



Adam Stiers  
Technical Manager  
Regulatory Applications  
Regulatory Affairs

Tel: (519) 436-4558  
Email: [astiers@uniongas.com](mailto:astiers@uniongas.com)  
[EGIRegulatoryProceedings@enbridge.com](mailto:EGIRegulatoryProceedings@enbridge.com)

Enbridge Gas Inc.  
P.O. Box 2001  
50 Keil Drive N.  
Chatham, Ontario, N7M 5M1  
Canada

June 11, 2020

BY RESS and EMAIL

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

Dear Ms. Long:

**Re: EB-2020-0091 – Enbridge Gas Inc. – Integrated Resource Planning Proposal  
Reply Submission on Draft Issues List**

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In accordance with the Ontario Energy Board's ("OEB" or "Board") Procedural Order No. 1, dated May 21, 2020, the following are Enbridge Gas Inc.'s ("Enbridge Gas") written responses to the submissions of other parties on the Draft Issues List.

As set out in its June 4, 2020 submissions, as it interprets all draft issues as recognizing its obligation to serve the firm contractual peak period (peak hour or design day) demands of its customers and the need to consider impacts upon Ontario's other energy infrastructure, Enbridge Gas generally supports and agrees with the approach and proposed issues identified by OEB Staff in its Draft Issues List. The Draft Issues List includes appropriate draft issues to allow for review of Enbridge Gas's Integrated Resource Planning ("IRP") Proposal and to establish an IRP policy framework to guide Enbridge Gas's assessment of IRP alternatives ("IRPAs"), relative to other facility and non-facility alternatives, to serve the forecasted needs of Enbridge Gas customers.

In this reply submission, Enbridge Gas responds to intervenor submissions. Enbridge Gas will not comment upon each suggested additional or amended issue proposed by intervenors,<sup>1</sup> but instead will limit this reply submission to the items that are most important from its perspective. The fact that Enbridge Gas chooses not to address a particular intervenor position or suggestion should not be interpreted as agreement with that item.

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<sup>1</sup> Submissions were provided by the following intervenors: Anwaatin Inc. ("Anwaatin"); Building Owners and Managers Association, Greater Toronto ("BOMA"); City of Hamilton ("Hamilton"); Energy Probe Research Foundation ("Energy Probe"); Environmental Defence Canada Inc. ("ED"); Federation of Rental-housing Providers of Ontario ("FRPO"); Green Energy Coalition ("GEC"); London Property Management Association ("LPMA"); Low-Income Energy Network ("LIEN"); Ontario Sustainable Energy Association ("OSEA"); Pollution Probe; School Energy Coalition ("SEC"); and Vulnerable Energy Consumers Coalition ("VECC").

Under the headings below, Enbridge Gas sets out its reply to certain of the intervenor submissions.

**A. This is Not a Generic Proceeding**

Some parties (for example, SEC<sup>2</sup>, FRPO<sup>3</sup>, Pollution Probe<sup>4</sup>, and LPMA<sup>5</sup>) assert that the Draft Issues List should be reframed to reform this case into a generic proceeding that is not focused upon the Enbridge Gas IRP Proposal.

Enbridge Gas does not agree. Considering that no such generic proceeding has been previously initiated and no IRP policy has previously been established by the OEB, the appropriate focus of this case is a review of Enbridge Gas's IRP Proposal to establish an IRP policy framework to guide Enbridge Gas's assessment of IRPAs, to serve the forecasted needs of Enbridge Gas customers. While other parties may choose to propose alternatives, that does not change the nature of Enbridge Gas's IRP Proposal or make this a generic hearing.

The Board has determined that this case is about Enbridge Gas and how IRP should be introduced into its system and practices. That is what the Company's IRP Proposal aims to address.

In the April 28, 2020 Notice of Hearing for this proceeding, the OEB confirmed that this proceeding is directed at hearing Enbridge Gas's IRP Proposal, and that the Company's IRP Proposal will form the initial evidence in the proceeding. The OEB indicated its expectation that "[t]his hearing will address the specific elements of Enbridge Gas' IRP Proposal, and will also consider the broader issues of whether Enbridge Gas' IRP Proposal adequately responds to previous OEB direction and guidance on IRP, and whether Enbridge Gas' IRP Proposal necessitates consequential changes to any other OEB policies, codes, or guidelines."

The conclusion that this case is not a generic review of what form IRP should take for any gas distributor in Ontario is supported by the phrasing of Procedural Order No. 1 ("The OEB recognizes that Enbridge Gas' IRP Proposal has potentially wide-reaching impacts regarding Enbridge Gas' natural gas system, and as such, has the potential to impact all Enbridge Gas customers."<sup>6</sup>) It is clear from this statement that the Board considered the appropriate focus of this proceeding. Because of the specific (not generic) focus of the proceeding, other current and potential gas distributors as well as alternative fuel providers in Ontario are not participating in this proceeding. Presumably, therefore, the determinations made in this case will apply only to Enbridge Gas.

