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November 24, 2020

VIA RESS

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

Dear Ms. Long:

Re: Enbridge Gas Inc. (EGI)
2021 Federal Carbon Pricing Program Application
Board File No.: EB-2020-0212

We are counsel to the Anwaatin Inc. (**Anwaatin**). In accordance with Procedural Order No. 1, please find enclosed Anwaatin's interrogatories to EGI in the above-noted proceeding.

Sincerely,

A handwritten signature in black ink, reading "Jonathan McGillivray", written in a cursive style.

Jonathan McGillivray

- c. Adam Stiers, EGI
Tania Persad, EGI
Larry Sault, Anwaatin Inc.
Don Richardson

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998,
S.O. 1998, c. 15, Sched. B, as amended (the Act);

AND IN THE MATTER OF an application by Enbridge Gas
Inc., for an order or orders for gas distribution rate changes
related to compliance obligations under the Greenhouse
Gas Pollution Pricing Act, S.C. 2018, c. 12, s. 186;

EB-2020-0212

INTERROGATORIES

OF

ANWAATIN INC.

November 24, 2020

Question: **Anwaatin-1**

Reference: • Application, p.3, para 7

Preamble: EGI states that persons affected by the Application are the customers resident or located in the municipalities, police villages, ***Indigenous communities and Métis organizations*** served by EGI, together with those to whom EGI sells gas, or on whose behalf EGI distributes, transmits, or stores gas. [emphasis added]

- a) What, if any, duty to consult and potentially accommodate Indigenous communities does EGI have with respect to the Application?
- b) What proportion of EGI customers, that are subject to the proposed fees set out in the application, are “on-reserve”, as defined in the *Indian Act*?

Question: **Anwaatin-2**

Reference: • Exhibit A, pp. 3-4, paras. 8-9

Preamble: In EGI's 2020 Application (EB-2019-0247) the OEB ordered that for First Nations on-reserve customers the Federal Carbon Charge remain interim and that EGI track charges to on-reserve customers until such time that the OEB makes a determination regarding the constitutional applicability of FCPP-related charges to on-reserve First Nations customers.

- a) Please provide the tracked charges to on-reserve First Nation customers in the EGD Rate Zone, and indicate what, if any, action is being taken to mitigate the charges for on-reserve First Nation customers.
- b) Please provide the tracked charges to on-reserve First Nation customers in the Union Rate Zone, and indicate what, if any, action is being taken to mitigate the charges for on-reserve First Nation customers.

Question: Anwaatin-3

Reference:

- Exhibit B, Tab 1, Schedule 5
- Exhibit B, Tab 2, Schedule 5

Preamble: EGI forecasts the Total Customer-Related Costs in the EGD rate zone at \$862,599,969.

EGI forecasts the Total Customer-Related Costs in the Union rate zone at \$551,506,350.

- a) Please provide actual 2020 volumes delivered to Indigenous communities and the total customer-related costs of the Federal Carbon Charge for Indigenous communities in the EGD Rate Zone.
- b) Please provide actual 2020 volumes delivered to Indigenous communities and the total customer-related costs of the Federal Carbon Charge for Indigenous communities in the Union Rate Zone.

Question: **Anwaatin-4**

Reference: • Updated Exhibit C, pp. 3 and 4

Preamble: EGI's forecasted 2020 administration costs are \$4.41 million: \$2.42 million for the EGD rate zone and \$1.99 million for the Union rate zones (IT billing system, staffing resources, consulting and external legal support, greenhouse gas (**GHG**) reporting and verification, bad debt, and other miscellaneous costs).

EGI plans to record actual 2021 costs in the Greenhouse Gas Emissions Administration Deferral Accounts (**GGEADAs**) until such time that these costs are incorporated into rates. EGI intends to seek recovery of its actual 2021 administration costs in a future proceeding.

EGI states that it anticipates that it will incur a total of \$0.30 million in consulting and external legal costs in 2021 for work supporting the development and sustainment of EGI's carbon strategy and related analyses, the review and interpretation of any new or updated regulations associated with the GGPPA or other GHG or carbon pricing programs and for work supporting the development of EGI's Application and associated OEB proceedings.

a) Please outline what additional consulting and external legal services EGI anticipates that it will require in relation to each of the following:

- (i) development and sustainment of EGI's carbon strategy and related analyses;
- (ii) review and interpretation of any new or updated regulations associated with the GGPPA;
- (iii) review and interpretation of any new offsets regulations associated with the GGPPA;
- (iv) Indigenous engagement and consultation for the development and sustainment of EGI's carbon strategy and related analysis;
- (v) other GHG or carbon pricing programs; and
- (vi) EGI's recently announced carbon neutrality target.

