

November 21, 2025

Ontario Energy Board
Attn: Mr. Ritchie Murray, Acting OEB Registrar
P.O. Box 2319
27th Floor, 2300 Yonge Street
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RE: EB-2025-0125 – FRPO Submissions on Staff IRP Discussion Paper

General Comments

The Federation of Rental-housing Providers of Ontario (FRPO) is appreciative of the work that OEB staff (Staff) has done to provide the background that lays out the challenges of delivering IRP and potential pathways to improvement. FRPO's regulatory representative, Dwayne Quinn, has been part of the IRP Working Group since its inception. We recognize the challenge in balancing some competing principles of IRP and believe that evolution of the IRP Framework is crucial to advancing progress. At the same time, given our experience, we understand some of the limitations associated with substantial IRP alternative (IRPA) implementation.

FRPO is generally supportive of many of the aspects of the potential for IRP evolution as laid out by OEB staff (Staff) in their discussion paper. The following comments are submitted in the respective topic areas organized in the Discussion paper.

Evolving the IRP Framework

The current public policy environment is not conducive to widespread opportunity for demand-side IRP. The removal of the Federal Carbon Charge (FCC) is biggest and potentially crippling to the prospect of Enhanced Targeted Energy Efficiency approach providing an economically viable alternative absent the savings that were previously generated from FCC.

Further, even though the provincial government has studied the opportunity for energy transition through electrification, there are few concrete programs or incentives enhancing the potential for conversion of gas customer to electricity in support of demand-side IRP. In our view, there is little in the Integrated Energy Plan (IEP) that advances conversion in the short-to-medium term. However, we agree with the alignment of IRP with the IEP as laid out by Staff in Table 3.

Update and Oversight of IRP Framework

Our review of the Staff discussion paper provides us confidence that Staff has a good grasp on the inter-related challenges, opportunities and economic realities of IRP. From our perspective, having Staff draft and file a proposal for an updated IRP Framework for review and approval would be most effective. EGI has had the opportunity, for some time, to deliver on IRP but, without sufficient incentive, progress has been minimal. If Staff were to produce an evolved Framework with the public interest as paramount both EGI and engaged stakeholders could test the plan in a Board-adjudicated proceeding.

FRPO believes that this Framework should be focused on Enbridge only. We believe that for two reasons: one for each of EPCOR's distinct franchises:

- 1) The provincial government is actively incenting the availability of natural gas for those communities that do not have access. EPCOR's South Bruce franchise is still in the process of expanding its service to this previously unserved community so IRPA's are not a priority.
- 2) EPCOR's Aylmer area franchise is already practicing IRP with the contracting of firm gas service from a local producer to reduce the need for facilities and reduce contract demand. While there have been issues with the appropriateness of the approach,¹ the existence of this strategy to meet demand could be identified as an IRPA.

Ultimately, if the Board approves an evolved Framework focusing on EGI, it could be, at the appropriate time, adopted for use with EPCOR.

FRPO supports the development of an IRP implementation plan as laid out in the Discussion Paper (p.40). We believe the plan would allow for a reinforcement of the Board's expectations through greater oversight and a more structured approach to deliverables. We believe that the plan can be updated every 2 years in recognition that the Board may and could define additional requirements which can be incorporated into a subsequent Implementation Plan.

FRPO recommends further that the enhanced DCF+ test be replaced with a ground up approach of benefit-cost analysis to eliminate the flaws of the DCF+ test. DCF test was developed almost three decades ago in a different energy policy period and is flawed logically as discussed in the IRP Working Group.

We believe that the role of the IRP working group could evolve aligned with staff's proposed approach. From our experience, we believe that we can still assist with the development of IRP as more of an advisory group in advance of adjudicated proceedings.

¹ EB-2018-0336

Innovation

FRPO can accept the definition of Innovation-Related IRP Proposals. Whether or not the definition includes the criteria of the delivery of innovative-IRP, in our view, the utility should only be rewarded for the implementation of IRP that is measurable as opposed to researching or other business development activities sometimes associated with innovation.

