

**Ontario Energy
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**Commission de l'énergie
de l'Ontario**

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BY EMAIL AND WEB POSTING

May 31, 2017

**To: All Natural Gas Distributors
All Participants in the Consultation Process EB-2015-0363
Other Stakeholders**

**Re: Report on the 10-year Long-Term Carbon Price Forecast
EB-2016-0359**

The Ontario Energy Board (OEB) is issuing a report developed by ICF Consulting Canada Inc. which provides a long-term carbon price forecast (LTCPF) for the 2018-2028 period. The OEB adopts the LTCPF for 2018-2028 for its stated purpose.

In its [Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities](#) issued on September 26, 2016, the OEB indicated it would provide a long-term (10-year) LTCPF and that the forecast would be updated annually.

The OEB stated that a long-term forecast of carbon prices is needed to effectively assess the reasonableness of longer-term greenhouse gas abatement activities. These long-term abatement activities include programs to reduce customer greenhouse gas emissions (e.g., energy conservation programs) as well as facility-related programs (i.e., fleet and buildings of natural gas distributors). The LTCPF is also an input to the Marginal Abatement Cost Curve (MACC), to be released later in 2017. The MACC will compare the relative cost-effectiveness of various customer and facility related abatement activities.

The OEB retained ICF Consulting Canada Inc. to develop the LTCPF for the 2018-2028 period. In addition to the expertise of this consulting firm, the OEB established a [Technical Advisory Group \(TAG\)](#) comprised of technical experts to provide input and advice on project data, methodologies and assumptions.

The long term carbon price forecast results and report, including the assumptions on which the forecasts are based, have been developed by ICF and reviewed by the TAG.

Questions about the LTCPF Report should be directed to Rachele Levin at rachele.levin@oeb.ca or 416-440-7673 and Valerie Bennett at valerie.bennett@oeb.ca or 416-440-8747.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary