

January 12, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2017-0224/0255/0275 – 2018 Cap and Trade Compliance Plans – Interrogatories for Enbridge Gas Distribution Regarding Issue 1.10.1 – Renewable Natural Gas Procurement and Funding

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for Enbridge Gas Distribution Inc. pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All Parties

INTERROGATORIES FOR ENBRIDGE GAS DISTRIBUTION INC.

FROM THE CONSUMERS COUNCIL OF CANADA

EB-2017-0224/0255/0275

Issue 1.10.1 - RENEWABLE NATURAL GAS PROCUREMENT AND FUNDING

CCC-EGD-1

Re: Ex. C/T5/S2/p. 6

The evidence refers to EGD's EB-2017-0337 submission to the Board to be made later this year. Please indicate what submission the evidence is referring to. How does this relate to EB-2017-0319 (referred to at Ex. C/T1/S1/p. 4)?

CCC-EGD-2

Re: Ex. C/T5/S2/p. 6

The evidence states that the ICF study identified a range of carbon abatement costs associated with RNG in the range of \$77 to \$1,990 per tCO_{2e}. The study also noted a number of limitations and caveats related to its analysis of RNG potential and costs. In the absence of a more comprehensive analysis, why does EGD believe it is prudent to pursue RNG procurement in 2018? If there is no established market in Ontario why is it appropriate to contract for RNG supplies at this time? Why is EGD prepared to commit to 10-year contracts?

CCC-EGD-3

Re: Ex. C/T5/S2/p. 8

Please provide a list of all current RNG producers in Ontario and their potential annual production amounts.

CCC-EGD-4

Re: Ex. C/T5/S2/p. 9

Is it EGD's view that regardless of the economics associated with RNG production, and the absence of a real market, it has a role in terms of developing an Ontario RNG market? Why should EGD take on that risk?

CCC-EGD-5

Re: Ex. C/T5/S2/pp. 8-9

EGD is proposing an RNG procurement and funding model:

- a) Please describe, in detail, the RFP process that EGD will be undertaking;
- b) Has EGD and or Union determined the contractual arrangements that will be made between EGD, Union and the Province? If so, please provide those details. If not, when are the contractual arrangements expected to be finalized?

- c) Please explain how a tendering process would involve the Province of Ontario.

CCC-EGD-6

Re: Ex. C/T5/S2/pp. 9-10

The evidence states that Biogas producers require longer term contracts in order to support capital investments in RNG production facilities and EGD is considering entering into RNG procurement contracts with terms of up to ten years in duration. Will all of the contracts be for 10 years or does EGD expect to have different contract terms with different RNG providers? Please explain EGD's intention with respect to RNG contract terms.

CCC-EGD-7

Re: Ex. C/T5/S2/pp. 9-10

Please provide all correspondence, meeting materials, reports and presentations related to EGD's collaboration with the Province regarding RNG.

CCC-EGD-8

Re: Ex. C/T5/S2/p. 9

The evidence states that the Province will agree to compensate ratepayers for the difference between the cost of the RNG purchased and the carbon abated cost of natural gas. Will this be on a forecast or actual basis? Will there be a true-up mechanism to ensure ratepayers are not responsible for any of the differences? How and when will payments be made?

CCC-EGD-9

Re: Ex. C/T5/S2/p. 11

The evidence states that based on the expected level of Provincial funding, the initial round of the RNG RFP process is likely to capture less than .1% of the Company's annual gas volume requirement. What is the expected level of Provincial funding on an annual basis?

CCC-EGD-10

Re: Ex. C/T5/S2

Please identify all of the potential risks for EGD's customers regarding its RNG procurement. How will those risks be mitigated? Please explain what is meant by the statement, "Subject to receiving approval for the use of the forecast commodity and carbon cost methodology in this proceeding and the successful negotiation of contract terms and funding, the cost implications related to RNG procurement will be incorporated in future proceedings relying upon existing rate setting mechanisms."

CCC-EGD-11

Re: Ex. C/T5/S2

What are the implications for the RNG procurement model if the Ontario Cap and Trade Program is either eliminated or replaced with a carbon tax regime?

CCC-EGD-12

Re: Ex. C/T5/S2/p. 11

The evidence states that the RNG procurement model will provide for the acquisition of competitively priced RNG supplies. Please explain how EGD will acquire competitively priced RNG supplies if there is no established RNG market in Ontario (p. 8).

CCC-EGD-13

Re: Ex. C/T5/S2

In 2018 will EGD and Union be competing for RNG supplies? If the Union and EGD merger is approved and effective January 1, 2019, how will this impact the RNG procurement model? Why would it not be appropriate to await that approval before entering into long term contracts for RNG supply?