

ONTARIO ENERGY BOARD

EB-2025-0064

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S. O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF Phase 3 of an application by Enbridge Gas Inc. to change its natural gas rates and other charges beginning January 1, 2024

Submissions of Environmental Defence and the Green Energy Coalition

Enbridge Rebasing Phase III

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[I]t is in the interest of the province, for the purpose of customer protection, to ensure that the regulatory mechanisms for the governance of the natural gas grid are aligned with a range of plausible outcomes, notably those that pose the greatest risks to customers.

Final Report of Ontario's Electrification and Energy Transition Panel¹

Overview

For many years, Enbridge Gas has been distributing misleading informational materials that understate the cost of gas service vis-à-vis the cost of alternatives. Those materials have been distributed to customers, potential customers, and entities that are trusted sources of information for customers, such as HVAC contractors. In many instances, those materials have contained false information.

Enbridge has an incentive to understate the cost of gas service vis-à-vis alternatives because it earns a rate of return on gas infrastructure spending. Increasing demand for gas is required to support capital spending on projects to increase the size or capacity of the gas system. Decreasing demand for gas can put Enbridge's equity at risk if it goes far enough. This is a material possibility because methane gas is a fossil fuel that causes roughly one-third of Ontario's greenhouse gas emissions and must be cut to zero or nearly zero in the coming decades as part of overall efforts to avoid catastrophic climate change. Enbridge has a strong financial interest to forestall that shift away from gaseous fuels and to increase gas use.

The Ontario Energy Board's statutory jurisdiction and mandate include ensuring Enbridge's customer communications do not understate the price of gas service vis-à-vis alternatives. In particular, the OEB is required by statute to be guided by several objectives, including to "inform customers" with respect to the price of gas service.² Exploring this issue is not only within the OEB's jurisdiction – it is a mandatory statutory obligation.

Enbridge's most recent energy comparison information is "confusing and misleading in ways that are biased against electric heat pumps," as described in the evidence of the Energy Futures Group.³ However, this is only the most recent example of years of deceptive marketing, including previous materials with false information about the relative costs of heating with a gas furnace versus an electric heat pump. This pattern of misleading marketing, Enbridge's incentive to downplay the cost of gas service, and OEB's statutory mandate warrant the following relief:

1. Direction that Enbridge abide by specific principles aimed at ensuring full, fair, and accurate information about the cost of gas service (recommended principles are canvassed below);
2. Factual findings and directions regarding the current communication materials; and

¹ Ontario's Clean Energy Opportunity: Report Of The Electrification And Energy Transition Panel, December 2023, p. 94 ([link](#)).

² Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sched. B, s. 2(2).

³ Energy Futures Group, Review of Enbridge Heating Cost Comparison, May 15, 2026, p. 1.

3. Direction that Enbridge communicate corrections to recipients of misleading information.

Enbridge's misleading communications

Enbridge's current energy cost comparison information is misleading in ways that significantly understate the cost of gas service vis-à-vis heat pumps. The Energy Futures Group summarizes the primary concerns with those materials as follows:

- **“Disregards important heat pump savings:** Enbridge's comparison does not account for or provide information on the following sources of energy bill savings from heat pumps:
 - **Avoided fixed gas costs:** the additional amounts a customer saves if they install a heat pump as part of fully electrifying their home (\$332/year);
 - **Cooling savings:** the cooling savings that accrue because heat pumps are more efficient than traditional A/C (~\$150/year per Ontario TRM assumptions);
 - **Low-income rebates:** the additional electricity rebates available to qualifying low-income customers with electric heating (between \$204-\$456/year);
 - **Avoided gas expansion surcharges:** the additional savings from installing a heat pump where a customer is subject to \$0.23/m³ gas surcharges (~\$400/year); and
 - **Furnace fan savings:** the savings from avoiding furnace fan power consumption (\$78/year).
- **Misleading:** The Enbridge comparison uses misleading wording that results in an inaccurately negative impression of the cost-effectiveness of heat pumps.
- **Inaccurate and confusing:** The Enbridge comparison uses unnecessarily confusing wording, which in some instances is also clearly inaccurate.”⁴

The Energy Futures Group also notes that portions of the materials are “unbalanced, misleading, and/or inaccurate,” providing the following example:

For example, the hybrid heating section includes the following sentence, with the bolding in the original Enbridge text: “Your **total energy bill may go up** where electricity is more expensive than natural gas (per equivalent unit of heating after accounting for your realized equipment efficiency), and vice versa.” A customer scanning the wording may be drawn to the bolded language about heating bills going up and either not read about the potential for (“or vice versa” language) or assume there is a much lower probability

