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BY EMAIL

November 23, 2020

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Christine E. Long, Registrar

Dear Ms. Long:

**Re: OEB Staff Interrogatories
Enbridge Gas Inc.
2021 Federal Carbon Pricing Program Application
OEB File Number: EB-2020-0212**

Pursuant to Procedural Order No. 1, please find attached the interrogatories of OEB staff in the above referenced proceeding. This document has been sent to Enbridge Gas Inc. and all intervenors.

Yours truly,

Original signed by

Michael Parkes
Project Advisor, Application Policy and Conservation

cc: All Parties in EB-2020-0212

Encl.

ONTARIO ENERGY BOARD

OEB Staff Interrogatories

Enbridge Gas Inc.

2021 Federal Carbon Pricing Program Application

EB-2020-0212

November 23, 2020

Enbridge Gas Inc.

2021 Federal Carbon Pricing Program Application

EB-2020-0212

OEB STAFF INTERROGATORIES

November 23, 2020

Staff IR-1

Topic: Ontario Emission Performance Standards

Ref: Exhibit A / pp. 6-7 of 16

Preamble:

Enbridge Gas notes that for the purposes of this Application, Enbridge Gas has assumed it will be subject to the federal Output-Based Pricing System (OBPS) in 2021, not the Ontario Emissions Performance Standards (EPS).

Questions:

- a) Has Enbridge Gas estimated how its 2021 FCPP facility-related compliance costs would change, if the OBPS were to be transitioned to the EPS for 2021? If so, please provide details, and indicate any assumptions made by Enbridge Gas in its calculations.
- b) Does Enbridge Gas anticipate that there would be any Enbridge Gas customers who are currently ineligible for the OBPS (and thus pay the Federal Carbon Charge on the natural gas bills) who would become eligible for the EPS?

Staff IR-2

Topic: Management of Facility-Related Emissions and Costs

Ref: Exhibit A / pp. 11-14 of 16

Preamble:

Enbridge Gas describes four opportunities that it has identified to reduce facility-related emissions, two of which are being implemented, and two of which are not currently cost-effective and have not been implemented.

Questions:

- a) Please confirm that Enbridge Gas is not seeking cost recovery (through FCPP rates, FCPP deferral and variance accounts, or other avenues) for either of the two emissions reduction projects that are being implemented (online monitoring, air filters).
- b) In the future, should Enbridge Gas seek to implement projects for the purpose of reducing facility-related emissions, and to recover costs, would this be done through Enbridge Gas's FCPP application, or through other avenues? Please describe.
- c) Do the two larger emissions reduction projects that were identified as not being cost-effective (Plant J twinning and re-wheeling turbines) offer any potential to offset future capital costs (e.g., by extending the service life of the existing infrastructure)? If so, have these potential savings been accounted for in Enbridge Gas's discounted cash flow analysis?
- d) In its discounted cash flow analysis, has Enbridge Gas assumed an avoided carbon charge of \$50 per tonne of CO_{2e} reduction for years 2023 and beyond?

Staff IR-3

Topic: Federal Carbon Charge Cost Reductions from Voluntary Renewable Natural Gas Program

Ref: Exhibit B / pp. 2-3 of 4; EB-2020-0066 (Voluntary Renewable Natural Gas Program) Decision and Order, September 24, 2020, pp. 16-17 of 24

Preamble:

Enbridge Gas forecasts its 2021 customer-related Federal Carbon Charge costs that it seeks to recover from customers. The OEB's Decision and Order on Enbridge Gas's Voluntary Renewable Natural Gas Program Application (EB-2020-0066) indicated that Enbridge Gas should track Federal Carbon Charge savings arising from that program, and record those savings in the Federal Carbon Charge Customer Variance Accounts.

Questions:

- a) Please confirm that Enbridge Gas's forecast of 2021 customer-related Federal Carbon Charge costs does not include any reduction in forecast costs due to Enbridge Gas's Voluntary RNG program, and that Enbridge Gas intends to record any actual reduction in customer-related Federal Carbon Charge costs arising in 2021 from this program in the Federal Carbon Charge – Customer Variance Accounts.
- b) Please confirm that, if Enbridge Gas were instead to include its reduction in forecast costs due to Enbridge Gas's Voluntary RNG program within its forecast

of 2021 customer-related Federal Carbon Charge costs, the impact on the requested Federal Carbon Charge rate for 2021 would be immaterial.

Staff IR-4

Topic: Forecast 2021 Customer Volumes and COVID-19 Impacts

Ref: Exhibit B, Tab 1, Schedule 1; Exhibit B, Tab 2, Schedule 1

Preamble:

Enbridge Gas provides a forecast of natural gas volumes by rate class for the EGD and Union rate zones. This information affects several aspects of Enbridge Gas's application, including Enbridge Gas's requested rate for the Facility Carbon Charge.

Questions:

- a) Enbridge Gas notes that "the forecast employs the same methodologies which underpinned forecasts previously approved by the OEB." Does this forecast attempt to incorporate impacts to customer volumes arising from the COVID-19 emergency? If so, please describe and indicate any assumptions Enbridge Gas has made.