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**Enbridge Gas Inc.**  
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**VIA EMAIL and RESS**

March 23, 2026

Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Ritchie Murray:

**Re: Enbridge Gas Inc. (“Enbridge Gas” or the “Company”)  
Ontario Energy Board (“OEB”) File No. EB-2025-0295  
2027-2030 Demand Side Management (“DSM”) Plan Application  
Submission on Cost of Carbon Scope**

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Pursuant to the OEB’s Procedural Order No. 2 dated March 16, 2026 in the above-noted proceeding, enclosed please find Enbridge Gas’s written submission on whether the consideration of a Cost of Carbon for DSM cost-effectiveness testing should be within the scope of this proceeding.

If you have any questions, please contact the undersigned.

Sincerely,

*Haris Ginis*

Haris Ginis  
Technical Manager, Regulatory Applications

cc: Dennis O’Leary (Aird & Berlis LLP, Enbridge Gas Counsel)  
Raman Dhillon (OEB Counsel)  
Michael Bell (OEB Staff)  
Intervenors (EB-2025-0295)

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended (the “**Act**”);

**AND IN THE MATTER OF** an application by Enbridge Gas Inc., for its 2027-2030 Natural Gas Demand Side Management Plan.

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**WRITTEN SUBMISSIONS OF ENBRIDGE GAS INC.**

**WHETHER A COST OF CARBON SHOULD BE ADDED TO THE ISSUES LIST**

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March 23, 2026

## Background

1. Enbridge Gas Inc., (“**Enbridge Gas**” or the “**Company**”) filed a Multi-Year Natural Gas Demand Side Management (“**DSM**”) Plan application with the OEB on December 18, 2025 (the “**Application**”). In this Application at Exhibit C, Tab 1, Schedule 2, the Company addressed the issue of whether a cost of carbon should be considered or adopted by the OEB as part of any DSM cost-effectiveness evaluation test. For the reasons stated in the pre-filed evidence, Enbridge Gas concluded that it is not appropriate for a social cost of carbon or an “economic cost” of carbon (together, the “**Cost of Carbon**”) to be considered and included as part of the Application because:
  - (i) the OEB does not have jurisdiction to do so;
  - (ii) it would be contrary to Government of Ontario policy, with which the OEB must comply; and,
  - (iii) it would be inconsistent with the objectives of the DSM Framework.
2. The pre-filed evidence further noted that it would be regulatorily inefficient for the Cost of Carbon to be included as an issue in the proceeding only to have a determination made in the OEB’s final decision that it lacked jurisdiction. The Company submitted and continues to advocate for an early determination by the OEB at this time finding that the Cost of Carbon should not be included on the issues list other than the fact that it remains in the avoided cost calculations at the federally mandated cost of zero dollars.
3. Enbridge Gas repeats and adopts the above noted pre-filed evidence for the purposes of this submission.
4. Pursuant to Procedural Order No. 1, dated February 27, 2026, the OEB required parties to file a concise letter by March 9, 2026, indicating those issues they propose to be

modified, removed, or added to the draft issues list appended to the procedural order. The OEB further scheduled an Issues Conference for March 12, 2026.

5. By its letter dated March 5, 2026, the OEB summarized the Company's position as stated in the pre-filed evidence and its view of the importance of the OEB clarifying the scope of this proceeding in relation to the Cost of Carbon at an early stage to ensure regulatory efficiency and proper consideration of the OEB's statutory authority and the DSM Framework.

6. The OEB's March 5, 2026 letter went on to state:

The primary purpose of an approved issues list is to define the scope of the proceeding. At the Issues Conference, the panel expects to hear submissions from parties on whether the consideration of a cost of carbon for DSM cost-effectiveness testing should be within the scope of this proceeding, and added to the draft issues list. [*underlined for emphasis*]

7. While Enbridge Gas understands that certain parties are of the view that the Cost of Carbon is an issue subsumed within several of the existing issues set out in the draft issues list, Enbridge Gas interprets the OEB's letter as confirming that the question of whether to add the Cost of Carbon to the issues list remains outstanding.

