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November 21, 2011

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2011-0242 and EB-2011-0283 – Letter of Comment

Background

The Ontario Sustainable Energy Association (“OSEA”) is pleased to provide this letter of comment to the Ontario Energy Board relating to the Notice of Application and Hearing with respect to the applications of Enbridge Gas Distribution Inc. and Union Gas Limited for a Renewable Natural Gas Program.

Enbridge Gas Distribution Inc. (“Enbridge”) and Union Gas Limited (“Union Gas”) (Enbridge and Union Gas are hereafter collectively known as “the companies”) have each filed an application with the Ontario Energy Board (the “Board”) seeking fixed rates for the sale of natural gas that includes bio methane.

Both Enbridge and Union Gas propose to acquire bio methane as part of their respective supply portfolios. The volume of bio methane and the length of time over which it will be purchased will be limited. The companies are seeking a pricing framework for the purchase of bio methane from Ontario producers at specified prices for a 20-year term.

OSEA Comments

OSEA supports the companies’ applications for the reasons set out below and recommends that the Board approve the applications in recognition of the environmental, economic and energy benefits of renewable natural gas. OSEA supports this application because it is consistent with the Board’s objectives to include the promotion of energy conservation and energy efficiency in section 2 of the *Ontario Energy Board Act*.

OSEAs Understanding of Renewable Natural Gas (RNG): Benefits of Renewable Natural Gas

Energy Efficiency: Currently, the Ontario Power Authority has programs to convert RNG to electricity, but the direct application of natural gas is more efficient than conversion to electricity. Without a comparable program for the natural gas sector, the playing field is not level.

Alleviate Waste: RNG offers one solution to existing environmental waste problems such as waste in farm, food, and waste treatment areas and from existing landfills.

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Support for Ontario's Economy: RNG results in a “made in Ontario” energy supply that provides economic benefits through local job creation while adding to the diversity and security of gas supply. Local supplies of RNG means financial payments stay within the province to the benefit of Ontario farmers, municipalities or businesses.

Flexibility: RNG is a renewable, non-intermittent form of energy generated from waste. Unlike some other forms of renewable energy, it can be stored and dispatched as necessary through injection into the natural gas distribution or transmission systems.

Reduce GHG Emissions: RNG will reduce Ontario's GHG emissions by reducing methane emissions through natural decay and by replacing conventional natural gas. This will contribute directly to Ontario's GHG reduction targets of 15% by 2020 and 80% by 2050. The proposed RNG Program enables capture and redirection of methane that would otherwise be released into the atmosphere with the effect of creating 21 times more greenhouse gases (“GHGs”). The companies are already achieving GHG reductions through their successful demand-side solutions such as energy efficiency, fuel switching, building envelope improvements and other conservation measures. Putting RNG into the Utilities' pipeline systems complements these efforts.

RNG in Other Jurisdictions

Furthermore, such a program is consistent with programs in other jurisdictions deemed to be progressive with respect to renewable energy.

- FortisBC launched a renewable natural gas program for residential customers to help British Columbia fight climate change. Renewable natural gas is also considered carbon neutral in B.C. This translates into a 10 per cent credit to subscribers' carbon tax. FortisBC's renewable natural gas offering was recently granted Carbon Neutral Product status by Offsetters in B.C., Canada's leading carbon management solutions provider, after assessing the expected lifecycle emissions savings of the program.
- Greenlane Biogas, a subsidiary of the Flotech Group of companies (founded in 1986), has received an order to build two 'Totara+' landfill gas upgrading systems to process 3200 scfm (approximately 5150 Nm³/hr) of gas to be injected into a local natural gas pipeline near Detroit Michigan. Part of the Flotech Group of companies, Greenlane is the leading worldwide developer and supplier of technology for upgrading biogas and landfill gas to biomethane, for use in natural gas pipelines and as vehicle fuel. Greenlane has more than 20 years of global experience upgrading biogas, with installations in Canada, Denmark, Finland, France, Germany, Iceland, Japan, New Zealand, South Korea, Spain and Sweden. Greenlane technology is used in the world's largest plant for upgrading biogas, in Güstrow Germany which processes 6,000 scfm of raw biogas.

About OSEA

The Ontario Sustainable Energy Association is a province-wide, non-profit organization centered on the vision of sustainable energy. OSEA promotes the view that every Ontarian can be a conserver and generator of sustainable energy. As a founding member of the Green Energy Act Alliance that helped to

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shape Ontario's Green Energy and Green Economy Act, OSEA played a key role in assisting Ontario to make the transition to a more sustainable energy future and wishes to continue to actively participate in the legal and policy processes that support sustainable energy.

Yours Truly,



Kristopher Stevens
Executive Director

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