Construct applications.

4. **Does the level of detail in the current IRP Framework strike an appropriate balance between:**
   (a) Defining the OEB's expectations and providing regulatory certainty on IRP
   (b) Allowing for flexibility and evolution in Enbridge's approach to IRP Implementation?
      a. **Would more or less detail be preferable in an updated IRP Framework?**

The level of detail, which includes the various IRP policy/guidance documents plus the proposed additions/modifications (e.g. IRP Implementation Plan) to the IRP Framework proposed in this submission, strikes an appropriate balance between OEB's expectations and providing regulatory certainty on IRP. The level of detail in allowing for flexibility and evolution in Enbridge Gas's approach to IRP implementation also strikes an appropriate balance.

The OEB should put in place a process which provides both the IRP Working Group and other stakeholders to continue to have the opportunity to review the IRP Framework at key intervals in a meaningful way as the IRP Framework matures, so that the level of detail in the IRP Framework remains appropriate to meet OEB expectations and provides adequate regulatory certainty. This process should facilitate appropriate changes to existing IRP

policy and guidance documents as well as the creation of new policy and guidance, as needed.

More detail would be welcome provided that it does not unduly limit the range or the level of investigation of IRP Alternatives, but rather facilitates the identification, assessment and implementation of IRP Alternatives.

5. **Do you support the OEB Staff proposal for an IRP Implementation Plan? What modifications, if any, to this proposal, and to the annual reporting approach, would you suggest?**
    a. **How frequently should an IRP implementation Plan be developed and reviewed? Should the IRP Implementation Plan be reviewed as part of, or separately from, Enbridge Gas's rebasing application?**

LIEN supports OEB Staff proposal requiring Enbridge Gas to file a forward-looking IRP Implementation Plan for OEB approval covering a defined period, which would also serve as a compendium of Enbridge Gas current IRP practices, outline actions and priorities for the defined period and would be supported by an up-to-date Asset Management Plan ("AMP").

As listed by OEB staff , the supporting policies would include: (1)enhanced DCF+ test, (2) IRP Assessment Screening and Evaluation Guidelines, (3) Enbridge Gas's approach to stranded asset risk within context of IRP assessment, (4) Enbridge Gas's approach to quantifying technical potential of IRP Alternatives, including DSM and peak demand reductions from contract customers,(5) Enbridge Gas's approach to quantifying offsetting amounts in the IRP Costs deferral account balances to reflect avoided capital cost impacts related to facilities projects that are delayed, avoided or downsized by IRP, and (6)Enbridge Gas's proposed Shareholder Incentive Mechanism for IRP Plans. LIEN supports providing flexibility to add/refine this list over time.

LIEN concurs that, at minimum, Enbridge Gas would seek specific approvals for use of its proposed enhanced DCF+ test and Shareholder Incentive Mechanism and that Enbridge Gas would have the option of bringing forward separate IRP Plans addressing specific system needs at a later date.

LIEN is concerned that a 3-year planning horizon is too short for the Implementation Plan. LIEN suggests that the Implementation Plan have a minimum of 10-year planning horizon. Of note is that the Integrated Regional Resource Plan ("IRRP") process led by the IESO for regional electricity grid planning provides a 20-year IRRP for the Region. The IRRP specifies recommendations for incremental eDSM for specific constrained infrastructure and the timing of the eDSM over the planning period based on need (for example, see IESO, Toronto Integrated Regional Resource Plan, October 31,2025). Since IRP Alternatives (e.g. targeted DSM, certain DR) may require time in-market to achieve required savings, if the IRP Alternatives are in-market early and over an appropriate period of time, this

provides time to design, scale up and achieve the requisite infrastructure deferral or scale-back, and would encourage Facility Alternatives to be both part of the infrastructure solution as well as an alternative to it.