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<sup>2</sup> SEC Submission, p. 2 (general discussion) and pp. 3-5 (proposed re-wording of draft issues).

<sup>3</sup> FRPO Submission, p. 2 (general discussion) and pp. 2-4 (proposed re-wording of draft issues).

<sup>4</sup> Pollution Probe Submission, p. 4 (proposed rewording for Issues 2 and 3).

<sup>5</sup> LPMA Submission, p. 2.

<sup>6</sup> [emphasis added]

Taking this together, Enbridge Gas submits that it is not appropriate or necessary to frame this case as a generic hearing and make corresponding changes to the Draft Issues List.

**B. The Proposed Draft Issues List Accommodates Many Intervenor Proposals**

Enbridge Gas believes that it is fair to expect that the proposed Draft Issues List (assuming it becomes the Final Issues List) will be interpreted in a broad fashion, to allow examination of items that go beyond the specific wording of the proposed issues. The Company acknowledges that an Issues List sets out general topics that will be in scope, rather than limiting scope to the specific words used to describe the topic.

Enbridge Gas submits that many of the proposed additional issues from intervenors are not required. The following is a non-exhaustive list of examples:

- i. Pollution Probe suggests that a number of the draft issues should include review of alternatives where the Enbridge Gas IRP Proposal is found not to be appropriate or sufficient.<sup>7</sup> Enbridge Gas expects that a review of alternatives to certain aspects of its IRP Proposal will be in scope without having to add to the Draft Issues List.
- ii. LPMA suggests that proposed issue 5 be expanded to specifically consider a broader definition of IRP and its goals than what Enbridge Gas has proposed.<sup>8</sup> Enbridge Gas expects that the wording of the existing proposed issue will allow parties to argue for a different definition and IRP goals from what the Company has proposed.
- iii. ED and GEC suggest adding an additional issue about what mechanisms are required to ensure adequate time for consideration and implementation of resources that may require additional lead time.<sup>9</sup> Enbridge Gas believes that this item is included in proposed issue 8, which asks whether the Company's proposed screening process for determining whether to proceed with an IRPA is appropriate.
- iv. ED and GEC also suggest that there should be an additional issue asking what criteria and methodology should be used to assess and choose between IRPAs.<sup>10</sup> Enbridge Gas believes that this item is already included in proposed issue 6, which asks whether the Company's proposed screening criteria are appropriate.

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<sup>7</sup> Pollution Probe Submission, p. 6 (Issues 6 and 8-12).

<sup>8</sup> LPMA Submission, p. 1.

<sup>9</sup> ED Submission, p. 2; and GEC Submission, p. 1.

<sup>10</sup> ED Submission, p. 2; and GEC Submission, p. 1.

### **C. Many Intervenor Proposals Go Beyond this Proceeding**

While Enbridge Gas expects that the Board will permit an expansive interpretation of the issues in its Final Issues List, the Company believes that it is important to highlight several proposed additional issues from intervenors that should not be in scope for this proceeding.

As detailed in Enbridge Gas's initial submissions on the Draft Issues List, the Company does not believe that this proceeding is the appropriate forum to revisit determinations and direction from other proceedings. This case is focused on Enbridge Gas's IRP Proposal. Enbridge Gas is concerned that many of the additional or restated issues proposed by intervenors would inappropriately broaden this proceeding to an almost unlimited scope. By including review of items such as forecasting methodologies, community energy plans and electricity system planning intervenors argue for a proceeding that will be unwieldy and that risks straying into areas better addressed in other proceedings (if at all). Pollution Probe acknowledges the challenges of broadening this IRP proceeding, recognizing that taking a wide range of factors into account will be "a difficult challenge riddled with uncertainty and anxiety".<sup>11</sup> Pollution Probe concludes that confronting this challenge is worthwhile. Enbridge Gas takes the opposite view. The Company believes that unduly and inappropriately broadening the scope of this IRP proceeding from the outset makes it difficult for the process to ever conclude or succeed. This is especially true considering the ongoing impacts of the COVID-19 pandemic upon the Board and all parties to the proceeding (limiting the efficiency of consultation and collaboration).

