



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

DECISION AND ORDER

EB-2025-0333

ENBRIDGE GAS INC.

**Motion to Review Decision on Integrated Resource Planning Pilot
Project**

BEFORE: James Sidlofsky
Presiding Commissioner

May 14, 2026



TABLE OF CONTENTS

1	OVERVIEW.....	1
2	CONTEXT AND PROCESS.....	4
3	DECISION ON THE MERITS.....	7
3.1	REVIEW ISSUES #1 AND #2.....	8
3.2	REVIEW ISSUE #3.....	16
4	STAY REQUEST.....	19
5	ORDER.....	20

1 OVERVIEW

On December 22, 2025, Enbridge Gas Inc. filed a notice of motion to review (referred to here as the Review, or the motion) the Decision and Order in EB-2022-0335, issued on March 27, 2025 (the Decision).

On February 6, 2026, the Ontario Energy Board issued Procedural Order No. 1 in which it approved all parties of record in EB-2022-0335 as parties in this proceeding.

Procedural Order No. 1 also noted that Enbridge Gas Inc. had requested a review and variance of three portions of the Decision (the Review Issues):

- **Review Issue #1:** The finding that the Ontario Energy Board will not approve an Integrated Resource Planning (IRP) pilot project that includes incentives for advanced gas technologies.
- **Review Issue #2:** The direction that Enbridge Gas Inc. reallocate the portion of the IRP pilot project budget related to the denied advanced gas technologies to electrification measures.
- **Review Issue #3:** The direction that Enbridge Gas Inc. must consult with the Ontario Energy Board's IRP Technical Working Group on a potential second IRP pilot that explores creative solutions that go beyond current demand side management offerings, including a number of proposed measures such as alternatives to new connections.

Under Rule 43 of the Ontario Energy Board's [Rules of Practice and Procedure](#), prior to proceeding to hear a motion to review on its merits, the Review Panel may determine a threshold question of whether the motion raises relevant issues material enough to warrant a review of the decision or order on the merits.

In its March 24, 2026 Decision on Threshold Question and Procedural Order No. 2, the Ontario Energy Board determined that the motion met the threshold test, as the motion raised relevant issues material enough to warrant a review of the Southern Lake Huron IRP pilot Decision on the merits.¹ The Ontario Energy Board also granted a stay of portions of the Southern Lake Huron IRP pilot Decision relating to the three "Review

¹ Decision on Threshold Question and Procedural Order No. 2, March 24, 2026, pp. 7-9

Issues” identified by Enbridge Gas Inc. in paragraph 28 of its notice of motion, pending the determination of the motion on its merits.²

For the reasons discussed below, the Ontario Energy Board will allow the motion, in part. More particularly, the Ontario Energy Board is making the following findings with regard to the March 27, 2025 Decision:

- (a) The Ontario Energy Board will not vary the Panel’s finding that rejected incentives for advanced gas technologies in the Southern Lake Huron IRP pilot.
- (b) The Ontario Energy Board will vary the March 27, 2025 Decision by not requiring Enbridge Gas Inc. to reallocate the portion of the IRP pilot project budget related to the denied advanced gas technologies to electrification measures.
- (c) The Ontario Energy Board will vary the March 27, 2025 Decision by not requiring Enbridge Gas Inc. to consult with the Ontario Energy Board’s IRP Technical Working Group on a potential second IRP pilot that explores creative solutions that go beyond current demand side management offerings, including a number of proposed measures such as alternatives to new connections as part of this proceeding. The OEB expects that matters related to a second IRP pilot project and any further IRP pilot projects will be addressed as part of the IRP Framework Review.

Findings (a) and (b) largely correspond to the option identified by Enbridge Gas Inc. in paragraph 59(a) of its reply submission on the merits, in which Enbridge Gas Inc. presented a number of possible ways to resolve this matter. However, the options were premised on the Ontario Energy Board finding that the original Decision contained errors. The Ontario Energy Board is not making that finding here.

The Ontario Energy Board will make a further observation in this regard. This Review Motion relates to a decision issued over a year ago, on an application filed almost three years ago, that arose out of an IRP Framework approved almost five years ago. Last year, the Ontario Energy Board launched a consultation to support a review and evaluation of the 2021 IRP Framework for Enbridge Gas Inc., and according to the Ontario Energy Board’s letter initiating the review,

The review will be informed by challenges and progress in implementing the Integrated Resource Planning (IRP) Framework, an assessment of the impacts to

² Decision on Threshold Question and Procedural Order No. 2, March 24, 2026, pp. 10-11

date of the IRP Framework (including benefits to ratepayers), the [Southern Lake Huron] IRP Pilot Project application (EB-2022-0335), and [Southern Lake Huron] IRP-related evidence and submissions received during the other proceedings.³

It would be helpful to the OEB and all parties involved to have proceedings related to this pilot project (that arose from the 2021 IRP Framework) come to a conclusion, particularly since a review of that 2021 IRP Framework is already underway.

