

Ms. Christine Long
Registrar & Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

June 3, 2020

**Re: EB-2020-0091 Enbridge Gas Integrated Resource Planning Proposal
Pollution Probe Submission on the OEB Draft Issues List**

Dear Ms. Long:

In accordance with Procedural Order No. 1 for the above-noted proceeding, please find attached Pollution Probe's submission on the Draft Issues List provided by the Board. We hope that this will be useful to all parties as they develop their submissions.

Given the importance of effective IRP to the future of prudent and cost-effective energy decision making in Ontario, we recommend that the OEB leverage a robust process to enable a fulsome debate and consultation throughout this proceeding. Ability to debate the pros and cons related to each IRP element (e.g. through a virtual oral process or technical conference) will hopefully provide better clarity to all parties and result in broad acceptance and understanding of the final product. A clear, comprehensive and effective IRP Framework will provide significant consumer value, reduce costs and be a valuable tool to help manage Ontario's energy transition in an integrated manner.

Please reach out should you have any questions.

Respectfully submitted on behalf of Pollution Probe.



Michael Brophy, P.Eng., M.Eng., MBA
Michael Brophy Consulting Inc.
Consultant to Pollution Probe
Phone: 647-330-1217
Email: Michael.brophy@rogers.com

cc: Enbridge (via EGIRegulatoryProceedings@enbridge.com)
OEB Case Manager, Michael Parkes (via email)
OEB Board Counsel, Michael Millar (via email)
All Parties (via email)
Richard Carlson, Pollution Probe (via email)

ONTARIO ENERGY BOARD

Integrated Resource Planning (IRP) Proposal

**POLLUTION PROBE SUBMISSION
ON THE
DRAFT ISSUES LIST**

June 3, 2020

**Submitted by: Michael Brophy
Michael.brophy@rogers.com
Phone: 647-330-1217
28 Macnaughton Road
Toronto, Ontario M4G 3H4**

Consultant for Pollution Probe

Background

Enbridge Gas Inc. (Enbridge) originally submitted an Integrated Resource Planning (IRP) proposal November 1, 2019 to the OEB as part of its Leave to Construct Application for the Dawn-Parkway Expansion proceeding, EB-2019-0159. In Procedural Order No. 1 for the Dawn-Parkway Expansion proceeding, issued January 30, 2020, the OEB determined that Enbridge Gas' IRP Proposal would be heard separately from the Leave to Construct application.

The OEB subsequently issued a Notice of Hearing on April 28, 2020, that initiated a review of Enbridge Gas' IRP proposal as a separate proceeding (EB-2020-0091), and invited intervention requests or letters of comment from parties who wish to participate in this proceeding.

On May 21, 2020 the OEB issued Procedural Order No. 1 for the IRP proceeding which invited stakeholders to provide submissions on the Draft Issues List by June 4, 2020.

This following is the written submission from Pollution Probe on the draft issues list for the IRP proceeding.

Context and Overview

IRP related to natural gas has been a contentious topic in Ontario for more than a decade. Despite the need and value to advance natural gas IRP, nothing tangible has been developed to this point. It is disheartening that natural gas IRP has languished, resulting in higher costs to consumers and siloed decision making with increasing risk of stranded or underutilized assets. This contrasts starkly with advancements in community energy planning across Ontario and several iterations of IRP for electricity through as Ontario strives to mature IRP to meet the needs of consumers and stakeholders. Ontario consumers, municipalities and other stakeholders deserve better.

Pollution Probe works with consumers, communities, policy makers and is an active supporter of community energy and integrated resource planning that provides prudent, integrated and cost-effective energy options to communities across Ontario. Energy planning and approvals to meet the needs of consumers cannot be siloed and require a robust and full assessment of alternatives (including energy efficiency) to ensure that the best long-term solutions are chosen. Significant changes are required in the process for planning, approval and operation of natural gas programs and infrastructure to effectively meet the needs of Ontarians. Alignment with electricity IRP and municipal energy planning would provide a more comprehensive picture of how best to serve energy needs for our communities. Anything less is suboptimal and will costs

consumers more while limiting flexibility required to promote the most cost-effective and appropriate solutions.