LIEN supports having the first Implementation Plan be adjudicated as a separate proceeding based on the up-to-date AMP. This would help to ensure that the content requirements of the Implementation Plan, the review and updating cadence of the Plan, and the treatment of the Plan in the rebasing proceeding and how it links to Enbridge Gas's approved DSM Plan, would receive a thorough review and testing by the OEB, resulting in a more informed OEB decision.

LIEN supports having the review of subsequent Implementation Plans as part of the rebasing application, where the overall capital and operating plan for Enbridge Gas is reviewed. LIEN recognizes that doing so adds to the complexity of the rebasing proceeding. LIEN urges the OEB to take steps to ensure effective scrutiny and testing of the Implementation Plan. A step towards this objective is making the Implementation Plan a required issue on the proceeding Issues List; it could also be part of a staged approvals process within the rebasing application.

LIEN suggests the OEB consider a midpoint review of the Implementation Plan which would be limited in scope and with set timelines. This would ensure that the Plan is kept current, with a streamlined approvals process.

It is likely that certain stakeholders may wish to focus on the IRP portion of the rebasing proceeding, including the approval of the Implementation Plan. Making scrutiny of the Implementation Plan a clear subcomponent of the adjudication and approval could facilitate such stakeholder participation.

LIEN supports the draft IRP Implementation Plan and the draft update at the midpoint review being reviewed by IRP Working Group. For each case, Enbridge Gas would document its consideration of the IRP Working Group's comments in the Implementation Plan.

LIEN supports Enbridge Gas continuing to file an IRP annual report as part of Enbridge Gas's Non-Commodity Deferral Account Clearance and Earnings Sharing Mechanism application, to support clearance of IRP Costs, deferral accounts, and OEB continuing to be limited to making findings on disposition.

6. **How do you see the role of the IRP Working Group evolving under an updated IRP Framework? Do you agree with OEB staff's proposed approach? Why or why not?**

The OEB established an IRP Working Group led by OEB staff to provide input to both Enbridge Gas and the OEB regarding implementation of IRP and oversight of the IRP

Framework, respectively. The initial priorities were regarding consideration and implementation of IRP pilots and enhancements and guidance related to applying the DCF+ test evaluation methodology. The Working Group files an annual report to the OEB which includes comments on Enbridge Gas's annual IRP report, and describes other activities undertaken by the Working Group. OEB Staff notes that the Working Group has provided useful advice, but this advice has come at a significant cost and effort relative to results achieved and that the IRP Working Group has been most efficient and effective when supported by a clear ask and time-bound deadlines and has found it difficult to reach consensus on IRP issues with policy implications.

OEB staff see value in a continuing role for the IRP Working Group as a consultative body, but not as a substitute for regulatory approval. If the requirement for an IRP Implementation Plan is adopted by the OEB, then OEB staff proposes that the IRP Working Group review and provide substantive input on a draft of the IRP Implementation Plan prior to adjudication. In addition, OEB staff proposes that the IRP Working Group would review and comment on a draft of the Enbridge Gas annual IRP report, and that only these be the IRP Working Group responsibilities explicitly defined in the IRP Framework. Additional expectations could be established through adjudication in IRP related proceedings.

LIEN agrees that the role of the IRP Working Group in the updated IRP Framework be a consultative role. LIEN also agrees that the role should include providing substantive comments on the draft of the IRP Implementation Plan and the draft of the Enbridge Gas annual IRP report, such that each draft provided by Enbridge Gas for comment is in such developed state that the IRP Working Group can provide timely comment that can impact the IRP Implementation Plan and the Enbridge Gas annual IRP report in a meaningful way.

In addition to these two roles, LIEN proposes that the mandate of the IRP Working Group include the review of pilot project implementation based on a semi-annual meeting, or more frequent meetings as needed (e.g., quarterly), to discuss progress, lessons learned, and any course correction needed.

7. **Do you support the definition of "innovation-related IRP proposals" as proposed by OEB staff?**
    a. **Are there additional elements or considerations you believe should be emphasized or included to better define the scope of innovation-related IRP proposals?**

OEB staff proposes to define innovation-related IRP proposals "as discrete initiatives aimed at testing the appropriateness of new technologies, approaches or practices to advance or improve the understanding of how IRP can address the system needs of Enbridge Gas's regulated operations and implement the alternative (or combination of alternatives) that is in the best interest of Enbridge Gas and its customers."

LIEN supports this definition of IRP proposals and recommends adding a sentence to the end of the definition to add clarity regarding the difference between IRP proposals and IRP Plans, as follows: "IRP proposals differ from IRP Plans in that IRP proposals are primarily intended to support learning and future IRP implementation, while IRP Plans are designed to meet identified near-term system needs."

8. **Which, if any, of the four proposed oversight mechanisms for innovation-related proposals do you support and why?**
   a. **What modifications to the proposed oversight mechanisms, if any, would you suggest?**

OEB staff have put forward four oversight mechanisms for innovation-related proposals:

1. **Advance project- specific approval by OEB** – This follows the current regulatory process and is subject to adjudicative review. This provides stakeholders and the OEB with thorough testing of Enbridge Gas proposals, but it has been a lengthy process in the past, which is likely to hinder the timely implementation and testing of innovation regarding IRP.

2. **Advance review and endorsement by IRP Working Group with pre-determined criteria** – This was used for the approval of Enbridge Gas pruning pilot and worked well but not all aspects could be agreed upon by the IRP Working Group such as inclusion of advanced gas-fired technologies. This process also precluded other stakeholders from being involved. In addition, OEB staff has pointed out that it is difficult for the IRP Working Group to reach consensus and has failed to do so in the past.

3. **Advance approval by the OEB of an IRP Implementation Plan** – The Implementation Plan would contain innovation-related IRP proposals, and the proposals can be included in IRP Costs deferral accounts. The IRP Implementation Plan would be approved in an adjudicative proceeding which would allow for broad stakeholder input and could be designed with timelines set by the OEB Panel to ensure a timely approvals process.

4. **No advance review and approval** – This mechanism would lead to the quickest implementation as no approvals process would be required and the costs would be dealt with in IRP Costs deferral accounts. This mechanism poses the greatest risk for Enbridge Gas as there would be no OEB approval and precludes stakeholder input.

LIEN agrees with OEB staff that Option 3 – Advance approval by the OEB of an IRP Implementation Plan which contains proposed innovation-related IRP proposals, is the preferred option. Option 3 enables full testing of the proposal with broad stakeholder input, and if appropriate timelines are set by the OEB for the adjudication process, the

process can result in timely approvals, implementation and testing of the innovation. Therefore, LIEN recommends that Option 3 be modified to include a standard schedule for the approvals process to ensure timely approvals, implementation and testing of the proposal. An approved IRP Implementation Plan in a timely manner would allow Enbridge Gas to implement initiatives with some flexibility and include subsequent prudence reviews of the related spending recorded in IRP Costs deferral accounts with dispensation oversight by the OEB.

LIEN recommends that with experience once the approval of innovation-related IRP approvals becomes more routine, the OEB re-examine the suitability of Option 4 – "no advance review and approval", and under what conditions. It may be that where the decisions that need to be made by the Board Panel are mechanistic or administrative, a delegated authority approval would be applied instead of a Board Panel review.

9. **What assessment criteria would best support value-driven innovation? Do you agree with the five considerations proposed by OEB staff? If not, what changes would you propose?**

OEB staff proposes that Enbridge Gas should be required to address five considerations like those identified in the OEB's guidance to electricity distributors on innovation-related proposals, and these considerations would be applied proportionally to the size and forecast cost of the innovation proposals, with increased detail and scrutiny for larger-scale initiatives. LIEN agrees with this approach as it increases the clarity and transparency of the review process and is consistent with the treatment of innovation by electricity distributors.

The five considerations that OEB staff propose are:

1. **Potential to address system needs –** Identify rationale for the proposal, including an assessment of whether and how the proposal could contribute to meeting future system needs, with a description of potential costs and benefits of the proposal and how it compares with a traditional pipe solution.

