

January 25, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Enbridge Gas Inc. Comments on the Report of the Advisory Committee on Innovation to the OEB Board File No.: EB-2018-0287**

On January 16, 2018, the Ontario Energy Board ("OEB") convened a Stakeholder Forum on the Report of the Advisory Committee on Innovation to the OEB. The purpose of the Stakeholder Forum was to provide parties with an opportunity to ask questions and provide comments on the recommendations identified in the Report. The OEB was also seeking input on the following:

1. What actions should be the highest priority for the OEB?
2. What interdependencies should be considered for planning and sequencing the OEB's next steps regarding further policy development and consultation?
3. Are there any gaps or complementary areas of inquiry that need to be considered?

Stakeholders were also given the opportunity to provide comments in writing. The following are the written comments of Enbridge Gas Inc. ("Enbridge") with respect to prioritization of the OEB's next steps. Enbridge has no comments on the questions 2 and 3.

**1. Remove Disincentives to Innovative Solutions**

Enbridge believes that in order to continue to meet customers' needs for affordable, reliable and sustainable energy, that innovation is necessary. Further, customers benefit through the development of innovative products and services by way of reduced energy costs and enhanced service offerings. The current regulatory regime does not provide Enbridge the necessary incentive to invest in innovation for the benefit of ratepayers.

Although Enbridge recognizes it is not the only market player that can enable change, it notes its unique ability to advance new technology and approaches to meaningful scale by leveraging its expertise and relationships with customers – the commercialization of innovation. Commercialization is necessary for meaningful change to the energy market and reduction of GHG emissions.

To this end, Enbridge supports the establishment of alternative funding mechanisms that will allow utilities to pursue the implementation of innovative technologies. For example, an innovation fund would allow utilities to make investments in innovation that would not otherwise be made.

## **2. Embrace Simplified Regulation**

Enbridge supports the principles of a 'Simplified Regulation' process as outlined at the Stakeholder Forum. Simplified regulatory processes reduce the cost to ratepayers and allow for timely introduction of new products and services. In particular, Enbridge supports the concepts of on-going consultation to help remove regulatory obstacles and the need for a streamlined, transparent regulatory review that can lead to decision making in a timely fashion.

A specific example would be the raising on the threshold for LTC applications to \$10 million from the current \$2 million. This would reduce the regulatory burden and allow for timely construction of new infrastructure.

Further Enbridge supports the establishment of the OEB's Innovation Sandbox as a forum to discuss innovation proposals and how regulatory obstacles may be removed for the implementation of innovation.

## **3. Provide a Transparent Level Playing Field**

Enbridge supports a review of the current Affiliate Relationships Code ("ARC") to alleviate restrictions on regulated business activities in the offering of competitive services. With the advent of new technologies and services Enbridge encourages a review of the current ARC in order to allow for innovation to be developed and implemented by both regulated and unregulated parties while respecting the delivery of energy in a cost effective manner. Customers will benefit from the enhanced opportunity access innovative products and services sooner than they might otherwise.

Should you have any questions, please contact me at 519-436-5275.

Yours truly,

[Original signed by]

Mark Kitchen  
Director, Regulatory Affairs  
Enbridge Gas Inc.