

Motion in Support of OEB Decision

Delegation

March 27, 2024

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Context



- Historically, Enbridge's costs for new natural gas hookups (\$4.4K per installation) were *distributed across all existing gas customers* in the form of higher energy bills, and amortized over a 40 year period. The Ontario Energy Board (OEB) had previously supported this Enbridge subsidy.
- In December 2023, the OEB *decided to end the subsidy* for new hookups, and ordered Enbridge to remove from its rate base the cost of new gas connections in new housing developments, starting in 2025. The OEB maintained that developers, not general ratepayers, should bear this cost
- Enbridge has given notice of appeal in Ontario's Divisional Court. Ontario Energy Minister Todd Smith has introduced legislation to over-rule the OEB decision.

Why support the OEB decision.



- **Enbridge subsidy is bad for existing customers:** Residents are already struggling with energy bill increases. This perverse subsidy is buried in existing customers' monthly bills. The OEB decision would save customers ~ \$600 per household over five years.
- **Enbridge subsidy is bad for new home buyers:** It encourages developers to install gas equipment, which is considerably more expensive to operate than electric heat pumps. *Heat pumps lower energy costs, improve health & safety, and improve affordability for new homebuyers.*
- **Enbridge subsidy is bad for Durham:** Encouraging gas hookups in new homes jeopardizes Durham's target of reducing community-wide greenhouse gas (GHG) emissions to net-zero by 2050.

Durham GHG mitigation commitments



- **Durham Community Energy Plan, Low Carbon Pathway:**
“Incrementally increase the number of net zero new homes to 100% by 2030.”
“By 2050, 98% of existing dwellings are retrofitted”

Approved by Regional Council, April 2, 2019

- **Durham Climate Emergency Declaration:** “THAT the Regional Municipality of Durham declare a climate emergency for the purposes of naming, framing, and deepening our commitment to protecting our economy, our ecosystems and our communities from climate change; THAT in response to this emergency declaration, the need to reduce overall emissions from Durham Region, as well as to continue to prepare for Durham Region’s future climate, are deemed to be high priorities when considering budget direction and in all decisions of Regional Council.”

Approved by Regional Council, January 29, 2020

Durham GHG mitigation commitments



- **Regional Official Plan, May 25, 2023:**

“THAT future Regional Official Plan policies ... address sustainability practices to *reduce greenhouse gas emissions*, energy and water consumption, and waste generation through measures including;

- iv - the use of *low-carbon and smart energy systems* and technologies at the district scale or building-scale in these new areas;”

Approved by Regional Council, May 25, 2023

The construction of new gas hookups for houses should not be subsidized because this results in higher energy bills for existing Enbridge customers, higher monthly expenses for new homeowners, and higher future costs to decarbonize / retrofit buildings in order to meet Durham Region’s GHG reduction target.

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Questions?