



**Brandon Ott**  
Technical Manager  
Regulatory Applications

Tel: 416-495-7468  
EGIRegulatoryProceedings@enbridge.com

**Enbridge Gas Inc.**  
500 Consumers Road  
North York, Ontario M2J 1P8  
Canada

**VIA RESS and EMAIL**

July 3, 2020

Ms. Christine Long  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0066 – Enbridge Gas Inc. (“Enbridge Gas”) – Voluntary  
Renewable Natural Gas (“RNG”) Program Application  
Argument-in-Chief**

---

In accordance with the Ontario Energy Board’s (“OEB”) Procedural Order No.3, enclosed please find Enbridge Gas’s Argument-in-Chief in the above-noted proceeding.

The submission has been filed through the OEB’s RESS.

Please contact the undersigned should you have any questions.

Sincerely,

Brandon Ott  
Technical Manager, Regulatory Applications

Cc: David Stevens, Aird & Berlis LLP  
All Interested Parties EB-2020-0066

## **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.

---

**ENBRIDGE GAS INC.**

**VOLUNTARY RNG PROGRAM**

**ARGUMENT-IN-CHIEF**

---

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9

David Stevens  
Tel (416) 863-1500  
Fax (416) 863-1515

Email: [dstevens@airdberlis.com](mailto:dstevens@airdberlis.com)

Counsel to Enbridge Gas

## **A. OVERVIEW**

1. On March 5, 2020, Enbridge Gas Inc. (Enbridge Gas, or the Company) filed an application with the Ontario Energy Board (OEB, or the Board) seeking approval to implement a Voluntary Renewable Natural Gas Program (Voluntary RNG Program, or the Program). The Voluntary RNG Program offers customers the opportunity to pay \$2 per month towards the purchase of RNG that will displace system supply of traditional natural gas. This will reduce the overall greenhouse gas emissions (GHG emissions) from the natural gas consumed by Enbridge Gas's customers.
2. The Voluntary RNG Program is simple and scalable. The Program will not increase the rates of non-participating customers throughout Enbridge Gas's deferred rebasing period. Customers will be able to join the Program at any time, and there will be no ongoing commitment for customers who wish to discontinue their participation. Enbridge Gas forecasts that approximately 16,000 customers will enroll in the Voluntary RNG Program in its first year (2021), with the number of participants growing to around 25,000 customers in year three.
3. In the immediate term (deferred rebasing period), Enbridge Gas will pay for all Program operating costs from existing distribution revenues, meaning that all funds received from Program participants will be used to fund the incremental cost of RNG above the cost of traditional natural gas. As part of its rebasing application, the Company will make a proposal regarding how Program operating costs will be funded in 2024 and beyond.
4. The Voluntary RNG Program is consistent with and responsive to public policy. The Voluntary RNG Program has been designed and proposed in response to the Government of Ontario's Made-in-Ontario Environment Plan (MOEP), which directs gas distributors to implement a voluntary RNG option for customers.
5. Anticipated benefits from this Application include: reductions to GHG emissions from Enbridge Gas customers while maintaining the value of existing distribution

infrastructure; increased customer awareness of the benefits of RNG; support for the growth of RNG supply options; and early steps towards the introduction of RNG to support future compliance with the anticipated Federal Clean Fuel Standard (CFS).

6. In this Argument in Chief, Enbridge Gas sets out the background and context that led to this Voluntary RNG Program Application, as well as the details of the proposed Program. Enbridge Gas will not predict and respond to positions that other parties may take in their submissions, but will instead respond to those submissions in Reply Argument.

## **B. BACKGROUND AND CONTEXT**

7. RNG is a renewable, carbon neutral energy source that results in GHG emission reductions. Reductions are achieved through the displacement of traditional fossil fuels and the capture of methane emissions which would otherwise enter the atmosphere from the decomposition of organic waste, wastewater or landfill waste.<sup>1</sup>
8. When the costs of producing biogas and upgrading it to pipeline quality RNG are considered, the cost of RNG is typically higher than the combined cost of carbon pricing and traditional natural gas. This price differential is anticipated to continue for the foreseeable future.<sup>2</sup> However, an advantage of RNG versus other forms of renewable energy is that it leverages existing valuable natural gas infrastructure, including customer owned heating equipment and other natural gas fueled appliances. RNG is an interchangeable substitute to traditional natural gas and can be injected into existing transportation and distribution pipelines, stored in existing natural gas storage facilities, and can be delivered directly to customers and end-users' equipment and appliances. The flexibility offered by RNG as a clean, renewable energy creates an opportunity for local and regional benefits resulting from a shift to a more circular economy.

---

<sup>1</sup> Exhibit B, Tab 1, Schedule 1, para. 3.

<sup>2</sup> Exhibit B, Tab 1, Schedule 1, para. 4. Note, however, that the cost of RNG is lower than many other forms of renewable energy. Additionally, as RNG production increases its costs can be expected to decrease.

9. The OEB has previously signaled support for RNG as a supply option in the EB-2011-0242/0283 and EB-2017-0319 proceedings, which considered proposals for RNG supply and RNG enabling services. In the first of these proceedings, while the Board did not approve an application to introduce RNG into system supply it gave the utilities the opportunity to augment their evidence as a “second chance” to obtain approval.<sup>3</sup> This showed an openness to potentially including RNG in system supply. In the EB-2017-0319 proceeding, the Board approved two new services under Enbridge Gas Distribution’s (EGD) proposed “RNG Enabling Program” which is intended to enable RNG production and was proposed because there was little current activity in that area.<sup>4</sup> One of the services approved by the Board (RNG Injection Service) is to be carried out within the regulated utility, indicating that the Board supports RNG supply through the Enbridge Gas system.
10. In the summer of 2018, the Provincial Government changed. Importantly, the current Provincial Government continues to support the introduction of RNG as a “clean fuel” that can help meet Ontario’s 2030 emission reduction target.<sup>5</sup> The Provincial Government’s MOEP is intended, among other things, to “[support] Ontarians to continue to do their share to reduce greenhouse gas emissions”.<sup>6</sup> Under the heading “Increase access to clean and affordable energy for families”, the MOEP states that the Government will “require natural gas utilities to implement a voluntary RNG option for customers”.<sup>7</sup>

---

<sup>3</sup> EB-2011-0242/0283 Interim Decision and Order, July 12, 2012, pages 4-5. Although the utilities ultimately chose not to file additional evidence and proceed with the application, the Board’s Interim Decision indicates an openness to considering the introduction of RNG into system supply.

<sup>4</sup> EB-2017-0319 Decision and Order, page 2.

<sup>5</sup> Exhibit C, Tab 4, Schedule 2, Made-in-Ontario Environment Plan (MOEP), page 23.

<sup>6</sup> MOEP, page 2.

<sup>7</sup> MOEP, page 33. Beyond its specific requirement for a voluntary RNG option, the Ontario Government commits to shifting toward a waste management approach that considers waste “as a resource that can be recovered, reused and reintegrated back into the economy.” The MOEP states that RNG production is a waste management option for organic waste resulting in “a clean, carbon-neutral energy source.” See Exhibit B, Tab 1, Schedule 1, para. 7 and references cited therein.

11. Enbridge Gas's proposed Voluntary RNG Program is made in response to the direction in the MOEP. However, as described in the final section of this Argument in Chief, the Program also brings other benefits.
12. In order to determine an appropriate approach for the Program, Enbridge Gas undertook detailed research into offerings currently available in Ontario and elsewhere.<sup>8</sup> The Company also conducted market research to investigate what would appeal to ratepayers.<sup>9</sup>
13. The research and review undertaken by Enbridge Gas informed the design of the Voluntary RNG Program, as well as the forecasts of anticipated customer enrollment.<sup>10</sup> The Program design appropriately meets the requirements of the Government's policy (voluntary participation), while also incorporating customer feedback (i.e. survey results) and lessons learned from the experiences of other RNG programs in other jurisdictions.

### **C. VOLUNTARY RNG PROGRAM DETAILS**

14. Enbridge Gas's proposed Voluntary RNG Program will offer system gas general service customers across all rate zones the option to pay a fixed \$2 monthly charge to fund the incremental cost of including RNG volumes in the Company's system gas supply.<sup>11</sup> Participating customers will not receive a specified proportion of their gas as RNG, nor will their contributions fund a set volume of RNG purchases. Rather, Enbridge Gas will use the fixed contributions from participating customers to fund the incremental cost of RNG relative to traditional natural gas, procuring as much RNG as can be purchased with the amount collected.<sup>12</sup>

---

<sup>8</sup> Exhibit C, Tab 3, Schedule 1.

<sup>9</sup> Exhibit C, Tab 3, Schedule 2.

<sup>10</sup> Exhibit B, Tab 2, Schedule 4, para. 1. See also 1Tr.170-172 and 1Tr.178-180.

<sup>11</sup> The Program will be available to system gas customers in general service rate classes in the EGD and Union rate zones, specifically Rate 1, Rate 6, Rate 01, Rate 10, Rate M1 and Rate M2.

<sup>12</sup> Exhibit B, Tab 2, Schedule 1, para. 4.

15. The proposed fixed monthly charge of \$2 balances consumer interest in the introduction of RNG into the Company's gas supply portfolio against consumers' sensitivity to cost. Enbridge Gas's research shows that \$2 per month is a 'sweet spot' for customers who are willing to pay a premium to participate in a Voluntary RNG Program.<sup>13</sup> The fixed charge will provide participating customers with certainty regarding program cost, and will simplify marketing, administration and communications. In addition, the fixed charge, being disconnected from volumetric consumption, will assist Enbridge Gas in forecasting Program funds available for the purchase of RNG.<sup>14</sup>
16. While the Voluntary RNG Program will be open to all general service system supply customers, it is aimed at residential (low-volume) customers.<sup>15</sup> Non-system supply customers, including contract customers, can access RNG through direct purchase arrangements using Enbridge Gas's transportation and direct purchase services.<sup>16</sup>
17. Enbridge Gas proposes to start the Voluntary RNG Program on January 1, 2021. Enrollment in Enbridge Gas's Voluntary RNG Program will be available by visiting the Company's website and enrolling online or by calling the Company's customer service call centres.<sup>17</sup> The Company will market the Program to customers in advance of that date. The Program will have no minimum term for participation, allowing customers to cancel their enrollment on 30 days' notice.<sup>18</sup>
18. Enbridge Gas's Voluntary RNG Program will initially target a modest number of customers (approximately 16,000) in the first year, growing to 23,000 and 25,000 in the next two years. By the end of the tenth year of the Program, Enbridge Gas

---

<sup>13</sup> Exhibit B, Tab 2, Schedule 1, para. 5. As highlighted in Exhibit C, Tab 4, Schedule 1, market research suggests that 46% of customers will support a voluntary RNG program and are willing to contribute \$2 per month where no RNG volume commitment is specified.

<sup>14</sup> Exhibit B, Tab 2, Schedule 1, para. 6.

<sup>15</sup> Exhibit B, Tab 2, Schedule 1, paras. 14 and 15. See also Exhibit I.BOMA.3.

<sup>16</sup> Exhibit B, Tab 2, Schedule 1, paras. 16 and 17. See also Exhibit I.VECC.9 and 1Tr.164-166.

<sup>17</sup> Exhibit B, Tab 2, Schedule 1, para. 20.

<sup>18</sup> Exhibit B, Tab 2, Schedule 1, para. 7. Proposed Rate Schedules for the Voluntary RNG Program are found at Exhibit C, Tab 5, Schedule 1 and 2.

forecasts 37,000 participants will be enrolled.<sup>19</sup> This measured approach 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.<sup>20</sup>

19. Based on the customer participation forecasts, Enbridge Gas forecasts that that Voluntary RNG Program participants' contributions in the first year of the Program will be approximately \$385,000, growing to approximately \$850,000 annually by year ten. Enbridge Gas forecasts the cumulative Program funds will be \$6.8 million (RNG Contributions) in the first ten years of Program operations.<sup>21</sup>

20. Enbridge Gas will procure RNG periodically, using funds that have been collected from Voluntary RNG Program participants to purchase short-term contracts.<sup>22</sup> The RNG Contributions will pay for the incremental cost of RNG above the then-current cost of the traditional natural gas supply being displaced.

