



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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May 2, 2018
Our File: EB20170319

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2017-0319 – EGD RNG Enabling and Geothermal Energy Program – Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Pursuant to Procedural Order No. 2, please find SEC's interrogatories.

Yours very truly,
Shepherd Rubenstein P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and interested parties (by email)

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B), as amended;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order or orders related to its Renewable Natural Gas Enabling Program and Geothermal Energy Service Program;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order or orders amending or varying the rates charged to customers for the sale, distribution, transmission, and storage of gas commencing as of January 1, 2018.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1.1-SEC-1

[B1-1-1, p.15] Please provide a copy of the full business case for each of the RNG Enabling programs.

1.1-SEC-2

[B-1-1, p.15] With respect to the RNG Enabling Program:

- a. Please confirm that part of Enbridge's gas supply mix is locally produced (Ontario) supply.
- b. If confirmed, please explain how Enbridge injects the supply into its system, and how that differs from the proposed RNG Enabling Program – Injection service.
- c. Please provide details regarding how Enbridge is compensated for this service.

1.1-SEC-3

[B-1-1, p.15] Please explain why Enbridge believes that the RNG Enabling Program should be a regulated activity.

Please explain what benefits and risks are borne by each of the following parties: i) existing natural gas customers, ii) RNG producers, and iii) Enbridge shareholders.

1.1-SEC-4

[B-1-1, p.15] Please provide copies of all memorandum, correspondence, presentations, meeting notes, and similar documents exchanged between Enbridge, MOE, MOECC, and GreenON, regarding the proposed RNG Enabling Program.

1.2-SEC-5

[B1-1-1, p.21] Please provide a copy of the full business case for each of the Geothermal Energy Services Programs.

1.2-SEC-6

[B1-1-1, p.21] Please provide all information or analysis that Enbridge has regarding the current and future market for geothermal energy systems in Ontario.

1.2-SEC-7

[B-1-1, p.21] Does the Enbridge believe geothermal systems are a mature technology? Please explain.

1.2-SEC-8

[B1-1-1, p.21] Please provide copies of all memorandum, correspondence, presentations, meeting notes, and similar documents exchanged between Enbridge, MOE, MOECC, and GreenON, regarding the proposed Geothermal Energy Service Program.

1.2-SEC-9

[B1-1-1, p.26] Enbridge states that it initially targeting single family homes with the Geothermal Energy Services program and in the future it may expand to multi-residential and commercial market.

- a. Please clarify if Enbridge is only offering the program to single-family homes or that it is only targeting single-family homes. For example, will a school or other non-single family home property be eligible to participate in the program even if they are not targeted by Enbridge
- b. If other classes of properties besides single family homes will be able to participate, will the proposed service fee and terms be any different. If so, please provide details.

1.2-SEC-10

[B1-1-1, p.21] For each of the listed segments of the potential geothermal market, Please explain if Enbridge, i) will make its Geothermal Energy Services Program available ii) will target with its Geothermal Energy Services Program, and iii) expects uptake of its Geothermal Energy Services Program.

- a. Homes, business or others who are Enbridge natural gas customers;
- b. Homes, business or others who are currently eligible to be Enbridge natural gas customers;
- c. Homes, business or others where Enbridge does not currently offer service but could be based on EBO 188;
- d. H Homes, business or others where Enbridge does not currently offer service but reasonably could be based on the Board's Community Expansion Decision (EB-2016-0004);
- e. Homes, business or others where Enbridge does not currently offer service and could not be based on EBO 188 or the Community Expansion Decision (EB-2016-0004);
- f. Homes, business or others that are not within Enbridge's existing franchise territory;
- g. Other

1.2-SEC-11

[B1-1-1, p.21] Does Enbridge currently believe that there is sufficient competition to protect the public interest in Ontario for the provision of geothermal energy systems? Please explain your response.

1.2-SEC-12

[B1-1-1, p.21] Please provide the corresponding \$/tonne CO₂e avoided using the same methodology as that in the OEB's *Marginal Abatement Cost Curve for Assessment of Natural Gas Utilities' Cap and Trade Activities*. Please provide a breakdown of the calculation and any assumptions made.

1.2-SEC-13

[B1-1-1, p.21] Please explain why Enbridge believes that the Geothermal Energy Service Program should be a regulated business and not undertaken on an unregulated basis.

1.2-SEC-14

[B-1-1, p.21] Does Enbridge have any plans for an unregulated part of its business, or that of any of its affiliates, to engage in the renewable natural gas or geothermal energy system business? If so, please provide details.

