

MICHAEL R. BUONAGURO

Barrister and Solicitor

24 HUMBER TRAIL
TORONTO, ONTARIO, M6S 4C1
P: (416) 767-1666
F: (416) 767-1666
EMAIL: mrb@mrb-law.com

May 7, 2020

Ms. Christine Long
Registrar and Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Long,

RE: Board File No. EB-2020-0066: Enbridge Gas Inc. Application for Voluntary Renewable Natural Gas Program

Please find enclosed the interrogatories submitted on behalf of the Canadian Biogas Association (CBA).

If any further information is required, please do not hesitate to contact the undersigned.

Yours very truly,



Michael R. Buonaguro
Encl.

Enbridge Gas Distribution Inc.

Voluntary Renewable Natural Gas Program

CANADIAN BIOGAS ASSOCIATION INTERROGATORIES

May 7, 2020

CBA IR-1

REF: Exhibit B Tab 2 Schedule 1 page 2

PREAMBLE:

Enbridge Gas's proposed Voluntary RNG Program will offer system gas general service customers across all rate zones the option to pay a fixed \$2 monthly charge to fund the incremental cost of including RNG volumes in the Company's system gas supply.

- a) Please confirm the following in table form:
 - i) The number of customers in each class across all rate classes;
 - ii) The total annual natural gas consumption for each class across all rate classes by system gas customers and direct purchase customers;
 - iii) The average annual natural gas consumption per customer for each rate class across all rate classes; and
 - iv) The number of system gas customers and direct purchase customers in each rate class.
- b) Using the table(s) in a), please identify which customers would be eligible for the proposed program as designed by highlighting those cells in the table(s).
- c) Please describe any factors, if any, that prevent Enbridge Gas from offering non-system gas customers the opportunity to participate in the voluntary RNG Program.
- d) Please identify any marketers you are aware of or other programs in Ontario which offer RNG to end use consumers in Ontario.
- e) How much natural gas does Enbridge Gas purchase for its own use annually?
- f) What percentage, if any, of Enbridge Gas's own use gas is RNG?
- g) What factors, if any, prevent Enbridge Gas from purchasing RNG for 100% of its own use gas as part of the proposed program?

- h) If Enbridge Gas purchased 100% of its own use gas as RNG what would the annual GHG savings be?
- i) Assuming Enbridge Gas was permitted to source its own use gas using RNG please estimate the premium Enbridge Gas would pay on annual basis in accordance with the following scenarios:
 - i. Enbridge Gas replaces 2%, 10%, 25% ,50%, and 100% of its annual own-use gas with RNG using the procurement framework as contemplated in the voluntary RNG proposal, and
 - ii. Enbridge Gas replaces 2%, 10%, 25%, 50% and 100% of its annual own-use gas with RNG using long term RNG contracts.
- j) Please discuss how, if Enbridge Gas was permitted to replace some amount of its own use gas with RNG, the premium incurred to purchase RNG would be paid? In answering this question please discuss to what extent, if any, Enbridge Gas would be willing to absorb the premium (by not passing along the cost of the premium to ratepayers) and to what extent, if any, Enbridge Gas believes the premium should be passed on to ratepayers through rates.
- k) Please confirm that the current proposal does not permit Enbridge Gas to offer and accept contributions in excess of \$2 per customer per month without further approval from the Board.
- l) Please confirm the incremental benefits of the RNG program if Enbridge Gas was permitted to recover (on a voluntary basis):
 - i. \$5 per month per customer;
 - ii. \$10 per month per customer;
 - iii. \$20 per month per customer.
- m) Please calculate an alternative voluntary charge for Rates 6 and M2 by establishing the ratio between the proposed \$2 charge and the average consumption in rates 1 and 6 and maintaining that ratio between the average consumption in Rates 6 and M2 and the alternative voluntary charge (for example, it appears to the CBA that the \$2 charge is equal to approximately 2% of the average total monthly bill for Rate 1 and Rate M1 customers; if that is true, what level of charge would represent 2% of the average total monthly bill for Rate 6 and M2 customers)?

CBA IR-2

REF: Exhibit B Tab 2 Schedule 1 pages 3-4

PREAMBLE:

Enbridge Gas applies the Federal Carbon Charge to all volumes of gas delivered to customers, including customers who have elected to participate in the Program. To the extent that the RNG obtained by Enbridge Gas using Program funds reduces the Company's Federal Carbon Charge obligations, and subsequent remittance to the CRA, any variance between the Federal Carbon Charges remitted to the CRA and the amount charged to customers will be tracked in existing OEB-approved Federal Carbon Pricing Program customer-related variance accounts, and will flow to all customers subject to the Federal Carbon Charge.