21. The procurement will follow the same processes as used for the procurement of traditional natural gas, which provide for ratepayer protection and effective outcomes.<sup>23</sup> All RNG procured will have to meet gas quality requirements.<sup>24</sup> In most cases, Enbridge Gas expects to use an RFP process to procure RNG, with price being the primary factor to determine the successful bidder(s).<sup>25</sup> The RNG procured will initially displace spot purchases at Dawn for the Union South rate zone, and therefore the price comparison that Enbridge Gas will undertake for RNG offers will consider

---

<sup>19</sup> Exhibit B, Tab 2, Schedule 4, para. 1 and Exhibit C, Tab 2, Schedule 1. See also Exhibit I.EP.4(b) and 2Tr.133.

<sup>20</sup> Exhibit B, Tab 2, Schedule 1, para. 18.

<sup>21</sup> Exhibit B, Tab 2, Schedule 4, para. 2.

<sup>22</sup> Exhibit B, Tab 2, Schedule 4, paras. 1 and 3.

<sup>23</sup> Exhibit I.STAFF.6(2). See Exhibit I.ANWAATIN.3(a) for Enbridge Gas's Gas Supply and Procurement Policies and Practices.

<sup>24</sup> Exhibit I.EP.8(b).

<sup>25</sup> Exhibit I.STAFF.6(2). See also 1Tr.54-56 and 1Tr.150-151 and 154.

the landed cost of that supply at Dawn.<sup>26</sup> The cost of the RNG will be recorded in the Union South PGVA, and the amount of Program funds necessary to “buy down” the cost of RNG to equal the cost of traditional natural gas will be recorded as a credit in the PGVA, ensuring that non-participants do not pay for the incremental cost of RNG relative to traditional natural gas supply.<sup>27</sup>

22. Enbridge Gas does not initially propose to enter into long-term contracts for RNG supply, though it is understood that such contracts are the preference of RNG producers since they support investment and growth in production facilities.<sup>28</sup> Enbridge Gas recognizes this preference, and generally believes that long-term contracts will more effectively enable increased RNG production in Ontario and elsewhere. However, Enbridge Gas requires assurance (or very high likelihood) of cost recovery for long-term RNG contracts given that gas supply is not an activity for which the Company earns any return.<sup>29</sup> This may be possible in the future depending on the growth of the Voluntary RNG Program, or other changes in the regulatory environment, for example as a result of the introduction of a CFS.

23. Enbridge Gas estimates that available funds from the first 12 months of Program operations will allow for procurement of over 22,000 GJ of RNG, increasing gradually to reach 52,000 GJ in year ten.<sup>30</sup> In total, Enbridge Gas estimates that forecast RNG Contributions will allow the Company to procure over 400,000 GJ of RNG supply over the ten year forecast period.

24. Each unit of RNG procured will reduce GHG emissions by displacing traditional natural gas. In the first year of the Voluntary RNG Program, Enbridge Gas forecasts that RNG supply will result in GHG emissions reductions of approximately 1,100 tCO<sub>2</sub>e.<sup>31</sup>

---

<sup>26</sup> Exhibit B, Tab 2, Schedule 4, para. 3; Exhibit I.STAFF.7; and Exhibit I.CBA.4(c). See also 2Tr.3.

<sup>27</sup> Exhibit JT2.1.

<sup>28</sup> Exhibit I.ED.3(a); Exhibit I.GFL.1 and Exhibit I.VECC.8. See also 1Tr.60-61.

<sup>29</sup> Exhibit I.ED.3(a). See also 1Tr.56 and 1Tr.158-163 and 2Tr.62-63.