1.2.1-SEC-15

[B-1-1, p.15] With respect to the Geothermal Energy Service Program:

- a. Does the Enbridge consider the service fee a rate under the *OEB Act*?
- b. What section of the *OEB Act* gives the Board the authority to set the service fee? Please explain your response in detail.
- c. If the response to part (b) is pursuant to section 36, please explain how the service fee is for the “transmission, distribution and storage of gas.”

2.1-SEC-16

[B-1-1, p.18] With respect to the RNG Enabling Program:

- a. Please provide a copy of the form or template of the contract Enbridge will require the producer to sign.
- b. Will Enbridge require the producer to provide some form of guarantee or security (e.g. letter of credit) from a producer who enters into a contract? If yes, please provide details.
- c. If not, please explain why not.
- d. Is the individual PI of each project required to be at least 1.0, or is it the aggregate of the projects? If it is the latter, please explain the rationale.
- e. Is the OM&A included in the DCF calculation done on an incremental or fully allocated basis? Please estimate the annual difference between each type of costing.

2.3-SEC-17

[B-1-1, p.18] If a current Enbridge natural gas customer decided to sign up for the Geothermal Energy Service, who pays for the stranded costs of assets used to serve that individual property (e.g. gas line on property, meter)?

2.3-SEC-18

[B1-1-1, p.27] With respect to the Geothermal Energy Service Program service fees:

- a. Is the service fee fixed over the length of the contract term or will it be adjusted? If it will be adjusted, please explain when and how. If it will not be adjusted, please explain why not.
- b. Please explain why the service is entirely variable (per tonne of heating capacity).

2.3-SEC-19

[B1-1-1, p.29] With respect to the customer additions forecast for the Geothermal Energy Service Program:

- a. Please provide the basis for the 10 year customer additions forecast and tonne of heating capacity forecast.
- b. If the GreenON funding program is cancelled please provide a revised 10 year customer additions and volume (tonne of heating capacity) forecast.
- c. Please provide a revised forecast PI based on the customer addition forecast provided in part (b).

2.3-SEC-20

[B1-1-1, p.21] With respect to the Geothermal Energy Service Program:

- a. Will Enbridge use its own existing resources, hire additional staff, or sub-contract to third parties the installation and maintenance of the geothermal loops? Please explain the rationale of the approach taken.
- b. If the response to part (a) in whole or in part is to sub-contract to third parties, does Enbridge expect those agreements to contain any exclusivity or other restraint on trade provisions? If so, please provide details.

2.4-SEC-21

[B1-1-1, p.26, 28] Enbridge states that it will enter into contract with the homeowner property owner.

- a. Please provide a copy of the contract that it will require homeowners to enter into.
- b. Please provide details and a rationale regarding the expected term of the contract and its material terms.
- c. If not the same as what is provided in response to part (a), please provide a copy of the proposed customer service agreement.
- d. Please provide details and a rationale regarding the expected material terms of the proposed customer service agreement.
- e. Does Enbridge expect to make changes to its standard Handbook of Rates and Distribution Services and/or Conditions of Service to account for its Geothermal Energy Service Program? If so, please provide details.

2.4-SEC-22

[B1-1-1, p.21] With respect to the Geothermal Energy Service Program:

- a. Please provide a breakdown of all the costs for an individual homeowner for installing a geothermal energy system.

- b. What is the expected payback period for the homeowner with and without the GreenON/CCAP subsidy? Please provide details of the calculation.
- c. Please provide a breakdown of all the costs for Enbridge for each incremental homeowner who participates in the Geothermal Energy System Program.

2.4-SEC-23

[B1-1-1, Appendix 11] With respect to the Geothermal Energy Service Program OM&A costs:

- a. Please provide a breakdown of the OM&A costs of the program.
- b. Is the OM&A included in the DCF calculation done on an incremental or fully allocated basis? Please estimate the annual difference between each type of costing method.

2.4-SEC-24

[B-1-1, Appendices)] Please provide a copy of the DCF analyses included in the evidence in Excel format with the formulas intact.

2.4-SEC-25

[B1-1-1, Appendix 9] With respect to Rate 400 and Rate 401, please provide a copy of the terms and conditions of service.

2.4-SEC-26

[B1-1-1, p.30] What would be the annual service fee for the Geothermal Energy Services Program if only customers of this new program were responsible for all costs in all years?

Respectfully submitted on behalf of the School Energy Coalition this May 2nd, 2018.

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition