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BY E-MAIL

April 5, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2701
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Technical Conference Questions for the Green Energy Coalition and Environmental Defence Expert Evidence

**Enbridge Gas Distribution Inc. (EB-2017-0224)
Union Gas Limited (EB-2017-0255)
EPCOR Natural Gas Limited Partnership (EB-2017-0275)
2018 Cap and Trade Compliance Plan Application**

In accordance with Procedural Order No. 3, please find attached OEB staff technical conference questions related to the expert evidence produced by Mr. Chris Neme on behalf of the Green Energy Coalition and Environmental Defence related to the above noted proceeding.

Yours truly,

Original signed by

Josh Wasylyk
Project Advisor, Application Policy & Climate Change

OEB Staff Technical Conference Summary – Chris Neme

OEB staff has provided its technical conference questions related to the expert evidence produced by Chris Neme on behalf of the Green Energy Coalition and Environmental Defence below.

OEB Staff Technical Conference – Chris Neme Question 1

Reference

Exhibit GEC/ED.STAFF.3

Answer to Interrogatory from OEB Staff

Preamble:

In response to GEC/ED.STAFF.3(b), Mr. Neme provided a table with his calculations of the net cost per tonne of carbon emission reduction, computed in the same way that the incremental cost per tonne of carbon emission reduction shown in Table 1 (p. 32) of Mr. Neme’s expert evidence.

	A	B	C	D	E	F
Utility/Sector	Annual Savings (million m3)	Budget (millions \$)	Lifetime Carbon Avoided (tonnes)	Avoided Gas Costs (millions \$)	Net Cost (millions \$)	Net cost per Tonne Carbon
Enbridge						
Res	56.2	\$115.9	1,580,625	\$154.0	(\$38.2)	(\$24)
C&I	169.3	\$85.9	4,761,563	\$464.0	(\$378.1)	(\$79)
Total	225.5	\$201.7	6,342,188	\$618.0	(\$416.2)	(\$66)
Union (excluding Large Volume)						
Res	20.4	\$86.3	573,750	\$55.9	\$30.4	\$53
C&I	192.8	\$92.7	5,422,500	\$528.4	(\$435.6)	(\$80)
Total	213.2	\$179.0	5,996,250	\$584.3	(\$405.3)	(\$68)

Notes

- ¹ *Enbridge Assumptions : savings by sector from EGD Exh C/T5/S2 p. 26; assumes avg 15 year life; budget from OEB Revised order w/overheads allocated in proportion to program budgets*
- ² *Union Assumptions: savings by sector from Union Response to Staff.31; assumes avg 15 year life; budget from OEB Revised order w/overheads allocated in proportion to program budgets*
- ³ *Net cost is program cost minus avoided gas costs.*

OEB STAFF FOLLOW UP QUESTIONS FOR GEC/ED.STAFF.3

- a) OEB Staff has some clarification questions regarding the table shown above. OEB Staff is trying to understand if the cost of abatement falls below the cost of an allowance (\$18.99).
 - i. Please confirm that the Column A, Annual Savings (million m3), comes from the Conservation Potential Study (CPS).
 - 1) What years are included in the totals for this column?

- ii. Please confirm that Column B, Budget (million \$), comes from the OEB Decision on the 2015-2020 DSM Plans.
 - 1) What years are included in the totals for this column?
- iii. Please discuss how the totals in Column C, Lifetime Carbon Avoided (tonnes), has been calculated.
- iv. Please discuss how the totals in Column D, Avoided Gas Costs (millions \$), has been calculated.
- v. Please discuss how the totals in Column E, Net Cost (million \$), has been calculated.
- vi. Please discuss how the totals in Column F, Net Cost per Tonne Carbon, has been calculated.
- vii. Please discuss if and how the totals in Column F, Net Costs per Tonne Carbon, can be compared to the cost of an allowance (\$18.99).
- viii. Have you conducted any analysis relative to the gas utilities' cumulative (or lifetime) natural gas savings from the approved DSM plans, particularly the years 2018-2020, to identify if there are any savings potential remaining between the achievable potential identified in the CPS and the projected DSM plan savings?