8. Several parties filed submissions in advance of the issues conference including on the Cost of Carbon.

9. Enbridge Gas attended the Issues Conference and made an oral presentation at the outset reiterating what was stated in the pre-filed evidence and expanding on same. While a transcript of the Issues Conference is available, Enbridge Gas believes that it would be convenient to highlight in this submission the key points addressed in the presentation, together with additional comments and considerations. The Company trusts that this will be helpful to the OEB and all parties as it will simplify the record going forward.

## Context

10. The OEB in Procedural Orders No. 2 and 3 in EB-2024-0198 directed the Company as follows:

In preparing evidence relating to the Government of Canada's removal of the consumer fuel charge, Enbridge gas shall include to what extent the social cost of carbon should be considered, if at all, and discuss any considerations related to the cost of carbon Enbridge Gas has given to determining what value or benefit will be achieved by the proposed DSM measures.<sup>1</sup>

11. In its Decision and Order dated November 6, 2025, the OEB stated at page 1 and 10 of its decision that the federal fuel charge represented an economic cost of carbon. The OEB in this decision then went on to provide the following direction for the purposes of this proceeding at page 15:

In its evidence on cost-effectiveness, Enbridge Gas shall address how the economic cost of carbon should be reflected in the TRC+ Analysis of the programs it will propose in its upcoming updated DSM plan application with full supporting rationale.

12. The Company complied with this direction in the following ways.
13. First, it continues to include a carbon charge in its avoided cost calculations. However, the carbon charge is set at zero dollars consistent with the federal government amending the *Greenhouse Gas Pollution Pricing Act* ("GGPPA") to adopt a zero-dollar federal fuel charge, effective April 1, 2025.
14. Second, Enbridge Gas further filed pre-filed evidence at Exhibit C, Tab 1, Schedule 2, which sets out the applicable legal, policy and regulatory principles that show that the OEB lacks the jurisdiction and should not include a non-zero cost of carbon in the TRC-Plus

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<sup>1</sup> EB-2024-0198, Procedural Order No. 2, p. 22. Also see Procedural Order No. 3, p. 2.

cost-effectiveness test. There are numerous compelling reasons which support this conclusion.

### **The OEB Lacks Jurisdiction to Consider a Cost of Carbon**

15. The OEB's authority is only that granted by statute. The OEB must exercise its powers in view of the regulatory compact and its function as an economic regulator. With respect to natural gas, this means that the OEB's jurisdiction does not extend to regulating the downstream use of natural gas, or the effects arising from its use. Importantly, it does not have the authority to institute new environmental pricing mechanisms or to assign an economic value to carbon to drive emissions reductions based on the perceived implications of natural gas use.
16. Environmental regulation, including in relation to greenhouse gas ("GHG") emissions, is within the shared jurisdiction of the federal and provincial governments. The federal government issued the GGPPA which specifically deals with the pricing of GHG emissions. Under this legislative regime, the federal government has set the federal fuel charge at zero dollars. In addition, the provincial government has made it abundantly clear that it does not support any regime that involves a carbon charge, fee or valuation intended to lower GHG emissions.
17. Contrary to the submissions made by certain parties, the OEB's jurisdiction to consider matters as part of its economic regulator role cannot be impermissibly broadened by its public interest mandate. As noted by the Divisional Court in the *Advocacy Centre for Tenants-Ontario v. OEB* decision of 2008 which is referenced at page 8 of Exhibit C, Tab 1, Schedule 2, the OEB's "mandate is directed primarily at avoiding the potential problem of excessive prices resulting because of a monopoly distributor of an essential service".

The consideration of the downstream impacts of the use of natural gas in terms of GHG emissions is wholly irrelevant to the OEB's function of setting just and reasonable rates in the context of a monopoly utility.

