



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION ON ISSUES LIST AND PROCEDURAL ORDER NO. 3

EB-2025-0295

ENBRIDGE GAS INC.

**Application for Multi-Year Natural Gas Demand Side Management
Plan (2027-2030)**

BEFORE: Allison Duff
Presiding Commissioner

James Sidlofsky
Commissioner

David Sword
Commissioner

May 4, 2026

1 INTRODUCTION AND SUMMARY

Enbridge Gas Inc. (Enbridge Gas) filed a multi-year natural gas demand side management (DSM) plan application with the Ontario Energy Board (OEB) on December 18, 2025 under section 36(1) of the *Ontario Energy Board Act, 1998*, (OEB Act) seeking approval for a new natural gas 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.

The OEB issued Procedural Order No. 1 on February 27, 2026, which among other things, set out the schedule for establishing the issues list.

The OEB held an Issues Conference on March 12, 2026, during which parties provided oral submissions on proposed changes to the draft Issues List. Some parties also gave initial submissions in response to the OEB's March 5, 2026 letter which advised parties that "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."

The OEB issued Procedural Order No. 2 on March 16, 2026, which set out the schedule for all parties to make written submissions on the specific question identified in the OEB's March 5, 2026 letter and quoted in the paragraph above.

This Decision approves the issues list that is attached as Appendix A.

The OEB finds that the application will be heard as filed, with an avoided carbon cost of \$0/tonne and the 15% non-energy benefit adder applied to the TRC-Plus test. The OEB also finds it procedurally efficient to proceed immediately with its review of Enbridge Gas's updated DSM plan, a review that was already delayed by one year. In defining the scope of this proceeding and approving the attached issues list, the OEB has considered the OEB's objectives under section 2 of the OEB Act, including, without limitation, paragraph 5 of section 2: "To promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances."

The OEB will maintain the 15% adder for non-energy benefits that has been consistently applied as part of cost-effectiveness analysis of natural gas DSM programs since 2014. This Decision to approve an issues list that does not include changing or amending the 15% adder in this proceeding, does not narrow the OEB's jurisdiction.

The OEB is guided by its *Rules of Practice and Procedure* and finds that, consistent with Rule 2.01, it is in the public interest to proceed with the current application as filed. The OEB considers this approach to be just, expeditious, and efficient. The OEB's findings are further addressed below.

Consistent with past practice, the OEB's determination of the multi-year DSM plan and any updates to the DSM Framework in this proceeding does not limit the OEB's ability to consider different approaches in future DSM proceedings, should government policy or OEB policy change.

2 DECISION

2.1 Issues List

The OEB sought input on the draft issues list developed by OEB staff through written submissions prior to additional submissions at the Issues Conference.

In addition to the draft issues list, the OEB sought 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 issues list.

Draft Issues List

The following parties made submissions on the draft issues list, including the specific cost of carbon question:

- Building Owners and Managers Association (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Coalition of Concerned Manufacturers and Business of Canada (CCMBC)
- Consumers Council of Canada (CCC)
- Enbridge Gas
- Energy Probe
- Housing Service Corporation (HSC)
- Industrial Gas Users Association (IGUA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Pollution Probe
- School Energy Coalition (SEC)
- Small Business Utility Alliance (SBUA)

The following parties made joint submissions on the draft issues list, including the specific cost of carbon question:

- Environmental Defence and Green Energy Coalition (GEC)
- Low-Income Energy Network (LIEN) and Vulnerable Energy Consumers Coalition (VECC)
- Minogi Corp. (Minogi) and Three Fires Group Inc. (Three Fires)

The OEB has considered these comments in the development of the final issues list.

2.2 Consideration of a Cost of Carbon for Cost-Effectiveness Testing

The OEB provided for submissions from parties on the consideration of the cost of carbon at several stages of this proceeding, including through written submissions prior to the Issues Conference, oral submissions at the Issues Conference, and subsequent written submissions, including reply submissions from Enbridge Gas.

In this context, and in light of the federal government setting the federal carbon charge to zero on April 1, 2025, parties were invited to address how, if at all, the cost of carbon should be considered in the assessment of Enbridge Gas's DSM plan application.

Specifically, the OEB asked parties to respond to the question of 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 issues list.

Parties in Support of Adding Cost of Carbon to the Issues List

The following parties were supportive of the OEB determining that consideration of a cost of carbon for DSM cost-effectiveness testing should be within the scope, and added to the issues list: BOMA, Environmental Defence, FRPO, GEC, HSC, LIEN, Minogi, Pollution Probe, Three Fires, SEC and VECC.

These parties largely shared a similar foundational basis for their submissions. This generally centered on the argument that Enbridge Gas has proposed an inappropriately narrow definition of the OEB's mandate, that if accepted, would improperly limit the OEB's ability to exercise its expert judgment and properly consider important benefits and costs.

These parties argued that the narrow definition of the OEB's authority, particularly as it relates to consideration of environmental, social and other non-financial factors, should be rejected. These parties argued that the OEB, as an expert adjudicative body, is empowered to use its judgement and expertise to make evidence-based findings that are in the public interest.

