

VIA E-MAIL

June 4, 2020

Ontario Energy Board  
Attn: Ms. Christine Long, Board Secretary  
P.O. Box 2319  
27<sup>th</sup> Floor, 2300 Yonge Street  
Toronto ON M4P 1E4

**RE: EB-2020-0091 – EGI Integrated Resource Planning - FRPO Submission**

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) in response to Procedural Order No. 1 issued May 21, 2020. This Order invites parties to comment on the draft Issues List prepared by OEB staff regarding the Integrated Resource Planning (“IRP”) Proposal made by Enbridge Gas Inc. (EGI).

EGI’s IRP Proposal responds to direction and guidance provided by the OEB in prior proceedings. EGI paraphrases the OEB’s guidance to this effect as follows: “...the OEB...expects the natural gas utilities to develop more rigorous, robust and comprehensive procedures to ensure conservation and efficiency opportunities can reasonably be considered as alternatives to future capital projects.”<sup>1</sup>

In this proceeding, the OEB is being asked by EGI to determine that the “policy direction” of its IRP Proposal is reasonable and appropriate. That broad question encompasses a consideration of whether the “policy” being proposed is sufficiently “comprehensive” to comply with the OEB’s expectations.

The broad policy implications of the comprehensive procedures that the OEB envisages to ensure the consideration of reasonable alternatives to future capital projects are apparently prompting OEB staff to contemplate seeking expert evidence on alternatives to natural gas infrastructure. The OEB acknowledges that others may seek to file expert evidence that does not duplicate any evidence filed by OEB staff.<sup>2</sup>

In a policy-setting proceeding such as this, where OEB staff and others may wish to lead expert evidence on matters related to identifying, investigating and assessing the viability of non-facility alternatives to an incremental natural gas infrastructure proposal, the general questions that are listed for determination should be framed in an open-ended fashion.

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<sup>1</sup> Exhibit A, Tab 13, page 2, lines 13 to 16.

<sup>2</sup> Notice of Hearing Letter dated Arr. 28, 2020, page 3

The OEB's consideration and determination of matters related to these general questions should then be applied to inform responses related to the appropriateness of the specifics of EGI's IRP Proposal.

We urge the Board to consider revising the "General Questions" component of the Draft Issues List in a manner that prompts a generic presentation of the essential components of a natural gas infrastructure alternatives policy. We respectfully suggest that such an approach is more compatible with a policy-setting proceeding such as this.

The outcome of this proceeding should be OEB determinations of what the policy should be; followed by an assessment of the extent to which EGI's IRP Proposal does or does not meet those requirements.

This type of approach recognizes the probability that there is likely to be a range of views on matters regarded as essential to the "policy framework" that the OEB is being asked to determine.

The following are questions that FRPO submits should be included in the list of "General Questions"

1) What is Integrated Resource Planning?

- i) In a 2014 Decision, the OEB stated that "An integrated resource plan is a utility plan for meeting demand through a combination of supply side and demand side resources."
- ii) A point to bear in mind is that IRP encompasses "combinations" of resources. It is not limited to considering one isolated resource to another isolated resource.
- iii) In considering this issue, the definition of IRP in the OEB's EBO 169 Report should be considered. In that Report the OEB stated<sup>3</sup>:

***"Integrated resource planning (IRP) for natural gas utilities is an expanded method of planning whereby the expected demand for natural gas services is met from the least costly mix of supply additions, energy conservation, energy-efficiency improvements and load management techniques (i.e., the integration of supply-side resources and demand-side resources). Some of the specific objectives of the planning process are to continue to provide reliable service, equity among ratepayers, and a reasonable return on investment for the utility while addressing environmental issues and achieving the lowest cost to the utility and the consumer."***

<sup>3</sup> EBO 169 Report on Gas Integrated Resource Planning, September 16, 1991, pg.9.

- 2) What is the range of IRP alternatives that could be used to either avoid or defer the construction of incremental natural gas infrastructure to serve the forecast needs of EGI's customers?
  - a) This question contemplates that, in addition to a particular resource item, there are "combinations" of resources that should be considered under the auspices of an IPR alternatives analysis.
    - i) For example, there are "market- based" alternatives such "as peaking services" or "exchanges" that can defer or avoid incremental infrastructure to serve incremental peak day demand. These resources fall within the ambit of IRP.
- 3) What criteria should be applied to identify, investigate, and evaluate the economic feasibility of IRP alternatives compared to the incremental infrastructure proposed in a particular case?
- 4) What IRP alternatives policies are being applied by industry or regulators in Ontario or elsewhere?
  - a) This question or a separate question could be framed to seek a description of any existing OEB policies, codes, or guidelines relevant to the consideration of IRP alternatives question and the extent to which any of those items might need to be revised as a consequence of the OEB's policy determinations in this proceeding.

#### Specific Questions Related to EGI's IRP Alternatives Policy Proposal

Issues specific to what EGI is proposing would follow the listing of the "General Questions" in the "open- ended" manner described above.

We suggest that each of the EGI specific questions be introduced with a heading.

For example, the heading for the topic raised by Staff Draft Issue #5 would be "Goals of IRP". This issue would be more comprehensive<sup>4</sup> than the narrowing associated with the evidenced goal focused on "reducing natural gas in-franchise peak period demand growth".

For Issue 7, consider a heading of "Eligible Activities" or something to that effect.

For Issues 6 & 8, consider "Evaluation Criteria".

9, "OEB Approval"

10. "Cost Responsibility"

11. "Risks"

12. "Monitoring and Reporting"

13. "Missing Elements" or "Deficiencies".

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<sup>4</sup> Broadening provides consideration of factors included in the referenced definition from EBO 169

In an attempt to provide more generic wording for Issues 5 - 13, we offer the following:

5. What are the comprehensive goals of IRP?
6. What screening criteria are appropriate for different categories of IRP alternatives?
7. What activities/projects are eligible for inclusion within an IRP?
8. What processes for comparing different IRP alternatives to one another are appropriate?
9. What methodology for seeking OEB approval and proceeding with an IRP alternative is appropriate?
10. Is it appropriate to treat the costs associated with an approved IRP alternative in a manner similar to the capital costs that they enable the utility and ratepayers to avoid?
11. Is it appropriate for ratepayers to bear the risks of an IRP approach that does not provide sufficient supply to meet actual demand growth?
12. What is the appropriate approach for monitoring and reporting on IRP alternatives?
13. What components should be included within an IRP policy proposal to satisfy the OEB's requirements for rigorous, robust and comprehensive procedures to ensure the consideration of reasonable conservation and energy efficiency opportunities as alternatives to future capital projects?

Given the importance of this "alternatives" policy framework to today's socio-economic environment, we submit that, with a more generic articulation of the issues, parties can submit ideas that may become synergistic while concurrently considering and testing the merits Applicant's specific proposals. We submit that an approach of this nature should be preferred in a "policy" setting case where OEB staff may be leading expert evidence.

Respectfully Submitted on Behalf of FRPO,



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