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VIA EMAIL and RESS

September 29, 2026

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ritchie Murray:

Re: Enbridge Gas Inc. ("Enbridge Gas")
Ontario Energy Board ("OEB") File No. EB-2026-0216
Integrated Resource Planning Framework Update Application
Application and Pre-Filed Evidence

As directed by the OEB in its April 28, 2026 letter (EB-2025-0125)[1], Enbridge Gas hereby files its Application and Evidence for an updated Integrated Resource Planning Framework.

Enbridge Gas is applying to the OEB pursuant to section 36 of the Ontario Energy Board Act, 1998, for interim and final Orders approving the proposed updated Integrated Resource Planning Framework described in this Application.

If you have any questions, please contact the undersigned.

Sincerely,

Haris Ginis

Haris Ginis
Technical Manager, Regulatory Applications

cc: David Stevens (Aird & Berlis LLP, Enbridge Gas Counsel)

[1] In its April 28, 2025 letter, the OEB stipulated a filing deadline of August 31, 2025. By letter on August 27, 2026, the OEB granted an extension of the filing deadline to September 30, 2026.

EXHIBIT LIST

A – ADMINISTRATION

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	2	2	Proposed IRP Framework (Clean Version)
	3	1	Glossary of Terms and Acronyms

B – PROPOSED AMENDMENTS TO IRP FRAMEWORK

Exhibit	Tab	Schedule	Contents of Schedule
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		2	Overview
			Attachment 1 – Proposed IRP Framework (Blacklined Version)
		3	Context and Foundational Considerations

C – RATIONALE FOR PROPOSED AMMENDMENTS TO IRP FRAMEWORK

Exhibit	Tab	Schedule	Contents of Schedule
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	2	1	Definitions
	3	1	Objectives and Guiding Principles

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14	1	Innovation-Related Proposals

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Sched. B), and in particular section 36 thereof;

AND IN THE MATTER OF an Integrated Resource Planning Framework proposal by Enbridge Gas Inc.

APPLICATION

1. The Applicant, Enbridge Gas Inc. ("Enbridge Gas", or "the Company") is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting, and storing natural gas within Ontario.

2. Enbridge Gas hereby applies to the Ontario Energy Board (the "OEB"), pursuant to section 36 of the *Ontario Energy Board Act, 1998*, as amended (the "Act") for interim and final Orders approving the proposed updated Integrated Resource Planning Framework ("IRP Framework") described in this Application.

3. In the EB-2025-0125 consultation titled "Review and Evaluation of the Integrated Resource Planning Framework for Enbridge Gas", the OEB published a discussion paper from OEB staff and solicited comments from stakeholders about how the first-generation IRP Framework for Enbridge Gas could be updated.

4. At the conclusion of the EB-2025-0125 consultation, the OEB determined that any changes to the IRP Framework should be determined through an adjudicative process.

5. In a letter dated April 28, 2026, the OEB directed Enbridge Gas to draft and file an updated IRP Framework for adjudicative review and approval. The OEB further directed that Enbridge Gas should document how the proposals in the OEB staff discussion paper and the submissions filed by participants in EB-2025-0125 were taken into account in the proposed updated IRP Framework. Enbridge Gas was instructed to give consideration to portions of Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7 that may be relevant to the matters at issue.

6. Enbridge Gas has followed the OEB's direction, and has prepared a proposed updated IRP Framework for review and approval by the OEB. A clean version is filed at Exhibit A, Tab 2, Schedule 2, and a black line version is filed at Exhibit B, Tab 1, Schedule 2, Attachment 1.

7. The supporting evidence filed with this Application explains the background and context for the updated IRP Framework (Exhibit B) and the rationale for the specific updates proposed to the IRP Framework (Exhibit C).

APPROVAL REQUESTS

8. The specific approvals sought in this Application are as follows:

    - The updated IRP Framework, filed at Exhibit A, Tab 2, Schedule 2, including (without limitation) changes or additions to:
        i. Amend or add Definitions, Guiding Principles and an Objective;
        ii. Update the IRP Assessment Process;
        iii. Update the Stakeholder Engagement Process and IRP Technical Working Group role;
        iv. Update IRP Cost Recovery and Accounting Treatment principles;

v. Add an IRP Incentive Mechanism;

vi. Add an IRP Implementation Plan approval process;

vii. Update the IRP Costs Deferral Accounts; and

viii. Replace the IRP Pilot Projects requirements with IRP Innovation-Related Proposals guidance;

- The IRP Incentive Mechanism described at Exhibit C, Tab 9, Schedule 2;
- The updated Accounting Orders for IRP Costs Deferral Accounts at Exhibit A, Tab 2, Schedule 2, Appendix A; and
- The determination of all other issues that bear upon the OEB's approval of an updated IRP Framework for Enbridge Gas.

9. Enbridge Gas further applies to the OEB pursuant to the provisions of the Act and the OEB's Rules of Practice and Procedure for such final, interim or other Orders and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.

10. This Application is supported by written evidence and may be amended from time to time as circumstances require.

11. The persons affected by this Application are the customers residing or located in the municipalities, police villages and Indigenous communities served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf Enbridge Gas distributes, transmits or stores natural gas.

12. Enbridge Gas requests that all documents in relation to the Application and its supporting evidence, including the responsive comments of any interested party, be served to Enbridge Gas and its counsel as follows:

(a)	The Applicant:	Haris Ginis Technical Manager, Regulatory Applications
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	E-Mail:	EGIRegulatoryProceedings@enbridge.com haris.ginis@enbridge.com
(b)	The Applicant's counsel:	David Stevens Aird and Berlis LLP
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DATED at the City of Toronto, Ontario this 29th day of September 2026.

ENBRIDGE GAS INC.

Haris Ginis

Haris Ginis,
Technical Manager, Regulatory Applications

Integrated Resource Planning Framework for Enbridge Gas

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1 INTRODUCTION AND PURPOSE

This document describes the Integrated Resource Planning (IRP) Framework for Enbridge Gas. Within the energy sector generally, integrated resource planning usually refers to a planning process that evaluates and compares both supply-side and demand-side options to meeting an energy system need, and may also refer to consideration of multiple energy sources, and co-ordination or integration between multiple energy service providers. A definition of IRP specific to Enbridge Gas's operations is provided in chapter 2 ("Definitions").

This IRP Framework is a companion document to the OEB's Decision and Order on Enbridge Gas's Integrated Resource Planning Framework Update Application (EB-2026-0216), regarding IRP for Enbridge Gas. While the IRP Framework is intended to be fully consistent with the Decision and Order, in case of any discrepancy, the wording in the Decision and Order will prevail .

The IRP Framework provides direction to Enbridge Gas on topics to be covered in an IRP Plan, Implementation Plan, and Annual Report (defined in chapter 2 ("Definitions")), and the OEB's requirements as Enbridge Gas considers IRP to meet its system needs. If Enbridge Gas has reasons for a specific IRP Plan to deviate from the IRP Framework, it should justify why deviations from the Framework requirements are appropriate.

The IRP Framework has been established for Enbridge Gas; however, it should also be used as a resource to guide EPCOR Natural Gas Limited Partnership when it examines infrastructure investments and potential alternatives.

2 DEFINITIONS

The following terms are defined in the IRP Framework:

- **Integrated Resource Planning (IRP):** A planning strategy and process that considers Facility Alternatives and IRP Alternatives (including the interplay of these options) to address the system needs of Enbridge Gas's regulated operations, and identifies and implements the alternative (or combination of alternatives) that is in the best interest of Enbridge Gas and its customers, taking into account the objective and guiding principles of IRP.

- **IRP Framework:** The regulatory framework approved by the OEB that sets out the objective, guiding principles, expectations, scope, and requirements for IRP. The IRP Framework also sets out the requirements for Enbridge Gas regarding the development and filing of IRP Implementation Plans, IRP Plans, and IRP Annual Reports.

- **IRP Implementation Plan:** A forward-looking, adjudicated plan filed by Enbridge Gas, compatible with the IRP Framework, that provides details regarding non-project-specific matters related to operationalizing the IRP Framework, such as methodologies and processes, and may include proposals for innovation-related activities.

- **IRP Plan:** A project-specific, non-policy, adjudicated application filed by Enbridge Gas in response to a specific system need identified in the Company's Asset Management Plan ("AMP"), that includes one or more IRPAs.

- **IRP Annual Report:** A retrospective, informational, non-adjudicated report filed by Enbridge Gas as part of its annual Utility Earnings and Disposition of Deferral and Variance Account application. IRP Annual Reports summarize IRP activities from the previous year in accordance with the requirements set out in the IRP Framework.

- **IRP Assessment Process:** The process used by Enbridge Gas to determine the preferred solution to meet specific system needs, including consideration of Facility Alternatives and IRP Alternatives.

- **Facility Alternative:** A potential infrastructure solution considered under the IRP Assessment Process in response to a specific system need identified in the Enbridge Gas AMP. In this IRP Framework, the term is synonymous with a traditional or conventional facility project. This would typically include a

hydrocarbon line (as defined in the *OEB Act*) developed by Enbridge Gas, and ancillary infrastructure. Facility Alternatives determined by Enbridge Gas to be the preferred solution to meet the system need may require approval from the OEB through a Leave to Construct application.

- **IRP Alternative (IRPA):** A potential solution other than a Facility Alternative considered in Enbridge Gas's IRP Assessment Process to avoid, reduce or defer a defined baseline Facility Alternative associated with a specific system need identified in the Enbridge Gas AMP. IRPAs determined by Enbridge Gas to be the preferred solution to meet the system need (alone, in combination with other IRPAs, or in combination with a Facility Alternative) may be brought forward for approval from the OEB through an IRP Plan.
- **IRP Incentive Mechanism:** A mechanism designed to reduce or remove the financial disincentive that may otherwise exist for Enbridge Gas to pursue an IRPA relative to traditional Facility Alternatives.
- **Innovation-Related Proposals:** Discrete initiatives aimed at testing the appropriateness of new technologies, approaches or practices to advance or improve the understanding of how IRP can address Enbridge Gas's system needs.

3 OBJECTIVE AND GUIDING PRINCIPLES

3.1 Objective

The objective of IRP is to address system needs identified in Enbridge Gas's AMP by selecting the alternative(s) that minimizes the natural gas rate impact, while taking into account the guiding principles.

3.2 Guiding Principles

The OEB has adopted the following guiding principles for IRP. IRP Plans filed with the OEB should include a section to discuss how these guiding principles have been addressed.

- Reliability and safety – In considering IRPAs as part of system planning processes, Enbridge Gas's system design principles cannot be compromised, and the reliable and safe delivery of firm contracted peak period natural gas volumes to Enbridge Gas's customers must remain of paramount importance.

- Cost-effectiveness – IRPAs must be cost-effective (competitive) compared to Facility Alternatives and other IRPAs taking into account impacts on Enbridge Gas customers. Primary consideration is given to impacts on natural gas customer rates.

- Public policy – IRP will be considered in a manner to ensure that it is supportive of and aligned with current public policy and government directives applicable to natural gas, and the OEB's statutory objectives for the natural gas sector.

- Optimized scoping – Recognizing that reviewing IRPAs for every forecast infrastructure project would be extremely time intensive, binary screening should be undertaken, to confirm which forecast need(s) should undergo evaluation of IRPAs, and to ensure a focus at the outset on efficient and effective IRPA investment.

- Risk management – Economic risks associated with both Facility Alternatives and IRPAs in meeting system needs are evaluated and appropriately mitigated. Risks and rewards are allocated appropriately between Enbridge Gas and its customers.

4 TYPES OF IRPAS

Demand-side programming may include IRPAs such as geotargeted energy efficiency programs and demand response programs (which incent or oblige the customer to reduce or shift energy usage during peak periods). Demand-side IRPAs are expected to target specific constrained areas and (amongst other things) encourage customers to reduce peak consumption.

Interruptible rates can also be used to reduce peak demand. Negotiated interruptible rates may be considered independently or in combination with other demand-side or supply-side alternatives to meet a system need/constraint.

Supply-side IRPAs may include localized sources of natural gas supply procured to address facility needs identified in the AMP that support the avoidance, deferral or reduction of the need to build new pipeline infrastructure. These may include compressed natural gas, or market-based natural gas supply alternatives, such as contractual or transactional arrangements requiring delivery of natural gas to specific points on Enbridge Gas's system that leverage existing pipeline infrastructure (including non-Enbridge Gas pipelines). These arrangements could be for incremental natural gas deliveries, transportation, exchanges, pressure support, or other market-based services at specific interconnects or points on or connected to the Enbridge Gas system. Where such arrangements are implemented to address a defined need in the AMP, they would be considered IRPAs within the IRP Assessment Process.

Natural gas-based solutions that have the potential to defer, avoid or reduce traditional facilities are eligible IRPAs. Electricity-based solutions are not eligible IRPAs.

For both demand-side and supply-side IRPAs, Enbridge Gas should look to procure equipment or activities through the competitive market, where feasible and cost-effective.

Enbridge Gas should consider both combination IRP Plans (that may include multiple supply-side or demand-side IRPAs or an IRPA in combination with a Facility Alternative) and bridging solutions in its IRP Assessment Process if the bridging solution provides the best alternative in the near term, while exploring longer term solutions.

5 IRP ASSESSMENT PROCESS

Enbridge Gas will use a four-step IRP Assessment Process to determine the best approach to meeting system needs identified in the AMP, including whether to pursue IRPAs for an identified need/constraint. In a project-specific application (Leave to Construct or IRP Plan), Enbridge Gas is required to demonstrate that it has followed this process including the results of the analysis at each stage of the process.

1. Identification of Constraints

2. Binary Screening Criteria

3. Two-Stage Evaluation Process

4. Periodic Review

Within its IRP Annual Report, Enbridge Gas shall report on the results of its IRP Assessment Process, including reporting on those system needs where a negative result at step two (binary screening) or step three (technical screening and evaluation and economic evaluation) resulted in a determination by Enbridge Gas for no further assessment of IRPAs.

5.1 IRP Assessment Process Step 1: Identification of Constraints

Enbridge Gas shall identify potential system needs/constraints and describe the associated baseline Facility Alternative in the AMP with sufficient lead time to support detailed evaluation of IRPAs. An AMP or update to the AMP (“AMP Addendum”), which addresses all utility assets within Enbridge Gas’s regulated operations, is currently filed on an annual basis.

The information filed within each AMP should include:

- a list of baseline Facility Alternatives associated with the identified system needs
- the status of IRPA considerations for each system need
- the result of the initial binary screening
- details as to whether and why IRPAs have been screened out at subsequent steps, with supporting rationale
- any material changes to future system demand, relative to the prior forecast that was assessed as part of the last AMP/AMP Addendum

The OEB expects that, for projects brought to the OEB for approval (both Leave to

Construct projects and IRP Plans), the system need will have previously been identified in the AMP (although the preferred project to meet the system need may not have been determined at that time). For any previously unidentified needs, Enbridge Gas will need to provide an explanation as to why the project is needed at this time.

5.2 IRP Assessment Process Step 2: Binary Screening Criteria

The IRP Framework will include screening criteria, in order to focus on those situations where there is a reasonable expectation that an IRPA could efficiently and economically meet the system need.

Enbridge Gas will apply these binary screening criteria to identified system needs/constraints (as identified in step 1) to determine whether further IRP evaluation is appropriate. Binary screening would thus exclude some system needs from further IRP consideration. System needs where IRP is not screened out through this binary screening would next move to the two-stage IRP evaluation process.

The OEB has established the following screening criteria for the IRP Framework.

Emergent Safety or Reliability Issues

The first criterion deals with urgent or imminent issues. The safety and reliability of the gas system is paramount. Removing constraints that jeopardize this system performance does not allow time for the development and assessment of an IRP Plan.

i. ***Emergent Safety or Reliability Issues*** *– If an identified system constraint/need is determined to require a facility project for Enbridge Gas to offer safe and reliable service or to meet an applicable law, an IRP evaluation is not required. An example of such a system constraint/need, and an emergent safety issue, would be if an existing pipeline sustained unanticipated damage and needed to be replaced as quickly as possible to ensure the safety of local communities and Enbridge Gas's broader transmission and distribution systems. Longer-term safety related system constraints/needs may be appropriate for an IRP Plan and should be considered on a case-by-case basis.*

Customer-Specific Builds

Where the customer pays incremental infrastructure costs associated with a facility project, in the form of a Contribution in Aid of Construction and/or a long-term firm service contract, or where an identified system need is underpinned by a customer's request for connection to the natural gas system, consideration of IRPAs is not required.[1] However, Enbridge Gas is encouraged to discuss demand-side management (DSM) opportunities with customers to potentially reduce the size of the build.

ii. ***Customer-Specific Builds*** *– If an identified system need has been underpinned by:*

- *A specific customer's (or group of customers') clear request for a facility project and either the choice to pay a Contribution in Aid of Construction, to contract for long-term firm services delivered by such facilities; or*
- *A customer's (or group of customers') clear request for connection, where the associated project is limited to the assets required to directly connect those customers to the natural gas system,*

then an IRP evaluation is not required.

Community Expansion & Economic Development

Given the goal of the Ontario Government's Access to Natural Gas legislation[2] to extend gas service to designated communities, Enbridge Gas is not required to develop an IRP Plan or consider alternatives to the infrastructure facilities to meet this need. However, Enbridge Gas is encouraged to discuss DSM opportunities with customers to potentially reduce the size of the build.

iii. ***Community Expansion & Economic Development*** *– If a facility project has been driven by government legislation or policy with related funding explicitly aimed at delivering natural gas into communities, then an IRP evaluation is not required.*

[1] The incremental costs recovered through a Contribution in Aid of Construction are set at an amount that reduces the capital cost of a project for Enbridge Gas ratepayers such that the project becomes economically feasible, which generally requires a profitability index greater than or equal to one.

[2] *Access to Natural Gas Act, 2018*, S.O. 2018, c. 15 - Bill 32

Pipeline Replacement and Relocation Projects

A minimum facility project size is required to justify the time and effort associated with conducting an IRP evaluation and potentially developing an IRP Plan. Pipeline replacement and relocation projects for which project costs do not surpass the $10 million cost threshold for Leave to Construct approval, including projects eligible for exemption from Leave to Construct approval, should be screened out.

iv. ***Pipeline Replacement and Relocation Projects*** *– If a facility project is being advanced for replacement or relocation of a pipeline and the cost does not surpass the $10 million cost threshold for Leave to Construct approval, or if the project is eligible for exemption from Leave to Construct approval under the applicable Ontario Regulations, then an IRP evaluation is not required.*

System Reinforcement Projects

A minimum cost of the facility project that would be built to meet a system need (in the absence of IRP) is required to justify the time and effort to conduct an IRP evaluation and potentially develop an IRP Plan. Reinforcement projects under $2 million should be screened out. These costs are exclusive of costs associated with serving new customers, including materials and installation of distribution mains, services and regulating equipment.

v. ***System Reinforcement (Growth) Projects*** *– If a facility project is being advanced for reinforcement purposes and the cost is less than $2 million, then an IRP evaluation is not required.*

5.3 IRP Assessment Process Step 3: Two-Stage Evaluation Process

For system needs progressing past the initial IRP binary screening, Enbridge Gas will determine whether to proceed with an IRPA through a two-stage evaluation. First, Enbridge Gas will determine whether potential IRPAs could meet the identified constraint/need. If yes, then Enbridge Gas will compare one or more IRPAs to the baseline Facility Alternative, using a Discounted Cash Flow-plus (DCF+) economic test, to determine the preferred solution to meet the system need. It is expected that the two stage evaluation process would commence sufficiently far in advance of the date that the constraint/need must be met in order to allow for time for detailed evaluation of IRPAs.

Stage 1: Technical Screening and Evaluation

Following binary screening, Enbridge Gas will conduct technical screening to determine whether any technically feasible IRPA exists. Investments that do not have a technically feasible IRPA will not proceed to technical evaluation. Examples may include investments associated with integrity management programs or programmatic spending where no feasible IRPA is available.

Investments that pass technical screening will proceed to a technical evaluation, which assesses the technical viability of potential IRPAs to reduce peak hour demand to the degree required to meet the identified system need, using best available information (including information on IRPAs from Enbridge Gas's IRP Implementation Plan), to determine whether an IRPA would be a viable option.

Enbridge Gas may use derating factors (i.e., assuming less than 100% of the forecast peak hour demand reduction from the IRPAs would be delivered), oversubscription of IRPAs, and/or leverage IRPAs as bridging solutions (e.g., inclusion of CNG as an IRPA alongside demand-side alternatives) to address uncertainty regarding forecast savings. These derating factors may be relevant to both the technical and economic evaluations. In any subsequent application for OEB approval of specific IRP Plans, Enbridge Gas should identify both the level of oversubscription and/or bridging solutions and the supporting rationale.

Stage 2: Economic Evaluation

The economic evaluation used to compare IRPA(s) to the baseline Facility Alternative will consist of a three-phase DCF+ evaluation. Phase 1 of the DCF+ test is aligned with the objective of IRP.

Enbridge Gas will use the DCF+ test to assess the costs and benefits of potential transmission and distribution system expansion baseline Facility Alternatives, IRPAs and/or a combination of both. The DCF+ test reflects a similar phase-based approach established for transmission pipeline applications under the *Report of the Board on the Expansion of the Natural Gas System in Ontario* (the E.B.O. 134 report). The principles of this test are summarized in the OEB's *Filing Guidelines on the Economic Tests for Transmission Pipeline Applications*. In the IRP Framework, the DCF+ test will include the following phases:

- Phase 1 assesses the economic benefits and costs from the utility perspective and indicates whether the project is likely to result in future increases to utility rates.
- Phase 2 assesses the incremental economic benefits and costs incurred by participating customers from the IRPA(s) or Facility Alternative(s).
- Phase 3 assesses the incremental societal benefits and costs.

A Net Present Value ('NPV') will be calculated for each phase. Results from each phase will be presented separately for transparency. The summed results of Phase 1 and Phase 2 will represent impacts to all customers, both existing and new.

The DCF+ results for the IRPA(s), or combination of IRPAs and Facility Alternative, and the baseline Facility Alternative will be compared to one another to determine which alternative is preferred.

The alternative with the highest score on Phase 1 of the DCF+ test shall be selected as the preferred alternative. However, Enbridge Gas retains the discretion to select an alternative to meet a system need that does not have the highest Phase 1 NPV, as there may be considerations with respect to the combined results of Phases 1 and 2, the results of Phase 3, the guiding principles, or project-specific circumstances that are difficult to quantify and would need to be assessed collectively and qualitatively. Such circumstances will require justification if Enbridge Gas recommends a higher cost alternative.

Table 1 (below) displays the phase-based structure of the DCF+ test, including the presentation of the impacts (categories) across stakeholder perspectives (i.e. ratepayer, participant, and incremental societal).

Table 1: DCF+ Test Impacts by Perspective

Category	Relative Rate Perspective	Participating Customer Perspective	Incremental Societal Perspective
Phase 1			
Utility Revenue Impact	x		
Utility Net Capital Impact	x		
Utility O&M Impact	x		
Utility Carbon Tax Impact	x		
Utility Tax Impact	x		
Utility Risk Impact	x		
Phase 2			
Future Rate Impact		x	
Customer Energy Impact		x	
Customer Carbon Tax Impact		x	
Customer Tax Impact		x	
Customer Non-Energy Benefits		x	
Other Customer Impact		x	
Phase 3			

Carbon Tax Transfer Impact			x
Societal Tax Transfer Impact			x
Societal Non-Energy Benefits			x
Other Societal Impact			x

5.4 IRP Assessment Process Step 4: Periodic Review

Material changes may occur that could impact Enbridge Gas's determination as to how best to meet a system need. These may include changes occurring when implementing an IRPA, or IRP Plan after receiving project approval. Examples could include where the nature or timing of an identified need/constraint alters materially, or significant policy changes are announced by government or the OEB. In such cases, Enbridge Gas may review its IRP determinations and may choose to make changes to the scope of the project as necessary.

Updates of this nature should be provided by Enbridge Gas as part of its annual IRP report. If Enbridge Gas plans to increase its spending on an approved IRP Plan by more than 25%, it will need to request OEB approval for the change, as discussed in chapter 11 ("Future IRP Plan Applications").

6 STAKEHOLDER OUTREACH AND ENGAGEMENT PROCESS

6.1 Stakeholder Engagement Process

Targeted Stakeholder Engagement

Enbridge Gas is required to conduct stakeholder engagement to inform the assessment and implementation of IRPAs and IRP Plans. This will involve targeted stakeholder engagement related to project-specific stakeholders relevant to the system need and geographic area.

IRPA Assessment Engagement and IRPA Implementation Engagement are differentiated to reflect their different objectives within the IRP process. Assessment Engagement supports the evaluation of IRPAs for a specific system need, while Implementation Engagement supports the delivery of the IRP solution.

1. IRPA Assessment Engagement: Project-specific consultation that will inform the evaluation of IRPAs identified as viable to address a specific need. This consultation must be done in advance of seeking IRP Plan approval from the OEB.

2. IRPA Implementation Engagement: Project-specific consultation that is conducted during the implementation of IRPAs that have been identified to address a system need, to support the delivery of the IRP solution.

It is expected that Enbridge Gas will record comments from stakeholders and Indigenous groups participating in IRP Assessment Engagement as well as the responses from Enbridge Gas to these comments. This information is to be filed in any subsequent IRP Plan/Leave to Construct application. Chapter 7 (“Indigenous Engagement and Consultation”) provides additional details on Indigenous engagement and consultation.

Broader Stakeholder Updates

Enbridge Gas shall maintain a website to facilitate the broad sharing of information on IRP activities.

6.2 Technical Working Group

The OEB has established an IRP Technical Working Group led by OEB staff. OEB staff is responsible for updates to the terms of reference and membership selection.

The role of the IRP Technical Working Group is to provide input on the IRP Implementation Plan, prior to its filing, for consideration by Enbridge Gas. The objective of this consultation is to ensure that the Implementation Plan is developed with technical input from industry experts to allow for more streamlined and efficient regulatory proceedings. Enbridge Gas will document its consideration of Technical Working Group comments in its filed Implementation Plan.

As the natural gas system operator, Enbridge Gas retains the sole responsibility to make final decisions regarding the development and filing of the IRP Implementation Plan. While Enbridge Gas is expected to consider any input provided by the IRP Technical Working Group, the IRP Technical Working Group will not have “voting rights” that bind Enbridge Gas with regards to its IRP Implementation Plan.

7 INDIGENOUS ENGAGEMENT AND CONSULTATION

Enbridge Gas will make efforts to accommodate participation of Indigenous groups within its stakeholder engagement process and work with these groups as appropriate to address any concerns. The OEB endorses this approach and expects that Indigenous engagement will take place in cases where material Indigenous interests are engaged.

In addition to any broader stakeholder engagement with Indigenous groups, Enbridge Gas is required to conduct consultation with respect to any potential impacts to Aboriginal or treaty rights in relation to proposed IRP Plans (which may include the individual IRPAs considered) and Leave to Construct applications. Any concerns can be considered on a case-by-case basis when an IRP Plan or Leave to Construct application comes before the OEB for approval.

When Enbridge Gas requests approval for an IRP Plan where there are potential adverse impacts on the exercise of Aboriginal or treaty rights , Enbridge Gas will follow the aspects of the *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario*[3] regarding Indigenous consultation that are reasonably applicable to IRP.

[3] Ontario Energy Board, Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines an Facilities in Ontario Hydrocarbon Pipelines and Facilities in Ontario, 2023

8 IRP COST RECOVERY AND ACCOUNTING TREATMENT PRINCIPLES

Costs for Enbridge Gas associated with IRP fall into three categories:

- IRP operational and administrative costs are costs incurred to carry-out Enbridge Gas's ongoing IRP planning requirements, as established within the IRP Framework.
- IRPA or innovation-related project operational and maintenance costs are costs incurred to plan, implement, maintain, measure and evaluate specific projects.
- IRPA or innovation-related project capital costs are costs incurred in relation to assets acquired or developed as part of specific projects.

IRP operational and administrative costs include the ongoing general administration costs that have resulted from integrating IRP into Enbridge Gas's business and planning processes, including IRP stakeholder engagement, the assessment of system constraints for IRPA(s), and the completion of necessary IRP monitoring and reporting. General administration costs will be recovered through Enbridge Gas's base rates, subject to one exception: to the extent that ongoing IRP operational and administrative costs change due to IRP Framework or Implementation Plan changes, such incremental impacts would be subject to deferral account treatment.

IRPA or innovation-related project operational and maintenance costs reflect incremental costs incurred to plan, implement, maintain, measure and evaluate specific projects. Such costs could include (but are not limited to): internal or contractor resources to develop and deliver the IRPA or innovation-related project, project specific stakeholder engagement, IRPA incentives or enabling payments, third party services (e.g. CNG trailer rental, fixed or variable costs to secure commercial services for delivery of natural gas to specific points on Enbridge Gas's system), etc. Such project costs, to the extent that they have not been reflected in base rates, are subject to deferral account treatment, in accordance with parameters of the IRP Framework and Implementation Plan, inclusive of the IRP Incentive Mechanism terms that allow such costs to be capitalized and amortized over a 10-year term. Where geotargeted energy efficiency program IRPAs overlap with demand-side management ("DSM") offerings, including where similar measures are offered to the same customer groups, all costs associated with the IRPA will be attributable to that IRPA and remain separate and distinct from the DSM Framework and OEB-approved DSM plans and budgets. As noted in chapter 11 ("Future IRP Plan Applications"), foregone revenue could be an additional impact that results from implementing an IRPA. When such a situation arises, foregone revenue, which has not been reflected in base rates will also be

subject to deferral account treatment. Until rebasing, these costs will be recorded in a deferral account for recovery annually or at rebasing, as requested by Enbridge Gas.

IRPA or innovation-related project capital costs reflect incremental costs incurred in relation to the construction and/or procurement of assets which support the implementation of an IRPA or innovation-related project (e.g. measurement and verification equipment). As Enbridge Gas will own and operate such assets, similar to the costs for infrastructure builds, these capital costs will be eligible for inclusion in rate base. The project costs eligible for inclusion in rate base will attract the same cost of capital as other rate-based assets for Enbridge Gas. The depreciation period for the IRPA or innovation-related project assets will align with the expected useful life of the asset. To the extent such capital costs have not been reflected in base rates, the revenue requirement of such capital costs is subject to deferral account treatment, in accordance with parameters of the IRP Framework and Implementation plan, inclusive of the IRP Incentive Mechanism terms. Revenue requirement amounts recorded in a deferral account will be sought for recovery annually or at rebasing, as requested by Enbridge Gas.

While the implementation of IRPAs can result in incremental operating and maintenance costs and/or capital related revenue requirement amounts that will be recorded in the IRP deferral accounts, they could also result in avoided operating costs and or capital related revenue requirement amounts in association with traditional facilities that are delayed, avoided, or downsized by an IRPA, that would have otherwise been recovered through base rates. When such circumstances arise, the IRP deferral accounts will capture these impacts which will offset (or be netted against) the amounts sought for recovery annually or at rebasing, as requested by Enbridge Gas. Avoided costs may, however, lag IRPA costs because, depending on the type of IRPA, implementation may need to occur in advance of when a facility solution would otherwise be required to be placed into service in order to sufficiently address the identified system need. The recognition of avoided costs in IRP deferral accounts, which result from facilities that are delayed, avoided, or downsized by an IRPA, will cease once base rates are updated to reflect the deferral or removal of the facilities from the actual or forecast capital (e.g. the AMP/capital budget) underpinning rates (e.g. following rebasing).

Details about how these principles will be applied to specific IRP Plans or innovation-related projects will be determined in IRP Plan or Implementation Plan applications, where applicable. This will include Enbridge Gas’s proposal for which costs it believes are eligible for inclusion in rate base, versus those that should be considered operating expenses, with supporting rationale.

9 IRP INCENTIVE MECHANISM

An IRP Incentive Mechanism has been established to address the financial disincentive that may arise when Enbridge Gas implements IRPAs.

The IRP Incentive Mechanism enables IRPA operating expenditures to be treated as capital for regulatory purposes. These amounts will be amortized over a 10-year period allowing Enbridge Gas to earn a return comparable to traditional utility infrastructure investments. The unamortized balance will be financed at Enbridge Gas's weighted average cost of capital (WACC). The revenue requirement related to these capitalized amounts will be subject to deferral account recovery until such a time they can be reflected in Enbridge Gas's regulated rate base.

A Shared Savings Mechanism (SSM) will form part of the incentive mechanism. The shared savings will be determined by comparing the 40-year net present value (NPV) of the revenue requirement of the traditional facility alternative versus the 40-year NPV of the IRPA (or combination of alternatives). Under this mechanism, the net savings are shared, 75% to Enbridge Gas and 25% to ratepayers. The SSM incentive recovery term will be for the duration that costs related to the IRPA are forecasted to be incurred, up to a maximum of ten years. The incentive will be allocated equally across all years and disposed of through the IRP Capital Costs Deferral Account.

Where there are reasons for a specific IRPA to deviate from the IRP Incentive Mechanism design, Enbridge Gas may propose an alternate approach for the project and justify why the treatment is appropriate in the IRP Plan where applicable.

10 IRP IMPLEMENTATION PLAN

Enbridge Gas shall file IRP Implementation Plans, compatible with the IRP Framework, to be approved through an adjudicative proceeding.

The first IRP Implementation Plan will be filed following the issuance of the Decision and Order for the updated IRP Framework Review (EB-2026-0216). Subsequent IRP Implementation Plans will be filed following the issuance of the OEB's Decision and Order for Enbridge Gas's rebasing applications (i.e., approximately every 5 years).

Table 2 sets out the topics that are included in the IRP Implementation Plans, compared to the topics that are included in the IRP Framework.

Table 2: Topics Included in IRP Implementation Plans vs. the IRP Framework

Topic (IRP Framework Chapter)	IRP Implementation Plans	IRP Framework
1. Introduction and Purpose		
Purpose of IRP Framework		x
2. Definitions		
Definitions		x
3. Objective and Guiding Principles		
Objective and Guiding Principles		x
4. Types of IRPAs		
Eligible Types of IRPAs		x
5. IRP Assessment Process		
Step 1: Identification of constraints		
Requirements for the identification of constraints in the AMP		x
Step 2: Binary Screening criteria		
Binary Screening criteria		x
Approach to conducting Binary Screening	x	
Step 3: Two-Stage Evaluation Process		
Stage 1: Technical Screening and Evaluation		
Scope of Technical Screening and Evaluation		x
Approach to conducting Technical Screening	x	
Approach to conducting Technical Evaluation	x	

Methodology to quantify technical potential of IRPAs[1]	x	
Stage 2: Economic Evaluation		
Description of economic evaluation test (phases and categories of costs and benefits)		x
DCF+ methodology and approach to quantifying inputs (assumptions, data sources, and DCF+ test Supplemental Guide with illustrative examples)	x	
Approach to selecting preferred alternative (interpretation of DCF+ test results, overall economic evaluation)	x	
Step 4: Periodic Review		
Periodic review of IRPA or IRP Plans		x
6. Stakeholder Outreach and Engagement		
Requirements for stakeholder engagement		x
Approach to conducting targeted engagement	x	
7. Indigenous Engagement		
Requirements for Indigenous engagement		x
8. IRP Cost Recovery and Accounting Treatment		
Description of cost categories and accounting treatment		x
Budget for general IRP operational requirements	x	
9. IRP Incentive Mechanism		
IRP Incentive Mechanism design		x
Approach to operationalize the IRP Incentive Mechanism	x	
10. IRP Implementation Plan		
Description of IRP Implementation Plans		x
Requirements for IRP Implementation Plans		x
11. Future IRP Plan Applications		
Requirements for IRP Plans		x
12. Monitoring and Reporting		
Requirements for IRP Annual Report		x
13. IRP Costs Deferral Accounts		
Description of deferral accounts		x
Accounting orders of deferral accounts		x
Approach to quantifying facility offset	x	

14. Innovation-Related Proposals		
Definition and considerations for innovation-related proposals		x
Requirements of innovation-related proposals		x
Innovation-related proposal(s)	x	
Notes: (1) Includes demand-side alternatives and peak demand reductions from contract customers		

11. FUTURE IRP PLAN APPLICATIONS

When Enbridge Gas determines that an IRPA (alone, in combination with other IRPAs, or in combination with a facility project) is the best option to address a system need, it may need to apply for approval of an IRP Plan. The IRP Framework establishes an approval process for IRP Plans, under section 36 of the OEB Act.

An IRP Plan approval from the OEB will operate as an endorsement of the IRP Plan, and approve the cost consequences. The costs would then be recovered, subject to a prudence review, through the IRP Costs deferral accounts annually and/or at Enbridge Gas's next rebasing application.

An IRP Plan approval will be mandatory if the forecast costs of the IRPA(s) exceed the minimum project cost that would necessitate a Leave to Construct approval for a pipeline project ($10 million).

An IRP Plan application should include information similar to what is found in a Leave to Construct application, including:

- Purpose of the IRP Plan
- How the IRP Framework's objective and guiding principles have been addressed
- Information on system need (forecast need/constraint being addressed)
  - Reference case, high, and low demand scenarios to be included. Enbridge Gas will justify which scenario is appropriate[4] and present the corresponding facility alternative and IRP assessment for that scenario that informed the selection of the alternative(s) for the project.
- Discussion of alternatives (why the IRP Plan was selected, including the results of the economic evaluation)
- Description of the IRP Plan and IRPAs, including forecast impacts, costs, and implementation timing
- Proposed approach to evaluation and monitoring
  - This could include a business case for any proposals for advanced metering infrastructure if this has not been assessed in Enbridge Gas's rebasing application
- Proposed approach to cost recovery (including details on costs Enbridge Gas proposes for inclusion in rate base, versus those that should be considered operating expenses, together with a supporting rationale)
  - Enbridge Gas should identify whether it intends to seek recovery of all or part of the IRP Plan costs, including rationale as to why these costs are incremental to

[4] Amendments to filing requirements for natural gas applications, March 31, 2026

activities included in existing rates

- Proposed IRP incentive amounts, including the O&M costs to be capitalized and the shared savings amount to be allocated to shareholders and ratepayers
- Proposed approach to cost allocation (using the facility project that is being avoided, deferred, or reduced by the IRP Plan as a reference for the approach to cost allocation, as appropriate)
- In-service date, and any considerations that may apply regarding when the IRP Plan should be considered to be in-service such that Enbridge Gas is eligible for cost recovery
- Expected bill impacts
- Land and environmental issues (where relevant)
- A record of stakeholder engagement and Indigenous engagement and consultation (as appropriate)
- Conditions of approval

Prudently incurred costs and IRP incentive amounts associated with an approved IRP Plan will be eligible for cost recovery.

Enbridge Gas should seek approval for an adjustment to an IRP Plan, should the cost adjustment be an increase of greater than 25% of the approved cost. When seeking recovery of actual IRP Plan costs, Enbridge Gas will need to demonstrate that it has been prudent in managing its actions and resulting costs, as is typical for all requests for cost recovery.

Enbridge Gas may also seek recovery of foregone revenue associated with the implementation of an IRPA or IRP Plan on a case-by-case basis, where such revenue impacts are demonstrated and supported through appropriate evidence. For IRP Plans, Enbridge Gas will file evidence supporting the recovery of any foregone revenue as part of the applicable IRP Plan application. For individual IRPAs that do not require OEB approval, Enbridge Gas will file evidence supporting recovery of any foregone revenue in the appropriate deferral and variance account disposition proceeding.

Enbridge Gas will need to fully demonstrate the prudence of its actions, particularly with regard to the risks of successful implementation of IRPAs.

12. MONITORING AND REPORTING

Enbridge Gas shall file an annual IRP report ("IRP Annual Report") with the OEB as part of its annual Non- Commodity Deferral Account Clearance and Earnings Sharing Mechanism application, the proceeding in which it may seek disposition of balances in the IRP Costs deferral accounts.

The OEB does not intend to approve the IRP Annual Report, but it could impact the OEB's findings on the disposition of amounts in the IRP Costs deferral accounts, or inform future proceedings.

The IRP Annual Report is to be filed for information regardless of whether Enbridge Gas is seeking approval to clear any balances in the IRP Costs deferral accounts.

The IRP Annual Report should include the following information:

- A summary of IRP targeted stakeholder engagement activities from the past year
- A summary of IRP engagement or consultation activities with Indigenous peoples
- Updates on IRP innovation-related projects underway
- Updates on status of potential IRPAs and IRP Plans
- Updates on status of IRPAs and approved IRP Plans, including details of adjustments made by Enbridge Gas
- Annual and cumulative summaries of actual natural gas peak demand reductions/energy savings generated by each IRP Plan and/or IRPA implemented to-date, including comparisons to the initial forecast reduction/natural gas savings and the actual amount of expenditure on each IRP Plan and/or IRPA to-date
- The most recent results of Enbridge Gas's IRP Assessment Process for system needs identified in the Enbridge Gas AMP, including:
  - Reporting on those system needs where a negative binary screening or technical/economic evaluation resulted in no further assessment of IRPAs, and
  - Metrics on the percentage of AMP projects that have been screened for IRP, the percentage of projects that have passed the screen that have been assessed, and the average length of time for Enbridge Gas to screen and assess projects.
- Efforts taken to explore the use of interruptible rates for meeting system needs, including how customers have been provided the opportunity to consider this option
- Any other IRP-related matters established by the OEB.

13. IRP COSTS DEFERRAL ACCOUNTS

Enbridge Gas has three established IRP Deferral accounts: the IRP Operating Costs Deferral Account, the IRP Capital Costs Deferral account and the IRP System Pruning Deferral Account. Accounting Orders for the three IRP deferral accounts are provided at Appendix A.

Integrated Resource Planning (IRP) Operating Costs Deferral Account

The IRP Operating Costs Deferral Account is used to record actual incremental (costs not reflected in base rates during the current incentive regulation (IR) term) operating and maintenance and ongoing evaluation costs for IRPAs, approved IRP Plans, and innovation-related projects, where such costs are not capitalized in accordance with the IRP Incentive Mechanism. This account will also be used to record the impact of foregone revenues, if pertinent, that result from the implementation of IRPAs and approved IRP Plans which have not been reflected in base rates. Where applicable, this account will also record offsetting avoided operating costs related to facilities that are delayed, avoided, or downsized by an IRPA or IRP Plan, that would have otherwise been recovered through base rates during the current IR term. Finally, this account will also record changes, as compared to the costs included in base rates, in ongoing IRP program general administrative costs which result from changes to the IRP Framework, IRP Implementation Plan or regulated requirements.

Integrated Resource Planning (IRP) Capital Costs Deferral Account

The IRP Capital Costs Deferral Account is used to record the actual incremental (costs not reflected in base rates during the current IR term) capital-related revenue requirement associated with in-service assets acquired or developed for IRPAs, approved IRP Plans, and innovation-related projects. This account will also record the actual annual revenue requirement of IRPA operating costs which are capitalized in accordance with the IRP Incentive Mechanism. Where applicable, this account will also record forecast offsetting avoided revenue requirement amounts related to facilities that are delayed, avoided, or downsized by an IRPA or IRP Plan, that would have otherwise been recovered through base rates. Facility offsets represent the reduction in capital-related revenue requirement that would otherwise have been recovered through base rates for a traditional facility project that has not proceeded, been delayed, or has proceeded at a reduced scope, due to the implementation of an IRPA or IRP Plan.

In addition to the revenue requirement amounts noted above, where applicable, the IRP Capital Costs Deferral Account is also used to record the annual Shared Savings Mechanism (SSM) incentive.

IRP System Pruning Deferral Account

The IRP System Pruning Deferral Account has been established to record incremental costs incurred to develop and implement one or two system pruning pilot projects. The cost of the system pruning pilot(s) to be recorded in the account is capped at $5 million. However, if the combined costs of the pilot project(s) are forecast to exceed $5 million, Enbridge Gas can seek approval through an IRP Application for the ability to recover the cost consequences in excess of $5 million. The IRP System Pruning Deferral Account will be discontinued following the conclusion of the pruning pilot project(s).

Clearance of IRP Deferral Accounts

Enbridge Gas may request disposition of IRP deferral account balances, when eligible, as part of its annual Non-Commodity Deferral Account Clearance and Earnings Sharing Mechanism application or at rebasing.

As part of an application to clear balances in the IRP Deferral Accounts, Enbridge Gas will describe the reasons for variances between actual costs and the forecast costs that were included in the approved IRP Plan or innovation-related proposal (if applicable).

Enbridge Gas will include, in any future IRP Operating Costs Deferral Account clearance requests, details on the outcomes and ratepayer benefits related to each category of costs proposed to be cleared.

14. INNOVATION-RELATED PROPOSALS

Innovation-related projects may be undertaken to test new technologies, approaches or practices that could improve the understanding of how IRP can address the system needs of Enbridge Gas's regulated operations. Innovation-related proposals are primarily intended to support learning and inform future IRP implementation.

Enbridge Gas will consider innovation-related proposals for inclusion within its IRP Implementation Plan application. Enbridge Gas retains discretion to bring forward previously unidentified innovation-related proposals during the term of the Implementation Plan with supporting justification, where appropriate. Any innovation-related proposals will be requested for approval by Enbridge Gas and are not mandated under the IRP Framework. Innovation-related proposals can include natural gas-based technologies as eligible IRPAs.

Enbridge Gas will share key learnings from innovation-related projects through reporting to the OEB and stakeholders in the IRP Annual Report. Experience with innovation-related projects may inform future IRP Implementation Plans and/or the design of IRPAs or IRP Plans.

IRP innovation-related project costs will be tracked in the IRP Costs deferral accounts. Enbridge Gas will propose the associated cost treatment as part of the IRP Implementation Plan proceeding and will subsequently seek recovery of prudently incurred amounts through the deferral and variance account disposition process.

