ONTARIO ENERGY BOARD

EB-2025-0125

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

AND IN THE MATTER OF a consultation to support a review and evaluation of the Integrated Resource Planning Framework

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Comments of Environmental Defence on the OEB Staff Discussion Paper

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Overview

The OEB has emphasized the importance of Integrated Resource Planning ("IRP") in decision after decision over the past three decades (see excerpts in Appendix A). The October 2025 OEB Staff Discussion Paper proposes a series of balanced and well-reasoned revisions to improve the IRP Framework. These revisions are consistent with the numerous OEB decisions noted above and strongly support provincial policy. Environmental Defence asks that these proposals be implemented on an expedited basis. Although we believe there are other areas of potential additional improvement, such as adjusting the cost-effectiveness tests used for IRP to match the ones used by the IESO, we believe it is best to secure incremental progress as quickly as possible.

The two most important OEB Staff recommendations are to allow electrification measures and to remove the emphasis on the first stage of the cost-effectiveness test (the DCF+ test) as it excludes important costs and benefits. Electrification measures need to be eligible for inclusion in IRPAs to ensure that all reasonable options are considered and the most cost-effective option is chosen. Each stage of the cost-effectiveness test needs to be considered, with weighting towards the stages that consider all impacts, so that decisions are made that account for all energy system financial impacts on customers. If certain measures are excluded (i.e. electrification measures) or certain costs/benefits are excluded (i.e. savings accruing to customers from avoided gas use), the optimization criteria will be inherently flawed, resulting in sub-optimal outcomes. The provincial government has a clear "affordability first" policy. That can only be achieved if all options are on the table and all costs and benefits are considered when deciding which options are cost-effective overall.

Further details on these issues and responses to the discussion questions are listed below.

Although adoption of the OEB Staff recommendations will be an important step in the right direction, progress on IRP will inevitably be relatively limited until Enbridge's incentives are changed. Most importantly, Enbridge currently has a strong incentive to:

- Build and repair pipelines in order to grow rate base, on which it earns its profit; and
- Connect as many customers during each rate term as possible to benefit from the incremental revenue from new customers it will earn in the rate term (estimated to be worth $256 million during the current rate term).[1]

These incentives run counter to the goals of IRP, which include *decreasing* capital costs. IRP Alternatives (IRPAs) for customer connections are particularly challenging as the incentive to maximize revenue from new customers is incremental to the incentive to grow rate base. IRP involves a considerable amount of discretion and judgement, making it difficult to regulate through mandatory requirements. This is particularly the case because good IRP is challenging. It is very difficult (if not impossible) to convince a utility to excel at a challenging task when success at that task is contrary to its financial interest. Although solutions to these broader issues are beyond the scope of this IRP Framework consultation, they are important to keep in mind to

[1] For more details, see the Environmental Defence submissions in EB-2024-0111, starting at page 4 (link).

understand how we got to where we are today and what additional steps are warranted, specifically relating to IRP.

1. IRP remains important for public policy priorities

Question 1 asks as follows: "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?"

Public policy changes since the current IRP framework was first issued reinforce the importance of IRP. The provincial Integrated Power Plan emphasizes "affordability first."[2] This supports IRP insofar as IRP is intended to ensure that Enbridge selects the lowest-cost option.

Public policy changes also support allowing electrification IRPAs. Again, the Integrated Power Plan emphasizes "affordability first." As such, if electrification measures would result in the lowest overall energy costs for Ontarians as a whole, they should be selected. Restrictions on eligible IRPAs should not interfere with the selection of the most cost-effective option.

The provincial priority of integrating gas and electric planning also supports the eligibility of electrification IRPAs. Through multiple policy documents, including the Integrated Power Plan, the provincial government has indicated that a siloed approach, which would disallow electric IRPAs is no longer appropriate.

The cancellation of the carbon price and the end of the Greener Homes Grant will cause IRPAs to be less cost-effective in the near-term. However, these changes do not alter the underlying rationale for or importance of the IRP framework. Furthermore, those changes may be transitory. Going forward, a variety of factors will impact cost-effectiveness, including volatile factors such as gas prices. In addition, the value of carbon emissions reductions may be accounted for in the cost-benefit analysis in the future.

2. OEB Staff recommendations should be actioned immediately, or a public hearing held

Question 2 asks: "Which of the procedural options, if any, for updating the IRP Framework do you prefer, and why?"