Parties in support of the OEB considering the cost of carbon for cost-effectiveness testing consistently submitted that the OEB is not being asked to approve a carbon tax. These parties noted that using a value for carbon in the Total Resource Cost (TRC)-Plus test does not indirectly impose a tax, charge or levy on customers relating to the cost of carbon. Similarly, parties noted that just as the environmental and social costs and benefits included in the 15% non-energy benefit adder already included in the TRC-

Plus test are not considered a tax imposed on customers, a value for carbon for cost-effectiveness testing purposes would similarly not be a tax imposed on customers.

Further, these parties argued that the government has not issued any directive or clear policy guidance that the value of carbon is zero. These parties make a clear distinction between value and a tangible cost to customers – a tax, fee or levy. These parties argued that contrary to the assertions from Enbridge Gas and other parties objecting to consideration of a non-zero cost of carbon, many government policies and initiatives are premised on the basis that there is a positive value to carbon reductions, including the Integrated Energy Plan, the electricity energy efficiency framework (the IESO's 12-year eDSM plan), the IESO's Pathways to Decarbonization Report, and the Hydrogen Innovation Fund.

In addition, Environmental Defence and GEC submitted that including a value for carbon as part of cost-effectiveness testing would be entirely consistent with the goals of government's Integrated Energy Plan, including: affordable energy, clean energy, and integrated gas-electric planning. Environmental Defence and GEC argued that if a value for carbon is pre-determined to be zero, that the OEB will be unable to consider what the most cost-effective approach to investment planning would be. This may lead to more costly carbon-reduction measures. Similarly, the OEB will be unable to appropriately consider if the proposed DSM plan is as effective as it could be, which would be contrary to two of the central principals of the Integrated Energy Plan - affordability and the advancement of clean energy.

SEC submitted that the OEB does not have to make a determination on the broad jurisdictional challenges set out by Enbridge Gas. Rather, the focus in determining the issues list, as established by the OEB in this proceeding, is much more narrow and asks if the OEB can consider non-energy costs and benefits in cost-effectiveness testing for DSM programs. SEC argues that the answer to this question is yes, as neither the OEB Act nor government policy prohibits the OEB in considering the value of DSM programs in reducing greenhouse gas emissions. SEC submitted that the value of DSM is not, and has never been, solely about reducing bills for participants in the programs. The OEB has always recognized that DSM is in the broader public interest.

LIEN and VECC noted that although the OEB's current 15% non-energy benefit adder aligned with previous government direction and aligned natural gas and electricity benefit-cost calculations, that is no longer true. The Ontario Power Authority (OPA) no longer exists and has been subsumed by the Independent Electricity System Operator

(IESO).¹ The IESO has been delivering these programs for many years and over that time, there have been many changes to the electricity energy efficiency framework and treatment of cost-effectiveness tests. The IESO now relies on the Program Administrator Test, not the TRC test, and therefore is not looking at costs and benefits of energy efficiency programs as broadly as the OEB. As such, LIEN and VECC argued that the value of carbon reductions could appropriately be considered as part of the TRC-Plus test.

Ultimately, these parties shared a similar position and recommend that the OEB not pre-determine the cost of carbon as a zero-value at the outset of the proceeding. Instead, the OEB should follow a similar approach as it does for all other inputs to Enbridge Gas's DSM plan. The OEB should allow for evidence to be filed, discovery and submissions made, both on specific items and the overall proposal. The OEB should then determine, based on the evidence that has been provided, the reasonable DSM plan that should be approved, inclusive of how certain assumptions impact the broader plan, including prioritization of certain programs, ratepayer funding allocation across the portfolio, the overall impact of the plan and cost to customers.

Parties Opposed to Adding Cost of Carbon to the Issues List

OEB staff and the following parties shared largely similar positions arguing that the consideration of a cost of carbon for cost-effectiveness testing is out of scope and should not be added to the issues list: Enbridge Gas, CCC, CCMBC, CME, Energy Probe, IGUA, and OGVG.

These parties shared the same general view that, without clear direction for the federal or provincial government legislating a consumer price for carbon, the only appropriate carbon value for use in the TRC-Plus test in this proceeding is \$0/tonne. This value aligns with Government of Ontario policy which explicitly rejects carbon pricing mechanisms affecting consumers and therefore constrains the OEB's discretion in DSM screening.

Enbridge Gas argued that the OEB lacks statutory authority to assign or apply a non-zero cost of carbon in DSM cost-effectiveness tests. Enbridge Gas argued that the OEB does not have the authority to institute new environmental pricing mechanisms or assign an economic value to carbon within DSM cost-effectiveness testing in a manner that would materially affect DSM screening results, justify higher rate-funded DSM budgets, and thereby function as an indirect form of carbon pricing through rates.

¹ The OPA merged with the IESO on January 1, 2015.

Environmental regulation, including in relation to greenhouse gas emissions, is within the shared jurisdiction of the federal and provincial governments.

