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# The Regional Municipality of Durham Report

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To: Regional Council  
From: Chief Administrative Officer  
Report: #2024-A-7  
Date: April 24, 2024

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## Subject:

December 2023 Ontario Energy Board (OEB) Enbridge Gas Inc. decision and proposed amendments to the Ontario Energy Board Act, 1998.

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## Recommendation:

That Regional Council direct staff to participate in any generic OEB hearings related to the energy transition pending the adoption of the proposed legislative amendments.

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## Report:

### 1. Purpose

1.1 To provide Regional Council with an analysis of the OEB's Enbridge Gas Inc. rate application (Enbridge) decision and order ([EB-2022-0200](#)) and proposed amendments to the Ontario Energy Board Act, 1998 ([019-8307](#)) through Bill 165, *Keeping Energy Costs Down Act, 2024* as requested at Regional Council on March 27, 2024 ([Notice of Motion 11.1](#)).

### 2. Background

2.1 Utility connections for natural gas, electricity and water are long-lived capital-intensive projects that depreciate over the expected life of the asset. Depreciation rates are used by utilities to determine whether it is economical to connect a new customer, and typically also reflect the risk that an asset may be abandoned or cease to be useful before the end of its physical life (i.e., stranded asset risk).

2.2 Currently in Ontario, the natural gas utility (Enbridge) must assess proposals to expand its infrastructure to add new residential and small commercial customers (i.e., a new subdivision) to determine if it will be able to recover the costs over a 40-year depreciation period. If Enbridge determines that it can recoup the capital cost of the new natural gas service connection before the assets are fully depreciated, the costs can be "rate-based", which means paid for by all customers

within the given rate class rather than paid for by the connecting customer. If not, and a shortfall is projected, then Enbridge would seek additional payment from the connecting customer in the form of an upfront Contribution in Aid of Construction (CIAC), to preclude undue cross-subsidization of new natural gas service connections by existing customers.

- 2.3 In 2022, Enbridge submitted its first rate-rebasing application to the province's independent energy regulator, the Ontario Energy Board (OEB), in 10 years. The rate application is the first to be considered in the context of the energy transition and government commitments to substantially reduce greenhouse gas (GHG) emissions over the coming decades in line with Canada's commitments under the Paris Agreement to achieve net zero emissions by 2050 through the *Canadian Net-Zero Emissions Accountability Act*.
- 2.4 Enbridge's rate rebasing application to the OEB proposed a significant and increased capital spend to expand its natural gas infrastructure (\$1.4 billion per year over 5 years compared with an actual spend of \$1.1 billion a year for the previous five years) based on a demand forecast that shows continued growth in natural gas peak demand with a small impact from the energy transition. Enbridge's proposal maintained a 40-year depreciation period for these new assets, arguing that there is no stranded asset risk for new natural gas distribution infrastructure over a 40-year revenue horizon. If approved, this capital expansion would be added to Enbridge's asset base, on which it earns a regulated return on investment through rates paid by all customers within a given rate class.

### **3. OEB Decision and Order on Enbridge's Application for 2024 Rates**

- 3.1 On December 21, 2023, the OEB, issued a comprehensive decision on Enbridge's rate rebasing application. The decision was the result of an extensive public hearing process that spanned more than a year of review, and thousands of pages of evidence from Enbridge and energy sector experts. The OEB's decision was based in the context of the energy transition which it refers to as "the impacts and changes to the energy system and the energy supply mix that result from efforts to reduce GHG emissions by reducing dependence on fossil fuels, along with the use of renewable natural gas, hydrogen, and carbon capture technologies to compact climate change".<sup>1</sup>
- 3.2 The OEB noted that the energy transition is being guided by both provincial and federal policies. On the provincial side, the OEB noted Ontario's plans for a "[clean energy future](#)" characterized by increasing electrification and its policy objective to reduce GHG emissions by 30 per cent below 2005 levels by 2030, while on the federal side, the OEB noted Canada's policy objective to achieve net zero carbon emissions by 2050. Based on the increased risk of stranded fossil fuel distribution system assets, the OEB determined that Enbridge's proposal to

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<sup>1</sup> Ontario Energy Board, "Decision and Order, EB-2022-0200, Enbridge Gas Inc, Application for 2024 Rates – Phase 1", December 21, 2023. Page 9.

increase capital spending over the next five years and maintain a 40-year revenue horizon, could not be supported by the rate base. In considering Enbridge's proposed capital plan the Panel made the following key determinations:

- a. It is no longer appropriate to assume that the assets required for new natural gas service connections will continue to be used and useful for 40 years. Natural gas customers face a risk of underused natural gas service delivery assets and associated stranded asset costs.
  - b. The current practice of providing no-cost natural gas service connections (to home builders) which shifts the risk of stranded assets to homeowners and future natural gas consumers is no longer appropriate.
  - c. Customers can be protected from stranded asset risks by encouraging home builders to consider the cost of new natural gas service connections and associated heating equipment (e.g., furnaces and boilers) against alternatives like high efficiency cold climate heat pumps that use already-required electrical connections.
- 3.3 Based on these determinations, the OEB decided that the cost of new natural gas service connections should be paid upfront (i.e., under a zero-year revenue horizon model, rather than the 40-year revenue horizon currently used), instead of through ongoing natural gas delivery rates paid by natural gas customers decades into the future. In making this decision the OEB considered the impact on home buyers and ratepayers, including the following key pieces of evidence:
- a. The impact of a home builder choosing to include natural gas service and paying the connection charge up front would increase the cost of new build housing units by approximately \$4,400. However, the operating cost of the house would be reduced through lower natural gas rates (i.e., rates that do not include the cross-subsidization of new natural gas infrastructure).
  - b. Electrifying home heating through high efficiency cold climate heat pumps is expected to result in significantly lower energy use over the useful life of the equipment.
  - c. Requiring new connection costs to be paid upfront is expected to reduce Enbridge's capital costs and eliminate stranded asset risk, thus reducing natural gas delivery rates for all ratepayers into the future.
- 3.4 This decision, if upheld, would be expected to enhance the competitiveness of the market, reduce risks and costs associated with underused capital assets, and provide homeowners with more financial options. For existing households, it will ensure price certainty and affordability.
- 3.5 The [Electrification and Energy Transition Panel](#) (EETP) was established to advise the province on opportunities for the energy sector to help Ontario's economy prepare for electrification and the energy transition and to identify strategic opportunities and planning reforms to support emerging electricity and fuels planning needs. In December 2023, the EETP released a report entitled "[Ontario's Clean Energy Opportunity](#)" that has direct relevance to OEB's Enbridge decision.

The OEB's Enbridge decision is consistent with the EETP recommendation that the OEB review cost allocation and recovery policies for natural gas service and electricity connections (Recommendation 15).

- 3.6 The OEB decision does not impact the [Natural Gas Expansion Program](#) (NGEP) under [O. Reg. 24/19](#). Therefore, the [Sandford community expansion project](#) and the [Mississaugas of Scugog Island First Nation/Scugog Island expansion project](#) will not be impacted by the OEB decision. In August 2023, the Ministry of Energy [consulted](#) with stakeholders on how best to support rural, northern and Indigenous communities on options to reduce heating costs through the NGEP. A third phase of the NGEP has not been announced.
- 3.7 The revenue horizon for new large volume customers (industrial and agricultural) remains unchanged and is a maximum of 20 years as prescribed in [EBO 188](#).

#### **4. Ministry of Energy Response to OEB's Enbridge Decision**

- 4.1 The EETP report identifies the climate crisis as being urgent and recommends the province act rapidly to adopt a goal to achieve a clean energy economy by 2050. The EETP report generally recommends strengthening the regulatory abilities of the OEB, and for the OEB to employ all the tools within its existing mandate to implement activities consistent with the province's goals for a clean energy economy and the requirements of the energy transition for Ontario. Despite the report acknowledging the need to include consumer and distributor perspectives in the transition, overall, they conclude that independent agencies are best positioned to lead the technical elements of the transition and the role of the province is to clear the way and ensure entities are aligned and work together.
- 4.2 On December 22, 2023, the day following the release of the OEB decision, Ontario Minister of Energy, Todd Smith, released a statement expressing disappointment with the decision regarding the new gas connection revenue horizon (i.e., 40 years to zero years), asserting that the OEB's determination would, "mean costs that are normally paid over 40 years would be owed in full upfront, could lead to tens of thousands of dollars added to the cost of building new homes, and ... would slow or halt the construction of new homes, including affordable housing."<sup>2</sup> The statement furthermore announced the government's intention to overrule the OEB's decision by introducing new legislation.
- 4.3 The statement made by the Minister indicates concerns that the decision made by the OEB will have an impact on the province's housing policy. As a result, the government has taken the unusual step of overriding an independent regulatory agency. This decision was made despite evidence presented through the OEB hearing process that the decision would have little to no impact on monthly costs for new homebuyers (i.e., while new home buyers would have higher mortgage

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2 Ontario. (2023). Ontario Government Standing Up for Families and Businesses. From: <https://news.ontario.ca/en/statement/1004010/ontario-government-standing-up-for-families-and-businesses>

costs to cover the upfront connection charge, those higher costs would be completely offset by lower natural gas bills).