Question: Anwaatin-5

Reference:

- Exhibit A, p. 5, para 10(ii)
- Enbridge Inc., “Net Zero by 2050: Pathways to reducing our emissions” ([online](#) and attached at **Appendix A**).

Preamble: EGI notes that the Output-Based Pricing System (OBPS) under the *Greenhouse Gas Pollution Pricing Act* “creates a pricing incentive to reduce GHG emissions from Energy Intensive and Trade Exposed (“EITE”) industrial facilities while limiting the impacts of carbon pricing on their respective competitiveness” (p. 5, para 10(ii)).

On November 6, 2020 Enbridge announced its new Environmental, Social and Governance Goals which include reducing the intensity of greenhouse gas (**GHG**) emissions from their operations by 35% by 2030 and achieving net zero GHG emissions from their business by 2050. To meet these goals, Enbridge will take the following actions:

- **Modernization and Innovation** — Reduce emissions by modernizing equipment and applying innovation to existing energy transportation and distribution systems to increase efficiency and reduce the emissions intensity of existing infrastructure.
- **Decarbonizing Energy Use** – Reduce emissions intensity of electricity Enbridge buys, including building and operating solar power generation facilities to serve Enbridge's operations and utilizing lower intensity power sources from the grid.
- **Investment in Renewables and Lower Carbon Energy** – Disciplined investment in lower carbon infrastructure and business lines including wind and solar power generation, hydrogen, and renewable natural gas.
- **Offsets and Carbon Credits** – Balance residual emissions through procurement of carbon offset credits generated by nature-based solutions and Renewable Energy Certificates, with a primary focus on areas proximate to Enbridge's operations.

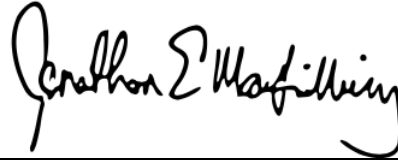
- a) Please confirm whether or not the Federal Carbon Charge and EGI's compliance with the *Greenhouse Gas Pollution Pricing Act* and other similar compliance-based regulatory schemes will be used toward Enbridge Inc.'s goal of reducing the intensity of GHG emissions from its operations by 35% by 2030 and achieving net zero emissions by 2050 (the **Commitments**).
- b) Please provide a breakdown of the Federal Carbon Charge that identifies the portion(s) that will be affected and/or reduced as a result of the Commitments.
- c) Please indicate whether customer payments are to be used towards meeting the Commitments, and if so, please provide details of how such customer payments will be used and what communications/explanations have been provided to customers regarding such payments.

- d) Please comment and provide details on the relationship between the Federal Carbon Charge, the Commitments, and EGI's hydrogen strategy (which consists, in part, of EGI's Low Carbon Energy Project, a hydrogen blending pilot, approved by the Board in EB-2019-0294). In particular, please confirm whether or not EGI's hydrogen strategy is expected to mitigate or otherwise affect the Federal Carbon Charge.

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS
24th day of November, 2020



Lisa (Elisabeth) DeMarco
DeMarco Allan LLP
Counsel for Anwaatin



Jonathan McGillivray
DeMarco Allan LLP
Counsel for Anwaatin

APPENDIX A

Net Zero By 2050

Pathways to reducing our emissions



Achieving net zero by 2050

Climate change requires serious solutions. We are adapting to the energy transition over time—helping society transition to a lower-emissions economy, while reducing our own emissions.

Our targets

**Net
zero
emissions**



Eliminate GHG emissions from our business on a net basis (net zero) by 2050



Reduce the intensity of GHG emissions from our operations 35% by 2030

These targets focus on greenhouse gas (GHG) emissions generated by Enbridge's operations arising from the combustion (carbon dioxide (CO₂) and nitrogen dioxide (NO₂)) and/or release of methane (CH₄) (Scope 1 emissions) as well as emissions from the generation of purchased electricity consumed by the company (Scope 2 emissions).

Progress against these targets will be measured relative to a 2018 base year, the first full year of operations following the transformational acquisition of Spectra Energy and the roll out of a new long-term strategy for the combined Company.