Similarly, IGUA assessed the OEB's authority through the lens of its statutory requirements under Section 36, which is the basis for Enbridge Gas's application and request for rate funding approval. IGUA submitted that DSM programs are approved as an alternative means of providing energy services to customers only where they are demonstrated to be economic, as measured by the TRC-Plus test. In IGUA's view, this statutory framework limits cost-effectiveness analysis to costs that are actually incurred or avoided by Enbridge Gas or its customers. In the absence of a legislated carbon charge, neither customers nor the utility avoid any carbon-related costs when gas consumption is reduced. IGUA argued that assigning a value to reduced carbon emission would be inappropriate and extend DSM screening beyond the economic comparison required by Section 36, and would be inconsistent with the OEB's statutory mandate to approve rates that reflect real, not hypothetical, costs. This argument was largely supported by those parties that opposed the OEB considering a cost of carbon for cost-effectiveness testing and expanding the issues list.

Additionally, Enbridge Gas argued that including a non-zero cost of carbon in the TRC-Plus test will not improve affordability of natural gas. Instead, Enbridge Gas was of the view that it would be used by parties to argue for higher DSM budgets funded through rates. Enbridge Gas and other parties, including OEB staff and CCC, argued that adding a cost of carbon to the TRC-Plus test will inflate the apparent cost-effectiveness of certain measures, which may send inappropriate price signals to customers, while not delivering the commensurate bill savings.

These parties also consistently argued that the current TRC-Plus test already includes a method to account for social and environmental benefits, through the 15% adder. This affords the OEB flexibility in its assessment of proposed programs and allows consideration of broader benefits beyond those with discrete, tangible costs and benefits. Additionally, these parties largely agree that, as designed, the TRC-Plus test allows for future consideration of any changes to overall DSM plan and program cost-effectiveness should the federal or provincial government change the cost of carbon in the future.

Findings

The OEB finds that it is appropriate to proceed with hearing the application on the basis of the avoided costs and TRC-Plus parameters filed by Enbridge Gas in its pre-filed evidence. The OEB also finds it procedurally efficient to proceed immediately with its

review of Enbridge Gas's updated DSM plan, a review that was already delayed by one year given the 2025 plan rollover in 2026.

The OEB Act indicates that one of the OEB's objectives in carrying out its responsibilities in relation to gas is "[t]o promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances". The OEB has considered this objective and the policies of the Government of Ontario in defining the scope of this proceeding.

Currently, following the Federal Government of Canada's decision to set the consumer carbon charge to \$0/tonne effective April 1, 2025,² natural gas ratepayers in Ontario are not subject to any direct, government-imposed carbon charge related to their greenhouse gas emissions. The Ontario Government has maintained consistency with the Federal Government's direction and has articulated a policy position that no consumer carbon charge will be imposed without a referendum.³ The OEB understands the Government of Ontario's policy to be a zero carbon charge for consumers.

Enbridge Gas has prepared its application on the basis of a \$0/tonne carbon cost as part of its avoided costs in the TRC-Plus test. As expected, this has resulted in the cost-effectiveness of Enbridge Gas's proposed programs to be lower than it otherwise would be had the carbon charge remained.

Some parties proposed that the OEB delay its determination of what the cost of carbon should be until later in the proceeding. The OEB does not agree.

The OEB finds it procedurally efficient to proceed immediately with its review of Enbridge Gas's application for approval of an updated DSM plan, a review that was already delayed by one year given changes to the federal carbon charge at the time. Delaying the determination of the cost of carbon effectively broadens the scope of the proceeding but would provide limited procedural benefit in the context of this application.

The OEB is also of the view that the current 15% adder for non-energy benefits remains appropriate and should continue to be the value used as part of the TRC-Plus test. The 15% adder has been consistently applied as part of the OEB's DSM Framework since 2014 and addresses broader, indirect benefits. In contrast to the Federal Carbon

² [Regulations Amending Schedule 2 to the Greenhouse Gas Pollution Pricing Act and the Fuel Charge Regulations, March 15, 2025](#)

³ [Protecting Against Carbon Taxes Act, 2024 \(S.O. 2024, c.9, Sched. 5\)](#)

Charge, which is a direct cost to customers, the 15% adder represents an estimated proxy for non-energy benefits informed by a range of factors. The 15% adder is intended to reflect a range of environmental, economic and social benefits, and provides the OEB with a means of considering broader benefits beyond those strictly tied to avoided energy costs.

Parties submitted that the IESO has undertaken additional research and has changed how non-energy benefits are valued for the purposes of electricity conservation programs. The IESO now applies a different cost-effectiveness test (the Program Administrator Cost test) which does not consider costs and benefits as broadly as the TRC test. The OEB acknowledges the different test used by the IESO, but notes that the IESO's mandate and objectives relate to electricity conservation only.

