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January 12, 2021

Ms. Christine Long
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Long,

RE: EB-2020-0091-Enbridge Gas Integrated Resource Planning Proposal

Please find enclosed the interrogatories submitted on behalf of the Ontario Greenhouse Vegetable Growers to the applicant Enbridge Gas Inc..

Yours truly,

Michael R. Buonaguro
Encl.

Enbridge Gas Inc.
Ontario Energy Board File No.: EB-2020-0091

Integrated Resource Planning (IRP) Proposal

Interrogatories submitted by the Ontario Greenhouse Vegetable Growers (OGVG)

to Enbridge Gas Inc. (EGI)

January 12, 2021

OGVG-1

REF: EB-2019-0159, Exhibit A, Tab 13, page 13.
EB-2020-0181, Exhibit C, Tab 1, Schedule 1, page 46 Figure 6.

PREAMBLE:

EGI has filed Exhibit A, Tab 13 from its EB-2019-0159 application as the initial basis for its IRP proposal.

At page 13 of Exhibit A, Tab 13, the IRP Proposal makes the following reference:

> *The IRP study findings estimate that only 14-17% of reinforcements in the sample (which only included distribution reinforcements) could feasibly be replaced by an IRPA.*

The referenced IRP study was not included as an attachment to the IRP Proposal; the referenced IRP study was instead cited as appearing in EB-2018-0097 as Exhibit I.EGDI.SEC.1, Attachment 1, October 11, 2018. A review of the OEB filings for EGI dated October 11, 2018 reveals a set of interrogatory responses from EGI in EB-2018-0097, wherein there is an IRP study filed at Exhibit I.EGDI.SEC.1, Attachment 1. However, the referenced study does not have a page 138; the attached study is only 49 pages long.

a) Please file the IRP Study referred to by EGI at page 13 of Exhibit A, Tab 13 that resulted in the estimate that only 14-17% of sampled reinforcements could feasibly be replaced by an IRPA, including a reference for that estimate within the document.

b) With respect to the estimate that only 14-17% of sampled reinforcements could feasibly be replaced by an IRPA, please provide the analysis performed as part of the study that resulted in the estimate, to the extent that analysis is not included in the study itself.

c) Please comment on whether any changes in EGI's proposed approach to IRP since it filed Exhibit A have had a material impact on the estimate of how many reinforcements in the sample provided for the IRP study could feasibly be replaced by an IRPA; if there has been a material impact please produce a revised analysis demonstrating how the original 14-17% estimate has been affected.

d) Using the total proposed annual capital program spend for EGI over the 2021 to 2025 period as filed by EGI in EB-2020-0181 at Exhibit C, Tab 1, Schedule 1, page 46 Figure 6, please provide an additional line item which splits out the estimated spend on projects that, based on EGI's updated analysis, might feasibly be replaced by IRPAs (OGVG expects that this would be accomplished by splitting the planned system access spending into IRPA feasible and IRPA non-feasible sub-categories; if that is not appropriate please provide an alternate presentation). In providing the estimate OGVG recognizes that, particularly for the early years in the estimate, the answer will be entirely theoretical, setting out the level of capital programming that would have been IRPA feasible had there been an OEB approved IRP policy in place in advance of the proposed projects becoming known.

OGVG-2

Reference: Exhibit B, page 18.

Preamble:

Consistent with the Guiding Principle of Cost Effectiveness, given that the least cost option is a central driver for selection of either a facility or non-facility solution, the recommended solution should be a lesser cost for customers on-the-whole. However, as pointed out in the IRP Study completed by ICF, this is an important approach that needs to be confirmed by the OEB as it will have a major impact on the development of an IRP framework for Enbridge Gas. For the purposes of this IRP Proposal the remainder of this evidence assumes that the Board will prioritize the most economic (lowest cost) alternative.

a) Please confirm that the intent of the IRP Framework is to continue to provide existing and potential customers the same level of access to incremental firm capacity as would be available under EGI's current status quo planning parameters, at the same or lower cost as would be the case had the incremental capacity been secured through a traditional facilities-based solution. If not confirmed, please explain how existing and potential customers may be negatively impacted as a result of the IRP Framework in terms of their access to incremental firm capacity and the cost to them of any incremental capacity.