Rule 2.01 of the Ontario Energy Board's *Rules of Practice and Procedure* 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 [Ontario Energy Board]." Ontario Energy Board staff submitted (in part) that the Ontario Energy Board should dismiss the motion to review, as the review was not likely to result in the most just, expeditious, and efficient determination of the issues. The Ontario Energy Board has not adopted the approach recommended by Ontario Energy Board staff. The Ontario Energy Board has not found that the original Panel erred in its March 27, 2025 Decision. However, in allowing parts of the motion and in arriving at its findings in this Review, the Ontario Energy Board has considered the most just, expeditious, and efficient manner in which to determine the merits of the motion to review and conclude this longstanding matter.

³ EB-2025-0125, [Review and Evaluation of the Integrated Resource Planning Framework for Enbridge Gas Consultation Kick-Off Letter](#), March 27, 2025

2 CONTEXT AND PROCESS

In 2021, the Ontario Energy Board (OEB) established an IRP Framework⁴ to guide Enbridge Gas Inc. (Enbridge Gas) in considering IRP alternatives (IRPAs) to traditional pipeline infrastructure for meeting its natural gas system needs.

In July 2023, Enbridge Gas applied to the OEB for a Decision and Order seeking approval of two IRP pilot projects, and their respective cost consequences.⁵ The application was placed in abeyance at Enbridge Gas's request in November 2023, pending updated evidence and interrogatory responses in response to Natural Resources Canada's decision to close the application process for new entrants into the Canada Greener Homes Grant program in early 2024. After multiple abeyance extension requests by Enbridge Gas⁶, an updated version of the application was taken out of abeyance with Procedural Order No. 4, issued August 13, 2024.⁷ Among the updates, one pilot was withdrawn, and the location of the remaining proposed pilot, referred to here as the Southern Lake Huron (SLH) pilot, was modified. Enbridge Gas also shifted a number of IRPAs from the withdrawn pilot to the SLH pilot.

In its March 27, 2025 Decision, the OEB described the SLH pilot as follows:

The SLH Pilot Project study area encompasses the City of Sarnia and the Village of Point Edward. The proposed budget for the project is \$14.2M. The SLH Pilot Project does not include supply-side alternatives such as localized injection of compressed natural gas. Proposed demand-side alternatives include [enhanced targeted energy efficiency] measures like enhanced [demand side management] and [demand response] programming as well as limited electrification solutions using cold climate air source heat pumps (ccASHP) and ground source heat pumps (GSHP) and limited advanced technologies offerings through hybrid heating, natural gas heat pumps, thermal energy storage.

The SLH Pilot Project will provide learnings on the selected IRPAs regarding future IRPA design, performance, and potential for scalability. The primary objectives of the SLH Pilot Project are to develop an understanding of how [enhanced targeted energy efficiency] programs and [demand response] programs impact peak hour flow/demand and to develop an understanding of

⁴ EB-2020-0091, Decision and Order, July 22, 2021, p. 97 or Appendix A

⁵ Ontario Energy Board File No. EB-2022-0335

⁶ EB-2022-0335, [End of Abeyance – Next Steps Correspondence](#), July 16, 2024

⁷ EB-2022-0335, [Amended Issues List and Procedural Order No. 4](#), August 13, 2024

how to design, deploy, and evaluate [enhanced targeted energy efficiency] and residential [demand response] programs.⁸

In its March 27, 2025 Decision, the OEB approved the SLH pilot with certain modifications. Specifically, the OEB did not approve funding for incentives related to natural gas equipment, finding that such incentives were inconsistent with the purpose of IRP, which has, as part of its objectives, the avoidance of natural gas infrastructure where there are economic alternatives.⁹

Instead, the OEB ordered that \$1.5 million (just over 10% of the SLH pilot's budget) be reallocated to support Limited Electrification Measures, including cold climate Air Source Heat Pumps, Ground Source Heat Pumps, and potentially other technologies such as combined water/space heating systems.