Submissions raised the question of the OEB's jurisdiction and whether it needs to be defined regarding non-energy costs and benefits in cost-effectiveness testing in this proceeding. The OEB finds that the OEB's prior application of the 15% adder suggests the OEB has jurisdiction to consider non-energy benefits and costs (including carbon), and that this jurisdiction has been exercised since 2014. The OEB notes that its inclusion of the 15% adder in the TRC test since 2014 illustrates the exercise of this jurisdiction. However, the OEB finds that although it has jurisdiction, that does not require this panel to change or amend the current test or re-consider the 15% adder. The OEB has the discretion to consider different values, as well as, importantly, when it is reasonable and appropriate to make such changes. Parties commented on the OEB's objectives, in particular, Section 2, paragraph 5 of the OEB Act which states that the OEB, in carrying out its responsibilities, shall be guided by the objective "to promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances." As noted above, the OEB understands the Government of Ontario's policy to be a zero cost of carbon for consumers, as articulated in the *Protecting Against Carbon Taxes Act*. Specifically, no incremental, direct carbon cost should be imposed on consumers for carbon emissions. The application of a non-zero consumer carbon cost would be inconsistent with current government policy.

Further, parties raised greenhouse gas emissions avoided through DSM programs and various government policies when arguing that a higher value should be applied as part of cost-effectiveness testing. The Government of Ontario's 2025 Fall Economic Statement⁴ does not reiterate or reaffirm the province's previously documented 2030

⁴ [2025 Ontario Economic Outlook and Fiscal Review](#)

greenhouse gas emissions reduction target. The OEB notes that this represents a departure from earlier Ontario government policy documents, including the Made-in-Ontario Environmental Plan,⁵ which explicitly committed to a 30% reduction below 2005 levels by 2030. Based on this, and the clear direction articulated in the Protecting Against Carbon Taxes Act, the OEB does not agree with Environmental Defence's and GEC's interpretation of the government's IEP. Although the IEP includes clean energy goals and supports the expansion of electricity conservation programs, the OEB does not agree that this should be interpreted as requiring the OEB to include a non-zero carbon cost, or a non-energy benefit value other than 15%, in DSM cost-effectiveness screening.

The OEB considered its statutory objectives and finds that the scope of this proceeding is appropriate as it is in accordance with government policy and has regard to consumer's economic circumstances. To be clear, the OEB is not narrowing the extent of its jurisdiction regarding the ability to determine the value of carbon when defining the scope of this proceeding. However, the OEB is guided by its *Rules of Practice and Procedure* in determining the scope of this proceeding. Rule 2.01 states that "[t]hese Rules shall be liberally construed in the public interest to secure the most just, expeditious, and efficient determination on the merits of every proceeding before the OEB." The OEB finds that it is in the public interest to proceed with the current application using the avoided carbon cost and 15% adder included in Enbridge Gas's pre-filed evidence as it is just (it is consistent with government policy), expeditious (the OEB can proceed immediately), and efficient (maintains the DSM framework). The OEB finds that it would not be in the public interest to expand the scope of this proceeding, which is beyond the application and evidence filed by Enbridge Gas.

Consistent with past practice, the OEB's determination of the multi-year DSM plan and any updates to the DSM Framework in this proceeding does not limit the OEB's ability to consider different approaches in future DSM proceedings, should government policy or OEB policy change.

2.3 Issues List

Procedural Order No.1 included a draft Issues List prepared by OEB staff. The draft Issues List was the same Issues List approved in Enbridge Gas's 2026 DSM Plan⁶

⁵ [Ontario's Environment Plan, 2018, p. 21](#)

⁶⁶ EB-2024-0198, Decision on the Issues List and Procedural Order No. 3, April 10, 2025

proceeding with only minor modifications to address the dates of the updated DSM application and remove reference to specific programs were no longer being proposed.

The OEB established a two-stage process to seek input from Enbridge Gas, intervenors and OEB staff with the filing of written letters on March 9, 2026 and oral submissions provided at an Issues Conference on March 12, 2026.

Parties did not suggest any revisions to the following issues:

- Issue 1 – DSM Program Delivery Model
- Issue 3 – Responsiveness to OEB Direction
- Issue 5 – Consistent with Industry Best Practice
- Issue 6 – DSM Plan term 2027 - 2030
- Issue 7 – Electrification/Fuel Switching
- Issue 8 – DSM Framework updates
- Issue 10 – Cost Recovery
- Issue 11 – Shareholder Incentives
- Issue 12 – Scorecards, Performance Metrics and Target
- Issue 14 – Research and Development
- Issue 15 – Evaluation, Measurement and Verification
- Issue 17 – Rate Allocation and Accounting
- Issue 19 – Coordination with Other Energy Conservation Programs

Findings

The OEB approves issues 1, 3, 5, 6, 7, 8, 10, 11, 12, 14, 15, 17, and 19. The OEB finds no changes are required to the draft issues (see Approved Issues List, Schedule A).

Issue 2 – Government Policies

Draft Issue 2 asked if Enbridge Gas’s 2027-2030 DSM Plan adequately supports energy conservation, energy efficiency, and integrated planning in accordance with the policies of the Government of Ontario, including having regard to the economic circumstances of consumers.