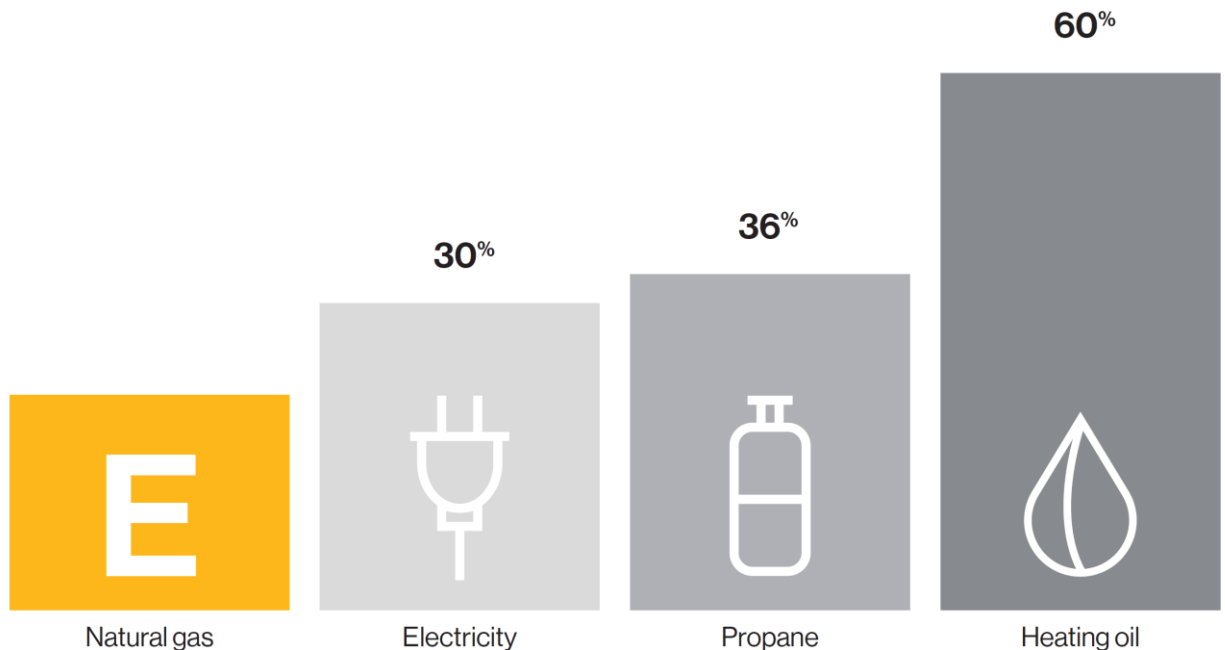
⁴ *Ibid.*

of bills going down. Also, the sentence is not accurate because it excludes consideration of other factors discussed below (e.g., cooling energy savings).⁵

The Energy Futures Group also critiques Enbridge for repeatedly emphasizing that electricity costs are more than 4 times the cost of gas per energy unit. This is misleading because “Cost tradeoffs are also affected by whether fixed costs are avoided (see discussion above), the electrical cost of running a furnace (which is excluded from Enbridge’s analysis – see below), the potential for significant air conditioning efficiency savings (which is also excluded from Enbridge’s analysis – see below), and other factors.”⁶

It is telling that Enbridge did not actively engage with the findings of the Energy Futures Group in its rebuttal evidence or its argument-in-chief. Enbridge tacitly acknowledged that its materials did not advise customers or potential customers of the savings they could potentially achieve in relation to avoided fixed gas costs (\$332/year), cooling (~\$150/year); higher low-income rebates (between \$204-\$456/year), avoided gas expansion surcharges (~\$400/year); and furnace fan operation (\$78/yr).

The current materials are part of a longer pattern of misrepresenting the cost of gas service versus heating and cooling with a heat pump. For example, the following bar chart was used by Enbridge to promote connections in gas expansion communities under the heading “How much can you save each year?”⁷



That chart was misleading as heating with electricity was cheaper than gas, if one used an air-source heat pump instead of electric resistance heating. Those same materials repeatedly stated

⁵ *Ibid.*, p. 6.

⁶ *Ibid.*, p. 5.