<sup>30</sup> Exhibit B, Tab 2, Schedule 4, para. 5; Exhibit C, Tab 2, Schedule 3 and Exhibit I.STAFF.8 and 10.

<sup>31</sup> *Ibid.*

Over ten years, Enbridge Gas forecasts that RNG supply from the Program will result in GHG emissions reductions of approximately 20,200 tCO<sub>2</sub>e.<sup>32</sup>

25. Enbridge Gas forecasts total Voluntary RNG Program operating costs over the first ten years of the Program will be \$2.7 million. It is estimated that approximately \$400,000 of the operating costs will be incurred in the first year of Program launch, offset by a tax credit of just under \$200,000 over the same period. Operating costs are expected to decrease in future years to approximately \$250,000 annually by year ten. Forecast costs include marketing costs, billing processing costs, customer contact center costs, legal costs and the revenue requirement associated with capital costs required for upgrades to internal systems.<sup>33</sup>

26. The Company will manage these operating costs within its existing revenues until rebasing in 2024. This will maximize the amount of RNG purchased under the Voluntary RNG Program.<sup>34</sup> As part of its rebasing application effective in 2024, Enbridge Gas will bring forward a proposal for the treatment of Program costs on an ongoing basis.<sup>35</sup>

27. Non-participants in the Voluntary RNG Program will not see any additional amounts included on their bills because of the Program. As noted, Enbridge Gas will absorb the Program costs during the deferred rebasing term. One place where all customers may see an impact will be in the calculation of any earnings sharing (ESM) amount.<sup>36</sup> The Voluntary RNG Program is a utility activity being conducted at the direction of the Ontario Government for the benefit of ratepayers and the Province. Program costs will be part of the utility's costs of providing service to ratepayers and will therefore be included in the determination of Enbridge Gas's utility results' net revenues for each year of the deferred rebasing term (2021, 2022 and 2023). To the extent that the

---

<sup>32</sup> Details of the calculation are found at Exhibit I.ANWAATIN.8(a).

<sup>33</sup> Exhibit B, Tab 2, Schedule 4, para. 3; Exhibit C, Tab 2, Schedule 2 and Exhibit I.STAFF.13.

<sup>34</sup> Exhibit B, Tab 2, Schedule 4, para. 4.

<sup>35</sup> Exhibit I.STAFF.12(1). See also 1Tr.98-99.

<sup>36</sup> Exhibit I.LPMA.10(a). See also 1Tr.96-98 and 2Tr.131-132.

Company is in an earnings sharing position in any year (i.e. utility ROE of at least 150 basis points above allowed ROE), then the inclusion of Program costs will decrease the ESM amount in a modest way, given that forecast Program costs are around \$250,000 per year.

28. The inclusion of RNG in the Company's gas supply portfolio will reduce the amount of Federal Carbon Charges otherwise payable by Enbridge Gas on behalf of ratepayers.<sup>37</sup> Enbridge Gas will subtract the amount of RNG from the total customer volumes of natural gas subject to the Federal Carbon Charge, as per requirements in the *Greenhouse Gas Pollution Pricing Act*. The difference between the amount of the Federal Carbon Charge paid to the federal government and the amount billed to customers will create a variance that will be recorded in the Federal Carbon Charge – Customer Variance Accounts (FCCCVA).<sup>38</sup> Enbridge Gas estimates this benefit (savings) to be less than \$50,000 in total for the first year of the Voluntary RNG Program.<sup>39</sup> Enbridge Gas proposes to record this amount as a credit in the FCCCVA such that all customers who pay the Federal Carbon Charge will benefit.<sup>40</sup> While the Company recognizes that it might be appropriate to specifically credit the variance to Program participants, the cost associated with administering that treatment outweighs benefits.<sup>41</sup>
29. Enbridge Gas plans to provide annual communications to participating customers outlining information such as the total amount of RNG procured under the Voluntary Program, related GHG emission reductions, future forecasts, Program participation, and/or other relevant metrics.<sup>42</sup>

---

<sup>37</sup> Exhibit B, Tab 1 Schedule 1, para. 8.

