

Enbridge Gas Inc.

Integrated Resource Planning Proposal

PROCEDURAL ORDER NO. 5

September 15, 2020

Enbridge Gas Inc. (Enbridge Gas) originally submitted an Integrated Resource Planning (IRP) Proposal to the OEB on November 1, 2019 as part of its Dawn-Parkway System Expansion Project Application (EB-2019-0159). As part of that Application, Enbridge Gas requested that the OEB determine that its IRP Proposal is reasonable and appropriate, both in relation to the Dawn-Parkway System Expansion Project, and for application to future Enbridge Gas projects. On April 28, 2020, the OEB issued a Notice of Hearing, that initiated a review of Enbridge Gas' IRP Proposal as a separate proceeding (EB-2020-0091).

On July 15, 2020, the OEB issued a Decision on Issues List and Procedural Order No. 2 that, among other things, scheduled procedural steps for this case. These steps included a deadline for parties planning to file evidence to file a letter describing the nature of the proposed evidence.

On July 29, 2020, Enbridge Gas and OEB staff filed letters describing the nature of the proposed evidence they plan to file. Enbridge Gas also requested an extension to file its additional evidence, and an opportunity to file responding evidence to any evidence filed by other parties, which the OEB granted in Procedural Order No. 3, issued July 31, 2020. On August 5, 2020, the Federation of Rental-housing Providers of Ontario (FRPO), and the Green Energy Coalition (GEC) filed letters describing the nature of the proposed evidence they plan to file. GEC indicated that its evidence would be commissioned jointly in collaboration with Environmental Defence (ED).

FRPO's letter indicated that it would present a process and approach for incorporating supply-side "contracted deliveries" as one of the resources to be considered by Enbridge Gas when conducting its IRP system planning. FRPO noted that its evidence would provide the OEB with information and data on the gas market and pipeline flow dynamics in Ontario and the opportunity for Enbridge Gas to make use of supply-side resources as part of its integrated plan, and would also address real or perceived barriers to implementation.

On August 20, 2020, the OEB issued Procedural Order No. 4 which accepted the proposals to file evidence submitted by Enbridge Gas, OEB staff and GEC/ED. Procedural Order No. 4 outlined concerns that the OEB had with FRPO's proposed evidence including that it was not clear whether FRPO's proposed evidence would be relevant to the issues described in the Issues List for this IRP proceeding, and would not duplicate matters considered in the OEB's recent review of Enbridge Gas' five-year natural gas supply plan (EB-2019-0137). The OEB also stated that it agreed with comments from Enbridge Gas that a snapshot of information and data on the natural gas market and flow dynamics in Ontario at a particular point in time may be more relevant in the context of future applications to address specific system needs than in the development of an IRP framework. The OEB noted that it would like to explore the appropriate timing and approach to considering supply-side alternatives as part of the IRP framework.

Procedural Order No. 4 requested that Enbridge Gas provide details on the extent to which its additional evidence will address the approach to supply-side alternatives, including "contracted deliveries", as part of IRP. The OEB also requested that OEB staff indicate the degree to which supply-side alternatives will be considered in its evidence regarding IRP in New York State. Procedural Order No. 4 also provided the opportunity for FRPO to file any additional comments to address the concerns that the OEB had raised. On August 27, 2020, Enbridge Gas and OEB staff filed the requested information. On September 3, 2020, FRPO filed its additional comments.

This Procedural Order provides the OEB's determination on FRPO's proposed evidentiary filing, and establishes a date for an additional procedural step in this proceeding.

Consideration of Supply-Side Alternatives in Proposed Evidentiary Filings:

Enbridge Gas:

In its August 27, 2020 letter, Enbridge Gas indicated that its additional evidence would include an IRP Process Plan that would describe how and when system capacity constraints are identified, and facility and non-facility alternatives (including IRP alternatives) that could address such constraints will be assessed. Enbridge Gas confirmed that it does consider long-term supply-side alternatives to be IRP alternatives, and intends to assess them together with all other facility and non-facility alternatives following the identification of system capacity constraints.