Enbridge Gas proposed that this issue be revised to directly reference the Government of Ontario’s Integrated Energy Plan (IEP), noting it represents a major government policy anchor.

IGUA supported Enbridge Gas’s proposal to directly reference the IEP but suggested removing the words “integrated planning”. IGUA noted that the draft issue appears to

be aligned with the OEB's objectives; however, supporting integrated planning is not part of the OEB's objectives. Enbridge Gas supported IGUA's proposal to avoid any redundancy or confusion. OEB staff did not oppose the proposed modifications to Issue 2.

Findings

The OEB accepts Enbridge Gas's and IGUA's proposed revisions and agrees that including a reference to the IEP is important to acknowledge the significance of the recent policy guidance. Policies of the Government of Ontario regarding the cost of carbon are excluded, consistent with the scope of the proceeding. Issue 2 has been amended accordingly, to read:

2. Does Enbridge Gas's 2027-2030 DSM Plan adequately support energy conservation and energy efficiency in accordance with the policies of the Government of Ontario and its Integrated Energy Plan, including having regard to the economic circumstances of consumers and Indigenous communities?

Issue 4 – Consideration of Stakeholder Feedback and Analysis

Draft Issue 4 asked if Enbridge Gas's 2027-2030 DSM Plan adequately considers and reflects input from the Stakeholder Advisory Group (SAG) report, the Achievable Potential Study, and input provided by parties during stakeholder sessions.

IGUA suggested a revision to this issue so that it is more appropriately centered on considering stakeholder input and not necessarily reflecting that input in its DSM plan. Enbridge Gas supported this revision. OEB staff, Environmental Defence and GEC did not oppose the recommended change.

Findings

The OEB accepts IGUA's suggested revision. Issue 4 has been amended accordingly, to read:

4. Did Enbridge Gas adequately consider and, as appropriate reflect, input from the Stakeholder Advisory Group report, the OEB's Achievable Potential Study, and from parties during stakeholder sessions and the Indigenous Working Group?

Issue 9 – Budgets

Draft Issue 9 asked if Enbridge Gas’s proposed budget, including program costs and portfolio costs, results in reasonable rate impacts, while addressing the OEB’s DSM objectives in its DSM Framework.

LIEN and VECC recommended that the issue be expanded to add explicit references to the Residential, Income-Qualified, Commercial, Industrial and Large Volume programs. This would avoid any narrow reading that only the total portfolio budget is at issue.

CCC sought confirmation that examination of specific individual program costs was within scope as the draft issue noted both program and portfolio costs. OEB staff indicated that no change is required as the draft issue is sufficiently broad for parties to test both program and total portfolio costs. Enbridge Gas agreed with OEB staff that program costs are entirely within scope of this issue and that it would not challenge a party asking questions that relate to the specific program budgets.

Findings

The OEB finds that Issue 9 as drafted allows parties to ask questions and test the proposals for both specific program budgets as well as the total DSM plan budget proposed by Enbridge Gas. However, to add clarity, the word “individual” has been added before “program costs”. Issue 9 has been amended accordingly, to read:

9. Does Enbridge Gas’s proposed budget, including individual program costs and portfolio costs, result in reasonable rate impacts, while addressing the OEB’s DSM objectives and guiding principles in its DSM Framework, including having regard to consumers’ economic circumstances?

Issue 13 – Optimal Suite of Program Offerings

Draft Issue 13 asked if Enbridge Gas has proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding.

Enbridge Gas proposed that this issue be modified to ensure all considerations, including, but not limited to, balancing customer bill impacts, are considered in relation to its application. Enbridge Gas proposed that draft Issue 13 be revised as follows:

“Has Enbridge Gas proposed an optimal suite of program offerings that will maximize natural gas savings and provide the best value for rate payer funding is responsive to the DSM Framework’s objectives and guiding principles?”

OEB staff did not oppose Enbridge Gas's modification.

LIEN and VECC also proposed modifying draft Issue 13 to specify that proposed modifications from 2026 DSM programs are also within scope.

Enbridge Gas did not oppose LIEN and VECC's proposed modification but considered it unnecessary as comparisons to prior programs have always been within scope.

Findings

The OEB accepts Enbridge Gas's proposed revision. The revised wording maintains consideration of maximizing natural gas savings and providing value for ratepayer funding, which are outlined in the objectives and guiding principles that form the basis for DSM programs in the DSM Framework. The OEB confirms that parties are able to test Enbridge Gas's current program proposals relative to past programs or other ideas not proposed by Enbridge Gas. Issue 13 has been amended accordingly, to read:

13. Has Enbridge Gas proposed an optimal suite of program offerings that is responsive to the DSM Framework's objectives and guiding principles?

Issue 16 – Input Assumptions, Cost effectiveness and Avoided Cost

Draft Issue 16 asked if Enbridge Gas's proposed updates to the treatment of input assumptions, cost-effectiveness, and avoided costs are appropriate.