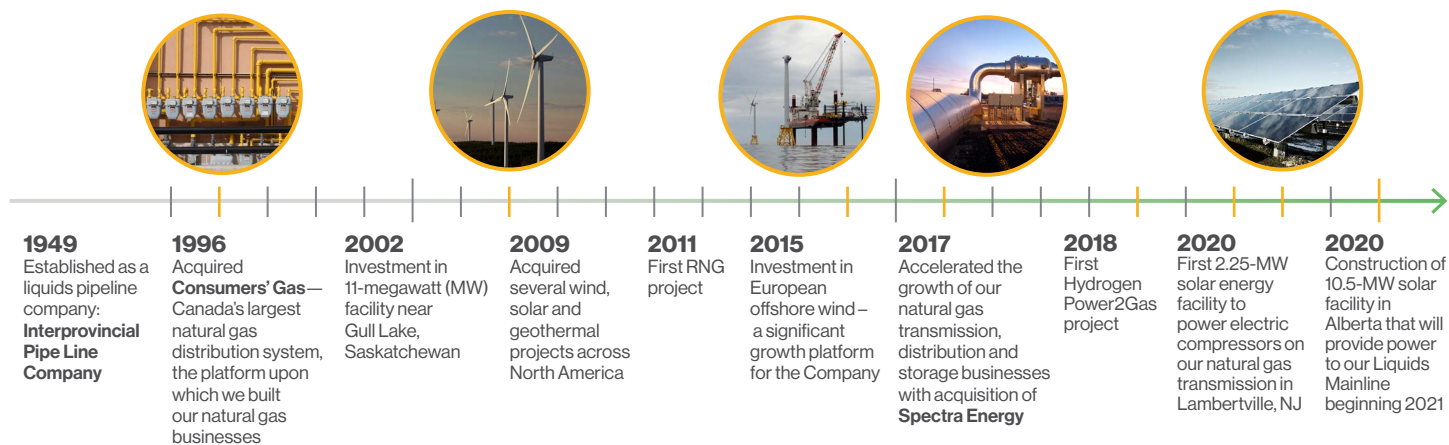
To hold ourselves accountable, we've linked compensation to delivering on our ESG targets through objectives set out in annual business unit and corporate function scorecards.

¹ Scope 1 accounts for direct GHG emissions which occur from sources that are owned or controlled by the Company.

² Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the Company.

Our approach

Enbridge's strategic planning process has consistently revealed opportunity in energy systems change. We have long focused on energy fundamentals and building optionality in our business. More specifically, we've taken a gradual approach which involves testing the technology, developing the capability and then expanding the opportunity set over time.



We will continue to focus on energy fundamentals while building optionality into our business. And, as we continue to diversify our business mix, we will continue to work to reduce the GHG emissions associated with our business.



Building on proven success

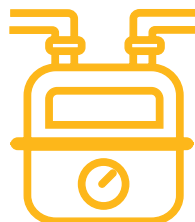
Enbridge has a well-established track record of responsibly addressing environmental consequences of delivering carbon-based energy to North Americans. This includes past programs to successfully reduce GHG emissions.



21%
reduction

in direct GHG emissions from our Canadian operations below 1990 levels between 2005 and 2011

Much of this reduction was achieved through the replacement of approximately 1,800 kilometers (1,119 miles) of cast iron and bare steel pipe.



Additional
5%
GHG
reduction

in the GHG emissions intensity of our gas distribution business

Relative to the total number of customers between 2011 and 2015.



30^B
cubic metre
reduction

in natural gas consumed by our gas utility customers since 1995 because of our Demand Side Management programs

That's enough energy to serve 12.5 million homes for one year and it amounts to a 56.2 million tonnes of carbon dioxide equivalent (tCO₂e) reduction in GHG emissions – or the equivalent of taking 12.2 million cars off the road for one year.



Pathways to reducing our emissions

Innovation is required across the entire energy system if we are to address climate change and deliver GHG emissions reductions in line with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) and the goals of the Paris Accord.

As we strive to provide secure, reliable and affordable energy that the world needs and wants, it is clear that existing energy systems need to be part of the climate solution.

With assets across the energy system, Enbridge is well-positioned to make a meaningful contribution.

Our 2030 and 2050 targets will be achieved via several initiatives that are aligned with Enbridge's current strategy and longer-term business plans.

