



**DEMARCO
ALLAN**
LLP

5 Hazelton Avenue, Suite 200
Toronto, ON M5R 2E1
TEL +1 888 389 5798
FAX +1 888 734 9459
www.demarcoallan.com

Lisa (Elisabeth) DeMarco
Senior Partner
CEL +1.647.991.1190
lisa@demarcoallan.com

April 22, 2016

Filed on RESS and Sent via Courier

Kirsten Walli
Board Secretary
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2016-0004 – Generic Proceeding on Natural Gas Expansion

We are counsel to GreenField Specialty Alcohols Inc. (**GreenField**) in the above-mentioned proceeding. Please find attached the responses from GreenField to the interrogatories received from Ontario Energy Board Staff (**Board Staff**).

Should you have further questions on this matter, please do not hesitate to contact me.

Yours very truly,

Lisa (Elisabeth) DeMarco

Encl.

GREENFIELD RESPONSE TO BOARD STAFF INTERROGATORY #1

Interrogatory: 1

Reference: Evidence of Greenfield Specialty Alcohols, page 1, para 3

Preamble: Greenfield Specialty Alcohols Inc. (**Greenfield**) is the owner and operator of the Tiverton Industrial Alcohol distillery located in the Bruce Energy Centre in the Municipality of Kincardine.

Question: How far is the distillery in the Municipality of Kincardine from a natural gas main line?

Response: GreenField's Tiverton plant is located 58 km from Union Gas's mainline following a pipeline route that was proposed both by Union Gas and Epcor. This route passes through the towns of Chesley and Paisley and is a fairly direct route from the Union Gas Main line from Kitchener/Waterloo to Owen Sound. Connection to the Kitchener to Owen Sound line would be at Dornoch.

GREENFIELD RESPONSE TO BOARD STAFF INTERROGATORY #2

Interrogatory: 2

Reference: Evidence of Greenfield Specialty Alcohols, page 3, para 6

Preamble: Greenfield has noted that it is a major industrial natural gas customer with demand from the Tiverton plant representing approximately 50% of the demand for natural gas in the Kincardine, Arran-Elderslie, Huron-Kinloss service area.

Question:

- a) If the Tiverton plant were to receive piped natural gas service, what would be the annual natural gas demand of the facility in cubic meters?
- b) Would Greenfield consider expansion of the facility in Kincardine if it were to receive piped natural gas service?
- c) Would Greenfield consider making a significant capital contribution in order to obtain natural gas service to the distillery and the Municipality of Kincardine as well as surrounding areas?

Response:

- a) GreenField currently consumes compressed natural gas at its Tiverton plant that is trucked in from its natural gas compressor station located just west of Mount Forest, a distance of 95 km from Tiverton. The gas supply is used to fuel the plant and to produce steam for Bruce Power. Total peak demand is $66 \times 10^3 \text{m}^3/\text{day}$ and yearly demand based on 2015 figures is $17,200 \times 10^3 \text{m}^3$.

- b) GreenField continues to review business opportunities at all of its plants. Although the company would consider expansion, this would depend on the tariffs for natural gas supplied by pipeline. GreenField is also considering the installation of a cogeneration facility to assist the plant's economics. The pipeline would increase the Tiverton plant's natural gas demand by 150 GJ/day.

- c) GreenField would review a capital contribution to the pipeline on the same basis as any other capital project within the company. The capital contribution would have to earn a reasonable return to justify such an investment. If the pipeline proponent required a long term take or pay contract for the tariff or related capital contribution then both the term and any proposed capital financial commitments would have to be assessed.

GREENFIELD RESPONSE TO BOARD STAFF INTERROGATORY #3

Interrogatory: 3

Reference: Evidence of Greenfield Specialty Alcohols, page 3, paras 6-7

Preamble: Greenfield has noted that energy costs remain the second highest input cost for the Tiverton plant and are an important focus for Greenfield to improve its competitive position in the North American market.

Question:

- a) Has Greenfield considered other options for its energy needs? If yes, please provide details.
- b) Will the Ontario Government's initiative to transition to a lower carbon economy impact Greenfield's decision to support expansion of natural gas service in the Municipality of Kincardine?

Response:

- a) Prior to the construction of Mount Forest in late 2012, GreenField undertook a confidential and commercially sensitive analysis of then-available energy options and concluded to proceed with compressed natural gas (CNG). It completed construction of a CNG supply system at its natural gas compressor station located near Mount Forest to permit CNG to be trucked into its Tiverton plant.

The company continues to seek out ways to find efficiencies and lower energy costs.

- b) GreenField fully supports the government's initiative to transition to a lower carbon economy and the company is developing a number of low carbon fuel technologies to help Ontario achieve that goal. The

company is assessing the implications of the draft cap and trade regulations and will not provide a determinate view until after the regulatory scheme has been finalized. GreenField is nonetheless hopeful that the transition to a lower carbon economy and natural gas expansion will have both an economic and environmental benefit when compared with the status quo.