

ONTARIO ENERGY BOARD

**Enbridge Gas Inc.
Lanark and Balderson Community Expansion Project
Leave to Construct**

POLLUTION PROBE SUBMISSION

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Project Overview and Background

On November 27, 2025, Enbridge Gas Inc. (Enbridge) applied to the Ontario Energy Board (OEB) under sections 90 and 97 of the Ontario Energy Board Act, for an order granting leave to construct approximately 14.7 kilometres of natural gas pipelines and associated facilities in the communities of Lanark, Balderson and the surrounding areas in the Township of Lanark Highlands and in the Township of Drummond/North Elmsley (the Project).

The Project was identified by the Government of Ontario on June 9, 2021, as one of 28 projects across 43 communities selected for funding in the second phase of its Natural Gas Expansion Program (NGEP). According to Enbridge, the Project will provide approximately 286 residential customers with access to natural gas. Based on Enbridge's estimate used for the financial forecast for the Project, the 286 customers are estimated to consist of 255 residential, 29 commercial, institutional or agricultural, and 2 industrial customers¹.

Enbridge has also applied to the OEB for approval of the form of land-use agreements and easement agreements it offers to landowners for the routing and construction of the Project.

Enbridge indicated that there has been several changes to the Project compared to the application made to the NGEP. This includes a decrease in estimated cost and a decrease in forecasted customer attachments as a result of field investigations that identified constructability constraints in specific areas².

Although the specifics on project design, estimated costs, customer potential and environmental impacts are unique³, Enbridge suggests that this project is similar to other recent NGEP projects that have been reviewed by the OEB. Enbridge referenced several recent NGEP project proceedings which it believed has set a precedent for how NGEP proceedings and Decisions are to be conducted. Enbridge also proposed this as the basis for the OEB to reject the evidence proposal submitted by Climate Network Lanark (CNL)⁴ related to the customer forecast. The OEB determined that additional procedural steps or evidence is not required and set a path for submissions by all parties. The OEB indicated that it does not believe that incremental evidence related to the CNL request is required or would materially impact the OEB's decision in this proceeding. More specifically, the Project customer forecast and related Project

¹ Exhibit A, Tab 2, Schedule 1, page 2.

² A summary is included in Exhibit I.PP-2.

³ Exhibit I.PP-21.

⁴ EGI_Response_to_CNL_20260309.

economics is based on Enbridge's assessment and Enbridge is responsible for the risks related to its forecast.

The OEB has consistently indicated that it is aware of the problems and need to ensure objective and factually correct information is provided to potential customers that may be considering natural gas⁵. Recent NGEF related project proceedings have highlighted those challenges and the OEB has noted in those decisions that a review of updated marketing materials is being conducted as part of Enbridge's Rebasing proceeding⁶.

It is important to note that this specific Project is counting on additional grant funding from ratepayers which is significantly higher than those typically seen by the OEB in recent NGEF project applications. The grant portion related to this Project is over \$65,000⁷ per customer. The total costs per customer (for the Project, but not including customer specific costs) is over \$88,000 per customer. That is significant cost per customer and exceeds typical efficient alternatives such as installing a cold climate air source heat pump, even without considering the Provincial incentive available to non-gas customers. It will be up to each potential customers to assess the pros, cons and incentives available, if they choose to conduct a change. It is important that Ontario consumers have information on the full suite of options and related incentives.

The OEB has also highlighted the importance of avoiding incorrect or misleading information in Enbridge's Demand-side Management program materials⁸. Ontario energy consumers should have access to objective and accurate information that helps them access the right choices and related incentives, regardless if they relate to natural gas Demand Side Management (DSM) or the Save on Energy incentives offered Provincially to those that currently use electricity, wood, propane or oil⁹. This was one of the drivers behind the Provincial push for integrated consumer programs that include all energy options and incentives and the one-window residential DSM program approved by the OEB. Although this Project was filed in 2025, the survey and consultation process was done several years ago¹⁰ and used legacy marketing materials that were

⁵ E.g. EB-2023-0261 dec_ord_ EGI Neustadt NGEF_20240523 page 28, EB-2023-0201 dec_order_EGI_Eganville_NGEF_20240530 page 30, EB-2023-0200 dec_order_EGI_Sandford_NGEF_20240704 page 31, etc.