1

**Modernization
and Innovation**

2

**Decarbonizing
Energy Use**

3

**Investment in
Renewables and
Lower-carbon
Infrastructure**

4

**Offsets and
Carbon Credits**



Modernization and innovation

Enbridge is reducing GHG emissions by modernizing and applying innovation to existing energy transportation and distribution systems to increase efficiency and reduce the emissions intensity of existing infrastructure.

Liquids Pipelines (LP)

- Application of machine learning and predictive analytics to increase system efficiency, reducing the overall energy consumption and emissions.
- Development of an enterprise-level strategy and decision-making framework to optimize power generation, procurement, and consumption in a safe and reliable way to maximize value for Enbridge across four dimensions (cost, revenue enhancement, GHGs, and employee experience), while managing risk and external stakeholders (e.g. customers, public, regulators). A pilot project has been initiated with our LP assets in Alberta and Saskatchewan.

Gas Transmission and Midstream (GTM)

- Replacement of older and less efficient compression facilities on our long-haul natural gas transmission systems to improve energy efficiency and reduce GHG emissions. The first phase is expected to reduce GHG emissions on the Texas Eastern pipeline by more than 180,000 tCO₂e annually beginning in 2024.
- Future phases of modernization have the potential to remove up to 850,000 tCO₂e of additional GHG emissions each year from our gas transmission facilities by 2034.
- As a member of Our Nation's Energy (ONE) Future¹, Enbridge commits to voluntarily reduce methane emissions across the U.S. natural gas value chain to 1% (or less) of total produced natural gas by 2025. This helps to drive a specific focus on methane reductions, including the replacement and modernization of equipment to reduce fugitive emissions.

Gas Distribution and Storage (GDS)

- Modernization of equipment, capturing of vented emissions from compressor stations, and enhanced leak detection and repair programs at company facilities is expected to reduce both combustion-related and methane emissions.
- Development and commercialization of new energy sources that will reduce the GHG footprint from its own operations and further reduce the carbon intensity of the energy that it delivers to its customers (see Reducing Scope 3 Emissions section for more detail).

¹ ONE Future is an industry-led initiative formed in 2018 to achieve a science-based average rate of methane emissions across U.S.-based upstream production, transmission and distribution. The goal of ONE Future is to ensure the future of natural gas as a long-term sustainable fuel and to advance industry leadership in energy production and reduction of emissions.



Decarbonizing energy use

Enbridge is reducing the emissions intensity of the electricity we procure with solar self-power projects and advocating for policies that decarbonize the power grid.

Enbridge is actively developing and executing on opportunities to “self-power” – to build and operate renewable power generation facilities to meet our own electric power requirements.

The first of several planned solar energy facilities to power electric compressors on Enbridge’s natural gas transmission pipelines was placed into service at Lambertville, New Jersey, in October 2020. The 2.25-megawatt (MW) project is expected to reduce GHG emissions from electricity generation by nearly 60,000 tCO₂e over the operation’s lifetime. We are advancing the development of similar facilities at several other locations on our gas transmission network which are expected to come into service over the next two to three years.

A 10.5-MW solar facility is currently under construction in Alberta that will provide power to Enbridge’s Liquids Mainline beginning in 2021. We have identified and are actively developing similar self-power solutions for pump stations across our network of liquids pipelines.

Enbridge is pursuing options to meet the balance of electricity needs through the purchase of power from less emissions intensive (“green”) sources of electricity in the jurisdictions where we operate. This includes policy advocacy to support the implementation of cost-effective policies to reduce the carbon footprint of the electricity grid.



Lambertville, New Jersey solar project

2.25_{MW}


GHG reduction of
60,000_{tCO₂e}
from electricity generation



Alberta Solar One solar project

10.5_{MW}

to supply power to Enbridge’s Liquids Mainline



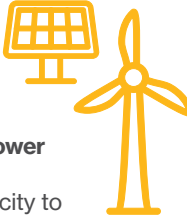
Investment in renewables and lower-carbon infrastructure

We continue to focus on disciplined investment in lower-carbon infrastructure and business lines, including wind and solar power generation, hydrogen and renewable natural gas.

Since 2002, Enbridge has invested C\$8 billion in renewable power generation facilities (in operation and under construction) with the capacity to deliver more than 2,000 MW of net zero-emissions power to customers in the U.S., Canada and Europe. This equals the energy consumption of about 950,000 homes or a city about the size of San Francisco, CA. We are currently advancing another 371 MW of net renewable development projects in Europe and actively pursuing opportunities to profitably expand this rapidly growing segment of our business. In Europe, we've leveraged our major project execution capabilities and offshore pipeline construction skills to find excellent partners. This allows us to expedite the development of commercial, operating and construction capabilities specific to the offshore wind context.

