

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

Via Email: BoardSec@ontarioenergyboard.ca

January 25, 2018

Dear Ms. Walli:

As the collective voice of the Canadian biogas industry, the Canadian Biogas Association (CBA) supports the renewable natural gas (RNG) proposal in Union Gas Limited (Union) and Enbridge Gas Distribution's (EGD) 2018 compliance plan (EB-2017-0255) where approval is being sought to conduct an RFP to initiate RNG supply procurement.

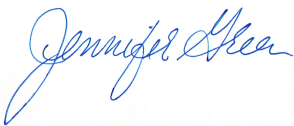
Ontario has the opportunity to be a leader in the production of RNG, reducing emissions and providing a low-carbon fuel for industrial, transportation, and building sectors. To achieve these benefits today, the industry needs stable market demand and longer-term contracts to support investment in Ontario. With product demand and predictable revenue streams, capital investments will be forthcoming, and more plants will be built.

CBA applauds Union and EGD's proposal to use carbon market proceeds to support the introduction of RNG into the Utilities' purchases and feels this is an important step in developing the RNG marketplace in Ontario. With the right market signals, there is significant market development potential for RNG. According to a 2011 Alberta Innovates report, the potential Ontario generation is 1372 million m³/year of RNG which accounts for about 6% of residential, commercial and industrial use of natural gas.

Using carbon market proceeds to help consumers with the cost of shifting to RNG is an important first step to spur RNG market development. To continue this growth the CBA advocates for policies that support a renewable content requirement of 2% RNG by 2025, pricing for RNG of \$21/GJ on average to create sustainable biogas business models for facility developers, and funding to support innovation and opportunities to maximize benefit of the proven, low risk biogas solution.

The proposal put forth by Union and EGD sets a direction to introduce RNG into the gas supply portfolio in an expedited, market based approach that will reduce emissions and provide RNG project proponents with a contracted fixed price for their product, encouraging sustainable growth for the market. We would be pleased to meet with you at your convenience to discuss our position further.

Sincerely,



Jennifer Green

Executive Director, Canadian Biogas Association

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