- 4.4 Enbridge President, Michele Harradence, [circulated](#) a letter to municipal councils on January 31, 2024, encouraging opposition to the OEB decision.
- 4.5 On February 8, 2024, Legislative Services circulated a confidential briefing note to Regional Council on behalf of the CAO that confirmed that the OEB decision is consistent with Durham Regional Council's direction, and the Region's commitment to decarbonization and efforts to achieve net zero by 2050.
- 4.6 On February 22, 2024, the province introduced [Bill 165, Keeping Energy Costs Down Act, 2024](#), which makes regulatory amendments to the *Ontario Energy Board Act, 1998* (OEB Act) to "provide the government with the authority to ensure fair and informed decision-making at the OEB to foster affordable communities". The Bill includes regulatory amendments intended to:
  - a. Facilitate broad stakeholder participation in OEB proceedings and other stakeholder input to the OEB related to natural gas and electricity;
  - b. Provide the Minister of Energy with the authority to issue directives, approved by Cabinet, requiring the OEB to hold a generic hearing on any matter respecting natural gas or electricity;
  - c. Provide the government with time-limited authority to prescribe the "revenue horizon" over which natural gas utilities calculate the upfront cost required for new natural gas service connections for residential, small commercial and other customers;
  - d. Provide the opportunity for the government to require OEB to conduct a hearing to determine revenue horizon, which, if so requested, will replace any revenue horizon specified in regulations; and
  - e. Provide the Minister of Energy with the authority to issue directives, approved by Cabinet, requiring the OEB to accept certain cost allocation conditions in reviewing a leave to construct application for a natural gas transmission project.

## 5. Regional Staff Analysis of OEB's Enbridge [Decision](#) and [Bill 165](#)

### Amendment #1 - Broad stakeholder participation:

- 5.1 The OEB has a transparent stakeholder engagement process detailed on its website per section 2.2 of the OEB Act. For the Enbridge application, 33 stakeholder groups participated in the year-long public regulatory process.
- 5.2 While staff generally support increased engagement and participation in regulatory processes, municipalities and groups representing municipalities (e.g., AMO) are generally not eligible for intervenor funding. Increased expectations for engagement in OEB regulatory processes could burden municipal staff with energy-related portfolios and divert resources away from the clean energy transition. The province will need to weigh the additional time that would be added

to the regulatory process to increase stakeholder participation with the perceived benefits and consider whether the current engagement standards have the proper level of breadth and depth. The province should be cognizant of adding additional regulatory requirements that result in burdensome, inefficient, and inflexible processes or that interfere with the province's energy transition in an age of climate change.

### **Amendment #2: Ministerial Directives for Generic Hearings:**

- 5.3 The OEB mandate is to regulate Ontario's energy sector as required under provincial legislation, working in the public interest to deliver public value through prudent regulation and independent adjudicative decision-making. Under subsection 27(1) of the OEB Act, the Minister may issue, and the Board shall implement, "policy directives that have been approved by the Lieutenant Governor in Council concerning general policy and objectives." Starting from this broad authority, the Act proceeds to provide in some detail for the issuance of directives in several specific areas, such as promoting "energy conservation, energy efficiency, load management or the use of cleaner energy sources"<sup>3</sup> and even to amend conditions in licences already issued by the OEB.<sup>4</sup> A directive may require the OEB to hold or not hold a hearing concerning certain matters.<sup>5</sup> With these provisions, the province already has considerable influence over the OEB.
- 5.4 The EETP report speaks to the need for a proactive planning approach and framework for the energy sector that will result in the development of globally competitive and future-oriented industries that not only support Ontario's economic future but also its environmental future. The EETP highlights the proactive and transparent thought leadership the OEB can provide in the energy transition with their expertise and designated role to engage in apolitical, proactive planning. Compromising the OEB's regulatory independence creates risks in ensuring that the public interest is protected in the context of the energy transition.
- 5.5 OEB decisions are the result of careful analysis of complex systems and consultation with major stakeholders and industry experts. Generic hearings are unlikely to significantly alter the OEB's decision-making process and go against the province's objective of reducing red tape.

### **Amendment #3: Prescribing the Revenue Horizon**

- 5.6 Ontario is experiencing a complex crisis of housing affordability and supply. The province and municipalities have a shared goal of accelerating the development of new housing to meet demand and have defined objectives to achieve housing

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3 OEB Act, *ibid*, s 27.1(1).; Harrison, R. J. (2014). Tribunal Independence: In Quest of a New Model. *Energy Regulation Quarterly*, 2(3). From <https://www.energyregulationquarterly.ca/articles/tribunal-independence-in-quest-of-a-new-model#sthash.xfbKAWTy.dpbs> [Harrison]

4 OEB Act, *ibid*, ss 28.1(1)-28.3(2).; Harrison, *ibid*

5 OEB Act, *ibid*, s 28(2); Harrison, *ibid*

targets within a set timeframe. Multiple intersecting socioeconomic factors impact housing affordability, including income levels and how they pace inflation, the pricing and attainability of existing housing stock, neighbourhood quality and safety, the rising costs of living, interest rate predictability, population growth and more.

- 5.7 In January 2020, Durham Regional Council [declared a climate emergency](#) and directed staff to focus on implementing the low carbon pathway identified in the [Durham Community Energy Plan](#). The building sector is a priority area for action, as it represents more than 30 per cent of total GHG emissions in Durham Region. Given planned population growth, it will be a key area of activity to align the Region with Canada's commitment to reach net zero GHG emissions by 2050.
- 5.8 The transition to enable a clean energy future is characterized by decarbonization of the energy system through electrification and thermal energy networks (i.e. district energy). The OEB Act sets out broad objectives to guide the OEB in carrying out its responsibilities. These explicitly include the protection of the interests of consumers concerning prices and reliability of service, the promotion of economic efficiency and cost effectiveness, the promotion of conservation, demand management and energy efficiency and, specifically concerning natural gas, "the maintenance of a financially viable gas industry...".<sup>6</sup> Currently, about 3.6 million homes and 160,000 businesses in Ontario use natural gas.<sup>7</sup>
- 5.9 In considering Enbridge's 2024 rate application and the increased risk to their business given the implications of Ontario's plans for a clean energy future, it is Regional staff's view that the OEB was correct in its determination that the current practice of providing natural gas service connections at no charge to small volume customer connections (new small commercial and residential developments, including infill projects) and recovering the substantial cost of those connections over 40 years in rates paid by all ratepayers is no longer appropriate and is likely to result in stranded assets and potentially significant cost and affordability impacts to existing Enbridge ratepayers.
- 5.10 According to the Canadian Climate Institute, standard heat pumps are the lowest-cost heating and cooling option for most households, generally offering a cheaper option than natural gas-fired heating with air conditioning.<sup>8</sup> Heat pumps can have higher up-front costs to homeowners however they operate at high efficiencies and can provide heating and cooling which make them cost-competitive over time. Additional low-carbon heating options include geothermal energy (i.e., ground source heat pumps), which is viable in new residential subdivisions, as well as

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6 OEB Act, *ibid*, ss 1-2.

7 Ontario (2023). Natural Gas Expansion Program. From <https://www.ontario.ca/page/natural-gas-expansion-program>

8 Canadian Climate Institute (2023). Heat Pumps Pay Off, Unlocking lower-cost heating and cooling in Canada. From <https://climateinstitute.ca/wp-content/uploads/2023/09/Heat-Pumps-Pay-Off-Unlocking-lower-cost-heating-and-cooling-in-Canada-Canadian-Climate-Institute.pdf>



district heating and cooling systems which can be viable in higher-density mixed-use communities. As these low-carbon systems acquire an increasingly larger market share and customers leave the gas distribution system, remaining gas customers will be left covering the cost of maintaining the distribution pipeline assets, driving up the ratepayer cost of natural gas and creating equity issues among past and current ratepayers. According to the Institute for Research on Public Policy, these costs are far more likely to fall on low-income households in the long term as wealthier households transition to low-carbon options like air and ground source heat pumps.<sup>9</sup> Instead, under the OEB ruling, developers of new homes would be required to pay for the up-front costs of new gas service connections. This change would be consistent with the user-pay principle where “growth pays for growth” rather than adding the burden to existing homeowners through a user rate. Developers may elect to build communities without natural gas infrastructure at the outset which would improve housing affordability by reducing the cost of operating the new homes.<sup>10</sup>