Enbridge is working across businesses and with partners to develop facilities and programs for the production, marketing, transportation and distribution of renewable natural gas (RNG), hydrogen and compressed natural gas (CNG). With our vast network of pipelines, Enbridge is also well-positioned to participate in what is expected to be a growing opportunity for investment in Carbon Capture Utilization and Storage (CCUS) facilities. Enbridge is actively working with potential private and public partners and stakeholders to advance opportunities to build, own and operate these facilities.

\$8B
invested in
renewable power



with the capacity to
deliver more than
2,000^{MW}¹
of net zero-emissions power
to customers in the U.S.,
Canada and Europe

which is equivalent to the
energy consumption of about
950,000
homes



¹ In operation and under construction.



Offsets and carbon credits

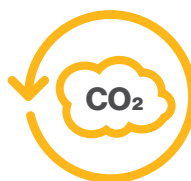
We will balance residual emissions through procurement of carbon offset credits generated by nature-based solutions and Renewable Energy Credits, with a primary focus on areas proximate to our operations.

Selective investment in nature-based solutions and offsets, including



afforestation

and



soil carbon sequestration

and through enhanced agricultural practices proximate to our operations.



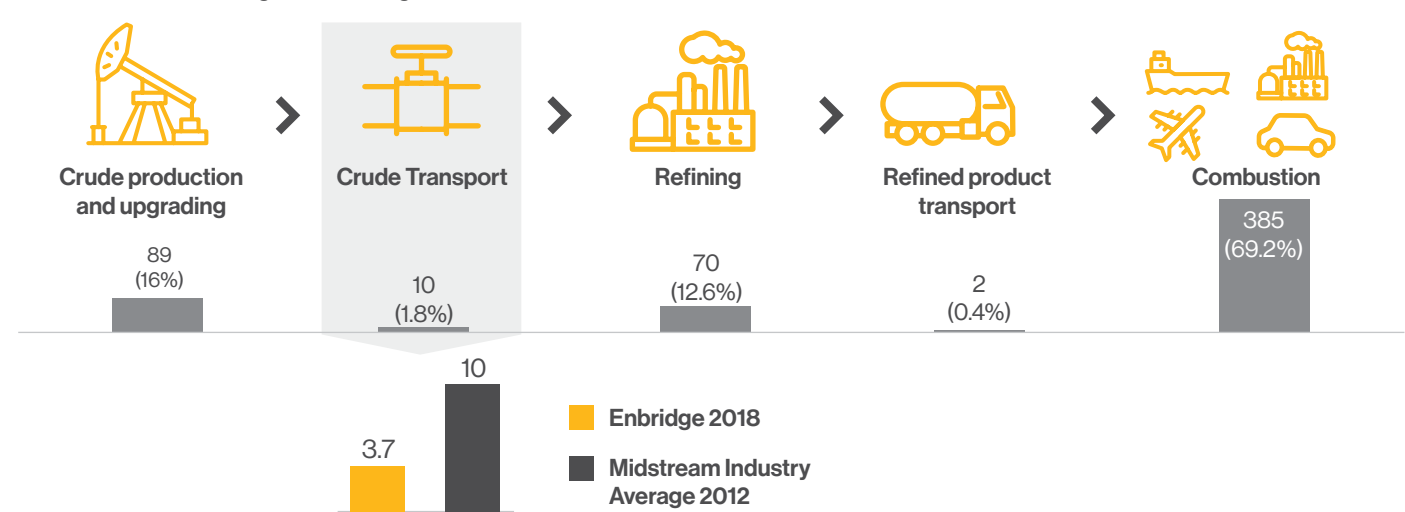
Reducing Scope 3¹ emissions

Enbridge's GHG emissions reduction targets focus specifically on Scope 1 and Scope 2 emissions. Yet, operational emissions from the midstream comprise only a small portion of total GHG emissions on a lifecycle basis.

The transportation of oil sands product makes up less than 2% of lifecycle emissions – as the diagram below shows, most of the emissions come from combustion, production and upgrading.

Consequently, Enbridge is designing emissions reduction strategies with a view to delivering Scope 3 emissions solutions. Over the next three decades, we are looking to help our suppliers and customers to deliver emissions reductions in line with recommendations of the IPCC.

