



By EMAIL and RESS

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Our File: 20250333

Ontario Energy Board  
2300 Yonge Street  
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**Attn: Ritchie Murray, Acting Registrar**

Dear Mr. Murray:

**Re: EB-2025-0333 – Enbridge IRP MTR – Submissions on the Merits**

We are counsel for the School Energy Coalition (“SEC”). Pursuant to Procedural Order #2 in this matter, this letter constitutes SEC’s submissions on the merits of the Motion to Review proposed by the Applicant Enbridge.

As directed in PO #2, SEC will not repeat its submissions on the threshold question, which included full consideration of Grounds 3, 4, and 5, as well as the issue of including electrification (part of Ground 6). The submissions SEC made on the threshold question relating to those items continue to apply if they are being considered on the merits.

That leaves three items to address:

- The appropriateness of including gas technologies in the pilot, and the related issue of whether that is consistent with the IRP Framework.
- The alleged excess influence of environmental impacts, rather than cost impacts.
- The direction to consult with the IRP Working Group on a second pilot.

**Grounds 1 and 2 – Inclusion of Gas Technologies**

SEC notes that the onus was on Enbridge, the Applicant (as it always is) to demonstrate that spending ratepayer money on “advanced” gas technologies was appropriate.

That onus is especially pointed given that the OEB had already made a decision a couple of years earlier, in approving the then-current DSM Plan, that these advanced gas technologies – gas heat pumps – were neither a mature technology nor cost-effective<sup>1</sup>. The Commissioners in this proceeding, EB-2022-0335, specifically quoted that Decision, in part as follows<sup>2</sup>:

*“The OEB finds that focusing efforts on gas heat pumps, a technology that is not currently commercially available nor as cost-effective as electric heat pumps is not prudent.”*

Enbridge made no serious attempt to counter this conclusion, for example with evidence demonstrating that the technology had become significantly more mature, or was lower in cost.

Indeed, the opposite was true. The evidence filed by Enbridge in EB-2022-0335 showed that the cost of reducing peak demand using a gas heat pump was about six times the cost of the same reduction using a cold climate electric heat pump<sup>3</sup>.

Therefore, in the face of a recent decision of the OEB on those terms, and direct evidence before them of the imprudence of spending money on gas heat pumps, the Commissioners made the rational decision to exclude them from the pilot project, and to redirect the funds to the much more cost-effective option, electric heat pumps.

Thus, the decision to exclude the advanced gas technologies was correct, as it would have been wasteful of the ratepayers’ money<sup>4</sup>.

Enbridge may be concerned with the perhaps unfortunate wording of the Commissioners on that point, where they say:

*“Incentives for gas equipment continue the need for gas infrastructure and utilization of gas, rather than reducing it.”<sup>5</sup>*

However, that is simply a paraphrase of similar wording in the DSM Decision<sup>6</sup>, while specifically removing the reference in that Decision to the environmental impacts. In the context of IRP, which is about gas infrastructure, the truncated wording is more appropriate.

SEC does not see the exclusion of gas technologies in this particular IRP Pilot as being a general statement that more efficient gas technologies cannot or should not be used to defer or displace gas infrastructure. Many DSM programs in fact focus on more efficient use of natural gas, rather

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<sup>1</sup> EB-2021-0002, at p. 53.

<sup>2</sup> EB-2022-0335 at p. 4.

<sup>3</sup> JT1.4, page 2, quoted in the Final Argument of Environmental Defence at p. 2.

<sup>4</sup> Note that, despite a number of intervenors arguing that gas heat pumps should be excluded, and Environmental Defence referring to the evidence of the extremely high cost of that option, the Enbridge Reply Argument in the case did not even attempt to deal with the cost differential, or the immaturity of the technology. The Reply Argument focused on justifying much larger numbers of gas technologies than electric technologies, and complaining that gas technologies should not be excluded from IRPAs. They did not consider whether overly costly options – like gas heat pumps - should be excluded from IRPAs.

