

# Elson Advocacy

May 14, 2020

**BY RESS AND EMAIL**

**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-2020-0066 – Enbridge Gas Inc. – Voluntary Renewable Natural Gas Program**

I am writing on behalf of Environmental Defence in response to Enbridge's letter of today's date.

Enbridge suggests that Environmental Defence's interrogatories are unnecessary because Enbridge has already received many interrogatories from other intervenors. However, Environmental Defence's interrogatories address a number of issues which do not appear to be addressed by other intervenors. For further details on the issues Environmental Defence wishes to explore, a copy of the interrogatories is attached. These were filed at approximately 9 am this morning. I do not expect any delay or prejudice because Enbridge has approximately two weeks to prepare responses.

Yours truly,



Kent Elson

cc: Parties in the above proceeding

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Dear Ms. Long:

**Re: EB-2020-0066 – Enbridge Gas Inc. – Voluntary Renewable Natural Gas Program**

Enclosed please find the interrogatories of Environmental Defence in the above matter.

As noted in my correspondence of yesterday, Environmental Defence's original intervention request was not delivered due to an inadvertent technical issue. We are providing these interrogatories while the request for intervention status is pending to avoid potential delay in the event that the Board approves Environmental Defence's request for intervention status.

As noted in Environmental Defence's original intervention request, its participation is restricted to issues within scope. The attached interrogatories confirm this. They primarily address optimal program design. For example, they explore whether there should be involvement of third-party providers in this program to lower costs, promote fairness, expand the offerings presented to customers, and/or increase RNG volumes to better address the policies of the Ontario Government. The interrogatories also explore whether potential RNG customers should be given additional information for them to assess value for money and other important issues relating to Enbridge's program. The interrogatories also explore cost-effectiveness, such as the proposed cost per cubic metre, cost per CO<sub>2</sub>e of avoided GHG emissions, a comparison with market costs of RNG elsewhere, and a consideration of potential alternative contracting strategies.

Yours truly,



Kent Elson

cc: Parties in the above proceeding

## **EB-2020-0066 – Enbridge Gas Inc. – Voluntary Renewable Natural Gas Program**

### **Environmental Defence Interrogatories**

#### **Interrogatory #1**

Reference: Exhibit B, Tab 2, Schedule 1, Page 8 – 9

Preamble: Enbridge states as follows:

Concerning gas marketers, at present the Company is aware of only one gas marketer offering a voluntary RNG program in Ontario. This provider's offer is different from Enbridge Gas's proposed Program in that participating customers pay for the cost of offsetting their specific traditional natural gas usage with an equivalent amount of RNG. Enbridge Gas's Program is primarily targeted at cost sensitive customers looking to support low-carbon initiatives by offering a fixed monthly charge added to their existing natural gas bill.

Enbridge Gas is of the view that the Program does not compete with energy marketers that may attempt to offer an RNG supply option. Rather, it is a complementary offering that would provide Ontario consumers with more choices. Gas marketers that seek to make RNG offers available in Ontario will be free to do so.

Questions:

- (a) Please confirm that the existing voluntary RNG program in Ontario (Bullfrog Power) offsets all of a customer's gas whereas Enbridge's program would only offset a smaller portion.
- (b) Please confirm that Enbridge will be able to market its voluntary RNG program through its direct contact with all gas customers in Ontario.
- (c) Would Enbridge agree to advise customers of other voluntary RNG offerings, such as the full offset available from Bullfrog Power, in its communications with customers regarding RNG?
- (d) With respect to RNG-related promotional material, would Enbridge agree to provide its customers with a comparison between its offering and other voluntary RNG offerings, such as the full offset available from Bullfrog Power, including a comparison of (i) percent of avoided GHG emissions for an average household, and (ii) cost per m<sup>3</sup> of RNG? Please explain the position taken.
- (e) Please list and describe the ways Enbridge expects to promote its RNG program.

#### **Interrogatory #2**

Reference: Exhibit B, Tab 2, Schedule 1, Page 8 – 9

Questions:

- (a) Has Enbridge considered asking a third party (such as Bullfrog Power) to deliver a voluntary RNG program on Enbridge's behalf under contract?
- (b) Please comment on the possibility of a third party (such as Bullfrog Power) delivering a voluntary \$2/month RNG program on behalf of Enbridge. Please specifically comment on the following possible benefits: (i) reduced administrative costs, (ii) lower prices through greater buying power, and (iii) simplified purchasing process for consumers. [Note that Environmental Defence is simply asking this question at this stage, not proposing this option.]
- (c) Please compare the cost of RNG (\$/m<sup>3</sup>) offered by Bullfrog Power with the cost of RNG (\$/m<sup>3</sup>) estimated for Enbridge's proposed program.
- (d) If Enbridge believes the option discussed above would somehow be contrary to the commitment in the Environmental Plan to implement a voluntary RNG program, please explain why in detail.
- (e) Enbridge states that Bullfrog Power "has been able to inject over 7 million GJs into Canadian natural gas distribution systems" (Exhibit C, Tab 3, Schedule 1, Page 4). Please provide a table comparing this with how much RNG Enbridge expects to inject through this program annually (avg) and over the first 10 years.

