

February 5, 2026

Mr. Ritchie Murray  
Acting Registrar, Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

Re: Enbridge Gas Inc. Application for Approval of Franchise Agreement with Regional Municipality of Waterloo

Dear Mr. Murray,

We are writing to express our support for the Region of Waterloo's decision not to renew the Model Franchise Agreement (MFA) with Enbridge Gas Inc., and to respectfully submit that this decision reflects sound public policy that aligns with our community energy strategies, GHG reduction targets, and economic realities.

The Region's decision, targets, and in-progress energy transition appropriately recognize that the role of natural gas particularly in residential and commercial space heating, is playing an increasingly smaller role in Ontario's economy. While natural gas continues to serve important functions in certain industrial and transitional applications, the sooner we begin to prepare for the electrification of space heating, the better.

According to the International Energy Agency, global investments in fossilized gas has been trending downwards for the past 10 years while investments in clean energy have been increasing. In 2025, investments in renewable energy and storage are now four times higher than gas. This shift reflects both climate policy and fundamental economics: electric and renewable technologies are increasingly cost-competitive, scalable, and better aligned with long-term infrastructure planning. Continuing to expand or entrench gas distribution infrastructure through long-term franchise agreements risks locking communities into assets that may become underutilized or stranded as energy systems continue to evolve.

Some may argue that we do not have the electric capacity to heat our homes and power our personal electric vehicles. But that is simply not true. Local utility companies assure us that Waterloo region has enough capacity for both. This provides a strong foundation for transitioning residential heating away from natural gas, while maintaining reliability and affordability for residents. From a system-planning perspective, this supports a strategic shift toward electrification.

It is important to recognize that municipalities in Ontario do not have the authority to tax gas infrastructure for right-of-way usage in the same manner as other utilities. This represents an implicit and ongoing subsidy for gas distribution infrastructure and limits municipalities' ability to manage public rights-of-way on a technology-neutral basis. The Region's decision not to renew the MFA is therefore one of the few tools to rebalance this dynamic and create a more level playing field for local energy solutions.

Municipalities and communities are best positioned to understand their own infrastructure needs and to allocate incentives and tax treatment in ways that are locally aligned. Communities that own and manage their own utilities and energy strategies can capture local economic benefits, improve energy security, and retain long-term control over infrastructure decisions. Provincial frameworks do not fully recognize the opportunities created by locally driven and community-owned energy systems.

For these reasons, we believe that the Region of Waterloo's decision was reasonable, forward-looking, in line with our Community Energy Investment Strategy and Climate Action Plan, and in the public interest. It reflects both the changing role of natural gas in the economy and the need to ensure that other energy sources are given a fair and level opportunity to compete, so that residents and businesses have real energy choices. We respectfully encourage the Ontario Energy Board to give due weight to these broader economic, infrastructure, and community energy considerations in its review.

Thank you for your consideration,

Matthew Day, Executive Director, WR Community Energy

Patrick Gilbride, Executive Director, Reep Green Solutions

Tova Davidson, Executive Director, SWR

Kyra Chisholm-Askin, Plan Manager, ClimateActionWR