<sup>38</sup> Exhibit B, Tab 2, Schedule 1, para. 11 and Exhibit I.STAFF.14.

<sup>39</sup> Exhibit I.EP.10(d). See also 2Tr.24-25.

<sup>40</sup> The impacted rate classes are listed at Exhibit I.CBA.2(b). See also 1Tr.102-104.

<sup>41</sup> Exhibit I.STAFF.14. See also 1Tr.174 and 2Tr.26-30.

<sup>42</sup> Exhibit B, Tab 2, Schedule 1, para. 9. See also Exhibit I.PP.5 and 2Tr.33-36 and 2Tr.42 and 2Tr.140-141.

**D. BENEFITS OF THE VOLUNTARY RNG PROGRAM**

30. The initial motivating factor for the Voluntary RNG Program was the direction from the Ontario Government in the MOEP. However, that is not the only driver for the Program. As described below, the Voluntary RNG Program will drive a range of benefits for ratepayers and the broader public interest.
31. The Voluntary RNG Program is consistent with and responsive to public policy. The Program proposed in this Application is made in response to the direction in the MOEP, and in anticipation of the proposed CFS (discussed below). Including RNG within the Company's gas supply portfolio is a way for Enbridge Gas to meet the Board's expectation that the Company's gas supply plan supports and is aligned with public policy where appropriate.<sup>43</sup> Approving this voluntary and relatively small scale Program would be consistent with the Board's statutory objective "to promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances".<sup>44</sup>
32. The Voluntary RNG Program will contribute towards the "greening" of the Company's gas supply. The Program will reduce GHG emissions, while continuing to make use of the existing gas distribution system. Customers will continue to receive the same safe and reliable gas distribution service, and use their existing end-use appliances; however, the total emissions from the Company's customers will go down.
33. Enbridge Gas's research reveals that customers are not particularly familiar with RNG, but are supportive of its use to reduce GHG emissions. The launch and growth of the Voluntary RNG Program will help with consumer knowledge and awareness of the benefits and availability of RNG. Over time, it is anticipated that this will lead to customer interest and support for increasing the volumes of RNG in the Enbridge Gas

---

<sup>43</sup> EB-2017-0129 Framework for the Assessment of Distributor Gas Supply Plans, October 25, 2018, pages 11 and 18. See also EB-2019-0137 Final OEB Staff Report to the OEB, Consultation to Review Natural Gas Supply Plans, pages 2 and 31-32. See also Exhibit I.SEC.5.

<sup>44</sup> *Ontario Energy Board Act, 1998*, section 2(5).

system, whether provided by Enbridge Gas through the Program or from third party marketers.

34. Currently, there is little to no competition in the sale of injected RNG to residential and other low-volume customers in Ontario. It appears that only one marketer is offering any such option<sup>45</sup>, and the total number of mass market customers served by any gas marketer in Ontario is quite low.<sup>46</sup> Enbridge Gas does not believe that its Voluntary RNG Program will negatively impact gas marketers since they are not currently delivering a similar service to provide a small portion of gas supply as RNG.<sup>47</sup> Enbridge Gas expects that the launch and growth of the Program will drive customer demand for receiving RNG as part of their gas supply.<sup>48</sup> This could open up opportunities for third party gas marketers who will have the flexibility to design and market different offerings from Enbridge Gas's modest Program.<sup>49</sup>

35. The Voluntary RNG Program is expected to increase demand for RNG, directly (through procurement of RNG using Program funds) and indirectly (through increased awareness of RNG benefits that can translate into increased demand from large customers and gas marketer customers).<sup>50</sup> To some extent, this will support the development and growth of RNG production facilities in Ontario. While there is only one Ontario facility currently producing RNG, there are two more under construction and as many as thirty further potential projects that have been identified by the Canadian Biogas Association.<sup>51</sup> Enbridge Gas believes that there is potential annual available RNG production of up to 400 10<sup>6</sup>m<sup>3</sup> (15.2 million GJ) in Ontario.<sup>52</sup>

36. Looking forward, the federal government is developing a CFS, which will require fossil fuel producers, importers and distributors to reduce the carbon intensity of the fuels

---

<sup>45</sup> Exhibit I.CBA.1(d) and Exhibit I.SUMMITT.8. See also 1Tr.63-65.