⁶ Currently being assessed in EB-2025-0064 as a specific item on the Issues List.

⁷ \$ 18,606,994 / 286 customers = \$65,059 per customer. Higher if estimated attachments are not achieved. See below for calculation including all costs per customer.

⁸ EB-2024-0198 Dec_Order_EGI_2026 DSM Plan_20251106 page 14.

⁹ The current fuel use applicable to applicable IESO Save on Energy incentives is included in Exhibit B, Tab 1, Schedule 1, Attachment 4, page 3, Table 1. The government's *Affordable Energy Act*, which came into force on December 4, 2024, ensures the new Home Renovation Savings Program, and other program offerings, will be expanded to homeowners who heat their homes by propane and oil, instead of being restricted to those who heat with electricity - [Ontario Launches New Energy Efficiency Programs to Save You Money | Ontario Newsroom](#)

¹⁰ For example, the survey research was conducted between June 3 and 19, 2023, per Exhibit B, Tab 1, Schedule 1, Attachment 4.

discontinued by Enbridge in 2025 due to stakeholder concerns and in accordance with an OEB approved settlement agreement¹¹. Updated materials have not been made available to consumers in this community and Enbridge notes that no further information sessions or marketing outreach has been identified¹² for this Project.

As noted, the Project was selected to be eligible to receive funding assistance as part of Phase 2 NGEF, which provides financial support to help utilities expand natural gas distribution into communities that are not currently connected to the natural gas system. Per NGEF requirements, this NGEF Project requires OEB review and consideration through a Leave to Construct application process. This process is meant to ensure the review and consideration of relevant issues and consideration of current factual information, particularly when the Project details vary significantly from the information in the NGEF grant applications. As noted above, the Project differs from the NGEF application.

Expansion projects submitted for grant consideration provide high level details available at the time and did not undergo the detailed project review or validation that is typically part of an OEB Leave to Construct process, including consideration of EBO 188 or other OEB requirements. The NGEF template includes wording that invalidates the grant funding when certain project details change, including projects that are not likely to achieve a Portfolio Index (PI) profitability of 1.0. The spreadsheet that Enbridge provided for PI analysis exactly matches a PI=1.0¹³. The OEB is aware of the challenges and risks related to recent expansion projects and particularly those receiving additional NGEF ratepayer funded grants.

Recommendations

This section provides a high-level summary of the recommendations for OEB consideration. Additional details and recommendations are included in this submission, but Pollution Probe thought it would be helpful to the OEB to provide this consolidated section first.

Pollution Probe has been an active participant in recent system expansion Leave to Construct proceedings that pertain to projects which are eligible for NGEF grant funding. Pollution Probe has highlighted options available to the OEB for similar projects and has also reviewed the OEB Decisions related to those proceedings. Although there are significant uncertainties and risks related to the attachment forecast and financial profile put forward by Enbridge, Pollution Probe understands the balanced approach

¹¹ Per EB-2024-0111 Exhibit N Tab 1 Schedule 1 Page 34 and recently highlighted in EB-2025-0064, Exhibit JT1.31, Attachment 1.

¹² Exhibit I.PP-11.

¹³ Exhibit E, Tab 1, Schedule 1, Attachment 1.

that the OEB has used in similar proceedings. That approach holds Enbridge accountable for the validity of its estimated attachments and profitability. This approach was also highlighted in Procedural Order No. 3 which included the Panel's rationale for declining the need for additional evidence on that issue¹⁴.

The OEB is aware of the challenges associated with the survey and related marketing materials used for this and other recent expansion projects. Even if the financial Project risk remains with Enbridge shareholders, there are long term stranded asset risks that can impact Ontario energy consumers.

Similarly, additional information analyzing stranded asset and volume revenue risks is an area that the OEB has already requested that Enbridge undertake. No such information or analysis was included in this application by Enbridge and no consideration of those potential impacts has been accounted for in the PI calculation. Ignoring these factors in Enbridge's forecast creates risk and does not align with customer loss evidence put forward by Enbridge¹⁵. Ratepayers should not have to bear this risk and potential future costs that could have been mitigated through a more prudent analysis. Similar to other recent projects, Enbridge should retain the risk should the Project PI be less than 1. This should apply to the entire Project-related capital costs (including Ancillary Facilities).

