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School Energy Coalition ("SEC")

Summary Status Report
September 30, 2025

Savings for Ontario School Boards

*The savings in Q3 were, as expected, limited, totalling **$400,000**. The big proceedings ongoing – like Enbridge Phase 3 – are not yet resolved, and the biggest ones are coming up in 2026.*

Q4 may see a resolution of the Oshawa, Ottawa, or Elexicon cases, but more likely they will spill over into Q1 2026. Unless a miracle happens, Enbridge Phase 3 will also be a Q1 resolution.

The most impactful events in Q4 are expected to be new filings – the revised Enbridge 2027-2030 conservation plan, and the Alectra and OPG 2027-2031 rate applications. As Carl Sagan used to say, "billions and billions".

ONGOING MATTERS– NATURAL GAS

Enbridge 2024-2028 Rates. Phase 3 of Enbridge's 2024–2028 rate application focuses on the company's proposal to harmonize rates between the legacy Enbridge Gas Distribution and Union Gas across the province. Enbridge is proposing a single rate zone (as opposed to the current three) as well as the harmonization of customer classes across the province. It has also proposed a new approach to recover its delivery costs from customers, moving away from a variable rate component based on consumption to one based on each customer's predicted demand on the theoretical coldest day for which the system is designed.

As expected, this process is highly technical and certain to create winners and losers, even within currently homogeneous groups of customers. The numbers are significant. Enbridge serves most of the schools and many other customers in the province, some of whom would benefit from harmonization, while others would face higher costs.

The proposed move to a demand-based rate is especially problematic for schools, which are among the most heat-sensitive customers in the province. It would result in very large increases in the delivery component of most schools' bills. SEC is opposing this approach not only because of the direct impact on schools' bills, but also because the proposal contains several flaws and primarily benefits Enbridge, as it would reduce the company's financial risk, particularly in the context of the energy transition.

Unsurprisingly, the discovery process has been lengthy and detailed, continuing throughout the summer. Settlement negotiations among the roughly 20 parties began in early September and are expected to continue into October. At this stage, it is not possible to predict when those negotiations will conclude or whether a hearing, if required, will take place.

Enbridge Conservation Plan. The first part of this rate application - the rollover of the 2025 conservation plan to 2026 - is now complete except for the Energy Board's formal decision.

SEC, as long-time supporters of conservation programming, was in a difficult position in the rollover application. Most of the $253 million to be spent in 2026 was on programs that are no longer cost-effective, because the federal carbon charge has been removed from the calculations.

In the end, SEC proposed that the rollover be approved, but with some additional spending controls, and with a cost-effectiveness calculation that includes the benefit of reduced emissions.

A decision on the rollover is expected before the end of October.

Enbridge has committed to file a revised application for 2027-2030 (likely more than a billion dollars) by the middle of November. Most of the major issues in conservation spending will be dealt with in that phase of the proceeding, with a decision not likely before Q3 of next year.

Enbridge Gas Phase 1 Motion to Review and Court Challenge. Enbridge continues to have two separate legal challenges to the courts relating to the first phase of their 2024-2028 rate application. The court has scheduled the hearing for late Q1 2026.

Enbridge IRP Framework. For at least 20 years the Energy Board has been trying to direct Enbridge to implement targeted conservation, demand response, and other preferred options instead of simply building more pipelines (called "integrated resource planning", or IRP), but the regulator has had no success in that endeavour.

In 2021 the Energy Board established a formal set of requirements for Enbridge to follow to implement IRP and set up a working group (SEC is one of two ratepayer reps on that group) to monitor and influence that process. Still nothing has happened.

This year an exasperated Energy Board announced a review of the IRP Framework it established four years ago. After much talk, and an internal report by the staff of the Energy Board, that review is now proceeding. Enbridge is proposing new rules – some of which the Energy Board rejected in 2021 – that would provide the utility with large incentives to implement IRP. SEC is taking the position that IRP should be mandatory, not optional, with penalties for continuing failure to comply.

Evidence and a hearing are expected in Q1 2026, with a decision on the new policy by the end of Q2.

ONGOING MATTERS – ELECTRICITY

Hydro Ottawa. Ottawa schools were facing a substantial rate increase from this distributor, the fourth largest in the province. Written interrogatories and a technical conference were completed in Q3, and a settlement conference with a number of interested parties is scheduled for November. If the case is not settled, an oral hearing is expected in December, with a decision later in Q1 2026.

Burlington Hydro. This local distributor sought a rate increase of 27.5%. After extensive discovery, the customer groups, with SEC acting as lead negotiator, reached a settlement that will save the affected schools about $400,000 over the five years of the rate plan.

Oshawa Power. This utility, which delivers electricity in the City of Oshawa, including to about 75 schools, has proposed a 2026 rate increase for schools of more than 27%. Hidden in the filing, though, is their plan to build a new head office campus in downtown Oshawa at a very high cost, but that spending is not included in the application this time because it will not be until 2027. Under pressure from SEC (including a contested disclosure motion), the utility has admitted that the additional increase a year later may be as much as 23% for schools. However, they are refusing to provide details, and the planned oral hearing has been delayed while that is adjudicated.

The impact on Oshawa schools over the next five years appears to be more than a million dollars (that is one of the facts the utility doesn't want to disclose right now), so SEC is insisting on more information.

A decision on disclosure is expected in October, with a hearing in late October and a decision in Q1 2026.

Hydro One Distribution. Hydro One has filed its annual rate adjustment application, which includes a request to recover significant costs related to damage from the late-March 2025 ice storm that affected parts of the province. SEC is participating in the proceeding to ensure that the company does not double-recover any costs already included in rates, and to ensure that the requested incremental funding is calculated correctly and meets the required criteria. A decision is expected in Q1 2026.

E.L.K./ENWIN Merger. In this proposed merger, SEC has taken the position that the merger should be approved, but that the unusual ratemaking proposal of the acquiring utility, ENWin, which would have allowed special rate increases, should not be approved at this time. A decision is expected in Q4.

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Questions?

Contact Brian McKay (sec@oesc-cseo.org) or Mark Rubenstein (mark@shepherdrubenstein.com)

The SEC is registered as the official intervenor at the Ontario Energy Board on behalf of all 72 District School Boards in Ontario. The intervention role aims to protect the financial interests of school boards when natural gas and electricity utilities apply for increases in distribution rates for their energy sources.

The SEC is represented by Jay Shepherd, SEC Legal Counsel, who consults regularly with the OESC Executive Director.

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