18. The OEB itself has recognized the limits on its jurisdiction to consider matters associated with the downstream impact of natural gas usage. In Procedural Order No. 2 and Decision on the Issues List dated March 6, 2020 (EB-2019-0159) at pages 9 to 11, the OEB stated:

Impacts associated with the extraction and production of natural gas to be delivered, as well as the effects of the consumption of that natural gas in the context of overall national and globally focused environmental policies, are out of scope.; and,

The phrase 'public interest', does not broaden the Board's jurisdiction to include an assessment of the environmental or economic impact of the use of gas.

19. Section 2 of the *OEB Act* states that the OEB shall be guided by the enumerated objectives. Under objective 5, the OEB is required to:

*promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including in regard to the consumer's economic circumstances.*

20. It is clear from this objective that the OEB is statutorily obligated to issue decisions and orders in respect of energy conservation and energy efficiency that are consistent and harmonious with the policies of the Government of Ontario.

21. It is very clear that for many years the Government of Ontario has been diametrically opposed to any new carbon pricing regime as a means of lowering emissions. This is not only government policy, it is a statutory prohibition which applies to all government agencies, including the OEB.

22. The *Protecting Against Carbon Taxes Act* prohibits the establishment of a carbon pricing program unless the current or a future government holds a referendum. “Carbon Pricing Program” is defined as meaning:

a program intended to reduce greenhouse gas emissions by imposing a tax, fee, charge or other levy on those emissions.

23. This definition is deliberately broad. At a minimum, it captures any mechanism that assigns a value to purported benefits associated with GHG emissions reductions from reduced natural gas use, where that valuation is introduced for the purpose of incenting emissions reductions. It also captures increases in rates arising from expanded DSM spending justified by the addition of a carbon value to the TRC-Plus test.

24. In the Ontario Legislature when members were considering the *Protecting Against Carbon Taxes Act* on April 25, 2024, the Honourable Prabmeet Singh Sarkaria, the Minister of Transportation, stated at page 1330 of the Hansard that:

The Act ... would not only cover carbon taxes, but any new system that puts a price on carbon, cap and trade or otherwise. With so many people across the province struggling just to make ends meet, we are taking a stand and we are saying no to carbon taxes and other faulty carbon pricing systems.<sup>2</sup>

25. The Courts will often look to statements made in the legislature about a new statute, particularly statements made by members of cabinet, to gain a better understanding of what the statute is specifically intended to address. Minister Sarkaria’s statement is wholly consistent with all other policy pronouncements made by the Government of Ontario against any new carbon pricing regime aimed at GHG emission reductions.

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<sup>2</sup> Found at Exhibit C, Tab 1, Schedule 2, p. 17.

### **There is No Cost of Carbon Avoided on Energy Bills**

26. It is clear that there is no carbon charge which will be avoided on consumer energy bills by undertaking DSM measures. The carbon charge continues to exist in the TRC-Plus avoided cost formula but after being reduced by the federal government to zero dollars, this means that natural gas consumers will not save one nickel in terms of the federal fuel charge by reducing natural gas consumption. This economic cost no longer exists. As well, there is no provincially mandated carbon price on fuel which would be avoided by a reduction in natural gas usage by consumers. Despite this, it appears that some parties want to substitute the \$0 federal fuel charge with a figure in the non-energy benefits (“**NEB**”) adder. This sidestep does not mask the reality of the situation that adding a cost of carbon to the NEB adder is contrary to the clear policy of the Government of Ontario and the statute prohibiting same.

### **History of the NEB Adder**

27. It is important to recognize the source of the 15% NEB adder. The Minister of Energy issued a directive in October 2014 to the OPA requiring it to add a 15% adder to electric utility CDM for “environmental, economic and social benefits”. The Government of Ontario set this figure by its directive to the OPA.
28. Importantly, the OEB in its Report of the Board in respect of the DSM Framework dated December 22, 2014, at section 9.2 referenced the Minister of Energy’s directive to the OPA to include a 15% adder. In consequence of this the OEB concluded that in order to effectively align natural gas DSM programs with electricity CDM programs, and to take into consideration government objectives outlined in the Conservation Directive to the

OPA, the same approach should be used for screening DSM programs. Put another way, the OEB was giving effect to the policies of the Government of Ontario.