Assessment Consideration Guidelines

When applying for approval of innovation-related proposals, Enbridge Gas should include a section to discuss how these considerations were taken into account. The degree of detail of each consideration should be applied proportionally, based on the size, cost and nature of the proposal. The following are the assessment considerations for IRP innovation-related proposals:

1. **Potential to Address System Needs**: Identify the rationale for the proposal and its novel features, including an assessment of whether and how the proposed solution, if successful, could contribute to meeting future system needs. The rationale could include a description of potential costs and benefits of the proposal. The submitted rationale could also include a comparison of the technical and economic viability of the proposed innovation versus traditional solutions (or other categories of IRPAs), even if this comparison is less detailed or more uncertain

than what would be provided for an IRP Plan.

2. **Risk and Oversight**: Describe potential risks and uncertainties, including those that may affect customers, and mitigation strategies including governance and oversight structures.
3. **Evaluation and Scalability**: Identify how the outcomes of the proposed solution would be evaluated and assessed and outline, to the extent possible based on the nature of the proposal, a transition plan for broader deployment if the proposal proves successful, including key milestones and decision points.
4. **Alternative Funding and Collaboration**: Explore opportunities for alternative funding sources to reduce reliance on ratepayers (e.g., government programs, contributions from private sector technology partners) and/or collaboration/coordination with third-parties to enhance the initiative.
5. **Knowledge Sharing**: Include a mechanism for sharing lessons learned to support sector-wide learning and inform future proposals.

It is not expected that innovation-related proposals will always be the most-cost effective or technically viable option to meet a system need, since these proposals are intended to support learning which may include assessing and better understanding the economics and technical potential of an alternative.

APPENDIX A

ACCOUNTING ORDERS FOR IRP DEFERRAL ACCOUNTS

Contents

Integrated Resource Planning (IRP) Operating Costs Deferral Account 2
Integrated Resource Planning (IRP) Capital Costs Deferral Account 4
IRP System Pruning Deferral Account 6

ENBRIDGE GAS INC.

Accounting Entries for
Integrated Resource Planning (IRP) Operating Costs Deferral Account
Account No. 179-318

This account records incremental impacts to ongoing IRP general operating and administrative costs, where impacts to IRP requirements result from changes to the IRP Framework or Implementation Plan (e.g. changes to IRP rules/requirements/guidelines), as compared to those reflected in rates. The account also records incremental operating and maintenance costs and ongoing evaluation costs for IRPAs and approved IRP Plans, where such costs are not capitalized in accordance with the IRP Incentive Mechanism, as well as for innovation-related projects. Operating costs associated with IRPAs, approved IRP Plans, and innovation-related projects include all enabling payments to service providers, made as part of such activities. This account will also record foregone revenues that result from the implementation of IRPAs and approved IRP Plans, where applicable. This account will also record offsetting avoided operating costs that relate to facilities that are delayed, avoided, or downsized by IRPAs and IRP Plans.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-2024-0063 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, incremental ongoing IRP operating and general administrative costs, incremental operating and maintenance costs (inclusive of enabling payments to service providers) and ongoing evaluation costs for IRPAs and approved IRP Plans, where such costs are not capitalized in accordance with the IRP Incentive Mechanism, as well as for innovation-related projects.

Debit	-	Account No. 179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 300 Operating Revenue

To record, as a debit/(credit) in the account, foregone revenues that result from the implementation of IRPAs and IRP Plans.

Debit	-	Account No. 300 Operating Revenue
Credit	-	Account No. 179-318 IRP Operating Costs Deferral Account

To record, as a debit/(credit) in the account, avoided operating costs already included in rates related to facilities that are delayed, avoided or downsized by IRPAs and IRP Plans.

Debit	-	Account No. 179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Integrated Resource Planning (IRP) Capital Costs Deferral Account
Account No. 179-319

This account records the actual annual revenue requirement of project costs eligible to be capitalized in rate base, inclusive of capitalized operating costs, as part of IRPAs and approved IRP Plans. This account also records the actual annual revenue requirement of project costs for innovation-related projects. Where applicable, this account will also record the associated annual Shared Savings Mechanism (SSM) incentive amounts for IRPAs and approved IRP Plans. This account will also record offsetting avoided revenue requirement amounts already included in rates related to facilities that are delayed, avoided, or downsized by IRPAs and IRP Plans.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-2024-0063 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-319 IRP Capital Costs Deferral Account
Credit	-	Account No. 300 Operating Revenue

To record, as a debit/(credit) in the account, the actual annual revenue requirement of project costs eligible to be capitalized in rate base, inclusive of capitalized operating costs, as part of IRPAs and approved IRP Plans, plus where applicable, the associated annual SSM incentives. The actual revenue requirement of innovation-related project costs will also be recorded.

Debit	-	Account No. 300 Operating Revenue
Credit	-	Account No. 179-319 IRP Capital Costs Deferral Account

To record, as a debit/(credit) in the account, avoided revenue requirement amounts already included in rates related to facilities that are delayed, avoided, or downsized by IRPAs and IRP Plans.

Debit	-	Account No. 179-319

IRP Capital Costs Deferral Account

Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
IRP System Pruning Deferral Account
Account No. 179-341

This account records incremental costs incurred to develop and implement one or two IRP system pruning pilot projects. The cost of the system pruning pilot(s) to be recorded in the account will be capped at $5 million. If the combined costs of the pilot project(s) are forecast to exceed $5 million, Enbridge Gas would seek approval through an IRP Application for the ability to recover the cost consequences in excess of $5 million. This account is effective upon approval of the EB-2024-0111 Settlement Proposal.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-2006-0117 interest rate methodology, as well as any updates to this methodology decided by the OEB in its EB-2024-0063 generic proceeding on cost of capital and other matters. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit	-	Account No. 179-341 IRP System Pruning Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit in the account, the incremental costs incurred to develop and implement IRP System Pruning pilot project(s).

Debit	-	Account No. 179-341 IRP System Pruning Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in the account, interest expense on the opening monthly balance.

GLOSSARY

AMP	Asset Management Plan
BCA	Benefit-Cost Analysis
BOMA	Building Owners and Managers Association
CCC	Consumers Council of Canada
DCF	Discounted Cash Flow
DCF+	Discounted Cash Flow-plus
DERs	Distributed Energy Resources
DSM	Demand-Side Management
ED	Environmental Defence
EDA	Electricity Distributors Association
EP	Energy Probe
ETEE	Enhanced Targeted Energy Efficiency
FRPO	Federation of Rental-housing Providers of Ontario
FEI	Framework for Energy Innovation
FPIC	Free, Prior and Informed Consent
FRPO	Federation of Rental-housing Providers
GFN	Ginoogaming First Nation
GHG	Greenhouse Gas
GSP	Gas Supply Plan
IEP	Integrated Energy Plan (Full title: *Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7*)
IESO	Independent Electricity System Operator
IGUA	Industrial Gas Users Association
IRP	Integrated Resource Planning
IRPA	Integrated Resource Planning Alternative
IWG	Indigenous Working Group

LDC	Local Distribution Company
LIEN	Low-Income Energy Network
LTC	Leave to Construct
NPA	Non-Pipe Alternative
NPV	Net Present Value
NWS	Non-Wires Solution
O&M	Operating and Maintenance
OEB	Ontario Energy Board
OGVG	Ontario Greenhouse Vegetable Growers
PP	Pollution Probe
ROE	Return on Equity
SCT	Societal Cost Test
SEC	School Energy Coalition
SSM	Shared Savings Mechanism
TFG	Three Fires Group
TRC	Total Resource Cost
TRC+	Total Resource Cost Plus
TWG	Technical Working Group
UIS	Utilities Incentive Subgroup
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples

INTRODUCTION

1. In this Application, Enbridge Gas is proposing a number of targeted updates to the IRP Framework, with the goal of improved clarity and regulatory efficiency, while retaining alignment with the intended purpose of IRP and current provincial policy direction. The balance of this Exhibit lays out the background of IRP and Enbridge Gas's IRP experience to date, and how the current IRP Framework proposals have been informed.

2. The OEB's first-generation IRP Framework for Enbridge Gas,[1] issued in July 2021, established the requirements and expectations for evaluating alternatives to traditional natural gas facility investments when addressing identified system needs. In establishing the IRP Framework, the OEB recognized that it would evolve over time, including based on experience and future policy direction.[2]

3. Since the IRP Framework was established, Enbridge Gas has integrated IRP into its planning processes and regulatory applications, where appropriate. As acknowledged by OEB staff in its Discussion Paper,[3] Enbridge Gas has:
    - integrated consideration of IRP Alternatives ("IRPA") to address system needs into the Company's asset management planning process;
    - designed, received OEB approval for, and began implementation of an IRP pilot in the Southern Lake Huron region;
    - designed an additional pilot examining pruning segments of the natural gas system, as an alternative to pipeline repair/replacement; and,
    - taken actions to increase potential customer adoption of interruptible rates.

[1] EB-2020-0091, OEB IRP Framework for Enbridge Gas (Appendix A of the OEB's Decision and Order) ("IRP Framework"), July 22, 2021.
[2] IRP Framework, p.3.
[3] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 5.

4. Enbridge Gas has implemented the requirements of the IRP Framework, including completing IRP assessment of all investments in the AMP, the filing of IRP Annual Reports, and on-going stakeholder consultation through more than 60 TWG meetings and other engagement processes, and participated in numerous regulatory proceedings involving IRP-related matters. Through this experience, Enbridge Gas has developed a practical understanding of both the opportunities presented by IRP and the effort required to implement the IRP Framework. This experience has informed targeted proposals intended to better align implementation effort with demonstrated IRPA opportunities, provide greater clarity regarding the objective and application of the IRP Framework, and ensure that IRP remains focused on its intended purpose while reflecting current provincial policy direction.

5. Enbridge Gas applies IRP assessments across the full portfolio of identified system needs in its AMP. Through structured screening and evaluation processes, Enbridge Gas assesses whether alternatives can eliminate, defer, or reduce facility investments while maintaining safety, reliability, and cost-effectiveness.

6. Enbridge Gas's experience to date has demonstrated that opportunities where IRPAs can provide a viable and cost-effective alternative to natural gas facility investments are extremely limited. To date, one natural gas pipeline project[4] has been avoided through the implementation of an IRPA. In addition, no IRPAs were identified as the preferred solution for any of the natural gas investments included in the 2026 AMP Addendum.[5]

7. At the same time, implementation of the IRP Framework has required significant effort associated with assessments, administration, stakeholder engagement, regulatory review, and ongoing compliance activities. In Enbridge Gas's view, this

[4] EB-2023-0092, Exhibit C, Tab 1, pp. 20 - 25.
[5] EB-2020-0091, Enbridge Gas Asset Management Plan Addendum 2026, October 30, 2025.

experience demonstrates the importance of ensuring that the IRP Framework is implemented in a manner that is proportionate to the opportunity for IRPAs to provide cost-effective solutions to identified system needs, and that implementation requirements remain commensurate with the benefits delivered to ratepayers.

8. Enbridge Gas also considers it important that IRP-related issues be addressed through the regulatory processes established for those purposes. While IRP interacts with other utility planning activities and proceedings, addressing IRP-related issues across multiple proceedings creates unnecessary regulatory burden and increases costs. The importance of maintaining clear boundaries between proceedings has already been recognized by the OEB. In Enbridge Gas's most recent Gas Supply Plan ("GSP") proceeding, the OEB found that it would be "premature and procedurally inefficient to incorporate supply-side IRP options in the GSP."[6] The same principle applies to the IRP Framework. Issues such as demand forecasting, gas supply planning, capital planning, and their associated assumptions should be considered in the proceedings established for those purposes.

9. Additionally, the policy environment in Ontario has evolved significantly since the IRP Framework was established. Most notably, the Government of Ontario released its first Integrated Energy Plan ("IEP")[7] in June 2025, which emphasizes affordability, customer choice, energy security, and the continued role of natural gas as part of Ontario's energy system. These developments provide important and necessary context when assessing the alignment of the IRP Framework with current provincial policy objectives.

[6] EB-2025-0065, Decision and Order, May 21, 2026, p. 17.
[7] Government of Ontario, Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, ("Integrated Energy Plan" or the "IEP"), June 2025.

10. In light of Enbridge Gas's experience implementing the IRP Framework and the evolution of Ontario's energy policy landscape, the Company is proposing targeted updates to the IRP Framework through this Application. Enbridge Gas's proposed updates are intended to better align implementation effort with the limited opportunities for IRPA deployment identified, improve clarity, enhance regulatory efficiency by streamlining requirements, reduce unnecessary regulatory burden and ensure that the IRP Framework remains aligned with both its intended purpose and current provincial policy direction. These changes are also expected to reduce the operational, administrative and regulatory efforts associated with carrying out IRP requirements. The budget reflecting the reduced general IRP operational requirements will be filed in the IRP Implementation Plan for OEB approval.

11. The proposed updates have also been informed by the consultation record developed through the Review and Evaluation of the Integrated Resource Planning Framework for Enbridge Gas (EB-2025-0125), including OEB staff's Discussion Paper and stakeholder submissions, as well as the portions of the Government of Ontario's IEP[8] relevant to IRP.

12. In Exhibit B, Tab 1, Schedule 2 and its associated Attachment, Enbridge Gas sets out a high-level overview of the key proposed updates to the IRP Framework, along with the proposed updated IRP Framework text in black line markup format. In Exhibit B, Tab 1, Schedule 3, Enbridge Gas sets out the foundational considerations that it relied upon in developing the proposed updated IRP Framework. In Exhibit C, Enbridge Gas provides detailed explanations for the proposed updates to each chapter of the IRP Framework in separate Tabs.

[8] Government of Ontario, Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, June 2025

OVERVIEW OF PROPOSED UPDATES TO FRAMEWORK

1. Enbridge Gas's proposed updated IRP Framework is provided at Exhibit A, Tab 2, Schedule 2 (clean version) and Exhibit B, Tab 1, Schedule 2, Attachment 1 (black line version), with detailed descriptions of each proposed update and the associated rationale provided throughout Exhibit C.

2. The proposed updates reflect implementation experience gained since the IRP Framework was established, better align implementation effort with the demonstrated opportunities for IRPAs, and provide greater clarity regarding the objective, requirements and application of the IRP Framework. The proposed changes also reinforce the intended purpose of IRP and alignment with current provincial energy policy direction. As a result, the proposed changes generally refine, clarify and streamline existing IRP Framework requirements rather than fundamentally altering the structure or purpose of the IRP Framework.

3. Key updates proposed to the IRP Framework include the following:
    - **Chapter 3:** Establishing a clear objective for IRP focused on addressing system needs identified through Enbridge Gas's AMP process by selecting the alternative(s) that minimizes natural gas rate impact, while taking into account the guiding principles. Accordingly, updates to the guiding principle for cost-effectiveness clarify a primary focus on rate impacts, with additional consideration given to total customer perspective, and the public policy guiding principle clarifies alignment with current public policy and government directives applicable to the natural gas sector. These updates provide regulatory clarity and ensure consistent application across planning, evaluation, and adjudication for IRP.

- **Chapter 4:** Clarifying the scope of eligible IRP alternatives, including the continued eligibility of natural gas IRPAs and ineligibility of electric-based IRPAs. This update aligns eligible IRPAs with the intended role of IRP in addressing natural gas system needs and current provincial energy policy direction.
- **Chapter 5:** Refining the IRP assessment binary screening criteria, including removal of the “Timing” criterion, update to the “Customer-specific build” criterion, alignment of mandatory assessment of Pipeline Replacement and Relocation projects with the current cost threshold beyond which no LTC exemption is available, and addition of a $2 million cost threshold for Growth projects. These updates reflect Enbridge Gas’s IRP Framework implementation experience and streamline the IRP Assessment Process by focusing evaluation on projects where IRP Assessment has a reasonable opportunity to provide value. The economic evaluation methodology has been maintained confirming the primary determinant of cost-effectiveness continues to be Phase 1 of the DCF+ test aligned with the objective of IRP.
- **Chapter 6:** Updating stakeholder engagement to reflect targeted project-specific engagement and a more focused role and accountabilities for the TWG. These updates reflect Enbridge Gas’s implementation experience and focus resources on activities that support effective IRP implementation.
- **Chapter 9:** Addition of an IRP Incentive Mechanism which includes amortization of IRPA operating expenditures over a 10-year period, and a shared savings mechanism shared between Enbridge Gas (75%) and rate payers (25%). The inclusion of an incentive mechanism addresses the financial disincentive associated with the implementation of IRPAs.
- **Chapter 10:** Establishing an IRP Implementation Plan and the associated adjudicative approval process to provide a dedicated forum to address non-project specific IRP matters, such as IRP methodologies and approaches.

This supports regulatory efficiency and provides greater certainty regarding how IRP will be implemented over the term of the plan.

- **Chapter 11:** Aligning IRP Plan approval thresholds with the current LTC framework. This update reduces regulatory costs, expedites timelines for implementing IRPAs and ensures IRP solutions do not face more stringent approval requirements than pipeline projects.
- **Chapter 14:** Establishing an innovation-related proposal process, including an oversight mechanism and assessment considerations, to support the evaluation and advancement of new technologies, and approaches or practices that could inform future IRP implementation. This provides greater clarity on how such proposals should be advanced and evaluated for regulatory efficiency.

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

~~July 22, 2021~~

Integrated Resource Planning Framework for Enbridge Gas

~~EB-2020-0091 (Appendix A)~~

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1 INTRODUCTION AND PURPOSE

This document describes the ~~first-generation~~ Integrated Resource Planning (IRP) Framework for Enbridge Gas. Within the energy sector generally, integrated resource planning usually refers to a planning process that evaluates and compares both supply side and demand-side options to meeting an energy system need, and may also refer to consideration of multiple energy sources, and co-ordination or integration between multiple energy service providers. A definition of IRP specific to Enbridge Gas's operations is provided in chapter 2 ("Definitions").

This IRP Framework is a companion document to the OEB's ~~July 22, 2021~~ Decision and Order on Enbridge Gas's Integrated Resource Planning ~~proposal~~Framework Update Application (EB-~~2020-0091~~2026-0216), regarding IRP for Enbridge Gas. While the IRP Framework is intended to be fully consistent with the Decision and Order, in case of any discrepancy, the wording in the Decision and Order will prevail . ~~The expectation is that enhancements and improvements will be made in the future on the basis of the experience gained in Ontario with pilot projects and other IRP activities, drawing on successes achieved in other jurisdictions, and future policy direction.~~

The IRP Framework provides direction to Enbridge Gas on topics to be covered in an IRP Plan, Implementation Plan, and Annual Report (defined in chapter 2 ("Definitions")), and the OEB's requirements as Enbridge Gas considers IRP to meet its system needs. If Enbridge Gas has reasons for a specific IRP Plan to deviate from the IRP Framework, it should justify why deviations from the Framework requirements are appropriate.

The IRP Framework has been established for Enbridge Gas; however, it should also be used as a resource to guide EPCOR Natural Gas Limited Partnership when it examines infrastructure investments and potential alternatives.

2 DEFINITIONS

The following terms are defined in the IRP Framework:

- **Integrated Resource Planning (IRP):** A planning strategy and process that considers Facility Alternatives and IRP Alternatives (including the interplay of these options) to address the system needs of Enbridge Gas's regulated operations, and identifies and implements the alternative (or combination of alternatives) that is in the best interest of Enbridge Gas and its customers,

taking into account ~~reliability and safety, cost-effectiveness, public policy, optimized scoping, and risk management.~~the objective and guiding principles of IRP.

- **IRP Framework:** The regulatory framework approved by the OEB that sets out the objective, guiding principles, expectations, scope, and requirements for IRP. The IRP Framework also sets out the requirements for Enbridge Gas regarding the development and filing of IRP Implementation Plans, IRP Plans, and IRP Annual Reports.

- **IRP Implementation Plan:** A forward-looking, adjudicated plan filed by Enbridge Gas, compatible with the IRP Framework, that provides details regarding non-project-specific matters related to operationalizing the IRP Framework, such as methodologies and processes, and may include proposals for innovation-related activities.

- **IRP Plan:** A project-specific, non-policy, adjudicated application filed by Enbridge Gas in response to a specific system need identified in the Company's Asset Management Plan ("AMP"), that includes one or more IRPAs.

- **IRP Annual Report:** A retrospective, informational, non-adjudicated report filed by Enbridge Gas as part of its annual Utility Earnings and Disposition of Deferral and Variance Account application. IRP Annual Reports summarize IRP activities from the previous year in accordance with the requirements set out in the IRP Framework.

- **IRP Assessment Process:** The process used by Enbridge Gas to determine the preferred solution to meet specific system needs, including consideration of Facility Alternatives and IRP Alternatives.

- **Facility Alternative:** A potential infrastructure solution considered under the IRP Assessment Process in response to a specific system need ~~of~~identified in the Enbridge Gas AMP. In this IRP Framework, the term is synonymous with a traditional or conventional facility project. This would typically include a hydrocarbon line (as defined in the *OEB Act*) developed by Enbridge Gas, and ancillary infrastructure. Facility Alternatives determined by Enbridge Gas to be the preferred solution to meet the system need ~~will often~~may require approval from the OEB through a Leave to Construct application. ~~For clarity, non-traditional solutions to system needs that include infrastructure developed by Enbridge Gas, such as injection of compressed or renewable natural gas, or storage of natural gas within the distribution or transmission~~

~~system, are considered to be IRP Alternatives and not Facility Alternatives.~~

- **IRP Alternative (IRPA):** A potential solution other than a Facility Alternative considered in Enbridge Gas's IRP Assessment Process ~~in response to~~to avoid, reduce or defer a defined baseline Facility Alternative associated with a specific system need ~~of~~identified in the Enbridge Gas AMP. IRPAs determined by Enbridge Gas to be the preferred solution to meet the system need (alone, in combination with other IRPAs, or in combination with a Facility Alternative) ~~would likely~~may be brought forward for approval from the OEB through an IRP Plan.
- **IRP ~~Plan: A plan filed by Enbridge Gas for OEB approval in response to a specific system need, that includes one or more IRPAs.~~Incentive Mechanism:** A mechanism designed to reduce or remove the financial disincentive that may otherwise exist for Enbridge Gas to pursue an IRPA relative to traditional Facility Alternatives.
- **Innovation-Related Proposals:** Discrete initiatives aimed at testing the appropriateness of new technologies, approaches or practices to advance or improve the understanding of how IRP can address Enbridge Gas's system needs.

3 OBJECTIVE AND GUIDING PRINCIPLES

3.1 Objective

The objective of IRP is to address system needs identified in Enbridge Gas's AMP by selecting the alternative(s) that minimizes the natural gas rate impact, while taking into account the guiding principles.

3.2 Guiding Principles

The OEB has adopted the following guiding principles for IRP. IRP Plans filed with the OEB should include a section to discuss how these guiding principles have been addressed.

- Reliability and safety – In considering IRPAs as part of system planning processes, Enbridge Gas's system design principles cannot be compromised, and the reliable and safe delivery of firm contracted peak period natural gas volumes to Enbridge Gas's customers must remain of paramount importance.

- Cost-effectiveness – IRPAs must be cost-effective (competitive) compared to Facility Alternatives and other IRPAs~~, including~~ taking into account impacts on Enbridge Gas customers. Primary consideration is given to impacts on natural gas customer rates.

- Public policy – IRP will be considered in a manner to ensure that it is supportive of and aligned with current public policy~~, and in particular~~ and government directives applicable to natural gas, and the OEB's statutory objectives for the natural gas sector.

- Optimized scoping – Recognizing that reviewing IRPAs for every forecast infrastructure project would be extremely time intensive, binary screening should be undertaken, to confirm which forecast need(s) should undergo evaluation of IRPAs, and to ensure a focus at the outset on efficient and effective IRPA investment.

- Risk management – Economic risks associated with both Facility Alternatives and IRPAs in meeting system needs are evaluated and appropriately mitigated. Risks and rewards are allocated appropriately between Enbridge Gas and its customers.

4 TYPES OF IRPAS

Demand-side programming may include IRPAs such as geotargeted energy efficiency programs~~,~~ and demand response programs (which incent or oblige the customer to reduce or shift energy usage during peak periods). Demand-side IRPAs are expected to target specific constrained areas and (amongst other things) encourage customers to reduce peak consumption.

Interruptible rates can also be used to reduce peak demand. ~~While approval of~~Negotiated interruptible rates ~~would~~may be considered ~~in a rebasing rate application, the impact of interruptible rates~~ independently or in combination with other demand-side or supply-side alternatives to meet a system need/constraint~~ should be considered in an IRP Plan in combination with demand-side or supply-side alternatives.~~.

Supply-side IRPAs ~~could include injection of~~may include localized sources of natural gas supply procured to address facility needs identified in the AMP that support the avoidance, deferral or reduction of the need to build new pipeline infrastructure. These may include compressed natural gas~~ into the pipeline system in a constrained area, or renewable~~, or market-based natural gas ~~sourced within the constrained area. Supply-side IRPAs may also include market-based supply side~~supply

alternatives~~. This could include~~, such as contractual or transactional arrangements requiring delivery of natural gas to specific points on Enbridge Gas's system that ~~harness the capability of~~leverage existing pipeline infrastructure (including non-Enbridge Gas pipelines) ~~to avoid or defer the need for Enbridge Gas to build new pipeline infrastructure.~~. These arrangements could be for incremental natural gas deliveries, transportation, exchanges, pressure support, or other market-based services at specific interconnects or points on or connected to the Enbridge Gas system. Where such arrangements are implemented to address a defined need in the AMP, they would be considered IRPAs within the IRP Assessment Process.

~~As part of this first-generation IRP Framework, the OEB has determined that it is not appropriate to provide funding to Enbridge Gas for electricity IRPAs. Enbridge Gas can seek opportunities to work with the Independent Electricity System Operator or local electricity distributors to facilitate electricity-based energy solutions to address a system need/constraint, as an alternative to IRPAs or facility projects undertaken by Enbridge Gas. The OEB is not establishing this as a requirement.~~

Natural gas-based solutions that have the potential to defer, avoid or reduce traditional facilities are eligible IRPAs. Electricity-based solutions are not eligible IRPAs.

For both demand-side and supply-side IRPAs, Enbridge Gas should look to procure equipment or activities through the competitive market, where feasible and cost-effective.

Enbridge Gas should consider both combination IRP Plans (that may include multiple supply-side or demand-side IRPAs or an IRPA in combination with a Facility Alternative) and bridging solutions in its IRP Assessment Process if the bridging solution provides the best alternative in the near term, while exploring longer term solutions.

~~To support the analysis of IRPAs and promote more timely development of IRP Plans, Enbridge Gas shall provide a document on best available information for demand-side IRPAs. This will be provided with Enbridge Gas's annual IRP report discussed in chapter 10 ("Monitoring and Reporting").~~

5 IRP ASSESSMENT PROCESS

Enbridge Gas will use a four-step IRP Assessment Process to determine the best approach to meeting system needs identified in the AMP, including whether to pursue IRPAs for an identified need/constraint. In a project-specific application (Leave to Construct or IRP Plan), Enbridge Gas is required to demonstrate that it has followed this process including the results of the analysis at each stage of the process.

1. Identification of Constraints

2. Binary Screening Criteria

3. Two-Stage Evaluation Process

4. Periodic Review

~~The OEB expects that Enbridge will integrate its IRP Assessment Process into its annual planning.~~

Within its ~~annual~~ IRP ~~report~~Annual Report, Enbridge Gas shall report on the results of its IRP Assessment Process, including reporting on those system needs where a negative result at step two (binary screening) or step three (technical~~/~~ screening and evaluation and economic evaluation) resulted in a determination by Enbridge Gas for no further assessment of IRPAs.

5.1 IRP Assessment Process Step 1: Identification of Constraints

Enbridge Gas shall identify potential system needs/constraints ~~up to ten years in the future, and describe these in annual updates to the Asset Management Plan (AMP) to allow time for a detailed examination of IRPAs. The AMP is currently filed each year as part of Enbridge Gas's rate adjustment proceedings. The AMP process~~ and describe the associated baseline Facility Alternative in the AMP with sufficient lead time to support detailed evaluation of IRPAs. An AMP or update to the AMP ("AMP Addendum"), which addresses all utility assets within Enbridge Gas's regulated operations, is currently filed on an annual basis.

~~An updated version of the AMP will be filed each year.~~ The information filed within each AMP should include:

- a list of baseline Facility Alternatives associated with the identified system needs
- the status of ~~IRP Plan consideration~~IRPA considerations for each system need
- the result of the initial binary screening
- details as to whether and why ~~IRP Plans~~IRPAs have been screened out at subsequent steps, with supporting rationale
- any material changes to ~~the~~future system demand ~~forecast~~, relative to the ~~demand~~prior forecast that was assessed as part of the last ~~rebasing application~~AMP/AMP Addendum

The OEB expects that, for projects brought to the OEB for approval (both Leave to

Construct projects and IRP Plans), the system need will have previously been identified in the AMP (although the preferred project to meet the system need may not have been determined at that time). For any previously unidentified needs, Enbridge Gas will need to provide an explanation as to why the project is needed at this time.

5.2 IRP Assessment Process Step 2: Binary Screening Criteria

The IRP Framework will include screening criteria, in order to focus on those situations where there is a reasonable expectation that an IRPA could efficiently and economically meet the system need.

Enbridge Gas will apply these binary screening criteria to identified system needs/constraints (as identified in step 1) to determine whether further IRP evaluation is appropriate. Binary screening would thus exclude some system needs from further IRP consideration. System needs where IRP is not screened out through this binary screening would next move to the two-stage IRP evaluation process.

The OEB has established the following screening criteria for the ~~first-generation~~ IRP Framework.

Emergent Safety or Reliability Issues

The first criterion deals with urgent or imminent issues. The safety and reliability of the gas system is paramount. Removing constraints that jeopardize this system performance does not allow time for the development and assessment of an IRP Plan.

i. ***Emergent Safety or Reliability Issues*** *– If an identified system constraint/need is determined to require a facility project for Enbridge Gas to offer safe and reliable service or to meet an applicable law, an IRP evaluation is not required. An example of such a system constraint/need, and an emergent safety issue, would be if an existing pipeline sustained unanticipated damage and needed to be replaced as quickly as possible to ensure the safety of local communities and Enbridge Gas's broader transmission and distribution systems. Longer-term safety related system constraints/needs may be appropriate for an IRP Plan and should be considered on a case-by-case basis.*

~~Timing~~

~~It takes time to assess and implement an IRP Plan along with demonstration that the constraint is being mitigated. Once a ten-year AMP consistent with the IRP Framework has been in place for several years, there should be fewer situations where a timing criterion is needed; however, for this first-generation IRP Framework,~~

~~the OEB is establishing a timing criterion. The use of supply-side options might be possible to meet an identified need within a shorter period.~~

~~*ii.* ***Timing*** *– If an identified system constraint/need must be met in under three years, an IRP Plan could not likely be implemented and its ability to resolve the identified system constraint could not be verified in time. Therefore, an IRP evaluation is not required. Exceptions to this criterion could include consideration of supply-side IRPAs and bridging or market-based alternatives where such IRPAs can address a more imminent need.*~~

Customer-Specific Builds

Where the customer ~~fully~~ pays ~~for the~~ incremental infrastructure costs associated with a facility project, in the form of a Contribution in Aid of Construction and/or a long-term firm service contract, or where an identified system need is underpinned by a customer's request for connection to the natural gas system, consideration of ~~an IRP Plan~~IRPAs is not required.[1] However, Enbridge Gas is encouraged to discuss demand side management (DSM) opportunities with customers to potentially reduce the size of the build.

ii. ~~*iii.*~~ ***Customer-Specific Builds*** *– If an identified system need has been underpinned by ~~a~~ :*

- *A specific customer's (or group of customers') clear request for a facility project and either the choice to pay a Contribution in Aid of Construction ~~or~~, to contract for long-term firm services delivered by such facilities~~,~~; or*
- *A customer's (or group of customers') clear request for connection, where the associated project is limited to the assets required to directly connect those customers to the natural gas system,*

then an IRP evaluation is not required.

Community Expansion & Economic Development

Given the goal of the Ontario Government's Access to Natural Gas legislation[2] to extend gas service to designated communities, Enbridge Gas is not required to

[1] The incremental costs recovered through a Contribution in Aid of Construction are set at an amount that reduces the capital cost of a project for Enbridge Gas ratepayers such that the project becomes economically feasible, which generally requires a profitability index greater than or equal to one.

[2] *Access to Natural Gas Act, 2018*, S.O. 2018, c. 15 - Bill 32

develop an IRP Plan or consider alternatives to the infrastructure facilities to meet this need.
However, Enbridge Gas is encouraged to discuss DSM opportunities with customers to potentially reduce the size of the build.

[1] The incremental costs recovered through a Contribution in Aid of Construction are set at an amount that reduces the capital cost of a project for Enbridge Gas ratepayers such that the project becomes economically feasible, which generally requires a profitability index greater than or equal to one.
[2] *Access to Natural Gas Act, 2018*, S.O. 2018, c. 15 - Bill 32

iii. ~~*iv.*~~ ***Community Expansion & Economic Development*** *– If a facility project has been driven by government legislation or policy with related funding explicitly aimed at delivering natural gas into communities, then an IRP evaluation is not required.*

Pipeline Replacement and Relocation Projects

A minimum ~~cost of the~~ facility project ~~that would be built to meet a system need (in the absence of IRP)~~size is required to justify the time and effort ~~to conduct~~associated with conducting an IRP evaluation and potentially ~~develop~~developing an IRP Plan. ~~Projects under $2 million~~Pipeline replacement and relocation projects for which project costs do not surpass the $10 million cost threshold for Leave to Construct approval, including projects eligible for exemption from Leave to Construct approval, should be screened out ~~unless the government makes regulatory changes establishing a $10 million threshold for OEB Leave to Construct approvals, in which case, the criteria should use $10 million to determine if an IRP evaluation is appropriate.~~.

iv. ~~*v.*~~ ***Pipeline Replacement and Relocation Projects*** *– If a facility project is being advanced for replacement or relocation of a pipeline and the cost ~~is less than the minimum project cost that would necessitate a~~does not surpass the $10 million cost threshold for Leave to Construct approval, or if the project is eligible for exemption from Leave to Construct approval under the applicable Ontario Regulations, then an IRP evaluation is not required.*

System Reinforcement Projects

A minimum cost of the facility project that would be built to meet a system need (in the absence of IRP) is required to justify the time and effort to conduct an IRP evaluation and potentially develop an IRP Plan. Reinforcement projects under $2 million should be screened out. These costs are exclusive of costs associated with serving new customers, including materials and installation of distribution mains,

services and regulating equipment.

v. ***System Reinforcement (Growth) Projects*** *– If a facility project is being advanced for reinforcement purposes and the cost is less than $2 million, then an IRP evaluation is not required.*

5.3 IRP Assessment Process Step 3: Two-Stage Evaluation Process

For system needs progressing past the initial IRP binary screening, Enbridge Gas will determine whether to proceed with an ~~IRP Plan~~IRPA through a two-stage evaluation. First, Enbridge Gas will determine whether potential IRPAs could meet the identified constraint/need. If yes, then Enbridge Gas will compare one or more ~~IRP Plans~~IRPAs to the baseline Facility Alternative, using a Discounted Cash Flow-plus (DCF+) economic test, to determine the ~~optimum~~preferred solution to meet the system need. It is expected that the two~~-~~ stage evaluation process would commence sufficiently far in advance of the date that the constraint/need must be met in order to allow for time for ~~an IRP Plan to be developed, approved, implemented and monitored for effectiveness in advance of the date when a facility project would be required~~detailed evaluation of IRPAs.

Stage 1: Technical Screening and Evaluation

Following binary screening, Enbridge Gas will conduct technical screening to determine whether any technically feasible IRPA exists. Investments that do not have a technically feasible IRPA will not proceed to technical evaluation. Examples may include investments associated with integrity management programs or programmatic spending where no feasible IRPA is available.

~~The first stage will look at~~Investments that pass technical screening will proceed to a technical evaluation, which assesses the technical viability of potential IRPAs to reduce peak hour demand to the degree required to meet the identified system need, using best available information (including information on IRPAs from Enbridge Gas's ~~annual~~ IRP ~~report~~Implementation Plan), to determine whether an ~~IRP Plan including one or more IRPAs~~IRPA would be a viable option.

Enbridge Gas may use derating factors (i.e., assuming less than 100% of the forecast

peak hour demand reduction from the IRPAs would be delivered) ~~or~~, oversubscription of IRPAs, and/or leverage IRPAs as bridging solutions (e.g., inclusion of CNG as an IRPA alongside demand-side alternatives) to address

uncertainty regarding forecast savings. These derating factors may be relevant to both the technical and economic evaluations. In any subsequent application for OEB approval of specific IRP Plans, Enbridge Gas should identify both the level of oversubscription and/or bridging solutions and the supporting rationale.

Stage 2: Economic Evaluation

The economic evaluation used to compare the IRP PlanIRPA(s) to the baseline Facility Alternative will consist of a three-phase DCF+ evaluation, including a focus on rate impacts, as identified in phase. Phase 1 of the DCF+ test. is aligned with the objective of IRP.

TheEnbridge Gas will use the DCF+ test will be based on the three-phase economic test that Enbridge Gas is required to use to assess the costs and benefits of potential transmission system expansions, under the parametersand distribution system expansion baseline Facility Alternatives, IRPAs and/or a combination of both. The DCF+ test reflects a similar phase-based approach established byfor transmission pipeline applications under the *Report of the Board on the Expansion of the Natural Gas System in Ontario* (the E.B.O. 134 report). The principles of this test are summarized in the OEB's *Filing Guidelines on the Economic Tests for Transmission Pipeline Applications*. In the IRP Framework, the DCF+ test will include the following phases:

- Phase 1 assesses the economic benefits and costs from the utility perspective, and indicates whether the project is likely to result in future increases to utility rates.
- Phase 2 assesses the incremental economic benefits and costs incurred by participating customers from the IRP PlanIRPA(s) or Facility Alternative(s).
- Phase 3 assesses the incremental societal benefits and costs.

A Net Present Value ('NPV') will be calculated for each phase. Results from each phase will be presented separately for transparency, but will also be summed together. The summed results of Phase 1 and Phase 2 will represent impacts to all customers, both existing and new.

The DCF+ results for the IRP PlanIRPA(s), or combination of IRPAs and Facility Alternative, and the baseline Facility Alternative will be compared to one another to determine which alternative is optimal. IRP Plans that included some combination of IRPA and facility project can also be tested using this approach.preferred.

The alternative with the highest score on Phase 1 of the DCF+ test shall be selected as the preferred alternative. However, Enbridge Gas has someretains the discretion

to select an alternative to meet a system need that does not have the highest ~~score on phase~~Phase 1 ~~of the DCF+ test~~NPV, as there may be considerations ~~or factors that are important in phases 2 or 3, or~~with respect to the combined results of Phases 1 and 2, the results of Phase 3, the guiding principles, or project-specific circumstances that are difficult to quantify~~. However, this~~ and would need to be assessed collectively and qualitatively. Such circumstances will require justification if Enbridge Gas recommends a higher cost alternative.

~~The OEB accepts the categories of benefits and costs proposed by Enbridge Gas for the three phases of the DCF+ test (shown in Table 1) for the use of this test in the IRP Framework.~~
Table 1 (below) displays the phase-based structure of the DCF+ test, including the presentation of the impacts (categories) across stakeholder perspectives (i.e. ratepayer, participant, and incremental societal).

Table 1: ~~Discounted Cash Flow-Plus~~DCF+ Test ~~Costs and Benefits~~Impacts by Perspective

~~Benefit/Cost~~Category	~~Phase 1~~Relative Rate Perspective	~~Phase 2~~Participating Customer Perspective	~~Phase 3~~Incremental Societal Perspective
~~Benefits~~**Phase 1**			
~~Incremental Revenues~~Utility Revenue Impact	x		
~~Avoided~~ Utility ~~Infrastructure Costs~~ [2]Net Capital Impact	x		
~~Avoided Customer Infrastructure Costs~~ [3]		~~x~~	
~~Avoided~~ Utility ~~Commodity/Fuel Costs~~ [4]O&M Impact	x		
~~Avoided Customer Commodity/Fuel Costs~~ [5]Utility Carbon Tax Impact	x	~~x~~	
~~Avoided Operations & Maintenance~~Utility Tax Impact	x		
~~Avoided Greenhouse Gas Emissions~~Utility Risk Impact	x	~~x~~	
~~Other External Non-Energy Benefits~~			~~x~~
~~Costs~~**Phase 2**			
~~Incremental Capital Expenditure~~ [1]Future Rate Impact	~~x~~	x	

~~Incremental Operations & Maintenance~~ [1]Customer Energy Impact	~~x~~	x	
~~Incremental Taxes~~Customer Carbon Tax Impact	~~x~~	x	
~~Incremental Utility Commodity/Fuel Costs~~ [4]	~~x~~		
~~Incremental~~ Customer ~~Commodity/Fuel Costs~~ [5]Tax Impact		x	
~~Incremental Greenhouse Gas Emissions~~Customer Non-Energy Benefits		x	
~~Incremental~~Other Customer ~~Costs~~Impact		x	
Phase 3			
Carbon Tax Transfer Impact	-	-	x
Societal Tax Transfer Impact	-	-	x
~~Other External~~Societal Non-Energy ~~Costs~~Benefits			x
~~Notes:~~ ~~(1) Capital and Operations & Maintenance is inclusive of program administrative costs~~ ~~(2) Avoided or reduced infrastructure capital costs of the utility (e.g., smaller diameter pipe)~~ ~~(3) Avoided or reduced infrastructure capital costs of the customer (e.g., reduced Contribution in Aid of Construction)~~ ~~(4) Avoided or incremental fuel costs of the utility (e.g., compressor fuel and unaccounted for gas)~~ ~~(5) Avoided or incremental fuel costs of the customer (e.g., lower/higher natural gas use, lower/higher electricity use)~~ Other Societal Impact			~~(5)~~ x

~~Further work will be needed to refine the use of the DCF+ test in the context of IRP. The DCF+ test could be improved to better list and define the costs and benefits of Facility Alternatives and IRPAs, and clarify how these costs and benefits should be considered within the DCF+ test. This could include expanding the inputs to recognize increasing carbon costs, the risk that a constraint remains unresolved, and impact on gas supply costs. Enbridge Gas shall study improvements to the DCF+ test for IRP, and is encouraged to consult with the IRP Technical Working Group and to use the IRP pilot~~

~~projects as a testing ground for an enhanced DCF+ test. In particular, the IRP Technical Working Group should consider how different carbon pricing scenarios should be used in the DCF+ calculation. The OEB directs that Enbridge Gas file an enhanced DCF+ test for approval as part of the first non-pilot IRP Plan.~~

5.4 IRP Assessment Process Step 4: Periodic Review

Material changes may occur that could impact Enbridge Gas's determination as to how best to meet a system need. These may include changes occurring when implementing an IRPA, or IRP Plan after receiving project approval. Examples could include where the nature or timing of an identified need/constraint alters materially, or significant policy changes are announced by government or the OEB. In such cases, Enbridge Gas may review its IRP determinations~~,~~ and may choose to ~~discuss with the IRP Technical Working Group~~make changes to the scope of the project as necessary.

Updates of this nature should be provided by Enbridge Gas as part of its annual IRP report. If Enbridge Gas plans to increase its spending on an approved IRP Plan by more than 25%, it will need to request OEB approval for the change, as discussed in chapter ~~9~~11 ("Future IRP Plan Applications").

6 STAKEHOLDER OUTREACH AND ENGAGEMENT PROCESS

6.1 Stakeholder Engagement Process

~~Enbridge Gas is required to use a three-component stakeholder engagement process to provide input into its IRP activities.~~

Targeted Stakeholder Engagement

Enbridge Gas is required to conduct stakeholder engagement to inform the assessment and implementation of IRPAs and IRP Plans. This will involve targeted stakeholder engagement related to project-specific stakeholders relevant to the system need and geographic area.

IRPA Assessment Engagement and IRPA Implementation Engagement are differentiated to reflect their different objectives within the IRP process. Assessment Engagement supports the evaluation of IRPAs for a specific system need, while Implementation Engagement supports the delivery of the IRP solution.

~~The three components will involve:~~

~~1. Gathering of Stakeholder Engagement Data and Insight: Seeking insights from stakeholders and various market participants by working within existing stakeholder engagement channels, on an ongoing basis, to mitigate incremental expenses and leverage existing relationships.~~
~~2. Stakeholder Days: Annual regional stakeholder events focused on IRP to discuss plans and progress with IRP, including specific discussion of needs/constraints identified in the AMP and the plans to address such items through IRP. These would be held on an annual basis shortly after Enbridge Gas files its AMP update within Phase 2 of the annual rates proceeding.~~
1. ~~3. Targeted~~IRPA Assessment Engagement: Project-specific consultation ~~dealing with specific IRPAs or IRP Plans (~~that will inform the evaluation of IRPAs identified ~~for~~as viable to address a specific need ~~in a specific geographic region), with stakeholders from the specific geographic area relevant to the IRPA. Project- specific~~. This consultation must be done in advance of seeking ~~project~~IRP Plan approval from the OEB.

2. IRPA Implementation Engagement: Project-specific consultation that is conducted during the implementation of IRPAs that have been identified to address a system need, to support the delivery of the IRP solution.

It is expected that Enbridge Gas will record comments from stakeholders and Indigenous groups participating in ~~components 2 and 3 and~~IRP Assessment Engagement as well as the responses from Enbridge Gas to these comments. This information is to be filed in any subsequent IRP Plan/Leave to Construct application. Chapter 7 (“Indigenous Engagement and Consultation”) provides additional details on Indigenous engagement and consultation.

Broader Stakeholder Updates

Enbridge Gas shall ~~also establish~~maintain a website to facilitate the broad sharing of information on IRP ~~stakeholdering efforts~~activities.

