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BY E-MAIL

April 10, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution (Enbridge Gas)
Application for Renewable Natural Gas Enabling Program and Geothermal
Energy Service Program
OEB File No. EB-2017-0319
OEB Staff Submission**

In accordance with Procedural Order No. 1, please find attached OEB staff's submission that responds to submissions on the draft issues list. This submission is filed with the OEB and copied to the applicant and all intervenors.

Yours truly,

Original Signed By

Shuo Zhang
Advisor, Major Applications

Encl.

**APPLICATION FOR RENEWABLE NATURAL GAS
ENABLING PROGRAM AND GEOTHERMAL
ENERGY SERVICE PROGRAM**

Enbridge Gas Distribution Inc.

EB-2017-0319

OEB STAFF SUBMISSION

April 10, 2018

I. INTRODUCTION

Enbridge Gas Distribution Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) on January 17, 2018, seeking approval for the cost consequences of its proposed Renewable Natural Gas (RNG) Enabling Program and Geothermal Energy Service Program.

Procedural Order No.1 allowed for initial submissions by parties on the draft issues list and response submissions. Enbridge Gas and nine intervenors¹ made initial written submissions on the draft issues list. Enbridge Gas, Energy Probe, and VECC supported the draft issues list. The other parties submitted written comments with suggestions for revisions to the draft issues list. This is OEB staff's submission on the draft issues list and intervenors' initial submissions. It is intended to assist the OEB in making a determination on the final issues list. A revised draft issues list proposed by OEB staff has been attached as Schedule A to this submission.

II. SUBMISSION

A. Additions to the Draft Issues List

OEB staff supports SEC's proposal to include the issue – *Does the OEB have the authority to set a service fee for the Geothermal Energy Service Program, and if so, under, what section?* OEB staff proposes that issue 1.2 under 1. New Business Activities be revised as follows:

1. New Business Activities:

1.1 Should the new business activity – RNG Enabling Program – be considered as part of the utility's regulated business?

1.2 Should the new business activity – Geothermal Energy Service Program – be considered as part of the utility's regulated business?

¹ The nine intervenors include Association of Power Producers of Ontario (APPrO), Anwaatin Inc. (Anwaatin), Canadian Biogas Association (CBA), School Energy Coalition (SEC), Industrial Gas Users Association (IGUA), E2 Energy Inc. (E2), Energy Probe Research Foundation (Energy Probe), Vulnerable Energy Consumers Coalition (VECC) and Federation of Rental-housing Providers of Ontario (FRPO).

1.2.1 Does the OEB have the authority to set a service fee for the Geothermal Energy Service Program, and if so, under, what section?

OEB staff also supports the following issue, requested by SEC, to be added to the final issues list:

What are the appropriate terms and conditions of the Geothermal Energy Service Program, RNG Enabling Program – Upgrading Service, and RNG Enabling Program – Injection Service?

OEB staff submits that this issue should be added to issue 2 (Cost Consequences).

The CBA proposed to include the following issue:

Should Enbridge Gas Distribution/the applicant be required to provide access to the pipeline to producers where requested? Under what conditions related to pipeline proximity and capacity, for example, should the access be provided, and what measures will EGD take to enable access?

OEB staff submits that CBA's issue can be adequately addressed with the inclusion of SEC's issue discussed above.

Anwaatin proposed to include the following issues relating to Indigenous consultation:

Who will undertake what consultation to ensure Indigenous rights and interests in the biogas lands and injection sites have been considered and addressed?

Who will undertake what consultation to ensure Indigenous rights and interests in the geothermal lands and injection sites have been considered and addressed?

OEB staff notes that the duty to consult is triggered where the Crown contemplates action that could adversely impact an Aboriginal or treaty right. It is not clear to OEB staff that the approvals being sought in this application directly

impact any Aboriginal or treaty rights. As a result, OEB staff proposes alternate questions to identify any Aboriginal or treaty rights impacted by this application:

Are any Aboriginal or treaty rights impacted by this application? If so, what Aboriginal or treaty rights?

To the extent any Aboriginal or treaty rights are potentially impacted, has the duty to consult been adequately discharged with respect to these rights?

OEB staff submits that the alternate questions proposed above can be added as a new issue 4 (Aboriginal or Treaty Rights).