⁷ EB-2024-0111, Phase 2 Exhibit 1, Tab 16, Schedule 1, Attachment 1, Page 12

that gas was the cheapest way to heat a home.⁸ Those statements were not true.⁹ Similar charts and information were sent to customers and potential customers across the province.¹⁰

Although those previous cost comparison materials are no longer being used, they are relevant to the need to provide specific directions and relief in this proceeding, rather than leave Enbridge without OEB guidance.

The OEB's statutory mandate

Enbridge's main argument is a legal one. It argues that a review of utility marketing materials is not within the OEB's jurisdiction or mandate. This is incorrect. Section 2 of the *Ontario Energy Board Act, 1998* states that the OEB "shall be guided by" several objectives, which include "[t]o inform consumers ... with respect to prices and the reliability and quality of gas service."¹¹ Appropriate customer information is clearly within the core mandate of the OEB.

The OEB is also well-placed to review materials relating to the price of gas service due to its expertise in energy and financial matters. The OEB frequently engages in comparisons of energy options, including in demand side management proceedings.

Ensuring full, fair, and accurate customer communications is also an element of the OEB's overall mandate to protect customers in the face of a monopoly utility. Customer protection requires guardrails to ensure a utility does not misuse the power that comes from having a monopoly position. Enbridge has special access to Ontario gas customers through its customer database, billing system, and management of demand side management programs. It is appropriate that the OEB play a role in ensuring that this power is not used in a way that benefits Enbridge and misleads customers.

Similarly, Enbridge argues that it is not the OEB's role to "micromanage" utility marketing materials. That is true. However, the relief requested below does not amount to micromanagement. Instead, it is a measured response to persistent misleading materials.

Requested relief

As noted above, Environmental Defence seeks:

1. Directions that Enbridge abide by specific principles outlined below, aimed at ensuring full, fair, and accurate information about the cost of gas service;
2. Factual findings and directions regarding the current communication materials; and
3. Direction that Enbridge communicate corrections to recipients of misleading information.

⁸ E.g. EB-2024-0111, Phase 2 Exhibit 1, Tab 16, Schedule 1, Attachment 1, Page 12.

⁹ EB-2022-0200, Exhibit M9, p. 22-24; EB-2022-0200, Decision and Order, p. 37.

¹⁰ EB-2024-0111, Exhibit I.1.16-ED-16; Exhibit I.1.16-ED-18; Exhibit I.1.16-ED-21.

¹¹ *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, s. 2(2).

Principles for full, fair, and accurate communication

To protect the interests of customers and mitigate Enbridge's incentive to downplay the cost of gas services vis-à-vis alternatives, the OEB should direct Enbridge to abide by high-level principles aimed at ensuring full, fair, and accurate information about the cost of gas service. In particular, Enbridge should be directed to ensure that materials regarding the cost-effectiveness of gas service:

1. Provide full, fair and accurate information;
2. Include all relevant energy cost impacts;
3. Expressly guard against the incentive to understate the cost of gas versus its alternatives; and
4. Avoid wording that a typical customer may interpret in an unbalanced manner.

The rationale for each is outlined below.

- Provide full, fair and accurate information: Customers require full, fair, and accurate information to make decisions regarding their energy use. The absence of express falsehood is insufficient to meet customer needs.
- Include all relevant energy cost impacts: The provision of full and fair information requires details on all energy cost impacts. This is a particularly important principle given Enbridge's current materials exclude important energy cost categories, skewing the materials in favour of gas and against alternatives, as noted above.
- Expressly guard against the incentive to understate the cost of gas versus alternatives: The goal of full, fair, and accurate information would be furthered if Enbridge were directed to expressly guard against biased materials. Expressly considering and guarding against that outcome is a process that could lead to better information for customers.
- Avoid wording that a typical customer may interpret in an unbalanced manner: This last element is meant to address the current wording that is misleading and unbalanced even though it is not fully inaccurate. For instance, as noted above, it was not inaccurate for Enbridge to say a customer's "total energy bill may go up." However, it was misleading and unbalanced for Enbridge to bold those words while failing to indicate that the customer's total energy bill may also go down.

Directing Enbridge to follow these high-level principles is important both for the current materials and for future iterations. These principles would provide important guidance both now and into the future. This would hopefully avoid this issue returning before the Board in future proceedings, thus achieving regulatory efficiency in the long run.

Findings and directions regarding current communications

In addition to the recommended high-level principles, the OEB should make specific findings and directions regarding the current materials. Those findings and directions would provide more concrete guidance on the requirements of full, fair, and accurate information.

Environmental Defence asks the OEB to find that the current materials are misleading in ways that understate the cost of gas vis-à-vis alternatives, including due to the specific concerns outlined on page 4 above.

