



# **Ontario Energy Board Commission de l'énergie de l'Ontario**

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## **DECISION AND ORDER ON COST AWARDS**

**EB-2016-0359**

**Technical Advisory Group for the OEB's Long-Term Carbon Price  
Forecast and Marginal Abatement Cost Curve**

**BEFORE:** Cathy Spoel  
Presiding Member

Christine Long  
Vice Chair and Member

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**October 3, 2017**

## INTRODUCTION AND SUMMARY

In a letter dated February 9, 2017, the Ontario Energy Board (OEB) established 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 provide a long-term carbon price forecast (LTCPF) and a marginal abatement cost curve (MACC). The LTCPF and the MACC will be used by the natural gas utilities as inputs into the development of their Cap and Trade Compliance Plans and will also be used by the OEB in its assessment of the cost consequences of the utilities' Plans.

The LTCPF provides 10 year forecasts of the cost of carbon allowances. The MACC provides information on a range of potential GHG abatement activities along a spectrum of costs. OEB staff procured an expert consulting firm, ICF Consulting Canada Inc. (ICF), to develop the LTCPF and MACC.

The OEB established a Technical Advisory Group (TAG) comprised of technical experts to provide input and advice on the development of the LTCPF and MACC. The TAG included three experts in energy efficiency and/or climate change mitigation and/or carbon abatement as well as representatives of Union Gas and Enbridge Gas and observers from several organizations.

In its February 9, 2017 letter, the OEB indicated that cost awards would 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.

On August 21, 2017, the OEB issued its Notice of Hearing for Cost Awards on the consultation activities of the Technical Advisory Group. The following participants are eligible for cost awards (collectively, eligible parties):

- Chris Neme, Energy Futures Group
- Dave Sawyer, EnviroEconomics
- Jotham Peters, Navius Research

The OEB received cost claims from Energy Futures Group, EnviroEconomics and Navius Research. No objections were received.

### **OEB Findings**

The OEB has reviewed the cost claims filed by Energy Futures Group, EnviroEconomics and Navius Research to ensure they were compliant with the OEB's *Practice Direction on Cost Awards*.

The OEB has determined that the cost claims submitted by all parties are in accordance with the OEB's Notice dated August 21, 2017. However, the claim of EnviroEconomics requires a reduction of \$245.28 due to incorrect mileage rate used.

The OEB finds that each of these Eligible Participants is entitled to 100% of its reasonably incurred costs of participating in this proceeding.

The OEB finds that the claims of Energy Futures Group and Navius Research and the adjusted claim of EnviroEconomics are reasonable. The OEB approves cost awards for the eligible participants as follows:

• Energy Futures Group	\$2,557.50
• EnviroEconomics	\$12,136.04
• Navius Research	\$4,350.50

### **Process for Paying the Cost Awards**

The amount payable by each rate-regulated natural gas distributor in relation to costs awarded to each Eligible Participant is listed in Schedule A to this Decision and Order. However, the amounts will not be paid directly by the utility to the participant.

The OEB will use the process set out in section 12 of the *Practice Direction* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards relating to this consultation process. Invoices will be issued to rate-regulated natural gas distributors at the same time as the invoices for

cost assessments are made under section 26 of the Act. The practice of the OEB is to issue to each rate-regulated natural gas distributor one invoice that covers all cost awards payable by the rate-regulated natural gas distributor for the relevant period. As a result, the invoice may cover cost awards payable in relation to a number of consultations, including this one.

**THE ONTARIO ENERGY BOARD THEREFORE ORDERS THAT:**

1. Each rate-regulated natural gas distributor listed in Schedule A to this Decision and Order shall pay the amounts set out in Schedule A in relation to the costs awarded to each Eligible Participant.
2. Each rate-regulated natural gas distributor listed in Schedule A to this Decision and Order shall pay the OEB's costs of, and incidental to, this consultation.
3. The payments referred to in paragraph 1 shall be made to the OEB in accordance with the invoice issued to each rate-regulated natural gas distributor, and shall be due at the same time as cost assessments under section 26 of the Act are due.

**DATED** at Toronto October 3, 2017

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**Schedule A****OEB's Decision and Order on Cost Awards****EB-2016-0359**

<b>Gas Distributor, Transmitter, Storage Company</b>	<b>Energy Futures Group</b>	<b>EnviroEconomics</b>	<b>Navius Research, Inc.</b>	<b>Total</b>
Enbridge Gas Distribution	\$ 1,526.46	\$ 7,243.47	\$ 2,596.62	\$ 11,366.55
Union Gas	\$ 1,025.03	\$ 4,864.05	\$ 1,743.65	\$ 7,632.73
Natural Resource Gas	\$ 6.01	\$ 28.52	\$ 10.23	\$ 44.76
<b>TOTAL</b>	<b>\$ 2,557.50</b>	<b>\$ 12,136.04</b>	<b>\$ 4,350.50</b>	<b>\$ 19,044.04</b>