

# Elson Advocacy

October 26, 2020

## BY RESS AND EMAIL

**Ms. Christine Long**

Board Secretary

Ontario Energy Board

2300 Yonge Street, Suite 2700, P.O. Box 2319

Toronto, Ontario M4P 1E4

Dear Ms. Long:

**Re: EB-2019-0159 – Enbridge Gas Inc. – Kirkwall-Hamilton Pipeline Project**

I am writing on behalf of Environmental Defence to request that the Board impose conditions under section 20.03 of its *Rules of Practice and Procedure* on the withdrawal requested by Enbridge in the above proceeding. In particular, we are requesting that Enbridge be directed to update its analysis of non-pipe alternatives as soon as possible to ensure that there would be sufficient time to implement any non-pipe alternatives that would be more cost-effective than the proposed project.

In its withdrawal letter, Enbridge states that it will reassess the need for the project in 2021 and expects to bring forward a new application for OEB approval.<sup>1</sup> It makes no reference to continued review of non-pipe alternatives, which it previously ruled out. We believe it is very important for Enbridge to be actively looking at these alternative immediately because they require additional lead time. If that is not done, which appears most likely based on Enbridge's letter, we may miss an opportunity to cost-effectively avoid this pipeline and achieve lower energy bills.

Enbridge ruled out non-pipe alternatives in large part because of a lack of sufficient lead time. In particular, Enbridge stated that a non-pipe alternative "would need to be approved and put into motion no less than four years prior to the expected in-service date of the preferred facility alternative."<sup>2</sup> These alternatives should be revisited now that the lead time and possible in-service date have been extended out in time.

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<sup>1</sup> Letter from Enbridge dated October 22, 2020.

<sup>2</sup> EB-2019-0159, Exhibit A, Tab 7, Page 25.

Enbridge also noted that non-pipe alternatives would need to achieve a large demand reduction of 92,174 GJ/d.<sup>3</sup> This also warrants revisiting based on updated information. Furthermore, intervenors challenged Enbridge's figures and questioned whether there truly is a capacity issue seeing as Ontario's Environment Plan mandates significant declines in natural gas consumption through energy efficiency and the OEB's DSM Potential Study shows that these declines in consumption can be achieved cost-effectively.<sup>4</sup> This should be reviewed based on the latest information in an update of Enbridge's analysis of non-pipe solutions.

Enbridge also argued that non-pipe alternatives would be too expensive.<sup>5</sup> However, this analysis focused only on the cost of energy efficiency programs while completely disregarding the savings that flow from these programs through avoided energy consumption.<sup>6</sup> One cannot assess energy efficiency while ignoring its greatest benefit – the avoided costs that result in lower energy bills. In addition, other changes in circumstances would also presumably impact this economic analysis.

Time is of the essence in this case. If we wait too long it will be too late, once again, to pursue cost-effective non-pipe alternatives that could reduce energy bills and carbon emissions at the same time. Enbridge has declined to analyze non-pipe alternatives in a timely way in a number of other cases, most recently in the Bathurst Reinforcement. In that case, the Board held as follows:

The OEB further finds that Enbridge's process for considering DSM as a viable alternative to the Project was not appropriate. Consideration of the DSM alternative should have been an ongoing process starting at the early stages of project identification and updated to reflect material changes in underlying assumptions such as demand forecasts. The assessment of the DSM alternative should have been completed before Enbridge sought internal approval of the Project.<sup>7</sup>

That project was ultimately approved because delaying it could have created supply uncertainty in the area.<sup>8</sup> However, the OEB directed Enbridge to conduct better analyses of DSM alternatives in future cases.<sup>9</sup>

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<sup>3</sup> EB-2019-0159, Exhibit A, Tab 7, p. 23.

<sup>4</sup> Government of Ontario, *A Made-in-Ontario Environment Plan*, November, 2018, p. 23 ([link](#)); Navigant, *2019 Integrated Ontario Electricity and Natural Gas Achievable Potential Study*, September 13, 2019, p. ix ([link](#)).

<sup>5</sup> EB-2019-0159, Exhibit A, Tab 13, pp. 19-22.

<sup>6</sup> *Ibid.*

<sup>7</sup> EB-2018-0097, Decision and Order, January 3, 2019, p. 6.

<sup>8</sup> *Ibid.*

<sup>9</sup> *Ibid.* p. 7; see also EB-2012-0451, OEB Decision and Order, January 30, 2014, p. 46; 2015-2020 DSM Framework, p. 36; EB-2014-0134, Filing Guidelines to the 2015-2020 DSM Framework, December 22, 2014, pp. 40-41; EB-2015-0029/0049, OEB Decision and Order, January 20, 2016, p. 83; Mid-Term Review, Report of the Board, November 29, 2018, pp. 6, 20-21.

As stated in the Bathurst Reinforcement case, consideration of DSM alternatives should be an “ongoing process” that is “updated to reflect material changes.” That is critically important with respect to the Hamilton Pipeline case and it appears that Enbridge has no plans to do this. Board directions appear necessary.

Under s. 20.03 of the *Rules of Practice and Procedure* the Board has the authority to impose conditions on any withdrawal “as it considers appropriate.” Those conditions should include an updated review of non-pipe alternatives. We have also reviewed and support the submissions of GEC and concur that this updated analysis should be filed with the Board.

Yours truly,

A handwritten signature in blue ink, appearing to read 'K. Elson', with a stylized, cursive script.

Kent Elson

cc: Parties in the above proceeding