The current process to review Infrastructure Applications (natural gas and electricity), Utility Rates, Expansion Surcharges, Energy Efficiency (i.e. DSM), Five-Year Gas Plans, Asset Plans, and other related issues is siloed. This often results in relevant issues being deferred to other proceedings or not considered at all. It is not practical to make prudent long-term decisions in silos without consideration of all factors and options that are relevant. The OEB has identified some of these challenges and has taken steps through initiatives such as Expanding DERs (EB-2018-0288) to identify better integrated options to meet the future needs of Ontario consumers in a more cost-effective and holistic manner. Pollution Probe congratulates the OEB for taking these bold and difficult steps in an attempt to keep up with industry evolution, innovation and changing demands of consumers and the communities in which they live. In Pollution Probe's view IRP must provide a tool to break those silos down and ensure that all relevant issues are considered in a structured, transparent and replicable manner before infrastructure decisions are made to meet the long-term energy needs of consumers in Ontario.

This process is analogous to EBO 169 which was an innovative and responsive approach that set a firm foundation to create consumer value for decades and beyond. An effective IRP Framework, similar to EBO 169 is a difficult challenge riddled with uncertainty and anxiety. Some stakeholders may also have a resistance to change the status quo. However, doing it right will unlock immense consumer value, reduce costs and be a valuable tool to help manage Ontario's energy transition.

Comments on Draft Issues List

Specific comments on the Draft Issues List have been organized in the following table.

General Questions

Draft Issue	Comment
1. Taken as a whole, does Enbridge Gas' IRP proposal adequately respond to previous OEB direction and guidance on IRP (e.g., DSM Framework Mid-Term Review, GTA pipeline decision, etc.)?	<p>This is an important issue to include. Can the OEB circulated a draft list of the references for input? Having a single comprehensive list will be most efficient.</p> <p>An incremental question related to this one has also been added to the table below.</p>

Draft Issue	Comment
2. Does Enbridge Gas' IRP proposal require formal approval by the OEB? If so, what form should this approval take?	<p>The OEB may decide to accept elements of the Enbridge proposal or may decide that an alternative is better . We recommend replacing this issue with the following:</p> <p>Should the OEB issue formal requirements related to natural gas IRP? If so, what form should this approval take?</p>
3. Does Enbridge Gas' IRP proposal necessitate consequential changes to any other OEB policies, codes, or guidelines? If so, which policies, codes or guidelines might be affected, and how should these consequential changes be considered within the scope of this proceeding?	<p>Can the OEB circulated a draft list for input? Having a single comprehensive list would be most efficient. Also, recommend a wording change to recognize that the OEB may need to issue a different set of requirements than what is included in the IRP proposal.</p> <p>Will the IRP Framework necessitate consequential changes to any other OEB policies, codes, or guidelines? If so, which policies, codes or guidelines might be affected, and how should these consequential changes be considered within the scope of this proceeding?</p>
4. Is Enbridge Gas's IRP proposal consistent with industry best practice in Ontario and other jurisdictions?	An essential issue to include. Once the OEB indicates the scope of their planned research, Pollution Probe would be interested to supplement or coordinate as appropriate.

General Questions- Propose to be Added

Proposed Issue	Rationale
Taken as a whole, does Enbridge Gas' IRP proposal adequately respond to policy and consumer needs?	It is important that IRP respond to policy demand at the municipal, provincial and federal level. This provides a necessary connection to municipal energy planning, Ontario Environment Plan and other initiatives such as RNG, low carbon energy (e.g. hydrogen) and other relevant activities.