- 5.11 It is expected that the OEB's decision would improve competitiveness in the market by providing homeowners and developers with more financial choice. The decision is expected to result in long-term savings across the system and protect remaining natural gas ratepayers from being left covering the cost of an overbuilt, underused natural gas distribution system, particularly those who may be dependent on natural gas (e.g., some industrial and agricultural users).
- 5.12 The regulatory registry notes that proposed regulations could also require the OEB to account for key considerations at that time including government policy documents and reports that have been published related to the future role of natural gas in Ontario. The OEB's Enbridge 2024 rate application decision is consistent with the EETP recommendation that the OEB review the cost allocation and recovery policies to eliminate discrepancies between up-front capital contributions.
- 5.13 Using legislative amendments to overrule an OEB ruling that was within the legislative jurisdiction of the regulator and reinstate a multi-year application process is not in the public interest. The proposed legislation would be counter to the government's policy to build more homes faster and would reverse improvements to customer choice for homes and small commercial businesses to keep costs down.
- 5.14 There is already an established appeals process to have decisions reviewed by a new panel of OEB commissioners, and if needed, then to the Ontario Court. This process allows proponents to request a suspension of the decision while those appeals can be properly disposed of. This process would maintain the authority of

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9 IRPP (2024). Rulings in Ontario and B.C. show need for independent oil and gas regulator. From <https://policyoptions.irpp.org/magazines/march-2024/independent-regulators/>

10 Ibid.



the OEB in a public and independent review.<sup>11</sup> On January 29, 2024, Enbridge submitted an [appeal](#) under this process. This proposed amendment would interfere with the OEB's exercise of regulatory discretion.

#### **Amendment 4: Ministerial Directives for Cost Allocation Conditions for Natural Gas Transmission Projects**

- 5.15 Under the OEB Act, a utility cannot use ratepayer funds to subsidize the cost of building infrastructure unless that infrastructure is expected to generate sufficient revenue to cover its own cost (also called a profitability index). Customers wanting a gas connection where costs are higher than expected revenues, which may be the case in rural, northern and Indigenous communities, are required to pay an upfront capital contribution out-of-pocket through a temporary rate surcharge for up to 40 years or, for infill customers only, an extra length charge (known as a "Contribution in Aid of Construction" or "CIAC"). This policy protects existing ratepayers from costs caused by overbuilding the system with underused assets but also means that connecting to natural gas service is cost-prohibitive for many rural, northern and Indigenous communities.
- 5.16 The OEB reviews Leave-to-Construct (LTC) applications for pipeline projects and will grant leave to carry out the work if it is in the public interest. The OEB typically considers the need for the project, the nature of the proposed facilities and any alternatives, project cost and economics, environmental matters, Indigenous consultation, land matters and conditions of approval.
- 5.17 In 2022, the government modernized the LTC process for electricity transmission projects. In December 2023, the ministry [introduced](#) OEB Act amendments to allow the government to set the LTC threshold to exempt natural gas projects from OEB approval. If passed, the government may propose regulations to exempt energy projects costing between \$2 million and \$10 million from LTC, if duty-to-consult (DTC) is met. Projects would still require permitting and other approvals for technical, safety and environmental requirements from provincial and municipal authorities. This amendment would allow the province to fast-track energy infrastructure projects through the OEB's LTC process (e.g., renewable natural gas projects).
- 5.18 The current amendment under Bill 165 expands on the proposed amendment to LTC thresholds introduced in December 2023 by requiring the OEB accept certain cost allocation conditions in reviewing the economics for an LTC application for natural gas transmission projects. These amendments will require the OEB to accept that a project is in the best interest of natural gas consumers if directed by the Minister and prevent the OEB from imposing a CIAC on natural gas consumers who will be connected to or served by the line. This will eliminate the OEB's ability to independently assess and apply a financial test to projects to

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<sup>11</sup> Gowling WLG (2024). Why bother with an independent energy regulator? From <https://gowlingwlg.com/en/insights-resources/articles/2024/independent-energy-regulator/>

determine whether a project is in the public interest and remove their ability to impose financial charges on new developments to ensure that the project meets the required profitability index. As a result, this amendment is expected to expedite the construction of new pipelines as directed by the Minister, but potentially with added costs borne by all ratepayers, not just those who will benefit from the expansion. This amendment may enable natural gas service expansion in rural, northern and Indigenous communities. The ERO posting notes that the Minister may also apply this practice to other transmission projects that have already been granted an LTC decision on a time-limited basis. Previous Reports and Decisions

