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File: 5739

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December 14, 2011

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Comments on Draft Issues List on Behalf of Bullfrog Power  
Board File No. EB-2011-0283 - Union Gas Ltd. - Renewable Gas Application  
Board File No. EB-2011-0242 - Enbridge Gas Distribution Inc. - Renewable  
Gas Application**

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Please accept Bullfrog Power's ("Bullfrog") comments on the draft issues list herein as directed in Procedural Order No. 1. In general Bullfrog supports an initiative to grow an RNG market in Ontario.

Bullfrog's primary concern is that as currently designed, the Applicants' proposed RNG program, including the proposed price setting mechanism, will not encourage the development of a sustainable market with multiple voluntary consumers and suppliers of RNG in Ontario ("voluntary market").

Bullfrog suggests that the Board assess, as part of the Board's review of the Applicants' proposal, whether the price setting mechanism proposed is the most reasonable and appropriate option available to benefit both suppliers and consumers of renewable natural gas in Ontario, and whether it is reasonable and appropriate to include measures to foster the creation of a voluntary consumer market for RNG as components of the plans proposed.

Specifically, Bullfrog submits that the Board should include issues in the issues list to address the following:

- ♦ establishing a price for RNG through a competitive procurement process (ie. Request for Proposals) for a limited amount of RNG, thereby relying upon actual market forces to set a fair and reasonable price. Bullfrog's concern is that the mechanism for setting the prices suggested by the Applicants is not transparent and relies on general assumptions that may vary on a project by project basis and will actually create an unsustainable industry and thereby undermine the development of a true market for RNG in Ontario



- ◆ supporting the development of a voluntary consumer market for RNG
- ◆ education and awareness required to promote communication within the RNG industry and to promote education of consumers about RNG for both the Applicants' proposed plan and any plan(s) for a voluntary market in Ontario
- ◆ stakeholder engagement of industry and consumer stakeholders to promote communication within the industry and to engage consumers to determine the most effective way to promote a voluntary market for RNG in Ontario
- ◆ effective evaluation of the Applicants' proposed RNG program including on-going assessment
- ◆ rules and standards governing a voluntary market for RNG including accessibility to transmission and distribution of RNG in Ontario for RNG producers and marketers who are not part of the Applicant's program.

Accordingly, Bullfrog attaches the Issues List with proposed revisions underlined.

Yours truly,

Juli Abouchar

*Partner*

*Certified as a Specialist in Environmental Law  
by the Law Society of Upper Canada*

cc    client  
      intervenors  
      applicant

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## DRAFT ISSUES LIST AS REVISED BY BULLFROG POWER

EB-2011-0242

EB-2011-0283

### 1.0: Role of the Utilities

- 1.1 Do the applications fit with the objectives for natural gas under the OEB Act?
- 1.2 Is the proposed role of both Enbridge and Union in developing and implementing a RNG program reasonable and appropriate?
- 1.3 How will Union and Enbridge's programs impact the development of the voluntary RNG market?
- 1.4 What steps will Union and Enbridge take to encourage the development of the voluntary RNG market?

### 2.0: Pricing Framework

- 2.1 Are the proposed purchase prices from landfill sources reasonable and appropriate?
- 2.2 Is the price setting mechanism proposed reasonable and appropriate to create a sustainable RNG market in Ontario?
- 2.3 Is the proposed annual breakpoint per site for landfill sources reasonable and appropriate?
- 2.4 Are the proposed purchase prices from anaerobic digester sources reasonable and appropriate?
- 2.5 Is the proposed annual breakpoint per site for anaerobic digester sources reasonable and appropriate?
- 2.6 Is the proposed maximum term length for RNG contracts (20 years) reasonable and appropriate?

### 3.0: Volume Caps

- 3.1 Is the proposed maximum volume cap of 3.3 petajoules (87 million m<sup>3</sup>) of RNG for Enbridge reasonable and appropriate?
- 3.2 Is the proposed maximum volume cap of 2.2 petajoules (58 million m<sup>3</sup>) for Union reasonable and appropriate?
- 3.3 Is it reasonable and appropriate for Union and Enbridge to establish rules and standards including accessibility for producers of RNG falling outside of the programs?



3.4 Is it reasonable and appropriate for the annual volume to be procured and assessed in increments over time, in order to permit market forces to identify the appropriate prices to be paid?

#### **4.0: Supporting Structure**

4.1 Is the proposed 5-year contract acceptance window following Board approval for RNG supply reasonable and appropriate?

4.2 Is the proposed contract structure reasonable and appropriate?

4.3 Are the proposed connection procedures reasonable and appropriate?

4.4 Are the proposed capital contributions for potential RNG producers reasonable and appropriate?

4.5 Is the proposed capacity allocation process to access the utilities' distribution and transmission systems reasonable and appropriate?

4.6 Are the proposed gas quality standards to be met reasonable and appropriate?

4.7 Is the proposed system for treating, and treatment of, any and all environmental attributes reasonable and appropriate?

4.8 Are the education and awareness processes proposed reasonable and appropriate?

4.9 Are the proposed mechanisms and metrics for evaluation of the program reasonable and appropriate?

4.10 Are the proposed processes to promote stakeholder engagement and communication reasonable and appropriate?

4.11 Is it reasonable and appropriate for the Board to provide rules and standards including capacity allocation to RNG producers outside the program to access transmission and distribution of RNG?

4.12 Is it reasonable and appropriate for the Board to provide continued monitoring over the proposed 5-year contract acceptance window?