

November 19, 2025

Ian A. Mondrow
Direct 416-369-4670
ian.mondrow@gowlingwlg.com

VIA RESS

Mr. Ritchie Murray
Acting Registrar
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Mr. Murray:

Re: EB-2025-0125: Review and Evaluation of the Integrated Resource Planning Framework for Enbridge Gas.

IGUA Comments on October 2025 Staff Discussion Paper

We write as legal counsel to the IGUA to provide comments on OEB Staff's October, 2025 Discussion Paper herein.

The Discussion Paper raises a host of issues, some of which are central to the purpose and function of IRP and some of which are secondary and related to its implementation. While all of these issues are important, given the time available and the balance of the Board's regulatory agenda and our engagement therein, we have not been able to develop a comprehensive response to all of the questions raised. To reflect IGUA's concerns, we provide general comments on the major topics addressed in the Discussion Paper. We look forward to further engagement and considered contribution in subsequent steps as determined by the OEB.

Purpose of the IRP Framework and IRP Alternatives

Enbridge Gas Inc. (EGI) has commented that¹:

"... the goal of the IRP Framework is not to maximize the number of IRP Alternatives implemented, but rather to ensure the most appropriate solution to a given system need is identified based on the defined criteria and the policy context in Ontario".

OEB Staff states agreement with EGI's perspective on the goal of the IRP Framework. IGUA generally agrees with this statement as well, with the important caveats that the *"policy context in*

¹ October 2025 Staff Discussion Paper, page 19, second paragraph.

Ontario” should inform, but not direct, consideration of the best solution to gas system needs, and the “defined criteria” should focus on cost effectively meeting those system needs and not on achievement of broader social benefits *per se*.

For example, School Energy Coalition (SEC) in its submissions identifies stranded assets as a significant factor for consideration of the value to customers of IRP alternatives. IGUA agrees that views, informed by evidence, on the risk and associated potential cost to gas customers of stranded assets is a valid important consideration in assessing the expected lifecycle value of alternatives to any particular conventional utility infrastructure investment. Fundamentally, however, IRP alternatives are properly pursued if they present, on an expected lifecycle basis, a cost effective alternative for meeting customer energy service requirements.

IGUA also recognizes, and endorses, the Natural Gas Policy Statement found in the Ontario Government’s *Energy for Generations* Integrated Energy Plan to the effect that natural gas continues to play an important role in Ontario’s energy system and economy. This policy confirms the continuing importance of an economically viable gas network for affordability, reliability and industrial competitiveness, and supports refinement of the IRP Framework as a planning tool to ensure prudent investments and explicitly manage stranded asset risk.

In contrast, consideration of policy context should not lead to “enhancement” of the economic test applied to assess IRP Alternatives to recognize savings for enhanced energy efficiency participating customers. Such a change is not aligned with the role for IRP consideration in addressing an identified system need. On the contrary, for non-participating customers, such an approach could result in implementation of IRP Alternatives that are sub-optimal, more expensive, system solutions, plus subsidies to participating customers on top of that.

IGUA also agrees with EGI and the IRP Working Group’s reported comments that “*the lack of success for IRP Alternatives in the IRP Assessment Process to date is an analytical finding, not a failure*”. It would not be appropriate to modify the IRP Framework to seek to maximize the number of IRP Alternatives implemented, *per se*.

Proposed IRP Implementation Plan

OEB Staff has proposed that EGI develop and file for adjudication an IRP Implementation Plan, and we understand the proposal to be that it continue to do so periodically. Staff proposes that such a plan “*would outline actions and priorities for the period, consider supporting IRP-related policies and guidance documents developed by Enbridge Gas, and could include funding requests to use IRP to address specific system needs or for innovation-related proposals.*”²

IGUA is concerned that the IRP Framework not stray beyond its proper objective, which is to ensure that EGI evaluates cost effective (from a utility cost perspective) alternatives to conventional utility infrastructure projects, and then pursues such alternatives when the alternatives can meet a system need more cost effectively than the conventional approach to doing so. Given this objective, review

² October 2025 Staff Discussion Paper, page 7, 2nd paragraph.

of IRP proposals properly sits within existing processes for review of EGI's capital plans. SEC's submissions state³, and IGUA agrees, that:

In the best case, the IRP Plan and the Asset Management Plan would be considered together.