Lifecycle emissions intensity (Scope 1 and Scope 2)
(Canadian Oil Sands, Average Produced, kg CO₂e/bbl)



¹ Scope 3 GHG emissions result from our utility customers' natural gas use, our employee business air travel and from electricity grid transmission and distribution loss (grid loss).

Accordingly, in addition to tracking and reporting progress against our Scope 1 and 2 GHG emissions and targets, we will also systematically measure and periodically report on the contribution that our investments make to the avoidance of third-party GHG emissions, focusing on two supplementary metrics.

Our supplementary metrics

1 The **absolute reduction and/or avoidance** of GHG emissions enabled by Enbridge operated facilities (tCO₂e per annum) including, for example, generation of zero-emissions electricity, Demand Side Management and Renewable Natural Gas.

2 The **carbon intensity** of the energy delivered by Enbridge (tCO₂e per petajoule (PJ) of energy delivered) based on the total amount of energy contained in the crude oil, natural gas and electricity delivered to customers on a per annum basis.



Renewable Natural Gas

In partnership with the City of Toronto, we will capture approximately 3.2 million cubic metres of RNG per year to fuel the city's waste collection fleet or heat city buildings. More recently, Enbridge [announced](#) a \$42-million partnership in Niagara Falls, ON to build a RNG plant which is expected to generate enough energy to heat 8,750 homes and reduce GHG emissions by 48,000 tonnes per year.



Hydrogen

GDS produces green hydrogen in Markham, ON and we are working to blend that hydrogen into a portion of our distribution network in the city – the first project of its kind in North America and will result in the distribution of a 'greener' gas mixture, with fewer carbon emissions.



Compressed Natural Gas

A partnership between Enbridge and the City of Hamilton, ON will fuel 137 CNG buses at a fast-fill compressor station. CNG buses produce 20% fewer GHG emissions than diesel and can reduce fleet costs by up to 50%.

Disclosure and accountability

Enbridge has been publicly reporting GHG emissions data in its annual sustainability report since 2001 and has regularly reported to the CDP (formerly Carbon Disclosure Project) since 2010. In 2019, the Company evolved its disclosure in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), broadening the scope of its data reporting to both emissions intensity and absolute emissions, as well as providing insight to the Company's strategy with respect to the risks and opportunities that arise from climate change. In 2020, Enbridge officially became a TCFD supporter.

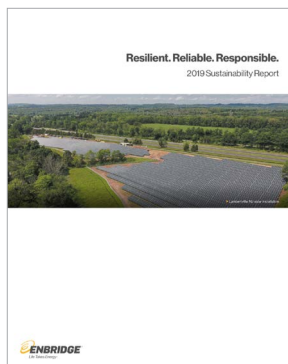
Beginning in 2021, Enbridge plans to disclose its Scope 1 and Scope 2 absolute emissions and along with intensity metrics and progress against its 2030 and 2050 targets, together with the supplementary metrics and other GHG related information, in our annual sustainability report. Emissions data will also continue to be reported to the CDP.

Also beginning in 2021, all executive and staff compensation will be tied to progress towards Enbridge's emissions targets with leading and lagging indicators embedded in business scorecards. More details will be provided in our reporting and in discussion of executive compensation in our annual management information circular.

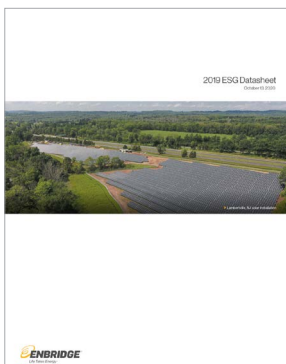
Enbridge retained a third party to provide limited assurance on our 2018 and 2019 GHG and energy consumption data. The final report will be made publicly available.

Related reports

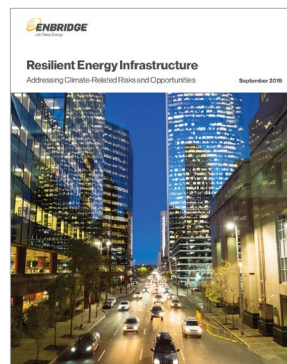
For complementary information, please reference the following reports:



[2019 Sustainability report](#)



[2019 ESG datasheet](#)



[2019 Resilient Energy Infrastructure: Addressing climate-related risks and opportunities](#)

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