

# Enbridge Feedback on the Proposed Amendments to the Electricity Act, 1998, Ontario Energy Board Act, 1998 and the Energy Consumer Protection Act, 2010 to enable an affordable energy future

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## *About Enbridge Gas Inc.*

*Enbridge Gas is Canada's largest natural gas storage, transmission and distribution company based in Ontario, with more than 175 years of service to customers. The distribution business provides safe, affordable, reliable energy to about 3.9 million homes, businesses and industries in Ontario and is supporting the transition to a clean energy future through net-zero emissions targets and investments in innovative low-carbon energy solutions. With the recently announced acquisition of three gas utilities serving customers in five US states, Enbridge owns and operates the largest gas utility franchise in North America. The storage and transmission business offers a variety of storage and transportation services to customers at the Dawn Hub, the largest integrated underground storage facility in Canada and one of the largest in North America. Enbridge Gas is owned by Enbridge Inc., a Canadian-based leader in energy transportation and distribution.*

Learn more at [www.enbridgegas.com](http://www.enbridgegas.com).

## Introduction

Enbridge Gas Inc. (Enbridge) commends the Government of Ontario for proposing legislative amendments that would enable the development of Ontario's first Integrated Energy Resource Plan (IERP), make it more cost-effective to connect to the electricity grid, and help reduce energy use to save families and businesses money. Enbridge welcomes the opportunity to provide feedback and remains committed to supporting Ontario's ambitious growth plans.

Natural gas is a cornerstone of Ontario's energy system, crucial for ensuring the affordability, reliability, and resiliency of the energy system. As Enbridge, we have been an integral part of Ontario's energy infrastructure for over 175 years, serving three-quarters of the province's homes, as well as schools, hospitals, long-term care facilities, greenhouses, farms, small businesses, and industries that are the backbone of Ontario's economy. Our 151,500 kilometers of underground gas infrastructure, combined with 290.8 billion cubic feet of working storage, provides unparalleled resilience and reliability—key attributes that help ensure Ontarians have access to this affordable energy, even in the most extreme weather circumstances.

Natural gas plays a pivotal role in Ontario's affordability agenda, offering significant savings compared to other sources of energy. It delivers two times the annual electricity demand and four times the peak electricity capacity, all at a fraction of the cost. The affordability of natural gas is particularly important as Ontario works to address its affordability and housing crises, with the target of building 1.5 million homes by 2031, and enhance the competitiveness of businesses and industries.

In addition to its affordability, natural gas offers unmatched flexibility, making it an essential partner in Ontario's energy transition. Enbridge Gas's infrastructure is designed to support energy demands today and deliver the low carbon fuels of the future, such as renewable natural gas (RNG) and hydrogen. As the province's population grows and more homes are built, natural gas will be vital in ensuring these homes are connected to reliable, affordable energy systems.

At Enbridge Gas, we are more than just an energy provider—we are a trusted partner in Ontario's energy future. As a fully integrated utility, with planning and accountability similar to the Independent Electricity System Operator (IESO) and electric local distribution companies (LDCs), we are uniquely positioned to contribute to the development of energy plans that balance affordability, reliability, and resiliency. To meet Ontario's ambitious housing targets and to keep energy costs affordable for all Ontarians, natural gas will continue to be a critical part of the solution.

## Executive Summary

Enbridge commends the Government for advancing the development of Ontario's first IERP to foster collaboration between the gas and electricity sectors. By integrating these systems in a strategic manner, the IERP will play a pivotal role in balancing key priorities for Ontario's energy future: affordability, reliability, resiliency, and greenhouse gas (GHG) emissions reductions. Such a coordinated approach is increasingly critical as Ontario faces a growing demand for energy driven by population growth, industrial expansion, and housing targets.

Enbridge supports the Government's "all-of-the-above" approach to energy planning, including the use of natural gas, nuclear, hydrogen, RNG, hydro, wind, solar, and other fuel sources like biofuels, to maintain flexibility in addressing immediate and future energy challenges and ensure customer choice. This technology- and fuel-agnostic approach enables the energy system to capitalize on immediate, cost-effective GHG reduction opportunities while also laying the building blocks for long-term decarbonization solutions, such as hydrogen and carbon

capture, utilization, and storage (CCUS). By prioritizing a balanced approach to energy planning, Ontario can meet emissions targets without compromising energy affordability and reliability.