The IRP framework should be updated on an expedited basis to implement the OEB staff recommendations, subject to a review of the feedback from intervenors through these responses. The main benefit of this approach are that it would be very quick and would involve implementing the well-thought-out recommendations of OEB staff. The OEB has been calling for robust IRP for decades (see Appendix A). An expedited approach is warranted in these circumstances.

[2] Energy for Generations, Ontario's Integrated Plan to Power the Strongest Economy in the G7, June 2025, p 12 (link).

If the above-noted option is not selected, we request that a process be instituted, such that intervenors can file evidence. The most obvious option is a generic hearing, although a traditional consultation process could also be modified to include an evidence stage. Environmental Defence would request the opportunity to file expert evidence regarding key issues, including the cost-benefit test.

3. The IRP framework applicability

Question 3 asks: "Should any updated IRP Framework be specific to Enbridge Gas, or applicable to all rate-regulated gas distributors?"

Environmental Defence does not take a position on applicability beyond Enbridge at this time. It may be that the benefits of expanding the Framework beyond Enbridge would be outweighed by related regulatory costs and that the work to make the Framework applicable to smaller gas distributors would take away from more important priorities relating to Enbridge's IRP efforts.

4. Level of detail is generally sufficient

Question 4 asks: "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 IRP Framework is generally sufficiently detailed. However, it is insufficiently detailed with respect to the cost-effectiveness test. This has resulted in the very long delay in finalizing a cost-effectiveness test. The most effective way to resolve this issue would be to (a) adopt the OEB Staff recommendations regarding the cost-effectiveness test in the short term and (b) in the medium term to adopt the off-the-self cost-effectiveness test used by the IESO, which have acceptance across North America.

5. An IRP implementation plan should be required

Question 5 asks: "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?"

The OEB Staff proposals regarding the requirement for an IRP Implementation Plan are sound and should be adopted for the reasons set out in the Discussion Paper.

In addition, we believe each IRP Implementation Plan should be required to contain the information that would be necessary to allow third parties to propose IRPAs on projects where Enbridge has declined to do so. A major gap in the IRP Framework is that it requires OEB approval to proceed with an IRPA but involves much less oversight over Enbridge decisions <u>not</u> to pursue an IRPA. That oversight is mainly provided during the leave-to-construct proceeding

for the traditional infrastructure solution. However, those proceedings are typically filed too late for an IRPA to be adopted by order of the OEB. In addition, those proceedings are now less common with the increasing threshold for leave-to-construct proceedings. An opportunity for third parties to propose IRPAs would go some way to address this gap.

The OEB Staff's proposal that the first IRP Implementation Plan be addressed in a separate proceeding is sound and should be implemented. Subsequent IRP Implementation Plan proceedings can then coincide with rebasing applications. To ensure IRP receives an appropriate level of attention, the IRP proceeding should be addressed in a separate docket that proceeds in tandem with the rebasing application.

A three-year or five-year cadence would be sufficient if:

a) Enbridge is required to file more frequent updates (e.g. annually) on its decisions not to proceed with IRPAs and on projects that third parties could propose for IRPAs; and

b) A third party could trigger a hearing in between IRP Implementation Plan proceedings if it contests Enbridge's decision to decline to proceed with an IRPA or seeks to propose a third party IRPA.

6. The IRP Working Group should continue

Question 6 asks: "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?"

OEB's Staff proposals regarding the IRP Working Group are sound and should be adopted. In addition, the IRP Working Group membership should be adjusted such that Enbridge members are "non-voting." The IRP Working Group is meant to provide advice to Enbridge. Although Enbridge involvement in the Working Group is essential, it is not necessary that Enbridge be able to have a vote when recommendations are decided among the members.

7. Caution needed regarding innovation proposals

Question 7 asks: "Do you support the definition of "innovation-related IRP proposals" as proposed by OEB staff? Why or why not? a. Are there additional elements or considerations you believe should be emphasized or included to better define the scope of innovation-related IRP proposals?"

The OEB Staff definition of innovation-related IRP proposals is sound and should be adopted, but only if mechanisms are put in place to mitigate the pro-gas bias seen in Enbridge's innovation proposals to date, as noted below. However, it is not clear whether provision for innovation proposals is a necessary element of the Framework, given the existing option of pursuing pilots. Regardless, the addition of innovation provisions in the Framework should not delay other, more important changes.

8. Oversight mechanisms for innovation proposals important

Questions 8 ask: "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?"

It is important that strong oversight mechanisms be put in place to avoid a pro-gas bias in Enbridge pilot and innovation proposals. The need to avoid pro-gas bias is clear from the OEB decision on Enbridge's previous multi-year DSM plan, which disallowed similar proposed spending that exhibited a pro-gas bias, including proposed spending on gas heat pumps. This is part of a pattern of Enbridge seeking to use ratepayer funds to promote technologies that entrench the role of the gas system in the lives of customers even if more cost-effective and feasible alternatives exist.

Two mechanisms are required to address this pro-gas bias. First, OEB approval of innovation spending is necessary, ideally during the IRP Implementation Plan proceeding. Second, Enbridge should be required to bring forward any innovation-related proposals recommended by the IRP Working Group that it decides not to pursue for consideration by the OEB at the subsequent IRP Implementation Plan proceeding.

Finally, the following proposed innovation proposal suggested by OEB Staff is a good idea, and the OEB should strongly encourage Enbridge to pursue it:

> One other option which OEB staff believes is worth further exploration is the potential use of competitive solicitation to deliver demand reductions from third parties, as opposed to utility-run programs. Utilities in New York and Rhode Island, for example, have made use of the solicitation of NPAs through requests for proposals as a market-based approach to identify and deploy cost effective solutions.55 For instance, in June 2021, the New York State Public Service Commission authorized New York State Electric and Gas to proceed with procuring a portfolio of seven NPA projects for a total cost of US$9.7 million to provide a total hourly natural gas peak demand reduction of up to 56 million cubic feet per hour in order to improve the low-pressure situation in the Lansing area and displace the need for additional gas infrastructure in the future.

9. Innovation assessment criteria: include $/m3 peak savings

Question 9 asks: "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?"

The assessment criteria proposed by OEB staff are sound and should be adopted. In addition, Enbridge should be directed to assess the likely cost per avoided cubic meter of peak hour gas use where the innovation involves testing a specific measure or technology.

10. Electrification IRPAs should be eligible

Question 10 asks: "Are you in favour of expanding electrification as an eligible IRP Alternative beyond the current pilots? Why or why not?"

OEB Staff's recommendation to allow electrification IRPAs is extremely important, including for all of the rationales provided by OEB Staff. Most fundamentally, prohibiting electrification IRPAs is not cost-effective. By definition, the prohibition rules out options that may be able to meet distribution needs more cost-effectively.

Concerns about the fairness of funding electric equipment through gas rates are far from compelling enough to override the significant benefits of allowing electrification IRPAs. Although fairness between electricity ratepayers and gas ratepayers cannot be ignored, it is important to remember that they are typically the same people. Every gas ratepayer is also an electricity ratepayer.

In opposing electrification measures, some intervenors elevate cost allocation considerations above cost-effectiveness considerations. This is inconsistent with provincial policy. Again, provincial policy is "affordability first"[3] not 'cost allocation first'. The Integrated Energy Plan speaks at length about clean and affordable energy. It does not discuss the allocation of costs between gas ratepayers and electricity ratepayers, let alone raise that consideration above the goal of cost-effectiveness. Indeed, provincial policy has expressly downplayed those cost allocation considerations, including in the Ministerial Directive relied on by the OEB in allowing electrification measures to be funded by DSM programs in the most recent multi-year DSM plan decision. Consistent with that decision and provincial policy, electrification measures can and should be allowable IRPAs.

11. Enbridge should run an electrification IRPA pilot for new customers

Question 11 asks: "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)?"

This pilot would have a great deal of value and should certainly be pursued. Thermal networks and district energy are being pursued as a "safe bet" by gas utilities in leading jurisdictions and should be piloted in Ontario as well. This would provide valuable knowledge for situations where the cumulative impact of connections would trigger an upstream transmission or distribution upgrade. It would also provide important lessons with respect to thermal networks and district energy as a means for a gas distribution company to diversify in the face of the energy transition.

For information on thermal network projects by a gas distribution company, see the following interview with a gas distributor in Massachusetts. Information on benefits and costs savings from bringing geothermal energy to scale in new developments can be found in this interview with the

[3] Energy for Generations, Ontario's Integrated Plan to Power the Strongest Economy in the G7, June 2025, p 12 (link).

co-founder of Dandelion Energy. Both of these sources strongly support OEB Staff's conclusion that this is a very promising area that should be pursued through a pilot.

