

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an application by Enbridge Gas Inc. for an order or orders related to its Voluntary Renewable Natural Gas Program;

AND IN THE MATTER OF an application by Enbridge Gas Inc. for an order or orders amending or varying the rates charged to customers for the sale, distribution, transmission, and storage of gas commencing as of January 1, 2021.

INTERROGATORIES

of

Summitt Energy Management, Inc. (Summitt)

Reference: EGI Ex.B Tab 2 Schedule 1, Page 2 of 9 (7)

The Program will have no minimum term for participation, allowing customers to cancel their enrollment on 30 days' notice. While the Company expects a certain percentage of participants will leave the Program each month, it is anticipated that this amount will at least be offset by new enrollments given marketing efforts and the relatively small financial commitment required for customers to join the program as new participants.

- 1. Please advise how Enbridge will enter into a contract for RNG and provide full disclosure of contract terms to a customer.**
- 2. Please advise whether Enbridge will be providing a customer with a cooling off period after acceptance of such contract.**

Reference: EGI Ex.B Tab 2 Schedule 1, Page 3 of 9 (10)

Consistent with the bill presentation of the Federal Carbon Charge, Enbridge Gas intends to display customer contributions towards the Voluntary RNG Program (i.e. the \$2 charge) as a separate line item of the bill.

Please provide a sample bill displaying the proposed location of the \$2 RNG charge on a customer's bill.

Reference: EGI Ex.B Tab 2 Schedule 1, Page 4 of 9 (12)

As detailed in Exhibit B, Tab 2, Schedule 2, Enbridge Gas proposes to begin RNG procurement using short-term contracts (e.g. seasonal or annual delivery contracts). RNG suppliers would prefer Enbridge Gas to enter into long-term (i.e. multi-year) RNG supply commitments which support investment in RNG production facilities. However, Enbridge Gas is not prepared to do so at this time without having a mechanism in place that would ensure the recovery of the associated RNG costs in rates years into the future.

To the extent that Enbridge has conducted a cost analysis of short term contracts for RNG procurement, please provide the average cost per m3 for Enbridge to procure RNG. The average cost should be reflective of current market prices for RNG as of the date of Enbridge's application.

Reference: EGI Ex.B Tab 2 Schedule 1, Page 5 of 9 (17)

Should Enbridge Gas services be required to facilitate an arrangement between a customer and a third-party marketing RNG, existing business processes and systems will be relied upon. For example, a customer may purchase a portion of their gas supply as RNG from a gas marketer or RNG producer, who would in turn work within Enbridge Gas's established direct purchase framework to see that RNG is used to meet a customer's delivery obligations and consumption.

- 1. Please advise whether Enbridge has conducted a detailed analysis of this alternative option. To the extent that Enbridge has conducted an analysis of this alternative option please provide those details.**
- 2. If Enbridge has not conducted a detailed analysis of this alternative option, please explain why such analysis has not been conducted, including but not limited to why this is not a favorable alternative to Enbridge.**
- 3. Please advise whether Enbridge conducted a detailed examination of the *Energy Consumer Protection Act, 2009, SO 2010, c 8* and the *Consumer Protection Act, 2002, SO 2002, c 30, Sch A*, in considering its proposal for entering into contracts with customers for voluntary RNG.**

Reference: EGI Ex.B Tab 2 Schedule 1, Page 5 of 9 (18)

Enbridge Gas's Voluntary RNG Program will initially target a modest number of customers of approximately 16,000 in the first year, growing to 23,000 and 25,000 in the next two years (see Exhibit C, Tab 2, Schedule 1). This measured start will give the Company the opportunity to validate market demand with minimal system and process changes and will allow Enbridge Gas to refrain from initiating significant system changes until growing demand for RNG is evident and the Company is better positioned to consider long-term, fixed-price RNG supply contracts.

Please provide details as to how Enbridge will target such customers. More specifically, how does Enbridge propose to avoid potential anti-competitive behavior by using its existing customer data base to target customers that may already be served by a Gas

Marketer or Open Bill Biller on a Carbon Offset Program as defined in Exhibit C Tab 3 Schedule 1 Page 2 of 4 (2(ii)).

Reference: EGI Ex.B Tab 2 Schedule 1, Page 6 of 9 (20)

Enrollment in Enbridge Gas's Voluntary RNG Program will be available by either visiting the Company's website and enrolling online or by calling the Company's customer service call centres. During enrollment, customers will agree to the predefined terms and conditions of the Program such as the amount of the fixed charge and the terms of cancellation.

- 1. Please provide a detailed outline as to how Enbridge will train customer service call center staff to enter into contracts with customers.**
- 2. Please confirm whether the designated customer service call center staff are employees or contractors of Enbridge.**
- 3. Please provide a detailed outline as to how Enbridge will conduct quality assurance and audit reviews of customer service call center staff to ensure full disclosure and transparency of contract terms is being provided to customers.**
- 4. Please advise how The Company will execute the contract with the customer for customers that call the Company's customer service call centres.**

Reference: EGI Ex.B Tab 2 Schedule 1, Page 8 of 9 (27)

With regards to other similar programs, Enbridge Gas has included reference to several other voluntary RNG programs offered in North America in Exhibit C, Tab 3, Schedule 1. The program offered by DTE Energy in Michigan is the most similar to Enbridge Gas's proposed Program. Enbridge Gas's Voluntary RNG Program differs somewhat from others in that it has been designed to avoid rate increases for non-participating customers. As a result, Enbridge Gas will not be in a position to enter into long-term fixed price RNG procurement agreements and will not be able to commit to a set RNG volume for specific customers or the Program as a whole. However, the Program will present an RNG option for customers that is scalable and avoids rate increases for non-participants.

Please advise whether Enbridge took into consideration both Ontario's and Michigan's retail natural gas market structure as part of its assessment in determining that the program offered by DTE Energy is most similar to Enbridge's proposal.

Reference: EGI Ex.B Tab 2 Schedule 1, Page 8 of 9 (28)

Concerning gas marketers, at present the Company is aware of only one gas marketer offering a voluntary RNG program in Ontario. This provider's offer is different from Enbridge Gas's proposed Program in that participating customers pay for the cost of offsetting their specific traditional natural gas usage with an equivalent amount of RNG. Enbridge Gas's Program is primarily targeted at cost sensitive customers looking to support low-carbon initiatives by offering a fixed monthly charge added to their existing natural gas bill.

Please advise what detailed analysis was undertaken to determine that there was only one gas marketer offering a voluntary RNG program or equivalent in Ontario.

Reference: EGI Ex.B Tab 2 Schedule 1, Page 9 of 9 (29)

Enbridge Gas is of the view that the Program does not compete with energy marketers that may attempt to offer an RNG supply option. Rather, it is a complementary offering that would provide Ontario consumers with more choices. Gas marketers that seek to make RNG offers available in Ontario will be free to do so. Much like in the marketing of traditional natural gas, gas marketers will also have the freedom to design unique and innovative RNG products for customers that go beyond the scale, scope and format of Enbridge Gas's Program (e.g. RNG contracts providing 100% of a customer's consumption as RNG, contracts with fixed commodity prices over set terms, etc.).

- 1. What factors did Enbridge consider in its determination that the proposed Program does not compete with energy marketers or suppliers using Enbridge's Open Bill service, who currently offer similar RNG products to customers.**
- 2. Has Enbridge considered the factors and potential conflicts that may arise with customers that Enbridge solicits who are currently receiving RNG or similar product from an energy marketer or supplier using Enbridge's Open Bill service.**

Reference: EGI Ex.B Tab 2 Schedule 2 Page 1 of 2 (3)

Enbridge Gas will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices." The Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market. For example, Enbridge gas may purchase RNG for a seasonal or year-long contract, subject to the availability of RNG in the market on shorter terms. Enbridge Gas is aware of a number of RNG producers in Ontario expected to be in-service in 2020 and 2021 respectively and expects there will be volumes of RNG available in the market.

Please advise how Enbridge will address any lack of availability of RNG in order to service its customers in any given month.

Reference: EGI Ex.B Tab 2 Schedule 3 Page 2 of 3 (6)

Enbridge Gas will provide participant recognition, subject to customers' consent, in order to acknowledge those who have voluntarily participated in this Program that benefits the environment. Some initiatives may include:

- i) Promotion/Incentive (e.g. gift or reward for early adopters if required, such as points for rewards cards);

Please advise how Enbridge will ensure that the offering of a gift or reward will not be construed as an inducement when soliciting customers for voluntary RNG.

Reference: EGI Ex.C Tab 1 Schedule 1 Page 1 of 1

COST COMPARISON: RNG VS. OTHER RENEWABLES TABLE

Please provide sources and references used to determine cost of RNG in a per kWh rate, including average RNG prices for producers based on short term contracts.

Reference: EGI Ex.C Tab 2 Schedule 3 Page 1 of 1

TEN YEAR PROGRAM FORECAST

Please provide the total cost per m3 per customer per year for years 1 through ten. Please also indicate the average m3 provided to each customer annually.

Reference: EGI Ex.C Tab 3 Schedule 1 Page 3 of 4 (3)

The table below sets out details of some of the RNG programs across these three main program types that Enbridge Gas has investigated.

- 1. Please confirm whether SoCalGas and SDG&E had received approval for their energy based program as at the date of Enbridge's application to the Ontario energy Board.**
- 2. Please advise whether the table includes all investigated RNG programs that Enbridge identified when conducting its research. If not please provide details of all investigated RNG programs.**
- 3. Please confirm whether Enbridge investigated every province and state in North America for similar RNG programs.**
- 4. In regards to the only identified carbon offset program. In preparing its application, please advise whether Enbridge had investigated all offerings of licensed Gas Marketers in Ontario to determine whether they offer a similar carbon offset program.**
- 5. In regards to the only identified carbon offset program. In preparing its application, please advise whether Enbridge had investigated all offerings of suppliers using Enbridge Open Bill service in Ontario to determine whether they offer a similar carbon offset program.**

Respectfully submitted on behalf of Summitt Energy Management, Inc April 30, 2020.



Jeff Donnelly
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Chief Privacy Officer, Corporate Paralegal