Additionally, the coordination between the gas and electricity systems can bring significant benefits, including the ability to drive innovation, reduce overall costs, enhance system resiliency, as well as maintain consumer choice and support the competitiveness of Ontario's businesses. The complementary nature of the gas and electricity systems allows for innovative solutions like hybrid heating, which leverages the strengths of both systems, to optimize energy delivery and efficiency, especially during peak demand.

Enbridge also strongly supports regulations aimed at reducing upfront costs for “first-mover” customers and enabling the timely development of connection infrastructure. It is critical that similar regulatory authority for natural gas connections be considered, as this will alleviate the financial burden on first movers and ensure that energy systems are prepared for rapid growth. This is particularly important as Ontario's electricity system is not projected to support the near-term energy demand growth currently forecasted to be served by Enbridge Gas.

Finally, Enbridge believes beneficial electrification should focus on reducing GHG emissions through fuel-switching without compromising system reliability or requiring additional investments in generation, transmission, or distribution infrastructure. While Enbridge supports energy efficiency programs for both natural gas and electricity, we emphasize that beneficial electrification should be treated separately. It should not be funded through electricity Demand Side Management (eDSM), as beneficial electrification promotes additional load rather than effectively managing demand. Additionally, clear distinctions between natural gas and electricity efficiency and conservation programs are essential to avoid overlap, ensure program effectiveness, and prevent unnecessary infrastructure investments.

Enbridge believes that for the IERP to be effective and truly integrated, there are several key factors and recommendations that should guide its development and execution:

- Expand the definition of “energy” in the Electricity Act to include all sources of energy, and “consultations” to include natural gas consumers, distributors, generators, and transmitters.
- Formalizing Enbridge's role within the Electricity Act as the gas system planner and as a partner in energy system planning.
- Set an iterative IERP planning cycle that allows for an updated plan to be issued at least every 3 to 5 years and is aligned with the rate rebasing applications of Enbridge and the largest electricity distributors.
- Include enhanced resiliency, consumer choice, economic and housing development, customer feedback, Indigenous equity participation, Indigenous involvement in the supply chain, meaningful Indigenous consultation in asset development, and comprehensive stakeholder engagement in the IERP objectives.
- Ensure planners consider a long-term outlook when evaluating different pathways to meet Ontario's decarbonization goals cost-effectively; requires clarity on decarbonization objectives.
- Ensure that technical data and modeling, including the overlay of gas and electric distribution systems and scenario analyses evaluating system and end-user costs, reliability and resiliency benefits, and potential stranded assets, are foundational inputs for IERP development.
- Consider giving Government similar regulation-making authority to derisk natural gas last-mile connections.

- Provide a clear definition of beneficial electrification, ensure it is not included in eDSM, and avoid duplication between electricity and natural gas efficiency and conservation programs.

## Integrated Energy Resource Planning Amendments

Enbridge commends the government for advancing the development of an IERP that promotes coordination in energy system planning between the electric and gas sectors. Such an approach is essential for balancing the affordability, reliability, and resiliency of the energy system – as well as consumer choice and competitiveness of Ontario’s businesses with GHG emissions reductions. It also helps ensure that Ontario’s energy systems are better equipped to meet the province’s growing energy demands.<sup>1,2</sup>

Enbridge also supports the Government’s “all-of-the-above” approach to energy planning, including natural gas, hydro, nuclear, hydrogen, RNG, wind, and solar as well as geothermal heating and cooling, or other solid or liquid fuels (i.e. biofuels). A technology- and fuel-agnostic energy planning that prioritizes near-term decarbonization opportunities, such as energy efficiency, hybrid heating, and RNG offers immediate GHG emission reductions and ensure the resiliency of the energy systems while laying the building blocks for longer-term decarbonization prospects, like hydrogen and CCUS. This balanced approach fosters a smooth transition to meet the province’s emissions targets while securing affordable, reliable energy for Ontarians and ensuring customer choice.

An IERP also underscores the complementary role of the natural gas and electricity systems.<sup>3</sup> Through a “wires and pipes approach,” the electric and natural gas systems can drive innovation, enhance reliability, assure resiliency, and lower costs now and into the future.<sup>4</sup>

### **“All-of-the-Above” Approach**

While Enbridge supports the development of the IERP, Bill 214 lacks a clear definition of how integration between the natural gas and electricity system will be achieved. Additionally, further clarity is needed regarding the definition of “energy” in the goals and objectives listed in the amendments to the *Electricity Act* (Section 25.29 (2)), as it has historically been interpreted as referring solely to electricity in this context. **Enbridge recommends expanding the definition to include all sources of energy.**

The amendments to Section 25.29 (3) also add a requirement for consultation in energy planning between consumers, distributors, generators, transmitters, which only pertain to electricity in the *Electricity Act*. **Enbridge recommends expanding consultation to include natural gas and other energy forms for true integration.**

Additionally, to achieve true integration of energy planning in Ontario, **Enbridge recommends formalizing its role within the Electricity Act as the gas system planner and as a partner in energy system planning.** Enbridge Gas is a fully integrated utility with planning and

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<sup>1</sup> Enbridge’s Feedback on the Proposed Amendments to the Ontario Energy Board Act, 1998 – May 2023

<sup>2</sup> Enbridge’s Feedback on the Proposed Regulations Amendments to Further Reduce Barriers to Innovation – October 2023

<sup>3</sup> Enbridge’s Feedback on the Proposed Regulations Amendments to Further Reduce Barriers to Innovation – October 2023

<sup>4</sup> Enbridge’s Feedback on the Proposed Regulations Amendments to Further Reduce Barriers to Innovation – October 2023

accountability equivalent to combining the IESO and LDCs. Therefore, Enbridge must develop its assumptions and own final decisions as the entity responsible for both costs and reliability of service. Achieving the goals of a coordinated energy plan will be difficult, if not impossible, to achieve unless Enbridge has a seat at both the system planning table with the IESO and Ontario Energy Board (OEB), as well as at the distribution table with LDCs.

### **LTEP to IERP**

Enbridge supports the Ministry's proposal to change the name of the "Long-Term Energy Plan" to "Integrated Energy Resource Plan." The proposed name change aligns with a more inclusive and coordinated energy planning approach across all forms of energy.

### **Predictable Planning Cycles**

Enbridge Gas supports the OEB's recommendation, outlined in its June 2023 [Report to Ontario's Electrification and Energy Transition Panel](#), for an iterative and methodical approach to coordinated energy system planning. This approach would foster continuous innovation and the development of low carbon technologies and allow for process refinement as needed. Iterative planning also ensures that initial assumptions and solutions are regularly re-evaluated and confirmed, ensuring the creation of region/area-specific solutions that address unique local considerations and constraints and synthesize into a regional coordinated energy system plan.

For an IERP to be efficient and reflective of Ontario's evolving energy landscape, **a planning cycle should allow for an updated plan to be issued at least every 3 to 5 years.** This period should include ongoing or annual consultation and engagement, ensuring the plan is comprehensive and enabling the government to determine if changes in Ontario's energy landscape warrant a new plan sooner than anticipated.

Enbridge also recommends **aligning the IERP planning cycle with the rate rebasing applications of Enbridge and the largest electricity distributors**, allowing these utilities to respond effectively to the IERP's directives. Enbridge's rate rebasing application is generally filed every 4 to 5 years, with the next application due to be filed in 2027.

### **Aligning the IERP goals and Objectives with the Evolving Energy Sector's Priorities**

Enbridge believes that for the IERP to effectively address Ontario's energy needs, it is essential to avoid selecting specific technologies or fuels as priorities before thorough consultations and comprehensive analysis. As an example, rather than setting nuclear power generation as a goal within the IERP in the amendments to the *Electricity Act* Section 25.29 (2), a technology- and fuel-agnostic approach should be pursued to ensure the plan remains flexible and inclusive of all affordable, reliable, and resilient energy options.

Furthermore, Enbridge suggests that **the proposed amendments to Section 25.29 (2) should incorporate an objective of aligning long-term energy planning with Ontario's decarbonization goals**, aligning with the amendments to Section 1 of the *Electricity Act* regarding its purpose and to Section 6(1) of the Act regarding the IESO objectives that emphasize Ontario's decarbonization goals. Including an objective related to aligning long-term energy planning, and its goals of maintaining affordability, resilience, consumer choice and business competitiveness, with the province's decarbonization objectives as a goal for the IERP will ensure that planners evaluate different, technology-agnostic pathways to meet the



government's objectives. Enbridge notes that clarity on the Province's decarbonization objectives beyond 2030 is required to support integrated energy resource planning.

Enbridge also recommends **adding a goal focused on maintaining and enhancing the resiliency of Ontario's energy system**. Resiliency, defined as the ability to prevent, withstand, adapt to, and recover from low-likelihood, high-impact events (such as extreme weather or cybersecurity threats),<sup>5</sup> is essential to ensure reliable energy delivery and mitigate the economic and societal impacts of disruptions. For instance, the redundancy of multiple energy systems offers resilience against cybersecurity breaches by ensuring that some energy needs can be met if one system is compromised. A resilient energy system, achieved through diverse and interconnected sources, is critical for Ontario's economy to thrive.

Additionally, Enbridge recommends **including consumer choice as a core goal of the IERP**. Prioritizing consumer choice ensures that residential, commercial, industrial, agricultural and power producer customers have access to energy solutions tailored to their unique needs and preferences.

Energy affordability at the consumer level and cost-effectiveness at the system level are vital aspects of the IERP, and Enbridge recommends including them in the IERP objectives. Feedback from customer engagement during Enbridge's rate rebasing application highlights affordability as a top priority across sectors. The successful realization of a clean energy economy depends on maintaining affordability, which should be considered at the consumer level as well as at the system level, as it could impact customer support for the IERP. A focus on electrification without considering affordability and customer feedback risks consumer choice, the system reliability, resiliency, and cost-effectiveness, and industrial competitiveness. Enbridge recommends **incorporating customer feedback into the IERP's objectives** to reflect Ontario's evolving energy landscape and garner consumer support. Meaningful stakeholder engagement will need to be inclusive and capturing the diverse perspectives across all stakeholder groups, such as residential, commercial, industrial, agricultural, power producers, housing developers, etc., to gather broad insights and support balanced energy planning.

Additionally, Enbridge strongly believes in the importance of meaningful Indigenous consultation and economic reconciliation for a successful energy sector evolution. We support the government's inclusion of early engagement in project planning, consultation, and support for Indigenous leadership and participation in the energy sector in the IERP goals and objectives. Enbridge's experience has demonstrated that positive relationships with Indigenous communities, rooted in mutual respect and focused on achieving common goals, strengthen our projects and yield constructive outcomes for all Ontarians. Enbridge advocates for **including specific goals in the IERP that promote Indigenous direct equity participation, supply chain involvement, and meaningful consultation during asset development**.

**Engaging diverse stakeholders** across Ontario (i.e., municipalities, energy sector participants, consumers, Indigenous communities) is fundamental to transparent and effective IERP development and enables better understanding and incorporation of regional energy needs. Stakeholder engagement ensures system planners have a better understanding of energy demands and best positioned to leverage both the gas and electricity systems. For example,

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<sup>5</sup> Building a Resilient Energy Future: How the Gas System Contributes to US Energy System Resilience, 2021, p.2, [https://gasfoundation.org/wp-content/uploads/2021/01/Building-a-Resilient-Energy-Future-Full-Report\\_FINAL\\_1.13.21.pdf](https://gasfoundation.org/wp-content/uploads/2021/01/Building-a-Resilient-Energy-Future-Full-Report_FINAL_1.13.21.pdf)

planning for electric vehicle charging and space heating needs collectively offers a holistic, long-term perspective that supports the IERP goals and objectives.

Achieving Ontario's vision for a clean energy economy requires collaboration among all stakeholders. **Policymakers, regulators, and utilities must consider a long-term outlook (i.e., 2050 and beyond) when evaluating different pathways to meet Ontario's decarbonization goals cost-effectively.**

#### **Defining the Inputs for future IERP Development**

Enbridge agrees that technical information, documents, or reports should be considered in the development of an Integrated Energy Resource Plan. At minimum, the inputs for IERP development should include:

- Overlaying of Enbridge's gas distribution and transmission systems onto both the IESO's regional planning areas and the electric LDCs distribution systems.
- Modelling how to best leverage the gas and electric distribution and transmission systems to meet energy demands across all sectors. This includes evaluating system and end-user costs, reliability and resiliency benefits, and potential stranded assets. For instance, scenarios such as using hybrid heating to meet heating needs on the coldest days could be explored to avoid overbuilding the electricity system.

