Ontario Energy Board

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By Email and Web-posting

April 26, 2017

To: All Regulated Natural Gas Distributors All Interested Parties

Re: Framework for the Assessment of Distributor Gas Supply Plans OEB File No. EB-2017-0129

On March 16th, 2017 the OEB issued a letter (<u>March 16th Letter</u>) initiating the consultation to develop a Framework for the Assessment of Distributor Gas Supply Plans ("Framework").

The Framework will establish the OEB's expectations and objectives for rate-regulated distributors' gas supply plans and clearly articulate the approach the OEB will take to assessing whether the plans meet those objectives in order to ensure cost effectiveness and value to consumers. As stated in the March 16th Letter, the development of the Framework will also address what role Renewable Natural Gas (RNG) should play in the system gas supply portfolios of the distributors.

OEB staff will be preparing a draft Framework relying on the work done in the earlier Gas Supply Planning Initiative as well technical input from a working group. Once the draft Framework has been developed, OEB staff will consult broadly on it to gather input from all stakeholders.

This letter provides an update for the next steps in this consultation.

Working Group

To assist OEB staff in developing a draft Framework for consideration, the OEB has established a Technical Working Group made up of the following organizations:

- Enbridge Gas Distribution Inc.
- Union Gas Limited
- Consumers Council of Canada (CCC)
- Industrial Gas Users Association (IGUA)
- School Energy Coalition (SEC)
- Federation of Rental-Housing Providers of Ontario (FRPO)
- Canadian Biogas Association (CBA)
- City of Hamilton
- Ministry of Agriculture, Food and Rural Affairs

The Working Group has been designed to ensure that there is a balanced and broad representation of relevant interests with a focus on bringing the appropriate level of expertise on the issues to assist OEB staff. The Working Group is expected to meet several times over the next two to three months. Materials related to the Working Group, including agendas, meeting schedules, presentations, and meeting notes will be posted on the OEB's website as they become available.

Issues for the Working Group

In developing a draft Framework, staff has identified certain issues where additional technical information would be of assistance. The working group will focus initially on the issues related to RNG as a component of gas supply plans, including:

- o Understanding the current RNG marketplace and sources in Ontario
- Drivers for inclusion of RNG in the system gas supply plan?
- Availability and reliability of supply of RNG that should be taken into consideration in developing the Framework
- What are the barriers and enablers to including RNG in the supply mix?
- What are the key metrics that the OEB should be looking to help inform the appropriate contribution of RNG to the supply mix?

The first meeting of the working group members will be held on May 2nd via conference call (details below). This meeting will focus on a discussion regarding the RNG sector in Ontario and the issues that focus specifically on RNG.

A second working group meeting on RNG will be held on May 23rd, 2016. Further details and an agenda will be provided prior to this meeting.

A third working group meeting is anticipated to be held during the week of June 12th and will focus on the Multi-Year Gas Supply Plan and the Annual Gas Supply Memorandum.

More detail about this meeting will be provided at a later date.

Working Group Meeting #1 Date: May 2nd, 2017 Time: 9:30 to 11:30 Conference Number: 1-866-832-4446 Conference ID: 2812741

Working Group Meeting #2 Date: May 23rd, 2017 Location: OEB 25th Floor ADR Time: 9:30 to 4:30

Working Group Meeting #3 Date: Week of June 12th Location: OEB 25th Floor ADR Time: TBA

While not anticipated at this time, staff may set up additional working group meetings.

Any questions relating to this letter should be directed to Jason Craig at <u>Jason.craig@oeb.ca</u> or at 416-440-8139. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Brian Hewson Vice President, Consumer Protection & Industry Performance