Some specific examples of proposed issues that Enbridge Gas suggests should be rejected as beyond the scope of the proceeding are the following:

- i. **Planning Methodologies** – SEC seeks to broaden this proceeding to include review of the tests used by Enbridge Gas to determine if pipeline infrastructure is sufficient to meet future demand and whether those tests should be modified.<sup>12</sup> Other parties ask whether Enbridge Gas's asset management planning approach should be modified.<sup>13</sup> Enbridge Gas believes that these proposals go beyond the scope of this proceeding, and seek to address items better considered at the time of rebasing (if at all).
- ii. **Risk Allocation** – SEC suggests that an issue should be added to address the allocations of risk, for example where IRPAs fail to achieve what is forecast and therefore there is insufficient pipeline capacity or where forecast demand supporting a new build does not materialize and therefore there is excess pipeline capacity.<sup>14</sup> SEC's proposal seeks to have the OEB revisit the existing

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<sup>11</sup> Pollution Probe Submission, p. 3.

<sup>12</sup> SEC Submission, p. 2.

<sup>13</sup> See, for example, OSEA Submission, p. 3 and Pollution Probe Submission, p. 7.

<sup>14</sup> SEC Submission, p. 4.

regulatory paradigm, including items such as what is included in approved ROE, and what is the effect of a leave to construct approval. Enbridge Gas does not believe that this proposal is in scope for this proceeding.

- iii. **Coordination with Electricity Sector** – OSEA suggests that an issue should be added asking what coordination should occur between electricity and gas sectors in developing a combined IRP.<sup>15</sup> Other intervenors make similar suggestions.<sup>16</sup> While Enbridge Gas acknowledges that there may be a need to consider impacts of the Company's IRPAs on the electricity sector, that does not require expanding the scope of this proceeding to look into comprehensive combined IRP planning. The Company believes that it would be appropriate to have Government direction before moving to coordinate IRP planning across gas and electricity.
- iv. **Impacts from Extra-Provincial Customers** – GEC suggests adding an issue around whether and how extra-provincial load and load reduction should be considered in an IRP.<sup>17</sup> Enbridge Gas does not believe this is appropriate. This issue would impact a range of parties (extra-provincial customers) not involved in this proceeding and would likely require coordination with other distributors and regulators. The focus of this proceeding should be on IRP activities within Enbridge Gas's control.
- v. **Community Energy Plans** – Pollution Probe suggests adding an issue about whether the IRP Proposal adequately responds to policy and consumer needs. One rationale proposed is to provide a link to municipal energy planning. Enbridge Gas is concerned that this will add extra complexity to this proceeding. There is no standard municipal/community energy plan across the province, and many of the community energy plans that do exist are aspirational and lack necessary funding.

#### **D. This Proceeding is Separate from the Review of the DSM Framework**

The OEB treats demand side management ("DSM") (which is directed at system-wide conservation) separately from IRP (which is targeted at reducing peak demand to defer or avoid specific future infrastructure requirements). On May 21, 2019, the OEB initiated a consultation process to develop a Post-2020 DSM Framework for natural gas distributors (EB-2019-0003) in phases. That process remains in Phase 2 today, as parties await formal OEB direction related to the goals, objectives, and guiding principles of the next DSM framework before moving into Phase 3. By letters dated September 16 and December 19, 2019, the OEB explained next steps in the Post-2020 DSM Framework Consultative and indicated that the DSM framework will be considered separately from IRP, though the Post-2020 DSM Framework consultation will "monitor"

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<sup>15</sup> OSEA Submission, p. 3.

<sup>16</sup> See, for example, Pollution Probe Submission, p. 2 and GEC Submission, p. 2.

<sup>17</sup> GEC Submission, p. 2. See also LPMA Submission, pp. 1 and 2.

the IRP proceeding. This treatment was echoed on page 3 of the Board's April 28, 2019 Notice of Hearing in this proceeding (discussed in further detail in Section A above) where the Board explicitly articulated its approach to Enbridge Gas's IRP Proposal; the Board describes a separate and distinct hearing process for the IRP Proposal.

Enbridge Gas is concerned that some parties are looking to combine DSM and IRP. LIEN goes so far as to suggest an issue about whether it is appropriate for the consideration of DSM and IRP to be separate.<sup>18</sup>

As described above, the OEB has already determined that the processes to review and approve the Post-2020 DSM Framework and Enbridge Gas's IRP Proposal are to be carried on separately. The Company suggests, therefore, that the Final Issues List for the IRP proceeding should maintain that separation.

**E. Indigenous Consultation is not Specifically Engaged by this Proceeding**

Anwaatin asserts that two additional issues should be added, asking whether: (i) Enbridge Gas's IRPA screening process adequately considers engagement and consultation with First Nations and Metis communities and Indigenous businesses; and (ii) whether the proposal that ratepayers bear the risk of IRPAs adequately considers the circumstances of remote and near-remote Indigenous ratepayers that experience distinct and unique impacts of the cost of energy.

