

## Municipal Role in Ontario's Energy Transition

During this presentation Mike Brophy provided a summary of recent discussions and regulatory decisions that have taken place at the Ontario Energy Board and some of the implications this may have on municipal climate action plans and commitments.

- Ontario's updating its stalled demand side management (DSM) framework and DSM efforts need to play a huge role in the low carbon energy transition. There are significant untapped DSM opportunities that can help municipalities implement their climate action plans.
- Enbridge is undertaking consultations on their 5-year fossil fuel infrastructure investments. And they are proposing a lot of investments.
- If they don't hear any questions/issues from municipalities, they will be sharing with the OEB that municipalities are supportive of Enbridge's IRP plans.
- Brophy discussed the recent decision by the OEB in November 2022, which approved a 3-year plan starting in 2023 instead of the proposed 5-year plan by Enbridge.
- The federal Greener Homes Grant program is now being delivered by Enbridge and the Ministry of Energy lobbied for Enbridge to deliver it alongside DSM.
- Municipalities should care about DSM due to its impact on energy cost, affordability, and emissions reduction.
- Energy efficiency is the most cost-effective form of energy in Ontario, with \$3 in benefits for every \$1 spent. Capturing the full potential of energy efficiency is essential for the province and its consumers.
- Enbridge's last DSM plan lacked ambition, which resulted in a lack of progress in energy efficiency. The OEB now expects the next DSM plan to be significantly enhanced.
- Municipalities should be engaging with Enbridge to identify how DSM can help support their community energy and climate plans.
- Vocal and proactive municipalities are likely to benefit more from future DSM programs.
- The Association of Municipalities of Ontario (AMO) has a representative on the advisory group, Dave Gordon. Municipalities should push for these enhancements within AMO committees.
- The OEB ruled that DSM programs are open to every gas user, whether they continue using gas or not. The correct interpretation is that customers don't need to keep using gas to receive DSM incentives. Therefore, the OEB clarified that DSM funds cannot be used to promote natural gas customer retention.
- OEB's Decision on Enbridge's Low Carbon Transition Program: The OEB did not approve Enbridge's program, which focused on gas heat pumps.
- Three charts summarizing incentives were shown, including greener homes incentives and enhanced DSM incentives.
- Pollution Probe recommended the establishment of a formal municipal support and incentive program to provide funding for energy and emissions plans.
- It is important to find a way for municipalities to provide input to the Energy Board, including writing letters.

- Silence on important issues may be interpreted as support for the status quo.
- Municipalities should inform themselves re the Integrated Resource Planning (IRP) Enbridge is putting in front of the OEB for approval and rate base infrastructure investments.
- Considering that it takes many decades to pay for the upfront capital costs related to fossil fuel infrastructure municipalities need to ask for more information on the risks of stranded assets and the debate around who should bear the cost.
- Concerns were raised about not using accurate information available in reports shared with the public. For example, there are significant errors and gaps in the Guidehouse report, including significant corrections needed as well as incorrect advertising that speaks to errors identified in flawed report.
- Enbridge's use of information regarding RNG from landfills in their report was questioned, as Enbridge stated it was net zero emissions but other calculations have determined that RNG would have emissions associated with it indicated net emissions rather than being net-zero.
- The Ontario Natural Gas Expansion Project is up for review. The subsidies for natural gas expansion projects are high, leading to a cost of over \$70,000 per customer.
- There is increased need for accurate and transparent information in energy-related projects to make informed decisions.
- The challenges faced by municipalities in engaging with the Ontario Energy Board (OEB) were discussed, including limited staff capacity and complex processes.
- Suggestions were made to streamline municipal engagement, such as coordinated submissions and leveraging AMO's role.

#### **Action Items:**

1. Review and provide feedback on a Clean Air Council draft submission for the natural gas expansion program.
2. CAP will send out info to the CAC on Enbridge's upcoming IRP sessions.
3. There is the need to enhance municipal engagement with the OEB.
4. Pollution Probe and CAP will aim to keep municipalities informed re: OEB consultations.
5. Municipal input should also be provided to AMO and its Task Forces to increase AMO's support for Ontario municipality's Climate Action Plans through these provincial energy discussions.