On March 27, 2025, the OEB initiated a review of the SLH pilot Decision on its own motion. On December 11, 2025, the OEB determined that this review would not proceed, as hearing the questions raised for review was not likely to result in the most just, expeditious, and efficient determination of matters before the OEB.¹⁰ The OEB went on to find that:

Procedural Order No. 1 stated that, given the unique circumstances of this proceeding, if someone were to file a motion to review in respect of the [SLH] IRP Pilot Project Decision, it would be reasonable for the OEB to consider starting the 20-day period for the filing of such a motion on the day when the decision on the Review is rendered. In accordance with this provision of Procedural Order No. 1, the 20-day period may be considered to start from the issuance date of this Decision and Order, being December 11, 2025.¹¹

On December 22, 2025, Enbridge Gas filed a notice of motion to review the SLH pilot Decision. In its notice of motion, Enbridge Gas also requested a stay of specific portions of the SLH pilot Decision until the completion of the review.

On February 6, 2026, the OEB issued Procedural Order No. 1 in which it approved all parties of record in EB-2022-0335 as parties in this proceeding. The intervenors granted

⁸ EB-2022-0335, Decision and Order, March 27, 2025, p. 3

⁹ *Ibid.*, p. 5

¹⁰ EB-2025-0124, Decision and Order, December 11, 2025, p. 4

¹¹ EB-2025-0124, Decision and Order, December 11, 2025, p.7

cost eligibility status in EB-2022-0335 were also deemed eligible to apply for an award of costs for their participation in the Review. The approved intervenors are:

- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association (BOMA)
- Consumers Council of Canada (CCC)
- Environmental Defence
- Federation of Rental-housing Providers of Ontario (FRPO)
- Independent Electricity System Operator (IESO)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Pollution Probe
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

In Procedural Order No. 1, the OEB invited submissions from parties on the threshold question – that is, whether the Review raises relevant issues material enough to warrant a review of the Decision on the merits, in accordance with Rule 43. SEC, Pollution Probe, BOMA, and Environmental Defence filed written submissions with the OEB on February 24, 2026. Enbridge Gas filed its reply submission with the OEB on March 10, 2026.

In its Decision on Threshold Question and Procedural Order No. 2, the OEB determined that the motion met the threshold test, as the motion raised relevant issues material enough to warrant a review of the Decision on the merits¹². The OEB also granted a stay of portions of the Decision relating to the three Review Issues identified by Enbridge Gas in paragraph 28 of its motion, pending the determination of the motion on its merits.

In its Decision on Threshold Question and Procedural Order No. 2, the OEB also invited submissions from parties on the merits of the Review Motion, and on the appropriateness and duration of any stay/delay in implementation of the requirement to develop a second pilot beyond the decision on the merits. OEB staff filed written submissions with the OEB on April 1, 2026. SEC, Pollution Probe, Environmental Defence, and BOMA filed written submissions on April 2, 2026. Enbridge Gas filed its reply submission on April 10, 2026.

¹² Decision on Threshold Question and Procedural Order No. 2, March 24, 2026, pp. 7-9

3 DECISION ON THE MERITS

Rule 43.03 of the OEB's Rules of Practice and Procedure (Rules) states:

The OEB will only cancel, suspend or vary a decision when it is clear that a material change to the decision or order is warranted based on one or more of the grounds set out in Rule 42.01(a).

The grounds set out in Rule 42.01(a) are:

- i. the Original Panel made a material and clearly identifiable error of fact, law or jurisdiction. For this purpose, (1) disagreement as to the weight that the Original Panel placed on any particular facts does not amount to an error of fact; and (2) disagreement as to how the Original Panel exercised its discretion does not amount to an error of law or jurisdiction unless the exercise of discretion involves an extricable error of law;
- ii. new facts that have arisen since the decision or order was issued that, had they been available at the time of the proceeding to which the motion relates, could if proven reasonably be expected to have resulted in a material change to the decision or order; or
- iii. facts which existed prior to the issuance of the decision or order but were unknown during the proceeding and could not have been discovered at the time by exercising reasonable diligence, and could if proven reasonably be expected to result in a material change to the decision or order

Enbridge Gas alleges seven errors. According to Enbridge Gas, the Decision:

- 1) goes beyond the issues in the SLH pilot project proceeding;
- 2) is not supported by the evidence;
- 3) is procedurally unfair;
- 4) exceeds the OEB's jurisdiction;
- 5) is inconsistent with Ontario energy policy;
- 6) does not align with the IRP Framework Review; and
- 7) conflicts with the intent of IRP.

The following subsections summarize the positions of SEC, Environmental Defence, OEB staff, BOMA, Pollution Probe, and Enbridge Gas as they relate to the merits. The findings are structured in alignment with the three Review Issues noted above. Due to the overlap in Review Issues #1 and #2, they are addressed together. In addressing the Review Issues, the OEB will refer as necessary to these alleged errors.

