

Elson Advocacy

January 28, 2026

Ms. Nancy Marconi

Registrar

Ontario Energy Board

2300 Yonge Street, 27th Floor

Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. 2024 to 2028 Rates Application – Phase III
EB-2025-0064**

I am writing on behalf of Environmental Defence Canada and the Green Energy Coalition to request an opportunity to file evidence regarding issue 13(d) relating to energy cost comparison information.

EDC and GEC did not originally propose to file evidence on this topic as Enbridge's initial application simply stated that it would not be providing cost comparison information to the public. Although that raised concerns, evidence was not necessary to address those concerns. However, that has changed now that Enbridge has posted cost comparison information online (see attached, for example). EDC and GEC believe this cost comparison information is misleading.

EDC and GEC propose to retain Chris Neme of the Energy Futures Group to conduct a high-level assessment of whether the information that Enbridge is now providing to customers and the public comparing the energy costs for a heat pump and gas furnace are fair, accurate, and appropriate. We believe the OEB would benefit from an independent view on this topic in light of Enbridge's financial interest in reducing the number of customers who switch away from gas.

We anticipate that the Energy Futures Group could prepare this brief evidence for between \$4,000 and \$7,000. Incremental counsel time relating to the preparation of this evidence is anticipated to be less than \$1,500. We have not estimated the cost of further steps as it is unclear whether further steps would be required, and if they are, what those steps would be. We estimate requiring two weeks to prepare the evidence, but that time could be somewhat more or less depending on the timing of OEB approval (if granted) due to Mr. Neme's other commitments. For instance, if approval were granted this week, the evidence could be submitted by the end of next week. Also, Mr. Neme has significant conflicts starting the week of February 23, 2026.

Through this letter we also ask Enbridge to file the calculations and assumptions used in its DSM plan relating to heat pumps, (including the prescriptive sub-document, if it is complete). If those calculations and assumptions have not changed since its evidence on the 2026 DSM plan rollover, it would be sufficient to simply reference that evidence. We are seeking this

information to allow a comparison with the public-facing energy cost comparison information Enbridge has released.

The proposed evidence regarding energy cost comparisons would come at a very small price and would assist the OEB in its mandate under the OEB to “inform consumers” and protect their interests with respect to prices and the reliability and quality of gas service.¹

Yours truly,

A handwritten signature in blue ink, appearing to read 'K. Elson', written over a horizontal line.

Kent Elson

cc: Parties to the above proceeding

¹ *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sched. B, s. 2(1).



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Upgrade	How to qualify	Cost
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Electric heat pump ²	Switch to an electric cold climate air source heat pump or ground source heat pump. All home types more than six months old, including multi-residential buildings and retirement homes are eligible for this offer. Participants do not need to disconnect their natural gas service, but must be a first-time installer of an eligible electric heat pump system. Removal of backup natural gas space heating (fireplaces excluded) is required.	Free

Important information before you apply

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Effective April 1, 2025, the Federal Carbon Charge (FCC) under the Greenhouse Gas Pollution Pricing Act has been set to zero. This action has changed the cost spread between natural gas and electricity significantly¹. As a result, this changes the economics of electric heat pump operation, particularly for natural gas customers who are looking to offset some or all of their space heating energy consumption with an electric heat pump. Natural gas customers who have installed or are planning to install an electric heat pump for space heating may experience increases in their home's total energy bills². The homeowner should work with their HVAC Contractor to ensure their equipment and controls have been/will be installed and set-up to meet their specific goals for space heating.

Footnotes:

¹ The fuel price spread in Ontario without the FCC and including the Ontario Electricity Rebate (OER) is approximately 4:1 as of May 1, 2025. This means that electricity energy costs are approximately 4 times those of natural gas energy costs per unit of equivalent energy. In the Sarnia area this same rating is 3.97:1. This cost spread reflects energy pricing only and is based on the below published resources:

Electricity rates as of May 1, 2025, for the Sarnia area:

- [Bluewater Power \(https://bluewaterpower.com/customer-service/time-of-use-rates/\)](https://bluewaterpower.com/customer-service/time-of-use-rates/)

Natural Gas supply prices as of July 1, 2025, in the Sarnia area:

- [Union South Rate Zone \(-/media/Extranet-Pages/ontario/residential/myaccount/rates/UG—Rate-M1—South-System—Residential.pdf?rev=3e0a7328e80346e1bb61d85aa3a82019&hash=A2ABB048EEB4CFC1602340B0D3F2280C\)](https://www.ontarioenergyregulator.ca/-/media/Extranet-Pages/ontario/residential/myaccount/rates/UG—Rate-M1—South-System—Residential.pdf?rev=3e0a7328e80346e1bb61d85aa3a82019&hash=A2ABB048EEB4CFC1602340B0D3F2280C)

To compare prices per unit of equivalent energy, measurements for natural gas consumption (m³) are converted into the same energy basis as electricity (kWh). See [conversion factors published by the Canada Energy Regulator \(https://apps.cer-rec.gc.ca/Conversion/conversion-tables.aspx\)](https://apps.cer-rec.gc.ca/Conversion/conversion-tables.aspx).

² The consumer economics of fuel switching from natural gas to electricity are largely dependent on the fuel price spread, the efficiency of the heat pump, the difference in costs of purchasing and installing a heat pump relative to a conventional gas heating system, and whether the consumer has other gas appliances in the home. For the Sarnia Saves pilot, the cost of the heat pump is fully covered but the difference in fuel spread (i.e. operating costs) needs to be considered as well as whether natural gas service is continued to fuel other equipment and appliances in the home once space heating has been fully converted to electricity.

The efficiency of heat pumps, which is expressed as a coefficient of performance (COP), typically ranges from 2-4 for air source heat pumps (Plumbing and HVAC Magazine, Edition: The Contractor's Guide to Heat Pumps, pg 7, April 2025). This translates to an effective efficiency of 200%-400%, meaning that for every unit of electricity used, the heat pump moves 2-4 units of heat into the home.

The efficiency of natural gas furnaces is expressed as Annual Fuel Utilization Efficiency (AFUE). The average high efficiency natural gas furnace has an AFUE between 90% - 98.5% (<https://www.energy.gov/energysaver/furnaces-and-boilers> (<https://www.energy.gov/energysaver/furnaces-and-boilers>)). This means that the furnace converts 90-98.5% of the energy in the natural gas into heat for the home.

To illustrate the potential residential energy costs of producing the equivalent heat content using an air source heat pump vs. a natural gas furnace, please see the chart below. This chart is based on approximate residential electricity prices from Bluewater Power (using a weighted average price per kWh of \$0.09807/kWh) and natural gas price (\$0.256/m³) in the Union South rate zone for Sarnia, which translates to equivalent energy costs of ~\$0.0247/kWh. The chart is provided for illustrative purposes only and is not intended to represent energy cost impacts specific to your property. Note that fixed monthly charges for electricity and natural gas are not included in this comparison.

Equipment type	Heat energy to home	Efficiency	Energy used	Energy cost (energy used x energy costs)
Electric air source heat pump	2,000 kWh	200%	1,000 kWh	~\$98.07
Electric air source heat pump	2,000 kWh	400%	500 kWh	~\$49.03
High efficiency natural gas furnace	2,000 kWh	90%	2,222 kWh	~\$54.90
High efficiency natural gas furnace	2,000 kWh	98.5%	2,030 kWh	~\$50.16

Get started

How it works



Tell us you're interested

Complete the [online form](#) below to express interest.



Schedule your installation

A trusted program delivery agent will follow up to confirm if you and your home qualify. Then we will assign a program-approved contractor to your project.





Get a quote

You'll receive a quote with the rebates already applied. You do not pay anything for this upgrade.



Receive your upgrades

Once you approve the quote, a program-approved contractor will install your upgrades.



Sarnia Saves: For Your Home

This exclusive, limited-time offer is available to homeowners in Sarnia with postal codes starting with N7S, N7V, N7W, N7X, N7T (north of Hwy 25 and west of Hwy 26), Point Edward, and Brights Grove (N0N 1C0)

Enter your postal code:

Next

¹ You must work with a program-approved contractor to upgrade attic insulation.

² For heat pump upgrades, you must work with a program-approved contractor.



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