6.2 Technical Working Group

~~In addition to the three-component stakeholder process, the OEB is establishing an IRP Technical Working Group led by OEB staff, similar to the Demand-Side Management Evaluation Advisory Committee. OEB staff will establish a terms of reference and select the membership. Establishment of the IRP Technical Working Group, including a terms~~

~~of reference, and the initial selection of working group members, shall be done by the end of 2021.~~

The OEB has established an IRP Technical Working Group ~~has an objective of providing input on IRP issues that is of value to both Enbridge Gas in implementing IRP, and to the OEB in its oversight of the IRP Framework.~~ led by OEB staff. OEB staff is responsible for updates to the terms of reference and membership selection.

~~The OEB expects that the first priorities of the IRP Technical Working Group will be:~~

- ~~Consideration and implementation of IRP pilot projects~~
- ~~Enhancements or additional guidance in applying the DCF+ evaluation methodology~~

~~Additional topics to be examined by the IRP Technical Working Group could include:~~

- ~~Learnings from IRPAs and IRP implementation in other jurisdictions~~
- ~~Developing IRP performance metrics for the OEB's consideration~~
- ~~Treatment of stranded assets in other jurisdictions~~

The role of the IRP Technical Working Group ~~will also be expected to review a draft of Enbridge Gas's annual IRP report, with the review coordinated by OEB staff. Enbridge Gas should provide a draft of the annual IRP report to the IRP Technical Working Group far enough in advance of its planned filling to the OEB to allow the Technical Working Group time to review and comment. A report from the Technical Working Group to the OEB should be filed by OEB staff in the same proceeding in which Enbridge Gas's annual IRP report is filed. The Technical Working Group report should include any comments on Enbridge Gas's annual IRP report, including material concerns that remain unresolved within the Technical Working Group, and may also describe other activities undertaken by the Technical Working Group in the previous year.~~ is to provide input on the IRP Implementation Plan, prior to its filing, for consideration by Enbridge Gas. The objective of this consultation is to ensure that the Implementation Plan is developed with technical input from industry experts to allow for more streamlined and efficient regulatory proceedings. Enbridge Gas will document its consideration of Technical Working Group comments in its filed Implementation Plan.

As the natural gas system operator, Enbridge Gas retains the sole responsibility to make final ~~system planning decisions and to advance IRP Plans and/or Leave to Construct applications~~decisions regarding the development and filing of the IRP Implementation Plan. While Enbridge Gas is expected to consider any input provided by the IRP Technical Working Group, the IRP Technical Working Group will not have "voting rights" that bind Enbridge Gas with regards to its ~~system planning~~

~~decisions~~IRP Implementation Plan.

7 INDIGENOUS ENGAGEMENT AND CONSULTATION

Enbridge Gas will make efforts to accommodate participation of Indigenous groups within its stakeholder engagement process and work with these groups as appropriate to address any concerns. The OEB endorses this approach and expects that Indigenous engagement will take place in cases where material Indigenous interests are engaged.

In addition to any broader stakeholder engagement with Indigenous groups, Enbridge Gas is required to conduct consultation with respect to any potential impacts to Aboriginal or treaty rights in relation to proposed IRP Plans (which may include the individual IRPAs considered) and Leave to Construct applications. Any concerns can be considered on a case-by-case basis when an IRP Plan or Leave to Construct application comes before the OEB for approval.

When Enbridge Gas requests approval for an IRP Plan ~~or a Leave to Construct, it will be necessary for~~where there are potential adverse impacts on the exercise of Aboriginal or treaty rights , Enbridge Gas ~~to~~will follow the ~~requirements in~~aspects of the *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario*[3] ~~.~~[3] regarding Indigenous consultation~~, if~~ that are reasonably applicable to IRP.

[3] Ontario Energy Board, Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario, 2016

8 ~~IRPA~~IRP COST RECOVERY AND ACCOUNTING TREATMENT PRINCIPLES

Costs for Enbridge Gas associated with IRP ~~implementation~~ fall into three categories:

- IRP operational and administrative costs are costs incurred to carry-out Enbridge Gas's ongoing IRP planning requirements, as established within the IRP Framework.
- IRPA or innovation-related project operational and maintenance costs are

[3] Ontario Energy Board, Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines an Facilities in Ontario Hydrocarbon Pipelines and Facilities in Ontario, 2023

costs incurred to plan, implement, maintain, measure and evaluate specific projects.

- IRPA or innovation-related project capital costs are costs incurred in relation to assets acquired or developed as part of specific projects.

- ~~Incremental~~ IRP operational and administrative costs ~~required to meet the increased workload related to IRP, including~~include the ongoing general administration costs that have resulted from integrating IRP into Enbridge Gas's business and planning processes, ~~completing the incremental stakeholdering, assessing identified~~including IRP stakeholder engagement, the assessment of system constraints for IRPA(s), and ~~completing~~the completion of necessary IRP monitoring and reporting. General administration costs will be recovered through Enbridge Gas's base rates, subject to one exception: to the extent that ongoing IRP operational and administrative costs change due to IRP Framework or Implementation Plan changes, such incremental impacts would be subject to deferral account treatment.
    - ~~IRPA Project costs including the planning, implementing, administering, measuring and verifying the effectiveness of specific investments in IRPAs.~~

~~Ongoing~~IRPA or innovation-related project operational and maintenance costs ~~including the regular~~reflect incremental costs incurred to ~~operate and maintain a specific IRPA investment after the project is in-service.~~ plan, implement, maintain, measure and evaluate specific projects. Such costs could include (but are not limited to): internal or contractor resources to develop and deliver the IRPA or innovation-related project, project specific stakeholder engagement, IRPA incentives or enabling payments, third party services (e.g. CNG trailer rental, fixed or variable costs to secure commercial services for delivery of natural gas to specific points on Enbridge Gas's system), etc. Such project costs, to the extent that they have not been reflected in base rates, are subject to deferral account treatment, in accordance with parameters of the IRP Framework and Implementation Plan, inclusive of the IRP Incentive Mechanism terms that allow such costs to be capitalized and amortized over a 10-year term. Where geotargeted energy efficiency program IRPAs overlap with demand-side management ("DSM") offerings, including where similar measures are offered to the same customer groups, all costs associated with the IRPA will be attributable to that IRPA and remain separate and distinct from the DSM Framework and OEB-approved DSM plans and budgets. As noted in chapter 11 ("Future IRP Plan Applications"), foregone revenue could be an additional impact that results from implementing an IRPA. When such a situation arises, foregone revenue, which has not been reflected in base rates will also be subject to deferral account treatment. ~~IRPA project costs, similar to the costs for infrastructure builds, will be eligible for~~

~~inclusion in rate base where Enbridge Gas owns and operates the IRPA. Enbridge Gas should include in the project costs any physical assets acquired and costs directly attributable to the project consistent with how fixed assets are currently capitalized under US GAAP. Until rebasing, the associated revenue requirement of these project costs will be recorded in a capital costs deferral account for recovery annually or at rebasing as requested by Enbridge Gas.~~

~~Where Enbridge Gas proposes to make an enabling payment to a competitive service provider and does not own or operate the asset, these costs, if approved, will be included in the category of ongoing operational and maintenance costs and recovered as operating expenses. The OEB requires that Enbridge Gas select the most efficient and cost-effective option for its customers, between Enbridge Gas ownership and third- party ownership with an enabling payment.~~ Until rebasing, these ~~operating~~ costs will be recorded in ~~an operating costs~~a deferral account for recovery annually or at rebasing, as requested by Enbridge Gas. ~~Incremental IRP administrative costs and other ongoing operational and maintenance costs will also be treated as expenses and recorded in this account.~~

~~The~~ IRPA or innovation-related project capital costs reflect incremental costs incurred in relation to the construction and/or procurement of assets which support the implementation of an IRPA or innovation-related project (e.g. measurement and verification equipment). As Enbridge Gas will own and operate such assets, similar to the costs for infrastructure builds, these capital costs will be eligible for inclusion in rate base. The project costs eligible for inclusion in rate base will attract the same cost of capital as other ~~rate based~~rate-based assets for Enbridge Gas. The depreciation period for the IRPA or innovation-related project assets will align with the expected useful life of the asset~~, which will likely be the time over which the underlying IRPA is expected to provide peak load reduction.~~. To the extent such capital costs have not been reflected in base rates, the revenue requirement of such capital costs is subject to deferral account treatment, in accordance with parameters of the IRP Framework and Implementation Plan, inclusive of the IRP Incentive Mechanism terms. Revenue requirement amounts recorded in a deferral account will be sought for recovery annually or at rebasing, as requested by Enbridge Gas.

While the implementation of IRPAs can result in incremental operating and maintenance costs and/or capital related revenue requirement amounts that will be recorded in the IRP deferral accounts, they could also result in avoided operating costs and or capital related revenue requirement amounts in association with traditional facilities that are delayed, avoided, or downsized by an IRPA, that would have otherwise been recovered through base rates. When such circumstances arise, the IRP deferral accounts will capture these impacts which will offset (or be

netted against) the amounts sought for recovery annually or at rebasing, as requested by Enbridge Gas. Avoided costs may, however, lag IRPA costs because, depending on the type of IRPA, implementation may need to occur in advance of when a facility solution would otherwise be required to be placed into service in order to sufficiently address the identified system need. The recognition of avoided costs in IRP deferral accounts, which result from facilities that are delayed, avoided, or downsized by an IRPA, will cease once base rates are updated to reflect the deferral or removal of the facilities from the actual or forecast capital (e.g. the AMP/capital budget) underpinning rates (e.g. following rebasing).

Details about how these principles will be applied to specific ~~IRPAs and~~ IRP Plans or innovation-related projects will be determined in ~~the~~ IRP Plan or Implementation Plan applications~~. As part of an IRP Plan application,~~, where applicable. This will include Enbridge ~~Gas should provide details on which IRP Plan~~Gas's proposal for which costs it believes are eligible for inclusion in rate base, versus those that should be considered operating expenses, with supporting rationale.

9 IRP INCENTIVE MECHANISM

An IRP Incentive Mechanism has been established to address the financial disincentive that may arise when Enbridge Gas implements IRPAs.

The IRP Incentive Mechanism enables IRPA operating expenditures to be treated as capital for regulatory purposes. These amounts will be amortized over a 10-year period allowing Enbridge Gas to earn a return comparable to traditional utility infrastructure investments. The unamortized balance will be financed at Enbridge Gas's weighted average cost of capital (WACC). The revenue requirement related to these capitalized amounts will be subject to deferral account recovery until such a time they can be reflected in Enbridge Gas's regulated rate base.

A Shared Savings Mechanism (SSM) will form part of the incentive mechanism. The shared savings will be determined by comparing the 40-year net present value (NPV) of the revenue requirement of the traditional facility alternative versus the 40-year NPV of the IRPA (or combination of alternatives). Under this mechanism, the net savings are shared, 75% to Enbridge Gas and 25% to ratepayers. The SSM incentive recovery term will be for the duration that costs related to the IRPA are forecasted to be incurred, up to a maximum of ten years. The incentive will be allocated equally across all years and disposed of through the IRP Capital Costs Deferral Account.

Where there are reasons for a specific IRPA to deviate from the IRP Incentive Mechanism design, Enbridge Gas may propose an alternate approach for the project

and justify why the treatment is appropriate in the IRP Plan where applicable.

10 IRP IMPLEMENTATION PLAN

Enbridge Gas shall file IRP Implementation Plans, compatible with the IRP Framework, to be approved through an adjudicative proceeding.

The first IRP Implementation Plan will be filed following the issuance of the Decision and Order for the updated IRP Framework Review (EB-2026-0216). Subsequent IRP Implementation Plans will be filed following the issuance of the OEB's Decision and Order for Enbridge Gas's rebasing applications (i.e., approximately every 5 years).

Table 2 sets out the topics that are included in the IRP Implementation Plans, compared to the topics that are included in the IRP Framework.

Table 2: Topics Included in IRP Implementation Plans vs. the IRP Framework

Topic (IRP Framework Chapter)	IRP Implementation Plans	IRP Framework
1. Introduction and Purpose		
Purpose of IRP Framework		x
2. Definitions		
Definitions		x
3. Objective and Guiding Principles		
Objective and Guiding Principles		x
4. Types of IRPAs		
Eligible Types of IRPAs		x
5. IRP Assessment Process		
Step 1: Identification of constraints		
Requirements for the identification of constraints in the AMP		x
Step 2: Binary Screening criteria		
Binary Screening criteria		x
Approach to conducting Binary Screening	x	
Step 3: Two-Stage Evaluation Process		
Stage 1: Technical Screening and Evaluation		
Scope of Technical Screening and Evaluation		x
Approach to conducting Technical Screening	x	
Approach to conducting Technical	x	

Evaluation		
Methodology to quantify technical potential of IRPAs[1]	x	
Stage 2: Economic Evaluation		
Description of economic evaluation test (phases and categories of costs and benefits)		x
DCF+ methodology and approach to quantifying inputs (assumptions, data sources, and DCF+ test Supplemental Guide with illustrative examples)	x	
Approach to selecting preferred alternative (interpretation of DCF+ test results, overall economic evaluation)	x	
Step 4: Periodic Review		
Periodic review of IRPA or IRP Plans		x
6. Stakeholder Outreach and Engagement		
Requirements for stakeholder engagement		x
Approach to conducting targeted engagement	x	
7. Indigenous Engagement		
Requirements for Indigenous engagement		x
8. IRP Cost Recovery and Accounting Treatment		
Description of cost categories and accounting treatment		x
Budget for general IRP operational requirements	x	
9. IRP Incentive Mechanism		
IRP Incentive Mechanism design		x
Approach to operationalize the IRP Incentive Mechanism	x	
10. IRP Implementation Plan		
Description of IRP Implementation Plans		x
Requirements for IRP Implementation Plans		x
11. Future IRP Plan Applications		
Requirements for IRP Plans		x
12. Monitoring and Reporting		
Requirements for IRP Annual Report		x
13. IRP Costs Deferral Accounts		
Description of deferral accounts		x
Accounting orders of deferral accounts		x

Approach to quantifying facility offset	x	
14. Innovation-Related Proposals		
Definition and considerations for innovation-related proposals		x
Requirements of innovation-related proposals		x
Innovation-related proposal(s)	x	
Notes: (1) Includes demand-side alternatives and peak demand reductions from contract customers		

11. ~~9~~ FUTURE IRP PLAN APPLICATIONS

When Enbridge Gas determines that an IRPA (alone, in combination with other IRPAs, or in combination with a facility project) is the best option to address a system need, it ~~will~~may need to apply for approval of an IRP Plan. The IRP Framework establishes ~~a new~~an approval process for IRP Plans, under section 36 of the OEB Act.

An IRP Plan approval from the OEB will operate as an endorsement of the IRP Plan, and approve the cost consequences. The costs would then be recovered, subject to a prudence review, through the IRP Costs deferral accounts annually and/or at Enbridge Gas's next rebasing application.

An IRP Plan approval will be mandatory if the forecast costs of the ~~IRP Plan~~IRPA(s) exceed the minimum project cost that would necessitate a Leave to Construct approval for a pipeline project (~~currently $2 million, proposed to increase to~~ $10 million).

An IRP Plan application should include information similar to what is found in a Leave to Construct application, including:

- Purpose of the IRP Plan
- How the IRP Framework's objective and guiding principles have been addressed
- Information on system need (forecast need/constraint being addressed)
  - Reference case, high, and low demand scenarios to be included. Enbridge Gas will justify which scenario is appropriate[4] and present the corresponding facility alternative and IRP assessment for that scenario that informed the selection of the alternative(s) for the project.
- Discussion of alternatives (why the IRP Plan was selected, including the results of the economic evaluation)

[4] Amendments to filing requirements for natural gas applications, March 31, 2026

- Description of the IRP Plan and IRPAs, including forecast impacts, costs, and implementation timing~~)~~
- Proposed approach to evaluation and monitoring
  - This could include a business case for any proposals for advanced metering infrastructure if this has not been assessed in Enbridge Gas's rebasing application
- Proposed approach to cost recovery (including details on costs Enbridge Gas proposes for inclusion in rate base, versus those that should be considered operating expenses, together with a supporting rationale)
  - Enbridge Gas should identify whether it intends to seek recovery of all or part of the IRP Plan costs, including rationale as to why these costs are incremental to activities included in existing rates
- Proposed IRP incentive amounts, including the O&M costs to be capitalized and the shared savings amount to be allocated to shareholders and ratepayers
- Proposed approach to cost allocation (using the facility project that is being avoided, deferred, or reduced by the IRP Plan as a reference for the approach to cost allocation, as appropriate)
- In-service date, and any considerations that may apply regarding when the IRP Plan should be considered to be in-service such that Enbridge Gas is eligible for cost recovery
- Expected bill impacts
- Land and environmental issues (where relevant)
- A record of stakeholder engagement and Indigenous engagement and consultation (as appropriate)
- Conditions of approval

Prudently incurred costs and IRP incentive amounts associated with an approved IRP Plan will be eligible for cost recovery.

Enbridge Gas should seek approval for an adjustment to an IRP Plan, should the cost adjustment be an increase of greater than 25% of the approved cost. When seeking recovery of actual IRP Plan costs, Enbridge Gas will need to demonstrate that it has been prudent in managing its actions and resulting costs, as is typical for all requests for cost recovery.

Enbridge Gas may also seek recovery of foregone revenue associated with the implementation of an IRPA or IRP Plan on a case-by-case basis, where such revenue impacts are demonstrated and supported through appropriate evidence. For IRP Plans, Enbridge Gas will file evidence supporting the recovery of any foregone revenue as part of the applicable IRP Plan application. For individual IRPAs that do

not require OEB approval, Enbridge Gas will file evidence supporting recovery of any foregone revenue in the appropriate deferral and variance account disposition proceeding.

Enbridge Gas will need to fully demonstrate the prudence of its actions, particularly with regard to the risks of successful implementation of IRPAs ~~and the potential for assets becoming stranded~~.

12.~~10~~ MONITORING AND REPORTING

Enbridge Gas shall file an annual IRP report ("IRP Annual Report") with the OEB as part of its annual Non- Commodity Deferral Account Clearance and Earnings Sharing Mechanism application, the proceeding in which it may seek disposition of balances in the IRP Costs deferral accounts.

The OEB does not intend to approve the ~~annual~~ IRP ~~report~~Annual Report, but it could impact the OEB's findings on the disposition of amounts in the IRP Costs deferral accounts, or inform future proceedings.

The ~~annual~~ IRP ~~report and the report from the IRP Technical Working Group are~~Annual Report is to be filed for information regardless of whether Enbridge Gas is seeking approval to clear any balances in the IRP Costs deferral accounts.

The ~~annual~~ IRP ~~report~~Annual Report should include the following information:

- A summary of IRP ~~stakeholdering~~targeted stakeholder engagement activities from the past year
- A summary of IRP engagement or consultation activities with Indigenous peoples
- Updates on IRP ~~pilot~~innovation-related projects underway
- ~~Updates on incorporating IRP into asset management planning~~
- Updates on status of potential IRPAs and IRP Plans
- Updates on status of IRPAs and approved IRP Plans, including details of adjustments made by Enbridge Gas
- Annual and cumulative summaries of actual natural gas peak demand reductions/energy savings generated by each IRP Plan and/or IRPA implemented to-date, including comparisons to the initial forecast reduction/~~energy~~natural gas savings and the actual amount of expenditure on each IRP Plan and/or IRPA to-date
- The most recent results of Enbridge Gas's IRP Assessment Process for system needs identified in the Enbridge Gas AMP, including ~~reporting~~ :
  - Reporting on those system needs where a negative binary screening or

technical/economic evaluation resulted in no further assessment of IRPAs, and

- ~~A summary of best available information on demand-side IRPAs, including types of IRPAs, estimates of cost, peak demand savings, status in Ontario, potential role and relevance to Enbridge Gas's system, and learnings from pilot projects and other jurisdictions~~
  - Metrics on the percentage of AMP projects that have been screened for IRP, the percentage of projects that have passed the screen that have been assessed, and the average length of time for Enbridge Gas to screen and assess projects.
- Efforts taken to explore the use of interruptible rates for meeting system needs, including how customers have been provided the opportunity to consider this option
- Any other IRP-related matters established by the OEB.

13.~~11~~ IRP COSTS DEFERRAL ACCOUNTS

~~The OEB determined in the IRP Decision and Order that two IRP Costs deferral accounts will be established for the period from 2021 to 2023, to track incremental IRP- related costs not included in base rates during the current deferred rebasing term.~~

Enbridge Gas ~~will be preparing a Draft~~has three established IRP Deferral accounts: the IRP Operating Costs Deferral Account, the IRP Capital Costs Deferral account and the IRP System Pruning Deferral Account. Accounting ~~Order~~Orders for the ~~two~~ three IRP ~~Costs~~ deferral accounts~~, based on the guidance in the Decision and Order. Enbridge Gas will follow the approved Accounting Order for the use of these accounts.~~ are provided at Appendix A.

Integrated Resource Planning (IRP) Operating Costs Deferral Account

The IRP Operating Costs Deferral Account is used to record actual incremental (costs not reflected in base rates during the current incentive regulation (IR) term) operating and maintenance and ongoing evaluation costs for IRPAs, approved IRP Plans, and innovation-related projects, where such costs are not capitalized in accordance with the IRP Incentive Mechanism. This account will also be used to record the impact of foregone revenues, if pertinent, that result from the implementation of IRPAs and approved IRP Plans which have not been reflected in base rates. Where applicable, this account will also record offsetting avoided operating costs related to facilities that are delayed, avoided, or downsized by an IRPA or IRP Plan, that would have otherwise been recovered through base rates

during the current IR term. Finally, this account will also record changes, as compared to the costs included in base rates, in ongoing IRP program general administrative costs which result from changes to the IRP Framework, IRP Implementation Plan or regulated requirements.

Integrated Resource Planning (IRP) Capital Costs Deferral Account

The IRP Capital Costs Deferral Account is used to record the actual incremental (costs not reflected in base rates during the current IR term) capital-related revenue requirement associated with in-service assets acquired or developed for IRPAs, approved IRP Plans, and innovation-related projects. This account will also record the actual annual revenue requirement of IRPA operating costs which are capitalized in accordance with the IRP Incentive Mechanism. Where applicable, this account will also record forecast offsetting avoided revenue requirement amounts related to facilities that are delayed, avoided, or downsized by an IRPA or IRP Plan, that would have otherwise been recovered through base rates. Facility offsets represent the reduction in capital-related revenue requirement that would otherwise have been recovered through base rates for a traditional facility project that has not proceeded, been delayed, or has proceeded at a reduced scope, due to the implementation of an IRPA or IRP Plan.

In addition to the revenue requirement amounts noted above, where applicable, the IRP Capital Costs Deferral Account is also used to record the annual Shared Savings Mechanism (SSM) incentive.

IRP System Pruning Deferral Account

The IRP System Pruning Deferral Account has been established to record incremental costs incurred to develop and implement one or two system pruning pilot projects. The cost of the system pruning pilot(s) to be recorded in the account is capped at $5 million. However, if the combined costs of the pilot project(s) are forecast to exceed $5 million, Enbridge Gas can seek approval through an IRP Application for the ability to recover the cost consequences in excess of $5 million. The IRP System Pruning Deferral Account will be discontinued following the conclusion of the pruning pilot project(s).

Clearance of IRP Deferral Accounts

Enbridge Gas may request disposition of IRP deferral account balances, when eligible, as part of its annual Non-Commodity Deferral Account Clearance and Earnings Sharing Mechanism application~~. Costs in the IRP Operating Costs Deferral Account for general IRP administrative costs may be brought forward for disposition without any prior approval. Costs in this account related to specific projects (e.g.~~

~~project operating and maintenance costs, enabling payments to competitive service providers) should not be brought forward for disposition until an IRP Plan has been approved. When an IRP Plan has been approved and the project is considered to be "in-service", Enbridge Gas is also eligible to seek cost recovery of the project's capital-related revenue requirement through the IRP Capital Costs Deferral Account.~~ or at rebasing.

~~The balances brought forward for disposition in the IRP Costs deferral accounts should be based on actual expenditures. The balance for the IRP Capital Costs Deferral Account will include the revenue requirement impacts associated with project costs eligible for inclusion in rate base. The application to clear any balance in the IRP Capital Costs Deferral Account should describe the reasons for any variance between actual costs and the forecast costs that were included in the IRP Plan approval.~~

As part of an application to clear balances in the IRP Deferral Accounts, Enbridge Gas will describe the reasons for variances between actual costs and the forecast costs that were included in the approved IRP Plan or innovation-related proposal (if applicable).

Enbridge Gas will include, in any future IRP Operating Costs Deferral Account clearance requests, details on the outcomes and ratepayer benefits related to each category of costs proposed to be cleared.

14. INNOVATION-RELATED PROPOSALS

Innovation-related projects may be undertaken to test new technologies, approaches or practices that could improve the understanding of how IRP can address the system needs of Enbridge Gas's regulated operations. Innovation-related proposals are primarily intended to support learning and inform future IRP implementation.

Enbridge Gas will consider innovation-related proposals for inclusion within its IRP Implementation Plan application. Enbridge Gas retains discretion to bring forward previously unidentified innovation-related proposals during the term of the Implementation Plan with supporting justification, where appropriate. Any innovation-related proposals will be requested for approval by Enbridge Gas and are not mandated under the IRP Framework. Innovation-related proposals can include natural gas-based technologies as eligible IRPAs.

~~12 IRP PILOT PROJECTS~~

~~Enbridge Gas is expected to develop and implement two IRP pilot projects. The~~

~~pilots are expected to be an effective approach to understand and evaluate how IRP can be implemented to avoid, delay or reduce facility projects.~~

~~The OEB expects that the IRP pilot projects will be selected and deployed by the end of 2022. The detailed consideration of IRP pilot projects should commence shortly after the issuance of the IRP Framework with input being sought from the IRP Technical Working Group.~~

~~The nature of the pilots should be responsive to the opportunities that arise. Enbridge Gas should then apply to the OEB for approval of the IRP pilot projects providing the information and following the approach for IRP Plans, described in chapter 9 ("Future IRP Plan Applications").~~

~~The implementation of pilots should not be a barrier to addressing a system need through a non-pilot IRP Plan, if an exceptional time-limited opportunity arises prior to the completion of the pilots.~~

Enbridge Gas ~~should~~will share key learnings from ~~the pilots~~innovation-related projects through reporting to the OEB and stakeholders~~, through the annual IRP report and more frequent updates to the IRP Technical Working Group, as needed. This experience will facilitate the development of other IRP Plans and identify areas for enhancement to the IRP Framework.~~ in the IRP Annual Report. Experience with innovation-related projects may inform future IRP Implementation Plans and/or the design of IRPAs or IRP Plans.

~~The~~ IRP ~~pilot~~innovation-related project costs ~~are to~~will be tracked in the IRP Costs deferral accounts~~, and recovery can be requested annually for~~. Enbridge Gas will propose the associated cost treatment as part of the IRP Implementation Plan proceeding and will subsequently seek recovery of prudently incurred ~~costs.~~amounts through the deferral and variance account disposition process.

~~Enbridge Gas is encouraged to use the IRP pilot projects as a testing ground for an enhanced DCF+ test as discussed in section 5.3 ("Two-Stage Evaluation Process").~~

Assessment Consideration Guidelines

When applying for approval of innovation-related proposals, Enbridge Gas should include a section to discuss how these considerations were taken into account. The degree of detail of each consideration should be applied proportionally, based on the size, cost and nature of the proposal. The following are the assessment considerations for IRP innovation-related proposals:

1. **Potential to Address System Needs**: Identify the rationale for the proposal and its novel features, including an assessment of whether and how the proposed solution, if successful, could contribute to meeting future system needs. The rationale could include a description of potential costs and benefits of the proposal. The submitted rationale could also include a comparison of the technical and economic viability of the proposed innovation versus traditional solutions (or other categories of IRPAs), even if this comparison is less detailed or more uncertain than what would be provided for an IRP Plan.
2. **Risk and Oversight**: Describe potential risks and uncertainties, including those that may affect customers, and mitigation strategies including governance and oversight structures.
3. **Evaluation and Scalability**: Identify how the outcomes of the proposed solution would be evaluated and assessed and outline, to the extent possible based on the nature of the proposal, a transition plan for broader deployment if the proposal proves successful, including key milestones and decision points.
4. **Alternative Funding and Collaboration**: Explore opportunities for alternative funding sources to reduce reliance on ratepayers (e.g., government programs, contributions from private sector technology partners) and/or collaboration/coordination with third-parties to enhance the initiative.
5. **Knowledge Sharing**: Include a mechanism for sharing lessons learned to support sector-wide learning and inform future proposals.

It is not expected that innovation-related proposals will always be the most-cost effective or technically viable option to meet a system need, since these proposals are intended to support learning which may include assessing and better understanding the economics and technical potential of an alternative.

APPENDIX A

ACCOUNTING ORDERS FOR IRP DEFERRAL ACCOUNTS

Contents

Integrated Resource Planning (IRP) Operating Costs Deferral Account 2
Integrated Resource Planning (IRP) Capital Costs Deferral Account 4
IRP System Pruning Deferral Account 6

ENBRIDGE GAS INC.

Accounting Entries for
Integrated Resource Planning (IRP) Operating Costs Deferral Account
Account No. 179-318

This account records incremental impacts to ongoing IRP general operating and administrative costs, ~~as well as~~where impacts to IRP requirements result from changes to the IRP Framework or Implementation Plan (e.g. changes to IRP rules/requirements/guidelines), as compared to those reflected in rates. The account also records incremental operating and maintenance costs and ongoing evaluation costs for IRPAs and approved IRP Plans, where such costs are not capitalized in accordance with the IRP Incentive Mechanism, as well as for innovation-related projects. Operating costs associated with IRPAs, approved IRP Plans ~~also includes~~, and innovation-related projects include all enabling payments to service providers, made as part of ~~the IRP Plans~~such activities. This account will also record foregone revenues that result from the implementation of IRPAs and approved IRP Plans, where applicable. This account will also record offsetting avoided operating costs that relate to facilities that are delayed, avoided, or downsized by ~~an~~IRPAs and IRP ~~Plan~~Plans.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-~~2006-0117~~2024-0063 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, incremental ongoing IRP operating and general administrative costs, ~~as well as~~ incremental operating and maintenance costs (inclusive of enabling payments to service providers) and ongoing evaluation costs for IRPAs and approved IRP Plans, where such costs are not capitalized in accordance with the IRP Incentive Mechanism, as well as for innovation-related projects.

Debit	-	Account No. 179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 300 Operating Revenue

To record, as a debit/(credit) in the account, foregone revenues that result from the implementation of IRPAs and IRP Plans.

Debit	-	Account No. 300 Operating Revenue
Credit	-	Account No. 179-318 IRP Operating Costs Deferral Account

To record, as a debit/(credit) in the account, avoided operating costs ~~that relate~~already included in rates related to facilities that are delayed, avoided or downsized by ~~an~~IRPAs and IRP ~~Plan~~Plans.

Debit	-	Account No. 179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Integrated Resource Planning (IRP) Capital Costs Deferral Account
Account No. 179-319

This account records the actual annual revenue requirement of project costs eligible to be capitalized ~~for inclusion~~ in rate base, inclusive of capitalized operating costs, as part of IRPAs and approved IRP Plans ~~(where Enbridge Gas owns and operates the IRP alternatives)~~. This account also records the actual annual revenue requirement of project costs for innovation-related projects. Where applicable, this account will also record the associated annual Shared Savings Mechanism (SSM) incentive amounts for IRPAs and approved IRP Plans. This account will also record offsetting avoided revenue requirement amounts already included in rates related to facilities that are delayed, avoided, or downsized by ~~an~~IRPAs and IRP ~~Plan~~Plans.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-~~2006-0117~~2024-0063 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-319 IRP Capital Costs Deferral Account
Credit	-	Account No. 300 Operating Revenue

To record, as a debit/(credit) in the account, the actual annual revenue requirement of project costs eligible to be capitalized ~~for inclusion~~ in rate base, inclusive of capitalized operating costs, as part of IRPAs and approved IRP Plans ~~(where Enbridge Gas owns and operates the IRP alternatives)~~., plus where applicable, the associated annual SSM incentives. The actual revenue requirement of innovation-related project costs will also be recorded.

Debit	-	Account No. 300 Operating Revenue
Credit	-	Account No.~~179-318~~ 179-319 IRP ~~Operating~~Capital Costs Deferral Account

To record, as a debit/(credit) in the account, avoided revenue requirement amounts already included in rates related to facilities that are delayed, avoided, or downsized by ~~an~~IRPAs and IRP ~~Plan~~Plans.

Debit	-	Account No. 179-319 IRP Capital Costs Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
IRP System Pruning Deferral Account
Account No. 179-341

This account records incremental costs incurred to develop and implement one or two IRP system pruning pilot projects. The cost of the system pruning pilot(s) to be recorded in the account will be capped at $5 million. If the combined costs of the pilot project(s) are forecast to exceed $5 million, Enbridge Gas would seek approval through an IRP Application for the ability to recover the cost consequences in excess of $5 million. This account is effective upon approval of the EB-2024-0111 Settlement Proposal.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-2006-0117 interest rate methodology, as well as any updates to this methodology decided by the OEB in its EB-2024-0063 generic proceeding on cost of capital and other matters. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit	-	Account No. 179-341 IRP System Pruning Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit in the account, the incremental costs incurred to develop and implement IRP System Pruning pilot project(s).

Debit	-	Account No. 179-341 IRP System Pruning Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in the account, interest expense on the opening monthly balance.

CONTEXT AND FOUNDATIONAL CONSIDERATIONS

1. This Exhibit sets out the two foundational considerations that Enbridge Gas relied upon in developing the proposed updated IRP Framework. In Enbridge Gas's view, these are necessary considerations when assessing any potential updates to the IRP Framework:

    1. IRP must remain focused on its intended purpose
    2. IRP must align with current Ontario energy policy

1. IRP Must Remain Focused on its Intended Purpose

2. Enbridge Gas is proposing to establish a clear objective for IRP in the updated IRP Framework. The proposed objective of IRP is to address system needs identified in Enbridge Gas's AMP by selecting the alternative(s) that minimizes the natural gas rate impact, while taking into account the guiding principles. Consistent with this purpose, the primary determinant of cost-effectiveness for IRPAs should continue to be the impact on natural gas rates, as assessed through Phase 1 of the DCF+ test. It is critical that the updated IRP Framework remains focused on the intended purpose of IRP. Policies and cost-effectiveness methodologies need to continue to be established in a manner that ensures the most appropriate solution to a given system need is pursued, grounded by the objective and guiding principles of the IRP Framework.

3. A key issue arising from the consultation process in EB-2025-0125 was the appropriate purpose and scope of the IRP Framework, as parties provided differing views regarding the objectives that IRP should pursue, the manner in which IRPA cost-effectiveness should be assessed, and the range of issues that should be addressed through the IRP Framework.

4. The following subsections address three areas where Enbridge Gas considers it essential to maintain the intended purpose and scope of the IRP Framework:
    - The objective of IRP is not GHG emissions reductions
    - The objective of IRP is not to reduce or phase out the natural gas system
    - The objective of IRP is not to maximize the number of implemented IRPAs

<u>The objective of IRP is not GHG emissions reductions</u>

5. IRP is intended to identify cost-effective alternatives to address defined natural gas system needs. Its objective is not, and should not be, to serve as a mechanism for advancing GHG emissions reductions. Consistent with this purpose, the primary measure of cost-effectiveness for IRPAs should continue to be the impact on natural gas rates. This position was supported by EP and IGUA's submissions.[1]

6. Certain other parties appear to seek to shift IRP's objective/focus toward advancing GHG emissions reductions. Most notably, ED proposes incorporating a social cost of carbon, or another form of non-zero carbon value, into the DCF+ test to increase the weight afforded to emissions reduction benefits when evaluating alternatives.[2] OEB staff's Discussion Paper identified a lack of consensus with the TWG regarding the DCF+ test as it relates to whether and how some form of social cost of carbon should be part of Phase 3, recognizing that the federal government's decision to set the federal carbon charge to zero impacts the economic assessment of IRPAs under the DCF+ test.[3]

7. Enbridge Gas submits that the DCF+ test should not include a cost of carbon that is inconsistent with government policy or the OEB's economic regulation mandate. Following amendments to the *Greenhouse Gas Pollution Pricing Act* effective April

[1] EB-2025-0125, EP Submission, p.5, IGUA Submission, p.4.
[2] EB-2025-0125, ED Submission, November 19, 2025, p. 11.
[3] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 68.

1, 2025, the federal carbon charge has been set at $0. Further, the Government of Ontario strongly opposes consumer carbon pricing and, through the *Protecting Against Carbon Taxes Act, 2024*, has prohibited the legislature or any governmental body from adopting carbon pricing programs absent a provincial referendum.[4] The legislative record confirms that the government's objection extends to any form of new carbon price (i.e. indirect pricing schemes, not just a tax on carbon) intended to reduce GHG emissions, especially given the affordability challenges Ontarians face.[5] As such, an OEB-assigned non-zero carbon value to drive lower GHG emissions amounts to a prohibited new carbon price.

8. The OEB cannot substitute its judgment for federal and provincial policy determinations, including policies that choose or reject carbon pricing as a way to address climate change. As an economic regulator, it is not the OEB's role to directly or indirectly regulate the downstream implications of natural gas use (including associated emissions), determine the preferred energy mix for Ontario, or prioritize one energy source over another on such bases. Incorporating a new carbon value within the DCF+ to increase the relative attractiveness of certain IRPAs would do exactly that – intruding into the environmental policy and planning functions of elected governments.

9. Furthermore, by increasing the attractiveness of IRPAs which are otherwise less cost-effective, the inclusion of a non-zero carbon value may require gas ratepayers

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[4] *Protecting Against Carbon Taxes Act, 2024*, section 1. "Carbon pricing program" is broadly defined as any program intended to reduce GHG emissions by imposing a tax, fee, charge or other levy on those emissions.

[5] "[The Act] would require future governments to hold a referendum before introducing any new carbon pricing measures. This would not only cover carbon taxes, but any new system that puts a price on carbon, cap-and-trade or otherwise. With so many people across the province struggling just to make ends meet, we are taking a stand and we are saying no to carbon taxes and other faulty carbon-pricing systems. If a future government wants to put a price on carbon, the people of Ontario deserve to have their voice heard, and if the [Act] passes, they will." [emphasis added] See Hansard, April 25, 2024 at 1330 (Hon. Prabmeet Singh Sarkaria).

to fund higher-cost alternatives. The effect is to bias the DCF+ test against natural gas facility alternatives. This is contrary to the IEP, which places affordability at the forefront of energy policy, upholds customer choice, and endorses an "all-of-the-above" energy future in which natural gas continues to play an important role.

10. Enbridge Gas's position is consistent with the OEB's Issues List Decision in the Company's 2027-2030 DSM Plan proceeding, which recognized that "the Government of Ontario's policy [is] a zero cost of carbon for consumers", and the "application of a non-zero consumer carbon cost would be inconsistent with current government policy".[6] The OEB further held that it was in the public interest to proceed using the avoided carbon cost and 15% non-energy benefits adder included in Enbridge Gas's pre-filed evidence. For certainty, the avoided carbon cost reflected in the 2027-2030 DSM Plan Application is $0 (the same as that reflected in the DCF+) and the same 15% non-energy benefits adder is also being included for the DCF+ test. As a point worthy of clarity at the Framework level, in advance of any IRP Implementation Plan application, Enbridge Gas believes that the same determinations should apply to the IRP DCF+ test.

<u>The objective of IRP is not to reduce or phase out the natural gas system</u>

11. A theme emerging from some stakeholder submissions is the view that IRP should be used as a mechanism to reduce or phase out the natural gas system based on broad objectives unrelated to IRP, such as energy transition. For example, SEC noted the DCF+ test should be replaced with a goal-oriented analysis of the cost to attain an energy transition soft-landing,[7] and PP asserted that Ontario's focus on electrification and energy transition is already underway.[8]

[6] EB-2025-0295, Decision on Issues List and Procedural Order No. 3, May 4, 2026, pp. 7-10.
[7] SEC submission Review and Evaluation of IRP Framework, p.2.
[8] PP submission Review and Evaluation of IRP Framework, p.3.

12. Enbridge Gas does not agree with these positions. As outlined in the section above, the Government of Ontario's IEP emphasizes affordability, customer choice, and the continued importance of natural gas within Ontario's energy mix and does not contemplate phasing out the natural gas system. Consistent with this policy context, IRP is not intended as a tool to reshape the role of natural gas in Ontario's energy system. Rather, its purpose is to assess whether cost-effective alternatives can address identified natural gas system needs on a project-specific basis.

13. Parties advancing this position appear to rely on the unsupported belief that natural gas use will decline, and the inappropriate view that IRP should be a tool to manage the cost and risk of stranded assets.

14. For clarity, the IRP Assessment Process does not establish system needs or related underlying assumptions. Rather, it evaluates alternatives to address system needs that have already been identified through Enbridge Gas's asset management planning process and incorporated into the Company's AMP. Those system needs are developed using the most current planning assumptions, including customer additions forecasts and other planning inputs, to ensure that identified system needs appropriately reflect expected system requirements. As such, the IRP Assessment Process relies on established asset management information and forecasts, and the IRP Framework is not the appropriate forum to reassess asset planning or forecasting matters.

15. Issues relating to customer growth forecasts, system utilization, capital planning, and potential stranded asset risk fall outside the scope of the IRP Framework and the IRP Assessment Process. Consistent with the OEB's Rebasing Phase 1 Decision, consideration of any linkages between capital spending and stranded asset risk in Enbridge Gas's AMP, any associated assessment of underutilized or stranded assets, and any related mitigation measures, will be addressed in the Company's

next rebasing application.[9] It would therefore be inappropriate to include these issues within the IRP Framework and this proceeding. It would similarly be inappropriate to entertain SEC's suggestion of shifting responsibility for stranded assets to shareholders in the scope of this proceeding.[10] As part of its 2029 Rebasing Application, Enbridge Gas intends to file evidence which addresses the directives related to stranded assets set out in the OEB's EB-2022-0200 Decision and Order.

The objective of IRP is not to maximize the number of implemented IRP Alternatives

16. The objective of IRP is not to maximize the number of implemented IRPAs, but to identify the most appropriate solution to a system need based on cost-effectiveness and system requirements.

17. As discussed in Exhibit B, Tab 1, Schedule 2, since the first-generation IRP Framework was issued in 2021 Enbridge Gas has implemented IRP as part of its planning process, including completing IRP assessment of all investments in the Company's AMP. To date, one pipeline project has been avoided through implementation of an IRPA, and no IRPAs were identified as the preferred solution for any of the natural gas investments included in the 2026 AMP Addendum.[11]

18. A theme from parties' submissions in EB-2025-0125 was a concern regarding the limited number of IRPAs implemented to date, seemingly based on an expectation that increasing the number of IRPAs should be an objective of the IRP Framework. This position was advanced by OEB staff in their proposal to change the importance placed on phases of the DCF+ test to provide more opportunities for IRP

[9] EB-2022-0200, Decision and Order, December 21, 2023, p.140.
[10] SEC submission Review and Evaluation of IRP Framework, p.2.
[11] EB-2020-0091, Enbridge Gas Asset Management Plan Addendum 2026, October 30, 2025.

implementation,[12] a position supported by ED,[13] and by PP in framing that IRP would only be considered successful when there is a steady stream of IRP projects being implemented.[14]

19. These positions fundamentally misrepresent the purpose of the IRP Framework. The number of IRPAs implemented is not an appropriate measure of whether the IRP Framework is functioning as intended. Rather, the relevant question is whether the IRP Assessment Process fairly and appropriately identifies the preferred solution to an identified system need based on cost-effectiveness and system requirements. If the IRP Assessment Process demonstrates that there are few, or no, IRPAs capable of cost-effectively addressing system needs when compared to a traditional natural gas facility investment, that is a valid and important outcome of the IRP process. Any attempt to redesign the IRP Framework with the objective of increasing the number of implemented IRPAs would improperly transform IRP from a fair and objective assessment framework into an outcome-driven policy tool designed to favour a predetermined result. This view was similarly expressed by IGUA.[15]

20. As noted above, Enbridge Gas's experience to date has demonstrated that opportunities where IRPAs offer viable and cost-effective solutions to natural gas system constraints are extremely limited. Accordingly, the limited number of IRPAs implemented to date is an analytical finding arising from the application of the IRP Assessment Process and should not be misconstrued as evidence that the IRP Framework is not functioning as intended or that IRP has not been appropriately prioritized by Enbridge Gas.

[12] EB-2025-0125, OEB Staff Discussion Paper, October 2025, , p.70
[13] ED submission Evaluation and Review of IRP Framework, p.10
[14] PP submission Evaluation and Review of IRP Framework, p.4
[15] EB-2025-0125, IGUA Submission, November 17, 2025, p. 4.

2. IRP must align with current Ontario energy policy

21. In its April 28, 2026 letter directing Enbridge Gas to file proposed updates to the IRP Framework, the OEB noted that the Company should include consideration of relevant portions of the Government of Ontario's IEP.[16] Enbridge Gas agrees that provincial energy policy is a necessary consideration when assessing potential updates to the IRP Framework.

22. The IEP and associated Ministerial Directive[17] establish several policy considerations directly relevant to the IRP Framework, including:

- Emphasizing an affordability-first approach to energy policy;[18]
- Recognizing the critical role of natural gas in supporting economic activity, affirming that maintaining an economically viable natural gas system supports customer choice, and ensures overall energy system resiliency, reliability, and affordability;[19]
- Recognizing the continued role for the OEB as the natural gas system's economic regulator, protecting consumers, allowing natural gas utilities an opportunity to earn a fair return on investment, and enabling the continued rational expansion of the natural gas system;[20]
- Affirming Ontario's plan to meet growing energy demand while reducing emissions does not and will not include a carbon tax;[21]
- Recognizing the importance of coordination between electricity and natural gas in long-term energy planning, outlining the requirements for foundational steps, such as information sharing, scenario modelling, and

[16] EB-2025-0125, OEB Letter, April 28, 2026, p.4. https://www.rds.oeb.ca/CMWebDrawer/Record/940028/File/document
[17] Minister's Directive, Order in Council 802/2025, June 11, 2025.
[18] IEP, pp. 12-19
[19] IEP, p.95
[20] IEP, p.96
[21] IEP, p. 100

strengthening utility participation in regional and bulk electricity planning;[22] and,

- Recognizing that Indigenous participation in the energy sector is essential to Ontario's energy future and is a key part of economic reconciliation.[23]

23. The policy considerations set out in the IEP are reflected throughout Enbridge Gas's proposed updates to the IRP Framework. In particular, the proposed objective and streamlined requirements to enhance administrative and regulatory efficiency place greater focus on affordability and natural gas rate impacts of IRP, while the clarity in IRPAs that may be considered recognizes the principle of customer choice, system resiliency, and the continued critical role of natural gas within Ontario's energy system.

24. Importantly, the IEP does not identify electrification as an objective of natural gas utility planning, does not direct natural gas utilities to implement electric measures as alternatives to natural gas infrastructure, and does not establish a policy objective to reduce or phase out the natural gas system. Furthermore, these directions or outcomes would not be within the OEB's jurisdiction to impose and would directly conflict with the IEP.

25. While the IEP recognizes the importance of coordination between the electricity and natural gas systems, that coordination is identified as a planning activity that must first be supported by information sharing among utilities and agencies. Initial priorities include establishing a common understanding of planning processes and information requirements as well as access to the same information, particularly for high-growth areas to support planning coordination for infrastructure needs across

[22] IEP, p.122.
[23] IEP, pp. 129-137.

systems. This is not a direction to incorporate electrification into the IRP Framework as an eligible IRPA.

26. The IEP implementation directive issued by the Minister to the OEB requires the OEB to "consider the government's Natural Gas Policy Statement to ensure the OEB appropriately considers the future role of natural gas in Ontario's economy" and emphasizes the importance of maintaining customer choice while ensuring overall energy system resiliency, reliability and affordability.[24] The IEP's statements that diversification is required to meet future growing energy needs should not be misinterpreted as a desire to phase out the natural gas system or favouring electrification over natural gas. Rather, the IEP is clear that clean energy objectives will not be pursued at the expense of affordability. In support of this principle, the Government of Ontario has repeatedly opposed any new carbon tax, fee, charge or levy absent a referendum.[25] The IEP supports an "all-of-the-above approach" to meeting the future energy needs of the province, putting affordability first in every decision. Consistent with this approach, recent provincial legislative developments[26] have focused on supporting housing affordability, customer choice and economic growth rather than restricting the role of natural gas within Ontario's energy system.

27. As an economic regulator, the OEB's mandate in relation to natural gas focuses on rational natural gas system expansion, just and reasonable rates, and reliability and quality of natural gas service under the *Ontario Energy Board Act, 1998*. Taking

[24] Minister's Directive, Order in Council 802/2025, June 11, 2025, Section 9.
[25] *Protecting Against Carbon Taxes Act, 2024*, S.O. 2024, c. 9, Sched. 5; also see IEP, p. 100 ("Ontario's plan to meet growing energy demand while reducing emissions does not and will not include a carbon tax").
[26] Recent legislation, including Bills 17 (Protecting Ontario by Building Faster and Smarter Act 2025), 60 (Delays and Building Faster Act, 2025) and 98 (Building Homes and Improving Transportation Infrastructure Act, 2026), supports housing affordability and economic growth through measures intended to streamline development approvals, reduce development-related costs and delays, reinforce consistent province-wide building standards, and limit the ability of municipalities to impose local requirements that could restrict energy choices.

actions that involve directly or indirectly regulating the downstream implications of natural gas use (including associated emissions) or determining what form of energy is preferable in Ontario is to intrude into the policy and planning powers of elected governments in addition to contradicting express Government of Ontario policy.

28. Furthermore, it is critical that the IRP Framework is assessed in light of Ontario's own legislative and policy context, rather than importing objectives from jurisdictions (including New York[27], Massachusetts[28], and California[29] which were referenced in OEB staff's Discussion Paper) that are conducting IRP in response to explicit utility decarbonization or natural gas-transition mandates. Practical implementation of non-pipe alternatives (NPA) across North America remains nascent, with project implementation concentrated in a small number of jurisdictions. Across these jurisdictions, utility decarbonization objectives have evolved through a combination of legislative climate mandates, building electrification policies, and system-planning drivers that have, in some circumstances, placed restrictions on the ability to choose natural gas equipment and natural gas expansion. As a result, their NPA approaches have been developed with these jurisdiction-specific decarbonization

[27] In New York, the *Climate Leadership and Community Protection Act* (2019) (CLCPA) established binding economy-wide GHG reduction targets, while the *Utility Thermal Energy Network and Jobs Act* (2022) and *All-Electric Buildings Act* (2023) further support thermal energy networks, as well as phased building electrification through restriction in fossil-fuel systems in most new buildings, subject to ongoing implementation and litigation developments. Localized downstate gas supply constraints and reliability concerns further drove the need to consider alternatives to conventional pipelines. Recent amendments (2026) to the CLCPA balance New York's long-term climate goals with affordability.

[28] In Massachusetts, the *Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy* (2021) codifies net-zero by 2050 and interim economy-wide emissions limits. The *Future of Gas* order in D.P.U. 20-80 aligns gas utility planning with those climate requirements, limits cost recovery associated with natural gas expansion, and directs utilities towards options such as electrification, targeted energy efficiency and network geothermal.

[29] In California, SB 32 (2016) established a statutory 2030 GHG reduction mandate requiring statewide emissions to be reduced to 40% below 1990 levels by 2030. The 2022 Building Energy Efficiency Standards then advanced building electrification by establishing requirements that favour electric heat pumps and electric-ready design in new construction, while related appliance policies, including California Air Resources Board's direction to develop zero-emission standards for new space and water heating equipment sold in California by 2030, will further restrict reliance on new gas-fired appliances.

and natural gas-transition mandates in mind, rather than under a policy framework primarily focused on affordability and customer choice.

29. In contrast to these jurisdictions, Ontario's current policy does not establish equivalent utility decarbonization or natural gas-transition mandates. Rather, the IEP supports a natural gas IRP Framework focused on rate impacts to Ontario customers. The distinction is reinforced by recent legislative and regulatory developments. In November 2025, the Government of Ontario passed the *Plan to Protect Ontario Act, 2025*, which repealed Sections 3 to 5 of the *Cap and Trade Cancellation Act, 2018*,[30] removing the province's requirement to establish GHG emissions reduction targets. The OEB recently acknowledged these developments in Enbridge Gas's 2027-2030 DSM Plan proceeding, stating that the Government of Ontario's 2025 Fall Economic Statement "does not reiterate or reaffirm the province's previously documented 2030 greenhouse gas emissions reduction target", and that this represents "a departure from earlier Ontario government policy documents, including the Made-In-Ontario Environmental Plan, which explicitly committed to a 30% reduction below 2005 levels by 2030.[31]

30. Taken together, these developments confirm that Ontario's current policy direction differs materially from jurisdictions that have adopted utility decarbonization or natural gas-transition mandates. Accordingly, any updates to the IRP Framework should remain aligned with Ontario's policy objectives (including affordability, customer choice, system reliability, and the continued role of natural gas), rather than importing objectives developed for materially different legislative and regulatory regimes.

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[30] Cap and Trade Cancellation Act, 2018, S.O. 2018, c. 13.
[31] EB-2025-0295, OEB Decision on Issues List and Procedural Order No. 3, May 4, 2026, pp. 9-10.

31. Importantly, the IRP Framework exists within the broader regulatory construct governing the provision of natural gas service in Ontario. As a regulated utility, Enbridge Gas has a legal duty to safely and reliably serve Ontarians who continue to elect natural gas as part of their energy solutions, and plans its natural gas system on that basis. Accordingly, IRP should be implemented in a manner that complements, rather than redefines, the utility's obligation to serve. Maintaining this distinction ensures that IRP remains focused on its intended purpose while respecting the broader regulatory framework. Fundamentally, decisions regarding the need for natural gas service are driven by customer choice and broader public policy, and the role of IRP is to determine the most cost-effective means of meeting the resulting system needs in a safe and reliable manner.

INTRODUCTION AND PURPOSE

1. Chapter 1 of the IRP Framework ("Introduction and Purpose") provides overview information regarding the IRP Framework.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the section below. Enbridge Gas is also proposing administrative updates to this chapter.
    1. Removal of Prescriptive Language Regarding Future IRP Framework Updates

1. Removal of Prescriptive Language Regarding Future IRP Framework Updates

3. Enbridge Gas is proposing to remove the language in this chapter on expectations of future updates to the IRP Framework.

4. Enbridge Gas submits it is unnecessary to maintain the expectation from the first-generation IRP Framework for future enhancements and improvements to the IRP Framework. As IRP moves beyond the initial Framework, with proposed targeted updates that have been informed by experience implementing IRP, greater stability in the IRP Framework will support regulatory efficiency and certainty. Matters related to operationalizing the IRP Framework are proposed to be addressed through the IRP Implementation Plan as set out in Exhibit C, Tab 10, Schedule 1.

DEFINITIONS

1. Chapter 2 of the IRP Framework ("Definitions") includes definitions of the terms used in the IRP Framework.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Updates to Definition of "Integrated Resource Planning"
    2. Additions/Updates to Definitions of "IRP Framework", "IRP Implementation Plan", "IRP Annual Report", and "IRP Plan"
    3. Updates to Definitions of "Facility Alternative" and "IRP Alternative"
    4. Addition of Definition for "IRP Incentive Mechanism"
    5. Addition of Definition for "Innovation-Related Proposals"

1. Updates to Definition of "Integrated Resource Planning"

3. Enbridge Gas is proposing to update the definition of "Integrated Resource Planning" to include a reference to the objective of IRP. The update increases clarity of the meaning of "the best interest of Enbridge Gas and its customers" by linking the concept directly to the defined objective of IRP. Further details regarding the objective of IRP are set out in Exhibit C, Tab 3, Schedule 1.

2. Additions/Updates to Definitions of "IRP Framework", "IRP Implementation Plan", "IRP Annual Report", and "IRP Plan"

4. Enbridge Gas is proposing the addition of definitions for key IRP-related documents, including the "IRP Framework", "IRP Implementation Plan", and "IRP Annual Report". The proposed definitions improve clarity and support a more consistent understanding of the distinct purpose and function of each item.

5. Enbridge Gas is also proposing updates to the definition of “IRP Plan” to more clearly distinguish it from other IRP-related documents. The proposed updates also maintain language that indicates that IRP Plans are subject to adjudication, thereby distinguishing an IRP Plan from an IRPA, as not all implemented IRPAs will be submitted for OEB approval.

3. Updates to Definitions of “Facility Alternative” and “IRP Alternative”

6. Enbridge Gas is proposing updates to the definitions of “Facility Alternative” and “IRP Alternative”. The proposed revisions are intended to clarify the distinction between the two items.

7. Enbridge Gas is proposing to remove the IRPA-related language from the definition of “Facility Alternative” as it is duplicative of concepts that are more appropriately addressed through the definition of “IRP Alternative”. As the language differs from that used in the IRPA definition, retaining the language could create unnecessary ambiguity.

8. Enbridge Gas is also proposing to update the definition of “IRP Alternative” to clarify that a solution other than a Facility Alternative is considered an IRPA where it is proposed to avoid, reduce, or defer a defined baseline Facility Alternative associated with a system need identified in the Enbridge Gas AMP.

4. Addition of Definition for “IRP Incentive Mechanism”

9. Enbridge Gas is proposing to add a definition for “IRP Incentive Mechanism”. Additional details are set out in Exhibit C, Tab 9, Schedules 1 and 2.

5. Addition of Definition for "Innovation-Related Proposals"

10. Enbridge Gas is proposing to add a definition for "Innovation-Related Proposals". Additional details are set out in Exhibit C, Tab 14, Schedule 1.

OBJECTIVE AND GUIDING PRINCIPLES

1. Chapter 3 of the IRP Framework ("Guiding Principles") sets out the guiding principles of the IRP Framework. As part of the proposed updates to the IRP Framework, Chapter 3 has been renamed "Objective and Guiding Principles".

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Addition of IRP Objective
    2. Update to Cost-effectiveness Guiding Principle
    3. Updates to Public Policy Guiding Principle

1. Addition of IRP Objective

3. Enbridge Gas is proposing to add a new "Objective" section within Chapter 3 of the IRP Framework to clearly articulate the purpose of IRP. Establishing a clearly defined objective provides regulatory clarity and supports consistent application across planning, evaluation, and adjudication.

4. The proposed objective is to address system needs identified in the AMP by selecting the alternative(s) that minimizes the natural gas rate impact, while taking into account the guiding principles.

5. The objective of minimizing rate impacts limits the potential for ratepayers to cross-subsidize a more expensive solution that may benefit a subset of customers or non-customers at the expense of affordability for all ratepayers. For this reason, the results of DCF+ Phase 1 will serve as the primary determinant in identifying the preferred alternative. This is consistent with the OEB's findings in the first-generation IRP Framework Decision, which emphasized that IRP is intended to reduce the

longer-term cost to all Enbridge Gas customers and should be evaluated from a gas customer perspective, consistent with the OEB's statutory objectives.[1] Further, the objective aligns with the existing IRP Framework's economic evaluation approach, which emphasizes a "focus on rate impacts (as identified in phase 1 of the DCF+ test)"[2], and is consistent with the affordability-focused policy direction reflected in the Government of Ontario's IEP.

6. The need to formalize the objective is underscored by differing views of parties regarding the purpose of IRP and the role the Framework should play. Some parties advanced interpretations of IRP that extend beyond its intended scope, such as incorporating objectives related to emissions reductions, energy transition, or a reduced role for natural gas in Ontario's energy mix. Further discussion regarding stakeholder interpretations that extend beyond the intended scope of the IRP Framework is provided in Exhibit B, Tab 1, Schedule 3.

7. Some parties' submissions reflect an interpretation of the IRP Framework's objective that is closely aligned with Enbridge's Gas's position. For example, IGUA stated that the objective of the IRP Framework is to "ensure that EGI evaluates cost-effective (from a utility cost perspective) alternatives to conventional utility infrastructure projects and then pursues such alternatives when the alternatives can meet a system need more cost effectively than the conventional approach to doing so".[3]

8. Formalizing the objective in the IRP Framework will help ensure that IRP remains focused on assessing cost-effective alternatives to facility investments in a manner that advances ratepayer affordability and remains aligned with current Government policy.

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[1] EB-2020-0091, Decision and Order, July 22, 2021, p. 56.
[2] EB-2020-0091, OEB IRP Framework for Enbridge Gas (Appendix A of the OEB's Decision and Order) ("IRP Framework"), p. 12.
[3] EB-2025-0125, IGUA Submission, November 19, 2025, p. 2.

2. Update to Cost-Effectiveness Guiding Principle

9. Enbridge Gas is proposing to update the Cost-effectiveness guiding principle, in alignment with the IRP objective, to clarify that natural gas rate impacts for customers is the primary determinant of cost-effectiveness, with the total customer perspective as an additional consideration in the evaluation.

3. Updates to Public Policy Guiding Principle

10. Enbridge Gas is proposing to update the Public Policy guiding principle to clarify that IRP must be aligned with current public policy and government directives applicable to the natural gas sector.

11. The IRP Framework consultation process has indicated that some parties have interpreted public policy in a manner that extends beyond, or is not clearly aligned with, current public policy and government directives applicable to the natural gas sector. Further details regarding this matter are provided at Exhibit B, Tab 1, Schedule 3.

12. Accordingly, clarifying that IRP must align with current public policy and applicable government directives provides the necessary guidance to ensure consistent application of this guiding principle. The proposed updates support the proper use of IRP as a tool to assess cost-effective solutions to system needs, while avoiding interpretations that are not supported by actual public policy.

TYPES OF IRPAs

1. Chapter 4 of the IRP Framework ("Types of IRPAs") discusses the categories of IRPAs that may be considered to address system needs, including demand-side and supply-side options.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Updates to the Description of Interruptible Rates as an IRPA
    2. Additional Language Regarding Market-Based Supply-Side Alternatives to Clarify their Treatment and Scope within the IRP Framework
    3. Updates to Confirm that Natural Gas-Based Solutions are Eligible IRPAs
    4. Updates to Confirm that Electricity-Based Solutions are Ineligible IRPAs, and to Remove Language Regarding the Engagement of the IESO and Local Electricity Distributors
    5. Remove Requirement to Provide a Standalone Document on Demand-side IRPAs in Annual Report

3. Additional topics raised by OEB staff in its Discussion Paper and/or stakeholders in their November 2025 submissions which do not result in Enbridge Gas proposing updates to the IRP Framework are described in the section below:
    6. IRP Framework Should Avoid Outright Exclusion for Other Non-gas IRPAs

1. Updates to the Description of Interruptible Rates as an IRPA

4. Enbridge Gas is proposing updates to the description of interruptible rates to clarify its role as a targeted demand-side IRPA. The current IRP Framework recognizes that interruptible rates can be used to reduce peak demand and meet a system need or constraint. The proposed clarifications reflect that negotiated interruptible rate

arrangements may be considered as an IRPA where they are specifically applied to meet a system need/constraint.

5. The clarifications also reflect developments since the initial IRP Framework was established. As part of the OEB's Decision in the initial IRP Framework proceeding, the OEB directed Enbridge Gas, in its next rebasing application, to file a study on interruptible rates to determine how they might be modified to increase customer adoption to help reduce peak demand.[1] In response, Enbridge Gas filed an interruptible rate study in its 2024 Rebasing Application[2] and the OEB subsequently approved the Phase 1 Settlement Proposal that permitted Enbridge Gas to implement negotiated interruptible rate arrangements as part of an IRP Plan.[3] More recently, the OEB approved a harmonized interruptible rate design[4] that increases the price differential between firm and interruptible service and provides more consistent pricing outcomes across interruptible rate classes. Together, these developments have increased the role of interruptible service as a tool to manage peak demand and support clarifying its treatment within the IRP Framework.

6. While the initial IRP Framework recognized interruptible service as a potential demand-side alternative, it did not explicitly contemplate the use of negotiated interruptible arrangements to meet a system need/constraint. The proposed clarification therefore aligns the IRP Framework with the current regulatory context by confirming that interruptible rates may be considered as a demand-side IRPA, where they are specifically structured and applied to address a defined system need, while remaining distinct from standard interruptible offerings within existing rate

[1] EB-2020-0091, IRP Framework Decision and Order, July 22, 2021, p.94.
[2] EB-2022-0200, Exhibit 8, Tab 4, Schedule 7.
[3] EB-2022-0200, Decision on Settlement Proposal, Schedule A, p.50, Issue 28.
[4] EB-2025-0064, Decision on Settlement Proposal and Rate Order, March 26, 2026, p.7.

structures. Accordingly, references to considering interruptible rates in a rebasing rate application have been removed.

2. Additional Language Regarding Market-Based Supply-Side Alternatives to Clarify their Treatment and Scope within the IRP Framework

7. Enbridge Gas is proposing to add language to clarify the treatment and scope of market-based supply-side alternatives. Market-based natural gas supply arrangements would be considered supply-side IRPAs when implemented to address a defined facility need identified in the AMP through the IRP Assessment Process.

8. The proposed clarification is in response to comments raised in Enbridge Gas's 5-year GSP proceeding, where parties sought clarity on the role of supply-side alternatives and their relationship with IRP. In its Decision and Order, the OEB acknowledged that questions regarding the treatment of supply-side alternatives go to the core of the IRP Framework, including how such alternatives should be defined and evaluated, and found that the IRP Framework review is the appropriate venue to determine whether and how supply-side options that could address a system need should be integrated into planning processes.[5]

9. Gas supply planning and IRP serve distinct purposes and are governed by different OEB frameworks. Gas supply planning is conducted on an annual basis to address forecast supply shortfalls through optimization of the gas supply portfolio, consistent with the OEB's guiding principles for gas supply planning. By contrast, IRP assessment is applicable only when a specific system need has been identified in the AMP consistent with the IRP Framework.

[5] EB-2025-0065, OEB Decision and Order, May 21, 2026, pp. 17-18.

10. As such, while similar supply-side alternatives may be considered and assessed within both processes, the purpose of each is distinct. When assessed as part of annual gas supply planning, gas supply alternatives (i.e., storage, transportation, or supply services) are economically evaluated at the portfolio level relative to existing and new services to strictly address identified supply shortfalls. While persistent gas supply shortfalls that cannot be resolved via gas supply alternatives (i.e., storage, transportation, or supply) may contribute to system needs identified within the AMP, that is only one of multiple contributing factors. When assessed as part of the IRP Assessment Process, supply-side IRPAs are evaluated on a project-specific basis to determine whether they are technically viable and can cost-effectively address identified system needs or capacity constraints, thereby avoiding, reducing, or deferring a Facility Alternative.

3. Updates to Confirm that Natural Gas-Based Solutions are Eligible IRPAs

11. Enbridge Gas is proposing updates to confirm that natural-gas based solutions are included as eligible IRPAs under the IRP Framework. Enbridge Gas maintains that natural gas-based solutions are eligible IRP Alternatives where they can defer, avoid, or reduce traditional infrastructure required to meet a defined system need.

12. On March 27, 2025, the OEB issued its Decision and Order in the IRP Pilot Project Application (EB-2022-0335).[6] In that Decision, the OEB approved the Southern Lake Huron pilot, but did not approve funding for certain natural gas-based technologies, including hybrid heating and natural gas heat pumps. In the OEB's subsequent decision on Enbridge Gas's Motion to Review the IRP Pilot Project Decision,[7] the OEB confirmed that its determination in the IRP Pilot Project was specific to that proceeding and did not eliminate natural gas solutions from consideration as part of

[6] EB-2022-0335, Decision and Order, March 27, 2025.
[7] EB-2025-0333, Decision and Order, Motion to Review Decision on Integrated Resource Planning Pilot Project, May 14, 2026.

IRP more generally. The OEB further indicated that questions regarding the role of natural gas-based technologies within IRP would be more appropriately addressed in the context of the broader IRP Framework Review. In the Motion to Review proceeding, SEC acknowledged that it is appropriate to ask whether improved natural gas-based technologies should be considered within IRP where they are capable of deferring facilities.[8]

13. Considering the uncertainty caused by the IRP Pilot Project Decision, it is necessary and appropriate for the updated IRP Framework to indicate that natural gas technologies that have the potential to reduce peak natural gas demand are considered as eligible IRPAs. As is the case with all IRPAs, whether a specific alternative is identified and implemented to address a specific system need in the AMP should depend on the results of the IRP Assessment process. Categorically excluding the eligibility of natural gas-based technologies at the outset would be inconsistent with the principle of ensuring a comprehensive IRP assessment, and would not be in the public interest.

14. Accordingly, natural gas-based IRPAs should be assessed alongside other potential options on a consistent basis through the IRP Assessment Process. This approach is consistent with the broader policy context relevant to this proceeding. There is no policy basis for categorically excluding natural gas technologies from IRP. The unambiguous policy of the Government of Ontario as outlined in the IEP is to promote customer choice, reliability, and flexibility within an affordability-first mandate. The Government of Ontario has explicitly noted the ongoing and central role of natural gas in ensuring that the province's energy needs are met. Within the policy environment in Ontario, IRP is an economic and planning mechanism for assessing alternatives, not a mechanism for phasing out natural gas nor a vehicle

[8] EB-2025-0333, SEC submission, PIRP Second Motion to Review – Threshold Question, February 24, 2026, p. 2.

for fuel preferences or decarbonization. In addition, the Minister's implementation directive[9] instructs the OEB to consider the government's Natural Gas Policy Statement in assessing the future role of natural gas in Ontario's economy and emphasizes the need for an economically viable natural gas network as the province builds a more diverse energy system. An IRP Framework that permits project-specific consideration of natural gas-based solutions to confirm if they are part of a preferred solution to cost-effectively address a defined system need is consistent with that policy direction.

4. Updates to Confirm that Electricity-based Solutions are Ineligible IRPAs, and to Remove Language Regarding the Engagement of the IESO and Local Electricity Distributors

15. Enbridge Gas is proposing to maintain the first-generation IRP Framework provision that electricity-based solutions are ineligible IRPAs, and to remove language regarding the engagement of the IESO and local electricity distributors.

16. The proposed updates reflect the absence of the planning, regulatory, and evaluation conditions necessary to appropriately assess electricity-based solutions as alternatives to natural gas infrastructure. To properly assess electrification as an IRPA, alternatives to natural gas system constraints would need to be evaluated within the context of both the electricity and natural gas systems, underpinned by common assumptions, aligned cost-effectiveness methodologies, and established approaches for evaluating, allocating, and recovering electricity system impacts and costs. These foundational conditions do not currently exist in Ontario and extend beyond the scope of the natural gas IRP Framework and this proceeding. Expanding the IRP Framework to include electrification would introduce alternatives that cannot be appropriately evaluated within the current IRP Assessment Process.

[9] Minister's Directive, Order in Council 802/2025, June 11, 2025, pp. 95-102.

17. Enbridge Gas has also considered the current policy context, including the IEP and associated Ministerial directives when proposing these updates. As detailed in Exhibit B, Tab 1, Schedule 3, the IEP does not identify electrification as an objective of natural gas utility planning, nor does it direct natural gas utilities to evaluate or implement electric measures as alternatives to natural gas infrastructure. Rather, the IEP emphasizes the growing demand for energy in the province, the critical role of natural gas in Ontario's energy mix and in an "all of the above" energy future, and it identifies the initial foundational steps required to initiate coordinated planning. These foundational steps include information sharing, coordinated scenarios and enhanced participation in regional electricity planning to help coordinate planning across electricity, natural gas and other fuels.[10] Implementation of these foundational steps remains at an early stage.

18. The IEP explicitly recognizes the risk of advancing electricity-based non-pipe alternatives, such as electric heat pumps, without accounting for their impact on local electricity demand and grid capacity and directs a formal process to engage natural gas distributors in regional electricity planning activities[11] as an initial step. It also outlines that fuel-switching could only be enabled by integrated planning when it is cost-effective;[12] however, it does not direct any steps for establishing coordination in cost-effectiveness methodology or implementation across sectors. These necessary coordination conditions do not currently exist in Ontario. The issue of establishing coordinated and aligned cost-effectiveness assumptions and consistent cost-effectiveness methodology/implementation policies extends well beyond the scope of the natural gas IRP Framework proceeding.

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[10] Ontario.ca, (2025 July 18). Energy for Generations (IEP). Ontario.ca. https://www.ontario.ca/files/2025-07/mem-energy-for-generations-en-2025-07-18.pdf. pp. 95, 121
[11] IEP, July 18, 2025, p.125
[12] IEP, July 18, 2025, p120

19. The electric sector parties supported and emphasized the need for coordinated planning. The EDA also emphasized the requirement for regulatory alignment before electrification could be considered within IRP. They expressed concerns with OEB staff's electrification proposals, that such changes to the IRP Framework were not aligned with the current early stage of implementation of the IEP priorities for future energy planning, and raised concerns regarding how electricity system costs, upgrades, and rate impacts would be assessed, allocated, and recovered.[13] The EDA further noted that advancing electrification within the IRP Framework in the absence of these elements risks misalignment with the broader objectives of integrated energy planning set out in the IEP.[14] The IESO similarly submitted that electrification shifts demand to the electricity system and that the planning of the two systems must be coordinated, especially at the distribution level.[15] While the IESO noted that impacts from individual IRP-scale projects may initially be most apparent at the distribution level, it also identified the need to consider cumulative impacts and to integrate electrification within broader regional planning processes.[16]

20. By contrast, OEB staff, ED, and PP suggested that electricity system impacts associated with IRP-scale electrification may in some cases be limited or manageable and dealt with on an ad-hoc basis. OEB staff proposed what they characterized as a relatively straight-forward approach to considering electricity availability issues that builds on the approach in the Southern Lake Huron IRP Pilot Project.[17] ED submitted that it is not necessary to have a hard and fast rule requiring Enbridge Gas to obtain confirmation from the local electricity distributor in all cases.[18] PP similarly suggested that IRPAs typically target specific areas and would

[13] EB-2025-0125, EDA Submission, November 25, 2026, p. 2.
[14] EB-2025-0125, EDA Submission, November 25, 2026, p.3.
[15] EB-2025-0125, IESO Submission, November 19, 2025, p. 1.
[16] EB-2025-0125, IESO Submission, November 19, 2025, pp.1-2.
[17] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 58.
[18] EB-2025-0125, ED Submission, November 19, 2025, p. 9.

generally have limited impact on the electricity grid.[19] While environmental advocacy groups such as PP and ED claim that electricity system impacts from IRP-scale electrification are limited or manageable, their assertions are contradicted by the submissions of actual electricity-sector stakeholders who have direct responsibility for electricity system planning and reliability. The EDA and the IESO are appropriately positioned to provide clarity on the planning, operational, and cost implications of incremental electrification in Ontario, and to identify the need for coordinated gas-electric planning as requirements to enable the consideration of fuel-switching.

21. For these reasons, Enbridge Gas is firmly opposed to the ad hoc approach of engaging electric LDCs and the IESO to determine electricity system impacts. While the approach taken for the IRP pilot project was appropriate for limited testing, it is not comparable to the systematic approach that would be needed to include electrification in the IRP Assessment Process employed in the evaluation of alternatives to avoid, delay, or downsize natural gas facility projects. The scale and scope of electrification in the IRP pilot project was extremely limited and the objective was to gain learnings as opposed to assessing system-level impacts. The limited pilot approach therefore does not provide a sufficient basis for incorporating electricity-based solutions into the IRP Assessment Process on an ongoing basis.

22. OEB staff also proposed considerations related to the treatment of electrification within the DCF+ test, including incorporating electricity system upgrade costs into Phase 3 of the DCF+ test.[20] Enbridge Gas submits that OEB staff's proposed approach is not appropriate. The DCF+ test is specifically designed to compare IRPAs against a baseline natural gas facility and was developed to evaluate benefits and costs associated with eligible IRPAs under the current IRP Framework, which

[19] EB-2025-0125, PP Submission, November 19, 2025, p. 11.
[20] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 59.

does not include electrification. Electric LDCs apply distinct cost-effectiveness approaches, such as Benefit-Cost Analysis, which are not directly comparable to the DCF+ test. As noted above, common and coordinated cost-effectiveness methodologies and implementation approaches would need to be established across both sectors, with involvement of electricity distributors and the IESO who have the requisite information regarding electricity system impacts (for example, cost impacts to the electric system). In the absence of such coordination, assigning electrification-related impacts to a particular phase of the DCF+ test would not result in a consistent or meaningful comparison with traditional IRPAs and risks introducing non-transparent, incomplete, and externally derived inputs that could materially distort or misstate outcomes.

23. Other parties raised related concerns regarding the consideration of electric measures as IRPAs. LIEN identified legal, equity, and cross-subsidization considerations associated with recovering electrification-related costs, including the need for cost allocation across utilities where benefits accrue.[21] EP questioned whether the OEB has authority to require natural gas customers to fund electricity system expansion.[22] IGUA[23] and FRPO[24] similarly recognized that significant jurisdictional, evaluative, incentive, cost recovery, and implementation complexities would require further development. As stated above, Enbridge Gas agrees that consideration of electrification as an IRPA raises foundational planning, evaluation and cost-allocation issues that extend beyond the scope of the natural gas IRP Framework and this proceeding.

[21] EB-2025-0125, LIEN submission, November 19, 2025, p.10-11.
[22] EB-2025-0125, EP submission, November 19, 2025, p. 3-4.
[23] EB-2025-0125, IGUA submission, November 20, 2025, p.4.
[24] EB-2025-0125, FRPO submission, November 21, 2025, p.3.

24. In addition to the absence of the necessary coordinated-planning and evaluation conditions, parties expressed differing views regarding whether the IEP provides policy support for including electricity-based solutions within natural gas IRP. OEB staff,[25] BOMA,[26] ED,[27] and PP,[28] have selectively focused on certain sections of the IEP to assert that its references to electrification and clean energy support the consideration of electrification measures within natural gas IRP. Enbridge Gas does not agree with these interpretations of the IEP. While the IEP recognizes the importance of clean energy and coordinated planning, it does not establish that electrification measures should be treated as alternatives to natural gas infrastructure within the natural gas IRP Framework. Some parties, including EDA[29], EP[30], FRPO[31], and IESO[32], reinforced these elements of the IEP in relation to IRP.

25. Some parties, such as ED[33] and BOMA[34], sought to characterize the affordability-first policy of the IEP as requiring electrification alternatives to be in scope. ED stated “electrification measures need to be eligible for inclusion in IRPAs to ensure that all reasonable options are considered and the most cost-effective option is chosen”. This position ignores the practical reality that Enbridge Gas has no direct knowledge or oversight of the electricity system and cannot assess the financial or reliability impacts of electrification, and there is no common methodology of assessing cost effectiveness across the natural gas and electric sectors.

[25] EB-2025-0125, OEB Staff Discussion Paper, November 19, 2025, p. 9, p. 32-33, p. 56.
[26] EB-2025-0125, BOMA Submission, November 19, 2025, p. 1-2.
[27] EB-2025-0125, ED Submission, November 19, 2025, p. 1, p. 8, p. 11.
[28] EB-2025-0125, PP Submission, November 19, 2025, p. 3.
[29] EB-2025-0125, EDA Submission, November 19, 2025, p. 1-3.
[30] EB-2025-0125, EP Submission, November 19, 2025, p. 2.
[31] EB-2025-0125, FRPO Submission, November 19, 2025, p. 1.
[32] EB-2025-0125, IESO Submission, November 19, 2025, p. 1.
[33] EB-2025-0125, ED Submission, November 19, 2025, p. 3.
[34] EB-2025-0125, BOMA Submission, November 19, 2025, pp. 1-2.

26. ED also referred to the Ministerial Directive relied on in the DSM Framework Decision allowing electrification measures to be funded by DSM. It is important to recognize this Mandate letter was specific to the DSM context, and that DSM and IRP differ fundamentally in purpose, design, and approach. As such, the DSM example does not constitute policy direction to treat electrification as an alternative to natural gas infrastructure within the IRP Framework. In addition, instead of providing specific direction regarding IRP stemming from the IEP, the Minister has directed the OEB and IESO to develop a formal process to engage natural gas distributors in regional electricity planning activities, beginning with information sharing.[35] This direction is significant for two reasons. First, it indicates that coordination between the two sectors requires structured processes and information-sharing mechanisms. Second, it explicitly recognizes that there are risks in advancing NPAs without accounting for their impacts on local electricity demand and grid capacity.[36]

27. Enbridge Gas submits that it would be inappropriate to expand IRPA eligibility to include electrification absent clear Government of Ontario policy direction, together with the structured, coordinated planning processes and consistent evaluation and cost-allocation approaches required to support coordinated gas-electric decision-making. Given the above, Enbridge Gas is also proposing to remove language in the IRP Framework regarding the engagement of the IESO and electricity distributors for the purposes of facilitating electricity-based solutions to address a natural gas system need/constraint.

[35] IEP, July 18, 2025, p.125
[36] Ibid.

5. Remove Requirement to Provide a Standalone Document on Demand-side IRPAs in Annual Report

28. Enbridge Gas is proposing to remove the requirement to provide a standalone document on best available information on demand-side IRPAs in the IRP Annual Report. This requirement was suggested for the first-generation IRP Framework to assist Enbridge Gas and other parties as a starting point for consideration of IRPAs and assist the OEB in its review of Enbridge Gas's consideration of alternatives. As IRP moves beyond the initial Framework, the methodology to quantify technical potential of IRPAs and quantify inputs for economic evaluation is proposed to be included as part of the IRP Implementation Plan as noted in Exhibit B, Tab 1, Schedule 2, Attachment 1, Table 2.

29. Therefore, removing this requirement from the IRP Annual Report avoids duplication, improves efficiency of IRP reporting, and ensures that information supporting future IRP assessments is maintained in the appropriate IRP document.

6. IRP Framework Should Avoid Outright Exclusion for Other Non-gas IRPAs

30. OEB staff proposed in its Discussion Paper that the IRP Framework should avoid an outright exclusion for other non-gas IRPAs, such as thermal energy networks (district energy), to allow for the possibility of Enbridge Gas to bring forward proposals for OEB consideration, if appropriate.[37]

31. Enbridge Gas does not support expanding the IRP Framework to include other non-gas alternatives such as thermal energy networks. Thermal energy networks can rely on non-gas energy supply sources (for example, electricity-based solutions) and therefore raise the same concerns as electrification IRPAs. These concerns include the need for coordinated planning, system-level impact assessment and consistent

[37] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p.59.

evaluation and cost-effectiveness methodologies, as described in the section above. As such, to the extent thermal energy networks rely on electricity energy sources, Enbridge Gas is proposing that they are not included within the scope of the IRP Framework.

32. This approach is also consistent with the broader policy context in Ontario. As described in Exhibit B, Tab 1, Schedule 3, the IEP emphasizes affordability, reliability, and customer choice, while identifying coordinated gas-electric planning as an initial priority. In this context, thermal energy networks are most likely to arise in new developments, where energy solutions are determined at the outset based on customer and community preferences. The IEP recognizes the importance of customer choice, including the ability to select natural gas where it best meets those needs, and does not establish a requirement for natural gas utilities to advance non-gas alternatives or replace existing systems. Further, the OEB has been directed to report back to the Ministry of Energy and Mines by October 31, 2026, on the scope, timing, and resourcing considerations associated with a potential expansion of its mandate to include District Energy Systems, among other emerging energy resources.[38] This work remains on-going. Accordingly, consideration of thermal energy networks within the IRP Framework would be premature and not aligned with the current policy direction.

33. Other parties also supported expanding the scope of eligible IRP Alternatives to include non-gas options. LIEN supported inclusion of non-gas alternatives such as thermal networks, renewable-based district energy, solar photovoltaics, and battery storage.[39] ED supported piloting thermal networks and referred to them as a “safe bet” for other leading jurisdictions.[40]

[38] Minister’s Directive, Order in Council 802/2025, Section 10, June 11, 2025.
[39] EB-2025-0125, LIEN Submission, November 19, 2025, p. 12.
[40] EB-2025-0125, ED Submission, November 19, 2025, p. 8.

34. While other jurisdictions, such as New York and Massachusetts, have been undertaking thermal network projects, their regulatory drivers and policy landscapes are fundamentally different when compared to Ontario. As described in Exhibit B, Tab 1, Schedule 3, these jurisdictions have adopted policies that include the prioritization of defined decarbonization goals within established timelines, the decommissioning of natural gas systems, restrictions to natural gas access in buildings, and infrastructure moratoria. In both aforementioned jurisdictions, natural gas utilities were only able to pursue thermal energy network projects following enabling legislative changes. In New York, legislative changes enacted in 2022 not only removed legal barriers for utilities to develop thermal energy networks, but also required utilities to pilot thermal energy networks.[41] In Massachusetts, legislation enacted in 2021 authorized gas utilities to pilot geothermal networks[42], and further legislation enacted in 2022 permitted those projects to be funded through the gas pipe replacement program. [43] While affordability and customer cost considerations are considered, the legislative schemes in these jurisdictions are not framed with a focus on advancing the least-cost non-pipe alternative relative to natural gas infrastructure. Rather, they reflect policy choices intended to advance decarbonization objectives, support clean energy deployment, and enable natural gas utilities to participate in thermal network pilots within those jurisdictions' broader climate and energy transition mandates.

35. Ontario is not operating under the same or similar policy environment. The province's current policy framework recognizes the ongoing role of the natural gas system within a more integrated energy system and puts affordability first in energy

[41] NY State Senate Bill 2021-S9422
[42] The 194th General Court of the Commonwealth of Massachusetts. (2021 Mar 6). An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy. Malegislature. https://malegislature.gov/Laws/SessionLaws/Acts/2021/Chapter8
[43] The 194th General Court of the Commonwealth of Massachusetts. (2022 Aug 11). An Act Driving Clean Energy And Offshore Wind. malegislature. https://malegislature.gov/Laws/SessionLaws/Acts/2022/Chapter179.

decision-making. Government policy does not contemplate reducing or phasing out the natural gas system or prioritizing decarbonization objectives at the expense of affordability and does not establish a requirement for Enbridge Gas to replace its system with non-gas alternatives such as thermal energy networks. Nor has Ontario established the statutory, regulatory, or cost allocation framework necessary to evaluate, approve, and integrate such systems within existing utility and regulatory planning processes.

36. For these reasons, Enbridge Gas submits that the IRP Framework should not be expanded in this proceeding to include other non-gas alternatives such as thermal energy networks. To the extent such systems rely on non-gas energy supply, like electricity, they also engage the same cross-system considerations identified for electrification IRPAs. Consideration of pursuing these technologies would be more appropriately addressed through broader policy and regulatory process, including the OEB's ongoing work related to District Energy Systems, rather than through changes to the IRP Framework.

IRP ASSESSMENT PROCESS

1. Chapter 5 of the IRP Framework ("IRP Assessment Process") details the four-step IRP Assessment Process used to determine the best approach to meeting system needs. These steps include:
    - Step 1: Identification of Constraints (Exhibit C, Tab 5, Schedule 2)
    - Step 2: Binary Screening Criteria (Exhibit C, Tab 5, Schedule 3)
    - Step 3: Two-Stage Evaluation Process (Exhibit C, Tab 5, Schedule 4)
        - Stage 1: Technical Evaluation
        - Stage 2: Economic Evaluation
    - Step 4: Periodic Review (Exhibit C, Tab 5, Schedule 5)

2. Under "Step 1: Identification of Constraints", Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Updates to Align the Identification of System Constraints with the AMP Planning Horizon
    2. Updates to Clarify the Filing Timelines of the AMP

3. Under "Step 2: Binary Screening Criteria", Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Update to "Emergent Safety Issues" Criterion
    2. Update to Remove "Timing" Criterion
    3. Update to "Customer-Specific Builds" Criterion
    4. Aligning Mandatory Assessment of Pipeline Replacement and Relocation Projects with the Cost Threshold for Leave to Construct
    5. Addition of Cost Threshold for Mandatory IRP Assessment of System Reinforcement Projects

4. Under “Step 3: Two-Stage Evaluation Process – Stage 1: Technical Evaluation”, Enbridge Gas’s proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Addition of Technical Screening
    2. Update to Language Regarding Uncertainty in Forecast Savings

5. Under “Step 3: Two-Stage Evaluation Process – Stage 2: Economic Evaluation”, Enbridge Gas’s proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Updates to Description of DCF+ Test to Improve Alignment with the Objective of IRP
    2. Updates to the DCF+ Test Costs and Benefits

6. Additional topics raised by OEB staff in its Discussion Paper and/or stakeholders in their November 2025 submissions which do not result in Enbridge Gas proposing updates to the IRP Framework are described in the sections below:
    1. Phase 3 Inputs
    2. Alternative Cost-Effectiveness Tests

7. Under “Step 4: Periodic Review”, Enbridge Gas’s proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Update to Process for Addressing Material Changes to IRPAs and IRP Plans

IRP ASSESSMENT PROCESS

Step 1: Identification of Constraints

1. Updates to Align the Identification of System Constraints with the AMP Planning Horizon

1. Enbridge Gas is proposing to align the identification of system constraints for the purposes of IRP assessment with the planning horizon reflected in the Enbridge Gas AMP.

2. The current IRP Framework references a 10-year planning horizon for the identification of system constraints. However, the planning horizon reflected in the AMP is not a fixed number of years and may vary over time.

3. As noted in the IRP Framework, the IRP Assessment Process is applied to system needs identified through the AMP. For each identified system need, the AMP describes the associated baseline Facility Alternative, which provides the basis for evaluating whether IRP Alternatives can avoid, reduce, or defer that Facility Alternative. As such, the timing and scope of IRP assessment are dependent on the information developed through the AMP process. Aligning IRP assessment with the AMP planning horizon ensures consistency between the two processes and enables IRP opportunities to be evaluated using the information available through asset management planning activities.

2. Updates to Clarify the Filing Timelines of the AMP

4. Enbridge Gas is proposing to update the language regarding the filing timeline of the AMP, to clarify that either an AMP or update to the AMP (AMP Addendum) is filed on an annual basis.

5. Enbridge Gas is also proposing other minor updates to more accurately reflect details regarding the AMP.

IRP ASSESSMENT PROCESS

1. Step 2: Binary Screening Criteria

1.1. *Update to "Emergent Safety Issues" Criterion*

1. Enbridge Gas is proposing to update the title of the binary screening criterion from “Emergent Safety Issues” to “Emergent Safety and Reliability Issues.”

2. The proposed update aligns the title of the criterion with its existing description and intended application. The criterion applies to emergent system needs that require timely facility action to maintain the safe and reliable operation of the gas system or to meet applicable legal or regulatory requirements. While reliability considerations are already reflected in the criterion's description, they are not currently reflected in its title. Explicitly referencing reliability in the title improves clarity by more accurately reflecting the existing scope of the criterion.

1.2. *Update to Remove "Timing" Criterion*

3. Enbridge Gas is proposing to remove the “Timing” binary screening criterion from the IRP Framework.

4. The “Timing” criterion screened out identified system constraints/needs that must be met in under three years on the basis that there would be insufficient time to assess and implement an IRPA and demonstrate that the constraint was mitigated. The “Timing” criterion was applied on a limited basis during the early stages of IRP assessment, including in the 2023–2032 AMP when IRP processes were still being established and integrated into planning activities. This criterion has not been employed in the binary screening of AMP investments in the 2025–2032 AMP filed in October 2024 or to any new system needs since this time.

