

March 21, 2016

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
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Dear Ms. Walli:

Re: EB-2015-0363 – Consultation to Develop a Regulatory Framework for Natural Gas Distributors' Cap and Trade Compliance Plans.

Industrial Gas Users Association (IGUA) Interest in Participating.

We write as legal counsel to IGUA, and in response to the Board's March 10th notice to interested parties regarding the captioned consultation, to express IGUA's interest in participating.

Description of IGUA

IGUA is an association of industrial companies located in the Canadian provinces of Ontario and Québec, who use natural gas in their industrial operations. IGUA was first organized in 1973 and it provides a coordinated and effective public policy and regulatory voice for those industrial firms depending on natural gas as a fuel or feedstock. IGUA has become the recognized voice representing the industrial user of natural gas before regulatory boards and governments at both the provincial and national levels.

The Association's activities are guided by a 15 member Board of Directors, constituted to assure that each industrial sector and geographic region is represented. The Board of Directors has regularly scheduled meetings at least six times each year. A full time President and other staff are based in a permanent office in Ottawa.

Through regulatory intervention, government advocacy, marketing, promotion, partnerships, education and outreach, IGUA successfully represents industrial gas users. Our mission is to be the voice of our members within the natural gas industry through intervention, advocacy, and partnerships.

Nature and Scope of IGUA's Intended Participation

Most of IGUA's Ontario members are "large final emitters" (LFEs) for the purposes of Ontario's proposed cap and trade regime. IGUA's primary interest in this consultation is to consider and, as required, inform the Board regarding measures to ensure that the regulatory framework developed to guide preparation and implementation of Ontario's gas distributors' cap and trade compliance plans adequately isolates LFE's from exposure to compliance costs incurred by the distributors and related to gas volumes consumed by non-LFE gas consumers.

IGUA is also concerned about the nexus between the distributors' cap and trade obligations and associated compliance programs on the one hand, and their demand side management (DSM) programs on the other hand. In particular, IGUA's consideration of the cap and trade compliance programs of the distributors, and associated costs, will engage consideration of:

1. The extent to which DSM activities generate cap and trade offsets or other forms of emission abatement credits, and the ownership and disposition of these credits.
2. The overlap between DSM programs funded by gas distribution rates paid by LFEs and the direct compliance obligations (and associated expenses) of those LFEs under the cap and trade regime.

Intention to Seek an Award of Costs

IGUA also hereby requests that it be determined eligible for recovery of its reasonably incurred costs of its participation herein.

As a party primarily representing the direct interests of industrial consumers (i.e. ratepayers) in relation to regulated services, IGUA has in the past been determined to be eligible for cost awards pursuant to section 3.03(a) of the Board's *Practice Direction on Cost Awards*.

In its notice to interested parties the Board requested that participants requesting cost eligibility indicate whether costs for separate expert submissions should be provided for in this consultation. IGUA does not at present contemplate retaining expert assistance. Should IGUA's views on this change following consideration of the substance of the intended Staff discussion paper we will so inform the Board.

Request for Copies of Materials and Contact Information

IGUA requests that copies of written materials and circulated correspondence related to this matter be directed to it as follows:

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Yours truly,



Ian A. Mondrow

c: Dr. Shahrzad Rahbar (IGUA)
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