

Elson Advocacy

January 28, 2020

BY COURIER (2 COPIES) AND RESS

Ms. Christine Long

Board Secretary

Ontario Energy Board

2300 Yonge Street, Suite 2700, P.O. Box 2319

Toronto, Ontario M4P 1E4

Dear Ms. Long:

Re: EB-2019-0159 – Enbridge Gas Inc. – Kirkwall-Hamilton Pipeline Project

We are writing on behalf of Environmental Defence to respond to Enbridge's intervenor objection letter dated January 24, 2020. We request that the Board disregard Enbridge's letter because it attempts to subvert the normal Board processes regarding the issues list and procedural matters. Although we would prefer not to respond in detail, we feel compelled to do so as Enbridge's letter contains false assertions and inappropriate innuendo that require rebuttal.

Enbridge's Scope Requests are Wholly Inappropriate

Enbridge asks the Board to issue an order that various issues are outside the scope of this proceeding. It is wholly inappropriate for Enbridge to make this request before the Board has prepared even a draft issues list. It is for the Board, not Enbridge, to determine the scope of this hearing. The scope will be decided when the issues list is decided and throughout the hearing with reference to the issues list. Enbridge's letter attempts to pre-empt and subvert the proper processes in a way that is unfair and highly inefficient.

There are important reasons for the normal processes relating to issues lists. Those processes promote fairness by giving all parties the opportunity to comment on a draft list, explain the issues they wish to raise, and respond to concerns raised by others. Those processes are also procedurally efficient as they address all items relating to the issues list in one ruling. In contrast, Enbridge is asking the Board to issue a partial ruling regarding scope based on two vague paragraphs included in a letter that was not copied to the parties that Enbridge is criticizing. This is unfair and inefficient.

Furthermore, Enbridge's letter distorts and misconstrues Environmental Defence's intervention request letter. Environmental Defence briefly noted that an oral hearing is required because there are major issues relating to need, the interests of consumers, and alternatives. Nothing mentioned was remotely out of scope. The relevant paragraph is as follows:

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With respect to the proposed pipeline, there are major issues relating to whether the project is needed, whether it will benefit customers, and whether there are preferable alternatives. For example, why is a new fossil fuel pipeline needed if Enbridge's annual and average daily demand is declining over the next five years and capacity exists at other supply points?¹ How is the pipeline prudent if it is forecast to result in a \$120.3 million loss?² Why not invest the funds in energy efficiency instead, which would reduce commodity price risk and achieve greater benefits for consumers?³ These are only a few of the questions that require examination in an oral hearing.

Enbridge asserts that Environmental Defence is improperly attempting to use this proceeding as a venue to debate out-of-scope policy issues. There is no basis for these discourteous allegations. Enbridge may not want Environmental Defence to raise questions regarding need, benefits, and alternatives. But that does not make these issues out of scope.

Requests to Restrict Environmental Group Participation are Wholly Inappropriate

Enbridge's suggestion that Environmental Defence's intervention will be duplicative and wasteful is inappropriate innuendo that has absolutely no basis in fact. Environmental Defence has participated effectively in over 30 Board proceedings over the past decade.⁴ Environmental Defence has made significant contributions in these proceedings and the Board has never found its participation to be duplicative or wasteful. Environmental Defence always co-operates with other intervenors. In particular, Environmental Defence has a long history of working collaboratively with the Green Energy Coalition to avoid duplication.

As an example of Environmental Defence's past contributions, an excerpt of the Board decision in a previous Enbridge leave-to-construct application (EB-2012-0451) is included below:

Environmental Defence urged the Board to send a signal to the companies that new supply-side investments will not be approved unless all lower cost DSM and/or interruptible service options have been explored and documented.

...

In light of the evidence presented, the Board concludes that further examination of integrated resource planning for gas utilities is warranted. The evidence in this

¹ EB-2019-0137, Enbridge 5 Year Gas Supply Plan, p. 51 & 88.

² Exhibit A, Tab 8, p. 3.

³ EB-2015-0049, Exhibit B, Tab 2, Schedule 3, page 6.

⁴ EB-2012-0064, EB-2012-0337, EB-2012-0394, EB-2012-0410, EB-2012-0451, EB-2012-0459, EB-2013-0053, EB-2013-0099, EB-2013-0321, EB-2014-0134, EB-2015-0029, EB-2015-0043, EB-2015-0049, EB-2016-0004, EB-2016-0152, EB-2016-0160, EB-2016-0296, EB-2016-0300, EB-2016-0330, EB-2017-0127, EB-2017-0128, EB-2017-0150, EB-2017-0224, EB-2017-0255, EB-2017-0275, EB-2018-0130, EB-2018-0143, EB-2018-0205, EB-2018-0287, EB-2018-0288, EB-2019-0003, EB-2019-0082, EB-2019-0137, EB-2019-0247, EB-2019-0255, EB-2019-0271.

proceeding demonstrates that the following issues should be examined:

- The potential for targeted DSM and alternative rate designs to reduce peak demand
- The role of interruptible loads in system planning
- Risk assessment in system planning, including project prioritization and option comparison
- Shareholder incentives

...

Pending that review, the Board expects applicants to provide a more rigorous examination of demand side alternatives, including rate options, in all gas leave to construct applications.⁵

This is one example of Environmental Defence's past contributions, which happens to be directly relevant to the current case.

Furthermore, Enbridge baldly asserts that Environmental Defence, GEC, and PP have "identical interests and perspectives." This is not true. It no more accurate to say that all environmental groups have "identical interests and perspectives" than it would be to say that all ratepayer groups have "identical interests and perspectives." Enbridge's comments about duplication are better understood as opposition to environmental groups that are raising hard questions about its proposed pipeline.

If Enbridge is seeking efficiencies, it should promptly follow the normal Board processes. Enbridge's letter of January 24, 2020 does the opposite and is wasting our and the Board's time and resources.

No Basis for Request to Expedite the Hearing

It is inappropriate for Enbridge to request that the Board render a decision by April 30, 2020. Enbridge has not established that the Hamilton Pipeline must be in-service by November 1, 2021 to keep our homes warm and factories humming during the 2021/22 winter. Nor has it established that Ontario's existing pipelines are insufficient to meet demand. In general, Enbridge's assertions regarding need and alternatives have not been adjudicated by the Board.

Environmental Defence also supports the comments by the Green Energy Coalition regarding the need for a robust process to consider this application.

Aside from the timing issues raised by Enbridge, Environmental Defence agrees with the School Energy Coalition that there is a question regarding the appropriateness of considering a generic IRP proposal within an individual facilities application. We will reserve any comments on that issue until the appropriate time.

⁵ Decision in EB-2012-0451, p. 46.

Please do not hesitate to contact me if anything further is required.

Yours truly,

A handwritten signature in blue ink, appearing to read 'K. Elson', with a stylized, cursive script.

Kent Elson