

27 April 2012

Ontario Energy Board
2300 Yonge St., 27th Floor
Toronto, ON
M4P 1E4

Attn: Ms Kirsten Walli
Board Secretary

By electronic filing and e-mail

Dear Ms Walli:

Re: EB-2011-0283/0242 Biomethane Case – GEC Cross Exhibit

Attached please find a proposed GEC cross-examination exhibit in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Poch', with a stylized flourish at the end.

David Poch

Cc: all parties

GEC Cross Exhibit – Incremental Gas Cost vs. GHG Reduction Value

EGDI:	Proposed annual cap RNG purchases	3.3 million GJ	(0242-Ex C/T1/S1/p.1)
	Incremental annual cost of gas	\$34.38 million	(0242-Ex C/T1/S1/p.2)
Union:	Proposed annual cap RNG purchases	2.2 million GJ	(0283-Ex C, p.1)
	Incremental annual cost of gas (south)	\$18.362 million	(0283-Ex C, p.2)
	(north)	\$5.795 million	(0283-Ex C, p.3)
	Union total annual (in near term)	\$24.157 million	
EGDI & Union	incremental cost of gas (100% take up)	\$58.537 million per annum¹	

Estimated annual GHG reduction potential (long term)	18,984 kt CO ² eq	(Ex B/T1/A1/pp.25, 49)
Estimated annual GHG reduction potential (short term)	13,006 kt CO ² eq	(Ex B/T1/A1/pp.25, 49)
Annual reduction in CO ₂ e at 5.5 PJ cap	1,400 kt CO ² eq	(Ex. I-8-9)

GHG Reduction Value - Pessimistic case (no RNG market development beyond caps)

Value of Reduction @\$15/t C	1,400 kt CO ² eq/yr X \$15/t = \$21 million per annum
Value of Reduction @\$50/t C	1,400 kt CO ² eq/yr X \$50/t = \$70 million per annum

GHG Reduction Value - Optimistic case (full potential achieved)

Value of Reduction @\$15/t C	18,984 kt CO ² eq/yr X \$15/t = \$285 million per annum
Value of Reduction @\$50/t C	18,984 kt CO ² eq/yr X \$50/t = \$949 million per annum

¹ Compared to current WACOG with full cap taken up – lower uptake or higher future gas costs could reduce this value, lower gas costs could increase this value