<sup>46</sup> Exhibit I.STAFF.3(1a). See also 2Tr.44-46.

<sup>47</sup> *Ibid.* See also Exhibit I.SUMMITT.9(l).

<sup>48</sup> Exhibit I.STAFF.3(1b).

<sup>49</sup> Exhibit B, Tab 2, Schedule 1, para. 29. See also 1Tr.51-52.

<sup>50</sup> Exhibit I.STAFF.3(1b) and Exhibit I.ED.6. See also 1Tr.115-116.

<sup>51</sup> Exhibit I.STAFF.4, which links to [https://biogasassociation.ca/about\\_biogas/projects\\_ontario](https://biogasassociation.ca/about_biogas/projects_ontario).

<sup>52</sup> Exhibit JT1.2.

used in Canada. The CFS is proposed to impose a compliance obligation on the natural gas sector starting in 2023. One of the proposed compliance pathways available to natural gas distributors to satisfy their CFS obligation is the blending of low carbon intensity fuels with natural gas. As a result, Enbridge Gas would be required to procure RNG as part of the Company's supply portfolio.<sup>53</sup> The Voluntary RNG Program will give Enbridge Gas valuable experience and knowledge in RNG procurement which will assist the Company in being ready to meet CFS requirements on behalf of ratepayers.

37. A final benefit of Enbridge Gas's proposed Voluntary RNG Program is that it is easily scalable given that RNG volumes introduced to the system can vary directly with customer participation in the Program.<sup>54</sup> Therefore, if demand for the Program exceeds expectations, Enbridge Gas can simply adjust (increase) the volumes of RNG being procured. Additionally, the design of the Program can be updated over time to meet customer expectations and demand. For example, Enbridge Gas could offer different participation options that would appeal to larger customers or different monthly charge options for low-volume customers (such as a choice between \$2 and \$5 per month).<sup>55</sup> Enbridge Gas will assess its experience with the first years of the Voluntary RNG Program and report to the OEB and interested parties within its 2024 rebasing application at the end of the deferred rebasing term.<sup>56</sup> At that time, Enbridge Gas may propose updates to Program design.<sup>57</sup>

#### **E. RELIEF REQUESTED**

38. Enbridge Gas requests that the Board approve the cost consequences and rates necessary for the operation of the Voluntary RNG Program, to commence as of January 1, 2021.

---

<sup>53</sup> Exhibit B, Tab 1, Schedule 1, para. 10. See also Exhibit I.STAFF.9 and Exhibit I.VECC.4. See also 2Tr.141-144.

<sup>54</sup> Exhibit B, Tab 2, Schedule 1, para. 19.

<sup>55</sup> Exhibit I.STAFF.1(2).

<sup>56</sup> 1Tr.117.

<sup>57</sup> 2Tr.43.

39. Specifically, Enbridge Gas requests that the Board issue such final and interim Orders as may be necessary to approve:

- i. The proposed \$2 monthly charge for each participant in the Voluntary RNG Program;
- ii. The addition of the Voluntary RNG Program charge to relevant Rate Schedules;
- iii. The proposal to use all the RNG Contributions during the deferred rebasing term to pay for the incremental costs of RNG to include within the Company's gas supply portfolio;
- iv. The proposal to include Voluntary RNG Program costs in the calculation of ESM amounts during the deferred rebasing term; and
- v. The proposal to record reductions in the Federal Carbon Charges resulting from the inclusion of RNG in the Company's gas supply portfolio into the FCCCVA and to allocate such amounts to all ratepayers who pay Federal Carbon Charges.

All of which is respectfully submitted this 3<sup>rd</sup> day of July 2020.



---

David Stevens, Aird & Berlis LLP  
Counsel to Enbridge Gas