B. Issues that are subsumed under the Draft Issues List

OEB staff submits that the following issues proposed by CBA, IGUA and Anwaatin are currently subsumed within issue 1.1 and 1.2 and therefore do not need to be included in the final issues list:

- *Should both parts of the new business activity RNG Enabling Program - the proposed Rate 400 for Upgrading Services and Rate 401 for Injection Services – be considered as part of the utility’s regulated business, each on its own merits?*
(CBA)
- *Are the proposed programs appropriate GHG abatement activities for a rate regulated utility?*
(IGUA)
- *Are the proposed costs, rate/fee methodology, and fees for the RNG Enabling Program – Upgrading Service reasonable and appropriate?*
(Anwaatin)
- *Are the proposed costs, rate/fee methodology, and fees for the RNG Enabling Program – Injection Service reasonable and appropriate?*
(Anwaatin)

- *Are the proposed costs, rate/fee methodology, and fees for the Geothermal Energy Service Program reasonable and appropriate?*
(Anwaatin)

OEB staff notes that the costs for the RNG Enabling Program outlined in the evidence are illustrative and are a hypothetical example for a single RNG production facility².

C. Questions to be explored in the proceeding (through the interrogatory process)

Some intervenors proposed questions to be considered as issues by the OEB. It is OEB staff's view that the purpose of an issues list is to set out broad issues that need to be determined by the OEB. As a result, OEB staff submits that these questions are already subsumed under the draft issues list and are best pursued through the interrogatory process under the following issues:

² Ex B, T1, S 1, page 19, #57

Table 1. OEB Staff’s Suggestions on Proposed Questions

Intervenors	Proposed Questions	Relevant Issue
Anwaatin	1.3 Are there financial impacts resulting from the proposed new business activities on Indigenous communities in the utility's service territory?	Issue 2. Cost Consequences
	1.4 Do the proposed new business activities contribute to Ontario's Climate Change Action Plan and access to affordable energy for Ontario's Indigenous communities?	Issue 1. New Business Activities
	1.5 What are the greenhouse gas impacts of each of the proposed new business activities, and what assumptions support those calculations?	Issue 1. New Business Activities
	2.4 What are the projected total bill impacts (geothermal loops plus electricity costs of running the heat pump) for potential consumers over the next 10 years?	Issue 2. Cost Consequences
CBA	2. Should Rate 401 be mandatory or voluntary (which would enable a third party to provide the Injection Service)?	Issue 1. New Business Activities
E2	To understand the extent by which the Applicant has considered its potential costs associated with an RNG facility’s proximity to existing pipeline infrastructure.	Issue 2. Cost Consequences
	To understand the Applicant’s proposed criteria for volume, proximity and other associated conditions for providing RNG-access, as well as the Applicant’s potential remedies in the event a project’s failure or suspension of government funding.	Issue 2. Cost Consequences
FRPO	What conditions, if any, should be attached to an approval to protect ratepayers from the cost consequences of contractual commitments by the utility that are not supported by expected government funding?	Issue 2. Cost Consequences

All of which is respectfully submitted

Schedule A

OEB Staff Submission

Enbridge Gas Distribution Inc.

EB-2017-0319

Draft Issues List

April 10, 2018

EB-2017-0319

Draft Issues List**1. New Business Activities:**

- 1.1. Should the new business activity – RNG Enabling Program – be considered as part of the utility’s regulated business?
- 1.2. Should the new business activity – Geothermal Energy Service Program – be considered as part of the utility’s regulated business?
 - 1.2.1. Does the OEB have the authority to set a service fee for the Geothermal Energy Service Program, and if so, under, what section?

2. Cost Consequences:

- 2.1. Is the methodology to set services fees for the RNG Enabling Program – Upgrading Service reasonable and appropriate?
- 2.2. Is the methodology to set services fees for the RNG Enabling Program – Injection Service reasonable and appropriate?
- 2.3. Are the services fees for the Geothermal Energy Service Program reasonable and appropriate?
- 2.4. What are the appropriate terms and conditions of the Geothermal Energy Service Program, RNG Enabling Program – Upgrading Service, and RNG Enabling Program – Injection Service?

3. Deferral and Variance Accounts:

- 3.1. Is the proposal to include the annual sufficiency / deficiency of the RNG Enabling and Geothermal Energy Service Programs within the Cap and Trade Compliance Obligation Variance Accounts reasonable and appropriate?
- 3.2. Is the disposition methodology appropriate?

4. Aboriginal or Treaty Rights:

4.1. Are any Aboriginal or treaty rights impacted by this application? If so, what Aboriginal or treaty rights?

4.2. To the extent any Aboriginal or treaty rights are potentially impacted, has the duty to consult been adequately discharged with respect to these rights?