Enbridge Gas conducts itself in accordance with Enbridge Inc.'s Indigenous Peoples Policy<sup>19</sup> and is committed to pursuing sustainable relationships with Indigenous Nations and groups in proximity to where Enbridge Gas conducts business. Where Enbridge Gas projects, including future IRPAs, may potentially adversely impact Indigenous Peoples' interests, including rights, Enbridge Gas will engage in forthright and sincere consultation through processes that seek to achieve early and meaningful engagement.

Enbridge Gas does not believe that it is necessary to add the additional issues proposed by Anwaatin.

The proposed issue about whether the IRPA screening process includes adequate consultation and engagement can be addressed within the existing proposed issue 8, which asks whether Enbridge Gas's proposed screening process for IRPAs is appropriate. There are no specific IRPAs being proposed at this time, so there is no issue about whether consultation and engagement activities relevant to a particular project or proposal have been sufficient.<sup>20</sup> The duty to consult is not triggered by the application before the OEB.

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<sup>18</sup> LIEN Submission, p. 1.

<sup>19</sup> <https://www.enbridge.com/sustainability-reports/indigenous-discussion-paper/indigenous-policy>

<sup>20</sup> The Company observes that this proceeding is similar to the RNG Enabling Program (EB-2017-0319), in that the Board is reviewing the Company's overall approach to a subject area rather than specifically reviewing proposed projects in that subject area. In the Decision and Order for the RNG Enabling Program, the Board found that there was no direct material impact from that decision on Aboriginal or

The proposed issue about separate review of the risks of IRPAs on remote Indigenous ratepayers can be addressed within the existing proposed issue 11, which asks whether ratepayers should bear risks of IRPAs; as this can reasonably be interpreted to also ask about which ratepayer groups should bear those risks.

## **F. Appropriate Additional Issues**

Enbridge Gas acknowledges that there are a small number of proposed additional issues from intervenors that do not fit neatly within the existing Draft Issues List and that do not unduly expand the scope of the proceeding.

On that basis, Enbridge Gas does not oppose adding issues on the following topics:

- i. **Advanced Metering Infrastructure (“AMI”)** – Some intervenors suggest that the Board should specifically consider whether AMI (or other enabling technology) is necessary to appropriately measure reductions to peak day and peak hour forecasts.<sup>21</sup> In its IRP Proposal, Enbridge Gas has recognized the important role of AMI to support IRP,<sup>22</sup> but the Company has not made a specific implementation proposal for AMI. An additional issue could be added, asking whether the implementation of AMI is recommended or required to support the Company’s IRP Proposal. Alternately, the OEB may prefer to simply confirm that questions about the role of AMI can be addressed in the existing proposed issue 13 (Are there other components that should be included within Enbridge Gas’s IRP Proposal, but are not? If so, what are they?).
- ii. **Incentives** – Some intervenors suggest that the OEB may wish to specifically address what incentives and requirements are appropriate to ensure optimal IRP outcomes.<sup>23</sup> The goal of incentives is to counter the potential conflict of interest between the utility which earns on infrastructure and ratepayers who could save money by the utility avoiding or deferring future infrastructure requirements through investment in IRPAs. Enbridge Gas does not object to adding an issue on this topic, though it has not made a specific proposal to be considered. Alternately, the OEB may prefer to simply confirm that questions about incentives can be addressed in the existing proposed issue 13 (Are there other components that should be included within Enbridge Gas’s IRP Proposal, but are not? If so, what are they?).
- iii. **Avoided Costs** – OSEA suggests that the Board should specifically consider what avoided cost and demand reduction assumptions/calculations should be

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treaty rights (see page 25). Enbridge Gas submits that the same conclusion applies to this proceeding. The duty to consult is not triggered by the Company’s IRP Proposal.

<sup>21</sup> See, for example, OSEA Submission, p. 2.

<sup>22</sup> Enbridge Gas IRP Proposal, pp. 18-19.

<sup>23</sup> See, for example, ED Submission, p. 3.

used for conservation technologies that impact peak period demand, as they are relevant IRPAs.<sup>24</sup> OSEA asks that the Board either make this a distinct issue or clarify that this is included in issue 3. Enbridge Gas is supportive of either of OSEA's proposals. Alternately, the OEB may prefer to simply confirm that questions about the avoided cost and demand reduction assumptions/calculations can be addressed in the existing proposed issue 13 (Are there other components that should be included within Enbridge Gas's IRP Proposal, but are not? If so, what are they?).

If you have any questions, please contact the undersigned.

Sincerely,

[original signed by]

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Adam Stiers  
Technical Manager, Regulatory Applications

c.c.: David Stevens (Aird & Berlis)  
Michael Parkes (OEB Staff)  
Michael Millar (OEB Counsel)  
EB-2020-0091 (Intervenors)

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<sup>24</sup> OSEA Submission, pp. 1-2.