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BY EMAIL

June 11, 2020

Ms. Christine E. Long  
Registrar & Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[BoardSec@oeb.ca](mailto:BoardSec@oeb.ca)

Dear Ms. Long:

**Re: Ontario Energy Board (OEB) Staff Reply Comments on the Submissions of  
Other Parties on Draft Issues List  
Enbridge Gas Inc. – Integrated Resource Planning Proposal  
OEB File Number: EB-2020-0091**

In accordance with Procedural Order No. 1, please find attached the OEB staff reply comments on the Draft Issues List, in response to the submissions of other parties. The attached document has been forwarded to Enbridge Gas Inc. and to all other parties to this proceeding.

Yours truly,

*Original Signed By*

Michael Parkes  
Project Advisor, Application Policy & Conservation

Encl.



# **ONTARIO ENERGY BOARD**

## **OEB Staff Submission on Draft Issues List**

**Enbridge Gas Inc.**

**Integrated Resource Planning Proposal**

**EB-2020-0091**

**June 11, 2020**

## Background

Enbridge Gas Inc. (Enbridge Gas) submitted an Integrated Resource Planning (IRP) proposal to the OEB, requesting that the OEB determine that its IRP Proposal is reasonable and appropriate. Integrated resource planning is a planning process that evaluates and compares realistic natural gas supply-side and demand-side options. Enbridge Gas defines the aim of IRP as reviewing and implementing alternatives that reduce natural gas in-franchise peak period demand growth to defer or avoid future transmission and distribution system facility expansion/reinforcement projects.

The OEB issued a [Notice of Hearing](#) on April 28, 2020, to commence the review of Enbridge Gas' IRP proposal.

In [Procedural Order No.1](#), issued May 21, 2020, the OEB included a draft issues list (Draft Issues List) prepared by OEB staff, and initiated a two-stage process to seek input in finalizing the issues list (Issues List). Enbridge Gas and approved intervenors were invited to file written submissions on the Draft Issues List by June 4, 2020, and all parties (including Enbridge Gas and OEB staff) were invited to file any additional comments in regards to the submissions of other parties by June 11, 2020.

The following parties made written submissions on the Draft Issues List:

- Anwaatin Inc. (Anwaatin)
- Building Owners and Managers Association, Greater Toronto (BOMA)
- The City of Hamilton
- Environmental Defence
- Enbridge Gas Inc. (Enbridge Gas)
- Energy Probe
- Federation of Rental-housing Providers of Ontario (FRPO)
- Green Energy Coalition (GEC)
- Low-Income Energy Network (LIEN)
- London Property Management Association (LPMA)
- Ontario Sustainable Energy Association (OSEA)
- Pollution Probe
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

OEB staff has reviewed these submissions and provides the following comments in reply. OEB staff supports a wording change to issues 5-12 to provide further clarity that a broad consideration of alternatives to Enbridge Gas's proposals is within scope of this proceeding, and a change to issue 12 to more accurately reflect the substance of Enbridge Gas's IRP proposal. OEB staff also provides additional comments for

consideration in regards to some topics raised in the submissions of other parties.

### **I. General IRP review versus review of Enbridge Gas's IRP Proposal**

The Draft Issues List was prepared by OEB staff based on the IRP proposal filed by Enbridge Gas. Several parties (Environmental Defence, FRPO, Pollution Probe, SEC) proposed reframing the Issues List for this proceeding in more general terms, as opposed to using Enbridge Gas's IRP proposal as the starting point. For example, Environmental Defence "recommends that the issues be recast to ask about the topic in general and not be restricted to Enbridge's proposal on the topic". SEC submitted that this proceeding should ask the question: "What is the appropriate process and approach, including both scope and consequences, that Enbridge should use to incorporate IRP into its system planning process?"