- a) Please confirm that under the current proposal any federal carbon credit amounts created as a result of the voluntary RNG program are to be tracked in a deferral account and eventually credited to all customers subject to the Federal Carbon Charge, not just customers that participate in the voluntary RNG program.
- b) Using the tables from CBA-1 a), please highlight the customer classes that would be impacted from the clearance of RNG related federal carbon credits tracked in the OEB-approved Federal Carbon Pricing Program customer-related variance accounts.
- c) What factors, if any, prevent Enbridge Gas from crediting federal carbon credit amounts created as a result of the voluntary RNG program to only the participants in the program?
- d) What factors, if any, prevent Enbridge Gas from reinvesting the value of the credits into the voluntary RNG program in order to procure additional RNG?

CBA IR-3

REF: Exhibit C Tab 3 Schedule 1 pages 3

PREAMBLE:

Biomethane Service Offering FortisBC Energy–Vancouver: The pilot did not meet its targets for residential subscribers but had modest success amongst small commercial and municipal customers.

- a) Will Enbridge focus on municipalities that have a climate plan or have declared a climate emergency?
- b) Please provide a breakdown showing:
 - i) the number of municipal customers per rate class;

- ii) the average annual natural gas consumption per municipal customer within each relevant rate class; and
- iii) the number of municipal customers in each relevant rate class using system gas.

In the event Enbridge Gas does not strictly track “municipal” customers please provide a best effort estimate of the number of municipal customers in each rate class and the annual average consumption for municipal customers in each rate class.

- c) What factors, if any, would prevent Enbridge Gas from creating a municipal customer specific aspect to the program that would:
 - i) increase the payment made by municipal customers beyond the proposed \$2 based on feedback from that customer group; and
 - ii) allow municipal customers to commit to longer term voluntary payments with the effect that Enbridge Gas may be able to enter into longer term procurement contracts for a portion of its RNG portfolio?

CBA IR-4

REF: Exhibit B Tab 2 Schedule 2 pages 1-2

PREAMBLE:

Enbridge Gas will procure RNG in accordance with its “Gas Supply Procurement Policies and Practices.” The Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market. For example, Enbridge gas may purchase RNG for a seasonal or year-long contract, subject to the availability of RNG in the market on shorter terms. Enbridge Gas is aware of a number of RNG producers in Ontario expected to be in-service in 2020 and 2021 respectively and expects there will be volumes of RNG available in the market.

- a) Please provide more detail with respect to Enbridge Gas’ approach to procuring RNG, including specifically the process by which potential sources of RNG will be given the opportunity to offer to sell to Enbridge Gas.
- b) How much will Enbridge pay producers for RNG?
- c) Please confirm that in comparing different RNG offerings in the market Enbridge Gas will consider the “all in” cost of each offering, such that, for example, all else being equal, RNG that is injected directly into the Enbridge Gas distribution system by a producer will be preferred over RNG that has to be transmitted from outside the Enbridge Gas distribution system because of the avoided cost of transmission?

- d) How will Enbridge Gas procure RNG if it cannot source RNG in Ontario?
- e) Does the carbon intensity of the RNG Enbridge Gas proposes to procure have any role to play in sourcing?

CBA IR-5

REF: Exhibit B Tab 2 Schedule 3 pages 1

PREAMBLE:

In pursuit of the primary objective noted above, the majority of the Program's marketing will be focused on target audiences that preliminary research suggests will be open to participating in a voluntary RNG program. The market research used to develop this Application suggests that once these customers understand what RNG is, they will be open to learning about the Voluntary RNG Program and enrolling.

- a) Please describe how Enbridge Gas intends to market the program in a way that will not cause customers that are already contributing more than \$2 per month towards the costs of including RNG as part of their gas supply through a retailer to switch to system gas, with the result that the overall inclusion of RNG on the system is reduced.

CBA IR-6

REF: Exhibit C Tab 3 Schedule 1 page 3

PREAMBLE:

Enbridge Gas provides summary information on several RNG programs across North America.

- a) For each of the RNG programs described by Enbridge Gas, please provide the following information in table form:
 - i. The total annual volume of RNG purchased as part of the program;
 - ii. The percentage of the total RNG purchased that is funded by residential customers.

CBA IR-7

REF: Exhibit B Tab 2 Schedule 1 page 6

Exhibit C Tab 2 Schedule 1

PREAMBLE:

Enbridge Gas describes its expectation that large commercial and industrial customers will, if interested, purchase RNG for their own use using means other than an RNG program run by Enbridge Gas. Enbridge Gas provides a summary of the customer feedback it received with respect to interest from residential customers in funding RNG purchases.

- a) Please summarize the feedback with respect to the proposed program, if any, that Enbridge Gas sought and received from large commercial and industrial customers and how that feedback, if any, factored into Enbridge Gas' decision to exclude large commercial and industrial customers from its voluntary RNG proposal.