Ontario Energy Board

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Commission de l'énergie de l'Ontario

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BY EMAIL AND WEB POSTING

February 9, 2017

To: All Natural Gas Distributors

All Participants in the Consultation Process EB-2015-0363

Other Stakeholders

Re: Technical Advisory Group for the OEB's Long-Term Carbon Price

Forecast and Marginal Abatement Cost Curve EB-2016-0359

This letter establishes a Technical Advisory Group for the development of a Long-Term Carbon Price Forecast (LTCPF) and a Marginal Abatement Cost Curve (MACC).

Background

As outlined in Section 5.2 of the Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities (the "Regulatory Framework") issued September 26, 2016, the Ontario Energy Board (OEB) determined that it will develop a province-wide, generic MACC for the natural gas utilities to use as an input into the development of their Cap and Trade Compliance Plans and to be used as a key input to the OEB's assessment of the cost consequences of the utilities' Plans. The MACC will provide a range of compliance options along a spectrum of costs, including both customer- and facility-related cap and trade compliance and carbon abatement measures and activities.

OEB staff is overseeing the development of the OEB's LTCPF and MACC and has procured an expert consulting firm.

Technical Advisory Group

In addition to the expertise from the consulting firm, the OEB is establishing a Technical Advisory Group comprised of technical experts to provide input and advice at key junctures.

The Technical Advisory Group will be comprised of:

- Three experts in energy efficiency and/or climate change mitigation and/or carbon abatement selected by the OEB:
 - o Chris Neme, Energy Futures Group
 - David Sawyer, EnviroEconomics
 - o Jotham Peters, Navius Research
- Ehsan Dibaji and Jeff Hodgins, Union Gas
- Fiona Oliver-Glasford and Margarita Suarez, Enbridge Gas
- Representatives that will participate as observers:
 - Brendan Callery, Independent Electricity System Operator (IESO)
 - o Mike Parkes, Environmental Commissioner of Ontario (ECO)
 - o Jason Dion, Canada's Ecofiscal Commission
 - Saurabh Yadav, Ministry of Energy (MOE)
 - Tom Johnson, Ministry of Environment & Climate Change (MOECC)

In selecting these experts, the OEB considered the diversity of their expertise, their participation in similar Ontario-based consultations and/or their experience with energy efficiency and climate change/carbon abatement in other jurisdictions. The selected candidates are expected to provide input and advice based on their experience and technical expertise and not to advocate positions of parties they may have represented before the OEB in various proceedings. The OEB may engage the services of other experts during the course of the project as required. The Technical Advisory Group will be asked to provide input and advice on project data, methodologies, assumptions, etc., for the LTCPF and MACC through in-person meetings and/or teleconference calls from February until May 2017.

Cost Awards

Cost awards will be available under Section 30 of the *Ontario Energy Board Act, 1998* to the three selected experts in relation to their participation in the Technical Advisory Group. Costs awarded will be recovered from all rate-regulated natural gas distributors based on their respective customer numbers.

If you have any questions regarding this consultation process, please contact Valerie Bennett at Valerie.Bennett@OntarioEnergyBoard.ca or at 416-440-7747.

The OEB's toll free number is 1-888-632-6273.

Yours truly,

Original Signed By

Kirsten Walli Board Secretary