

EB-2016-0004 - Natural Gas Community Expansion Proceeding

Environmental Defence Interrogatories On Evidence of EPCOR Utilities Inc. (“EPCOR”)

1. Reference: Adonis Yatchew pre-filed evidence, p. 20

Mr. Yatchew states: “The purpose of the Reserve that we have proposed is to defray capital costs.”

Would it be appropriate for the proposed Reserve Fund to also defray the capital costs of home energy retrofits and renewable energy (solar thermal, heat pumps) investments?

2. Reference: Adonis Yatchew pre-filed evidence

Does Mr. Yatchew agree that existing gas consumers should be required to subsidize expansions of Ontario’s natural gas distribution system only if all of the following criteria are met:

- a) The expansion will lead to a net reduction in Ontario’s greenhouse gas emissions [e.g., this could occur if the new customers’ previous energy source (e.g., heating oil) had higher greenhouse gas emissions];
- b) Expanding the gas system is the most cost-effective, feasible option to achieve the greenhouse gas emission reductions [i.e., do not expand the gas distribution system using existing customer subsidies if the emission reductions could be achieved at a lower cost by energy efficiency or renewable energy investments (e.g., home energy retrofits, heat pumps)]; and
- c) The subsidy is necessary to make the project happen [e.g., do not require existing customers to subsidize an expansion of the gas system if the cost could be recovered from the new customers via a surcharge on their gas rates]?

If “no”, please fully justify your response. Please specifically address each of the three criteria in your response. Note that the above three criteria would not be to the exclusion of other criteria required for community expansion.