

**SUMMARY OF ENERGY PROBE'S POSITION
ON THE BIOMETHANE APPLICATIONS**

May 22, 2012

Energy Probe opposes the Applications for the following reasons:

- 1. Enbridge Gas Distribution Inc. and Union Gas Limited (the "Applicants") have no mandate to cultivate a renewable natural gas ("RNG") market in Ontario.**
- 2. There is no shortage of natural gas available for distribution in Ontario now or in the foreseeable future.**
- 3. There is no economic justification for cultivating a RNG market in Ontario; RNG is substantially more expensive than natural gas now and in the foreseeable future.**
- 4. The Applicants have requested the Ontario Energy Board (the "Board") to impose the additional cost of RNG on system gas ratepayers only, without providing an opt out.**
- 5. In the EB-2006-0034 Enbridge Gas Distribution 2007 rates proceeding, the Board ruled on previous initiatives by Enbridge to influence gas prices charged to ratepayers through "risk management", terminating the program.**
- 6. The Ontario Ministry of Energy has not brought forward a policy or issued a directive to cultivate a RNG market. It has not brought forward a policy to increase natural gas costs through a feed-in tariff subsidy program.**
- 7. The Applicants argue that the Ontario government has an overwhelming policy commitment of conservation, which overlooks the policy initiatives of the government that counter power conservation, such as the Ontario Clean Energy Benefit, effective January 1, 2011, a subsidy that provides a 10% reduction on electricity bills for eligible groups at a cost estimated by the recent Commission on the Reform of Ontario's Public Service at some \$1.1 billion annually as an addition to provincial debt.**
- 8. The Auditor General of Ontario recently criticized the feed-in tariff program for high rates, limited oversight and misleading publicity in the 2011 Annual Report, Government of Ontario.**