2. **Risk and oversight** – Describe risks and uncertainties including those that affect customers and describe mitigation strategies including governance and oversight structures.

3. **Evaluation and scalability** – Identify how outcomes of the proposal would be evaluated and assessed and outline a transition plan for broader deployment if the proposal proves successful, including key milestones and decision points.

4. **Alternative funding**- Explore opportunities for alternative funding sources to reduce reliance on ratepayers.

5. **Knowledge sharing** – Include a mechanism for sharing lessons learned to support sector-wide learning and inform future proposals.

LIEN supports the five considerations proposed by the OEB as they are broad and cover considerations which are key to making a decision. To add a level of comprehensiveness and to help ensure the proposal will add value to IRP innovation in Ontario, LIEN suggests a sixth consideration:

6. **Enhance innovation in natural gas IRP in Ontario** – Describe other relevant publicly known innovation in natural gas IRP that this proposal would complement or enhance. Describe how this proposal would not duplicate existing publicly known natural gas IRP innovation. This analysis is not meant to be exhaustive but rather to demonstrate to a reasonable extent that the proposal will add value to IRP innovation in Ontario.

10. **Are you in favour of expanding electrification as an eligible IRP Alternative beyond the current pilots? Why or why not?**

LIEN is in favour of expanding electrification as an eligible IRP Alternative beyond the current pilots and including fuel-switching where it is cost-effective. Electrification has the potential to provide greater natural peak natural gas reductions and therefore greater societal benefits. Including electrification will also provide more opportunities for cost-effective IRP Alternatives to defer or avoid natural gas infrastructure. Electrification is most likely to be used in an IRP Plan to avoid or defer an upstream reinforcement project.

11. **Is there value in a pilot that includes electrification as an alternative to new customer connections (which is not part of the existing Southern Lake Huron pilot or the system pruning pilot)?**

LIEN agrees with OEB staff that electrification measures could be offered to both existing and potential new customers and thereby avoid connection costs for these new customers. This would provide additional opportunities to investigate and implement the most cost-effective options.

12. **Are there any legal considerations or limitations relevant to the OEB's ability to approve funding for electrification or other non-gas IRP Alternatives under the OEB Act (natural gas rates)?**

There may legal as well as equity and cross-subsidization considerations regarding electricity ratepayers who are customers of the LDC(s) in the service territory in which the electrification lead by Enbridge Gas is proposed. Electrification provides a load building benefit to the LDC and potentially as a result distribution rate reduction to the LDC customers. Such benefits in the current regulatory framework would be paid for by natural

gas customers, since it is cheaper for these customers to make this investment than to pay for a pipe option. If electrification, including fuel-switching, is permitted as an IRP alternative, then a regulatory approach is required to ensure a fairer, more equitable allocation of costs and benefits, such that affected electricity ratepayers make a contribution to the costs of the electrification in proportion to the benefits they receive. This 'user pay' allocation approach is consistent with the proposed approach for Stream 2 eDSM put forward by IESO-LDC Working Group (EB-2025-0156), where costs are proposed to be allocated to the global adjustment ("GA") in accordance with the bulk system benefits and to the LDC in accordance with the distribution system benefits to be achieved.

Where electrification IRP Alternatives are being proposed, joint applications or applications by both Enbridge Gas and the LDC(s) in a joint adjudicative process may need to be considered in order to ensure proper cost and benefit allocation. The IESO may also have a role in allocation if bulk system benefits are also provided through the electrification IRP Alternative. Any contribution from the GA would need to be factored into to the regulatory framework and analysis of the costs and benefits.

13. Do you have suggestions regarding the approach to identifying electricity system impacts trigged by an electrification IRP Alternative, or the approach to quantifying electricity system impacts in cost-effectiveness testing?