3.1 Review Issues #1 and #2

Review Issue #1: *The finding that the OEB will not approve an Integrated Resource Planning (IRP) pilot project that includes incentives for advanced gas technologies.*

Review Issue #2: *The direction that Enbridge Gas reallocate the portion of the IRP pilot project budget related to the denied advanced gas technologies to electrification measures.*

SEC submitted that the errors alleged by Enbridge Gas are not errors sufficient to alter the Decision, if they are even errors at all, and that the Decision should be upheld. Further, SEC submitted that the Review was not worth the OEB's time and resources, and that Enbridge Gas's broader positions are better handled as part of the OEB's IRP Framework Review.

SEC noted that the evidence filed by Enbridge Gas in the SLH pilot proceeding indicated that the cost of reducing peak demand with natural gas heat pumps is approximately six times greater than the cost of obtaining the same reduction with cold climate electric heat pumps. SEC argued that the OEB's decision to exclude advanced natural gas technologies and reallocate the funds to electric heat pumps was rational and correct in light of the direct evidence demonstrating the economic imprudence of natural gas heat pumps. SEC also highlighted that Enbridge Gas did not attempt to counter the OEB's previous determinations that natural gas heat pumps are neither a mature technology nor cost-effective.¹³

SEC does not consider the Decision's wording pertaining to the exclusion of natural gas technologies in the SLH pilot as direction that prevents more efficient natural gas technologies from being used to defer or displace natural gas infrastructure in a general sense. Finally, SEC noted that it was unable to identify language in the Decision that

¹³ The OEB did not approve incentives for natural gas heat pumps as part of Enbridge Gas's 2022-2027 multi-year natural gas demand side management plan application (EB-2021-0002).

demonstrates that the OEB was influenced by environmental impacts or greenhouse gas emissions, as alleged by Enbridge Gas.

Environmental Defence submitted that the impugned aspects of the Decision were not made in error, and that the Decision is not only within the range of reasonable decisions but is the correct decision. Environmental Defence noted that the seven errors alleged by Enbridge Gas pertain to the OEB's reasons, and that exploring alleged errors in the reasons in the abstract would not be an efficient use of the OEB's time. Further, Environmental Defence cited previous cases before the Court of Appeal for Ontario and the Federal Court of Appeal to note that appeals are from orders, not from reasons.

Environmental Defence submitted that there was clear evidence in the SLH pilot proceeding that demonstrated that reducing peak gas demand with a natural gas heat pump is five times more costly when compared to an electric air source heat pump. Environmental Defence indicated that Enbridge Gas's objections relate to non-essential passages in the Decision that are unrelated to the key fact that electric heat pumps are less costly than natural gas heat pumps. Environmental Defence also argued that the Decision did not cause material harm to Enbridge Gas sufficient to warrant a full review, even if the alleged errors are assumed to have occurred.

OEB staff submitted that the OEB should fully dismiss the Review. OEB staff did not consider the Review to be likely to result in the most just, expeditious, and efficient determination of the issues. OEB staff noted that this position is consistent with the findings in the OEB's own motion to review the Decision, which stated that "it is preferable that the matters of importance to Enbridge Gas be considered in the context of a broader review of IRP policies".¹⁴ Further, OEB staff reduced the three review issues to the following two core matters:

- The role, if any, that advanced natural gas technologies and electrification technologies should play within IRP in Ontario; and
- Whether Enbridge Gas should be required to consult with the OEB's IRP Technical Working Group (TWG) on a potential second IRP pilot.

OEB staff submitted that the issues are best considered as part of the OEB's IRP Framework Review, as this will provide an opportunity to consider the issues central to the Review and other IRP-related issues in an integrated manner.

¹⁴ EB-2025-0124, Decision and Order, December 11, 2025, p. 5

BOMA submitted that it agrees with the views and rationale of OEB staff – that the Review is not likely to result in the most just, expeditious and efficient determination of the issues. BOMA also submitted that proceeding with the Review will create uncertainties and further delays to the already delayed SLH pilot timeline and the design of a potential second IRP pilot.

Pollution Probe was also aligned with OEB staff in submitting that the Review is not likely to result in the most just, expeditious and efficient determination of the issues. Further, Pollution Probe also noted that concurrent delays have impacted the progress of the IRP pilot project(s) and that these delays must be considered when assessing the merits.

Pollution Probe submitted that the Decision should not be adjusted, as it is supported by the scope and evidence of the SLH pilot proceeding. Pollution Probe specifically pointed to evidence that electric measures are more efficient, effective and aligned with IRP outcomes. Pollution Probe also highlighted that the IRP Framework does not explicitly exclude electric IRPAs as part of IRP pilots. Further, Pollution Probe argued that Enbridge Gas had previously acknowledged that there is no question as to the OEB's jurisdiction when it comes to electric IRPAs.