OEB staff submits that the Draft Issues List as written provides sufficient latitude for the OEB to consider its role in natural gas IRP more generally, while also responding to Enbridge Gas's request that the OEB determine whether its IRP proposal as filed is reasonable and appropriate. The Draft Issues List does not, in OEB staff's view, limit the OEB to considering only the proposal brought forward by Enbridge Gas. In particular, issues 2 and 3 in the Draft Issues List ("Does Enbridge Gas' IRP proposal require formal approval by the OEB? If so, what form should this approval take?"; "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?") recognize that the outcome of this proceeding may involve more than a simple approval or rejection of Enbridge Gas's IRP proposal, and issue 13 asks whether there are components that should be included within Enbridge Gas's IRP proposal, but are not.

Issues 5-12 of the Draft Issues List address specific components of Enbridge Gas's IRP proposal, and ask whether Enbridge Gas's proposals for each component are appropriate. OEB staff supports a variation of Pollution Probe's proposal (also supported by GEC) whereby an additional sentence is added to each of these issues asking, "If Enbridge Gas' proposal is not appropriate, what would be appropriate?" to provide further clarity that a broad consideration of alternatives to Enbridge Gas's proposals is within scope of this proceeding.

OEB staff also notes Enbridge Gas's comment that "Enbridge Gas supports the approach taken in the Draft Issues List that does not conflate Enbridge Gas's IRP Proposal with matters more appropriately dealt with through other proceedings", which is followed by a list of these other proceedings. As discussed above, OEB staff does not believe that the Issues List should limit the options before the OEB to a narrow review of

those proposed by Enbridge Gas.

With the proposed change described above, OEB staff submits that many of the new issues proposed by parties in their submissions would be within scope of the revised Issues List, without requiring additional changes.

## **II. Other components that parties suggested should be included within Enbridge Gas's IRP Proposal**

Parties made submissions on several components that are not described in Enbridge Gas's IRP proposal but that OEB staff expects will likely be important elements in the OEB's consideration of natural gas IRP.

Issue 13 ("Are there other components that should be included within Enbridge Gas's IRP proposal, but are not? If so, what are they?") in the Draft Issues List is broad enough to encompass the following issues; however, OEB staff would also support explicit inclusion of these issues within the Issues List, to recognize their importance:

- **Timing considerations in IRP planning.** Both Environmental Defence and GEC supported a new issue on this topic: "What mechanisms are needed to ensure adequate lead time for consideration and implementation of cost-effective resources that may require additional lead time (e.g. DSM [demand-side management])?" LPMA also addressed the issue of timing and recommended a modification to issue 9 in the Draft Issues List (proposed change underlined): "Is Enbridge Gas' proposed methodology and timing for seeking OEB approval and proceeding with an IRP/IRPA [IRP alternative] appropriate?" SEC submitted that consideration of IRPAs should be done at an earlier stage in system planning and precede planning for facility projects.

OEB staff agrees that timing is a critical consideration in IRP, and notes that timing concerns have limited the OEB's ability to fully consider alternatives to infrastructure investments in previous Leave to Construct proceedings, including the GTA-Parkway Project, and the Bathurst Reinforcement Project.<sup>1</sup> The OEB's *Demand Side Management Framework for Natural Gas Distributors (2015-2020)* provides guidance regarding timing considerations relevant to DSM as an infrastructure alternative, indicating that the OEB "expects the gas utilities to consider the role of DSM in reducing and/or deferring future infrastructure investments far enough in advance of the infrastructure replacement or upgrade so that DSM can reasonably be considered as a possible alternative."

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<sup>1</sup> EB-2012-0451, EB-2018-0097

- **Whether and how Enbridge Gas plans to engage and consult with impacted parties, in its comparison of IRPAs with infrastructure projects.** Impacted parties that might experience location-specific impacts of IRPAs or infrastructure projects could include (but not be limited to) municipalities (noted by Pollution Probe), and Indigenous peoples (noted by Anwaatin). This issue could be interpreted to be within the existing scope of issue 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?”), however, it is not specifically mentioned in Enbridge Gas’s IRP proposal.

