

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

March 23, 2026

**EB-2025-0295 Enbridge 2027-2030 Demand Side Management Plan
Pollution Probe Supplemental Submissions on the Issues List**

Dear Mr. Murray

In accordance with Procedural Order No. 2 for the above-noted proceeding please find below Pollution Probe's supplemental submissions related to the Draft Issues List. The submissions below relate to the appropriate consideration of the cost of carbon as an input to the DSM TRC Plus Test as applied to the 2027-2030 DSM Plan. These submissions are meant to be read as supplementary in combination with Pollution Probe's letter dated March 9, 2026 and the oral submissions delivered at the Issues Conference on March 12, 2026.

Pollution Probe's recommendations and position related to the Issues List and appropriate treatment for DSM assumptions including the cost of carbon remain unchanged except for one important adjustment following the Issues Conference. After reflecting on the facts and informed discussions during the Issues Conference, Pollution Probe supports the position that the OEB should not make an urgent or immediate determination on the cost of carbon to be applied to the TRC Plus Test for the 2027-2030 DSM Plan. It has become abundantly clear that the DSM Plan is a complex interaction of a large variety of input assumptions that will need to be reviewed and approved by the OEB and that there are serious broader consequences of rushing a decision on that isolated issue. Pollution Probe agrees that the OEB will be in a better position to make a decision on the complete portfolio, including the appropriate value of the cost of carbon, after the proceeding has unfolded. An Issues List is a tool to help organize a proceeding and does not limit the OEB from making a decision based on all the relevant facts at the end of the proceeding.

Enbridge's application and evidence indicates that the OEB does not have jurisdiction to consider the cost of carbon. This position appears to have changed over the Issues Conference with an apparent unanimous agreement that the OEB does in fact have the authority for considering environmental and social attributed such as the cost of carbon, particularly in regard to the DSM TRC Plus Test. During the Issues Conference Enbridge pivoted to suggest that the OEB should exercise its authority and proactively set the cost of carbon to zero without

hearing evidence related to the best practice value for the cost of carbon. Objective best practice information exist for appropriate values to use for the cost of carbon. In fact this information was already used by the OEB for scenarios in the 2024 DSM Achievable Potential Study. Best practice information can be reviewed by the OEB during the proceeding once the Issues List is finalized.

Pollution Probe provided other a small number of examples where the OEB has already considered the environmental and social attributes of a proposal, including the benefits related to reducing carbon emissions. Enbridge suggested that those examples were based on a business case that did not rest entirely on the value of emission reductions, but in fact those projects put forward no other benefits than the emission reductions that could be achieved (and the value related to emissions reductions). The details can be found using the following references.

- EB-2019-0294 related to the Markham Hydrogen Blending Leave to Construct¹ which was premised on approving the project only on the benefits of environmental attributes and alignment with Provincial policies to reduce carbon emissions.
- Enbridge put forward an application (Rebasing Phase 2²) in EB-2024-0111, which included a request for OEB approvals for a Low Carbon Energy Program which included no benefits other than the suggestion that the program would decreasing carbon emissions in Ontario and the socio-environmental benefits of doing so.
- Reference was provided to the fundamental regulatory framework governing DSM in Ontario's natural gas sector which is built on the foundation of EBO 169³. Details can be found in the OEB's EBO-169 Decision⁴ which specifically stated that "The Board concludes that those program externalities which include significant environmental and social costs and benefits should be included in the cost analysis of DSM programs". [page 2].

For gas DSM specifically, the 2024 Achievable Potential Study⁵ scenarios included the social cost of carbon. In fact, the OEB's expert consultant Guidehouse indicated that the social cost of carbon is the most accurate value to use for the DSM TRC Plus Test⁶. The 2024 Potential Study also indicates that the cost of carbon is specifically different than applying a tax, fee, charge, or other levy on emissions. The cost of carbon is not a fictitious creation and it is not a tax, fee,

¹ EB-2019-0294 EGI_APPL_REDACTED_LTC_Markham_Low Carbon Energy_20191220.

² EB-2024-0111 EGI_APP_EVD_2024 Rebasing Phase 2_updated 20240708.

³ EB-2025-0295_APPL_20251218, , Exhibit C, Tab 1, Schedule 2, Page 1.

⁴ EBO_169_III Decision, page 3.

⁵ 2024 Natural Gas Achievable Potential Study_20241022

⁶ Ibid, page 90.

charge, or other levy on emissions as suggested by some parties⁷. It is also incorrect to suggest that using the cost of carbon in the TRC Plus Test for DSM cost-effectiveness screening is the same thing as the OEB adding an additional gas bill charge, or contrary to any policy direction. The cost of carbon is the same as any other input used for the TRC Plus Test, including the 15% non-energy benefits adder.

During the oral submissions, Pollution Probe simply recommended that the application of economic cost of carbon and non-energy benefits (NEBs) be explicitly included in the list with the other similar portfolio inputs that need to be modelled together. There was subsequent statements made by some parties which seem to suggest that cost of carbon was already captured within the 15% NEB adder. Following the Issues Conference Pollution Probe had an opportunity to validate the actual DSM Framework wording and DSM Framework Section 10.3 indicates – “A 15% non-energy benefit adder applied to all avoided costs except avoided carbon costs.” The cost of carbon is a separate and incremental input assumption than what the 15% NEB adder includes.

Similarly, Enbridge seemed to suggest that the OEB had already implicitly made a decision related to the cost of carbon by the mere fact that the OEB had used two different adjectives when referring to the cost of carbon. The cost of carbon is simply the economic value estimate of the social impacts related to emitting or saving a tonne of carbon emissions. For purposes of the TRC Plus Test the terms economic and social are interchangeable and it is semantics to attempt to apply a greater meaning to the OEB’s use of the term.

Pollution Probe recommends that the OEB apply the best available information when estimating the (economic/social) cost of carbon. By reviewing that information during the proceeding, the OEB will be in the best position to make a decision based on all the relevant information.

Respectfully submitted on behalf of Pollution Probe.



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⁷ OEB_EB-2025-0295_20260312_89945 (Issue Conference transcript) page 27, lines 9-11.

Cc: All Parties (via email)
Richard Carlson, Pollution Probe (via email)