

March 30, 2026
Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
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Dear Mr. Murray:

EB-2025-0295 – Enbridge Gas Inc. – Application for Multi-Year Natural Gas Demand Side Management Plan – Issues Conference - Submissions of the Consumers Council of Canada

Introduction:

On December 18, 2025, Enbridge Gas Inc. (Enbridge Gas) applied to the Ontario Energy Board (OEB) for approval of a new natural gas demand side management (DSM) policy framework effective January 1, 2027 and approval of a new multi-year DSM plan, inclusive of budgets, programs and targets, from January 1, 2027 to December 31, 2030.

On February 27, 2026, the OEB issued Procedural Order No. 1 scheduling an Issue Conference on March 12, 2026 for parties to make submissions on the Draft Issues List. On March 5, 2026, the OEB issued a letter indicating its intent to hear submissions from parties at the Issues Conference on whether the consideration of a cost of carbon for DSM cost-effectiveness testing should be within scope of this proceeding, and added to the Issues List.

In its Procedural Order No. 2 issued on March 16, 2026, the OEB determined that it would benefit from receiving complete submissions from OEB Staff and parties on the specific question identified in its March 5, 2026 letter – whether the consideration of a cost of carbon form DSM cost-effectiveness testing should be within the scope of its proceeding and added to the draft Issues List.¹

These are the further submissions of the Consumers Council of Canada (CCC).

Background:

CCC is of the view that the following points are relevant to the OEB’s determination of this issue:

- Enbridge Gas has asked for an early determination of this issue to ensure regulatory efficiency and proper consideration of the OEB’s statutory authority and framework.² From Enbridge Gas’s perspective it would be inefficient from a regulatory perspective for the cost of carbon to be included as an issue in this proceeding only to have a determination made in the OEB’s final decision that it lacked jurisdiction. It is Enbridge Gas’s position that the cost of carbon should

¹ EB-2025-0295 Letter dated March 5, 2026

² EB-2025-0295 Application dated December 18, 2025, p. 6

not be included on the Issues List other than it remains in the avoided cost calculations at the federally mandated cost of zero dollars.³

- The OEB in its Decision and Order dated November 6, 2025, provided the following direction to Enbridge Gas in that Decision:

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

Enbridge has complied with that direction by including a carbon charge set at zero dollars consistent with the federal government amending the *Greenhouse Gas Pollution Pricing Act* to adopt a zero-dollar federal fuel charge effective April 1, 2025.⁴ Enbridge Gas has prepared its entire Application and supporting evidence using the TRC-Plus test inclusive of a zero-dollar carbon cost.

- The Ontario Government has passed the *Protecting Against Carbon Taxes Act* which prohibits that establishment of a carbon pricing program unless the current or a future government holds a referendum. Carbon pricing is defined in the Act as a program intended to reduce greenhouse emissions by imposing. Tax, fee, charge or other levy on those emissions. It is Enbridge Gas's position that it would capture increases in rates arising from expanded DSM spending justified by the addition of a carbon value to the TRC-Plus test⁵.
- The current TRC-Plus test includes a 15 % adder to recognize environmental, economic and social benefits for both electricity and natural gas conservation programs. Currently, there is no directive from the Government of Ontario to update this adder to include a cost of carbon for either the Independent Electricity System Operator (IESO) or the OEB.
- The TRC-Plus test has been an accepted and integral tool used by Enbridge Gas and the OEB in terms of assessing DSM program and portfolio cost-effectiveness. In the last several DSM proceedings all parties accepted that in assessing DSM programs using the TRC-Plus test the cost of carbon should reflect the approved Federal Government carbon tax. No party in previous proceedings took issue with this. Enbridge Gas's current proposals are clearly consistent with past practice.

CCC Submissions:

CCC's submissions are as follows:

- The OEB should make an early decision on this issue prior to its consideration of Enbridge Gas's overall Application. It does not make sense for the OEB to make a ruling on its jurisdiction or the cost of carbon after hearing the balance of the Application, as that ruling could ultimately impact the consideration of all of the relevant issues in this proceeding;

³ Enbridge Gas Submissions dated March 23, 2026, p. 2

⁴ Enbridge Gas Submissions dated March 23, 2026, p. 4

⁵ Enbridge Gas Submissions, dated March 23, 2026, p. 7

- Enbridge Gas has, from CCC's perspective, complied with the previous OEB Decision as to how the cost of carbon should be considered in its cost-effectiveness testing. It has simply set that cost at zero which is consistent with current Government of Ontario policy;
- CCC supports maintaining that cost at zero pending any change in Government policy. If a carbon tax is introduced by either the Federal or Provincial governments in the future, the TRC-Plus inputs could be changed on a prospective basis for the consideration on programs and program costs going forward;
- CCC agrees with the submissions made by OEB Staff regarding ratepayers:

The cost of carbon is not in scope and the OEB should confirm the appropriate cost of carbon value for the Total Resource Cost Test-Plus is \$0/tonne. This value aligns with the Government of Ontario policy. As previously submitted by OEB Staff, current Government of Ontario policy explicitly rejects carbon pricing and affirms that no carbon tax or carbon charge will apply to consumers. Applying a \$0/tonne value aligns with the OEB's mandate as an economic regulator, and ensures that Enbridge Gas's DSM programs are assessed using inputs that accurately reflect the costs and benefits experienced by Ontario ratepayers today.

As an economic regulator, one of the OEB's central tasks with respect to DSM programs is to ensure that they are considered on the basis of real, measurable utility, ratepayer and system costs, in alignment with government policies. Introducing a hypothetical or counterfactual carbon value would distort economic assessment and undermine the purpose of DSM cost-effectiveness screening.

The TRC-Plus test already provides the OEB with a complete and robust framework for evaluating DSM program impacts. It incorporates real avoided natural gas, electricity, water and carbon costs. Additionally, a 15% NEB adder is applied to align with the historical approach used to assess electricity energy efficiency and demand management programs and reflect broader environmental, economic, and social benefits of DSM programming.⁶

- Residential ratepayers are, under Enbridge Gas's current proposals, funding over \$300 million in DSM costs. Proposing an increase in the cost of carbon included in the cost-effectiveness screening may increase the costs to those ratepayers are required to pay without any direct benefit – particularly with respect to program non-participants. This is concerning to CCC and simply unfair.
- CCC urges the OEB to determine that the cost of carbon to be used in the TRC-Plus test be set at \$0/tonne for the purposes of assessing Enbridge Gas's current DSM Application.

Yours truly,

⁶ OEB Staff Submission, March 23, 2026, p. 1

Julie E. Girvan

Julie E. Girvan

Cc: All parties