5. As Enbridge Gas has integrated the IRP Assessment Process within its existing AMP processes, reliance on a standalone timing-based screening criterion is no longer necessary. IRP considerations are now incorporated in the planning lifecycle, allowing for the assessment of IRPAs within standard project development timelines. Removal of the “Timing” criterion improves the consistency and transparency of the IRP Framework by ensuring that system needs are not excluded from IRP consideration solely on the basis of timing, while still maintaining the ability to address urgent or imminent system needs through the “Emergent Safety or Reliability Issues” screening criterion.

6. This proposed update also provides clarity relative to stakeholder feedback regarding the application of the timing-based exemption, including concerns raised by PP.[1]

1.3. *Update to “Customer-Specific Builds” Criterion*

7. Enbridge Gas is proposing to expand the existing customer-specific build binary screening criterion to include customer connection projects.

8. Under this proposed update, investments associated with customer connections would be screened out from further IRP consideration at the binary screening stage under the “Customer-Specific Build” criterion, as these investments are driven by customer requests for new service and are required to provide customer access to the natural gas system. Screening these investments from further IRP consideration is consistent with Ontario's energy policy direction as reflected in the IEP, including supporting customer choice and recognizing the continued role of natural gas in the province’s energy mix, as described in Exhibit B, Tab 1, Schedule 3.

[1] EB-2025-0125, PP Submission, November 19, 2025, pp. 13–14.

9. Customer connection investments are undertaken to serve new or expanding customers and include costs related to distribution mains, services, and associated equipment required to provide access to the natural gas system. As these investments are driven by customer requests for service, there are no feasible IRPAs that would avoid the requirement to connect a customer requesting natural gas service. In addition, IRPAs cannot reduce or defer the scope of these assets, as they are designed to meet specific customer requirements within specific timelines.

10. Expanding the customer-specific build binary screening criterion to include customer connection projects therefore provides a clear and practical delineation between customer-driven investments and system-driven needs. This ensures that IRP assessment is focused on projects where IRPAs have a reasonable potential to avoid, reduce, or defer infrastructure, consistent with the IRP Framework's optimized scoping principle.

11. ED submitted that IRP evaluations should be required for customer connections, including new developments, where such connections may contribute to incremental demand that triggers upstream transmission or distribution reinforcement within Enbridge Gas's planning horizon, and further suggested that electrification measures be considered in this context.[2]

12. Enbridge Gas does not support expanding mandatory IRPA assessment for customer connection investments or incorporating electrification measures within this context, as they are not an eligible IRPA in the proposed IRP Framework. The purpose of the proposed screening criterion is to distinguish between connection-related assets required to serve a customer request in a local system from broader system needs. Any upstream reinforcement required to address a broader system constraint is scoped as a separate investment and remains subject to IRP

[2] EB-2025-0125, ED Submission, November 19, 2025, p 11.

assessment. The same approach extends to community expansion projects, which are similarly screened from further IRP consideration under a separate binary screening criterion; where an upstream reinforcement is identified that is independent from the community expansion investment, the assessment of the separate investment would consider the system demand and IRPA(s) inclusive of community expansion customers where applicable within the affected project area.

2. Aligning Mandatory Assessment of Pipeline Replacement and Relocation Projects with the Cost Threshold for Leave to Construct

13. Enbridge Gas is proposing to align the mandatory assessment of IRPAs for pipeline replacement and relocation projects with the $10 million cost threshold for Leave to Construct.[3] This aligns the binary screening cost threshold for these projects, currently set at $2 million, with the applicable Leave to Construct cost threshold.

14. Under this proposed update, pipeline replacement and relocation projects for which project costs do not meet the $10 million cost threshold for Leave to Construct, including projects eligible for exemption from Leave to Construct, would be screened out at the binary screening stage and would not proceed to IRP evaluation.

15. This change supports regulatory efficiency and consistency by aligning mandatory IRP evaluation requirements for pipeline replacement and relocation projects with the cost threshold requiring Leave to Construct. This change also reflects Enbridge Gas's implementation experience, which has demonstrated that pipeline replacement and relocation projects offer extremely limited opportunities for IRPAs to materially reduce project scope or cost, supporting a more targeted approach to detailed IRP assessment.

[4] EB-2025-0125, PP Submission, November 19, 2025, p.12

16. Pipeline replacement and relocation projects are primarily driven by the need to maintain system integrity, deliverability and safe operating conditions. The underlying need to replace or relocate the existing infrastructure remains regardless of whether an IRPA is implemented. As such, the scope of any potential IRPA is limited to pipe downsizing, typically impacting only a portion of the project. A significant share of the project costs including design, engineering, pre-work and construction labour remains unchanged regardless of any modest reductions in pipe size or length. Consequently, the potential for IRPAs to materially affect overall project scope or economics is inherently limited, particularly for projects that would not otherwise meet the applicable Leave to Construct criteria.

17. Enbridge Gas does not agree with PP's assertion that there is no rationale for setting a cost threshold for IRP evaluation.[4] As recognized in the current IRP Framework, binary screening is intended to focus IRP evaluation on system needs where IRPAs may reasonably provide a viable and cost-effective solution.

18. The current application of the binary screening criteria screens out a substantial portion of pipeline replacement and relocation projects, where there is no reasonable expectation that IRPAs could meet the system need. For example, in the 2025–2034 AMP approximately $469.9 million (corresponding to 865 investments) were screened out under the existing cost threshold of $2 million.[5] Absent the current $2 million screening criterion, these investments would have proceeded to IRP evaluation despite their lack of potential for IRP viability, resulting in an inefficient and disproportionate level of effort relative to the expected outcomes.

19. OEB staff's Discussion Paper did not recommend adjustments to the existing $2 million cost threshold for pipeline replacement and relocation projects, noting that

[4] EB-2025-0125, PP Submission, November 19, 2025, p.12
[5] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p 24

incremental effort to evaluate IRPAs is justified due to the higher project costs.[6] However, Enbridge Gas's evaluation experience and IRP assessment results have demonstrated that the current screening approach requires detailed IRP evaluation of projects for which there is no commensurate opportunity for IRPAs to materially impact the project scope or cost. As noted in Appendix B of the AMP Addendum 2026, of the 62 investments under the "Distribution Pipe" Asset Class that underwent technical evaluation, 56 investments failed technical evaluation.[7]

20. The remaining 6 investments proceeded to economic evaluation and included projects approaching the current $10 million cost threshold requiring Leave to Construct. In each case, Facility Alternatives were identified as the preferred solution, with the cost of implementing IRPAs exceeding the cost of the Facility Alternative by a significant margin. Evaluation experience demonstrates that the incremental value of detailed IRP assessment for projects below the applicable Leave to Construct criteria does not warrant the effort required to complete the assessment, supporting a more targeted approach that is consistent with the optimized scoping guiding principle.

21. ED also raised concerns regarding the application of cost thresholds to system renewal projects and proposed that projects be exempt from IRPA evaluation only where both the overall project cost is below $2 million and the cost per customer served falls below a specific threshold, with the intent of ensuring that potential system pruning opportunities are not excluded under the current approach.[8]

22. Enbridge Gas does not support modifying cost thresholds for system renewal projects or introducing additional per-customer screening metrics to identify system pruning opportunities. While Enbridge Gas is evaluating system pruning through a

[6] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025. p.65,
[7] EB-2020-0091 – Enbridge Gas Asset Management Plan Addendum 2026, October 30, 2025.
[8] EB-2025-0125, ED Submission, November 19, 2025, p.11.

separate pilot initiative, electric measures are not eligible IRPAs under the proposed IRP Framework. As discussed in Exhibit C, Tab 4, Schedule 1, inclusion of electrification as an IRPA would require coordinated gas-electric planning, common cost-effectiveness methodologies, and broader regulatory alignment that are beyond the scope of the IRP Framework. Accordingly, Enbridge Gas does not consider additional screening metrics aimed at identifying electrification-based system pruning opportunities to be warranted as part of the proposed screening approach.

3. Addition of Cost Threshold for Mandatory IRP Assessment of System Reinforcement Projects

23. Enbridge Gas is proposing the addition of a cost threshold of $2 million for the mandatory assessment of IRPAs for system reinforcement projects.

24. Under this proposed update, system reinforcement projects with a cost below $2 million would be screened out from further IRP consideration at the binary screening stage, while projects at or above this threshold would proceed to IRP assessment.

25. The proposed $2 million threshold reflects Enbridge Gas's experience and supports a more proportionate and efficient implementation of IRP by focusing mandatory evaluation on projects where there is a reasonable expectation that conducting an IRP assessment is warranted to determine if IRPA(s) can meet the identified system need and are economic, consistent with the purpose of binary screening. The proposed threshold is consistent with the OEB's expectation for consideration of non-wires solutions for electricity distributors.[9]

26. OEB staff's Discussion Paper indicated openness to the introduction of additional screening tools, including cost thresholds for "growth-related projects", noting that

[9] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025. p.65.

such an approach could improve the efficiency of the IRP Assessment Process by focusing evaluation efforts on higher-value projects where there is a greater likelihood of identifying viable IRPAs.[9] This position reflects a broader emphasis on aligning implementation of IRP with policy objectives including the affordability-focused approach outlined in the Government of Ontario's Integrated Energy Plan, which emphasizes cost-effective energy planning.[10]

27. The proposed $2 million threshold differs from the proposed threshold for pipeline replacement and relocation because the potential role of IRPAs differs between these two project categories. While implementation experience has demonstrated that opportunities for IRPAs are very limited in both cases, pipeline replacement and relocation projects are generally driven by the need to maintain system integrity, deliverability, and safe operation, such that the underlying project need remains regardless of whether an IRPA is implemented. As a result, the potential benefit is primarily limited to pipe downsizing. By contrast, system reinforcement projects present a greater opportunity for IRPAs to achieve capital avoidance, reduction, or deferral by reducing or eliminating the need. Accordingly, Enbridge Gas is proposing a lower threshold for mandatory IRP assessment of system reinforcement projects than for pipeline replacement and relocation projects, while maintaining that a detailed evaluation is not warranted where there isn't a reasonable likelihood that IRPAs can be economically viable.

28. LIEN supported the proposed $2 million threshold, subject to two conditions: (i) that the OEB applies the consultation requirements contained in the Environmental Guidelines to Enbridge Gas for the development and implementation of all IRP Plans; and (ii) that Enbridge Gas files its IRP Assessment Cost Threshold Screening

[10] Government of Ontario, Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, p 12.

of Growth Investments for review.[11] Enbridge Gas does not support either of LIEN's proposed conditions. The IRP Framework already establishes a fit-for-purpose stakeholder engagement approach tailored to the nature of IRP activities, including targeted engagement with relevant stakeholders and Indigenous groups, as applicable. Indigenous engagement and consultation will be undertaken in accordance with chapter 7 of the IRP Framework. Enbridge Gas does not consider it necessary or appropriate to apply the broader consultation requirements contained in the Environmental Guidelines to all IRP Plans.[12] With respect to the second condition, as outlined in Enbridge Gas's submission in response to OEB staff's Discussion Paper, the Company has not filed a separate screening document, as it was developed in August 2024 and contains project and system information that is no longer current.[13] Since then, Enbridge Gas has completed technical and economic evaluation of all investments in the AMP, and the resulting outcomes and associated rationale are reflected in the evidence below.

29. Other stakeholders raised concerns regarding the potential for a cost threshold to exclude viable IRP opportunities. ED raised this concern, particularly in cases such as high-rise developments, and submitted that additional experience is required with emerging IRPAs, including electrification and cost-effectiveness methodologies.[14] PP suggested that smaller-scale projects may offer greater potential for IRP.[15] Feedback through the IRP TWG raised similar concerns that applying a fixed cost threshold may be restrictive and could result in missed IRP opportunities.[16] Some TWG members also noted that IRPAs may provide broader system and customer

[11] EB-2025-0125, LIEN Submission, November 19, 2025, p. 13.
[12] Per the Environmental Guidelines Section 1.2, Applications Subject to the Guidelines.
[13] EB-2025-0125, EGI Framework Submission, November 19, 2025, p.65.
[14] EB-2025-0125, ED submission, November 19, 2025, p.10.
[15] EB-2025-0125, PP submission, November 19, 2025, p.12-13.
[16] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025. p.65.

benefits that may not be fully captured through simplified screening approaches and suggested that case-by-case or simplified assessments may be preferable.

30. Enbridge Gas has considered the above perspectives in developing the proposed threshold. The proposed threshold is also informed by Enbridge Gas's experience. Based on the latest Appendix B update filed as part of the 2026 Addendum,[17] 15 investments under the "Growth" Asset Class with project costs below $2 million underwent IRP technical and economic evaluation and no IRPAs were identified as the preferred solution. In each case, Facility Alternatives were identified as the preferred solution, with the cost of implementing IRPAs exceeding the cost of the Facility Alternative by a significant margin. The results reflect the fact that IRPA potential is limited given the magnitude of the base IRPA implementation costs, which do not decline proportionately with project size, relative to the facility cost. Consequently, for lower-value system reinforcement projects, the base cost of implementing an IRPA can represent a substantial share of, or exceed, the facility cost. Requiring detailed IRP evaluations for all system reinforcement projects, regardless of size, would therefore impose additional assessment costs on ratepayers without reasonable expectation of identifying a preferred IRPA. The proposed threshold supports an appropriate value-to-effort ratio by focusing IRP evaluations on projects where there is potential for IRPAs to be economically viable.

31. SEC submitted that all growth-related projects should be screened to assess whether facilities will be fully utilized over their useful lives, and that such screening should not be limited by a cost threshold and should be disclosed.[18] Enbridge Gas notes that the purpose of binary screening is not intended to reassess the underlying need for a project, including the demand forecasts and planning assumptions used to identify that need. Rather, binary screening is to determine whether a detailed

[17] EB-2020-0091, Enbridge Gas Asset Management Plan ("AMP") Addendum 2026, October 30, 2025.
[18] EB-2025-0125, SEC Submission, November 19, 2025, p. 2.

evaluation of IRPAs is warranted and may provide value. Considerations related to demand forecasting methodologies or long-term asset utilization are more appropriately addressed through the broader Rebasing proceeding, as outlined in Exhibit B, Tab 1, Schedule 3.

IRP ASSESSMENT PROCESS

Step 3: Two-Stage Evaluation Process – Stage 1: Technical Evaluation

1. *Addition of Technical Screening*

1. Enbridge Gas is proposing to update Stage 1 of the IRP Assessment Process from "Technical Evaluation" to "Technical Screening and Evaluation".

2. Under this proposed update, technical screening would be introduced to identify system needs where no technically feasible IRPAs are available, prior to proceeding with detailed technical evaluation.

3. A technical screening stage was not contemplated in the first-generation IRP Framework, where investments progressing past binary screening proceeded directly to detailed technical evaluation. Enbridge Gas's experience with conducting IRP evaluations has demonstrated that detailed technical evaluation is not warranted for all investments progressing past binary screening. In particular, certain categories of investments have no practical opportunity for IRPAs to defer, reduce, or avoid the project scope. Introducing a technical screening step allows these categories to be systematically identified and screened out, ensuring that detailed evaluation efforts are focused on projects where IRPAs have the potential to provide a viable solution.

4. There are categories of investments where the identified system need is driven by requirements to maintain safe and reliable operation of existing assets, resulting in fixed capacity or deliverability requirements. Examples of categories include AMP fittings, fire suppression systems, telemetry, or station rebuilds. The nature of these investments is such that IRPAs have no practical ability to materially influence the underlying need or project scope. Accordingly, these investments can be systematically screened out through technical screening.

5. For categories of investments under programmatic spend, there is no discrete project scope for conducting an IRP assessment. Examples of categories include class location, corrosion, or depth of cover programs. These programs establish funding envelopes from which individual projects are identified and prioritized over time, rather than defined project scopes that can be evaluated against IRPA options. Accordingly, there is no practical basis for undertaking a project-specific technical evaluation.

6. Introducing a technical screening stage improves the efficiency and effectiveness of the IRP Assessment Process by focusing detailed evaluation efforts on system needs where technically feasible IRPAs could exist. This approach ensures that IRP analysis is applied proportionately, while maintaining a rigorous evaluation process for projects where IRPAs have a potential to avoid, reduce, or defer infrastructure, consistent with the IRP Framework's optimized scoping principle.

2. Update to Language Regarding Uncertainty in Forecast Savings

7. Enbridge Gas is proposing incremental language related to the consideration of IRPAs to address uncertainty in forecast savings.

8. The proposed update expands on the existing language to clarify that IRPAs may be leveraged as bridging solutions to manage uncertainty in timing and magnitude of forecast peak hour savings. In practice, demand-side IRPAs require time to achieve participation or may be subject to variability in performance. Pairing these alternatives with a supply-side alternative, such as CNG, which can be deployed in a relatively short amount of time, provides a reliable mechanism to ensure system needs are met while managing uncertainty in the realized savings.

Step 3: Two-Stage Evaluation Process – Stage 2: Economic Evaluation

3. Updates to Description of DCF+ Test to Improve Alignment with the Objective of IRP

9. Enbridge Gas is proposing updated language related to the selection of the preferred alternative to align with the objective of IRP.

10. As set out in Chapter 3 of the proposed IRP Framework, the objective of IRP is to address system needs identified in the AMP by selecting the alternative(s) that minimize natural gas rate impact, while taking into account the guiding principles.

11. As Ontario's regulated natural gas distributor, Enbridge Gas operates under an OEB regulatory framework that provides a reasonable opportunity to recover prudently incurred costs and earn a fair return through OEB-approved rates. Within that framework, Enbridge Gas is expected to provide safe and reliable service, serve customers in a non-discriminatory manner, and make prudent investment decisions, with the costs of those decisions ultimately reflected in rates that must be approved by the OEB as just and reasonable.

12. Enbridge Gas develops its AMP in a manner that supports these obligations. The AMP includes traditional infrastructure investments and, where appropriate, will include IRPAs. In evaluating projects within the AMP, Enbridge Gas assesses economic feasibility, cost responsibility, and the potential for undue cross-subsidization to support the protection of customer interests. For traditional infrastructure investments, economic feasibility is first assessed using Ontario's natural gas distribution system expansion framework established under EBO 188. The introduction of the IRP Framework does not alter Enbridge Gas's obligation to make prudent investment decisions.

13. The IRP DCF+ cost-effectiveness test provides a structured and transparent framework for comparing facility and IRPAs using a common set of evaluation

criteria. The test is not intended to favour either facilities or IRP solutions. Rather, it assesses the relative impacts of each alternative using measurable and evidence-based inputs derived from reliable sources and aligned with applicable public policy. This approach allows alternatives to be evaluated consistently across ratepayer, participant, and societal perspectives.

14. The DCF+ test is directly aligned with Enbridge Gas's obligation as a utility as it enables an assessment of whether customer interests are protected through the minimization of rate impacts and the avoidance of cross-subsidization, while also incorporating consideration of impacts to participants and societal outcomes.

15. Phase 1 of the DCF+ test applies a ratepayer impact perspective that is consistent with the economic principles underlying EBO 188 and EBO 134. Enbridge Gas believes it is important to apply a consistent approach when evaluating alternatives to address system needs, regardless of whether those needs are met through traditional facilities or IRPAs.

16. Enbridge Gas considers Phase 1 of the DCF+ test to be the primary determinant in identifying the preferred IRPA, consistent with the original IRP Framework approved by the OEB, which established the importance of customer rate impacts when assessing cost-effectiveness.[1] This approach is also reflected in the proposed updates to the IRP Framework through the addition of an objective and update to the cost effectiveness guiding principle.[2] The focus on Phase 1 aligns with Enbridge Gas's obligation to protect customer interests, while also supporting the IEP's emphasis on affordability as a core policy objective.

[1] EB-2020-0091, Integrated Resource Planning Framework for Enbridge Gas, Appendix A, p.12.
[2] Exhibit B, Tab 1, Schedule 2, Attachment 2, Chapter 3.

17. Some parties have suggested that greater emphasis should be placed on impacts beyond Phase 1 of the DCF+ test. OEB staff noted that the current IRP Framework's focus on Phase 1 results may make it more difficult for IRPAs to be selected where significant benefits accrue through customer commodity or fuel savings reflected in Phase 2, and suggested that the OEB consider whether the combined results of Phases 1 and 2 should play a greater role in identifying the preferred solution.[3] LIEN proposed that, with the addition of a non-energy benefit adder and social cost of carbon, Phase 2 should become the primary economic test.[4] ED similarly supported removing the emphasis on Phase 1 alone.[5] By contrast, IGUA maintained that the test should remain focused on identifying cost-effective alternatives from a utility cost perspective,[6] while EP indicated that rate impacts on existing customers should continue to be of primary importance.[7]

18. In evaluating alternatives, Enbridge Gas may consider the combined results of Phases 1 and 2, the results of Phase 3, the guiding principles, and project-specific circumstances. However, because Phase 1 focuses on impacts to natural gas customer rates (which is most directly aligned with the OEB's responsibility to approve rates that are just and reasonable), Enbridge Gas considers Phase 1 to be the primary determinant in identifying the preferred alternative. The combined results of Phases 1 and 2 provide additional consideration for the total customer perspective, including impacts to existing and participating customers, while Phase 3 provides transparency regarding broader societal impacts and informs the overall assessment by identifying impacts that may extend beyond customer rates and participant economics. Where these factors support an alternative that does not have the most favourable Phase 1 outcome, Enbridge Gas will provide a clear

[3] EB-2025-0125, OEB Staff Discussion Paper, October 2025, p. 69.
[4] EB-2025-0125, LIEN Submission, November 19, 2025,, p. 14.
[5] EB-2025-0125, ED Submission, November 19, 2025, p.3.
[6] EB-2025-0125, IGUA Submission, November 19, 2025, p. 2.
[7] EB-2025-0125, EP Submission, November 19, 2025, pp. 4-5.

rationale justifying why the alternative represents the preferred solution. The detailed DCF+ methodology, economic evaluation process, and associated decision-making framework will be addressed through the Implementation Plan in the second phase of this proceeding.

4. Updates to DCF+ Test Costs and Benefits

19. Enbridge Gas is proposing updates to the structure of Table 1 under "Stage 2: Economic Evaluation" to present DCF+ test inputs by stakeholder perspective (utility, customer, and societal) rather than by benefit and cost categories. Enbridge Gas is also proposing changes to the naming convention, along with refinements to inputs and categories presented throughout Table 1.

20. The proposed updates to Table 1 provide greater transparency regarding impacts to existing customers through rates, impacts to participating customers, and broader societal impacts, while more closely aligning the presentation of inputs with how they are evaluated within the DCF+ methodology.

21. Enbridge Gas is also proposing updates to the naming convention used throughout Table 1 by replacing the terms "avoided" and "incremental" with "impact" terminology. This change better reflects that individual inputs may result in either positive or negative outcomes depending on the stakeholder perspective being assessed and improves readability of the Framework.

22. Enbridge Gas's proposed refinements to certain inputs and categories within the DCF+ test are informed by discussions with the TWG.[8] These refinements include

[8] Table 1 in Exhibit B, Tab 1, Schedule 2, Attachment 1 is generally reflective of Table 1 ("Summary of DCF+ Test Inputs") in the DCF+ Supplemental Guide, which was subject to TWG review through Meetings #41 (July 25, 2024), #42 (August 21, 2024), and #44 (September 25, 2024), including written comments and responses on the Guide.

clarifying the allocation of impacts across stakeholder perspectives, representing future rate impacts within Phase 2, and refining the treatment of risk-related considerations. In addition, some inputs have been consolidated within broader categories. For example, commodity and fuel impacts are now reflected within Customer Energy Impacts rather than presented as separate line items. The revisions reflected in Table 1 establish the conceptual structure of the DCF+ test and the stakeholder perspectives through which impacts will be evaluated. While approval of that structure is being requested in this proceeding, certain implementation details, including specific assumptions, calculation approaches, and treatment of individual inputs, will be addressed in the DCF+ Supplemental Guide and reviewed as part of the IRP Implementation Plan in the second phase of this proceeding.

Proposed Updated Table 1:

DCF+ Test Impact by Perspective

Category	Relative Rate Perspective	Participating Customer Perspective	Incremental Societal Perspective
Phase 1			
Utility Revenue Impact	x		
Utility Net Capital Impact	x		
Utility O&M Impact	x		
Utility Carbon Tax Impact	x		
Utility Tax Impact	x		
Utility Risk Impact	x		
Phase 2			
Future Rate Impact		x	
Customer Energy Impact		x	
Customer Carbon Tax Impact		x	
Customer Tax Impact		x	
Customer Non-Energy Benefits		x	
Other Customer Impact		x	
Phase 3			
Carbon Tax Transfer Impact			x
Societal Tax Transfer Impact			x
Societal Non-Energy Benefits			x
Other Societal Impact			x

23. Additional topics identified by OEB staff in its Discussion Paper[9] and stakeholders through the IRP Framework Review process that are not reflected in Enbridge Gas's proposed updates to the IRP Framework are discussed in the following sections (Phase 3 Inputs and Alternative Cost-Effectiveness Tests). While a broad range of topics were considered by the TWG, key areas of non-consensus are described below.

[9] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 68.

5. Phase 3 Inputs

24. Enbridge Gas is not proposing updates to the IRP Framework relating to specific Phase 3 inputs as part of this proceeding. OEB staff identified Phase 3 inputs as an area of non-consensus amongst the TWG.[10] Submissions from stakeholders also expressed differing views regarding certain inputs and assumptions used within the Phase 3 assessment.

25. While Enbridge Gas acknowledges these differing perspectives, the Company is not seeking a determination on specific Phase 3 inputs or calculation methodologies through the Framework phase of this proceeding. Consistent with the proposed approach described throughout this evidence, the detailed treatment of DCF+ inputs, assumptions and calculation methodologies, including those related to Phase 3, will be addressed through the IRP Implementation Plan process.

26. For clarity, deferring those implementation details does not defer the necessary Framework-level determinations that Phase 3 is informative rather than determinative and, as discussed in Exhibit B, Tab 1, Schedule 3 and briefly summarized below, that the DCF+ test should not include a cost of carbon that is inconsistent with government policy and the economic regulation mandate of the OEB.

27. OEB staff identified the treatment of certain Phase 3 inputs, including a social cost of carbon, as an area of non-consensus amongst the IRP TWG, recognizing that the federal government's decision to set the federal fuel charge to zero affects the economic assessment of IRPAs under the DCF+ test. Some parties, including ED[11]

[10] Ibid.
[11] EB-2025-0125, ED Submission, November 19, 2025, p. 11.

and LIEN[12], supported assigning a social value to avoided GHG emissions in the DCF+ test; others, including EP[13] and IGUA[14], supported maintaining the primary focus on natural gas customer rate impacts. Enbridge Gas submits that the OEB cannot independently determine/impose a non-zero cost of carbon in the DCF+ test (as part of phase 3 or otherwise), given the value already established by the federal government (at $0, as of April 1, 2025) and the provincial government's clear stance against new carbon pricing. Using carbon pricing, even if indirect, to incent GHG emissions reductions and favour one energy source over another is a form of carbon pricing that is prohibited under the *Protecting Against Carbon Taxes Act, 2024,* while also being incongruent with Ontario's energy policy emphasis on affordability, customer choice, and the role of natural gas in a diverse energy mix.

28. Enbridge Gas's position is consistent with the OEB's recent Issues List Decision in the Company's 2027-2030 DSM Plan proceeding. The OEB recognized that "the Government of Ontario's policy [is] a zero cost of carbon for consumers" and the "application of a non-zero consumer carbon cost would be inconsistent with current government policy".[15]

6. *Alternative Cost-Effectiveness Tests*

29. Enbridge Gas is not proposing updates to the IRP Framework regarding the use of alternative cost-effectiveness tests in place of the DCF+ test. During the IRP Framework Review, several parties suggested that alternative approaches, including the Total Resource Cost Plus (TRC+), Societal Cost Test (SCT), or the Benefit Cost Analysis (BCA) test, may be better suited to evaluating IRPAs. OEB staff's Discussion Paper proposed retaining the DCF+ test framework while considering

[12] EB-2025-0125, LIEN Submission, November 19, 2025, pp. 13-14.
[13] EB-2025-0125, EP Submission, November 19, 2025, p. 4-5.
[14] EB-2025-0125, IGUA Submission, November 19, 2025, p. 4.
[15] EB-2025-0295, Enbridge Gas Inc., 2027-2030 DSM Plan: OEB Decision on Issues List and PO No. 3, p. 9.

whether greater weight should be placed on customer benefits reflected in the combined results of Phase 1 and 2.[16] ED supported this approach in the near term and proposed replacing the DCF+ test with the IESO's cost-effectiveness framework over the longer term.[17] FRPO supported replacing the DCF+ test with a benefit-cost analysis approach.[18] PP submitted that, if the OEB determines that the DCF+ test is not appropriate, alternatives such as the SCT or TRC+ could be considered.[19] SEC similarly proposed replacing the DCF+ test with a more goal-oriented analysis.

30. These positions generally reflect a preference for cost-effectiveness tests that assess costs and benefits on an aggregated basis with emphasis on net economic outcomes. While a positive TRC+/SCT/BCA result indicates that total benefits exceed total costs, it does not indicate how costs are recovered, how impacts are distributed across customer groups, or whether the proposed alternatives minimize rate impacts and avoid cross-subsidization.

31. Enbridge Gas disagrees with these proposals and considers these alternative tests inappropriate as they do not answer the central utility-planning question:
    - What solution best addresses the identified system need while protecting customers from undue rate impacts and cross-subsidization?

32. The DCF+ test remains the appropriate economic evaluation framework for comparing alternatives and informing the identification of a preferred solution to address system needs. The three-phase structure builds upon the methodology established through EBO 134 and EBO 188 and is consistent with the OEB's finding that DCF+ can assist in determining whether proposed IRP solutions represent a

[16] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 69.
[17] EB-2025-0125, ED Submission, November 19, 2025, p. 5.
[18] EB-2025-0125, FRPO Submission, November 19, 2025, p. 4.
[19] EB-2025-0125, PP Submission, November 19, 2025, p. 13.

rational means of serving customers and addressing identified system needs. Enbridge Gas considers this foundation equally applicable where facility alternatives and IRPAs must be assessed through a consistent and transparent framework. As noted previously, this approach is also consistent with the IEP's recognition of the continuing role of natural gas infrastructure in supporting Ontario's growing energy needs and economic growth.

33. Enbridge Gas believes it is valuable and appropriate to prepare and present results from each phase of the analysis separately to enable a transparent view of the different impacts of the alternatives within a single test. This approach supports balanced decision-making, identifies where outcomes differ across perspectives, and allows for an informed assessment.

34. It is important to note that while the stages and phases of EBO 134 and DCF+ are similar, the DCF+ test is a separate and distinct methodology. Each alternative, whether an IRPA or facility alternative, is evaluated relative to a do-nothing scenario. This ensures that the analysis is grounded in a consistent baseline against which each alternative can be evaluated. It allows each alternative to be fully costed on its own merits, without introducing assumptions associated with justifying a representative reference case or incorporating impacts from other alternatives as avoided costs. In this way, the DCF+ test results for each alternative can be directly compared to each other, while maintaining transparency regarding customer rate impacts, participant impacts and societal impacts. For the reasons noted above, Enbridge Gas views the DCF+ test to be the most appropriate methodology for evaluating alternatives under the IRP Framework.

IRP ASSESSMENT PROCESS

Step 4: Periodic Review

1. *Update to Process for Addressing Material Changes to IRPAs and IRP Plans*

1. Enbridge Gas is proposing to remove the requirement to consult with the TWG prior to making changes to an IRPA or IRP Plan in response to material changes affecting the project. The proposed update maintains Enbridge Gas's ability to review IRP determinations and adjust the scope of a project where necessary, while continuing to provide updates through the IRP Annual Report. This update reflects the revised accountabilities of the TWG as proposed by Enbridge Gas in Exhibit C, Tab 6, Schedule 1.

STAKEHOLDER OUTREACH AND ENGAGEMENT PROCESS

1. Chapter 6 of the IRP Framework ("Stakeholder Outreach and Engagement Process") establishes the expectations for how Enbridge Gas will engage with stakeholders and Indigenous groups in relation to IRP activities. In addition, Chapter 6 establishes the role of the TWG in providing input on IRP-related matters.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Updates to Targeted Stakeholder Engagement and Removal of Prescriptive Broad Engagement Requirements
    2. Updates to References on the Establishment of an IRP TWG
    3. Updates to TWG Accountabilities

3. Additional topics raised by OEB staff in its Discussion Paper and/or stakeholders in their November 2025 submissions which do not result in Enbridge Gas proposing updates to the IRP Framework are described in the section below:
    4. Updates to TWG Membership

Stakeholder Engagement Process

1. Updates to Targeted Stakeholder Engagement and Removal of Prescriptive Broad Engagement Requirements

4. Enbridge Gas is proposing to expand targeted engagement in the IRP Framework and remove engagement requirements that are not project-specific. Under the proposed approach, targeted stakeholder engagement would be organized into two components: (i) IRPA Assessment Engagement, (ii) IRPA Implementation Engagement.

5. IRPA Assessment Engagement and IRPA Implementation Engagement are project-specific engagement activities that align stakeholder input with the applicable stage of the IRP process. Both forms of engagement are tailored to the stakeholders relevant to the specific project area associated with the system need. The delineation proposed in the IRP Framework clarifies the purpose of each type of engagement and the role of stakeholder input during both the assessment and implementation of IRP solutions.

6. IRPA Assessment Engagement occurs during the assessment of potential IRPAs that have progressed beyond the screening stages and where stakeholder input may reasonably inform the evaluation of alternatives for a specific system need. Participants may include customers, municipalities, Indigenous groups, and other stakeholders with an interest in the project area and system need. Stakeholder feedback may inform the assessment of potential IRPAs and the selection of a preferred solution. Consistent with the initial IRP Framework, the update retains the confirmation that this consultation must be undertaken prior to seeking OEB approval of an IRP Plan.

7. IRPA Implementation Engagement occurs after an IRPA has been selected and supports the delivery of the IRP solution. Participants may include municipalities, Indigenous groups, and other stakeholders affected by implementation of the IRPA, as well as those that have the potential to enhance implementation activities through coordination with Enbridge Gas. This engagement provides an opportunity to ensure stakeholders remain informed and provide input on project-specific considerations related to the delivery of the IRP solution.

8. The first-generation IRP Framework included “Stakeholder Day” and “Gathering of Stakeholder Engagement Data and Insight” components. Based on experience implementing the initial IRP Framework, stakeholder engagement is most effective

when focused on specific projects and system needs where targeted stakeholder feedback can inform the assessment or implementation of IRP alternatives rather than more broadly at a general or regional level. Annual regional stakeholder events have not provided commensurate value, have had limited substantive content in the absence of active IRP Plans or project-specific opportunities, and result in inefficient resource allocation. Accordingly, Enbridge Gas is proposing to remove these prescriptive requirements.

9. Enbridge Gas has retained the IRP Framework requirement to maintain a website to facilitate broad sharing of information, as well as the IRP-related information filed within each AMP and IRP Annual Report to maintain transparency regarding IRP activities.

Technical Working Group

2. Updates to References on the Establishment of an IRP TWG

10. Enbridge Gas is proposing updates to reflect the establishment of the TWG and terms of reference by the OEB since the initial Framework was issued. The TWG was established by the OEB in 2021, with its terms of references developed in early 2022. Consistent with the initial Framework, OEB staff would remain responsible for updates to the terms of reference and membership selection.

3. *Updates to TWG Accountabilities*

11. Enbridge Gas is proposing updates to the role and accountabilities of the TWG, where the role of the TWG will be focused on providing input on the IRP Implementation Plan.

12. Enbridge Gas has conducted extensive consultation with the TWG since the establishment of the IRP Framework, with over 60 meetings held since 2022. As per

the first-generation IRP Framework, the priorities of the TWG were focused on the development and implementation of IRP pilot projects and guidance regarding DCF+ test methodologies. Additional topics have been discussed, including technical screening and evaluation, economic assessment methodology, incentives and stakeholder engagement. This consultation has provided substantial opportunity for input and has informed the refinement of Enbridge Gas's approaches. However, consultation has required a significant investment of time and resources. As IRP activities evolve, the scope and frequency of TWG meetings should also evolve to ensure they remain efficient, purposeful, and complementary to formal adjudicative processes.

13. Based on Enbridge Gas's experience, TWG consultation has proven to be ineffective and inefficient when focused on high-level IRP policy matters where consensus is unlikely to be achieved. Instead, consultation can be effective when focused on specific programmatic or implementation elements. As such, Enbridge Gas is proposing to right-size future TWG consultation to focus on the IRP Implementation Plan where it will provide the greatest value while avoiding duplication of prior consultation.

14. Enbridge Gas supports OEB staff's proposal to consult with the TWG on the development of the IRP Implementation Plan,[1] recognizing that such engagement should not duplicate prior consultation. For example, extensive consultation has already occurred regarding the DCF+ test and Enbridge Gas has incorporated modifications where appropriate. Enbridge Gas is proposing that consultation on the development of the IRP Implementation Plan be the only responsibility of the TWG explicitly defined in the IRP Framework, and that the timing and frequency of the TWG meetings be determined by Enbridge Gas. Enbridge Gas will document how

[1] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, pp. 42-43.

TWG input has been considered to support transparency in its IRP Implementation Plan application. Accordingly, Enbridge Gas proposes that the TWG terms of reference should be updated by OEB staff to reflect this focused mandate.

15. The investment of time and effort by OEB staff, Enbridge Gas, and non-utility members to consider matters relevant to the IRP Implementation Plan is intended to ensure that the Implementation Plan is informed by input from technical experts. This should allow the OEB to streamline the IRP Implementation Plan proceeding where general agreement has been reached, and to consider the documented positions for areas that have not achieved agreement.

16. Enbridge Gas also supports OEB staff's proposal that the role of the TWG should continue as a consultative body, and not as a substitute for regulatory approval of substantive IRP-related policies or proposals.[1] While the TWG may seek to achieve consensus on IRP-related issues where appropriate, Enbridge Gas retains the sole responsibility to make final decisions for IRP Implementation Plan applications.

17. These proposals are aligned with the views of stakeholders such as SEC[2], FRPO[3], and IGUA[4], who emphasized the value of the TWG as a forum for collaborative input prior to formal regulatory proceedings.

18. Given the TWG's proposed role in supporting the development of the IRP Implementation Plan, Enbridge Gas does not support OEB staff's proposal for the TWG to continue to review the IRP Annual Report. Enbridge Gas is proposing to remove this requirement, as well as the associated TWG Report. These reports are retrospective in nature whereas the TWG's focus should be on forward-looking IRP implementation methodologies and activities. Aligning the TWG's responsibility with

[2] EB-2025-0125, SEC Submission, November 19, 2025, p.3.
[3] EB-2025-0125, FRPO Submission, November 21, 2025, p.2.
[4] EB-2025-0125, IGUA Submission, November 20, 2026, p.3.

this focus will help ensure its contributions are targeted, efficient, and relevant to the ongoing evolution of IRP planning.

4. *Updates to TWG Membership*

19. Enbridge Gas is not proposing updates to the IRP Framework with respect to TWG membership.

20. Consistent with the existing IRP Framework, the TWG is established and led by the OEB, with OEB staff responsible for updates to the terms of reference and membership selection.

21. Enbridge Gas notes that stakeholders raised a range of views regarding TWG composition and representation. BOMA submitted that broader sector representation is required, including representation of commercial property owners,[5] while the IESO identified the need for additional electricity system expertise within the TWG.[6] TFG and Minogi,[7] as well as GFN,[8] emphasized the importance of Indigenous representation, and PP suggested that TWG membership should better reflect stakeholders involved in IRP-related proceedings.[9] EP raised concerns regarding potential bias in the composition of the group.[10]

22. Enbridge Gas does not take a substantive position on the composition of the TWG, as membership and oversight remain within the OEB's discretion; however, the Company would not be opposed to the OEB revising the membership of the group over time. Enbridge Gas notes that the proposed role of the TWG is to provide

[5] EB-2025-0125, BOMA Submission, November 20, 2025, p.3.
[6] EB-2025-0125, IESO Submission, November 19, 2025, p.2.
[7] EB-2025-0125, TFG & Minogi Submission, November 19, 2025, pp.4-5.
[8] EB-2025-0125, GFN Submission, November 19, 2025, pp.7-8.
[9] EB-2025-0125, PP Submission, November 19, 2026, p.6.
[10] EB-2025-0125, EP Submission, November 19, 2026, p.2.

technical input to support the development of the IRP Implementation Plan; as such, there may be efficiencies in maintaining consistency in membership for the first IRP Implementation Plan as the current TWG members have been involved in reviewing many of the implementation elements to date (i.e., the DCF+ test, technical screening and evaluation, and economic evaluation).

23. TWG members are selected to participate as individuals based on their technical expertise and experience, rather than as representatives of specific stakeholder groups. As such, the composition of the TWG should reflect a balance of relevant technical capabilities, rather than stakeholder representation. Broader stakeholder participation and input related to IRP activities is achieved through established consultation and engagement processes, including OEB regulatory proceedings and targeted engagement activities, rather than through the TWG itself.

24. For example, Enbridge Gas considers the IWG to be the appropriate primary forum for Indigenous engagement on IRP-related topics that may impact Aboriginal or treaty rights, given its established mandate and relationships. Additionally, where Enbridge Gas identifies IRP alternative opportunities that would include Indigenous communities in the area of benefit (i.e., project-specific), it will seek to engage with impacted Indigenous communities in developing the detailed approach, including through the IWG.

INDIGENOUS ENGAGEMENT AND CONSULTATION

1. Chapter 7 of the IRP Framework ("Indigenous Engagement and Consultation") describes the expectations and requirements for Enbridge Gas regarding Indigenous engagement and consultation.

2. Enbridge Gas's proposed update to this chapter of the IRP Framework is described in the sections below:
    1. Update to Clarify Indigenous Consultation Approach for IRP Plans where there are Potential Adverse Impacts on the Exercise of Aboriginal or Treaty Rights

3. Topics raised by OEB staff in its Discussion Paper and/or stakeholders in their November 2025 submissions which do not result in Enbridge Gas proposing updates to the IRP Framework are described in the sections below:
    2. Indigenous Engagement with Respect to OEB Staff's Discussion Paper and the Development of the IRP Framework
    3. Consideration of the United Nations Declaration of the Rights of Indigenous Peoples ("UNDRIP") and Free, Prior, and Informed Consent ("FPIC") in the Context of the IRP Framework

1. Update to Clarify Indigenous Consultation Approach for IRP Plans where there are Potential Adverse Impacts on the Exercise of Aboriginal or Treaty Rights

4. The first-generation IRP Framework stated: "where Enbridge Gas requests approval for an IRP Plan or a Leave to Construct, it will be necessary for Enbridge Gas to follow the requirements in the *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* regarding Indigenous consultation, if applicable". As the Environmental Guidelines outline the requirements for hydrocarbon project applications, they do not

contemplate IRP Plans as applications subject to the guidelines[1] and include processes not applicable to IRP, such as the role of the Ministry of Energy and Mines. Therefore, in recognition of this distinction Enbridge Gas has updated this Chapter to be specific to IRP Plans and specified that where there are potential adverse impacts on the exercise of Aboriginal or treaty rights, Enbridge Gas will follow the aspects of the Environmental Guidelines regarding Indigenous consultation that are reasonably applicable to IRP. These aspects generally include[2]:

- Meeting with Indigenous communities to share the information required for communities to understand and assess the potential impacts on Aboriginal or treaty rights
- Providing reasonable resources for Indigenous communities to participate in consultation
- Responding to questions and concerns raised by Indigenous communities
- Maintaining a complete record of all Indigenous consultation activities
- Mitigating impacts on Aboriginal or treaty rights, and implementing appropriate accommodation measures where warranted.

2. Indigenous Engagement with respect to OEB Staff's Discussion Paper and the development of the IRP Framework

5. TFG and Minogi raised concerns regarding the importance of meaningful consultation in the development of OEB staff's Discussion Paper.[3] GFN submitted that it is essential for the IRP Framework to engage First Nations meaningfully and

[1] Ontario Energy Board, Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario, p. 8-9.
[2] Ontario Energy Board, Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario, p. 16.
[3] EB-2025-0125, TFG and Minogi Submission, November 19, 2025, p.1.

early in the process, and for First Nations to have their interests and priorities reflected in the IRP Framework.[4]

6. Enbridge Gas is not proposing specific updates to the IRP Framework with respect to these submissions, as the concerns raised primarily relate to the process through which OEB staff's Discussion Paper and the IRP Framework are developed, rather than specific provisions contained within the IRP Framework. This approach, however, does not alter Enbridge Gas's broader commitment to Indigenous engagement and consultation, including consideration of Indigenous feedback received through regulatory processes, the IWG, and project-specific engagement where applicable.

7. Enbridge Gas anticipates that interested Indigenous groups will participate in this proceeding to provide input regarding proposed updates to the IRP Framework. Further, Enbridge Gas committed to including IRP as a standing item for discussion through the IWG. To date, no IRP-related matters have been identified as a priority through the IWG and IRP was removed as a standing item, to be included as requested in the future. Should IRP-related issues be raised through the IWG in the future, Enbridge Gas will consider those matters as part of its ongoing Indigenous engagement activities.

3. Consideration of UNDRIP and FPIC in the Context of the IRP Framework

8. GFN submitted that the omission of UNDRIP and principles relating to FPIC from the IRP Framework is a major gap that should be addressed.

9. In Enbridge Gas's view, the developing case law related to UNDRIP or reconciliation does not impose a higher level of consultation or engagement where such a requirement does not otherwise exist.

[4] EB-2025-0125, GFN Submission, November 10, 2025, pp. 2-3.

10. Enbridge Gas notes that the OEB has previously found that the *UNDRIP Act* is not binding on the OEB, stating as follows:

> "…. the OEB finds that it does not have separate jurisdiction to conduct consultation, assess the adequacy of Crown consultation, or consider the issue of "free, prior and informed consent" under the UNDRIP Act for the following reasons:
>
> 1. The federal government does not have the constitutional authority to enact legislation that changes validly enacted provincial laws relating to provincial undertakings, such as the OEB Act.
>
> 2. Consistent with the division of powers, the obligation to align the "laws of Canada" with UNDRIP over time in section 5 of the federal UNDRIP Act is limited to federal laws and does not include provincial laws.
>
> 3. There have been numerous statements by the federal government before and after the passage of the federal UNDRIP Act confirming that the legislation was not intended to impact provincial laws and decision-making.
>
> The OEB therefore finds that the federal UNDRIP Act is not binding on the OEB" [5]

11. Further, in the OEB's 5 Year GSP decision, the OEB agreed with Enbridge Gas that the GSP is a system-wide procurement plan that does not initiate activities that could adversely affect *Constitution Act, 1982* section 35 rights of Indigenous peoples (Section 35 Rights), and therefore finds that it does not trigger consultation and accommodation obligations:[6]

> "[t]he 5-Year GSP does not set the stage in terms of initiating an irrevocable course of action that will deny further engagement or consultation."
>
> On its own, the five-year GSP also does not in any way predetermine, or otherwise influence, the outcome of any eventual regulatory review of applications concerning activities which themselves might potentially impact Section 35 Rights. Such applications would engage the usual regulatory scrutiny and related processes.

[5] EB-2022-0140, Decision and Order, Hydro One Networks Inc., November 24, 2022, p. 13. https://www.rds.oeb.ca/CMWebDrawer/Record/762287/File/document
[6] EB-2025-0065, OEB Decision and Order (Enbridge Gas Five-Year Gas Supply Plan), May 21, 2026, p. 8.

12. However, the OEB also agreed with the GFN and TFG/Minogi submissions that early and meaningful engagement is aligned with both the policies of the Government of Ontario and the terms of reference and intent of the IWG. From that perspective, early and meaningful ongoing engagement is viewed as positive and proactive.

13. Accordingly, Enbridge Gas is not proposing amendments to the IRP Framework in response to GFN's submission. Consistent with the OEB's findings in the 5-Year GSP proceeding, Enbridge Gas submits that the IRP Framework does not itself trigger consultation obligations in respect of Section 35 Rights. However, Enbridge Gas recognizes the value of early, meaningful and ongoing engagement with Indigenous communities and will continue to provide opportunities for Indigenous groups to participate in IRP-related discussions through the IWG or otherwise, such that Indigenous perspectives can be considered in the development and implementation of IRP initiatives that may potentially affect these communities

IRP COST RECOVERY AND ACCOUNTING TREATMENT PRINCIPLES

1. Chapter 8 of the IRP Framework ("IRP Cost Recovery and Accounting Treatment Principles", formerly "IRPA Cost Recovery and Accounting Treatment Principles") describes how costs related to IRP are categorized from an accounting perspective and recovered.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Update to the Categories of IRP Costs and Cost Recovery Approach of IRP Costs
    2. Addition of IRPA Cost Attribution Policy Where Measures Overlap with DSM
    3. Additional Language to Reflect Avoided Costs and Accounting Treatment Associated with Offsetting Amounts
    4. Additional Language to Reflect Cost Recovery and Accounting Treatment Associated with the IRP Incentive Mechanism

1. Update to the Categories of IRP Costs and Cost Recovery Approach of IRP Costs

3. Enbridge Gas is proposing updates to the categorization of IRP-related costs and clarifications to the associated cost recovery approach. The IRP cost categories include: (i) IRP operational and administrative costs associated with on-going IRP requirements; (ii) operating and maintenance costs associated with specific IRPAs or innovation-related projects; and (iii) capital costs associated with specific IRPAs or innovation-related projects.

4. In addition to clarifying the categorization of IRP-related costs, the chapter clarifies which costs are recovered through base rates versus the IRP deferral accounts, the circumstances in which deferral account treatment remains appropriate, and the treatment of project-specific costs and avoided facility costs.

5. The proposed changes in this chapter reflect the evolution of IRP and its integration into Enbridge Gas's ongoing business processes since the time the OEB approved the original IRP Framework. As such, the proposed changes incorporate what has already been approved through Phase 1 of Enbridge Gas's 2024 rebasing application, as well as changes proposed as part of this IRP Framework update proceeding.

6. The original IRP Framework approved in EB-2020-0091 established a new set of formal IRP requirements that were not reflected in the Company's existing planning and operating business processes. Enbridge Gas was also in the midst of a deferred rebasing period, during which the budgets underpinning base rates (subject to price cap escalation) did not reflect the cost associated with incorporating those prescribed IRP requirements into business processes. As a result, the original IRPA Cost Recovery and Accounting Treatment Principles chapter was developed on the basis that most IRP-related costs would be incremental to what was included in base rates, and therefore eligible for recovery (subject to a prudence review) through the IRP Operating and Capital Cost Deferral Accounts established as part of that framework.

7. Since the approval of the original Framework, Enbridge Gas has developed and implemented formalized IRP planning and operating processes, such that IRP activity support and general administrative requirements are now embedded in its business-as-usual activities. Enbridge Gas has also gone through a rebasing proceeding (2024 Rebasing, EB-2022-0200) that incorporated the ongoing costs of IRP activity support and general administrative requirements into the budget underpinning rates. However, Enbridge Gas had not forecasted any IRPAs for the rate term at the time of the 2024 rebasing submission, therefore the 2024 rebasing budget did not include any forecast costs associated with IRPAs/IRP Plans. Such

cost forecasts and any associated impacts to forecast capital expenditures could be reflected in future rebasing applications, where applicable.

8. Given these developments, the IRP Framework has been updated to reflect that IRP costs and impacts are now recovered through the combination of base rates and deferral accounts. As such, the use of IRP deferral accounts has transitioned from a temporary broad implementation mechanism to a more targeted application, where base rates appropriately recover the costs of maintaining IRP as a core utility capability, while IRP deferral accounts provide a mechanism to record and seek recovery of IRP costs incremental to base rates.

9. As proposed, the incremental impacts may include operating costs and revenue impacts associated with the implementation of specific IRPAs. These impacts may also include amounts related to the IRP Incentive Mechanism (as discussed in Exhibit C, Tab 9, Schedules 1 and 2), foregone revenues resulting from the implementation of an IRP Plan or IRPA (as discussed in Exhibit C, Tab 11, Schedule 1), offsetting avoided revenue requirement amounts related to avoided, delayed or downsized facilities (as discussed below). and innovation-related projects (as discussed in Exhibit C, Tab 14, Schedule 1). Incremental impacts may also include impacts to ongoing IRP activity support and general administrative requirements that result from changes to the IRP Framework or Implementation Plan (e.g. changes to IRP rules/requirements/guidelines).

10. The proposed IRP Framework changes related to IRP cost categorization and the associated cost recovery approach, through base rates and IRP deferral accounts, are intended to be consistent with, and build upon, the principles approved in Phase 1 of Enbridge Gas’s 2024 rebasing application.

2. Addition of IRPA Cost Attribution Policy Where Measures Overlap with DSM

11. Enbridge Gas is proposing the inclusion of a cost attribution policy to address circumstances where an IRPA may include geotargeted energy efficiency program measures that overlap with Enbridge Gas's broad-based DSM program offerings, including where similar measures are offered to the same customer groups.

12. Enbridge Gas has proposed that any costs associated with geotargeted energy efficiency programs implemented as part of an IRPA be fully attributable to that IRPA. This proposal is consistent with the OEB's Decision and Order in EB-2021-0002 regarding Enbridge Gas's Application for Multi-Year DSM Plan (2022-2027)[1], which notes that the costs and results associated with enhanced targeted energy efficiency implemented as part of an IRP Plan will remain separate and distinct from the DSM Framework and OEB-approved DSM plans and budgets.

13. The full cost attribution approach provides a transparent and appropriate treatment where a geotargeted energy efficiency program is implemented to address a specific system need through an IRPA. It maintains clear accountability for project costs and preserves the distinction between IRP activities undertaken to address specific system constraints and broader DSM activities delivered through the DSM Framework.

3. Additional Language to Reflect Avoided Costs and Accounting Treatment Associated with Offsetting Amounts

14. Enbridge Gas is proposing additional language to reflect that incremental costs captured in the IRP deferral accounts could include avoided operating costs and/or capital-related revenue requirement amounts associated with traditional facilities that

[1] EB-2021-0002, Enbridge Gas Application for Multi-Year Natural Gas Demand Side Management Plan (2022-2027) Decision and Order, Schedule E, Section 7.4 (Energy Efficiency and Integrated Resource Planning), November 15, 2022, pp. 14-15.

are delayed, avoided, or downsized by an IRPA, that would have otherwise been recovered through base rates (depending on the regulatory framework in place at the time).

15. This update reflects changes approved through Phase 1 of Enbridge Gas's 2024 rebasing application[2], which modified the IRP deferral accounts to recognize offsetting amounts in the account balances to reflect avoided operating and capital cost impacts related to facilities projects that are delayed, avoided, or downsized by an IRPA. Capturing avoided costs in the IRP deferral accounts that would have otherwise been funded through base rates ensures customers are not charged for both the IRPA and avoided traditional facility alternative. The adjustment recorded within the deferral account(s) to reflect that such a facility investment has not proceeded, or has proceeded at a reduced scope, due to the implementation of an IRPA, will cease once base rates are updated to reflect the deferral, reduced scope, or removal of the facilities from the actual or forecast capital (e.g. the AMP/capital budget) underpinning rates (e.g. following rebasing).

4. Additional Language to Reflect Cost Recovery and Accounting Treatment Associated with the IRP Incentive Mechanism

16. Enbridge Gas is proposing additional language to reflect the change in accounting treatment and cost recovery approach of operating and maintenance costs related to IRPAs and treatment of amounts attributable to the SSM associated with the IRP Incentive Mechanism. These amounts will be reflected in the amended IRP Capital Cost Deferral Account, included at Exhibit B, Tab 1, Schedule 2, Attachment 1, Appendix A.

[2] EB-2022-0200, OEB Decision on Settlement Proposal, Exhibit O1, Tab 1, Schedule 2, August 17, 2023, pp.39-40.

17. Under the proposed IRP Incentive Mechanism, detailed in Exhibit C, Tab 9, Schedules 1 and 2, operating and maintenance costs related to specific projects will be capitalized and amortized over a 10-year period, with the associated revenue requirement recorded for recovery in the IRP Capital Costs Deferral Account, where not reflected in base rates. For clarity, administrative costs related to day-to-day implementation of IRP, which are not attributable to individual projects, will not be capitalized. Additionally, this proposed treatment does not alter the recovery of IRPA capital costs, which are already eligible for inclusion in rate base, providing an opportunity to earn a return.

18. The shared savings attributable to the utility as determined by the SSM will also be recorded in the IRP Capital Costs Deferral Account. Recovery of the SSM will be spread evenly over the duration which IRPA costs were forecasted to be incurred at the time the IRPA is approved or selected for implementation, up to a maximum of 10 years. Recovery of the annual SSM amounts will be requested through Enbridge Gas’s annual Utility Earnings and Disposition of Deferral and Variance Account Balances Application.

IRP INCENTIVE MECHANISM

1. Enbridge Gas is proposing a new chapter in the IRP Framework, Chapter 9 (titled "IRP Incentive Mechanism"), which describes the purpose and structure of the IRP Incentive Mechanism.

2. Enbridge Gas's proposed additions are described in the section below:
    1. Addition of a New "IRP Incentive Mechanism" Chapter

1. Addition of a New "IRP Incentive Mechanism" Chapter

3. Enbridge Gas is proposing the addition of a new IRP Incentive Mechanism chapter in the IRP Framework. The full details of the proposed incentive mechanism are set out at Exhibit C, Tab 9, Schedule 2. The incentive design is consistent with what was included in Enbridge Gas's IRP Incentive Mechanism application filed on November 4, 2025 under EB-2025-0292.[1] The proposed incentive mechanism includes:
    - Amortization of IRPA operating expenditures over a 10-year period, allowing the opportunity to earn a return through inclusion in rate base; and,
    - A Shared Savings Mechanism ("SSM"), under which savings are determined through a comparison of the net-present value of the revenue requirement of the IRPA relative to the traditional facility alternative, shared between Enbridge Gas (75%) and ratepayers (25%).

[1] On December 22, 2025, the OEB placed Enbridge Gas's IRP Incentive Mechanism Application (EB-2025-0292) into abeyance pending further developments in the IRP Framework Review proceeding (EB-2025-0125). On April 28, 2026, in the EB-2025-0125 proceeding, the OEB directed Enbridge Gas to file proposed updates to the IRP Framework. Accordingly, Enbridge Gas is now requesting approval of its proposed IRP Incentive Mechanism through this application (EB-2026-0216), with full details of the proposed mechanism set out at Exhibit C, Tab 9, Schedule 2. Enbridge Gas will assess the most appropriate course of action for its EB-2025-0292 application at a later date based on the developments in this proceeding, which could include a request to withdraw the EB-2025-0292 application, if appropriate.

4. The inclusion of an incentive mechanism for IRP addresses the financial disincentive associated with the implementation of IRPAs. Under current regulatory treatment, it is likely that IRPAs will not provide an opportunity for Enbridge Gas to earn a return comparable to traditional investments, as IRPAs are often non-capital in nature. The proposed mechanism reduces the financial asymmetry by providing regulatory treatment for eligible IRPA-related operating expenditures in a manner that is more comparable to traditional facility investments, while also ensuring that benefits from IRPA implementation are shared between Enbridge Gas and ratepayers. The recognition of a financial disincentive in this regard is consistent with the Framework for Energy Innovation Report[2] and with positions advanced by other utilities in Ontario and other jurisdictions, as further described in the Background section of Exhibit C, Tab 9, Schedule 2.

5. Enbridge Gas submits that it is appropriate to address the IRP Incentive Mechanism through an update to the IRP Framework, as it relates directly to the treatment of IRPAs compared to traditional facility solutions within the IRP Assessment Process. Consistent with the role of the IRP Framework, the proposal establishes the structure and key elements of the mechanism, while implementation-specific details will be addressed through the IRP Implementation Plan.

6. Enbridge Gas has also clarified in the Framework that the proposed IRP Incentive Mechanism is intended to provide a standard approach for IRPAs, while recognizing that specific IRPAs may warrant an alternate incentive approach. In such circumstances, where there is proposed deviation from the IRP Incentive Mechanism design, Enbridge Gas would be responsible for justifying the proposed incentive treatment in the IRP Plan where applicable.

[2] Framework for Energy Innovation: Setting a Path Forward for DER Integration, January 30 2023, https://www.rds.oeb.ca/CMWebDrawer/Record/775948/File/document.

7. Certain stakeholders, such as FRPO[3] and LIEN[4], have suggested that, without a sufficient incentive, progress with IRP will continue to be limited. Enbridge Gas does not agree that the limited number of IRPAs implemented to date is attributable to the absence of an incentive mechanism. IRPAs are evaluated on the basis of their technical and economic viability, consistent with the IRP Assessment Process and its underlying objective. Enbridge Gas's IRP Incentive Mechanism proposal is intended to address the financial disincentive that can occur when an IRPA is implemented; it is not expected to increase the number of IRPAs implemented.

8. Enbridge Gas submits that the proposed IRP Incentive Mechanism appropriately reduces the financial asymmetry between alternatives while ensuring ratepayers retain a portion of the savings generated through IRPA implementation. The mechanism therefore addresses the financial disincentive and should be included in the IRP Framework as a core element governing the treatment of IRPAs.

9. Enbridge Gas has included details describing the incentive methodology and recovery of the incentive in the newly proposed chapter because these elements form part of the core incentive design and are therefore appropriate to address within the IRP Framework. These details are consistent with the incentive mechanism described in Exhibit C, Tab 9, Schedule 2.

[3] EB-2025-0125, FRPO Submission, November 19, 2025, p. 2.
[4] EB-2025-0125, LIEN Submission, November 19, 2025, p. 2.

IRP INCENTIVE MECHANISM PROPOSAL

1. The purpose of this evidence is to outline Enbridge Gas's proposed IRP Incentive Mechanism. This Exhibit is structured as follows:

1. Executive Summary
2. Background
    2.1 First-Generation IRP Framework Proceeding
    2.2 Framework for Energy Innovation Consultation
    2.3 Non-Wire Solution Incentive Mechanism Submission in Ontario
    2.4 Rebasing Proceeding
    2.5 Ontario Integrated Energy Plan
    2.6 Other Jurisdictions
    2.7 TWG Consultation
3. IRP Incentive Mechanism
    3.1 Objective of IRP Incentive Mechanism
    3.2 Capitalization of O&M
    3.2 Shared Savings Mechanism
4. Rationale For IRP Incentive Mechanism Structure and Illustrative Project Example
    4.1 Illustrative Project Example Overview
    4.2 SSM Methodology
    4.3 IRP Shareholder Returns absent IRP Incentive Mechanism
    4.4 Capitalization of O&M IRPA Costs
    4.5 Combined O&M Capitalization and SSM IRP Incentive Mechanism
    4.6 75/25 Ratio of SSM sharing

1. Executive Summary

2. In the 2024 Rebasing Phase 2 Settlement Agreement, Enbridge Gas confirmed that it would "propose an IRP Incentive Mechanism in its next IRP Plan application to the OEB, to be filed within one year of the date that this Settlement Proposal is filed. If there is no IRP Plan application within the next year, then Enbridge Gas will file a standalone application or request to the OEB for approval of an IRP incentive mechanism within that same timeframe."[1]

3. Given that no IRP Plan application was filed within the year, Enbridge Gas filed its proposed IRP Incentive Mechanism Application on November 4, 2025, under EB-2025-0292. On December 22, 2025, the OEB placed the application into abeyance pending further developments in the IRP Framework Review proceeding (EB-2025-0125). On April 28, 2026 in the EB-2025-0125 proceeding, the OEB directed Enbridge Gas to file proposed updates to the IRP Framework. Accordingly, Enbridge Gas is now requesting approval of its proposed IRP Incentive Mechanism through this Application (EB-2026-0216), with full details of the proposed mechanism set out in this Exhibit. Enbridge Gas will assess the most appropriate course of action for its EB-2025-0292 application at a later date based on the developments in this proceeding, which could include a request to withdraw the EB-2025-0292 application, if appropriate.

4. The proposed incentive design included in this schedule is consistent with Enbridge Gas's IRP Incentive Mechanism application filed on November 4, 2025 under EB-2025-0292, with minor updates that do not affect the substance of the proposal.[2] Cost recovery details not described here are set out in Exhibit C, Tab 8, Schedule 1. Additional implementation details included in the original proposal, including how

[1] EB-2024-0111, Settlement Agreement, Exhibit N, Tab 1, Schedule 1, November 29, 2024, p.35.
[2] The only notable change to the incentive design is the addition of a 10-year cap on the period over which the SSM may be recovered.

cost inputs are established, the implications of different project outcomes (i.e., deferred, avoided, or reduced), and other project cost considerations related to operationalizing the IRP Incentive Mechanism, will be addressed through the IRP Implementation Plan.

5. The central challenge addressed by the proposal is the financial disincentive for utilities to pursue IRPAs, which are often non-capital in nature and yield limited, and potentially zero, shareholder returns under current cost recovery structures.

6. The proposal builds on the original incentive proposal filed as part of the first-generation IRP Framework[3] and reflects insights from the 2024 Rebasing Application[4], the OEB's FEI[5], the Ontario IEP[6], jurisdictional scans, and consultations with the TWG.

7. The proposed IRP Incentive Mechanism addresses the current financial disincentive that exists when Enbridge Gas pursues an IRPA versus a traditional facility alternative. Consideration has also been given to how the proposed incentive could impact ratepayers. A project example has been included to illustrate the existing financial disincentive and to support the rationale for why the proposed incentive helps to level the playing field.

8. Enbridge Gas is proposing a combined incentive structure:

    - Capitalization of IRPA O&M Costs: Treats O&M costs as capital assets which will be amortized over 10 years. This will align with facility cost treatment and

[3] EB-2020-0091.
[4] EB-2022-0200/EB-2024-0111/EB-2025-0064.
[5] EB-2021-0118.
[6] Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7; Energy for Generations | ontario.ca, June 12, 2025.

it will provide a ROE. The unamortized balance will be financed at Enbridge Gas's weighted average cost of capital.

- Shared Savings Mechanism (SSM): Compares 40-year NPV of revenue requirements between a traditional facility alternative and an IRPA. Under this mechanism the net savings are shared, 75% to Enbridge Gas and 25% to ratepayers.

9. Enbridge Gas is requesting approval of the combined IRP Incentive Mechanism and its proposed methodologies. Further, Enbridge Gas is requesting approval to amend the IRP Capital Cost Deferral Account and its current accounting treatment, to accommodate the proposed IRP Incentive Mechanism.

10. Enbridge Gas submits that the proposed IRP Incentive Mechanism addresses the financial disincentive that exists today and helps to level the playing field, while allowing ratepayers to realize the benefits of implementing an IRPA.

2. Background

11. The first IRP Incentive Mechanism was proposed as part of the original IRP Framework proceeding[7]. Since that time, there have been several developments that have impacted Enbridge Gas and its IRP activities, including the ongoing 2024 Rebasing Application[8], the OEB's consultation to review the IRP Framework[9], and the Ontario IEP[10].

12. Additionally, the OEB's work on incentives for Distributed Energy Resources (DERs) and the details on incentive mechanisms implemented within other jurisdictions in

[7] EB-2020-0091.
[8] EB-2022-0200/EB-2024-0111/EB-2025-0064.
[9] EB-2025-0125.
[10] Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, Energy for Generations | ontario.ca; June 12, 2025.

the energy sector have provided insight into what incentive mechanisms have been implemented and ideas on how they could be structured.

13. The purpose of this section is to summarize the different events, proceedings, research, and policies identified above, with a focus on IRP and the IRP Incentive Mechanism. Each topic discussed has been informative and influential in determining the proposed IRP Incentive Mechanism.

2.1 First-Generation IRP Framework Proceeding

14. The first-generation IRP Framework[11] for Enbridge Gas was established on July 22, 2021, in response to Enbridge Gas's Integrated Resource Planning Proposal. The IRP Framework provides direction on the OEB's requirements as Enbridge Gas considers IRP to meet its system needs.

15. Within Enbridge Gas's original IRP Proposal, the Company set out the considerations that would influence how Enbridge Gas assesses and implements IRP alternatives, including details on cost recovery. Enbridge Gas proposed that IRPA costs, both capital and O&M, associated with planning, implementing, administering, measuring and verifying the effectiveness of its investment in IRPA, be treated in the same manner as the costs for facility expansion/reinforcement projects (capitalized to rate base) that IRP will defer, avoid or reduce.[12]

16. The Company's position was that this was the simplest and most effective way of creating a level playing field when compared to a traditional infrastructure project. It would ensure that the return structure would be consistent with capital investments. Additionally, Enbridge Gas submitted that it was open to considering additional incentives if the OEB wished to encourage the prioritization of investments in IRPAs.

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[11] EB-2020-0091 (Appendix A), Integrated Resource Planning Framework for Enbridge Gas, July 22, 2021.
[12] EB-2020-0091, Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, October 15, 2020, pp.32-33.

For example, an incentive that would be over-and-above the regulated rate of return earned.

17. Many parties supported the principle of Enbridge Gas's proposal for like-for-like cost treatment and agreed that this would remove a disincentive for Enbridge Gas to pursue IRP. In an Energy Futures Group Report, "Best Practices for Gas IRP and Consideration of "Non-Pipe" Alternatives to Traditional Infrastructure Investments", it was suggested that the best incentive mechanism may be capitalizing and rate basing non-pipe solution costs.[13] ED and GEC supported Enbridge Gas's proposal. OEB staff also agreed with Enbridge Gas that a level playing field between IRPAs and traditional facility projects should be established, and that Enbridge Gas's cost recovery proposal addressed the financial disincentive to pursuing IRPAs.[14] IGUA and OGVG also supported the proposal. CME agreed to the proposal in principle, and CCC, EP and VECC were not opposed to it.[15]

18. There were four parties that did not agree with the Company's cost treatment proposal. APPrO did not think the proposal was innovative enough and that a proposal should be made at the next rebasing.[16] LPMA felt that there were too many unknowns at the time for the OEB to make an appropriate decision for cost recovery and that specific details should be dealt with during the approval process of each specific IRP Plan.[17] SEC argued that "normal accounting treatment" should be followed as the proposal could result in a risk of stranded assets with IRPAs.[18] FRPO identified different obligations of the Company that exist today, or projects

[13] EB-2020-0091, Exhibit M2.GEC-ED, Best Practices for Gas IRP and Consideration of "Non-Pipe" Alternatives to Traditional Infrastructure Investment, submitted on behalf of Green Energy Coalition and Environmental Defence, revised February 18, 2020.
[14] EB-2020-0091, OEB staff Submission on Enbridge Gas Inc.'s application for approval of its Integrated Resource Planning Proposal, March 31, 2021, p.43.
[15] EB-2020-0091, Enbridge Gas Reply Argument, April 21, 2021, p.55.
[16] Ibid, p.56.
[17] Ibid, pp.56-57.
[18] Ibid, p.57.

that have been implemented in the past, where the Company was not incented. FRPO suggested that they were not against appropriately designed incentives but were not in favour of capitalizing all IRPA costs.[19]

19. In the Decision and Order[20], it was found that IRPA project capital costs could be included in rate base when Enbridge Gas owns and operates the IRPA. The OEB also found that O&M costs related to an IRPA would continue to be treated as operating expenses. The OEB concluded that it was premature to develop an incentive mechanism as part of the first-generation IRP Framework. The OEB highlighted that as more is learned through IRP pilots, the FEI, or experiences in other jurisdictions, that consideration of incentives could be given on a case-by-case basis as part of an IRP Plan.

2.2 Framework for Energy Innovation Consultation

20. The OEB initiated the FEI consultation in an attempt to clarify the regulatory treatment of innovative and cost-effective solutions, including DERs, and to ultimately increase their adoption in ways that can benefit customers while considering the priorities of electric distributors. The same financial disincentive discussed in the IRP Framework proceeding exists for the electricity sector and its distributors when implementing DERs. The goals and challenges of implementing DERs in the electricity sector is often compared to that of non-pipe alternatives (NPAs) in the natural gas sector.

21. One outcome of the consultation was the report issued by the OEB, “Framework for Energy Innovation: Setting a Path Forward for DER Integration”.[21] Throughout the FEI Report, the term “level the playing field” is quoted as the consultants and

[19] EB-2020-0091, FRPO Final Argument, March 31, 2021, pp.19-20.
[20] EB-2020-0091, OEB Decision and Order, July 22, 2021, pp.75-76.
[21] Framework for Energy Innovation: Setting a Path Forward for DER Integration, January 30 2023, https://www.rds.oeb.ca/CMWebDrawer/Record/775948/File/document

subgroups involved provided guidance and policy updates in an effort to address the financial disincentive between DERs and traditional solutions. A Utility Incentives Subgroup (UIS) was developed to assist in the development of the FEI Report. The UIS created a report that discusses how DERs are often non-capital in nature and how misaligned cost recovery methods can act as disincentives to utilities.[22]

22. The UIS Report clearly describes the financial disincentive that exists for the electric distributors when implementing DERs stating "DERs will often, from a utility point of view, be non-capital in nature, and so a system that compensates utility shareholders based solely on capital expended may not reflect completely a DER intensive future system".[23] The UIS Report also highlights that in addition to providing certainty for the recovery of prudently incurred DER costs, removing disincentives is a natural complement to adding positive incentives, and that capitalization of operating expenditures (as a cost recovery method) is one option that can be used as a positive incentive structure.

23. The UIS Report covers a number of topics that could impact the implementation of DERs and act as financial barriers for the utility to implement them. Section 5 of the UIS Report discusses six different incentives for consideration. The UIS did not attempt to reach a consensus on the best incentive; instead, they provided the advantages and disadvantages of each incentive discussed and suggested that the OEB test different incentives. The six incentive options discussed are:
    1. Capitalization of DER Spending
    2. Fixed Incentives
    3. Margin on Payments
    4. Shared Savings Mechanisms

[22] EB-2021-0118, Appendix B Framework for Energy Innovation: Report of the Utility Incentives Subgroup, June 8, 2022 https://www.rds.oeb.ca/CMWebDrawer/Record/750366/File/document
[23] EB-2021-0118, Appendix B Framework for Energy Innovation: Report of the Utility Incentives Subgroup, June 8, 2022, p.5. https://www.rds.oeb.ca/CMWebDrawer/Record/750366/File/document

5. Scorecard-Based Financial Incentives
6. Non-Financial Tools

24. As part of the final FEI Report, the OEB acknowledged that by deploying DER solutions, the utility is forgoing an opportunity to earn a return.[24] The OEB ultimately decided that electricity distributors can choose one of three incentive options to accompany the deployment of third-party owned DER solutions as non-wires solutions (NWSs).[25] The three incentive options selected for testing were: shared savings mechanism, performance-target or scorecard-based incentive, and margin on DER payments. The opportunity to select one of the three options was considered a testing phase by the OEB in order to gauge their effectiveness at aligning utility and customer interests and overcoming barriers to DER solutions. One barrier that was specifically highlighted was utility preference for capital investments with the current rate-setting framework.[26] The FEI Report was released in January 2023.[27] As of the date of this Application, four incentive proposals for DER solutions have been submitted to the OEB for approval. [28] Two applications have been denied, one remains before the OEB, and one was withdrawn as part of a settlement proposal.[29]

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[24] Framework for Energy Innovation: Setting a Path Forward for DER Integration, January 30 2023, https://www.rds.oeb.ca/CMWebDrawer/Record/775948/File/document, p. 24.
[25] Ibid, pp. 28-30.
[26] For example, under a Price Cap or Custom Incentive Regulation where revenue streams are set without a direct tie to costs, higher O&M charges are a direct hit to earnings.
[27]Subsequent to the release of the FEI Report, the OEB amended the Distribution System Code to establish a default margin-on-payments incentive mechanism for electricity distributors that use third-party DERs as non-wires solutions.
[28] EB-2024-0115, Hydro Ottawa Interrogatory Response to OEB staff, IRR 2-Staff-67, Attachment A, pp. 25-26; EB-2025-0265, 2026-2028 Non-Wires Application, GrandBridge Energy Inc., December 1, 2025, pp 23-24; EB-2026-0129, Non-Wires Solution Incentive Mechanism Application, Toronto Hydro, April 10, 2026.
[29] Hydro Ottawa and GrandBridge Energy Inc. had their incentive proposals denied. Toronto Hydro's incentive proposal remains before the OEB. Toronto Hydro previously submitted an incentive application as part of a larger Performance Incentive Mechanism. Through the settlement proposal, parties agreed to eliminate the Performance Incentive Mechanism in lieu of a higher stretch factor. Toronto Hydro 2025-2029 Custom Rate Application, Exhibit 1B, Tab 3, Schedule 1, pp.49-56.

2.4. Rebasing Proceeding

25. Within the 2024 Rebasing Phase 1 Settlement Agreement, parties agreed to the existing IRP Operating Cost and IRP Capital Cost Deferral Accounts being modified to recognize off-setting amounts in the account balances to reflect avoided capital and operating cost impacts related to facilities projects that are delayed, avoided, or downsized by IRP.[30] The avoided capital and associated revenue requirement can have a beneficial rate impact if the costs and associated revenue requirement of the IRPA are lower than the facility alternative. However, the equity investment opportunity and associated return on equity (ROE), which is included in the revenue requirement of the capital costs, would no longer be available to shareholders when an O&M based IRPA is replacing a facility project.

26. Within Phase 2 of the 2024 Rebasing Application, Current Energy Group (CEG), on behalf of ED, recommended adjustments to the proposed incentive rate-setting mechanism for Enbridge Gas.[31] The evidence included a number of different recommendations and identified opportunities which in CEG's view would better align Enbridge Gas's financial incentives with customer interests. The evidence specifically addressed IRP and how the OEB should examine opportunities to level the financial playing field for IRPA projects when compared to traditional infrastructure projects. One of the recommendations was that the OEB should implement an incentive structure for IRPAs and that a shared savings mechanism would be a good approach as it would allow Enbridge Gas to share in savings attributable to the IRPA project as compared to the traditional infrastructure investment it displaces. The paper suggested that a shared savings ratio, applicable to cost savings, could initially be set at 30% to the utility and 70% to customers. The paper also recommended that the OEB should examine opportunities to allow

[30] EB-2022-0200, Settlement Agreement, Exhibit O1, Tab 1, Schedule 1, August 17, 2023, p.54.
[31] EB-2024-0111, Exhibit M2, Incentive Ratemaking for Capital Cost Containment and Energy Transition Risk Reduction, August 12, 2024, https://www.rds.oeb.ca/CMWebDrawer/Record/861375/File/document

Enbridge Gas to earn a return on third-party owned IRPA project costs but noted that a rate less than the current ROE may be appropriate in such a circumstance. During the interrogatory process of the proceeding, CEG was asked to provide examples of jurisdictions that have implemented any of their recommendations. As part of their response, CEG indicated that New York has implemented a shared savings mechanism to incentivize NPAs.[32]

27. As part of the 2024 Rebasing Phase 2 Settlement Agreement, parties agreed that within one year of the Settlement Agreement, Enbridge Gas would file an application, either in the form of an IRP Plan application or a standalone application, that includes a proposal and request for approval of an IRP Incentive Mechanism.[33]

2.5 Ontario Integrated Energy Plan

28. On June 12, 2025, the Government of Ontario published Energy for Generations: Ontario's Integrated Plan to power the Strongest Economy in the G7.[34] The Energy for Generations Plan covers a number of important topics and also introduces Ontario's Natural Gas Policy. The Natural Gas Policy includes the following paragraph: "The OEB will continue to play a key role as the natural gas system's economic regulator to protect the interests of consumers with respect to prices and the reliability and quality of gas service, while ensuring that utilities have the opportunity to earn a fair return and facilitate the rational expansion of the natural gas transmission and distribution system."[35] In another section, the Energy for Generations Plan adds additional emphasis by highlighting that it's "vital" for natural gas utilities have the opportunity to earn a fair return.

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[32] Current Energy Group Responses to Interrogatories on Exhibit M2, p.30 and p.58, https://www.rds.oeb.ca/CMWebDrawer/Record/864510/File/document
[33] EB-2024-0111, Settlement Agreement, Exhibit N, Tab 1, Schedule 1, November 29, 2024, p.35.
[34] Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, Energy for Generations | ontario.ca; June 12, 2025.
[35] Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, Energy for Generations | ontario.ca; June 12, 2025, p.95.

2.6 Other Jurisdictions

29. IRP implementation in natural gas utilities across jurisdictions remains nascent, and accordingly, information regarding shareholder incentives related to non-pipe solutions is limited. The information that was available has been informative in understanding what types of incentive options are available and how they are structured. Ultimately, Enbridge Gas prioritized the analysis that has been included in this Application to determine what an appropriate incentive would be for its shareholders, while also considering the impacts to ratepayers in Ontario.

30. A number of utilities in New York State including Con Edison, Central Hudson Gas & Electric Corporation, Rochester Gas and Electric Corporation, New York State Electric & Gas Corporation, and National Grid have incentive mechanisms in place for NPA projects.[36] The incentive mechanisms and cost recovery procedures for each utility are broadly consistent, with some minor differences. The incentive mechanism in place is a Shared Savings Mechanism (SSM) where shareholders retain 30% of the "Initial Net Benefits" and customers retain 70%, as determined by the Societal Cost Test, which is performed prior to the NPA implementation. The actual incentive is bound by a cost containment mechanism, where the final incentive is adjusted for actual costs. The final incentive cannot be below zero and the upper limit of the incentive cannot exceed 50% of the Initial Net Benefit. The costs of their NPAs are treated as a regulatory asset where they are amortized for 10 or 20 years (depending on the utility). This is described as a cost recovery mechanism as opposed to an incentive.

[36] Joint Local Distribution Companies' Proposals for Non-Pipe Alternative Incentive Mechanism and Cost Recovery Procedures, https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BEBD3BFE2-6AC6-4A28-B98A-09E6A7CB75A4%7D

31. In 2025, Det Norske Veritas (DNV) Canada Ltd. completed a jurisdictional scan on behalf of the IRP Technical Working Group (TWG) and Enbridge Gas.[37] While the primary focus was on system pruning, the scan also explored other IRP-related elements, including shareholder incentives for NPAs. The DNV Report examined a number of jurisdictions at varying stages of IRP program development. Although the DNV Report described the incentive mechanisms in New York, it identified a gap in available information regarding NPA incentive programs in other jurisdictions. Notably, the report highlighted that in Colorado, Xcel includes Beneficial Electrification (BE) and market transformation projects as DSM costs and, if approved by the Colorado Public Utility Commission, can earn a rate of return on these costs.

32. The Guidehouse Consultant Report[38], prepared on behalf of the OEB, on Options for Alternative Margin on Payments Incentive Mechanisms, included a thorough review of the incentive mechanisms in place for NWS programs for several jurisdictions, mainly in the United States, and the mechanisms behind them. Australia, California, and Michigan adopted the Margin on Payment mechanisms and had margins of 50%, 4%, and 15%, respectively. Each of those jurisdictions also had different criteria in place to determine the final margin for each project. Connecticut, Hawaii, New York, and Rhode Island were identified as having shared savings mechanisms. The shared savings retained by the utilities ranged from 20% to 30%. Many of them also used different benefit-cost tests to determine the savings that would be shared.

2.7 TWG Consultation

33. In 2023, following the release of the FEI Report, the IRP TWG was engaged in discussion around whether shareholder incentives should be available for IRP, and if

[37] System Pruning Jurisdictional Scan, August 15, 2025, https://engagewithus.oeb.ca/28744/widgets/145882/documents/157650
[38] Incentives for Electricity Distributors Using Third-Party Distributed Energy Resources as Non-Wires Alternatives: Margin on Payments, April 16, 2025, https://www.rds.oeb.ca/CMWebDrawer/Record/898297/File/document

so, how they should be structured.[39] The focus of the discussions was on the three incentive mechanisms that were available to electricity distributors in Ontario for DER solutions. Members of the IRP TWG provided their perspectives on each incentive and their applicability to Enbridge Gas, however, there was no consensus amongst the group on which incentive, if any, would be most appropriate.

34. In 2025, Enbridge Gas re-engaged the IRP TWG to revisit discussions on the IRP Incentive Mechanism.[40] A summary of the pros and cons of each incentive previously discussed in 2023 and member's perspectives was provided. Enbridge Gas also re-introduced amortization of O&M costs (or capitalization) as a potential incentive under consideration. One IRP TWG member expressed concerns about this approach, particularly if it mirrored the incentive proposal in the original IRP Framework Application[41]. Their concerns centered on potential tax implications and stranded asset risk associated with amortizing O&M costs.

35. On September 25, 2025, Enbridge Gas presented its IRP Incentive proposal to the IRP TWG. The discussion raised three main points: the difficulty of establishing an IRP Incentive Mechanism that achieves parity in shareholder returns based on a single project that was found where the IRPA is economically favourable; whether the shared savings mechanism would or should be trued up based on actuals; and that further justification needs to be provided to support the proposed shared savings ratio. There was also discussion on the premise and conceptual appropriateness of whether the shareholder incentive needs to be as high for an IRPA as compared to the rival traditional facility solution, in order to make Enbridge Gas indifferent between the two options, even where the IRPA is the less expensive solution.

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[39] 2023 IRP Annual Report Appendix E., https://engagewithus.oeb.ca/28744/widgets/145882/documents/134180
[40] IRP TWG Meeting Notes, Working Group Meeting #56, June 25, 2025, https://engagewithus.oeb.ca/28744/widgets/145694/documents/156472
[41] EB-2020-0091.

36. Enbridge Gas's IRP Incentive Mechanism proposal described below is consistent with the proposal discussed with the IRP TWG.

3. IRP Incentive Mechanism

37. This section describes the objective of the IRP Incentive Mechanism and explains the proposed methodology and recovery details. The selected and proposed IRP Incentive Mechanism was influenced by the information included in the Background section of this schedule, in particular the FEI Report and details from other jurisdictions. It was further informed by the analysis and rationale described below.

38. Enbridge Gas is proposing an IRP Incentive Mechanism that is comprised of two components: a cost recovery methodology where all O&M IRPA project costs would be capitalized and amortized for a period of ten years and a Shared Savings Mechanism (SSM). This combined IRP Incentive Mechanism has similarities to the incentive methodology that has been implemented for many different gas utilities in the state of New York for the implementation of non-pipe alternatives.[42]

3.1 Objective of IRP Incentive Mechanism

39. In the first-generation IRP Framework, IRP is defined as "a planning strategy and process that considers Facility Alternatives and IRP Alternatives (including the interplay of these options) to address the system needs of Enbridge Gas's regulated operations, and identifies and implements the alternative (or combination of alternatives) that is in the best interest of Enbridge Gas and its customers, taking into account reliability and safety, cost-effectiveness, public policy, optimized

[42] Joint Local Distribution Companies' Proposals for Non-Pipe Alternative Incentive Mechanism and Cost Recovery Procedures, p.3, https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BEBD3BFE2-6AC6-4A28-B98A-09E6A7CB75A4%7D

scoping, and risk management."[43] The challenge is however, under the existing utility remuneration construct, a financial disincentive could exist for the Company to pursue an IRPA versus the traditional facility alternative. Most IRP solutions will generate little to no returns under the current accounting and cost recovery treatment, given they are often non-capital in nature. Enbridge Gas should not be penalized (relative to the traditional capital solution) for appropriately complying with the IRP Framework, where an IRPA is determined to be the preferred solution in addressing an identified system need.

40. The proposed IRP Incentive Mechanism addresses the financial disincentive that many parties agree exists when implementing an IRPA. It is also imperative that the incentive does not negatively impact customers in a way that fully negates the benefits of proceeding with an IRPA or imposes a significant rate impact in a given year as compared to a traditional facility alternative. As such, Enbridge Gas also considered how the selected IRP Incentive Mechanism could be beneficial to ratepayers when compared to other incentive options.

3.2 Capitalization of O&M

3.2.1 Methodology

41. Enbridge Gas is proposing a methodology where the actual O&M costs incurred related to an IRPA will be capitalized and treated as capital or regulatory assets for accounting and cost recovery purposes.[44] This is consistent with cost treatment for facility alternatives, where costs related to a project are capitalized.

[43] EB-2020-0091, (Appendix A), Integrated Resource Planning Framework for Enbridge Gas, July 22, 2021, p.4.
[44] Administrative costs that would be capitalized as part of a traditional facility project will be capitalized as part of an IRPA as well.

42. The O&M costs will vary based on the specific IRPA implemented, but may include (and are not limited to) the following categories and types of costs that would otherwise be treated as O&M:

    - Enhanced Targeted Energy Efficiency (ETEE) costs: incentive financial payments to encourage adoption of energy efficiency measures, and associated promotion, delivery, evaluation and incremental administration costs.
    - Demand response costs: incentive payments or subsidies[45] to contract customers to encourage conversion (fully or partially) from firm to interruptible service; and/or incentive financial payments to general service customers to encourage the shift of peak hourly demands to off-peak periods, and associated promotion, delivery, evaluation and incremental administration costs.
    - CNG costs: cost of third-party vendors/contracts for CNG trucks, land lease arrangements, evaluation and incremental administration costs.
    - Market-based supply costs: costs associated with contractual or transactional arrangements for incremental natural gas deliveries, transportation, exchanges, pressure support, or other market-based services at specific interconnects or points on or connected to the Enbridge Gas system. These costs may include fixed amounts paid to secure availability or capacity, variable amounts that depend on utilization or market conditions, and incremental administration costs.

43. The unamortized balance of the actual costs incurred each year will be financed at the Company's weighted average cost of capital.

[45] The incentive payments or subsidies may be structured by negotiating a lower interruptible rate than posted in the Enbridge Gas Rate Handbook.

3.2.2 Recovery and Term

44. The proposed amortization term is 10 years for all IRPA projects.

45. For IRPA projects commenced during the current IRM term, Enbridge Gas proposes that impacts of capitalizing O&M costs will be captured in an amended IRP Capital Costs Deferral Account and recovered through annual deferral dispositions. Enbridge Gas will record in the account the annual revenue requirement impact of capitalized IRPA O&M (along with the impact of traditional capital costs associated with the IRPA, if applicable), net of any offsetting avoided revenue requirement amounts already included in rates related to the facilities that are delayed, avoided, or downsized by the IRPA. Upon rebasing, Enbridge Gas proposes that the impacts of any unamortized capitalized amounts would be included in rate base and reflected in the forecast revenue requirement underpinning prospective rates, and as such, would no longer need to be recovered through the IRP Capital Costs Deferral Account.

3.2 Shared Savings Mechanism

3.2.1 Methodology

46. The net savings of the proposed SSM will be determined based on the difference in revenue requirement between the traditional facility alternative and the selected IRPA (or combination of alternatives). A time horizon of 40 years will be used to determine and compare the net present value (NPV) of the revenue requirements of the alternatives. The difference will determine the net savings to be recovered through the SSM.

47. For the purposes of this calculation, the revenue requirement of the IRPA will be based on the methodology of capitalized O&M assets. The revenue requirement of the traditional facility and the IRPA used in the shared savings calculation will be

inclusive of all amounts typically included for cost recovery, including the capital costs and all returns.

48. The forecast assumptions for the traditional facility alternative and IRP alternative will be based on the best information available when the decision on the selected alternative is made prior to the implementation of the IRPA.