LIEN proposes that the OEB develop a cost-effectiveness methodology that can effectively calculate and allocate the benefits and costs on a user pay basis (as described above in 12). For the electricity system, the OEB has developed a Distribution Service Test ("DST") to capture distributor costs and benefits and an Energy System Test ("EST") to capture both bulk system and distribution system benefits. An analogous approach should be developed for electrification IRP Alternatives analysis so that costs and benefits are appropriately calculated and allocated to electricity and to natural gas ratepayers with a user pay objective.

Under the existing IRP framework IRP DCF+ test is used. The test accounts for incremental costs of electrification as a phase 2 impact by including the change in the electricity bill for customers participating in the IRP Alternative and any incremental off-bill customer costs for electrification measures that are paid for by the participating customer. Enbridge Gas costs are treated as a phase 1 impact.

OEB staff proposes that when a distributor or the IESO has identified a required electricity system upgrade, Enbridge Gas would include the associated electricity system costs (incremental to phase 2) as a phase 3 impact to be considered by Enbridge Gas and the OEB in determining whether the electrification IRP Alternative is the preferred option. LIEN supports this approach as an interim measure until the approach for integrating both

natural gas and electricity costs and benefits for proper allocation of costs and benefits between natural gas and electricity ratepayers is developed by the OEB. Such development is necessary and the OEB should make it a priority so that more widespread implementation of cost-effective electrification IRP Alternatives can be implemented in a timely and equitable manner.

LIEN also supports the inclusion of non-gas IRP Alternatives as part of the consideration of IRP Alternatives by Enbridge Gas within the IRP Framework. This includes thermal networks such as renewable-based district energy (e.g. solar PV and battery storage). Solar PV and battery storage are already included as measures by the IESO for certain eDSM applications and should also be considered by Enbridge Gas within the IRP Framework.

14. **Do you support the cost threshold at which IRP Plans require OEB approval, or do you have alternative proposals related to approval requirements?**

LIEN supports the continuation of the current cost threshold of $2M for triggering a Leave to Construct approval requirement for IRP Plans. IRP Alternatives may be considerably cheaper than pipeline infrastructure, for example the one non-pilot IRP Enbridge Gas has completed, East Kingston Creekford Road project, was below $2M. Therefore, keeping the threshold at $2M will help to ensure appropriate scrutiny and stakeholder involvement in the regulatory approvals process for IRP Plan approvals.

The OEB's Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities ("Environmental Guidelines") regarding consultation requirements, including Indigenous consultation, should apply to Leave to Construct approvals for IRP Plans. These Guidelines may need to be reconfigured to explicitly provide guidance regarding consultation on IRP Plans. The OEB should encourage Enbridge Gas to comply with these consultation requirements for IRP Plans that do not trigger a Leave to Construct approval and review Enbridge Gas's performance in this regard as part of the prudence review for dispensation of IRP Costs deferral accounts.

15. **How should the OEB address the implications of approval requirements regarding potential impacts of IRP Plans on Aboriginal or treaty rights?**

The OEB should ensure that the duty to consult is fulfilled for all IRP Plans, and that the impacts of any IRP on Aboriginal or treaty rights are properly addressed. The Environmental Guidelines may need to be reconfigured to explicitly provide guidance for the treatment of potential impacts of IRP Plans on Aboriginal or treaty rights.

16. **Do you support introducing a cost threshold for mandatory evaluation of IRP Alternatives for growth-related projects? Why or why not?**

The IRP Framework requires that all growth projects – system reinforcements to address demand growth - proceed to the technical evaluation stage (phase 1) and consider IRP Alternatives. Enbridge Gas has identified in its 2025-2034 Asset Management Plan ("AMP") twenty-three low-cost growth-related projects totalling $4.3M. Under the current IRP Framework, Enbridge Gas is expected to conduct technical evaluations considering IRP Alternatives for all these projects.

Based on its experience carrying out the IRP Assessment Process for low-cost growth projects, Enbridge Gas has concluded that conducting technical evaluations for growth investments with costs of less than $2M is resource-intensive, does not provide benefits for IRP internal assessment processes or potential IRP implementation, and the IRP Plan costs to avoid this infrastructure investment are higher than the reference facility cost. To address this, Enbridge Gas has proposed screening out the growth projects that are less than $2M from detailed IRP evaluation.

