

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
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2300 Yonge Street
Toronto, ON M4P 1E4

October 16, 2025

EB-2019-0294 Markham Low Carbon Energy Project (Pilot Project)
Planned Hydrogen Blend Increase
Pollution Probe Correspondence

Dear Mr. Murray:

On October 15, 2025 Enbridge Gas (Enbridge) filed a notice with the Ontario Energy Board (OEB) that it intends to increase the limit of potential hydrogen blending in the Markham Low Carbon Energy Project from 2% to 5% for the last and final year of the five-year pilot project. Enbridge also requested OEB rate approval to adjust Rider M to reflect an increased blending percentage, given that increased blending would result in a decrease in energy delivered per cubic meter to effected customers.

Pollution Probe supported the pilot project approved by the OEB in 2020 on the basis that the five year pilot was approved to provide results and learning that could be useful in the context of customer and Provincial decarbonisation as part of the energy transition. The pilot report to provide specific details on the performance of the project and net emission reductions for this project is pending. However, Enbridge provided a cursory update on project performance and challenges in the materials filed on October 15, 2025. The pilot report will need to provide greater detail on the challenges, outcomes and actual net emission impacts of the project.

Given that this is only a small scale pilot project, the costs and impacts are small on a relative stage. Pollution Probe highlights two specific elements for OEB consideration for the final year of the pilot project based on the new approvals requested by Enbridge.

Rider M Estimation

The calculation pertaining to Rider M is meant to adjust impacted customer bills (rates) to reflect a reduced energy delivered per cubic meter. Hydrogen is approximately 1/3rd the energy content of natural gas and therefore when hydrogen is blended it requires a greater volume of gas to perform the same function.

As noted in Enbridge's request, the increase from a maximum of 2% blending to 5% blending would result in a 60% adjustment for Rider M. This calculation is based on the theoretical maximum blending percentage, rather than the actual blending that occurs.

The actual hydrogen blending since project commissioning in 2021 has been a low of 0.3%, to a high of 1.3%. On average the percentage of hydrogen blending has been approximately 1% over the four years of the pilot, or half the maximum blending targeted by the pilot project¹. Increasing Rider M to be based on a 5% maximum hydrogen blending percentage would increase the rate subsidy if actual hydrogen blending does not actually increase to 5% from the 1% (average) amount provided from the project during the first four years.

Enbridge indicates that 49% of the challenges of getting hydrogen blending to 2% are due to technical problems and the other 61% is due to lack of access to hydrogen supply. It is recommended that the action plan be filed to overcome those challenges in order to support the request. Absent firm evidence and a plan that the actual blending would be 5% for the final year of the pilot project, it could be more prudent to set Rider M on the current hydrogen blending percentage rather than an increased maximum theoretical value.

Assessment of the actual customer impacts vs. the bill adjustments through Rider M should be added to the scope of the pilot project report in order to fully understand this impact and opportunities to mitigate the variance.

Pilot Project Outcome Measurement

As part of the pilot project, Enbridge is required to file a pilot report outlining the details and outcomes of the pilot. In the October 15, 2025 filing, Enbridge highlights initial emission values it calculated from hydrogen blending in the pilot so far. The value provided by Enbridge is calculated solely on reduced natural gas volumes and does not include the lifecycle emissions from the hydrogen it has procured. Ignoring all emissions related to the hydrogen procured overestimates potential emission reductions and has the potential to actually increase net emissions depending on the lifecycle carbon intensity of the hydrogen procured. In order to assess the project objectively, the OEB will need to be provided the actual net emissions reduced (i.e. increase in lifecycle hydrogen emission minus reduced emissions from lower natural gas).

Only measuring natural gas reductions overestimates total emission reductions and is counter to best practice emissions accounting². It is recommended that the OEB reconfirm that lifecycle emissions data from hydrogen purchased is to be included in the pilot report. This will be particularly important since Enbridge is proposing to increase the hydrogen supply by

¹ EB-2025-0065 Exhibit I.6-PP-21

² Final Transcript EB-2022-0200 Enbridge Gas Rebasing Vol 6, Page 86 line 23 – page 87 line 8.

approximately 500% in the final year of the pilot compared to what it has been procuring for the first four years.

Respectfully submitted on behalf of Pollution Probe.

A handwritten signature in black ink, appearing to read "Mike Brophy", is written over a horizontal line.

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