## **Last Mile Connections to Support Growth**

Enbridge commends the government for considering changes to the Ontario Energy Board Act aimed at reducing costs and financial burdens on "first mover" customers and enabling the timely development of connection infrastructure to enhance energy system readiness for industrial and housing development. While the proposed language appears focused on the electricity system, it is imperative to **consider similar regulation-making authority to derisk natural gas last-mile connections** to alleviate the upfront costs barrier faced by the first developer to connect while ensuring fair allocation and recovery of the remaining costs.

As the electricity system is not projected to meet the rapid near-term growth in energy demand currently forecasted to be served by Enbridge Gas, it is important to also address the upfront barriers for first movers' gas connections to support the government's pro-growth agenda.

While regulations for natural gas connections allow for allocating costs based on forecasted growth, without similar cost recovery assurances, Enbridge may not be in a position to build certain connection infrastructure to support anticipated growth without a confirmed customer for all of the capacity.

Additionally, stemming from the Government's efforts to integrate energy planning, Enbridge recommends coordination between electricity and gas infrastructure projects in high growth areas, integrated as part of the municipal planning process. This would not only ensure new homes have affordable access to energy but also create opportunities for synergies, such as joint utility trenching. Such coordination and synergies would keep costs down for Ontarians and support the Government's goal of building 1.5 million homes by 2031 with efficient infrastructure development.

## Programs to increase Energy Affordability

### **Beneficial Electrification**

Enbridge recommends **clearly defining beneficial electrification**. The current consultation materials define beneficial electrification as “the use of electricity instead of other fuels to reduce overall energy use and subsequently reduce costs for high consumption activities such as home heating and cooling, regardless of fuel-type (i.e., propane, oil, wood).” However, Bill 214, Section 2, which proposes an amendment to allow the IESO to pursue beneficial electrification, states “to engage in activities that promote electrification and facilitate energy efficiency measures aimed at using electricity to reduce overall emissions in Ontario”. The different definitions leave unclear whether the primary goal of beneficial electrification is cost reduction for consumers or GHG emissions reduction.

Enbridge believes beneficial electrification is switching from higher-emitting fuels to electricity to reduce GHG emissions without (1) necessitating additional investments in generation, transmission, or distribution infrastructure and (2) compromising the current and long-term safety, reliability and resiliency of the required energy supplied to the home or business.

While Enbridge supports the decarbonization of Ontario’s energy systems, we believe energy efficiency and eDSM should continue to focus exclusively on electricity conservation and demand reduction. Efforts, targets, funding, or objectives aimed at supporting beneficial electrification should remain separate and distinct from energy efficiency frameworks. Any such growth of electric consumption activities is, by definition, incompatible with the universal objective of eDSM, which encompasses activities aimed at reducing electricity consumption and reducing peak electricity demand. Conversely, beneficial electrification is growth in electric demand, not a reduction or conservation of electricity, and therefore should naturally be funded by the resulting increase in revenues of the LDC.

### **Distinguishing Between DSM and eDSM**

To ensure clarity and effective governance, it is essential to distinguish between DSM and eDSM objectives, avoiding duplication of programs that could lead to confusion in the market and inefficient use of ratepayer dollars. Including beneficial electrification within eDSM would conflict with current natural gas demand side management (DSM) objectives and targets, which include reductions in overall annual natural gas sales volumes, including fuel-switching consistent with DSM funding and ensuring affordability and consequent cost savings for ratepayers.

## Conclusion

Enbridge appreciates the opportunity to provide feedback on Proposed Amendments to the Electricity Act, 1998, Ontario Energy Board Act, 1998 and the Energy Consumer Protection Act, 2010 to enable an affordable energy future.

Enbridge commends the Government’s advancement of Ontario’s first IERP, which fosters collaboration between the gas and electricity sectors to balance affordability, reliability, resiliency, and GHG emissions reduction. Enbridge supports a flexible, “all-of-the-above” approach to energy planning, incorporating natural gas, nuclear, hydro, hydrogen, RNG, wind, solar, and biofuels, to ensure cost-effectiveness in meeting the province’s long-term decarbonization goals. By integrating gas and electricity systems, Ontario can drive innovation, enhance system resiliency, and avoid unnecessary infrastructure investments, while maintaining affordability and reliability.





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