LIEN and VECC proposed that Issue 16 be expanded and split into two issues, with one part being focused on the appropriateness of the inputs, and a second part being the treatment of the assumptions, explicitly adding non-energy benefits and cost of carbon. Similarly, Pollution Probe also proposed to divide Issue 16 into two parts for greater clarity on the focus of the issue. BOMA supported Pollution Probe's proposal.

OEB staff and Enbridge Gas did not support any changes to Issue 16, noting that non-energy benefits and cost of carbon are already captured within the input assumptions and avoided costs stated in the draft Issue 16.

Environmental Defence and Green Energy Coalition did not take a position on the specific issue, but suggested that if clarity was needed, to delete the words "updates to the" so that the issue simply asks if Enbridge Gas's proposed treatment of input assumptions, cost-effectiveness, and avoided costs are appropriate.

Findings

The OEB finds that draft Issue 16 is sufficiently broad such that parties can explore the appropriateness of the proposed inputs and the treatment of the proposed assumptions, other than the avoided cost of carbon and the non-energy benefit adder in the TRC-Plus test. The OEB agrees that the draft reference to “updates” should be removed to avoid unintentionally limiting the scope of this issue. Issue 16 has been amended accordingly, to read:

16. Are Enbridge Gas’s proposed treatment of input assumptions, cost-effectiveness, and avoided costs appropriate?

Issue 18 – Integrated Resources Planning

Draft Issue 18 asked how Enbridge Gas has considered deploying its proposed DSM programs to meet the IRP objectives.

Enbridge Gas submitted that draft issue 18 should be revised so that it is reasonably limited to whether its DSM plan is consistent with existing IRP direction and guidance, where applicable. Enbridge Gas submitted that draft Issue 18 incorrectly implies that DSM programs should be designed/delivered to meet IRP objectives. Enbridge Gas submitted that DSM and IRP activities are fundamentally different, have different objectives and operate under separate OEB frameworks. Enbridge Gas proposed the following as a replacement for draft Issue 18:

“Does Enbridge Gas’s proposed 2027-2030 DSM Plan require any changes to be consistent with the OEB direction and guidance regarding Integrated Resource Planning?”

IGUA supported Enbridge Gas’s proposed rewording which removes the presumption that DSM should meet IRP objectives. OEB staff did not oppose Enbridge Gas’s modifications.

Environmental Defence and Green Energy Coalition took no position on the proposed wording change. However, they did not agree with all of the rationale put forward by Enbridge Gas to support the change. They submitted that there is value in exploring whether the DSM plan could be better aligned with IRP objectives (peak demand reductions) without sacrificing DSM objectives (overall natural gas reductions). Among the considerations that would be reasonable include how Enbridge Gas prioritizes investments and how they are allocated between programs or measures that are otherwise equal. Additionally, it would be reasonable to assess how best to determine

overall benefits when considering avoided transmission and distribution costs, and if calculations should be based on peak demand or annual usage.

Findings

The OEB is eliminating Issue 18. The OEB is of the view that Issue 1 provides a sufficient and appropriate basis for parties to explore the relevant matters related to the overall efficiency and effectiveness of Enbridge Gas's DSM plan. This includes consideration of issues identified by Environmental Defence and GEC regarding how Enbridge Gas prioritizes investments between programs or measures that are otherwise equal in value.

Further, at the time the Issues List was approved in EB-2024-0198, the OEB had recently initiated a consultation to review the IRP Framework.⁷ The next phase of the OEB's IRP review process will involve the adjudication of a proposed IRP Framework to be filed by Enbridge Gas on August 30, 2026.⁸

As a result, the OEB finds that maintaining draft Issue 18 would be procedurally inefficient and could result in duplicative or potentially inconsistent consideration of DSM proposals in relation to IRP direction that remains subject to further OEB determination. To the extent that interactions between DSM proposals and broader system considerations are relevant, such matters may be examined within the scope of Issue 1.

~~18. Does Enbridge Gas's proposed 2027-2030 DSM Plan require any changes to be consistent with the OEB direction and guidance regarding Integrated Resource Planning?~~

Issue 20 – Transition and/or Implementation Guidance

Draft Issue 20 asked if the OEB should provide any transition or implementation guidance related to the proposed 2027-2030 DSM plan and any future DSM plan applications.

LIEN and VECC proposed adding "stakeholder consultation" to the guidance the OEB would provide to Enbridge Gas related to its proposed 2027-2030 DSM plan term and any future DSM plan applications. LIEN and VECC submitted that it is important for the OEB to provide direction to Enbridge Gas on required and recommended engagement during the implementation of any approved DSM plan so that Enbridge Gas has a more

⁷ Integrated Resource Planning Framework Review, consultation initiated March 27, 2025

⁸ EB-2025-0125, Next Steps - Integrated Resource Planning Framework Review for Enbridge Gas, April 28, 2026

informed basis on which to consider and make mid-course correction and continual improvement in program delivery. Additionally, LIEN and VECC submitted that early and meaningful consultation with stakeholders should facilitate a more effective development of Enbridge Gas's next DSM plan.

SEC proposed that a new issue be added to the Issues List as follows:

“What is the appropriate role, if any, of the Stakeholder Advisory Group going forward? If the SAG is not to have a continuing role, what body or procedure, if any, should replace it?”