We do not believe that a dedicated IRP Implementation Plan ongoing process is required.

Rather, the OEB should fully consider, through an adjudicative process, an update to EGI's current IRP Framework and thereby evaluate the proposals advanced in the Staff Discussion Paper and any additional proposals raised by other interested parties. Such a refreshed IRP Framework would then appropriately guide EGI as it continues to integrate IRP considerations into its ongoing capital planning activities. Particular IRP Alternative proposals would then be properly considered as part and parcel of EGI's capital planning activities and associated cost recovery approval requests.

IRP Innovation

IGUA agrees with OEB Staff that there is value in modest investment by EGI in innovation and testing of new, alternative technologies for, and approaches to, meeting the energy service needs of gas customers, even if those alternatives do not address an immediate system need. Proposed innovation investments should be reviewed and approved by the OEB in advance, whether individually or, if so proposed, as a collection of modest cost potential activities.

Such reviews can be readily accommodated within annual rate filings and should not require a dedicated "implementation plan" style process. Consideration of such proposals from EGI would be facilitated by a set of clear guiding principles and parameters for such initiatives within an updated IRP Framework.

IRP Working Group

IGUA does not oppose continuation of the IRP Working Group, but does agree with SEC that there should not be an over-reliance on that forum in evaluation and approval of IRP initiatives. SEC, whose counsel has direct experience on the IRP Working Group, has suggested that the Working Group retains the value of collaboration and expert input. The Working Group should not, however, replace or displace proper review by the OEB of EGI IRP spending proposals, within processes which allow all interested stakeholders, including representatives of the customers who ultimately will pay the costs of such initiatives, to fully understand, participate in review of, and contribute to OEB deliberations regarding, IRP Alternatives proposed.

³ SEC Submissions, November 19, 2025, page 2, point #3.

Non-Gas IRP Alternatives

IGUA is not opposed, in principle, to an IRP Framework which permits, or potentially requires, EGI to consider non-gas related alternatives to gas infrastructure investments, such as electrification or district energy. There are number of jurisdictional, evaluative, incentive related, and cost recovery considerations arising from such a policy which require further thought and development prior to determination of how EGI should properly do so. We have not had the time to fully articulate a view on these important considerations, but hope to do so in subsequent phases of this review.

Economic Evaluation Test

IGUA is strongly opposed to Staff's suggestion that the economic evaluation test for IRP alternatives should be modified to place greater importance on incremental costs and benefits to participating customers or society at large. Consideration of innovative IRP Alternatives to meet gas customer energy service needs should not become an exercise in reducing participant energy costs at the expense of non-participants (i.e. cross-subsidization of some customers by others) or realizing broader societal benefits at the expense of natural gas ratepayers. Such an approach would undermine the very purpose of the IRP Framework discussed above. While these are often reasonable, second order, contextual considerations, they should not drive IRP Alternatives adoption or result in a passing grade to otherwise clearly uneconomic proposals.

As already noted, the fact that few IRP alternatives have been identified as economic to date does not reflect a failure of the IRP Framework. It is entirely appropriate to reject IRP Alternatives that increase costs for natural gas customers. Adjusting the test in order to make more IRP Alternatives cost effective in meeting identified gas system needs than would otherwise be the case would be inappropriate and contrary to the best interests of customers at large.

Conclusion

We look forward to consideration of the comments provided by other interested parties, and to further contribution to the OEB's deliberations on these matters through subsequent steps in this proceeding.

Yours truly,



Ian A. Mondrow

c. Jacob Irving, IGUA

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