Proposed Issue	Rationale
What is the appropriate OEB review cycle of principles and requirements related to IRP?	Setting the cadence for review (e.g. a 5-year cycle) of the IRP Framework will provide clarity to all stakeholders and remove risk that IRP will become outdated as consumer needs and energy options evolve. Given the lag in natural gas IRP compared to other industry best practices, the first cycle may need to be shorter (e.g. 3 years).
Should the IRP Framework consider all related natural gas activities (i.e. infrastructure planning, operations, DSM, Gas Supply, Gas Storage, etc.)?	IRP by its nature needs to break down siloed thinking to be successful. Having a set of clear principles and requirements would help consider all applicable activities in a structured manner.
What consultation process should Enbridge use for development of IRPAs and overall assessment and improvement of its IRP practices.	Enbridge indicated that it needs direction and clarity to move forward. Having a defined process for consultation as it learns how to apply and enhance IRP will be critical.
What metrics or scorecard should be used to assess successful application and outcomes for IRP?	IRP is a continual process. Having appropriate metrics will ensure common measurement and the ability to track progress over time.
What criteria and methodology should be used to assess resource options and choose between them? What kinds of costs, risks, and benefits should be accounted for?	Clear criteria for IRP is required to make optimal energy decisions to serve Ontario consumers. Using a screening test could make the process more transparent and replicable. This may require development of a standard list of options with costs and benefits to be developed.
What incentives and regulatory requirements are appropriate to ensure optimal integrated resource planning outcomes?	Enbridge should be incented to conduct proper IRP analysis and promote the best energy option for Ontario consumers even if that is an alternative to gas capital infrastructure. Today's process is biased toward overbuilding capital.

Specific Components of Enbridge Gas' IRP Proposal

Draft Issue	Comments
5. Is Enbridge Gas' proposed definition of IRP, and its goal for what IRP should accomplish ("reviewing and implementing alternatives that reduce natural gas	This an important item. Propose same wording except add: If not, what definition should be used?

Draft Issue	Comments
infranchise peak period demand growth to defer or avoid future transmission and distribution system facility expansion/reinforcement projects”) appropriate?	
6. Are Enbridge Gas’ proposed screening criteria to assess which types of facility projects require consideration of Integrated Resource Planning Alternatives (IRPAs) appropriate?	This an important item. Propose same wording except add: If not, what screening criteria should be used?
7. What activities/projects (IRPAs) should Enbridge Gas be eligible to include within an IRP?	The framing of this question seems limiting and challenging. Propose replacing it with: What activities/projects (IRPAs or other requirements) should Enbridge Gas be required to conduct as part of the IRP Framework?
8. Is Enbridge Gas’ proposed two-stage screening process for comparing IRPAs with other facility and non-facility alternatives, and determining whether to proceed with an IRPA, appropriate?	Propose same wording except add: If not, what should the process be?
9. Is Enbridge Gas’ proposed methodology for seeking OEB approval and proceeding with an IRP/IRPA appropriate?	This an important item. Propose same wording except add: If not, what should the methodology be?
10. Is Enbridge Gas’ proposal to treat the costs associated with an approved IRP in a “similar manner to the capital costs that they enable the utility and ratepayers to avoid” appropriate?	Agree with wording as-is.
11. Is Enbridge Gas’ proposal that ratepayers would need to bear the risks of IRPAs not effectively reducing forecasted demand growth appropriate?	Propose same wording except add: If not, who should bear the risks associated with the demand forecast?
12. Is Enbridge Gas’ proposal for monitoring and reporting on IRPAs through an annual IRP report appropriate?	Propose same wording except add: If not, what mechanism and frequency should Enbridge use to report on IRPAs and IRP compliance?
13. Are there other components that should be included within Enbridge Gas’	.Agree with wording as-is.

Draft Issue	Comments
IRP proposal, but are not? If so, what are they?	

Specific Components of Enbridge Gas' IRP Proposal – Propose to be Added

Issues	Rationale
Should the IRP Framework require an assessment of asset utilization to identify opportunities to optimize use of assets and reduce incremental infrastructure? If, so what should the scope and frequency of the assessment be?	Part of IRP is to utilize current assets and make decisions on future investments in the most optimal manner for Ontario consumers. Capacity assessments for existing assets are a best practice in IRP.