Finally, Pollution Probe disagreed with Enbridge Gas's position that the Decision is inconsistent with Ontario energy policy. Pollution Probe submitted that Enbridge Gas's position is based on an incorrect extrapolation of isolated broad policy language that is unrelated to actual IRP issues, and that there is no specific direction from the Province that may be taken as specific direction related to IRP pilot project(s).

In its reply, Enbridge Gas submitted that the Decision goes beyond the scope of the SLH pilot proceeding and is not consistent with Ontario energy policy. Further, Enbridge Gas argued that:

The OEB's categorical finding that it will not approve IRP pilots including gas technologies is not incidental reasoning or *obiter dicta*. It is the governing premise of the findings about the current and future roles (and non-roles) for gas technologies and electrification in IRP. The categorical findings in the Decision regarding gas technologies as not being a viable IRPA is the operative determination that underscores, and gives effect to, the Decision.¹⁵

¹⁵ Enbridge Gas reply submission, p. 12, para. 49

In response to parties, Enbridge Gas submitted that the IRP Framework Review is not suited to address the Review Issues. Enbridge Gas argued that relying on the IRP Framework Review to address the Review Issues introduces the risk that the uncorrected Decision would anchor the IRP Framework Review. It is Enbridge Gas's view that this would then lead to erroneous assumptions by parties and undermine the process by conflating policy-level questions with the more specific Review Issues related to the SLH pilot.

Enbridge Gas submitted that the views advanced related to cost-effectiveness are misguided. Enbridge Gas highlighted the positions of Environmental Defence and SEC, specifically, both of which focused on the cost-effectiveness of natural gas heat pumps only and not the full suite of advanced natural gas technologies that were proposed. Enbridge Gas also noted that the Decision did not base its findings on a comparative cost-effectiveness assessment, nor did it weigh competing technologies or apply an economic test, instead it was based on a policy determination that natural gas technologies are not compatible with IRP.

Enbridge Gas also argued that the scope of the SLH pilot proceeding was not intended to change the IRP Framework nor make broad findings on the role of electrification or natural gas technologies in the context of IRP. Enbridge Gas noted that the inclusion of electrification on the Issues List of a pilot project does not allow for categorical framework impacting determinations.

Enbridge Gas rejected the arguments of parties that excluding natural gas technologies is consistent with government policy. Enbridge Gas noted that the Ontario government is supportive of customer fuel choice, and by denying natural gas technology incentives in favour of electrification incentives, the Decision is in contravention of the Government of Ontario's [Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7](#) (the IEP, released in June, 2025, over two months after the Decision was issued). Further, Enbridge Gas refers to the IEP (which includes the Province's Natural Gas Policy Statement and statements indicating the importance of natural gas within the Ontario energy sector) more broadly, in support of its position.

Enbridge Gas requested that if the OEB finds that the Decision contains errors, but does not issue a new decision correcting the errors, then the OEB should take one of the following two options:

- Issue an amended decision to permit the SLH pilot to proceed without advanced gas technologies and without reallocating funding to electrification IRPAs. In parallel, the OEB may also direct that the role of advanced natural gas and

electrification technologies in the context of IRP be addressed as part of the IRP Framework Review.

- Return consideration of the SLH pilot to a different panel of OEB Commissioners to rehear the relevant aspects of the pilot application. Enbridge Gas noted that this approach would present timing challenges and would require extensions to the term and costs of the SLH pilot.

Finally, Enbridge Gas requested that should the OEB dismiss the Review on the basis that the issues can be addressed as part of the IRP Framework Review, then the OEB should direct that the contested portions of the Decision shall not be relied upon, cited, or treated as precedent, in respect of any such matters.

Findings

The OEB will not vary that part of the original Decision that rejected incentives for advanced gas technologies. However, the OEB will vary the Decision by not requiring the reallocation of \$1.5 million to electrification measures.

The application before the OEB was for the approval of two (later reduced to one) pilot projects. It was not a proceeding for the establishment of an IRP Framework. It was not a proceeding to review the Framework. As the parties know, a decision of the OEB is not formally binding on future panels.

Enbridge Gas submits that the Decision goes beyond the issues in the SLH pilot project proceeding, and that it is not supported by the evidence (alleged errors 1 and 2), for the reasons set out in its notice of motion. The OEB disagrees.