To be efficient, Pollution Probe includes a summary of the facts on the Enbridge forecast and financials below, but is not proposing a different treatment than recent similar projects considered by the OEB. In fact, Pollution Probe is recommending the exact same approach included to protect ratepayers as highlighted in Procedural Order #3 and leveraged in other recent NGEPP project proceedings.

Enbridge is the only stakeholder that can ensure that the estimates it includes in its evidence are objectively realistic and Enbridge is the only stakeholder that can implement required mitigation measures during Project planning and delivery as required (e.g. greater customer outreach and engagement, updated marketing materials to provide accurate information on options, mitigate cost overruns, etc.).

Recommendations

Pollution Probe makes the following recommendations for the OEB to consider.

- If Leave to Construct approval is granted, include similar language to protect ratepayers in the Decision as included in other recent NGEPP-related project decisions and as highlighted in Procedural Order No. 3. More specifically, "In the first

¹⁴ PO3_EGI_Lanark Balderson_LTC_20260501.

¹⁵ Recent evidence and testimony in EB-2022-0200 supported the logical assumption that customers will continue to leave the gas system when they change equipment, also referred to as the death spiral.

rebasing following the expiration of the RSP, the OEB will review the actual project costs and revenues and determine what amount should be recognized in rates. The subsidy or contribution to the expansion of service provided in O. Reg. 24/19 is specific and limited and does not abrogate the general principles of utility cost allocation going forward. All options will be available to the OEB in the rebasing following the conclusion of the RSP with respect to the appropriate rate treatment of potential capital cost overruns and/or lower than forecast customer attachments/volumes (and associated revenues). Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0. The OEB cannot bind a future panel determining that application to be made by Enbridge Gas post-RSP. However, the OEB notes that if Enbridge Gas's estimate of customers likely to take up natural gas service is correct, existing natural gas customers will have already contributed approximately \$65,000¹⁶ per customer served by the Project to assist in the expansion of gas in this community. There is a clear and reasonable expectation that such customers will not be called upon to provide a further subsidy to compensate for post-RSP revenue shortfalls.¹⁷

- Given that the Ancillary Facilities costs are specifically required for this Project and were included in the EBO 188 financial analysis, it is recommended that all Project costs and ratepayer impacts and risks be considered in the OEB Decision.
- Similar to other recent NGEP-related project OEB decisions, reinforce the importance of objective and non-biased marketing materials based on transparent assumption and defer the detailed assessment and required updates of the issues related to the gas promotion marketing materials to the OEB's Rebasing Phase 3 (previously Phase 2 and deferred to Phase 3 Issues List). The OEB already directed Enbridge to cease the use of historical comparative marketing materials for this Project¹⁸. It is unclear how this community will receive corrected materials once they are available. The OEB could determine what additional language is needed in this Decision, if any, given the connection between those OEB decisions and the impact on this community.
- If Leave to Construct approval is granted, include the same wording the OEB has included in other recent community expansion Leave to Construct projects to ensure that energy choice remains available to Ontario energy consumers and that Enbridge retains the responsibility to provide DSM programs to prospective

¹⁶ Adjusted to reflect this Project.

¹⁷ Wording is found in recent OEB system expansion decisions, and this example is from EB-2023-0261 dec_ord_EGI Neustadt NGEP_20240523, pages 20-21.

¹⁸ EB-2024-0111 dec_order_Set Prop_EGI_2024_Rates_Ph2_20241129, Exhibit N Tab 1 Schedule 1 Page 34.

customers in this community. More specifically, include “The approval of the leave to construct requested in this application does not restrict customers in these communities from obtaining heat pumps either before or after an extension of natural gas service to these communities. Nor does it remove Enbridge Gas’s DSM program responsibilities in these communities.¹⁹”

- If Leave to Construct approval is granted, require Enbridge to take all reasonable efforts (including contractor outreach to potential customers) to ensure that consumers are aware that current energy efficiency incentives for the joint Enbridge/IESO program are available for natural gas customers²⁰ and for those using other fuels via Save on Energy²¹. For residential customers, this is already a combined program approved by the OEB and joint information is readily available to share.
- If Leave to Construct is approved, include details on the final Environmental Protection Plan (EPP) and its implementation to mitigate environmental and socio-economic impacts in the post-construction report. The current EPP was not filed in this application and previous Panels have considered adding this to the Conditions of Approval when it was omitted²². Even though the EPP can be adjusted during construction, it is important to know that it was in place prior to the start of construction and how it was modified and what the final net impacts were following all mitigation. This information informs what changes to the EPP occurred for this Project and helps understand what items were missed in the EPP, so they can be considered in the future.