<sup>5</sup> EB-2022-0335 at p. 5.

<sup>6</sup> EB-2021-0002, at p. 53.

than replacing it with something else. There will be cases, presumably, where that will apply in an IRP context as well, although this obviously wasn't one of them.

In this Decision, the Commissioners simply did what they are required to do: exclude imprudent spending where a more cost-effective option is available. The more cost-effective option – electrification – was already in the Enbridge Application. The Commissioners simply expanded it to replace a less cost-effective option.

SEC therefore concludes that the determination to exclude gas technologies and re-direct the budget to electrification was not an error in the Decision. It was a direct response to the evidence on relative cost of peak reductions as presented by Enbridge.

### **Ground 7 – Alleged Excess Influence of Environmental Impacts**

SEC has scoured the EB-2022-0335 Decision trying to find evidence of the Commissioners being influenced by environmental impacts, and has found none. The Enbridge claim that “the Decision improperly focuses on GHG emissions”<sup>7</sup> – does not appear anywhere in the Decision.

The closest we have come – and it is a stretch, we admit – is that the determination to exclude gas technologies in this case and redirect the funds to electrification was in fact proposed in the Final Argument of Environmental Defence, an environmental intervenor.

SEC concludes, however, that the Commissioners accepted the submissions of Environmental Defence on this point because Environmental Defence had the best argument, and the only one supported by the evidence in the case.

Accepting a cogent argument from an intervenor – even an environmental group – is neither bias nor improper.

### **Direction to Consult with the IRP Working Group on a Second Pilot**

This complaint by Enbridge is a bit of a head-scratcher. Enbridge sought in this case a declaration from the Commissioners that, even though Enbridge had only proposed one pilot project, rather than two, and even though they were well past the deadline, and even though their pilot wasn't deferring any facilities, they should be treated as having complied with the direction in the original IRP Proceeding that they implement two pilot projects by the end of 2022<sup>8</sup>.

The Commissioners in this case declined to do so. They let Enbridge off the hook on the deadline, and treated the SLH Pilot in this Application as one of the two pilots (even though it didn't really comply), but they ordered that a second pilot be proposed and implemented, as originally required in the IRP Proceeding.

They also directed – affirming the requirements in EB-2020-0091 – that Enbridge get input on that second pilot from the IRP Working Group, just as it had on the first pilot.

This, we note, was simply restating what the IRP Decision – which set up the IRP Working Group – already required.

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<sup>7</sup> Notice of Motion, p. 8.

<sup>8</sup> EB-2020-0091, at p. 90.



It was in no way an error by the Commissioners to retain the requirements of the OEB in its previous decision with respect to a second pilot.

SEC notes that there is an intervening event, the IRP Framework Review. To the best of our knowledge, there is no order in that review suspending the obligations of Enbridge under EB-2020-0091. Enbridge is asking this Review Panel to implement such a suspension, which in our view is inappropriate in the circumstances.

**Conclusion**

SEC believes that the Motion fails on the merits, as outlined in these Submissions.

SEC notes our position in our threshold submissions that this Motion was a waste of the OEB's time and resources, as the broader points Enbridge is trying to make here are better handled in the IRP Framework Review. In this respect, we agree with the submissions of OEB Staff. We do not, to be clear, support their conclusion that the Motion should be dismissed on that basis. Our submissions focus on the merits of the claimed errors.

On the merits, SEC submits that the motion should be dismissed for the reasons earlier noted. The alleged errors are not, in fact, errors sufficient to change the Decision, if they are even errors at all.

All of which is respectfully submitted.

Yours very truly,  
**Shepherd Rubenstein Professional Corporation**

A handwritten signature in black ink, appearing to read "Jay Shepherd", written over a light blue horizontal line.

Jay Shepherd

cc: Brian McKay, SEC (by email)  
Interested Parties (by email)