Environmental Defence also asks that the OEB adopt the 8 recommendations set out by the Energy Futures Group. Those recommendations are listed below:

1. **Present the comparisons on an annual basis.** This is the only way to clearly account for the full range of impacts, including cooling energy savings.
2. **Present the comparisons for different heat pump scenarios.** This should include (1) heat pumps installed as part of a full electrification of all end uses; (2) full electrification of just heating but continued use of gas for other end uses; and (3) partial electrification of heating with a hybrid furnace-heat pump system.
3. **Include all energy cost impacts** – including potentially avoidable gas fixed monthly charges for customers who fully electrify all gas end uses (i.e., scenario #1 in the recommendations provided above), avoided gas furnace fan electricity consumption and reductions in electricity required for cooling.
4. **Express and quantify additional heat pump savings** for low-income households and those in gas surcharge areas. Although these can be separate from the main cost comparison chart and/or table, it is important to identify and quantify the savings.
5. **Move discussion of computational details to the footnotes**, such as fuel price ratios, heating efficiency differences, etc..
6. **Avoid misleading and unbalanced wording** that is skewed in favour of gas heating.
7. **Present total heating and cooling energy bills in a simple bar chart**, as many customers may find that easier to understand. The chart should show the combined heating and cooling cost of a gas furnace and central air conditioner, as well as for the three heat pump scenarios described in recommendation #2 above. The chart should be followed by appropriate caveats explaining that cost differences will vary based on a variety of factors including current and future energy prices, furnace and heat pump efficiency ratings, the size of the home, insulation levels of the home, etc.

8. Provide a supporting table that provides more detail, but with a focus on the categories of cost impacts rather than the math used to compute those impacts.¹²

Several of the Energy Futures Group recommendations boil down to Enbridge reverting to its previous energy comparison materials, while adding a bar for heat pumps and a few extra lines of text for additional information that is relevant to heat pumps. The previous energy comparison materials provided overall annual energy costs in a bar chart for the average home (see for example, the chart on page 5 above). That could easily be recreated while adding additional heat pump information. In other words, complying with the Energy Futures Group recommendations would impose little burden on the company, while ensuring customers have crucial market information.

Issuing corrections

Finally, Enbridge should be required to issue corrections to customers who received its current and past misleading materials. Otherwise the problem will remain uncorrected, and customers will continue to be left with inaccurate information. The correction could indicate that the previous materials left an inaccurate impression and either refer the customer to updated materials prepared by Enbridge or to the OEB decision itself.

Enbridge will not have contact information for every person who received the misleading materials. However, it will have contact information for some, and it is better that some customers receive the correction, rather than none.

Integrated resource planning

Enbridge has not complied with previous OEB directions regarding IRP. Those directions long pre-date the current IRP framework and include directives in the proceedings regarding the GTA pipeline (2014), the Bathurst Reinforcement (2019), London Lines (2020), and EBO 169 (1993).¹³ For instance, Enbridge has not complied with OEB timelines to carry out *two* pilot projects and to finalize its cost-effectiveness test. It has also failed to appropriately consider non-pipeline solutions, as evidenced by the lack of any instance of cost-effective infrastructure deferrals beyond the small Kingston project. However, Environmental Defence is not making more specific submissions on this topic or asking for specific relief as we understand that other parties will be addressing the issue in more detail.

¹² Energy Futures Group, *Review of Enbridge Heating Cost Comparison*, May 15, 2026, pp. 8-9.

¹³ E.g. EBO 169-III, *Report of the Board on the Demand-Side Management Aspects of Gas Integrated Resource Planning*, July 23, 1993 ([link](#)), pp. 1-4; Ontario Energy Board, *Decision in EB-2012-0451/0433*, January 30, 2014, p. 46-47 (GTA Pipeline) ([link](#)); Ontario Energy Board, *DSM Framework*, December 22, 2014, p. 35-36 ([link](#)); EB-2018-0097, *Decision and Order*, January 3, 2019, pp. 6-7 (Bathurst Reinforcement) ([link](#)); EB-2020-0192 (London Lines), *OEB Decision and Order*, January 28, 2021, p. 20 ([link](#)).

Conclusion

Full, fair, and accurate customer information is an *affordability* issue because it is important to enable *informed* customer decisions on how to lower energy bills. Misinformation runs contrary to the goal of affordability by hindering customer efforts to cut costs. The OEB has an important role to play in this area. By making the findings and directions noted above, the OEB can support affordability and help customers make the best choices.