

# Enbridge Feedback on Expanding the Criteria for Voluntary Participants to Exit the Emissions Performance Standards (EPS) Program

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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).*

## Executive Summary

Enbridge Gas Inc. (Enbridge) appreciates the opportunity to comment on Ontario's proposed updates to the Greenhouse Gas Emissions Performance Standards (EPS) regulation. Enbridge supports regulatory frameworks that are adaptive, risk-based, and responsive to the realities of industrial operations.

The Ministry of the Environment, Conservation and Parks (the Ministry) proposed changes to the EPS program represent a thoughtful recalibration, providing much-needed operational flexibility for voluntary participants while reinforcing long-term program integrity and efficiency.

## Enhancing Flexibility and Alignment in Voluntary Participation Policy

Enbridge supports the Ministry's proposal to expand exit options for voluntary EPS participants. Offering a structured and timely off-ramp for facilities that no longer see a clear policy or economic rationale for remaining in the program reflects good regulatory design. Key considerations informing Enbridge's support are outlined below.

### I. Alignment with Federal Policy Context

The federal government's decision to set the federal fuel charge to zero for fuels listed in Schedule 2, Table 1, of the Greenhouse Gas Pollution Pricing Act (GGPPA) effective April 1, 2025, significantly alters the benefits of voluntary participation in Ontario's EPS. Facilities that opted into the EPS to help manage risk to their competitiveness may no longer find participation cost-effective or strategically relevant. The proposed amendment enables a responsive adjustment to this change, ensuring that regulatory commitments remain aligned with actual policy risks and incentives.

### II. Regulatory Flexibility and Administrative Efficiency

The EPS program applies to a diverse set of facilities with varying emissions profiles. Mandating continued participation for facilities no longer deriving benefit adds unnecessary administrative burden for both regulated entities and the Ministry. Enbridge supports the introduction of clear, date-based criteria for exit (e.g., April 1, 2025, for exits in 2025), which improve predictability for facilities and streamline program administration. The amendment appropriately maintains essential obligations, such as emissions reporting, residual compliance for the year of exit, and prior-year corrections, while establishing a practical and fair off-ramp mechanism.

However, Enbridge does not support the proposed five-year re-entry prohibition for facilities that voluntarily exit the program. Facilities that successfully reduce emissions after exiting and become eligible to generate Emission Performance Units should not be penalized with an extended exclusion period. Enbridge recommends that the Ministry consider removing or reducing this timeframe, or exploring alternative approaches such as requiring a minimum participation period upon re-entry into the EPS. Allowing re-entry could increase the supply of compliance credits in the market, which has remained limited to date. Enbridge supports program adjustments that would enhance credit availability, ultimately helping to lower compliance costs for ratepayers.



## Conclusion

Enbridge appreciates the Ministry's efforts to modernize the EPS program in light of Canada's evolving carbon pricing framework. We view the proposed flexibility for voluntary participants as a thoughtful and practical improvement, and we look forward to continued collaboration in advancing effective, industry-informed policy.

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