In its April 30, 2024 update on the IRP pilot projects (an update requested by the OEB), Enbridge Gas advised that, in consultation with the TWG, it had determined “that it is appropriate, based on the current information available, to move forward with the SLH Pilot Project focused solely on demand-side alternatives, and with the Parry Sound Pilot Project focused solely on the supply-side alternative.”¹⁶ Enbridge Gas went on to state:

The TWG is generally supportive of the revised scope for both IRP Pilot Projects, however, opposition remains regarding the inclusion of natural gas heat pumps as a measure within the advanced technology [enhanced targeted energy efficiency] offering. Enbridge Gas expects that where a member of the TWG has

¹⁶ [Enbridge Gas update letter](#), April 30, 2024, p. 2

concerns with one or more elements of the proposed IRP Pilot Projects, they will make this known through the regulatory approval process.¹⁷

In Procedural Order No. 4, issued on August 13, 2024, the OEB issued an updated Issues List that reflected the removal of the Parry Sound pilot project and modifications to the SLH project. Issue 3.4 reads: “Are Enbridge Gas’s proposed IRPAs for the Pilot Project appropriate?” It was clearly open to the OEB, and within the issues identified in the Issues List, to approve or deny any of the proposed IRPAs, whether those involved gas or electric technologies. Moreover, Enbridge Gas anticipated opposition to natural gas IRPAs. The question of whether those solutions were appropriate was clearly within the issues in the proceeding.

The application proposed a number of gas-fired IRPAs and a number of electric IRPAs. As SEC noted, the OEB had found in a recent DSM proceeding 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.”¹⁸ SEC went on to submit:

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.

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.¹⁹ [Footnotes omitted]

The OEB agrees. The OEB finds that the original Panel did not err in rejecting the proposed gas-fired IRPAs on the evidence before it. There was undisputed evidence that the gas-fired solutions were more expensive than similar electric technology, and it

¹⁷ *Ibid.*, p.3

¹⁸ EB-2021-0002, Decision and Order, November 15, 2022, p. 53

¹⁹ SEC submission on the merits, p.2

was within the Panel’s discretion to reject the gas-fired solutions. The OEB agrees with SEC that the Decision’s wording pertaining to the exclusion of natural gas technologies in the SLH pilot does not constitute direction that prevents more efficient natural gas technologies from being used to defer or displace natural gas infrastructure in a general sense.

However, Enbridge Gas’s alleged errors do not appear to relate to the rejection of the specific proposed gas-fired equipment. Rather, Enbridge Gas asserts that “[t]he parts of the Decision that deny any current or future role for gas-fired technologies within IRP and favour electrification instead are in error.”²⁰

Enbridge Gas asserts that the Decision purports to make changes to the IRP Framework and/or future IRP activities, and rejects a role for gas technologies as IRPAs (alleged errors 3 and 6). The OEB does not agree. As noted previously, the subject proceeding was an application for approval of a single pilot project – it was not an IRP Framework or Framework review proceeding. The OEB found that it would not approve “an IRP pilot project that includes incentives for gas equipment” (not, as Enbridge Gas asserted, “IRP pilots”). The OEB does not consider the Decision in the subject proceeding to have predetermined or prejudged the outcome of the IRP Framework Review, or of any other applied-for IRP project.

Enbridge Gas submits that the Decision was inconsistent with Ontario energy policy (alleged error 5). As mentioned previously, in June 2025, over two months after the pilot Decision was issued, the Ontario Government released the IEP. Chapter 5 of that document is titled “The Important Role of Natural Gas”, and in that chapter, the Government states (as part of the section on Ontario’s Natural Gas Policy), in part, that:

Because natural gas provides a powerful combination of low cost and high energy density that cannot currently be matched by other energy sources, it is a critical component of Ontario’s future energy mix.

Natural gas remains a vital component of Ontario’s energy mix, supporting economic activity and energy reliability across the province. It meets diverse energy needs across the industrial, residential, commercial, institutional and agricultural sectors of the economy.²¹

²⁰ Enbridge Gas Notice of Motion for Review and Variance, p. 6, para. 17

²¹ [Energy for Generations: Ontario’s Integrated Plan to Power the Strongest Economy in the G7](#), June 2025, p. 95

The OEB acknowledges the Ontario Government's emphasis on the ongoing role of natural gas in Ontario's energy mix. The Government also made the following statement in the IEP, in the Highlights of the Natural Gas Policy Statement:

As part of a gradual transition to a more diverse energy system, Ontario will continue to support the important role of natural gas in Ontario's energy system and economy while pursuing options to lower costs and reduce emissions through energy efficiency, electrification, clean fuels (e.g., renewable natural gas, low-carbon hydrogen) and carbon capture and storage.²²

Rule 42.01(a)(ii) provides that one of the permitted grounds for a review motion is "new facts that have arisen since the decision or order was issued that, had they been available at the time of the proceeding to which the motion relates, could if proven reasonably be expected to have resulted in a material change to the decision or order." The IEP was released after the Decision. However, the OEB is not satisfied that even if the IEP had been available prior to the Decision, the OEB would have approved incentives for a proposed technology that had been found previously to be more costly and less mature. The OEB does not consider the Decision to have exceeded the OEB's jurisdiction by favouring one energy source over another, nor did the OEB attempt to regulate the consumption of natural gas, as alleged by Enbridge Gas (alleged error 4). If Enbridge Gas wishes to pursue one or more pilot projects in that area in the future, that is presumably something that it can address in the IRP Framework Review and/or in any future applications related to such projects. The OEB's Decision on the SLH pilot does not prevent that, nor does the OEB consider the Decision to have eliminated gas solutions from consideration as part of IRP. Those are matters more appropriately addressed in the broader IRP Framework Review.

On a related note, Enbridge Gas alleged that the Decision conflicts with the intent of IRP by misstating the goals of IRP and improperly focusing on greenhouse gas emission reductions (alleged error 7). The OEB does not agree. Greenhouse gas emissions were not a driving factor in the Decision. The Decision only references greenhouse gas emissions once and that reference is inconsequential²³, as it was in the context of quotation from a previous demand side management decision and order of the OEB²⁴.

²² [Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7](#), June 2025, p. 96

²³ EB-2022-0335, Decision and Order, March 27, 2025, p. 4

²⁴ Ontario Energy Board File No. EB-2021-0002

With regard to Review Issue #2, having upheld the Decision to deny the portion of the SLH pilot related to advanced gas technologies, it is open to the OEB to require Enbridge Gas to proceed with the reallocation of the portion of the SLH pilot budget related to the denied advanced gas technologies to electrification measures. However, the OEB finds that doing so would not lead to the most just, expeditious, and efficient determination of the issues.

As noted previously, this Review motion relates to a decision issued over a year ago, on an application filed almost three years ago, that arose out of an IRP Framework approved almost five years ago. In its Decision on Threshold Question and Procedural Order No. 2, the OEB referred to Enbridge Gas's assurances that it "is taking active steps to implement the SLH IRP Pilot Project while this Review Motion is being considered, except for the directed reallocation of the portion of the \$1.5 million in the denied advanced gas technology funding to electrification measures or the implementation of thermal energy storage under the condition in the Decision that precludes natural gas". Enbridge Gas went on to state that "[t]he pilot project has not been delayed as a result of the review motion process. All offerings aside from the advanced gas technology measures at issue in the Review Motion are currently being implemented, including electrification measures at the limited participation levels proposed by Enbridge Gas in the application."²⁵

The OEB wishes to see the SLH pilot concluded, and finds that adding to the project by requiring the reallocation of additional budget monies to electrification measures now is not an efficient approach to achieving this goal.

3.2 Review Issue #3

Review Issue #3: The direction that Enbridge Gas must consult with the OEB's IRP Technical Working Group (TWG) on a potential second IRP pilot that explores creative solutions that go beyond current demand side management offerings, including a number of proposed measures such as alternatives to new connections.

As mentioned previously, OEB staff submitted that the "core matters", including whether Enbridge Gas should be required to consult with the OEB's IRP TWG on a potential second IRP pilot,

... are best considered as part of the OEB's IRP Framework Review. This position is consistent with the OEB Motion Decision [the decision to discontinue

²⁵ Decision on Threshold Question and Procedural Order No. 2, p. 11

the OEB's review on its own motion]. In that Decision, the OEB found that "it is preferable that the matters of importance to Enbridge Gas be considered in the context of a broader review of IRP policies". The OEB also found that the IRP Framework Review would provide opportunity to undertake a broad review of issues, thereby offering a more appropriate forum to evaluate gas-fired technologies in the context of IRP. The core matters in this proceeding, as well as the alignment of the IRP Framework with the Province of Ontario's Integrated Energy Plan and Natural Gas Policy Statement, are and will continue to be considered and addressed as part of the OEB's ongoing IRP Framework Review.²⁶ [OEB staff footnotes omitted]

SEC submitted that the OEB did not err in directing Enbridge Gas to consult with the IRP TWG on a potential second IRP pilot, nor has the OEB suspended the requirement for consultation on a second IRP pilot in any other subsequent proceeding. Further, SEC highlighted that the Decision simply re-affirmed the requirements of the IRP Framework, which requires Enbridge Gas to seek input from the IRP TWG in development of a potential second IRP pilot project.²⁷

Environmental Defence submitted that Enbridge Gas did not identify any potential errors in relation to Review Issue #3. Environmental Defence also submitted that it is very common for the OEB to direct utilities to consult with experts when exploring innovative solutions and therefore the Decision cannot be said to be in error.