Enbridge Gas also submitted that FRPO should be denied the opportunity to file its proposed evidence on natural gas market and flow dynamics. Enbridge Gas's letter

further requested that if the OEB grants FRPO the opportunity to file evidence, the OEB should direct FRPO's evidence to avoid consideration of specific facilities/IRP alternatives and duplication of items considered in the five-year natural gas supply plan (EB-2019-0137).

OEB Staff:

In its August 27, 2020 letter, OEB staff indicated that supply-side solutions do play a role in IRP for the New York State utilities that will be reviewed by the expert commissioned by OEB staff. To the degree that consideration of these supply-side solutions has contributed to the IRP framework in place in New York State and provides useful learnings for Ontario, this will be addressed within the evidence filed by OEB staff. OEB staff also noted that IRP in New York State combines elements of gas supply planning and distribution system planning, which may mean that the role for supply-side solutions (including contractual deliveries) in IRP for Enbridge Gas will be different than in New York State.

FRPO:

In its responding letter of September 3, 2020, FRPO submitted that its evidence would not duplicate matters previously addressed in the OEB's review of Enbridge Gas's Gas Supply Plan, as the focus of supply-side IRP is more targeted (meeting an hourly or daily demand at a specific geographic location where the system is constrained).

FRPO clarified that its evidence would not focus on an instantaneous snapshot of information and data on the natural gas market and flow dynamics at a certain point in time, but would present the evolution of natural gas flow in Ontario over several years as an example of market context, to help establish the groundwork as to why and how supply-side alternatives could be considered within the IRP framework.

FRPO also submitted that the Ontario market context differentiates the consideration of contracted supply-side alternatives from the IRP considerations in New York State, as robust flow coupled with market participants allow for the contracting of delivered supply-side solutions in Ontario that are currently not available in downstate New York.

FRPO submitted that its evidence would express FRPO's rationale for the context for considering the elements of the supply-side alternatives as part of the IRP framework, and would suggest evaluation criteria for inclusion in the framework and contain suggestions for the timing for assessing alternatives.

OEB Findings

The OEB reiterates its previous determination from Procedural Order No. 4 that the consideration of supply-side alternatives is pertinent to IRP, and therefore is in scope of this proceeding. The OEB also clarifies that this could include shorter-term “bridging” solutions in addition to long-term supply-side alternatives.

The September 3, 2020 letter from FRPO provided more background on why the consideration of supply-side alternatives is important to IRP but did little to clarify the nature of the evidence and specific deliverables that Mr. Quinn proposes to prepare on behalf of FRPO, and how it will assist in the OEB’s determination of the IRP framework.

Enbridge Gas indicated that its additional evidence will describe how and when system capacity constraints are identified, and facility and non-facility alternatives that could address such constraints will be assessed. The OEB concludes that the concerns of FRPO can be addressed by putting to Enbridge Gas proposals for evaluation criteria for supply-side alternatives, and suggestions for the timing to assess these alternatives, through the interrogatory process. Enbridge Gas’ response on the appropriateness and timing of various criteria will be of interest to the OEB in the determination of both Issue 2 and Issue 6 in the proceeding.

The OEB would also be receptive to having on the record any available studies or evidence from other jurisdictions on the approach to IRP, beyond what OEB staff may file. This may be best accomplished through the interrogatory process, so that the OEB may have the benefit of Enbridge Gas’s response to any such documentation. Any studies or reports that FRPO intended to rely on for its evidence can therefore be accommodated in this manner.

The OEB therefore denies FRPO’s request to file its proposed evidence.

Next Steps

The timelines set out in Procedural Order No. 4 remain unchanged. In addition, the OEB is establishing a date for Enbridge Gas to notify the OEB if, after reviewing the evidence filed by other parties, Enbridge Gas determines that it will not file responding evidence. Once this is known, the OEB will establish timelines for additional steps in this proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. If Enbridge Gas determines that it will not file responding evidence, it shall notify the OEB by **November 26, 2020**.

All materials filed with the OEB must quote the file number, **EB-2020-0091**, be submitted in a searchable/unrestricted PDF format with a digital signature through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available, parties may email their documents to boardsec@oeb.ca.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Parkes at Michael.Parkes@oeb.ca and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

Email: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **September 15, 2020**

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar and Board Secretary