29. The Government of Ontario's directive also required the OPA (now the IESO) to update the 15% NEB adder. SEC in its submission at page 1 states that it understands that the IESO is currently looking at the quantum of this adder and suggests that the OEB should consider coordinating its use of this adder with any new IESO approach. SEC proposes this in the context of arguing in favour of including a value for the Cost of Carbon in this proceeding.
30. Enbridge Gas understands that the IESO has updated their NEB adder. The IESO authorized the Company to advise the OEB that:

The Ontario government has not yet established a policy regarding the cost of carbon. Any decision by the IESO to incorporate an economic or social cost of carbon will be guided by provincial policy. Accordingly, until the Ontario government sets such a policy or otherwise directs the IESO to include a carbon cost, the IESO will maintain its current practice of not assigning a value to carbon in its avoided cost calculations.<sup>3</sup>

31. Importantly, the IESO has acknowledged not only that the update does not include anything in the adder for a Cost of Carbon, it will also not include anything for a Cost of Carbon unless directed to do so by the Government of Ontario. We certainly know that this will not happen anytime soon.
32. The threshold issue in this proceeding related to the Cost of Carbon is not about the broader environmental issue of reducing GHG emissions. It is about the OEB's ability to consider and establish a Cost of Carbon for the TRC-Plus test, in light of its jurisdiction, government policy and the primary objectives of the DSM Framework. The current DSM

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<sup>3</sup> A copy of the IESO's email containing this statement was filed by Enbridge Gas on March 13, 2026.

Framework states the objective of DSM is to “result in meaningful reductions in overall natural gas sales volumes, with consequent cost savings for ratepayers” and “to ensure proposed activities will assist customers in making their homes and business more efficient in order to help lower overall natural gas bills”. In short, the objectives of DSM are meaningful reductions in overall natural gas volumes and lowering consumers’ energy bills.

33. It is accepted that a reduction in natural gas usage will result in reductions in GHG emissions. The OEB recognized this in its decision approving the DSM guidelines dated June 30, 2011 (EB-2008-0346). Despite this, the OEB did not include as a metric in the TRC-Plus test any value based on the reduction of GHG emissions because it would “strongly, if not perfectly, correlate with M3 of cumulative savings of natural gas” (page 28).
34. In other words, the OEB has been cognizant for years that reductions in natural gas usage will generate coincidental reductions in GHG emissions. A reduction in GHG emissions naturally follows and results from a reduction in natural gas usage. This makes the addition of a GHG emissions metric unnecessary. The OEB should remain cognizant of this and confine its role to approving a DSM Plan that promotes natural gas volumetric savings and energy bill reductions.

### **Enhancing Regulatory Efficiency**

35. What Enbridge Gas is proposing in its DSM Plan is wholly consistent with the Minister of Energy and Electrification’s letter of direction to the OEB dated December 19, 2024, and specifically, the directive that sets regulatory efficiency as an objective. This includes reducing utility burden.

36. There can be no question that if the Cost of Carbon is added to the issues list, that this hearing will become materially longer, more complex and more expensive. One need only look at Counsel to ED/GEC, Mr. Elson's letter dated March 9, 2026 and his submissions at the Issue Conference to confirm this inevitability. Aside from the additional evidence, discovery, hearing time and argument that will occur if allowed, adding a Cost of Carbon may require the Company to amend and refile much of the Application. This could draw into question the goal of implementing the new multi-year DSM Plan as of January 1, 2027.
37. Enbridge Gas submits that now is the time to recognize that issues relating to a Cost of Carbon are outside the scope of this proceeding. This will save significantly not only in terms of the applicant's costs, but also the costs intervenors will seek and the OEB's own costs, all of which will then be passed on to Ontario ratepayers.