### **Interrogatory #3**

Reference: Exhibit B, Tab 2, Schedule 1, Page 8

- (a) Enbridge states that it "will not be in a position to enter into long-term fixed price RNG procurement agreements and will not be able to commit to a set RNG volume for specific customers or the Program as a whole." Please explain.
- (b) Does Bullfrog Power "enter into long-term fixed price RNG procurement agreements." If yes, please explain the different situation facing Enbridge that prevents it from doing so.
- (c) If Bullfrog Power delivered a \$2/month voluntary RNG program on behalf of Enbridge, could it enter into long-term fixed price RNG procurement agreements to the benefit of Enbridge customers?

### **Interrogatory #4**

Reference: Exhibit C, Tab 2, Schedule 3 (marketing & communication strategy)

- (a) Does Enbridge intend to advise customers of the percent of an average household's gas supply that would be offset via this program? If not, why not? If yes, where?
- (b) Approximately what percent of an average household's gas supply that would be offset via this program?
- (c) Does Enbridge intend to advise customers of the cost of GHG reductions from RNG (\$/CO<sub>2</sub>e)? If not, why not? If yes, where?
- (d) To help customers decide whether this program provides good value for money, does Enbridge intend to advise customers of the cost of GHG reductions from RNG (\$/CO<sub>2</sub>e) compared to energy efficiency? If not, why not? If yes, where?
- (e) To help customers decide whether this program provides good value for money, does Enbridge intend to advise customers of the cost of GHG reductions from RNG (\$/CO<sub>2</sub>e)

compared to the cost of certified carbon credits (e.g. from carbonzero.ca)? If not, why not? If yes, where?

- (f) Would Enbridge consider offering customers the option of offsetting the carbon from natural gas via carbon credits or energy efficiency investments? If not, why not?

### **Interrogatory #5**

Reference: Exhibit C, Tab 2, Schedule 3

- (a) Please estimate the cost of the reductions in GHG emissions for the RNG purchased in Enbridge's proposed program (\$/CO<sub>2</sub>e). Please provide the underlying calculations.
- (b) Please estimate the cost of GHG emission reductions from RNG more generally (\$/CO<sub>2</sub>e) broken out by type (e.g. landfill gas, commercial other, agricultural, wastewater treatment). Please also provide a table comparing Enbridge's best estimates with those made in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017.
- (c) Please provide a chart comparing the cost of GHG emission reductions (\$/CO<sub>2</sub>e) from RNG versus natural gas DSM. Please compare and discuss any differences between Enbridge's comparison and those in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017.

### **Interrogatory #6**

Reference: Exhibit C, Tab 2, Schedule 3

- (a) Will this program help to develop a market for RNG and/or help to lower the price of RNG? If yes, please explain how.

### **Interrogatory #7**

Reference: Exhibit B, Tab 1, Schedule 1

Preamble: Enbridge states that it has "studied the potential for an RNG market in Ontario..."

Questions:

- (a) Please provide a table showing the estimated potential (m<sup>3</sup>) for RNG *produced in Ontario* from now until 2040 broken out by type (e.g. landfill gas, commercial other, agricultural, wastewater treatment) and showing the total.
- (b) Please provide a table showing the estimated potential (m<sup>3</sup>) for RNG *procured for Ontario customers* from now until 2040 broken out by type (e.g. landfill gas, commercial other, agricultural, wastewater treatment) and showing the total.
- (c) Please provide information on the RNG proposals in neighbouring jurisdictions and how this is expected to impact the potential available supply of RNG in Ontario over the next 10 or 20 years. Please attach any studies or assessments Enbridge possesses on this issue.

- (d) Please provide information on competing uses for RNG feedstock (e.g. biofuel for aviation and other hard-to-decarbonize sectors) and how this is expected to impact the potential available supply of RNG in Ontario over the next 10 or 20 years. Please also comment on how alternative uses of feedstocks should factor into Enbridge's implementation of this program (e.g. selection of feedstock sources). Please attach any studies or assessments Enbridge possesses on these issues.
- (e) Please provide tables expressing the total RNG potential in (a) and (b) as a percent of the total forecast annual throughput for the relevant period.
- (f) Please provide tables expressing the forecast RNG to be procured through this program as a percent of the total RNG potential in (a) and (b).
- (g) Please provide a table comparing Enbridge's response to (a) and (b) with the RNG potential found in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017. Please explain any deviations.

### **Interrogatory #8**

Reference: Exhibit B, Tab 1, Schedule 1, Page 2; Exhibit C, Tab 1, Schedule 1

Preamble: Enbridge states "However, when considering the cost of RNG relative to other forms of renewable energy, RNG compares favourably as demonstrated in Exhibit C, Tab 1, Schedule 1."

- (a) Please explain the relevance of the above references to the relief sought by Enbridge in this proceeding.
- (b) Does Enbridge intend to include claims similar to the one outlined above in its marketing and communications materials with customers?
- (c) Why does Enbridge compare the cost based on \$/kWh instead of (i) \$/CO<sub>2</sub>e or (ii) the comparative cost to heat a home?
- (d) Please reproduce the figure in Exhibit C, Tab 1, Schedule 1 and add energy efficiency to the figure. [We assume that the cost of natural gas energy efficiency is less than the cost of natural gas per m<sup>3</sup> because DSM programs are cost-effective, meaning the incremental savings in avoided gas costs is greater than the incremental costs. If Enbridge concludes differently, please explain.]
- (e) Please provide the calculations underlying Exhibit C, Tab 1, Schedule 1.
- (f) Please reproduce Exhibit C, Tab 1, Schedule 1 based on cost/CO<sub>2</sub>e using a methodology consistent with the OEB's Marginal Abatement Cost Curve. Please also add energy efficiency to the figure.