Pollution Probe submitted that the OEB's findings requiring Enbridge Gas to consult the IRP TWG on a potential second IRP pilot was reasonable based on the facts. Pollution Probe argued that Enbridge Gas's stakeholder engagement requirements were in scope of the SLH pilot proceeding and there was consideration of the facts during the proceeding. Pollution Probe also submitted that the requirement for Enbridge Gas to consult with the IRP TWG on a potential second IRP pilot did not originate from the Decision but instead continues to apply an existing requirement.²⁸

Enbridge Gas submitted that it is not efficient, necessary, or appropriate to proceed with another IRP pilot while the OEB's IRP Framework Review is ongoing. Enbridge Gas noted that considering the intent of the IRP Framework Review, designing a second IRP

²⁶ OEB staff submission on the merits, April 1, 2026, pp. 2 and 3

²⁷ The requirement for Enbridge Gas to conduct two IRP pilots originates in section 12 the OEB's [IRP Framework](#).

²⁸ The requirement for Enbridge Gas to consult with the IRP TWG on IRP pilot projects originates from section 12 the OEB's [IRP Framework](#).

pilot at this time risks duplication, re-work, and misalignment with the eventual updated IRP Framework.

Findings

Enbridge Gas alleged that the Decision does not align with the IRP Framework Review, as the direction to consult with the TWG and report back on a second IRP pilot is no longer appropriate or feasible (alleged error 6). The OEB does not consider this to be an error in the Decision. The expectation that Enbridge Gas develop and implement two IRP pilot projects is contained in the 2021 IRP Framework, and the OEB is not relieving Enbridge Gas of that expectation here. However, the OEB will not require Enbridge Gas to consult with the IRP TWG on a potential second IRP pilot as part of the current proceeding.

In paragraph 55 of its reply submission on the merits, Enbridge Gas submits that:

...it is most efficient for the OEB to pause or suspend aspects of the Decision that purport to direct what Enbridge Gas should do in the future for IRP. The direction that Enbridge Gas must consider and report on an additional IRP pilot project is not something that needs to be implemented now in order for Enbridge Gas to proceed with implementation of the SLH IRP Pilot Project. [Footnotes omitted]

At paragraph 58(d), Enbridge Gas requested that the OEB vary the Decision to:

[r]emove the direction to consult with the IRP TWG on a second IRP pilot project on specified proposed measures, pending further direction from the current and ongoing EB-2025-0125 IRP Framework Review.

The OEB does not consider it efficient or cost-effective to have Enbridge Gas and TWG members begin discussions on a second pilot project in parallel with the IRP Framework Review. The OEB agrees with OEB staff that matters related to further IRP pilot projects are best considered as part of the IRP Framework Review, and the OEB expects that matters related to a second IRP pilot project and any further IRP pilot projects will be addressed as part of the IRP Framework Review.

4 STAY REQUEST

Rule 40.05 provides, in part, that “a motion brought under Rule 40.02 may also include a request to stay the implementation of the order or decision pending the determination of the motion.” Among the items of relief requested by Enbridge Gas was a “stay of the Decision in relation to the Review Issues until the Review Motion is determined”. In its Decision on Threshold Question and Procedural Order No. 2, the OEB granted the stay requested by Enbridge Gas pending the determination of the motion on the merits.

Findings

The OEB granted the stay pending the determination of the motion on the merits. In light of the OEB’s findings on the merits, it is not necessary to consider whether any further stay is warranted.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Decision of the OEB dated March 27, 2025 is varied as follows:
 - (a) Enbridge Gas Inc. is not required to reallocate the portion of the SLH pilot project budget related to the denied advanced gas technologies to electrification measures.
 - (b) Enbridge Gas Inc. is not required to consult with the OEB's IRP TWG on a potential second IRP pilot that explores creative solutions that go beyond current demand side management offerings, including a number of proposed measures such as alternatives to new connections as part of this proceeding. The OEB expects that matters related to a second IRP pilot project and any further IRP pilot projects will be addressed as part of the IRP Framework Review.
2. Intervenors shall file with the OEB, and forward to Enbridge Gas Inc., their cost claims by **May 21, 2026**.
3. Enbridge Gas Inc. shall file with the OEB, and forward to Intervenors, any cost claim objections by **May 27, 2026**.
4. Intervenors shall file with the OEB, and forward to Enbridge Gas Inc., any responses to cost claims objections by **June 2, 2026**.
5. Enbridge Gas Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto May 14, 2026

ONTARIO ENERGY BOARD

Ritchie Murray
Registrar