### **III. Electricity as an IRPA and integration with electricity resource planning**

Several parties addressed the issue of whether technologies using electricity should be eligible as IRPAs in their submissions. Energy Probe submitted that Enbridge Gas’s consideration of possible IRP activities/projects should be limited to consideration of gas (and gas DSM) alternatives, and should exclude non-gas alternatives, including electricity. In contrast, LPMA commented that fuel switching (including to electricity) should be included in potential IRPs.

OSEA proposed a new issue with a broader scope: “What collaboration should occur between the gas and electric sectors in developing a combined gas and electric bulk system IRP?” Similarly, Pollution Probe noted that energy planning should not be siloed, and that “alignment with electricity IRP and municipal energy planning would provide a more comprehensive picture of how best to serve energy needs for our communities.” GEC submitted that “the IRP framework should ensure that policy goals are served and that scope and scale efficiencies are captured due to timely and effective coordination of multi-fuel energy efficiency investment and fuel switching.”

The Independent Electricity System Operator, which has the primary responsibility for Ontario’s bulk electricity system planning, is a party to this proceeding but did not submit comments on the Draft Issues List.

OEB staff notes that technologies using electricity, including geothermal heating/cooling and air source heat pumps, have potential to reduce peak period gas demand, and are listed as potential IRPAs within Enbridge Gas’ IRP proposal.

OEB staff submits that non-gas alternatives, including electricity, should remain eligible for consideration within an IRP at this stage of the proceeding, and that no changes to this issue (issue 7, “What activities/projects (IRPAs) should Enbridge Gas be eligible to include within an IRP?”) are necessary.

OEB staff also submits that issue 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?") is broad enough to encompass consideration by the OEB and parties as to whether Enbridge Gas's comparison should account for any provincial or federal policies relevant to fuel switching, and any impacts of the proposed IRPA on the electricity system. In its submission, Enbridge Gas acknowledged "the need to consider the impacts upon Ontario's other energy infrastructure (e.g. electricity generation, transmission and distribution) resulting from investment in IRPAs."

#### **IV. IRP Enablement**

Enbridge Gas's IRP proposal noted that Enbridge Gas intends to bring forward in a separate proceeding a proposal for an advanced metering infrastructure (AMI) system to allow for the collection of hourly data that Enbridge Gas requires to not only target IRPAs effectively but also to monitor and verify their effectiveness. The need for AMI to measure hourly consumption is also discussed in the "Monitoring and Reporting" section of Enbridge Gas's IRP Proposal.

OSEA submitted that a new issue should be added on this topic: "What enabling technology is required, if any, to allow Enbridge to appropriately measure reductions to peak day and peak hour forecasts? Should Enbridge be required to expedite a proposal for deployment of AMI in a separate proceeding?" GEC proposed a new, broader issue that included demand forecasting capabilities: "Are current energy and demand forecasting methodologies and capabilities and efficiency potential analyses appropriate to support IRP?"

The specific merits of Enbridge Gas's proposed investments in AMI can be reviewed in another proceeding, however OEB staff submits that there is value in considering in this proceeding whether improved data collection capabilities (including hourly consumption data) are needed to support effective IRP planning and implementation. If the OEB agrees, it could clarify whether it sees this as within the scope of one or more of the existing issues in the Issues List, or add a new issue on this topic.

#### **V. Monitoring, reporting, and adjustment of investments in IRPAs**

Enbridge Gas submitted that issue 12 in the Draft Issues List should be amended as follows (proposed change underlined): "Is Enbridge Gas' proposal to monitor and report on IRPAs through an annual IRP report, and to seek approval to adjust any previously approved investments in IRPAs based on the results of such reporting, appropriate?" Enbridge Gas' IRP proposal notes that, if monitoring identifies that peak demand reductions associated with an IRPA appear to be underperforming, Enbridge Gas may seek to shift funding to an alternate IRPA, if approved by the OEB. OEB staff agrees that the revised wording of this issue more accurately reflects the substance of Enbridge

Gas's IRP proposal, and supports this change.

All of which is respectfully submitted.