



Information for Large Volume Union South Rate Zone Customers

Oct. 17, 2022

Enbridge Gas Files 2023 Federal Carbon Pricing Program Application

On Sept. 29, 2022, Enbridge Gas filed its 2023 Federal Carbon Pricing Program (FCPP) application with the Ontario Energy Board (OEB) for rate changes effective April 1, 2023 ([EB-2022-0194](#)). This application is seeking approval of rates to recover the costs associated with the federal Greenhouse Gas Pollution Pricing Act (GGPPA) as a pass-through to customers, as well as, for disposition of the 2021 balances in the FCPP-related deferral and variance accounts. This application also includes a request for approval of a rate change reflecting a common facility carbon charge for all customers effective Jan. 1, 2024.

In accordance with the GGPPA, the federal government implemented a carbon pricing system in Ontario in 2019. Enbridge Gas bills and collects federal carbon charges from its customers and remits the money that we collect to the government.

The federal carbon charge for 2023 is based on \$65/tCO₂e (12.39 cents/m³). All natural gas consumption is subject to the federal carbon charge except natural gas consumption that qualifies for exemption under the GGPPA.

Proposed 2023 Federal Carbon Pricing Customer-Related Charge (if applicable)

12.39 cents/m³

Proposed 2023 Federal Carbon Pricing Facility-Related Charge (EGD Rate Zone)

0.0162 cents/m³

Proposed 2023 Federal Carbon Pricing Facility-Related Charge (Union Rate Zones)

0.0079 cents/m³

Proposed Common Federal Carbon Pricing Facility-Related Charge (effective Jan. 1, 2024)

0.0157 cents/m³

The customer-related federal carbon charge (as applicable) is a separate line item on the bill. Customers who have registered and received an exemption certificate from the federal government will not be charged the customer-related charge. The facility-related carbon charge, which applies to all customers in each rate class regardless of their exemption status, is included in the delivery or transportation charges on customer bills. Effective Jan. 1, 2024, Enbridge Gas is proposing a common facility carbon charge of 0.0157 cents/m³ for all customers.

2021 Federal Carbon Charge Deferral and Variance Accounts

In this application Enbridge Gas is seeking OEB approval for the disposition of the 2021 balances recorded in its FCPP-related deferral and variance accounts. If approved as filed, the account clearing will result in a one-time adjustment being applied to bills for all customers on the first QRAM following OEB approval, as early as April 2023.

Union South Rate Zone Customers

	Unit Rate for One-Time Rate Adjustment* (cents/m ³)
Rate M4	0.0015
Rate M5A	0.0353
Rate M7	(0.0012)
Rate M9	(0.0011)
Rate M10	0.0580
Rate T1	0.0014
Rate T2	(0.0011)
Rate T3	(0.0001)

* recovered on customers' April 2023 bills and based on actual Jan. 1 to Dec. 31, 2021 volumes

Full details of the Federal Carbon Pricing Program application ([EB-2022-0194](#)) can be found on our website.

Ontario Emissions Performance Standards (EPS)

As a reminder, effective Jan. 1, 2022, Ontario's Emissions Performance Standards (EPS) program, administered by the Ministry of Environment, Conservation and Parks (MECP), replaced the federal Output-Based Pricing System (OBPS). The EPS regulates greenhouse gas emissions from large industrial facilities by setting an emissions standard that the facility must meet each year. A facility that does not meet the standard will be responsible for paying to cover the portion of its emissions that exceed the standard.

As of Jan. 1, 2022, only facilities registered in the EPS program are eligible for exemption from the federal carbon charge.

If you have not already done so, please follow the required steps outlined on Enbridge Gas' webpage to register your facility in the EPS: <https://www.enbridgegas.com/business-industrial/commercial-industrial/large-volume-services-rates/federal-carbon-pricing>

If you have any questions about any of the material in this newsletter, please contact your account manager.