IRPAs for new customers are unlikely to be pursued while Enbridge continues to have a strong capital incentive and in-term revenue incentive to connect new customers.[4] These incentives will be explored as part of Enbridge's next rebasing case, which may open up new possibilities regarding IRPA measures for new customers. Also, the customer growth revenue incentive is smallest for customer connections in the final year of a rate term (i.e. 2028).[5]

12. No legal impediment to non-gas IRPAs

Question 12 asks: "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 are no legal limitations because the activities would be driven by and tied to the needs of the gas distribution system.

13. Electricity system impacts

Question 13 asks: "Do you have suggestions regarding the approach to identifying electricity system impacts triggered by an electrification IRP Alternative, or the approach to quantifying electricity system impacts in cost-effectiveness testing?"

It is not necessary to have a hard and fast rule requiring Enbridge to obtain confirmation from the local electricity distributor about potential electricity system impacts. Enbridge should have the discretion to identify instances where advanced confirmation is unnecessary due to the likely immateriality of those impacts.

Enbridge should be required to include electricity system benefits in its cost-benefit analyses. Cold climate air-source electric heat pumps are more efficient than traditional air conditioners and therefore help to lower summer peak electricity demand. Seeing as most distributors are summer peaking, the overall impact of an electric heat pump installation is likely to reduce the peak demand on the system even through winter consumption increases. This is reflected in Enbridge's cost-effectiveness calculations for air-source heat pumps in its DSM plan, which indicate summer peak savings. These should be accounted for.

14. The cost threshold for IRP Plan approval should be increased

Question 14 asks: "Do you support increasing the cost threshold at which IRP Plans require OEB approval, or do you have alternative proposals related to approval requirements?'

[4] For more details, see the Environmental Defence submissions in EB-2024-0111, starting at page 4 (link).
[5] This is because the revenue incentive only exists during the rebasing term in which the customer connection occurs. Once a new rate term commences, that customer is accounted for in the rate determinants.

Yes. It would be inappropriate and would significantly discourage IRPAs if traditional distribution infrastructure options did not require OEB approval while IRPA options did.

15. Enbridge should be required to consult with impacted First Nations

Question 15 asks: "How should the OEB address the implications of approval requirements regarding potential impacts of IRP Plans on Aboriginal or treaty rights?"

We defer to Indigenous intervenors on this question. However, we note that there is a key difference between pipeline projects and IRPAs because typically only the former cause the types of disturbances to land and environmental impacts, which would trigger a duty to consult.

16. Thresholds for growth-related project IRPA evaluations should be deferred

Question 16 asks: "Do you support introducing a cost threshold for mandatory evaluation of IRP Alternatives for growth-related projects? Why or why not?"

Environmental Defence is wary of implementing a cost threshold before further experience is gained with electrification measures and an approved cost-effectiveness test has been in place for some time. Greater experience will shed more light on this issue. One area of concern relates to growth projects driven by new high-rise buildings. These projects may be avoidable through solutions like district energy.

17. Board Staff cost-effectiveness test proposals should be adopted

Question 17 asks: "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 OEB Staff proposals regarding the DCF+ test should be implemented immediately for all of the reasons set out by OEB Staff. If they are not implemented immediately, they should be adjudicated in this proceeding on an expedited basis. Ratepayers have waited far too long for a test to be in place for IRP cost-effectiveness evaluations.

In the medium term, the DCF+ test should be replaced with the IESO's cost-effectiveness tests. This is necessary to fulfill government directions to integrate gas and electricity planning. This will not pose a problem for gas leave-to-construct proceedings under EBO 188. The DCF+ test can still be used to determine whether any project will move forward. If that test passes, the IESO's cost-effectiveness test can be used to determine if the IRPA should be pursued in lieu of traditional infrastructure. However, we understand that this is a more significant change and support implementation of the OEB Staff recommendation as an important incremental step.

18. Account for the social cost of carbon if so decided in the DSM plan proceeding

Question 18 asks: "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?"

The IRP cost-effectiveness test should account for the value of carbon reductions. This is consistent with the government's emphasis on "clean energy" in its Integrated Energy Plan. The plan uses that term over 25 times. It is necessary to account for the social cost of carbon in order to achieve the goal of clean energy as cost-effectively as possible across Ontario's energy systems.

However, that issue is already being considered in the proceeding addressing Enbridge's next DSM plan. For the sake of consistency and regulatory efficiency, the OEB should indicate in this consultation that the issue of the social cost of carbon will be adjudicated in the DSM plan proceeding and the outcome of that decision will be incorporated into the IRP cost-effectiveness test.

19. Adjust and clarify criteria for mandatory IRPAs

Question 19 asks: "Do you have any other comments or suggestions regarding changes to the IRP Framework?"

The criteria for when an IRPA assessment is mandatory should be adjusted and clarified in the following ways:

1) **Customer connections:** IRPA evaluations should be required for customer connections (including new developments) if the connections will contribute to demand increases for an upstream transmission or distribution reinforcement project within Enbridge's 10-year planning horizon, including for electrification measures. This is a more specific version of the threshold proposed by OEB Staff (whether "connections are associated with identified upstream reinforcement project").[6] It is important to clarify that this would apply to transmission projects to ensure that proper IRPA evaluations are made with respect to the Dawn-Parkway reinforcement projects that Enbridge is planning. A 10-year horizon will ensure that there is sufficient time to defer or eliminate those upstream reinforcement projects.

2) **System pruning for system renewal projects:** The $2 million threshold for system renewal projects should be adjusted to exempt projects from IRPA evaluations only where the cost is under $2 million AND the project cost divided by the customers served by the pipe is less than a certain threshold (e.g. $25,000 per customer). The current threshold rules out small system pruning projects, which is inconsistent with the OEB's directions on system pruning. This is also problematic because system pruning projects in other jurisdictions are often small, so the current threshold is ruling out projects that are the most promising.

[6] OEB Staff Discussion Paper, p. 57

Some simple calculations illustrate the issue. For example, a $2 million repair on a pipeline that serves only 20 customers would be exempted from an IRPA assessment even though the potential funding for the IRPA would be roughly $100,000 per customer. The high potential cost per customer makes this project a prime candidate for a system pruning evaluation and yet would be screened out by the existing criteria.

Conclusion

In conclusion, Environmental Defence asks that the OEB Staff recommendations be implemented on an expedited basis and thanks the OEB for the opportunity to make these submissions.

Appendix A: Summary of OEB directives re IRP

The Board has directed Enbridge to practice Integrated Resource Planning many times over the past 30 years.[7] These directions date back to the OEB's IRP proceeding in the early 1990s.[8] This summary will focus on the directions provided by the OEB over the last decade. Through these directions, the OEB has repeatedly highlighted the importance of IRP, expressed concerns about the lack of progress by Enbridge in this area, and directed Enbridge to do IRP better and sooner.

In the decision in the GTA pipeline case (EB-2012-0451), the OEB directed Enbridge "to provide a more rigorous examination of demand side alternatives, including rate options, in all gas leave to construct applications."[9] The decision also directed Enbridge to incorporate IRP in its planning in a more systematic way:

> Environmental Defence urged the Board to send a signal to the companies that new supply-side investments will not be approved unless all lower cost DSM and/or interruptible service options have been explored and documented. Other parties agreed and argued that both Enbridge and Union should be required to do a better job…
>
> In light of the evidence presented, the Board concludes that further examination of integrated resource planning for gas utilities is warranted. The evidence in this proceeding demonstrates that the following issues should be examined:
> - The potential for targeted DSM and alternative rate designs to reduce peak demand
> - The role of interruptible loads in system planning
> - Risk assessment in system planning, including project prioritization and option comparison
> - Shareholder incentives.[10]

In the 2014 DSM Framework decision, the Board again directed Enbridge to conduct IRP and develop a consistent IRP methodology:

> As part of all applications for leave to construct future infrastructure projects, the gas utilities must provide evidence of how DSM has been considered as an alternative at the preliminary stage of project development.
>
> In order for the gas utilities to fully assess future distribution and transmission system needs, and to appropriately serve their customers in the most reliable and cost-effective manner, the Board is of the view that DSM should be considered

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[7] E.g. EBO 169-III*, Report of the Board on the Demand-Side Management Aspects of Gas Integrated Resource Planning*, July 23, 1993, pp. 1-4; Ontario Energy Board, *Decision in EB-2012-0451/0433, January 30, 2014*, p. 46-47 (GTA Pipeline) (link); Ontario Energy Board, *DSM Framework,* December 22, 2014, p. 35-36 (link); EB-2018-0097, Decision and Order, January 3, 2019, pp. 6-7 (Bathurst Reinforcement) (link); EB-2020-0192 (London Lines), OEB Decision and Order, January 28, 2021, p. 20 (link).

[8] EBO 169-III*, Report of the Board on the Demand-Side Management Aspects of Gas Integrated Resource Planning*, July 23, 1993 (link).