FRPO submits that the utility should be rewarded for implementing innovation, not just studying it. If the achievements are measurably substantive but not completely effective, the utility could apply to recover its costs. If the innovation reduces infrastructure costs in a measurable manner, the utility could be incented up to and including consideration of rate base depending on the nature of the investment.

Consistent with the answers already provided, we support 3) in Table 7: Advance approval by the OEB of an IRP Implementation Plan. We do so with the caveat that our recommendation is for a **two-year** IRP Implementation Plan. In our view, a biannual IRP adjudicated proceeding would provide sufficient oversight while establishing board directed milestones and outcomes from which additional cost recovery can be determined.

FRPO supports the assessment criteria as proposed by Staff. In addition, we believe that it is crucial to ensure that the utility has done a verification of their system modelling to confirm the reality of the problem identified by the simulated results. With the verification of a supply constraint, the utility can use the model to establish a baseline from which to measure the efficacy of the implemented IRPA.

Electrification as an IRP Alternative

Integrated Resource Planning in its truest sense is optimizing the deployment of resources available to meet required demand. Understandably, the consideration of and planning for meeting demand with some combination of natural gas and electricity as resource options is more complicated given the distinct differences in ownership of the respective resources. However, FRPO respectfully submits that there is no need to eliminate consideration of electrification as an option. The challenge comes in the evaluation and determination of the most effective option.

We would support a pilot that includes electrification as an alternative as there would be merit in testing not only the economic opportunities and customer choices but also the planning and coordination aspects of the alternatives. We trust that electric service providers can inform the identification and quantification of electric system impacts.

Opportunities to Improve the Effectiveness & Efficiency of IRP Framework

FRPO respectfully submits that if there is a Staff-developed Implementation Plan, the threshold could be increased in the Plan proposal subject to adjudication by the Board panel. We believe that Staff can provide their informed views that balance regulatory efficiency with the public interest need for due process, which includes growth projects on the existing system, subject to the ultimate determination by Board members in the adjudicated proceeding.

The current DCF+ test was initially developed about three decades ago which had a much different public policy climate. Phases 2 and 3 contain components of economics that are, at the very least, debatable and, at very worst, illogical. We believe that the evaluation of IRP should include a new approach premised the Benefit Cost Analysis (BCA). The generation of a fresh perspective would allow for a testing of the pertinent assumptions underpinning the components of the test.

A thorough approach to developing a new test would likely require a separate proceeding. That proceeding could include a high-level market assessment test to understand the potential feasibility of the IRPA. This test would be different for the demand-side and supply-side IRPAs.

On the demand-side, the elimination of the Federal Carbon Charge for lower volume gas customers has a significant impact on the real and perceived value of conservation or demand reduction initiatives targeting small volume customers. With the foundation of the new BCA test prepared, high level metrics could be established, through design and testing, to allow consideration of the expected adoption and resulting economics for demand-side, conservation or peak shaving programs. The result could be the development of a Technical Resource Manual or, potentially, a recognition that some conservation programs will have limited efficacy due to cost and limited market desirability.

On the supply-side, tools like RFP's could be used to assess market willingness to enter medium- to long-term contracts to provide dependable firm supply which would obviate the traditional infrastructure approach.

Overall

A significant component of utility planning is the Gas Supply Plan (GSP). EGI's GSP is established through an assessment of geographically segmented design day need while assessing pipeline delivery options to meet that need. While the development of the plan ostensibly balances Board-approved principles, one key component that is missing, in our view, is the opportunity to promote path choices to key delivery points which could reduce or avoid future infrastructure builds.

A simple and historically effective example of this supply-side IRPA is the Parkway Delivery Obligation (PDO). The PDO, and under different names in the past, secures direct purchase customer contractual commitments to deliver their daily quantities at Parkway in exchange for a financial incentive. EGI can then rely upon those deliveries that, through displacement, reduce the amount of upstream infrastructure needed to meet demand at that location (in this case, Parkway). We respectfully submit that this type of approach can be a very cost effective approach that should be considered in the GSP for the benefits that it can provide.

All of Which is Respectfully Submitted on Behalf of FRPO,



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Interested Parties – EB-2025-0125