¹⁹ Wording is found in recent OEB system expansion decisions, and an example is EB-2023-0261 dec_ord_EGI Neustadt NGEP_20240523, page 19.

²⁰ In its EB-2021-0002 Decision the OEB clarified that program information and incentives are valid either for existing customers or future customers. However, Enbridge continues to fail to promote these to expansion communities since it would decrease project economics (i.e. profitability for Enbridge over energy savings benefits for consumers in the community).

²¹ Per IESO Save on Energy programs for electricity, wood, oil and propane consumers - [Ontario Launches New Energy Efficiency Programs to Save You Money | Ontario Newsroom](#) and per Exhibit I.PP-15.

²² EB-2019-0006 OEB Decision Page 8.

Issues for OEB Consideration

Pollution Probe notes that the application and evidence has a familiar challenge on detail, quality or objectivity to support the attachment forecast and related Project profitability modeled by Enbridge. The challenges related to information and extrapolation of numbers to achieve the PI of 1.0 has been raised for other recent projects where NGEF grants are critical. The same issues occur with this Project and the stakes are even higher for this Project. The planning for this Project has been underway for many years and particularly given the issues raised with Enbridge's recent system expansion approach (including consumer marketing and survey), it is reasonable to expect that the level of information to support this type of Leave to Construct application should be more robust, objective, comprehensive and complete. Even though Enbridge carries the risks related to financial underperformance, many of these risks can be mitigated in advance. Enbridge included no evidence or enhanced assessment to address these concerns in this application. Enbridge also objected to a proposal for CNL to enhance the record based on current objective information.

Enbridge has left it in the OEB's hands to make a decision based on the information on the public record and to consider options to mitigate the risks associated with the information and related ratepayer impacts. It is highly unlikely that a PI =1.0 will be achieved by this Project. Enbridge's attachment forecast is over-optimistic and appears to be designed to simply achieve a PI=1.0 on paper. Similar to issues previously identified, many of the issues relate to the inadequacy and rigour associated with information provided through the outreach and survey. Those uncertainties are extrapolated by Enbridge in its calculations and so are the risks.

Actual attachment is also likely to be decreased even further once the natural gas marketing materials used for this projects that were part of the mandatory freeze are replaced by more current and accurate information that provides relevant information based on current facts²³. Once more factual, objective, and balanced marketing materials are filed with the OEB, it should hopefully provide a better basis for objective customer choice. The OEB and stakeholders are awaiting full information on the process used by Enbridge to conduct the review and copies of the updated materials, including references²⁴. Enbridge has refused to provide a full set of those materials and it is currently before the OEB for resolution²⁵.

²³ EB-2024-0111 dec_order_Settt_Prop_EGI_2024_Rates_Ph2_20241129, Exhibit N Tab 1 Schedule 1 Page 34.

²⁴ In accordance with Issue 13 of the Issued List in EB-2025-0064.

²⁵ Please see EB-2025-0064 PO5_EGI Rebasing Phase-3B_20260421 for procedural details.

Additionally, the IESO's Save on Energy offering of efficient technology options and incentives to all non-gas customers targeted by Enbridge in this community are also expected to have an impact. For low-income customers that need help the most, there are even options for free cold-climate electric heat pumps. Even if one customer out of the 286 estimated by Enbridge does not attach, it would make the financials fall below the required $PI=1.0$.

Another factor that can in-part mitigate Project risks is the fact that Enbridge (instead of ratepayers) is at financial risk for over-estimating project economics. Enbridge has the responsibility to ensure prudent planning and only Enbridge can mitigate risks of stranded assets through more conservative and thorough analysis. It is correct that if Enbridge does a poor job of providing validated and well documented information on modern alternatives and/or biased surveys, it creates a problem for Enbridge when the project does not perform in line with the modelled economics. This risk allocation partially removes some of the incentive for Enbridge to construct pipeline capital projects that are uneconomic and likely to become stranded assets. This does not remove the impact to Ontario consumers that could have made better informed analysis if Enbridge had included updated marketing materials, including the full suite of IESO/Enbridge one-window program incentives. This issue has been acknowledged by the OEB and has been included in the scope of the Rebasing proceeding²⁶.