LIEN supports, under two conditions, the establishment of a $2M threshold for growth-related projects as this threshold is consistent with the OEB expectations for consideration of Non-Wires Solutions by electricity distributors. The first condition is that the OEB require that the consultation requirements contained in the Environmental Guidelines be made to apply to Enbridge Gas for the development and implementation of all IRP Plans. The second condition is that Enbridge Gas file its IRP Assessment Cost Threshold Screening of Growth Investments for review as part of an OEB consultation to be initiated to consider what, if any additional criteria, should be required for screening growth-related projects.

17. **Should the importance placed on the different phases of the DCF+ test be adjusted? Why or why not?**
    a. **Should this issue be considered as part of the process to update the IRP Framework, or as part of a subsequent proceeding (e.g., as part of the first IRP Implementation Plan proceeding)?**

The importance placed on the different phases of the DCF+ test should be adjusted. The IRP Framework places primary importance on phase 1 results, which is a limited test that includes only the economic benefits and costs from the utility perspective and does not include the costs and benefits to customers (phase 2) or to society (phase 3).

LIEN recommends that the Phase 2 test with the addition of a non-energy benefit adder ("NEB") equal to the 15% NEB adder for natural gas DSM and the federal government's social cost of carbon, which is used in federal regulatory impact assessment, be included as the initial values for these inputs in the phase 2 test and that the phase 2 become the primary and most important test.

Changing the primacy of the test from phase 1 to phase 2 with these two additions to phase 2 will take into account more of the benefits of the IRP Alternatives and help to ensure that these Alternatives are compared on a more level playing field with Facility Alternatives. Further work by the OEB on phase 3 may lead to different values for the NEB and social cost of carbon over time as well as include additional societal benefits and costs, and these changes and additions would be made to the phase 2 test.

LIEN supports the recommendation of the OEB jurisdictional scan to include social and equity value streams alongside typical equipment and avoided costs. LIEN recommends the OEB revisit the value of the 15% NEB to enhance the value to include equity considerations such as benefits to low-income customers or on-reserve First Nations.

LIEN supports the OEB staff recommendation to require Enbridge Gas to bring forward its enhanced DCF+ test methodology for approval as part of Enbridge Gas's IRP Implementation Plan, if there is no prior opportunity to review the DCF+ test in the context of an IRP Plan to address a specific system need. This will help to ensure that the matters are addressed at the first opportunity and within an adjudicated proceeding.

18. **Are there other changes to the cost-effectiveness approach used for IRP that should be incorporated into an updated IRP Framework (as opposed to subsequently considered through adjudicative review of the enhanced DCF+ test)? If so, what?**

Until the adjudicative review of the enhanced DCF+ test, LIEN recommends that in the interim the OEB require Enbridge Gas to pilot calculating the phase 2 test with the inclusion of the 15% NEB and the federal government's social cost of carbon in comparing IRP Alternatives with Facility Alternatives (herein referred to as the 'phase 2+ test'), as well as calculating Enbridge Gas's enhanced DCF+ test. This will provide experience and lessons learned regarding the use of the 'phase 2+ test' and provide a more comprehensive basis for the OEB to test and evaluate Enbridge Gas's proposed enhanced DCF + test.

19. **Do you have other comments or suggestions regarding changes to the IRP Framework?**

In making updates to the IRP Framework, the OEB should consider implementing changes that will result in a more equitable and fairer comparison – level the playing field – between

Facility Alternatives and IRP Alternatives to increase the feasibility and implementation of more cost-effective alternatives. The OEB should take steps to harmonize its treatment of IRP Alternatives with Non-Wires Solutions ("NWS"), as appropriate, especially where electrification IRP Alternatives are being considered so that their costs and benefits can be identified and appropriately allocated among electricity and natural gas ratepayers.