49. Where an IRPA includes costs that may vary based on utilization, commodity prices, market conditions or other uncertain factors, the forecast IRPA cost may be determined using an appropriate probabilistic, scenario-based or other risk-informed methodology. The methodology and material assumptions will be documented in the IRP Plan where applicable and will reflect the nature and term of the proposed IRPA.

50. Under this mechanism the net savings are shared, 75% to the Company and 25% to ratepayers.

3.2.2 Recovery and Term

51. The SSM incentive recovery term will be for the duration that costs related to the IRPA are forecasted to be incurred, up to a maximum of ten years. The incentive will be allocated equally across all years and disposed of on an annual basis for the duration the IRPA is forecasted to incur O&M costs, up to a maximum of ten years.[46]

52. It is proposed that the recovery of the SSM (Enbridge Gas's 75% share) will occur through the annual deferral disposition of the proposed amended IRP Capital Costs Deferral Account. Enbridge Gas will record the applicable annual amount in the account and bring forward the balance annually as part of the deferral disposition process. The shared savings amount will be calculated using forecast information

[46] For example, if the forecasted term of the IRPA is 5 years, the net savings will be divided by 5 to determine the amount to be allocated each year.

available prior to implementation of the IRPA. Where an IRPA's implementation costs are expected to include material cost variability or uncertainty, the IRP Plan, where applicable, may propose an alternate, appropriate treatment of forecast and actual costs for the purpose of the incentive amount. Any such treatment would be established as part of the OEB's consideration of the IRP Plan.

53. Further details on the proposed amendments to the deferral account have been included in the draft accounting order that has been prepared which can be found in Exhibit B, Tab 1, Schedule 2, Attachment 1, Appendix A.

4. Rationale For IRP Incentive Mechanism Structure and Illustrative Project Example

54. Enbridge Gas is proposing the combined IRP Incentive Mechanism of Capitalization of IRPA O&M costs and a Shared Savings Mechanism (SSM) as it addresses the financial disincentive that currently exists, while also taking into consideration the potential impacts to ratepayers. This section describes the analysis conducted on an IRP scenario involving compressed natural gas (CNG) and how the results contributed to Enbridge Gas's proposal. The rationale for why this IRP Incentive Mechanism was chosen and why the incentive has been structured in this manner are outlined below.

4.1 Illustrative Project Example Overview

55. Project A represents the Whitby Kawartha Lakes_Emily Park Rd_Reinforcement (project ID 747083), based on the preliminary investment scope developed in 2025.[47] The scope reflects a CNG-only supply-side IRPA implemented for 4 years to avoid a facility reinforcement. Based on IRP assessments completed to date, the

[47] A revised scope was subsequently reflected in the EB-2020-0091 Enbridge Gas Asset Management Plan (AMP) Addendum 2026, filed October 30, 2025.

characteristics of the underlying demand profile for this project supported the potential implementation of viable IRPAs.

56. Project A consists of a CNG station and injection via CNG trailers that would be in operation from 2029 to 2032. The IRPA would allow the Company to avoid the implementation of a traditional facility alternative as system demand was forecasted to peak and then decline by 2033. By 2033, the CNG would no longer be required. The financial details are below[48]:

- Facility Alternative
  - Capital Cost = $1,400,000
  - Forecasted in-service date is 2029
- IRP Alternative
  - Capital Cost = $200,000
  - O&M Cost = $200,000 per year

SSM Savings Calculations

- Facility Alternative
  - Net Present Value (NPV) of Revenue Requirement after 40 years = $1,609,000
- IRP Alternative
  - Net Present Value (NPV) of Revenue Requirement after 40 years = $915,000[49]
- Revenue Requirement Differential (Facility Alternative – IRPA) = $1,609,000 – $915,000
  = $694,000

[48] These costs have been rounded for simplification and are based on the preliminary scope of the Kawartha Lakes project.
[49] The Revenue Requirement was calculated based on the costs being recovered with the 10-year O&M Capitalization methodology.

Shared Savings (to Utility)

= $694,000 x 0.75

= $520,500

The net savings or SSM would be prorated equally over 4 years ($130,125 annually) and deferred and disposed of through the proposed IRP Capital Costs Deferral Account from 2029 to 2032.

4.2 SSM Methodology

57. Enbridge Gas chose this methodology of comparing the NPV of the revenue requirements to determine the net savings based on considerations around impacts to ratepayers and efficiency in implementation. This methodology reflects the net savings for all rate payers, consistent with Phase 1 of the DCF+ test. Where existing ratepayers benefit from shared savings relative to the traditional facility alternative, Enbridge Gas receives a share of those savings.

58. The alternative to the proposed methodology would be to derive the net benefits from the DCF+ analysis, which captures Phase 1+2, where inclusion of Phase 2 would then be incorporating the narrower perspective of participating customers. In other jurisdictions such as New York, the amount included in the SSM is determined through their Societal Cost Test (SCT)[50] net-benefit test. This would be more aligned with including the Phase 2 and Phase 3 portions of the DCF+ test.[51] However, Enbridge Gas feels that the proposed net savings calculation, comparing the NPV of the revenue requirement, has a greater focus on affordability.

[50] SCT includes measures of direct costs and benefits (e.g. capital costs, customer installation costs, avoided gas costs, incremental electric costs) as well as broader indirect costs and benefits (e.g., avoided cost of GHG emissions). Corning Natural Gas Corporation. Appendix C. Benefit Cost Analysis Methodology. https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B1008BE94-0000-C027-AB47-65EFCF70C2E5%7D#:~:text=A.-

[51] Phase 3 incorporates the broader perspective of Ontario society. See Exhibit B, Tab 1, Schedule 2, Attachment 1, p. 12 for descriptions of Phase 2 and Phase 3 of the DCF+ test.

59. This methodology also allows for efficiency and simplicity from an administrative and regulatory perspective as calculations of the SSM are straightforward to quantify. This methodology is also practical as there is less debate about what net benefits should or should not be included.

4.3 IRP Shareholder Returns absent IRP Incentive Mechanism

60. Figure 1 highlights the annual shareholder returns for the traditional facility, compared to the IRPA for Project A, absent an incentive. The shareholder returns in this example are the Return on Equity (ROE) associated with the capital costs of each alternative. This is a representation of the disincentive that was described in the Background section of this schedule.

Figure 1 – Project A: Comparison of annual shareholder returns for the traditional facility and IRPA

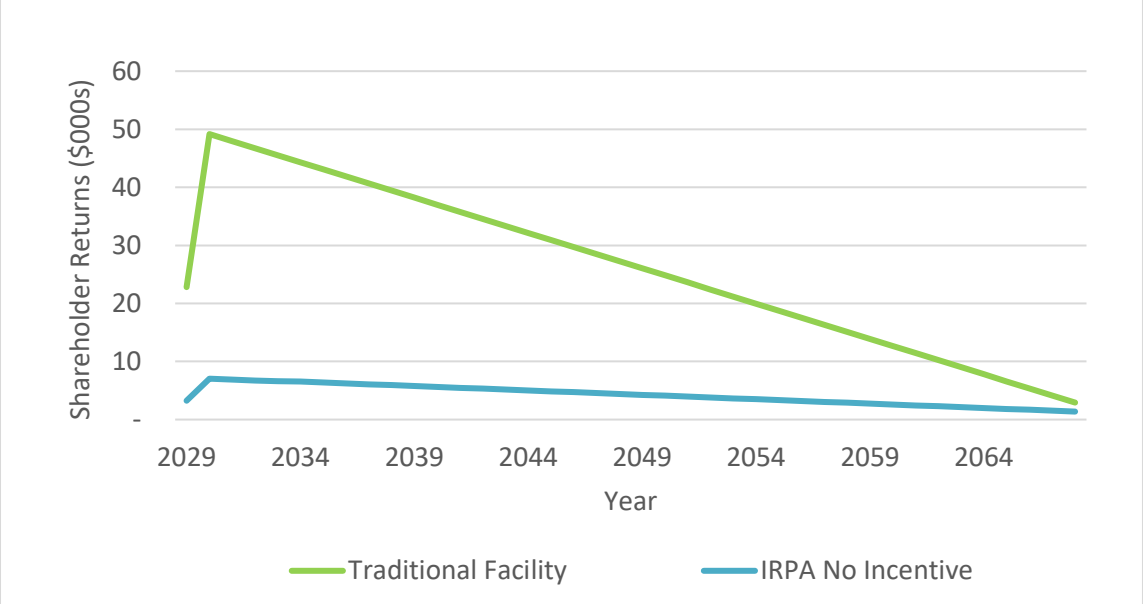
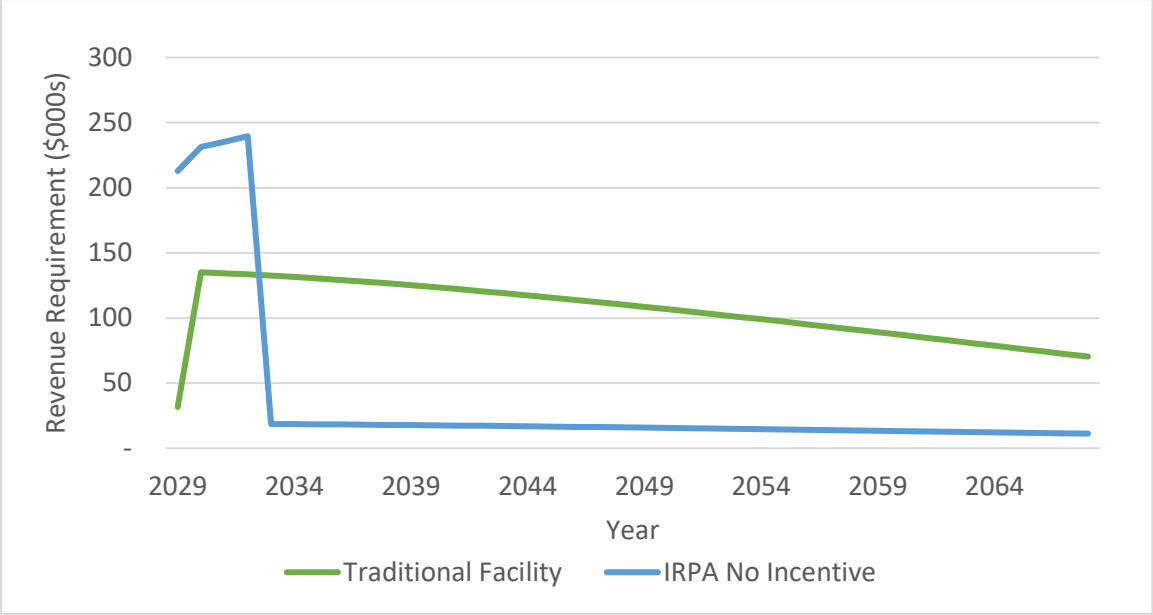


Figure 2 shows the annual revenue requirement for the traditional facility, compared to the IRPA for Project A, absent an incentive. As the IRPA is mainly O&M costs, the costs are recovered immediately as pass-through costs, so the recovery appears more abrupt than the traditional facility.

Figure 2 – Project A: Comparison of annual revenue requirement for the traditional facility and IRPA



4.4 Capitalization of O&M IRPA Costs

61. Capitalization as a cost recovery method provides the Company and shareholders an opportunity for a return on all IRPA project costs (similar to facility alternative costs) which addresses the disincentive for implemented IRP projects. Capitalization can also benefit ratepayers in the short-term, as the costs are paid over time rather than upfront (as illustrated in Figure 2). The Company does however recognize that the capitalization of O&M costs will result in higher absolute costs to ratepayers over time, due to carrying charges, as compared to when costs are recovered as a one-time expense.

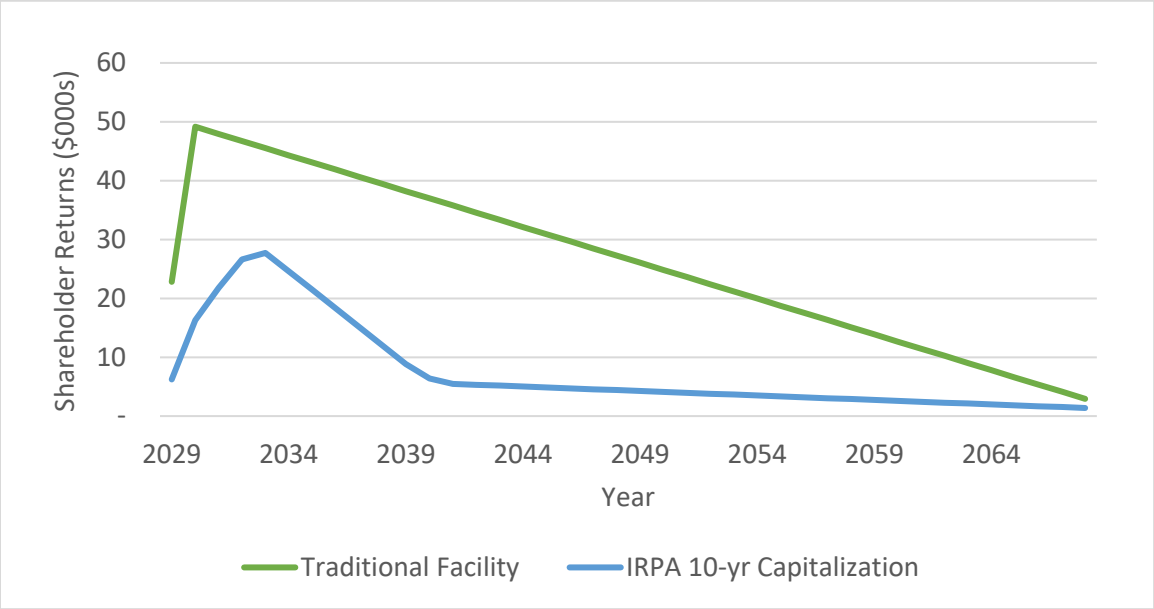
62. Enbridge Gas considered a number of time frames when evaluating capitalization as a cost recovery method, and it was determined that a 10-year amortization period provides benefits from both the ratepayer's and Company perspective. A 10-year time frame, compared to 20 or 40 years, benefits ratepayers as costs are recovered

over a shorter time frame, resulting in lower absolute costs. A shorter duration is also more balanced when considering intergenerational inequity and the different types of IRPAs and their expected useful life.[52] Lastly, having one consistent time frame, as opposed to determining a different amortization period for each project, simplifies the accounting and administration process.

63. Figure 3 illustrates the annual shareholder returns for the IRPA for Project A when using a cost recovery method of capitalization with a 10-year amortization period. As can be seen, capitalization of O&M charges with a 10-year amortization period provides the Company with greater returns than the recovery of O&M charges as a period charge (as illustrated in Figure 1). However, it is still not comparable with the traditional facility alternative and has not leveled the playing field.

[52] Supply-side alternatives meet demand requirements during the term of their operation or availability only. Demand-side alternative measures produce demand reduction over the term the measure is in operation. Based on the Draft 2024 Demand Side Management Annual Report (April 1, 2025) the 2024 DSM portfolio Weighted Average Measure Life is 19.79 years, calculated as the sum of the program year's cumulative net natural gas savings divided by the sum of that program year's net annual natural gas savings.

Figure 3 – Project A: Comparison of annual shareholder returns for the traditional facility and IRPA with 10-year capitalization



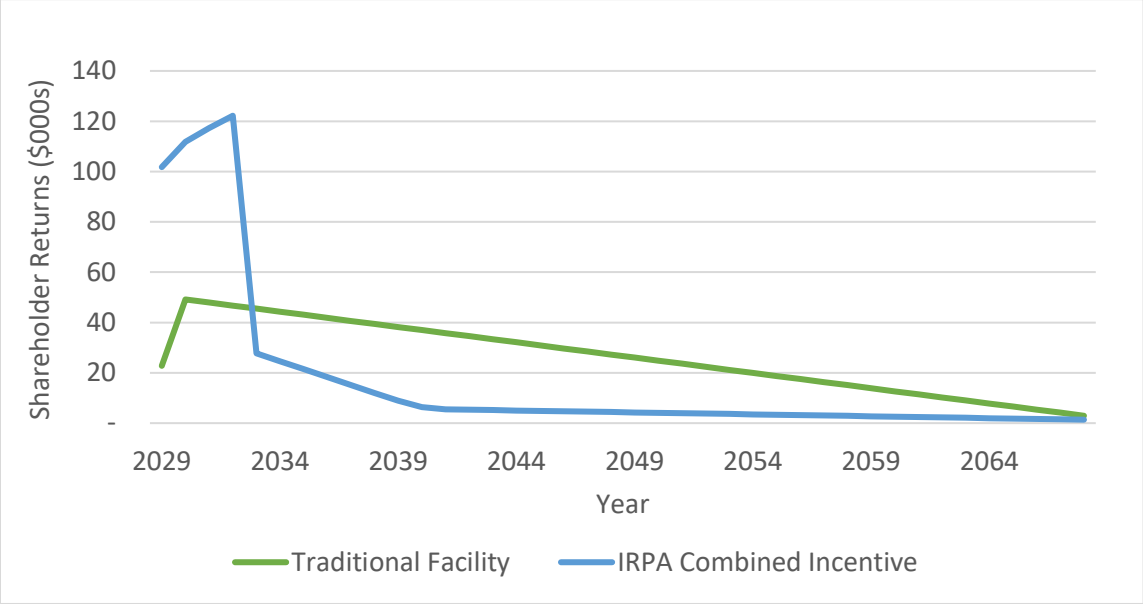
4.5 Combined O&M Capitalization and SSM IRP Incentive Mechanism

64. For the combined incentive mechanism, the shareholder returns are a combination of the ROE from the capitalization of O&M costs, and the returns from the SSM. Without an additional incentive, there could still be a significant financial disincentive to pursue the IRPA, even when recovery is through capitalizing the IRPA O&M costs (as illustrated in Figure 3). The inclusion of SSM in combination with capitalization provides the Company with an opportunity to generate shareholder returns over an extended period of time, but which are particularly attractive in the near term. By adding the SSM, Enbridge Gas will potentially earn higher shareholder returns relative to capitalization alone and it can help to level the playing field between the traditional facility alternative and the IRPA. It is important to note that the SSM on its

own will not level the playing field as an incentive is intended to do. It is expected that in cases where there are little to no net savings, those projects would correspondingly result in very little or no shareholder returns under an SSM alone; ultimately not addressing the disincentive. When combined with capitalization of O&M costs, the disincentive to implementing an IRPA is addressed regardless of whether there are shared savings. When the cost of the facility alternative is higher than the IRPA, there will be shared savings. Relative to the traditional facility alternative, the Company will earn less through capitalizing IRPA O&M costs, however the SSM will reduce or remove the disincentive.

65. Another consideration for a standalone SSM is that it can result in a significantly higher revenue requirement in the short term. Without capitalizing the costs of the IRPA, the costs would be recovered immediately as pass-through costs (as illustrated in Figure 2), but higher due to the addition of the SSM (if there are net savings).

Figure 4 – Project A: Comparison of annual shareholder returns for the traditional facility and IRPA with combined incentive

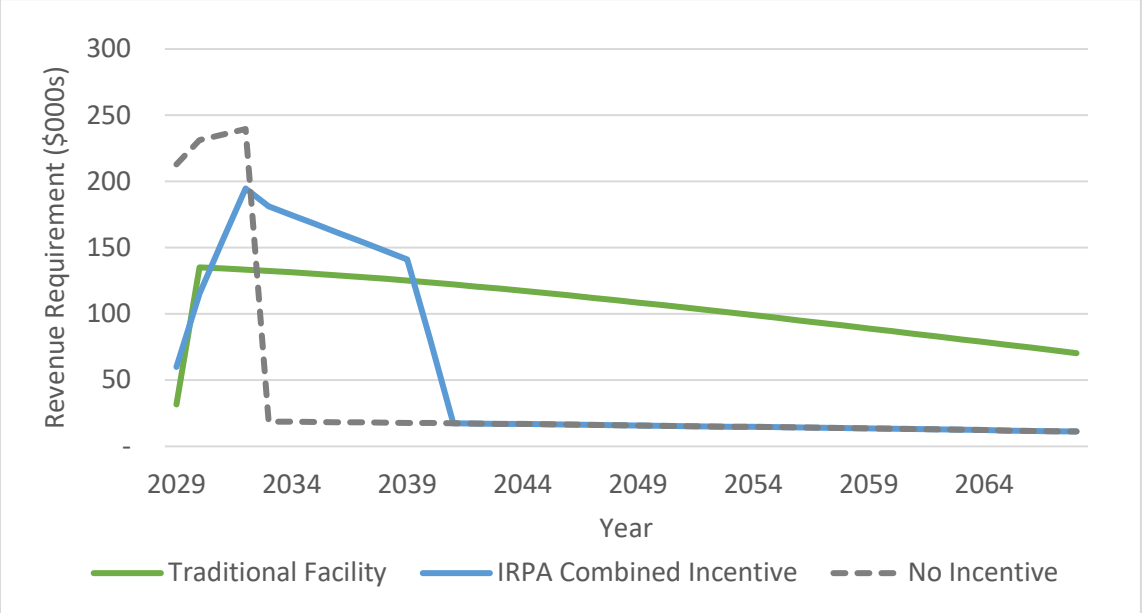


66. Figure 4 illustrates the annual shareholder returns for the combined incentive of O&M Capitalization and an SSM for Project A. The annual shareholder returns represent the ROE associated with the capital costs and capitalized O&M of the IRPA, as well as the incentive associated with 75% of the savings calculated from the differential in NPV revenue requirement between the IRPA and facility alternative. The shareholder returns are more substantial in the first few years when the SSM is contributing to additional returns. Depending on the scenario and the net savings achieved, this may not always be the case. In a scenario where IRPA costs are higher and the revenue requirement net savings are lower, the shareholder returns would be more gradual with a lower peak, similar to the 10-year capitalization shown in Figure 3.

67. The shape of the graph in Figure 4 may suggest that the resulting revenue requirement would follow a similar path resulting in higher revenue requirement in the first several years. However, the combination of an O&M Capitalization and SSM

results in a more stable and consistent revenue requirement than other incentive options. The results for Project A show that it's more gradual than with no incentive at all (as illustrated in Figure 5). This is attributable to the fact that cost recovery under the capitalization methodology is more gradual, which allows it to smooth the costs for ratepayers when combined with the SSM.

Figure 5 – Project A: Comparison of Revenue Requirement



4.6 75/25 Ratio of SSM sharing

68. For the SSM, Enbridge Gas is proposing that 75% of the net savings go to the Company and 25% go to the ratepayer. For Project A, with this split, the 40-year NPV of shareholder earnings for the IRPA are comparable to the 40-year NPV of shareholder earnings for the traditional facility.[53] A lower split produces less comparable shareholder returns versus the traditional facility. Table 1 illustrates how the different ratios for the SSM can significantly impact the total shareholder returns.

[53] 40-year NPV of shareholder earnings for traditional facility is $477,000. 40-year NPV of shareholder earnings for IRPA with combined incentive is $469,000.

Table 1
SSM Ratios - Impacts on Shareholder Return

Line No.	Shareholder Returns ($)(1)(2)	SSM Ratios – Utility Portion vs Customer Portion		
		25/75	50/50	75/25 (3)
		(a)	(b)	(c)
1	IRPA - Combined Incentive	265,000	367,000	469,000

Notes:
(1) Shareholder returns are based on 40-year NPV.
(2) 40-year NPV of shareholder earnings for traditional facility is $477,000.
(3) Ratio for proposed IRP Incentive Mechanism.

69. Additionally, ratepayers will continue to benefit from the implementation of the IRPA as the 40-year NPV of the revenue requirement of the IRPA, inclusive of the proposed combined incentive (which includes the proposed shared savings ratio), is still significantly lower than the 40-year NPV of the revenue requirement of the traditional facility alternative.[54]

70. The proposed 75% of shared savings to the utility is higher than the 30% allocation of shared benefits used in New York. However, the shared savings in New York are based on shared net societal benefits (the sum of the NPV of the societal benefits less the NPV of societal costs) as opposed to the revenue requirement differential of the IRPA and the facility alternative. Under Enbridge Gas's SSM proposal, the emphasis is on the rate impact perspective and ensuring a net financial benefit to ratepayers in alignment with the proposed objective of IRP. The rate impact of the shared savings of the revenue requirement differential, where it is triggered through net savings, results in a lower total ratepayer impact for the IRP Incentive

[54] 40-year NPV of revenue requirement for traditional facility is $1,609,000. 40-year NPV of revenue requirement for IRPA with combined incentive is $1,222,000.

Mechanism than the facility alternative. This is not the case in New York, where the shared savings may be driven by IRPA participant and/or societal benefits. Under the shared net societal benefit model, there is no assurance that the SSM IRP incentive will result in a net financial savings from the ratepayer perspective as it prioritizes society as a whole as opposed to how rates will be affected and the associated affordability.

IRP IMPLEMENTATION PLAN

1. Enbridge Gas is proposing a new chapter in the IRP Framework, Chapter 10 ("IRP Implementation Plan"), which provides details regarding IRP Implementation Plans including regulatory and other key elements to be included within the Plans.

2. Enbridge Gas's proposed additions are described in the sections below:
    1. Establishment of a New "IRP Implementation Plan" Chapter
    2. Addition of Language Regarding the Timing of IRP Implementation Plans
    3. Addition of Table to Delineate IRP Implementation Plans vs. IRP Framework

3. Additional topics raised by OEB staff in its Discussion Paper and/or parties in their November 2025 submissions for which Enbridge Gas has not proposed updates to the IRP Framework are described in the sections below:
    4. IRP Scorecard, Targets, and Milestones
    5. Third-Party Audit

1. Establishment of a New "IRP Implementation Plan" Chapter

4. Enbridge Gas is proposing the addition of a new IRP Implementation Plan chapter in the IRP Framework.

5. In its Discussion Paper,[1] OEB staff proposed that Enbridge Gas file forward-looking IRP Implementation Plans to be reviewed through an adjudicative process. This proposal was generally supported by Enbridge Gas and other stakeholders.

6. In its letter directing Enbridge Gas to file proposed updates to the IRP Framework,[2] the OEB noted that the updated Framework will likely include requirements

[1] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025. p.39.
[2] EB-2025-0125, OEB Next Steps – IRP Framework Review for Enbridge Gas, April 28, 2026, p. 4.

regarding an IRP Implementation Plan and that the most efficient approach would be to review the Implementation Plan as a second phase of the proceeding, following a decision on the updated IRP Framework.

7. Consistent with the above, Enbridge Gas is proposing to add details regarding IRP Implementation Plans within the IRP Framework. Implementation Plans will serve as forward-looking plans that provide a dedicated forum to address non-project specific IRP matters, such as key supporting IRP policies/guidance documents associated with the implementation of IRP. This will in turn improve regulatory efficiency and provide greater certainty regarding how IRP will be implemented over the term of the Implementation Plans.

8. IGUA did not support the establishment of a dedicated IRP Implementation Plan process and suggested instead that an updated IRP Framework could guide Enbridge Gas as it continues to integrate IRP into its ongoing capital planning activities.[3]

9. Enbridge Gas submits that the IRP Framework and IRP Implementation Plans will serve distinct but complementary purposes. The IRP Framework establishes the foundational objective, guiding principles, expectations and requirements for IRP, while IRP Implementation Plans provide details on how those requirements will be operationalized for the term of the Implementation Plans.

10. PP submitted that the OEB should ensure “IRP is firmly included in the scope of all relevant proceedings (e.g. AMP and Capital request for rate cases, facility applications, Gas Supply Plans, etc.)” to allow for greater transparency and oversight on IRP activities and progress.[4]

[3] EB-2025-0125, IGUA Submission, November 20, 2025, p.3.
[4] EB-2025-0125, PP Submission, November 19, 2025, p. 6.

11. Enbridge Gas does not agree with this approach. As acknowledged by OEB staff, a significant amount of time has been spent examining IRP issues in various regulatory proceedings, in part due to the absence of a dedicated forum to adjudicate IRP implementation matters.[5] Consistent with OEB staff's proposal to address these challenges, the introduction of an adjudicated IRP Implementation Plan establishes a single, dedicated forum to address non-project specific IRP implementation elements. This approach will reduce duplication and avoid the need to revisit similar issues across proceedings. This approach is also consistent with the OEB's decision in Enbridge Gas's five-year GSP proceeding, where the OEB found that it would be "premature and procedurally inefficient to incorporate supply-side IRP options in the GSP."[6] The finding supports Enbridge Gas's position that broader, non-project-specific IRP implementation matters are more appropriately considered through a dedicated IRP Implementation Plan proceeding, rather than across multiple regulatory forums.

12. Accordingly, Enbridge Gas submits that adjudication of an IRP Implementation Plan will provide greater regulatory efficiency by streamlining the consideration of non-project specific IRP implementation elements within a single dedicated regulatory forum. It will further provide regulatory certainty for Enbridge Gas, the OEB, and stakeholders regarding how IRP policies will be implemented over the term of the Implementation Plan.

2. Addition of Language Regarding the Timing of IRP Implementation Plans

13. Enbridge Gas is proposing that the first IRP Implementation Plan will be filed following the issuance of the OEB's Decision and Order on the updated IRP

[5] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 39.
[6] EB-2025-0065, Decision and Order, May 21, 2026, p. 17.

Framework, as part of a second phase of this proceeding. This approach is consistent with OEB's guidance in its April 28, 2026, letter in EB-2025-0125.[7]

14. For subsequent IRP Implementation Plans, Enbridge Gas proposes that each plan will be filed and reviewed through a standalone proceeding on a five-year cycle, following the issuance of the Decision and Order for Enbridge Gas's rebasing application. This sequencing would allow any outcomes from the rebasing process to inform the development of the IRP Implementation Plan. Accordingly, the first IRP Implementation Plan filed following the Decision on the updated IRP Framework will have a shorter term, ending in 2030, given that the next rebasing decision is expected in late 2028. The subsequent IRP Implementation Plan would then be filed by late 2029, with a decision expected in 2030 for an Implementation Plan term covering 2031 to 2035.

15. A five-year term strikes the appropriate balance in supporting regulatory efficiency while providing the opportunity for future evolution in IRP methodologies and processes, as well as the consideration of innovation-related proposals. The scope of each IRP Implementation Plan proceeding should be carefully defined, proportionate, and limited to matters requiring determination to support IRP implementation during the applicable five-year term. IRP Implementation Plan proceedings should not be treated as open-ended reviews of all matters that may relate to IRP, nor should they provide a forum to advance issues that are not necessary to implement IRP during the applicable plan term. At the issues list stage, Enbridge Gas submits that the OEB should apply a focused approach to scoping the proceedings, limiting it to issues that are material and necessary for the administration of IRP over the next five-year period.

[7] EB-2025-0125, OEB Next Steps – IRP Framework Review for Enbridge Gas, April 28, 2026, p. 4.

16. In its Discussion Paper, OEB staff identified two considerations regarding the timing and sequencing of IRP Implementation Plans in relation to rebasing, including the option to establish a shorter defined period (e.g. three years) or to incorporate Implementation Plans within Enbridge Gas's rebasing application.[8]

17. Stakeholder views on this issue varied. Some parties, such as BOMA[9], EP[10], and LIEN[11], supported including IRP Implementation Plans within rebasing proceedings[12], while ED supported a separate process to ensure appropriate focus.[13] OEB staff also noted the IRP TWG's concern that rebasing proceedings already address a broad range of issues and that combining the processes could reduce the attention given to IRP.[14]

18. Enbridge Gas does not support integrating IRP Implementation Plans into rebasing applications. Combining IRP Implementation Plans with rebasing applications would risk diluting the focus and efficiency of both processes. It could also result in an IRP Implementation Plan being developed based on assumptions that are subsequently modified through the rebasing decision, requiring further updates to align with approved outcomes and reducing regulatory efficiency. Enbridge Gas's proposed approach of separate IRP Implementation Plan proceedings is consistent with the views of stakeholders who emphasized the importance of maintaining a distinct regulatory forum for IRP-related matters.[15]

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[8] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025. p.40-42.
[9] EB-2025-0125, BOMA Submission, November 20, 2025, p. 3.
[10] EB-2025-0125, EP Submission, November 19, 2025, p. 2.
[11] LIEN also urged OEB to take steps to ensure appropriate scrutiny if including as part of Rebasing proceeding. See LIEN Discussion Paper submission, p. 6.
[12] PP suggested that Implementation Plan could be reviewed with Rebasing when timing aligns. See PP Discussion Paper submission, p. 7.
[13] EB-2025-0125, ED Submission, November 19, 2025, p. 6.
[14] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 42.
[15] SEC suggested the Implementation Plan should be adjudicated in the same manner as a multi-year DSM Plan. See SEC Discussion Paper submission, p. 3.

19. Stakeholders also expressed varying views on the appropriate duration and update frequency of IRP Implementation Plans. PP proposed a 5-to-10-year rolling plan updated on an annual basis.[16] TFG and Minogi suggested that there should be annual updates with opportunities for First Nations to review and comment.[17] FRPO[18] suggested that the plan be updated every 2 years and EP[19] suggested every 5 years at rebasing.

20. Enbridge Gas does not support a more frequent filing cycle than the rebasing proceeding cycle (i.e., 5 years), as it would introduce additional regulatory burden and undermine the objective of improving regulatory efficiency.

21. Accordingly, Enbridge Gas submits that a standalone IRP Implementation Plan, filed on a five-year cycle following rebasing decisions, represents the most appropriate approach. This sequencing will allow for any outcomes from rebasing proceedings to inform the development of IRP Implementation Plans, preserve the focus of each proceeding, and promote overall regulatory efficiency.

3. Addition of Table to Delineate IRP Implementation Plans vs. the IRP Framework

22. Enbridge Gas is proposing to include in the updated IRP Framework a consolidated list of topics that are to be addressed in IRP Implementation Plans compared to the IRP Framework. Presenting these elements in a comparative format illustrates the scope of IRP Implementation Plans in relation to the IRP Framework.

23. As reflected in Table 2, IRP Implementation Plans and the IRP Framework serve complementary but distinct purposes. The IRP Framework establishes the

[16] EB-2025-0125, PP Submission, November 19, 2025, p. 6.
[17] EB-2025-0125, TFG and Minogi Submission, November 19, 2025, p. 4.
[18] EB-2025-0125, FRPO Submission, November 19, 2025, p. 2.
[19] EB-2025-0125, EP Submission, November 19, 2025, p.2

foundational objectives, guiding principles, and requirements, and also defines the mechanisms that govern IRP on an ongoing basis. IRP Implementation Plans set out how those requirements and mechanisms (including methodology and assumptions) will be operationalized over the term of the Implementation Plan, taking into consideration the IRP objective and guiding principles as defined in the IRP Framework.

Table 2

Topics Included in IRP Implementation Plans vs. the IRP Framework

Topic (IRP Framework Chapter)	IRP Implementation Plans	IRP Framework
1. Introduction and Purpose		
Purpose of IRP Framework		x
2. Definitions		
Definitions		x
3. Objective and Guiding Principles		
Objective and Guiding Principles		x
4. Types of IRPAs		
Eligible Types of IRPAs		x
5. IRP Assessment Process		
Step 1: Identification of constraints		
Requirements for the identification of constraints in the AMP		x
Step 2: Binary Screening criteria		
Binary Screening criteria		x
Approach to conducting Binary Screening	x	
Step 3: Two-Stage Evaluation Process		
Stage 1: Technical Screening and Evaluation		
Scope of Technical Screening and Evaluation		x
Approach to conducting Technical Screening	x	
Approach to conducting Technical Evaluation	x	
Methodology to quantify technical potential of IRPAs[1]	x	
Stage 2: Economic Evaluation		
Description of economic evaluation test (phases and categories of costs and benefits)		x
DCF+ methodology and approach to quantifying	x	

inputs (assumptions, data sources, and DCF+ test Supplemental Guide with illustrative examples)		
Approach to selecting preferred alternative (interpretation of DCF+ test results, overall economic evaluation)	x	
Step 4: Periodic Review		
Periodic review of IRPA or IRP Plans		x
6. Stakeholder Outreach and Engagement		
Requirements for stakeholder engagement		x
Approach to conducting targeted engagement	x	
7. Indigenous Engagement		
Requirements for Indigenous engagement		x
8. IRP Cost Recovery and Accounting Treatment		
Description of cost categories and accounting treatment		x
Budget for general IRP operational requirements	x	
9. IRP Incentive Mechanism		
IRP Incentive Mechanism design		x
Approach to operationalize the IRP Incentive Mechanism	x	
10. IRP Implementation Plan		
Description of IRP Implementation Plans		x
Requirements for IRP Implementation Plans		x
11. Future IRP Plan Applications		
Requirements for IRP Plans		x
12. Monitoring and Reporting		
Requirements for IRP Annual Report		x
13. IRP Costs Deferral Accounts		
Description of deferral accounts		x
Accounting orders of deferral accounts		x
Approach to quantifying facility offset	x	
14. Innovation-Related Proposals		
Definition and considerations for innovation-related proposals		x
Requirements of innovation-related proposals		x
Innovation-related proposal(s)	x	
Notes: (1) Includes demand-side alternatives and peak demand reductions from contract customers		

24. Consistent with this delineation, elements included in the IRP Framework define the "what" of IRP, such as the structure of the assessment process, the economic evaluation test, the IRP Incentive Mechanism, and stakeholder engagement requirements; while IRP Implementation Plans describe the "how," including the approach to applying those methodologies and conducting assessments, during the Implementation Plan term.

25. In its Discussion Paper, OEB staff identified a range of items that could be addressed through IRP Implementation Plans, including matters related to methodologies, guidance documents, engagement, and innovation-related activities.[20] Enbridge Gas's table in the proposed updated IRP Framework reflects the Company's general alignment with these elements, with a few exceptions.

26. One element that OEB staff proposed to be included in IRP Implementation Plans is the approach to valuing stranded asset risk in the context of IRP assessment.[21] Enbridge Gas does not agree that this topic should be included within the scope of IRP Implementation Plans. As described in Exhibit B, Tab 1, Schedule 3, the assessment of stranded assets risk is appropriately addressed through the rebasing application. As such, establishing these considerations within the IRP Framework or IRP Implementation Plans would be inappropriate. Instead, any relevant implications for IRP can be informed by the outcomes of the rebasing proceeding and reflected in subsequent IRP Implementation Plans, where appropriate.

27. In its Discussion Paper, OEB staff further noted that IRP Implementation Plans could also make requests related to cost recovery associated with IRP Plans to address specific system needs, pilot projects or other innovation-related proposals.[22] Several other stakeholders also alluded to the inclusion of project-specific details within IRP

[20] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p.41.
[21] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 40.
[22] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 41.

Implementation Plans. ED suggested that the proposed Implementation Plan "should include enough details to allow third parties to evaluate projects and propose IRPAs."[23] PP noted alignment with the AMP filing so they both refer to the same set of capital projects. [24] Similarly, LIEN referenced aligning with a 10-year planning horizon for consideration of system constraints. [25]

28. Enbridge Gas is proposing that project-specific details remain outside the scope of IRP Implementation Plans. System constraints will continue to be identified in the annual update to the AMP, and IRPAs will be brought forward in IRP Plans (where OEB approval is required) or described in the IRP Annual Report (where OEB approval is not required). This delineation reflects the intended role of the IRP Implementation Plan, which is to establish and adjudicate non-project specific methodologies, processes, and approaches that apply across IRP activities, rather than to determine the preferred alternative for individual system needs.

29. Enbridge Gas's proposed approach enhances regulatory effectiveness and efficiency by providing a single, dedicated forum for the review of non-project specific IRP matters, reducing duplication and avoiding the need to re-litigate these issues in each project-specific proceeding. It also enables consistent application of the assessment framework in future IRP evaluations, providing greater certainty for Enbridge Gas, the OEB, and ratepayers.

30. The determination of preferred alternative(s) for a specific system constraint should continue to occur through the IRP Assessment Process and, where applicable, IRP Plan applications. These assessments are conducted based on the project-specific information, including the best available information on the system demand forecast,

[23] EB-2025-0125, ED Submission, November 19, 2025, p. 5-6.
[24] EB-2025-0125, PP Submission, November 19, 2025, p. 6-8.
[25] EB-2025-0125, LIEN Submission, November 19, 2025, p. 6.

cost estimates, timing, and market- and customer-related information. Conducting assessments on a more frequent basis (i.e., annually) provides a more reliable basis for determining the preferred alternative compared to adjudicating project outcomes at the outset of a multi-year Implementation Plan term, where key planning assumptions and system conditions may change.

31. Maintaining this distinction therefore supports both efficiency and certainty. The IRP Implementation Plans provide certainty regarding the methodologies and processes that will govern IRP implementation over the plan term, while annual IRP assessments and project-specific IRP Plans ensure preferred alternative(s) are evaluated based on the most current and relevant information. This structure aligns the level and timing of regulatory review with the nature of the decision being made, supporting a more efficient, and evidence-based outcome.

32. With respect to innovation-related proposals, Enbridge Gas supports OEB staff's proposal that IRP Implementation Plans would serve as the forum to outline details of innovation-related proposals that the Company plans to pursue, including any associated funding and approval requests. This approach is appropriate as innovation-related proposals are intended to support learning, testing, and evaluation of potential IRP tools, approaches, or technologies, rather than determine the preferred alternative for an identified system need.

33. As a result, IRP Implementation Plans are distinct from project-specific IRP Plans, which are developed to address specific system constraints based on the best available information for that need. Including innovation-related proposals within IRP Implementation Plans provides a more streamlined and proportionate approach than requiring stand-alone pilot project applications, while still enabling the OEB and stakeholders to evaluate the merits, proposed scope, and expected learnings of

those proposals through the adjudicative process. This approach maintains appropriate regulatory oversight and stakeholder input, while aligning the review mechanism with the distinct purpose of innovation-related proposals and avoiding unnecessary procedural complexity.

4. IRP Scorecards, Targets, and Milestones

34. Enbridge Gas is not proposing updates related to IRP scorecards, targets, or milestones.

35. PP suggested that developing a scorecard may also be a useful tool, similar to the approach used for annual Gas Supply Plans (GSP).[26] Enbridge Gas interprets PP's reference to "scorecards" as analogous to the performance metrics reported in its five-year GSP and annual updates, which reflect the criteria the OEB has established to demonstrate how the GSP Guiding Principles have been achieved. Enbridge Gas uses the GSP performance metrics to monitor, assess, and report on the performance of the GSP against the GSP Guiding Principles, which includes both metrics that are compliance-oriented in nature and ones with targets/variance ranges.

36. To the extent PP is suggesting process- or compliance-oriented metrics, Enbridge Gas notes that the application of the IRP Framework is already reported through existing reporting requirements. The IRP Annual Report and IRP Deferral & Variance Account Balances Application provide transparency regarding IRP activities and outcomes, including the results of IRP assessments on the most recent AMP, metrics on the IRP Assessment Process [27], updates on IRP pilots, and

[26] EB-2025-0125, PP Submission, November 19, 2025, p. 6.
[27] As agreed upon in Settlement (EB-2024-0125), this includes metrics on the percentage of AMP projects that have been screened for IRP, the percentage of projects that have passed the screen that have been assessed, and the average length of time for Enbridge Gas to screen and assess projects.

other IRP-related developments. These reports provide stakeholders with visibility into how the IRP Framework is being applied and the resulting outcomes. Accordingly, Enbridge Gas does not consider it necessary or appropriate to establish a separate IRP scorecard.

37. Enbridge Gas submits that a GSP-style performance measurement is not directly applicable to IRP. While the GSP includes performance metrics to assess achievement of the GSP Guiding Principles at a plan level, the IRP guiding principles are taken into account as part of a project-specific IRPA assessment in determining the preferred alternative to address a system need. The objective of the IRP Framework is not to achieve predetermined levels of IRPA implementation, but rather to ensure that IRPAs are appropriately considered and evaluated as part of the planning process. As a result, plan-level scorecards or targets would not provide a meaningful measure of IRP success, as outcomes are dependent on the characteristics of individual projects and the alternatives available to address a given need.

38. SEC suggested that either the IRP Framework or IRP Implementation Plan should contain detailed milestones and deliverables to reduce the risk of delay and inaction.[28] Enbridge Gas does not agree that the introduction of milestones or targets is necessary or appropriate. Given that IRP activity is driven by system needs and project-specific conditions, it is not appropriate to establish generic milestones or targets, nor would doing so result in the identification or implementation of additional IRP alternatives.

[28] EB-2025-0125, SEC Submission, November 19, 2025, p. 3.

5. Third-Party Audit

39. Enbridge Gas is not proposing the inclusion of a third-party audit of IRP activities. PP suggested that in addition to the IRP Implementation Plan, IRP should be subject to third-party audit for an initial detailed review, which they characterize as similar to the approach used for DSM. Specifically, PP proposed that an audit should review the IRP processes, regulatory requirements, project reviews, and application of IRP within the AMP process to identify gaps and opportunities.[29]

40. It is important to note that DSM and IRP operate very differently. DSM programs are approved through multi-year DSM Plan applications that establish budgets, programs and targets. The impact evaluation and annual verification of DSM results, led by the OEB's Evaluation Contractor, verifies program outcomes reported in Enbridge Gas's Draft DSM Annual Report, such as net and gross annual natural gas savings, net benefits, cost effectiveness, lost revenue, shareholder incentive, and budgets. These verified results have implications for future program design and shareholder incentive recovery, as the DSM shareholder incentive is based on verified performance against the annual performance scorecards.

41. By contrast, IRP does not operate standardized programs with pre-defined budgets and targets, nor are there IRP shareholder incentives based on the achievement of such targets. Instead, IRP is performed on a project-specific basis through project-level assessment, with outcomes dependent on specific system needs and the relative feasibility and cost-effectiveness of alternatives.