One of the strengths of the OEB process is to ensure that there is sufficient, relevant, and objective information available on the public record to support consideration and analysis of the issues for each proceeding. Pollution Probe is aware that the OEB weighs the validity, quality and impact of the information/evidence for a specific project/application with the broader regulatory picture. Pollution Probe understands why the OEB may take a focused approach in specific expansion applications and leverage short term opportunities to mitigate project risks while waiting for the right opportunity to assess systematic issues. Pollution Probe encourages the OEB to not dilute the level of rigour required in Leave to Construct applications and continue to hold the standard high today and in the future. Ontario energy consumers are counting on it.

The recent performance of Enbridge's expansion projects have not actually performed in alignment with expectations²⁷. The economic risks for the OEB and ratepayers related to an expansion project are particularly elevated when a project barely meets a $PI=1.0$ ²⁸ leaving no safety factor should the costs be higher or the revenue be lower

²⁶ Initially in Phase 2 is EB-2024-0111 and moved to Phase 3 (EB-2025-0064) to provide Enbridge more time to file all the updated materials.

²⁷ Actual Project PI 's have been as low as 0.47 when forecasted by Enbridge in evidence to meet or exceed 1.0 – See EB-2022-0200 Exhibit JT3.16 Table 1 for a short summary.

²⁸ Enbridge's application and receiving NGEP funding is predicated on meeting this economic threshold. The recent portfolio results have dipped as low as 0.47 per EB-2022-0200 Exhibit JT3.16 Table 1.

(including attachments, volumes and SES collection from real customers over 40 years). When there is no safety factor and the risks are high, it is prudent to ensure that project assumptions are supported by robust (community specific) information, comprehensive stakeholder engagement and objective, reliable survey data that ensures consumers have the information needed to make an informed decision on their likelihood to attach to natural gas and stay on natural gas over the duration of the project (i.e. 40 years). The NGEP was specifically designed to subsidize certain specific expansion projects selected to meet EBO 188 requirements, but additional cross-subsidization should not occur.

The customer attachment forecast included in the Application is not a direct representation of the market research survey results. The survey is typically completed early in the Project planning stage to gather general information about interest in converting to gas within the community. Not all homeowners in the project area were surveyed since some households were seasonal, unoccupied, inaccessible or vacant lots at the time the survey was conducted²⁹. The average length of the survey conducted was 5 minutes and 50 seconds³⁰. The Enbridge survey result was a passive survey based on biased consumer education which has now been restricted from use by the OEB until the materials are appropriately updated and filed with the OEB for review.

The percentage of customers choosing a different energy option than natural gas will logically increase once consumers decide to make an equipment change and actively explore current energy options after educating (particularly relevant for the 98%³¹ currently using electricity, wood, oil and propane given the suite of Provincial incentives available). This follows the fundamental principle that customers will choose the best option once they have adequate information. This only occurs after a consumer has investigated those options adequately, and thus passive survey results that are not linked to any commitment does not reflect informed decision making. A passive survey that does not ensure that consumers are adequately informed, will always have a skewed and unreliable outcome.

Project Costs

The total cost for the proposed Project is estimated to be \$18,606,994³², of which approximately \$6.3 million is attributed to Ancillary Facilities. Although Enbridge indicates that it is not requesting approval for Ancillary Facilities costs related to this

²⁹ Exhibit I.PP-9.

³⁰ Exhibit I.PP-7.

³¹ Exhibit B, Tab 1, Schedule 1, Attachment 4, page 3, Table 1.

³² Exhibit E Tab 1, Schedule 1, Page 1.

Project³³, these represent real costs to ratepayers if the OEB decides to approve this Project. The Ancillary Facilities costs were included in the EBO 188 financial analysis, so it is recommended that all Project costs be included in the scope of the Leave to Construct review and Decision.

All costs should be considered in relation to the Project. A summary table of Project-related costs is below³⁴.