**Incongruence with Provincial Policy Emphasis on Energy Affordability**

38. Enbridge Gas further submits that including a Cost of Carbon in the issues list will be incongruent with the Government of Ontario's objective of improving energy affordability. Adding a non-zero Cost of Carbon to the TRC-Plus test will not have any impact on the affordability of natural gas. In fact, it will undoubtedly be used to justify higher DSM expenditures funded through rates.
39. Whether the TRC-Plus calculation reflects a carbon charge of zero dollars as proposed by Enbridge Gas, or some other yet-to-be-determined value as certain parties will propose, the fact is that energy consumers will see no change to their energy bills. Including a non-zero value for the Cost of Carbon in the TRC-Plus test will not reduce consumer energy bills by one nickel. Adding a Cost of Carbon to the TRC-Plus test will

inflate the apparent cost-effectiveness of certain measures, which in and of itself may send inappropriate pricing signals to consumers. Those energy consumers who participate in such programs will not realize any additional energy bill savings than they would if the avoided Cost of Carbon was set at zero dollars.

40. Further, it will undoubtedly lead to quite the opposite. Indeed, the purpose of adding a non-zero Cost of Carbon to the TRC-Plus test is to deem more DSM program offerings cost effective. By inflating the cost-effectiveness of certain DSM measures and offerings, the clear objective of ED, GEC, and others is to promote more DSM spending. This will mean higher budgets and increases in rates. This increase in rates has the same impact of a carbon charge which is directly imposed on consumers contrary to the Government of Ontario's statutory prohibition. This additional cost pressure on rates also runs completely contrary to the objective of the Government of Ontario of promoting affordability.

#### **OEB Counsel's Issues Conference Submissions**

41. OEB Counsel, Ms. Dhillon, provided comprehensive submissions on whether the Cost of Carbon should be included on the issues list. The Company supports the conclusions reached by OEB Staff, as expressed by Ms. Dhillon, and note the importance of the legal interpretations that she provided to the Commissioners. Several of Ms. Dhillon's submissions are worth highlighting.
42. At page 39 of the Issues Conference transcript, Ms. Dhillon stated that OEB Staff largely agrees with Enbridge Gas's assessment and added that:

in the current policy environment where the federal consumer carbon charge has been set to zero, and the Ontario government has explicitly rejected carbon pricing as an emissions tool - policy tool... OEB Staff submit that the

appropriate economic cost of carbon for DSM screening is zero dollars per tonne.

43. Then at page 40 Ms. Dhillon noted that while the OEB's TRC-Plus test includes carbon costs as one of the avoided costs for screening potential DSM programs, the OEB's discretion determining the value of carbon costs is meaningfully constrained by the broader statutory framework and government policy direction.
44. OEB Counsel agreed at page 41 that the definition of "Carbon Pricing Program" in the *Protecting Against Carbon Taxes Act*, is broad and that this indicates that any mechanism analogous to a carbon price falls outside acceptable policy instruments unless authorized through voter approval.
45. Ms. Dhillon referenced the Province's Integrated Energy Plan ("**IEP**") and stated that: "The government's energy policy states unequivocally the Ontario plan does not and will not include a carbon tax" (also at page 41). She further referred to the 2025 Ontario Budget, *A Plan to Protect Ontario* at page 42 and submitted:

The government's 2025 budget further reiterates its opposition to a tangible and discrete cost of carbon, noting that it has consistently called for the elimination of the carbon tax and welcomes the federal decision to set consumer pricing -- sorry, consumer carbon charge to zero. The Ontario government's policy explicitly rejects a carbon tax and is firmly against carbon pricing in general. Imposing a non-zero carbon value as part of OEB's adjudicative process would appear to contradict these policies and conflict with OEB's statutory obligation to act in accordance with them.

46. At page 45 of the transcript, Ms. Dhillon observed that it is a reality that Ontario ratepayers do not experience any direct economic benefit on their natural gas bills from avoided carbon costs, as no carbon charge exists to avoid. She further stated that:

any proxy carbon price would artificially inflate the cost-effectiveness of Enbridge's DSM programs. This could inaccurately signal some -- that some programs, although potentially beneficial for other purposes, are economic and the benefits are equal to -- equal or greater than costs for Ontario ratepayers. This would be misleading.