SEC noted its prior membership on the SAG and observations of the group's work during 2024, leading up to the report dated November 11, 2024.

Environmental Defence, GEC, IGUA, CCC, LIEN and VECC supported SEC's proposal. In support, it was noted that the SAG was a novel development following the previous OEB decision approving the 2023-2025 multi-year DSM plan and that the function and value of the SAG would be reasonable to review. Additionally, parties noted the SAG has been referenced by Enbridge Gas in support of reduced scrutiny of its application. Environmental Defence and GEC noted that there appears to be insufficient engagement with the SAG related to the updated 2027-2030 DSM plan.

LIEN and VECC submitted that SEC's suggestion could also be addressed under Issue 20, potentially as a sub-issue.

OEB staff generally supported LIEN and VECC's proposal to add stakeholder consultation to Issue 20. OEB staff also noted that adding stakeholder consultation to Issue 20 would also largely address SEC's suggestion of considering the nature of the SAG, or any other form of stakeholder consultation. OEB staff did not support adding a standalone issue as suggested by SEC. OEB staff noted that the SAG's recommendations are appropriately considered under Issue 4. OEB staff noted that the SAG was struck by the OEB for a specific purpose, to provide expert feedback and recommendations for Enbridge Gas to consider in its development of its next multi-year DSM plan. OEB staff noted it was of the view that the SAG's role came to a conclusion with the report issued on November 11, 2024.

Enbridge Gas also opposed a separate issue to address the nature of the SAG. Instead, Enbridge Gas agreed with OEB staff that questions related to how Enbridge Gas considered the SAG's recommendations are appropriately addressed under Issue 4 and any other guidance relative to the transition or implementation of its plan and any future DSM plan addressed under Issue 20.

Findings

The OEB accepts LIEN and VECC's recommended modification to Issue 20. The OEB agrees with OEB staff and Enbridge Gas that an additional, standalone issue is not required. Instead, parties are to explore how Enbridge Gas considered SAG recommendations under Issue 4. With the modifications to Issue 20, parties can explore what, if any, stakeholder consultation activities should be considered by the OEB both in relation to any approved DSM plan in 2027 and the development of future DSM plans. Issue 20 has been amended accordingly, to read:

20. Is there any transition, implementation and/or stakeholder consultation guidance required related to the proposed 2027-2030 DSM plan and any future DSM plan applications?

The approved Issues List is attached as Schedule A to this Decision.

3 PROCEDURAL CONSIDERATIONS

Enbridge Gas initially requested a Decision on its application be issued by September 30, 2026, to ensure a seamless continuation of its DSM programs beginning January 1, 2027.

In its reply submission, Enbridge Gas noted that given the current status of the proceeding, if no decision issued by October 30, 2026,⁹ it will have no alternative but to begin notifying customers and industry partners that, effective December 1, 2026, it will not be accepting new program participants until an OEB Decision is issued.

The OEB is aware of Enbridge Gas's stated timelines and concerns. The OEB confirms that matters related to the transition from the approved 2026 DSM plan and implementation of the 2027-2030 plan is addressed in Issue 19 (draft Issue 20).

The OEB will ensure that this proceeding provides for sufficient discovery and the testing of evidence, such that a full and complete record is developed to support the OEB's findings, consistent with the OEB's statutory obligations and its *Rules of Practice and Procedure*. The OEB will set out further procedural steps in subsequent procedural orders. DSM-related costs are recovered in Enbridge Gas's rates for its current Custom IR term, and the OEB expects any cost consequences associated with actions taken effective December 1, 2026 would be captured in Enbridge Gas's DSM-related variance accounts for subsequent OEB consideration.

⁹ Reply Submission, Enbridge Gas, p. 14, Section 39, April 7, 2026

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The scope of the proceeding is specified by the approved issues list attached as Schedule A to this Decision and Procedural Order No. 3.
2. Parties that intend to file expert evidence must file a letter that briefly discusses the scope of the evidence, its relevance to this proceeding and a cost estimate on or before **May 12, 2026**.
3. Enbridge Gas may respond to intervenor's proposing to file evidence on or before **May 19, 2026**.
4. Parties intending to file expert evidence may respond to any comments from Enbridge Gas and file with the OEB by **May 26, 2026**.
5. OEB staff and intervenors seeking additional information from the applicant may request it by written interrogatories and file with the OEB on or before **May 21, 2026**.
6. Enbridge Gas Inc. will file complete written interrogatory responses by **June 11, 2026**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2025-0295** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.

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- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
 - Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Bell at Michael.Bell@oeb.ca and OEB Counsel, Raman Dhillon at Raman.Dhillon@oeb.ca.

DATED at Toronto, **May 4, 2026**

ONTARIO ENERGY BOARD

Ritchie Murray
Registrar

Schedule A

Approved Issues List

Enbridge Gas Inc.

EB-2025-0295

Approved Issues List**Enbridge Gas Inc.****Natural Gas Demand Side Management Plan (2027-2030) Application****General Issues**

1. Has Enbridge Gas proposed a DSM program delivery model that:
 - a. Appropriately addresses the tension arising from the natural desire to expand the utility's rate base while administering a DSM program that may mitigate against that objective; and
 - b. Optimizes the efficiency and effectiveness of ratepayer funded DSM programs, ensuring value for money?
2. Does Enbridge Gas's 2027-2030 DSM Plan adequately support energy conservation and energy efficiency in accordance with the policies of the Government of Ontario and its Integrated Energy Plan, including having regard to the economic circumstances of consumers and Indigenous communities?
3. Does Enbridge Gas's 2027-2030 DSM Plan adequately respond to previous OEB direction and guidance on future DSM activities, including the OEB's DSM Framework?
4. Did Enbridge Gas adequately consider and, as appropriate reflect, input from the Stakeholder Advisory Group report, the OEB's Achievable Potential Study, and from parties during stakeholder sessions and the Indigenous Working Group?
5. Is Enbridge Gas's 2027-2030 DSM plan consistent with energy conservation industry best practices in Ontario and other relevant Canadian and U.S. jurisdictions?
6. Is Enbridge Gas's proposed DSM Plan term of 2027-2030 appropriate?
7. Does Enbridge Gas's DSM Plan appropriately include electrification and fuel switching measures?

Specific Issues

8. Are the proposed updated DSM Framework appropriate?
9. Does Enbridge Gas's proposed budget, including individual program costs and portfolio costs, result in reasonable rate impacts, while addressing the OEB's DSM

objectives and guiding principles in its DSM Framework, including having regard to consumers' economic circumstances?

10. Is Enbridge Gas's proposed cost recovery approach appropriate?
 - a. Are there any other cost recovery approaches that should be considered in addition to or to replace the approach proposed by Enbridge Gas, such as amortization of cost recovery to match the timing of program benefits or on-bill financing for the recovery of the cost of measures from individual customers?
11. Are Enbridge Gas's proposed shareholder incentives appropriate?
 - a. Is Enbridge Gas's proposed annual maximum shareholder incentive, including structure, and amount appropriate?
 - b. Are there any other incentive mechanisms that should be included in addition to or to replace those proposed by Enbridge Gas?
12. Are Enbridge Gas's proposed scorecards, including performance metrics, metric weightings, and targets appropriate?
 - a. Is Enbridge Gas's proposed Residential Program Scorecard, including targets and performance metrics appropriate?
 - b. Is Enbridge Gas's proposed Income Qualified Program Scorecard, including targets and performance metrics appropriate?
 - c. Is Enbridge Gas's proposed Commercial Program Scorecard, including targets and performance metrics appropriate?
 - d. Is Enbridge Gas's proposed Industrial Program Scorecard, including targets and performance metrics appropriate?
 - e. Is Enbridge Gas's proposed Large Volume Program Scorecard, including targets and performance metrics appropriate, including the impact of the opt-out framework proposal as proposed?
 - f. Should there be any other scorecards, targets and/or metrics included in addition to or to replace those proposed by Enbridge Gas?
13. Has Enbridge Gas proposed an optimal suite of program offerings that is responsive to the DSM Framework's objectives and guiding principles?
 - a. Are Enbridge Gas's proposed program offers for existing residential customers appropriate?
 - b. Are Enbridge Gas's proposed program offerings for income qualified customers appropriate?
 - c. Are Enbridge Gas's proposed program offerings for commercial customers appropriate?

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- d. Are Enbridge Gas's proposed program offerings for industrial customers appropriate?
 - e. Are Enbridge Gas's proposed program offerings for large volume customers appropriate?
 - f. Are Enbridge Gas's proposed program offerings appropriate for customers in Indigenous communities?
 - g. Are Enbridge Gas's proposed program offerings for small and micro business customers appropriate?
 - h. Should there be any other program offerings included in addition to or to replace those proposed by Enbridge Gas?
14. Are Enbridge Gas's proposed research and development proposals appropriate?
15. Is the proposed evaluation, measurement and verification of natural gas savings appropriate?
- a. Are Enbridge Gas's proposed deemed proxy net-to-gross ratios appropriate?
 - b. Is Enbridge Gas's proposal for the application of updates to deemed net-to-gross ratios appropriate?
16. Are Enbridge Gas's proposed treatment of input assumptions, cost-effectiveness, and avoided costs appropriate?
17. Is Enbridge Gas's proposed rate allocation methodology, and accounting treatment, including the function of various deferral and variance accounts appropriate?
18. Has Enbridge Gas proposed a reasonable approach to ensure natural gas DSM programs are effectively coordinated with electricity conservation programs and other energy conservation and greenhouse gas reduction programs applicable in its service territory, including activities of municipalities?
- a. Is Enbridge Gas's proposed approach to natural gas savings attribution when coordinating or collaborating with other programs appropriate?
19. Is there any transition, implementation and/or stakeholder consultation guidance required related to the proposed 2027-2030 DSM plan and any future DSM plan application?