42. There is already sufficient OEB oversight of IRP through existing (and proposed) regulatory processes, and adding further processes would add cost, time and regulatory burden. The proposed IRP Implementation Plan will be subject to

[29] EB-2025-0125, PP Submission, November 19, 2025, p. 7.

adjudication, allowing the OEB and intervenors to review how IRP will be implemented, including applicable assessment methodologies, approaches and processes. Where an IRP Plan or LTC application is filed, the adjudicative process will be the mechanism to determine whether Enbridge Gas has appropriately followed these methodologies on a per-project basis in confirming the preferred alternative(s). In the case of an IRP Plan, there will also be an opportunity to review the associated cost consequences and IRP incentive amounts. The financial balances will in turn be brought for disposition in the Utility Earnings and Disposition of Deferral & Variance Account Balances application. The above provides appropriate and sufficient OEB oversight, and introducing additional verifications as proposed by PP would impose additional administrative burden without corresponding benefit.

FUTURE IRP PLAN APPLICATIONS

1. Chapter 9 of the current IRP Framework ("Future IRP Plan Applications") discusses the details regarding IRP Plans, including the approval process, the threshold to necessitate filing an IRP Plan, information included within an IRP Plan, and cost recovery and adjustment mechanisms. As part of the proposed updates to the IRP Framework, including the addition of new chapters, this chapter has been renumbered as Chapter 11.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Update to IRP Plan Approval Threshold to Align with Leave to Construct Approval Threshold
    2. Update to IRP Plan Application Information – Inclusion of IRP Framework Objective
    3. Update to IRP Plan Application Information – Inclusion of Multiple Demand Scenarios and Scenario Selection
    4. Update to IRP Plan Application Information – Inclusion of IRP Incentive Amounts
    5. Inclusion of Opportunity to Recover Foregone Revenue Resulting from IRP Plan or IRPA Implementation
    6. Removal of Stranded Asset Risk Assessment

1. Update to IRP Plan Approval Threshold to Align with Leave to Construct Approval Threshold

3. Enbridge Gas is proposing to update the cost threshold for when OEB approval of an IRP Plan is required from $2 million to $10 million, to align with the current cost threshold for LTC applications for which no LTC exemption path applies. A

standalone IRP Plan application would only be required where the total IRPA implementation cost equals or exceeds the cost threshold.

4. This proposed change reduces regulatory costs, expedites timelines for implementing IRPAs, and ensures that IRP solutions do not face more stringent approval requirements than pipeline projects. There is no basis for applying a lower cost threshold or more stringent adjudicative requirements to IRP solutions than pipeline projects.

5. Additionally, IRP Implementation Plan proceedings will provide a formal venue for the OEB and parties to engage on how IRP policies are applied for activities that do not require IRP Plan approvals. As a result, the IRP Implementation Plan approach combined with a higher project-specific IRP Plan cost threshold represents an appropriate balance between regulatory efficiency and oversight.

6. Parties expressed differing views on this proposal. In its Discussion Paper, OEB staff proposed increasing the cost threshold at which IRP Plans require OEB approval to enable more timely advancement of mid-sized projects without requiring an upfront approval of all aspects of the IRP Plan.[1] ED supported increasing the threshold, noting that it would be inappropriate, and would significantly discourage IRP Alternatives, if traditional distribution infrastructure options did not require OEB approval while IRPAs did.[2]

7. In contrast, other parties, including LIEN, PP, BOMA, and EP, did not support increasing the threshold. LIEN submitted that maintaining the existing $2 million threshold would ensure appropriate regulatory scrutiny and stakeholder involvement

[1] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p.62.
[2] EB-2025-0125, ED Submission, November 19, 2025, pp. 9-10.

in IRP Plan approvals, noting that IRPAs may be considerably lower-cost than facility solutions and pointing to examples such as the East Kingston Creekford Road project. [3] PP opposed an increase, asserting it would exacerbate some of the current challenges, without noting the challenges referred to, and that in PP's view it would have no actual benefits.[4] Similarly, BOMA[5] did not believe there is a need to increase the threshold and EP[6] did not support increasing the cost threshold at which IRP Plans require OEB approval.

8. Enbridge Gas does not agree that the IRP Plan application threshold should be based on the potential for an IRPA to have a lower cost than the corresponding facility alternative. The purpose of the threshold is to determine when a standalone proceeding is warranted based on the materiality of the project and associated regulatory effort. This approach ensures that adjudication is required only where it warrants the scrutiny and the costs associated with a regulatory proceeding.

9. Increasing the IRP Plan threshold for regulatory approval to $10 million aligns the regulatory effort with the scale and complexity of the project and ensures consistency with the requirements for LTC applications. This approach supports a more efficient application process, while still maintaining the appropriate regulatory oversight for projects.

10. TFG and Minogi stated that, in their view, where a threshold for IRP Plan adjudication is continued, the updated IRP Framework must provide a mechanism that respects First Nation decision-making authority and enables the OEB to determine whether the DTC has been discharged.[7] Enbridge Gas does not agree

[3] EB-2025-0125, LIEN Submission, November 19, 2025, p. 14.
[4] EB-2025-0125, PP Submission, November 19, 2025, p.12.
[5] EB-2025-0125, BOMA Submission, November 20, 2025, p. 5.
[6] EB-2025-0125, EP Submission, November 19, 2025, p.4.
[7] EB-2025-0125, TFG & Minogi Submission, November 19, 2025, p. 7.

that an incremental OEB determination mechanism is warranted. Enbridge Gas has committed[8] to engaging potentially affected Indigenous groups where IRP projects may affect Aboriginal or Treaty rights or include First Nations communities in the area of benefit, regardless of whether OEB approval of an IRP Plan is required. Every IRP initiative advancing beyond the assessment stage will undergo a screening to determine whether there is a potential impact on Aboriginal or Treaty rights. Where potential impacts are identified, Enbridge Gas will engage potentially affected Indigenous groups regardless of the IRP Plan cost threshold. Enbridge Gas will include IRP as an agenda item with the IWG and consult on IRP-related matters where appropriate.

2. Update to IRP Plan Application Information – Inclusion of IRP Framework Objective

11. Enbridge Gas is proposing to update the list of information that will be included in IRP Plan applications, to reflect consideration of the IRP objective and guiding principles.

12. The proposed update reflects Enbridge Gas's proposal to include a clearly defined IRP Framework objective in the updated IRP Framework (see Exhibit C, Tab 3, Schedule 1). More specifically, the update requires Enbridge Gas to explain how it has addressed the IRP objective, in addition to the existing requirement to address the guiding principles. Including this information establishes a direct link between the outcome of the IRP Assessment Process and the objective of IRP, and provides the OEB with a consistent basis to evaluate whether the preferred alternative has been appropriately selected.

[8] EB-2025-0064, Exhibit I.1.13-TFG/M-4, Part a-d. Enbridge Gas confirmed it will engage with Indigenous communities where IRP alternatives are a potential economic solution to a system constraint for that community and that where it identifies IRP alternative opportunities that would include First Nations communities in the area of benefit, it would seek to work with First Nations to develop its detailed approach, including through the IWG.

3. Update to IRP Plan Application Information – Inclusion of Multiple Demand Scenarios and Scenario Selection

13. Enbridge Gas is proposing to update the list of information that will be included in IRP Plan applications, to reflect the inclusion of multiple demand scenario information. Enbridge Gas would include a reference case, high and low demand scenarios, and justification for the appropriate demand scenario. Based on the justified scenario and associated system need, the corresponding facility alternative and IRP assessment would be presented, which informs the selection of the preferred alternative for the project.

14. This update reflects the OEB's Amendments to Filing Requirements for Natural Gas Applications dated March 31, 2026,[9] where LTC applications are required to include multiple demand scenarios, including a reference case, and high and low demand scenarios. LTC applications will similarly justify the appropriate scenario and scope the alternatives on the basis of the resulting system need. IRP Plan applications do not have dedicated filing requirements but are expected to include information similar to LTC applications.

15. This approach ensures the multiple demand scenarios required by the OEB are outlined and the forecasted system constraint in the AMP[10] is appropriately justified in LTC and IRP Plan applications, while striking an appropriate balance in limiting the scoping of facility and IRP Alternatives, and the associated IRP Assessment Process, to the system need that is supported by the evidence.

4. Update to IRP Plan Application Information – Inclusion of IRP Incentive Amounts

16. Enbridge Gas is proposing to update the list of information that will be included in IRP Plan applications to include the proposed IRP incentive amounts associated

[9] OEB Amendments to Filing Requirements for Natural Gas Application (Appendix 3) March 31, 2026.
[10] The AMP will be based on the reference case forecast. The intention of the high and low demand scenarios will be to demonstrate the implications of demand uncertainty.

with the preferred alternative. Enbridge Gas will provide the applicable IRP incentive amounts within the IRP Plan application, including any proposed capitalized costs and shared savings amounts.

17. The proposed update reflects the proposed inclusion of the IRP Incentive Mechanism within the updated IRP Framework (see Exhibit C, Tab 9, Schedules 1 and 2) and supports transparency by clearly presenting the financial implications of the IRP Incentive Mechanism. The update also provides the OEB with a consistent basis to assess the appropriateness of proposed incentive amounts in the context of the preferred alternative and the associated cost impacts.

5. Inclusion of Opportunity to Recover Foregone Revenue Resulting from IRP Plan or IRPA Implementation

18. Enbridge Gas is proposing to update the IRP Framework to recognize the opportunity to seek recovery of foregone revenue associated with an IRP Plan as part of the IRP Plan application. Similarly, Enbridge Gas is proposing to have the opportunity to seek recovery of foregone revenue from an implemented IRPA through deferral and variance account proceedings.

19. Foregone revenue represents a distinct financial disincentive that is not addressed through the proposed IRP Incentive Mechanism. Examples where this disincentive may arise include the implementation of an IRPA which results in reductions in firm contract demand or changes to a customer's rate class. Absent a mechanism to address these impacts, Enbridge Gas may be financially disadvantaged when implementing certain IRPAs that are cost-effective and beneficial to customers.

20. Addressing the foregone revenue disincentive is consistent with the OEB's treatment of lost revenues in other contexts. For example, the OEB has recognized that "lost revenues related to reductions in customer gas consumption as a result of DSM

programming should not be a disincentive to delivering DSM programs."[11] Similarly, under the OEB's *Non-Wires Solutions Guidelines for Electricity Distributors*, distributors may request the use of a lost revenue adjustment mechanism variance account, or similar mechanism, for distribution-rate funded non-wires solutions on a case-by-case basis.[12]

21. Accordingly, Enbridge Gas submits that it is appropriate to recognize foregone revenue as a potential disincentive with respect to IRPAs and to provide for recovery on a case-by-case basis, where supported by appropriate evidence through existing regulatory processes, including IRP Plan applications and deferral and variance account proceedings.

6. Removal of Stranded Asset Risk Assessment

22. Enbridge Gas is proposing to remove the explicit requirement to demonstrate how potential stranded asset risk is assessed within an IRP Plan.

23. Consistent with the OEB's Phase 1 Decision[13], considerations relating to forecasting methodology, including risk and mitigation measures, will be addressed in the next rebasing application proceeding. In this context, to the extent that determinations from rebasing are relevant to the assessment of IRP, Enbridge Gas would reflect those outcomes, as appropriate. The removal of this requirement from the IRP Plan chapter therefore reflects that stranded asset risk is more appropriately assessed through rebasing, as described in Exhibit B, Schedule 1, Tab 3, and it is not appropriate or necessary for the IRP Framework to include a separate requirement regarding the consideration of stranded asset risk in each IRP Plan.

[11] EB-2021-0002, OEB Natural Gas Demand Side Management Framework, Schedule E, Section 9.4.
[12] EB-2024-0118, Non-Wires Solutions Guidelines for Electricity Distributors, pp. 30-32.
[13] EB-2022-0200, Decision and Order, December 21, 2023, p. 140.

MONITORING AND REPORTING

1. Chapter 10 of the current IRP Framework ("Monitoring and Reporting") provides details about monitoring and reporting requirements, including key elements of the IRP Annual Report and regulatory considerations. As part of the proposed updates to the IRP Framework, including the addition of new chapters, this chapter has been renumbered as Chapter 12.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Remove Requirement to Include "Report from IRP Technical Working Group"
    2. Remove Requirement to Include "Updates on Incorporating IRP into Asset Management Planning"
    3. Additional Requirement to Include Metrics for the Most Recent IRP Assessment Process for System Needs Identified in the Enbridge Gas AMP
    4. Remove Requirement to Include "A Summary of Best Available Information on Demand-Side IRPAs"

1. Remove Requirement to Include "Report from IRP Technical Working Group"

3. Enbridge Gas is proposing to remove the requirement to include a report from the IRP TWG in the IRP Annual Report.

4. This update reflects the proposed evolution of the role and accountabilities of the TWG, as described in Exhibit C, Tab 6, Schedule 1. As the TWG's ongoing responsibility would be limited to providing input on the development of the IRP Implementation Plan, Enbridge Gas has removed the requirement for a TWG Report, previously filed with the IRP Annual Report. These reports are retrospective in nature whereas the TWG's focus will be on forward-looking IRP implementation

methodologies and activities. Within the IRP Implementation Plan, Enbridge Gas will document how TWG input has been considered.

5. Aligning the TWG's responsibility with this focus will help ensure its contributions are targeted, efficient, and relevant to the ongoing evolution of IRP. As such, the inclusion of a TWG report within the IRP Annual Report is no longer aligned with the proposed role and accountabilities of the TWG.

2. Remove Requirement to Include "Updates on Incorporating IRP into Asset Management Planning"

6. Enbridge Gas is proposing to remove the requirement to include updates on incorporating IRP into asset management planning in the IRP Annual Report.

7. IRP has been fully integrated into asset management planning and is now embedded within established processes, including in the AMP. As this integration is no longer evolving in a manner that requires ongoing status updates, a discrete annual reporting requirement does not provide incremental value. Relevant outcomes of this integration are already reflected, where applicable, in AMP or AMP Addendum filings and IRP assessment activities.

8. Removing this requirement ensures that annual IRP reporting remains focused on current IRP activities, outcomes, and performance, while avoiding redundant or static reporting on established processes. This approach improves the clarity and overall usefulness of IRP reporting.

3. Additional Requirement to Include Metrics for the Most Recent IRP Assessment Process for System Needs Identified in the Enbridge Gas AMP

9. Enbridge Gas is proposing to add the requirement to include metrics for the most recent IRP Assessment Process for system needs identified in the Company's AMP,

including percentage of AMP projects that have been screened for IRP, the percentage of projects that have passed the screen that have been assessed, and the average length of time for Enbridge Gas to screen and assess projects.

10. This update reflects the settlement proposal in the 2023 Utility Earnings and Disposition of Deferral & Variance Account Balances application (EB-2024-0125), where Enbridge Gas agreed to report on these metrics as part of future IRP Deferral Account clearance requests.[1] Enbridge Gas is proposing to move this reporting requirement to the IRP Annual Report, as these metrics relate to the implementation and results of the IRP Assessment Process rather than the clearance of deferral account balances. The IRP Annual Report is intended to provide annual updates on IRP activities and outcomes, including the results of the IRP Assessment Process for system needs identified in the AMP. Accordingly, these metrics are more appropriately included within the IRP Annual Report.

4. Remove Requirement to Include "A Summary of Best Available Information on Demand-Side IRPAs"

11. Enbridge Gas is proposing to remove the requirement to include a summary of best available information on demand-side IRPAs in the IRP Annual Report. Rationale for this update is described in Exhibit C, Tab 4, Schedule 1, Section 5.

[1] EB-2024-0125 2023 Utility Earnings and Disposition of Deferral & Variance Account Balances Decision and Order, September 23, 2025, p.14. While the initial settlement proposal in EB-2024-0125 was not approved by the OEB, the OEB's subsequent Decision and Order accepted this aspect of the proposal, noting Enbridge Gas's commitment to provide enhanced reporting in future IRP Operating Cost Deferral Account clearance requests.

IRP COSTS DEFERRAL ACCOUNTS

1. Chapter 11 of the current IRP Framework ("IRP Costs Deferral Accounts") describes the details related to the IRP deferral accounts. As part of the proposed updates to the IRP Framework, including the addition of new chapters, this chapter has been renumbered as Chapter 13.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Update to Reflect Established IRP Deferral Accounts and Purpose of Accounts
    2. Addition of the IRP System Pruning Deferral Account
    3. Inclusion of Innovation-Related Proposal Costs in the IRP Deferral Accounts
    4. Inclusion of Foregone Revenue Amounts in the IRP Operating Costs Deferral Account
    5. Inclusion of IRP Incentive Mechanism Amounts in the IRP Capital Costs Deferral Account
    6. Inclusion of Facility Offset Amounts in IRP Deferral Accounts
    7. Additional Reporting on Outcomes and Ratepayer Benefits in Deferral Clearance Requests

3. Proposed updates to accounting orders resulting from the updates noted in this schedule are provided in Exhibit B, Tab 1, Schedule 2, Attachment 1, Appendix A in black line format. [1] A clean version of these changes is included as Appendix A in the proposed updated IRP Framework at Exhibit A, Tab 2, Schedule 2.

[1] The source accounting orders, before updates, are from the OEB's Decision on Settlement Proposal and Interim Rate Order in EB-2024-0111 (November 29, 2024).

1. Update to Reflect Established IRP Deferral Accounts and Purpose of Accounts

4. Enbridge Gas is proposing updates to reflect the established IRP deferral accounts and their respective purposes and use, consistent with the updated IRP cost recovery and accounting treatment principles described in Chapter 8 (Exhibit C, Tab 8, Schedule 1). The chapter has been reorganized by deferral account, which includes the IRP Operating Costs Deferral Account, the IRP Capital Costs Deferral Account, and the IRP System Pruning Deferral Account.

5. These updates reflect the evolution of the IRP Framework and subsequent OEB approvals since approval of the original IRP Framework. The original IRP Framework established two IRP deferral accounts and included requirements related to their initial implementation, such as preparing draft accounting orders and guidance related to their initial use. As these activities have since been completed or superseded by subsequent OEB approvals, they are no longer required in the IRP Framework and have been removed.

2. Addition of the IRP System Pruning Deferral Account

6. Enbridge Gas is proposing the addition of the IRP System Pruning Deferral Account to reflect the approved deferral account and its associated purpose and use.

7. In the EB-2024-0111 Settlement Proposal[2], the IRP System Pruning Deferral Account was approved to record incremental costs incurred to develop and implement one or two IRP system pruning pilot projects, subject to a $5 million cap on pilot project costs. Where forecasted incremental costs of the pilot project(s) exceed $5 million, Enbridge Gas would be expected to seek OEB approval through an IRP Plan Application. The IRP System Pruning Deferral Account will be discontinued following the conclusion of the pruning pilot project(s).

[2] EB-2024-0111, OEB Decision on Settlement Proposal and Interim Rate Order, Exhibit N, Tab 1, Schedule 1, November 29, 2024, p.42.

3. Inclusion of Innovation-Related Proposal Costs in the IRP Deferral Accounts

8. Enbridge Gas is proposing updates to the description of IRP Capital Costs and IRP Operating Costs deferral accounts to reflect that the accounts may include costs associated with innovation-related proposals approved through an IRP Implementation Plan.

9. This update reflects the introduction of innovation-related proposals into the IRP Framework and is also consistent with OEB staff's Discussion Paper, which indicated that the costs of innovation-related proposals could be recovered through the IRP deferral accounts, subject to general prudence considerations, given that the proposals would have been reviewed and approved through the IRP Implementation Plan.[3]

10. As described in Exhibit C, Tab 14, Schedule 1, innovation-related proposals would be included in the IRP Implementation Plan, which would provide the opportunity for Enbridge Gas to outline the details of the proposal, including any approvals requested related to associated cost consequences. This approach is consistent with OEB staff's preferred oversight mechanism and allows for broader stakeholder input through the adjudicative review of the IRP Implementation Plan.

11. Given that innovation-related proposals and their expected cost consequences would be reviewed through the IRP Implementation Plan process, Enbridge Gas submits that their costs should be eligible for recovery through the applicable IRP deferral account. Enbridge Gas would seek recovery of any incurred amounts through the deferral and variance account clearance process, subject to the OEB's review of prudence.

[3] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 47.

4. Inclusion of Foregone Revenue Amounts in the IRP Operating Costs Deferral Account

12. Enbridge Gas is proposing to update the description of IRP Operating Costs Deferral Account to reflect that the account may include foregone revenues that result from the implementation of IRPAs and approved IRP Plans.

13. As described in Exhibit C, Tab 11, Schedule 1, foregone revenue represents a disincentive that could arise from the implementation of certain IRPAs, which if not addressed, could create a financial disincentive for Enbridge Gas to pursue cost-effective IRPAs. In order to address this disincentive, Enbridge Gas proposes to update the IRP Operating Costs Deferral Account to allow foregone revenues to be recorded in the account for potential future disposition and recovery, subject to OEB approval.

5. Inclusion of IRP Incentive Mechanism Amounts in the IRP Capital Costs Deferral Account

14. Enbridge Gas is proposing to update the description of the IRP Capital Costs Deferral Account to reflect that the account may include amounts associated with the proposed IRP Incentive Mechanism.

15. This update reflects the proposed IRP Incentive Mechanism described in Chapter 9 and is consistent with the IRP Cost Recovery and Accounting Treatment Principles described in Chapter 8. Under the proposed IRP Incentive Mechanism, eligible amounts recorded in the IRP Capital Costs Deferral Account would include both the revenue requirement associated with the capitalization of IRPA operating costs, and Enbridge Gas's share of the SSM.

6. Inclusion of Facility Offset Amounts in IRP Deferral Accounts

16. Enbridge Gas is proposing to update the description of the IRP Capital Costs and IRP Operating Costs deferral accounts to reflect that the accounts may include avoided or reduced revenue requirement impacts and avoided operating costs associated with traditional utility infrastructure investments that are delayed, downsized, or avoided as a result of implementing an approved IRPA, that would otherwise have been recovered through base rates during the current IR term.

17. This update reflects changes approved through Phase 1 of Enbridge Gas's 2024 rebasing application[4], which modified the IRP deferral accounts and the corresponding accounting orders to recognize offsetting amounts in their account balances. As such, the IRP Deferral Accounts record both the actual annual cost/revenue requirement for IRPA's and offsetting avoided cost/revenue requirement amounts associated with facilities that are delayed, avoided, or downsized by the IRPA. Accordingly, the IRP Framework has been updated to reflect the approved accounting treatment for facility offsets, consistent with Exhibit C, Schedule 8, Tab 1.

18. Recording these avoided costs as offsets in the IRP deferral accounts helps ensure that customers are not charged for both the IRPA and the avoided traditional facility alternative. The corresponding adjustment recorded within the deferral account(s) is intended to reflect that such facility investment has not proceeded, or has proceeded at a reduced scope, due to the implementation of an IRPA.

19. Facility offsets are not intended to result in a one-for-one reduction in capital expenditures, as the timing of IRPA expenditures and avoided facility investments may differ across planning periods. Rather, they recognize the reduction in revenue

[4] EB-2022-0200, OEB Decision on Settlement Proposal, Exhibit O1, Tab 1, Schedule 2, August 17, 2023, p.39-40.

requirement that would otherwise have been recovered from customers during the current IR term.

20. The approach to quantifying the facility offset will be included in the Implementation Plan.

7. Additional Reporting on Outcomes and Ratepayer Benefits in Deferral Clearance Requests

21. Enbridge Gas is proposing to add the requirement to include details on the outcomes and ratepayer benefits associated with each category of cost proposed for recovery through the IRP deferral accounts.

22. This update reflects the settlement proposal in the 2023 Utility Earnings and Disposition of Deferral and Variance Account Balances proceeding (EB-2024-0125), where Enbridge Gas agreed to report on these details in future IRP Deferral Account clearance requests.[5]

23. Accordingly, the IRP Framework has been updated to clarify the information that will accompany future IRP deferral account clearance requests. For clarity, the associated metrics reporting commitment from the same settlement proposal is addressed through the IRP Annual Report, as described in Exhibit C, Tab 12, Schedule 1.

[5] EB-2024-0125 2023 Utility Earnings and Disposition of Deferral and Variance Account Balances Decision and Order, September 23, 2025, pp. 14-15. While the initial settlement proposal in EB-2024-0125 was not approved by the OEB, the OEB's subsequent Decision and Order accepted this aspect of the proposal, noting Enbridge Gas's commitment to provide enhanced reporting in future IRP Operating Cost Deferral Account clearance requests.

INNOVATION-RELATED PROPOSALS

1. Chapter 12 of the current IRP Framework ("IRP Pilot Projects") provides details about the OEB's direction to Enbridge Gas to develop and implement IPR Pilot Projects. As part of the proposed updates to the IRP Framework, including the addition of new chapters, this chapter has been renamed and renumbered as Chapter 14, newly titled "Innovation-Related Proposals". This chapter describes innovation-related proposals, including the definition, oversight mechanism and assessment considerations.

2. Enbridge Gas's proposed updates to this chapter of the IRP Framework are described in the sections below:
    1. Update "IRP Pilot Project" Chapter to "Innovation-Related Proposals"
    2. Establish Oversight Mechanism for Innovation-Related Proposals
    3. Remove References to Implementation of IRP Pilot Projects
    4. Affirm that No Specific Innovation-Related Proposals Are Mandated Under the IRP Framework
    5. Affirm that Innovation-Related Proposals Can Include Natural Gas-Based Technologies
    6. Establish Assessment Considerations for Innovation-Related Proposals

1. Update "IRP Pilot Project" Chapter to "Innovation-Related Proposals".

3. Enbridge Gas is proposing updates to the "IRP Pilot Projects" chapter and associated references to IRP pilot projects and introducing a definition for "Innovation-related proposals".[1]

[1] For clarity, in this evidence and the updated Framework, references to "innovation-related proposals" and/or "innovation-related projects" reflect the updated terminology used in the proposed IRP Framework for initiatives that were previously addressed under the "IRP Pilot Projects" chapter. The terminology is

4. In its Discussion Paper[2], OEB staff noted that the existing Framework did not provide a distinct process for reviewing, adjudicating or approving IRP pilots, but indicated that IRP pilot projects should generally provide the information and follow the approach used for non-pilot IRP Plans that would be developed to address a defined system need. OEB staff proposed that innovation should be considered in a broad sense, and defined innovation-related proposals as "discrete initiatives intended to test new technologies, approaches, or practices to advance or improve the understanding of how IRP can address system needs of Enbridge Gas's regulated operations and implement the alternative (or combination of alternatives) that is in the best interest of Enbridge Gas and its customers".[3] OEB staff further noted that, while IRP Plans require demonstration that an IRPA is the preferred option to address an identified system need, innovation-related proposals are primarily intended to support learning and inform future IRP implementation and, as such, are likely not appropriately assessed using the same criteria.[4]

5. Enbridge Gas supports OEB staff's proposal and has reflected this by replacing the existing "IRP Pilot Project" chapter with a broader chapter on "Innovation-Related Proposals". This updated chapter describes innovation-related proposals, including their purpose, oversight mechanism, and assessment criteria. This approach supports a more fit-for-purpose framework by clearly distinguishing innovation-related proposals from IRP Plans that address a system constraint and align the level of regulatory oversight and assessment expectations with their exploratory nature.

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broader than "pilot projects", as innovation-related proposals may include pilots as well as other discrete initiatives intended to support learning and inform future IRP implementation.

[2] OEB Staff Discussion Paper, p.46-47

[3] OEB Staff Discussion Paper, p. 46.

[4] Ibid, p. 47.

6. Many stakeholders generally supported OEB staff's proposed approach for innovation-related proposals.[5] However, some questioned whether innovation-related proposals required distinct recognition within the IRP Framework. For example, BOMA submitted that innovation should form part of "good utility practice" and that there is no need to separately define innovation-related IRP proposals.[6] ED questioned whether provision for innovation proposals is a necessary element of the Framework, given the existing options of pursuing pilots.[7] Similarly, EP submitted that innovation is a core competency of business management and should not be singled out for special treatment.[8]

7. Enbridge Gas submits that expressly identifying innovation-related proposals in the IRP Framework is appropriate, as it improves regulatory efficiency and provides greater clarity regarding their purpose, applicable oversight mechanism, and assessment considerations. As demonstrated by the original IRP Pilot Project proceeding, applying an IRP Plan-like adjudicative process to initiatives primarily intended to support learnings can result in a lengthy and resource-intensive process. Defining innovation-related proposals within the Framework therefore provides clearer guidance on how such proposals should be advanced and evaluated.

8. With respect to the definition, certain stakeholders proposed refinements to OEB staff's proposed definition of innovation-related proposals. LIEN suggested explicitly stating that "IRP proposals differ from IRP Plans in that IRP proposals are primarily intended to support learning and future IRP implementation, while IRP Plans are designed to meet identified near-term system needs".[9] While Enbridge Gas agrees

[5] ED Discussion Paper submission, p. 6, FRPO Discussion Paper submission, p. 3, LIEN Discussion Paper submission, pp. 7-8, PP Discussion Paper submission, pp. 8-9 , TFG and Minogi, p 5.
[6] EB-2025-0125, BOMA Submission, November 20, 2025, p. 3.
[7] EB-2025-0125, ED Submission, November 19, 2025, p. 7.
[8] EB-2025-0125, EP Submission, November 19, 2025, p. 2.
[9] EB-2025-0125, LIEN Submission, November 19, 2025, p. 7.

with this distinction and has included this intention for innovation-related proposals in the proposed Framework update, the Company considers the clarification in relation to IRP Plans unnecessary as the distinction is already reflected through the definition of the IRP Plan.

9. TFG and Minogi supported the general definition, however, submitted that it should be understood to include First Nation-led or First Nation-partnered solutions.[10]

10. Enbridge Gas agrees that such opportunities may potentially arise and recognizes the importance of enabling such opportunities where IRP activities intersect with Indigenous interests or communities. However, embedding this expectation within the definition could unintentionally limit the range of initiatives that can be considered, as not all innovation-related proposals will involve or impact First Nation communities.

11. Overall, the introduction of innovation-related proposals reflects OEB staff's proposed approach and enhances the IRP Framework by providing a clearer, more flexible, and forward-looking structure for initiatives intended to support learning and inform future IRP implementation. By distinguishing these proposals from IRP Plans and establishing appropriate assessment and oversight expectations, the IRP Framework better aligns regulatory review with the nature and purpose of such initiatives, thereby improving regulatory efficiency.

2. Establish Oversight Mechanism for Innovation-Related Proposals

12. Enbridge Gas is proposing that innovation-related proposals should be included in the IRP Implementation Plan and are subsequently eligible to be recorded in the IRP Costs deferral accounts.[11]

[10] EB-2025-0125, TFG and Minogi Submission, November 19, 2025, p. 5.
[11] See more details for cost recovery considerations for innovation-related proposals in Exhibit C, Tab 13, Schedule 1.

13. This proposal is consistent with OEB staff's preferred oversight mechanism.[12] Under this approach, the IRP Implementation Plan would provide the forum for Enbridge Gas to outline details of the innovation-related proposals, including any approvals requested related to the cost consequences of these proposals. This would allow for broader stakeholder input through the adjudicative review of the IRP Implementation Plan and provide greater certainty regarding subsequent cost recovery.

14. As noted in Exhibit C, Tab 6, Schedule 1, Enbridge Gas would consult with the TWG on its draft IRP Implementation Plan prior to filing, including innovation-related proposals. Consistent with other aspects of the Implementation Plan for which TWG input is sought, Enbridge Gas will document how TWG input has been considered to support transparency in its IRP Implementation Plan application.

15. Most intervenors that commented on this issue, including ED, EP, FRPO, LIEN, and SEC, supported this proposed oversight mechanism.[13] Other parties, including BOMA[14] and IGUA[15], supported advanced project-specific approval by the OEB, similar to the approach applied in the IRP Pilot Project proceeding.[16]

16. Enbridge Gas submits that inclusion of innovation-related proposals in the IRP Implementation Plan is the preferable approach, as it preserves adjudicative oversight and stakeholder input while providing a more streamlined and proportionate process for proposals intended primarily to support learning. This approach is consistent with the distinction outlined above between innovation-related

[12] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 49.
[13] EB-2025-0125, ED Submission, p. 7, EP Submission, p. 3, FRPO Submission, p. 3, LIEN Submission, pp. 8-9, SEC Submission, p. 3.
[14] EB-2025-0125, BOMA Submission, November 20, 2025, p. 4.
[15] IGUA suggested it could be project-specific or as a collection of activities. See IGUA Submission p. 3.
[16] PP supported both the proposed oversight mechanism and advanced project-specific approval. See PP Submission, pp. 9-10.

proposals and IRP Plans and reflects that such proposals should not be subject to the same structure and requirements as IRP Plans developed to address identified system needs. In contrast, applying an IRP Plan-like structure to innovation-related proposals, as occurred in the IRP Pilot Project proceeding, can result in a more time- and resource-intensive process. The proposed approach better aligns the oversight mechanism with the nature and purpose of innovation-related proposals and provides a more efficient and fit-for-purpose framework for advancing and evaluating these initiatives. While the inclusion in the IRP Implementation Plan is the preferred approach, Enbridge Gas submits that it should retain discretion to bring forward previously unidentified innovation-related proposals during the term of the Implementation Plan to respond to emerging market opportunities, incrementally identified learning priorities and/or as a potential complement to an IRPA identified for implementation, with supporting justification where appropriate.

3. Remove References to Implementation of "IRP Pilot Projects"

17. Enbridge Gas is proposing to remove references to expectations on the implementation of IRP pilot projects. This update reflects developments since the existing Framework was issued. The Southern Lake Huron (SLH) IRP Pilot Project has already been approved and is currently being implemented, and a System Pruning IRP pilot project is also being implemented in accordance with the OEB Decision on the Rebasing Phase 2 settlement proposal.[17]

18. The original IRP Framework indicates that Enbridge Gas is expected to develop and implement two IRP pilot projects. In its decision on the Motion to Review Decision on the IRP Pilot Project, the OEB stated that matters related to a second IRP pilot and

[17] EB-2024-0111, Decision on Settlement Proposal and Interim Rate Order, November 29, 2024.[18] EB-2025-0333, Decision and Order from the Motion to Review Decision on IRP Pilot Project, May 14, 2026, p. 20.

any further IRP pilot projects will be addressed as part of the IRP Framework Review.[18]

19. The updated IRP Framework should align implementation effort and cost with expected benefits. It is more efficient and effective to focus on innovation-related IRP proposals, where available, to investigate and test potential IRPAs where real opportunities may exist rather than prescribing a further pilot project. Any future innovation-related proposals, which may include future IRP pilots, would not be mandated by the IRP Framework but would rather be assessed on their merits as part of the IRP Implementation Plan.

20. Accordingly, Enbridge Gas submits that the OEB should relieve the Company of the expectation for a second IRP pilot project in its Decision on the IRP Framework update. This ensures the consideration of innovation-related proposals is singularly focused on whether there are IRPAs or aspects of IRP that warrant testing, as opposed to compliance with a predetermined prescriptive requirement that at minimum a second IRP pilot proposal must be brought forward in the first IRP Implementation Plan for adjudication.

4. Affirm that No Specific Innovation-Related Proposals Are Mandated Under the IRP Framework

21. Enbridge Gas is proposing to include explicit language to affirm that no specific innovation-related IRP proposals should be mandated under the IRP Framework.

[18] EB-2025-0333, Decision and Order from the Motion to Review Decision on IRP Pilot Project, May 14, 2026, p. 20.

22. This aligns with the position of OEB staff in its Discussion Paper.[19] Instead, innovation-related proposals should be brought forward, where appropriate, through the IRP Implementation Plan.

23. Enbridge Gas agrees with OEB staff's proposal and submits that it should remain within the Company's discretion to determine what proposals to advance for adjudication, having regard to implementation experience, evolving technologies, and the Ontario policy context.

24. While OEB staff and certain stakeholders identified and supported potential future innovation-related proposals, including competitive solicitation[20] and electrification pilots[21], it is not appropriate for the IRP Framework to evaluate or prescribe specific proposals. As noted in the section above, these matters are more appropriately considered, if and when advanced, through the IRP Implementation Plan.

5. Affirm that Innovation-Related Proposals Can Include Natural Gas-Based Technologies.

25. Enbridge Gas is proposing to include explicit language to affirm that innovation-related proposals may include natural gas-based technologies. This clarification is necessary and appropriate in light of the IRP Pilot Project Decision, to ensure there is no uncertainty in the updated IRP Framework that natural gas-based technologies are eligible in innovation-related proposals.

[19] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 51.
[20] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 51., EB-2025-0125, ED Submission, November 19, 2025, p. 7., EB-2025-0125, SEC Submission, November 19, 2025, p. 4.
[21] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 57., EB-2025-0125, BOMA Submission, November 19, 2025, p. 4., EB-2025-0125, ED Submission, November 19, 2025, pp. 8-9., EB-2025-0125, FRPO Submission, November 19, 2025, p. 3., EB-2025-0125, LIEN Submission, November 19, 2025, p. 10., EB-2025-0125, PP Submission, November 19, 2025, p. 11., EB-2025-0125, SEC Submission, November 19, 2025, p. 4., EB-2025-0125, TFG and Minogi Submission, November 19, 2025, p. 6.

26. Natural gas-based technologies may represent viable IRPAs where they can defer, avoid, or reduce traditional facility infrastructure required to address a system constraint. Consistent with the purpose of innovation-related proposals, such technologies may also provide opportunities to test new approaches and generate learnings that inform future IRP implementation. In this respect, the relevant consideration is whether a proposed measure may assist in addressing system constraints, rather than whether it should be excluded at the outset based solely on continuing utilization of natural gas. This is also consistent with Energy Probe's submission that, if innovation is to be encouraged, it should not exclude any fuel or source of energy.[22]

27. Some stakeholders expressed concerns with permitting innovation-related proposals to include natural gas-based solutions. For example, ED supported OEB staff's proposed definition of innovation-related proposals only if mechanisms were put in place to mitigate what it described as a historical pro-gas bias.[23] PP proposed language that would exclude innovation-related proposals that promote the use of natural gas.[24]

28. Enbridge Gas submits that these positions are not aligned with the purpose of IRP or with the broader policy context reflected in the IEP, as described in Exhibit C, Tab 4, Schedule 1. Categorically excluding consideration of natural gas technologies based solely on their continued utilization of natural gas is not appropriate. Reducing or eliminating the use of natural gas is not an objective of IRP. An exclusion of these technologies would limit the range of potential solutions and may preclude viable options that could address system constraints or provide insights through implementation. This would also be inconsistent with the broader Ontario policy

[22] EB-2025-0125, Energy Probe Submission, November 19, 2025, p. 2.
[23] EB-2025-0125, ED Submission, November 19, 2025, p. 6.
[24] EB-2025-0125, PP Submission, November 19, 2025, p. 9.

context reflected in the IEP, which emphasizes affordability, customer choice, and the continued role of natural gas in Ontario's energy mix.[25]

29. Accordingly, the IRP Framework should permit innovation-related proposals to include natural gas-based technologies to generate learnings for future IRP activities, where they may contribute as eligible IRPAs in addressing system needs. Any proposals including natural gas technologies would be assessed on their merits.

6. Establish Assessment Considerations for Innovation-Related Proposals

30. Enbridge Gas has proposed establishing assessment considerations for innovation-related proposals. This includes: (i) potential to address system needs, (ii) risk and oversight, (iii) evaluation and scalability, (iv) alternative funding and collaboration, and (v) knowledge sharing. The full details related to each consideration are included in Chapter 14 of the updated Framework.

31. In its Discussion Paper[26], OEB staff noted that the existing IRP Framework does not currently include specific criteria for evaluating innovation-related proposals. To address this gap, OEB staff proposed five assessment considerations intended to establish clear, fit-for-purpose criteria for such proposals, provide guidance to Enbridge Gas and stakeholders, and maintain appropriate regulatory oversight. OEB staff further proposed that, when developing or seeking approval for an innovation-related proposal, Enbridge Gas should address each of the five considerations, with the level of detail and scrutiny applied proportionately based on the size and forecast cost of the proposal.

32. Enbridge Gas supports both the proposed considerations and OEB staff's approach to their application. Enbridge Gas submits that these considerations are intended to

[25] IEP, pp. 12-19 and 92-102.
[26] EB-2025-0125, OEB Staff Discussion Paper, October 6, 2025, p. 50.

function as guidelines rather than requirements and should be applied flexibly and proportionately based on the nature, complexity, and risk profile of each proposal. This approach ensures that innovation-related proposals can be assessed in a manner that is fit-for-purpose, while maintaining regulatory oversight.

33. As reflected in Enbridge Gas's prior submission[27], the following clarifications are provided to support their application within the IRP Framework:

34. Potential to Address System Needs: This consideration appropriately focuses on the potential for innovation-related proposals to contribute to addressing future system needs.

35. Risk and Oversight: Innovation-related proposals are intended to support learnings from new concepts, which by nature involve a degree of uncertainty. Proposals should aim to understand and assess the associated risks and uncertainties, rather than viewing uncertainty as a negative attribute. This approach supports informed decision-making, and where appropriate, broader deployment over time. Accordingly, the presence of uncertainty should be evaluated in the context of the full proposal, recognizing its role in advancing innovation and informing future IRP activities.

36. Evaluation and Scalability: Enbridge Gas agrees that it is appropriate to consider how outcomes of innovation-related proposals will be evaluated and how they may inform broader deployment in the future. However, depending on the nature of the proposal and the maturity of the underlying alternative(s), it may not be feasible to define a detailed path to scalability at the proposal stage. This consideration should

[27] EB-2025-0125, Enbridge Gas Submission, November 19, 2025, pp.17-18

therefore be applied proportionately, with expectations aligned to the scope and objectives of the proposal.

37. Alternative Funding: Enbridge Gas has broadened this consideration to recognize that support for innovation-related proposals may also take the form of in-kind contributions and/or collaboration that is not direct funding.

38. Knowledge Sharing: The IRP Annual Report provides an appropriate venue for informational updates on innovation-related activities, including relevant learnings, implementation progress, and outcomes from approved proposals.

39. The IRP Framework should preserve flexibility in how cost-effectiveness, technical viability, risk and uncertainty are considered in relation to innovation-related proposals.[28] Such proposals should not be required to represent the most cost-effective or technically mature option for addressing a system need, as their purpose is to support learning, including by testing and better understanding the economics and technical potential of alternative approaches.

40. The OEB staff proposed assessment considerations received broad support;[29] however, some intervenors suggested modifications or additional criteria. For example, GFN recommended that: (i) Risk and Oversight explicitly address risks and uncertainties affecting Indigenous customers; (ii) Evaluation and Scalability include consideration of deployment in First Nation communities; and (iii) Potential to Produce Additional Benefits (a new criterion) include environmental benefits, sustainability impacts, Indigenous employment or partnership opportunities, and

[28] This proposal appears to be aligned with PP's recommendation for consideration #1 (Potential to address system needs) to have flexibility when there is appropriate rationale. See PP Discussion Paper submission, p. 10.
[29] ED Submission, p. 7, FRPO Submission, p. 3, GFN Submission, pp. 7-8 , LIEN Submission, p. 10 , PP Submission, p. 10, SEC Submission, p. 4. TFG and Minogi Submission, p. 6.

contributions to reconciliation.[30] TFG and Minogi also suggested that the OEB consider adding First Nation project and equity participation as a separate assessment criterion.[31]

41. Enbridge Gas recognizes the importance of Indigenous engagement and participation where IRP activities intersect with Indigenous interests or communities. Enbridge Gas does not believe that additional assessment criteria are required to address the considerations identified by GFN and TFG and Minogi. Where an innovation-related proposal may affect First Nation communities or involve implementation within a community, relevant risks, uncertainties or potential for broader applications can be assessed through the Risk and Oversight and Evaluation and Scalability criteria, where applicable. Broader benefits or considerations associated with a proposal, including Indigenous participation or partnership opportunities, or how the proposal considers distinct circumstances of First Nations communities, may also be relevant in evaluating a particular proposal. However, these considerations can be evaluated within the existing assessment framework where relevant and do not require a separate assessment criterion.

42. Enbridge Gas submits that the proposed assessment considerations should remain sufficiently flexible to accommodate a broad range of innovation-related proposals and their potential outcomes. While Indigenous interests, potential impacts and opportunities for engagement may be relevant considerations for certain proposals, Enbridge Gas does not believe it is necessary to establish a separate stand-alone assessment criterion. Such considerations are appropriately addressed based on the nature and potential impacts of a project, rather than as a universal assessment requirement applicable to all innovation-related initiatives.

[30] GFN Submission, pp. 7-8.
[31] TFG and Minogi Submission, p. 6.

43. Enbridge Gas recognizes that certain innovation-related proposals may support reconciliation objectives, including meaningful Indigenous participation, and community-specific benefits. Where relevant, these matters can be considered through existing engagement processes, including the IWG. However, Enbridge Gas does not believe a separate reconciliation assessment criterion is necessary for all innovation-related initiatives, as reconciliation-related considerations can be appropriately addressed on a project-specific basis.

44. LIEN supported the five assessment considerations but suggested the inclusion of a sixth consideration: "Enhance innovation in natural gas IRP in Ontario".[32] Enbridge Gas acknowledges LIEN's suggestion but does not consider a separate assessment consideration necessary. As described above, the purpose of innovation-related proposals is to gain implementation experience and learnings that may inform future IRP activities in Ontario. The proposed assessment considerations are intended to evaluate whether a specific innovation-related proposal is likely to generate meaningful learnings and provide value to Ontario's natural gas IRP framework, rather than whether innovation should be pursued as an objective in and of itself. Accordingly, Enbridge Gas submits that the enhancement of innovation in natural gas IRP in Ontario is already reflected in the proposed assessment framework.

45. Overall, the assessment considerations provide an appropriate and fit-for-purpose basis for evaluating innovation-related proposals. When applied in a flexible and proportionate manner, these considerations support effective regulatory oversight while enabling innovation and learning to inform future IRP activities.

[32] EB-2025-0125, LIEN Submission, November 19, 2025, p. 10.