47. Finally, OEB Counsel stated at page 47:

Parties may argue that the -- that there are broader societal benefits associated with carbon emissions. OEB Staff submits that current policy direction is that these are captured in the 15 percent NEB adder included in the TRC-Plus test. Additionally, societal impacts are not direct costs to ratepayers. As such, the OEB Staff submits that the TRC-Plus test and existing zero dollar per tonne cost of carbon does not need to be modified to accurately account for any such benefits.

### **Relevance Of Issues Is Solely Within the OEB's Prerogative**

48. Contrary to the assertions made by Counsel to ED/GEC, the determination of what issues are relevant for the purposes of the OEB setting just and reasonable rates are solely within the determination of the OEB. The OEB is not bound to accept as being required for its determination every issue which an intervenor may argue is relevant and should be considered. Moreover, the OEB has control over its own processes and is not obligated to receive evidence and submissions from a party simply because that party submits that its evidence is appropriate and necessary for the OEB to consider. This is particularly the case where a party is seeking to include an issue and introduce evidence in an area that is outside the jurisdiction of the OEB as is the case here.

49. Mr. Elson on behalf of ED/GEC referenced the half-century old decision of the Divisional Court in *Union Gas Ltd. V. Township of Dawn* (1977). Neither this decision, nor the 2001 *Sudbury v. Union Gas Limited* Court of Appeal decision quoted by ED/GEC in its March 9, 2026 letter, stand for the proposition that the Cost of Carbon should be included on the issues list. This conclusion is reached for the following reasons.

50. The language quoted by ED/GEC in its letter from the *Union Gas Ltd. V. Township of Dawn* decision refers to matters relating to or incidental to the production, distribution, transmission or storage of natural gas, including the setting of rates, location of lines and

impertinences, expropriation of necessary lands and easements. The Divisional Court did not find that the OEB is obligated to consider an issue simply because an intervenor believes that it is relevant or “incidental to” a proceeding. The Divisional Court specifically referenced matters which are incidental to the production, distribution, transmission, or storage of natural gas. It is up to the OEB to determine what matters are incidental to these activities.

51. Importantly, the *Union Gas Ltd. v. Township of Dawn* and *Sudbury v. Union Gas Limited* decisions were all handed down long before the statutory objectives in section 2 of the *OEB Act* were amended to include its present wording obligating the OEB to “promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario”. Certainly, no intervenor has the right to insist that the OEB disregard a statutory objective and include an issue which is contrary to the policies of the Government of Ontario. This clearly makes the inclusion of a Cost of Carbon irrelevant for the purposes of this proceeding.
52. Further, the Divisional Court released its decision in *Environmental Defence Canada Inc. v. OEB* on February 23 of this year. The Divisional Court dismissed an appeal brought by ED which challenged the OEB’s refusal to admit certain evidence in a leave-to-construct proceeding. ED framed its appeal primarily as raising issues of procedural fairness.<sup>4</sup>
53. In this decision, The Divisional Court referred favourably to the Supreme Court of Canada decision in *Council of Canadians with Disabilities v Via Rail Inc.*, 2007 SCC 15, where the Supreme Court held:

231 Considerable deference is owed to procedural rulings made by a tribunal with the authority to control its own process. The determination of the scope

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<sup>4</sup> *Environmental Defence Canada Inc. v. OEB*, 2026 ONSC 1002, p. 8.

and content of a duty to act fairly is circumstance-specific, and may well depend on factors within the expertise and knowledge of the tribunal, including the nature of the statutory scheme and the expectations and practices of the Agency's constituencies. Any assessment of what procedures the duty of fairness requires in a given proceeding should "take into account and respect the choices of procedure made by the agency itself, particularly when the statute leaves to the decision-maker the ability to choose its own procedures, or when the agency has an expertise in determining what procedures are appropriate in the circumstances. [authorities omitted]"<sup>5</sup>

54. The Divisional Court then noted that: "This Court has held that "considerable deference is owed to procedural rulings made by a tribunal with the authority to control its own process, including the OEB"."<sup>6</sup>
55. The Divisional Court noted that the applications before the OEB were not an adversarial contest between two sides with both sides' rights being determined by the OEB. The Court then stated:

While the OEB accepted that EDC has a substantial interest in the subject matter of the proceeding and a useful perspective, it does not have a direct interest in the outcome. Its legal rights or interests are not at stake or being determined on these applications. It is Enbridge's application and it is the only party with a burden to meet. EDC's argument that the statutory scheme necessarily requires the OEB to accept and consider this specific evidence from both sides misconstrues these proceedings.<sup>7</sup>

56. Importantly, the OEB argued before the Court that:

...requiring the OEB to admit all potentially relevant evidence as of right would unduly increase the complexity of its proceedings without regard for regulatory efficiency or the level of probative value the evidence brings—contrary to the interests of ratepayers who ultimately pay for this process<sup>8</sup>.

57. The Divisional Court then went on to dismiss ED's appeal and to not require the OEB to receive the evidence that ED argued was relevant.

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<sup>5</sup> Ibid, p. 9.

<sup>6</sup> Ibid, p. 9 with reference to *Rogers Communications Canada Inc. v. The Ontario Energy Board*, 2017 ONSC 3959, para. 63 (Div. Ct.).

<sup>7</sup> Ibid, p. 10.

<sup>8</sup> Ibid, p. 11, paragraph 50.

58. Enbridge Gas submits that ED's status in this proceeding is no different in that it has no direct interest in the outcome. Contrast this with the position taken by OEB Staff and several of the ratepayer groups (CCC, IGUA, OGVG & CME<sup>9</sup>). This should be recognized by the OEB during its deliberations.
59. ED has already signalled its intention to seek leave to file expert evidence about the Cost of Carbon and valuations that it will argue should be used for the DSM cost-effectiveness test. The OEB has substantial discretion to control its own process. Where a party seeks to add an issue that clearly falls outside the OEB's jurisdiction, the OEB should rule that the request – such as the request advanced by ED/GEC in this proceeding – is out of scope.

### **The Cost of Carbon is a Narrow Issue**

60. For purposes of scoping the issues list, it is important to understand that what Enbridge Gas proposes is to simply exclude a non-zero-dollar Cost of Carbon from consideration in the TRC-Plus cost-effectiveness test or any other cost-effectiveness test advocated by parties to this proceeding. If parties wish to suggest that the OEB should require an update to the 15% NEB adder, **other than for the purposes of including a Cost of Carbon**, then such a request is within scope. The federal fuel charge continues to be part of the TRC-Plus methodology but in accordance with the legislated zero-dollar value. If the Government of Canada at some point during this proceeding increased the federal fuel charge to some amount other than zero, then that new figure would be included as an avoided cost in the TRC-Plus test.

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<sup>9</sup> CME's letter dated March 9, 2026 submits that the cost of carbon should currently be set to \$0 to match the government's stated policy. This is what Enbridge Gas has done.

61. In short, excluding the Cost of Carbon from the issues list will not have a prejudicial impact on the ability of parties and the OEB to consider all other matters associated with the TRC-Plus test.

**Regulatory Efficiency**

62. Enbridge Gas is optimistic that by reason of the OEB’s decision to receive further submissions from parties on the question of including the Cost of Carbon on the issues list that it intends to deal with this as a preliminary matter. No one can argue that it would be an efficient use of hearing time and resources to devote a substantial portion of the proceeding to matters surrounding the use of a Cost of Carbon and any valuation that parties may propose to give it, only for the OEB to determine in its final decision that it lacked the jurisdiction to implement what some parties may propose. The Company submits that by the OEB making a preliminary determination against including the Cost of Carbon on the issues list, it would not only be making a determination consistent with its jurisdiction and the policies of the Government of Ontario, but also with the Minister of Energy and Electrification’s directive to the OEB requiring it to pursue regulatory efficiency and reduced utility burden.

All of which is respectfully submitted March 23, 2026.



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Dennis M. O’Leary  
Counsel to Enbridge Gas Inc.