5.19 The following reports have been presented to Regional Council:

- a. Report #[2024-INFO-25](#), Update on provincial energy sector activities
- b. Report #[2023-INFO-86](#), Provincial energy sector activities and reports toward a long-term energy planning framework and Ontario's Plan for a Clean Energy Future
- c. Report #[2021-COW-7](#), Regional Submission to the Review of Ontario's Long-Term Energy Planning Framework (ERO #019-3007)
- d. Report #[2016-COW-98](#), Regional Response to Planning Ontario's Energy Future (EBR # 012-8840);
- e. Report #[2015-J-21](#), Update on Energy Planning and Energy Sector Initiatives in Durham Region;
- f. Report #[2013-J-23](#), Update on Provincial Energy Planning Consultations, Regional Staff Participation and Opportunity for Regional Council Input to the Reviews of Ontario's Long-Term Energy Plan (EBR #011-9490) and Conservation and Demand Management Framework (EBR #011-9614).

## 6. Relationship to Strategic Plan

6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 1: Environmental sustainability – Objective 1.1, Accelerate the adoption of green technologies and clean energy solutions through strategic partnerships and investment.
- b. Goal 1: Environmental sustainability – Objective 1.4, Demonstrate leadership in sustainability and addressing climate change.
- c. Goal 3: Economic Prosperity – Objective 3.4, Capitalize on Durham's strengths in key economic sectors to attract high-quality jobs

6.2 This report also aligns with the Region's [declaration of a climate emergency](#) on January 29, 2020, and aligns with the [Durham Community Energy Plan](#) (DCEP), the [Corporate Climate Change Action Plan](#), and the [Corporate Energy Conservation and Demand Management Plan](#).

## 7. Conclusion

- 7.1 The Organisation for Economic Co-operation and Development (OECD) observes five “essential” dimensions that determine a regulator’s de facto independence: “role clarity, transparency and accountability, financial independence, independence of leadership, and staff behaviour and culture of independence.” The province has characterized these proposed amendments to the OEB Act as being required to: ensure fair and informed hearings at the OEB; ensure the Government sets energy policy, not the regulator; protect future homebuyers and promote affordable housing; maintain customer choice with respect to energy options for homes and businesses; and, support the Government’s mandate to rebuild Ontario’s economy as we keep costs down for people and businesses and build the homes our growing province needs. However, these amendments serve to undermine regulatory independence by interfering in decision-making, obstructing role clarity, and diminishing the perception of independence among the public and OEB employees.
- 7.2 Government policy at the federal, provincial and municipal level is focused on reducing reliance on fossil fuels, including but not limited to natural gas, thereby decarbonizing the economy to address the existential threat posed by climate change. The OEB decision is consistent with these policies and the Region’s commitment to decarbonization. Should a generic hearing be held, and staff are directed by Council to participate, staff would highlight the potential negative impacts of the proposed provincial direction on achieving Council’s environmental sustainability priorities.
- 7.3 As the OEB decision rightly notes, “affordable housing has two components – the cost to buy the home and the cost to operate the home.” The OEB decision demonstrates respect for Enbridge small volume ratepayers including current and future homeowners. Positioning the clean energy transition as a barrier to housing affordability creates a false dichotomy, as the shift to cleaner energy and greener homes holds many economic benefits to homeowners and industries.
- 7.4 Further, the OEB decision demonstrates that they considered provincial policy including the Government of Ontario’s [Powering Ontario’s Growth](#) plan. The EETP report recognizes the need for gas-electric coordination on an aligned vision and for integrated planning and shared forecasting to understand the effects of fuel switching for infrastructure planning and development, and opportunities for system optimization across the electricity and natural gas delivery systems. It is recommended the province follows the recommendations from the EETP by providing an evidence-based policy direction on energy and electrification and resources and autonomy to independent agencies like the OEB to lead Ontario to a cleaner, greener, economically prosperous future.
- 7.5 Regional staff continue to work towards decarbonizing Regional operations and our communities through efforts to support the development and deployment of decarbonized energy systems as well as continued advocacy for senior-level

government investment in expanding renewable and low carbon energy generation capacity.

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Approved by: Sandra Austin, Executive Director, Strategic Initiatives.

Recommended for Presentation to Committee

Original Signed By

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Chief Administrative Officer