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January 17, 2018

**DELIVERED VIA E-MAIL**

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| Ms. Kirsten Walli  Board Secretary  Ontario Energy Board  2300 Yonge Street  Suite 2700  Toronto, Ontario  M4P 1E4 |  |

Dear Ms. Walli:

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|  | **Re: Enbridge Gas Distribution Inc. (“Enbridge”)**  **File Number: EB-2017-0224/0255**  **2018 Cap and Trade Compliance Plan** |

We are writing as counsel to Enbridge to respond to several items in Mr. Poch’s letter on behalf of GEC dated January 15, 2018 and Mr. Elson’s letter of January 16, 2018 on behalf of ED.

GEC/ED appear to be under the belief that Enbridge is proposing RNG procurement in lieu of additional conservation measures. This is incorrect. Enbridge believes that RNG procurement should be undertaken in addition to further appropriate cost effective conservation measures.

The question about what further conservation measures are appropriate is difficult to address at this time, as part of the 2018 Compliance Plan. GEC indicates that they do not understand why Enbridge has highlighted that GreenOn is providing funding for conservation programs. The point here is that before Enbridge can plan for a material increase in ratepayer funded DSM, the Company needs to have more information about the intentions of the Government of Ontario through GreenOn and other entities in respect of the billion dollars to be invested in conservation initiatives (using proceeds from allowance auctions). It makes no sense for gas utilities to seek approval for a material expansion of DSM programs which may prove to be in competition with and/or redundant with programs undertaken by the Government of Ontario. Enbridge submits that as a matter of practical necessity, there is a need to allow the Government of Ontario to fully identify its intended activities under its Climate Change Action Plan and GreenOn. To rush into additional natural gas conservation activities without understanding what market will exist is not a prudent expenditure of ratepayer funds.

Enbridge is concerned that the 2018 Compliance Plan proceeding be able to be determined in a timely manner, so that work can proceed with the 2019/2020 Compliance Plan. Adding an intervenor evidence stage to this proceeding will add time, including time for the utilities to prepare and file responding evidence. Enbridge does not oppose the filing of Mr. Neme’s evidence at an appropriate time, in an appropriate proceeding. Enbridge had suggested that the evidence might be better included in the DSM Mid-Term Review. If that is not feasible (as Mr. Poch asserts), then an alternative is the 2019 Cap and Trade Compliance Plan proceeding which will involve a 2 year plan. That proceeding may be the most appropriate as the Board and Parties will at that time have a more complete and better understanding of what the Province’s intentions are in respect of undertaking and financing conservation measures. This would then allow the utilities and the Board to consider additional DSM efforts in light of the overall conservation activities being undertaken province-wide. Mr. Neme’s views about the appropriateness and cost effectiveness of undertaking additional DSM would certainly be impacted by this information.

Yours truly,

AIRD & BERLIS LLP



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