[9] Ontario Energy Board, *Decision in EB-2012-0451/0433, January 30, 2014*, p. 46-47 (GTA Pipeline) (link).

[10] *Ibid*.

> when developing both regional and local infrastructure plans. …The Board expects the gas utilities to consider the role of DSM in reducing and/or deferring future infrastructure investments far enough in advance of the infrastructure replacement or upgrade so that DSM can reasonably be considered as a possible alternative. If a gas utility identifies DSM as a practical alternative to a future infrastructure investment project, it may apply to the Board for incremental funds to administer a specific DSM program in that area where a system constraint has been identified.
>
> The Board is also of the view that the gas utilities should each conduct a study, completed as soon as possible and no later than in time to inform the mid-term review of the DSM framework. The studies should be based on a consistent methodology to determine the appropriate role that DSM may serve in future system planning efforts. As part of the multi-year DSM plan applications, the gas utilities should include a preliminary scope of the study it plans to conduct and propose a preliminary transition plan that outlines how the gas utility plans to begin to include DSM as part of its future infrastructure planning efforts.[11]

In the 2016 DSM Plan decision, the OEB found that Enbridge's proposed next steps would cause "delay" and directed them to develop an IRP transition plan:

> The OEB agrees that a case study, as proposed by Enbridge, would assist in assessing the merits of a transition plan. However, the OEB is concerned that the time required to complete a case study would delay the utilities' infrastructure planning activities proposal and the transition plan would not be available in time for the mid-term review.
>
> The OEB directs Enbridge and Union to work jointly on the preparation of a proposed transition plan that outlines how to include DSM as part of future infrastructure planning activities. The utilities are to follow the outline prepared by Enbridge, and should consider the enhancements suggested by the intervenors and expert witnesses. The transition plan should be filed as part of the mid-term review.[12]

In the 2018 DSM Mid-Term Review decision, the OEB expressed concerns about the lack of progress on IRP and directed Enbridge to do better.

> Stakeholders indicated reservations in the usefulness of the transition plan provided by the natural gas utilities. The OEB agrees that although the progress made is at an early stage, the transition plan does not advance the understanding of the role and impact that energy conservation can play in deferring or avoiding capital projects. Currently, leave to construct applications do not include a description of the DSM alternatives considered to help avoid and/or defer the proposed capital project. The natural gas utilities should continue to develop rigorous protocols to include DSM as part of their internal capital planning process. This should include a comprehensive evaluation of conservation and

[11] Ontario Energy Board, *DSM Framework,* December 22, 2014, p. 35-36 (link).
[12] EB-2015-0029/0049, *Decision and Order*, January 20, 2016 (2015-2020 DSM Plans), p. 84 (link).

> energy efficiency considered as an alternative to reduce or defer infrastructure investments as part of all leave to construct applications.[13]

In the 2019 Bathurst Reinforcement decision, the OEB again directed Enbridge "to provide sufficient and timely evidence of how DSM has been considered as an alternative at the preliminary stage of project development."[14] It also warned Enbridge that it "faces the risk that future application will be deemed incomplete."[15]

In the 2021 London Lines decision, the OEB directed Enbridge to do better once again and to conduct a "in-depth quantitative and qualitative analyses of alternatives".[16] In particular, the OEB said:

> However, despite the OEB approval of the application for leave to construct this Project, the OEB agrees with Environmental Defence that Enbridge Gas has an obligation to conduct a more rigorous Integrated Resource Planning assessment at the preliminary stage of projects development in future cases. As OEB staff also notes the failure to present detailed analyses makes it unlikely that Enbridge Gas would select an alternative including DSM or other non-build project option. The OEB acknowledges that more direction is likely to be provided to Enbridge Gas in future leave to construct projects as part of the ongoing IRP proceeding. In the interim, however, the OEB believes that all parties would be assisted if Enbridge Gas would, in the future, undertake in-depth quantitative and qualitative analyses of alternatives that specifically include the impacts of DSM programs on the need for, or project design of facilities for which Enbridge Gas has applied for leave to construct.[17]

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[13] EB-2017-0127/0128, *Report of the Ontario Energy Board, Mid-Term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors (2015-2020)*, November 29, 2018, p. 20-21 (link).
[14] EB-2018-0097, Decision and Order, January 3, 2019, pp. 6-7 (link).
[15] *Ibid*.
[16] EB-2020-0192 (London Lines), OEB Decision and Order, January 28, 2021, p. 20 (link).
[17] *Ibid*.