Table 1: Estimated Project Costs (\$CAD)

| Item No. | Description | Pipeline Costs | Ancillary Costs ¹ | Total Costs |
|----------|--|----------------|------------------------------|-------------|
| 1 | Material | 410,350 | 410,123 | 820,473 |
| 2 | Construction | 7,341,085 | 4,731,346 | 12,072,431 |
| 3 | Outside Services | 2,555,838 | 261,442 | 2,817,280 |
| 4 | Land, Permits, Approvals and Consultations | 2,239 | 1,119 | 3,358 |
| 5 | Contingency | 1,553,005 | 877,293 | 2,430,298 |
| 6 | Sub-Total | 11,862,518 | 6,281,323 | 18,143,841 |
| 7 | Interest During Construction | 459,362 | 3,791 | 463,153 |
| 8 | Total Project Cost | 12,321,880 | 6,285,114 | 18,606,994 |
| 9 | Original Proposed Cost | | | 19,199,846 |
| 10 | Variance (8-9) | | | (592,852) |

Below is a summary of the project cost per customer based on the Enbridge information. The summary table includes:

- Assumes that costs and attachments are per Enbridge forecast
- Does not include Enbridge return on capital or end of life abandonment costs
- Not including customer renovation or equipment costs
- Does not include annual energy operational costs

³³ Exhibit I.PP-5.

³⁴ Exhibit E, Tab 1, Schedule 1, Table 1.

| | |
|---|------------------------|
| Project Initial Capital Cost ³⁵ per customer | \$65,059 ³⁶ |
| NPV of O&M Cost (gas) per customer | \$ 4,403 ³⁷ |
| NPV of other expenses per customer | \$19,290 ³⁸ |
| Project Cost per customer | \$88,752 |

This Project represents a significant additional cost per customer beyond recent NGEF projects filed with the OEB.

Energy Efficiency Considerations

Enbridge did not provide any specific DSM, IESO (Save on Energy or eDSM) or other energy efficiency or equipment incentive information to the community as part of the survey or communication package³⁹. Enbridge relies on a mass market approach for consumers to find this information rather than providing it for consumers impacted by a project⁴⁰. That approach is ineffective for targeting consumers in a new community and ignores the opportunities that the mandatory public consultation for such a project is meant to enable.

DSM is the OEB approved portfolio of programs available to all existing and future natural gas customers in Ontario. New gas burning equipment can only function after a service is installed, so therefore any consumer that becomes a customer of Enbridge is entitled to take full advantage of the OEB approved DSM programs before installing equipment. Now is the prudent time to ensure all potential customers get full information on incentives available, before they install any equipment. A key principle for DSM is to minimize “lost opportunities”, particularly at the time when a customer is considering a renovation or change of heating equipment⁴¹. This situation applies directly to this community expansion Project.

Providing DSM information and options to potential community expansion customers has been a chronic challenge for Enbridge and the gap remains⁴². Enbridge previously indicated that it believes that it needs to do better when expanding to new communities and committed to “ensuring that when we [Enbridge] go out to communities, as part of trying to attract them as new customers, that they understand the conservation service that we offer and that that would be available to them at that point in time. So when they

³⁵ Excludes future capital costs and annual operating costs

³⁶ \$ 18,606,994 / 286 customers = \$65,059 per customer. Higher if estimated attachments are not achieved.

³⁷ \$1,288,000 / 286 = \$3,129 per E/1/1 Attachment 1.

³⁸ (1,492,000 +4,025,000) /286 = \$19,290 per E/1/1 Attachment 1.

³⁹ Exhibit I.PP-16

⁴⁰ Exhibit I.PP-24.

⁴¹ Final Transcript EB-2021-0002 EGI DSM Vol 3 March 30 2022. Page 84, lines 26-27.

⁴² Final Transcript EB-2021-0002 EGI DSM Vol 3 March 30 2022. Page 86 line 23 to page 87 lines 2-5.

do their conversion, we don't lose that opportunity"⁴³. Unfortunately, Enbridge has not effectively marketed DSM or other energy efficiency opportunities to potential customers of NGEPC community expansion projects including this one⁴⁴. Enbridge has repeatedly committed to the OEB and stakeholders to fix this gap⁴⁵. Nothing has been done to remedy the ongoing problem and direct OEB intervention for expansion projects is needed.

The OEB has indicated previously and consistently that it expects DSM analysis and opportunities to be applied more effectively, particularly for Leave to Construct projects⁴⁶. These lost opportunities reduce DSM results at a time when the OEB's has stated that more DSM results are expected⁴⁷. DSM information and program materials are supposed to be made available to all potential customers in the community and local contractors should be requested to also share information on the full range of options including reducing energy costs and related emissions through undertaking energy efficient decisions during the renovation or major equipment change.

As part of the OEB's Decision for Enbridge's 2026 DSM Plan, the OEB directed the Company to include a description of all cost and performance comparisons it intends to use in its communications and training materials, along with supporting evidence laying out all assumptions and data relied on to make those comparisons⁴⁸. This is complementary to the OEB's requirement for Enbridge to cease using the historical comparative marketing materials until a full review is complete and updated materials are filed with the OEB. Collectively, this OEB direction will enhance the information needed to support community expansion projects like this in a productive and transparent manner and help Ontario energy consumers navigate the energy transition in a more effective manner.

Environmental and Socio-economic Impacts

Enbridge included an Environmental Report (ER)⁴⁹ which contained an assessment of environmental and socio-economic factors and made specific recommendation to mitigate the negative impacts caused by the Project. An Environmental Protection Plan ("EPP") was recommended to be developed for the Project prior to construction. In accordance with the ER, an EPP should incorporate recommended mitigation measures contained in the ER and those mitigation measures obtained from agency consultation

⁴³ Final Transcript EB-2021-0002 EGI DSM Vol 3 March 30 2022. Page 87 line 25 to page 88 line 2.

⁴⁴ Exhibit I.PP.16

⁴⁵ Final Transcript EB-2021-0002 EGI DSM Vol 3 March 30 2022. Page 85 line 20 to Page 88 line 12.

⁴⁶ E.g. EB-2020-0192 Decision Page 13 and EB-2023-0261 dec_ord_ EGI Neustadt NGEPC_20240523, Page 19.

⁴⁷ EB-2021-0002 Decision

⁴⁸ EB-2024-0198, OEB Decision and Order, p.17.

⁴⁹ Exhibit F, Tab 1, Schedule 1, Attachment 1.

for the environmental issues associated with the proposed works. Even if the EPP is modified during construction (even because of unforeseen problems and additional mitigation), providing a baseline copy ensures that all currently known environmental and socio-economic impacts are identified and proper mitigation has been applied. Additionally, a copy of the final EPP should be filed with the post-construction report with a summary of the changes required. This provide valuable information related to what was planned for the Project and what really occurs.

Construction should not begin until site staff are trained on the sensitive features and mitigation required. The ER highlights the importance of training site staff and having the appropriately trained staff available during construction prior to constructing in the high-risk areas. The EPP is a critical tool to ensure that site staff are aware of all the issues and required mitigation.

Multiple wetlands were identified in the study area⁵⁰ by the ER and proposed mitigation measures have been included. Pollution Probe does not propose any additional mitigation beyond what is already included in the ER.

Shallow bedrock is expected to be encountered along the route⁵¹, particularly in areas where directional drilling is used to go below roads and environmental features. Test digs were completed by the Contractor to determine bedrock percentage within the Project area. Based on the results from the test digs, approximately 10% bedrock is expected along the proposed pipeline route⁵². Directional drilling is proposed for all watercourse crossings. If bedrock is encountered, alternate mitigation and revised permitting will be required.

There are 493 water wells identified within the study area and well record indicate bedrock as shallow as 1.2 meters below the surface⁵³. The ER prescribed a private well survey in advance of construction⁵⁴ and a monitoring program be put in place. This is standard practice. Enbridge indicates that a pre-construction well monitoring program has not been completed yet. Enbridge indicates that it intends to complete the program prior to the commencement of construction. Well monitoring results will be provided directly to the owner of any identified well⁵⁵.

⁵⁰ Exhibit F, Tab 1, Schedule 1, Attachment 1, Page 98.

⁵¹ Exhibit F, Tab 1, Schedule 1, Attachment 1, Page 36.

⁵² Exhibit I.PP-25.

⁵³ Exhibit F, Tab 1, Schedule 1, Attachment 1, Page 38.

⁵⁴ Exhibit F, Tab 1, Schedule 1, Attachment 1, Page 92.

⁵⁵ Exhibit I.PP-25.