OGVG-3

Reference: Exhibit B, page 32.

Preamble:

Enbridge Gas will apply to the OEB for approval to recover the costs associated with

investment in any IRPA. Enbridge Gas presumes that such an application would, similar to applications for LTC facility alternatives, include an explanation of the system constraint/need, a summary of stakeholder engagement input, rationale for investment in the IRPA, the estimated individual and overall costs of investment, proposed cost allocation and recovery methodologies, proposed ownership and operationalization arrangements and a commitment to ongoing annual monitoring and reporting on the relative effectiveness of the IRPA to relieve the identified constraint.

a) Please provide an overview of how EGI expects to allocate the costs associated with IRPAs; please discuss whether or not EGI's proposed allocation methodology has the potential to negatively impact customers accessing incremental firm capacity relative to the impact they would have experienced as a result of the implementation of a traditional facilities-based solution and allocation of costs.

OGVG-4

Reference: OEB Staff Evidence, The "Guidehouse report", page 9.

Preamble:

Due to significant delays and challenges with pipeline projects by regulatory agencies, both [New York based] utilities unilaterally enacted moratoria on new customer connections in specific parts of their service territory. Within the Supply / Demand Analysis in the Gas Planning Proceeding, Con Edison details the permitting challenges that have delayed or restricted the development of infrastructure projects over the last 5-10 years. The New York State Department of Environmental Conservation's denial of multiple water permit applications for the Northeast Supply Enhancement (NESE) project ultimately led the developer to abandon the project. This pipeline cancellation primarily affected National Grid but also impacted Con Edison's long-term supply outlook.

a) Please discuss the extent to which EGI has or has not experienced the level of significant delays and challenges by regulatory agencies that has, apparently, been experienced in New York State.

b) Does EGI expect that, in the regulatory landscape in Ontario as it relates to natural gas infrastructure, it may or would be necessary for EGI to implement moratoria on new customer connections without the implementation of IRPAs as a way to circumvent regulatory constraints on facility-based solutions?

OGVG-5

Reference: Exhibit B page 24.

Preamble:

Both electric GSHPs and EASHPs provide a solution that could be deployed to mitigate the need to build new infrastructure or to reduce the amount of new infrastructure required. It should be noted that these solutions may also result in unintended and perhaps meaningful consequences to electrical transmission and/or distribution system(s) and their carbon intensity profiles.

a) Please explain how, when applicable, the impact of the electrification of gas end-uses on the relevant electricity distribution and transmission systems should be integrated into the IRP analysis. In particular, please explain the extent to which the participation by the potentially affected electricity distributors and transmitters are required in order to properly assess the viability and total cost impact of proposed electrification based IRPAs where the proposed alternative creates incremental electricity demand that may trigger the need for new electricity distribution and/or transmission infrastructure.

OGVG-6

Reference: Exhibit B page 20.

Preamble:

Customer-Specific Builds – If an identified need has been underpinned by a specific customer's clear determination for a facility option and either the choice to pay a Contribution in Aid of Construction ("CIAC"), or to contract for long-term firm services delivered by such facilities, then that project is not reasonable for an IRP analysis.

a) Does EGI intend this exception to include builds underpinned by more than one customer, where groups of customers are seeking firm capacity and, collectively, can supply a sufficient mix of CIACs or contracts for long-term firm services (i.e., through the use of EGI's Hourly Allocation Factor as approved in EB-2019-0094) to support a facilities-based solution?

OGVG-7

Reference: Exhibit C page 9.

Preamble:

Enbridge Gas acknowledged in its Additional Evidence that,

Although cost/economics is the primary factor with respect to alternative selection, as set out in the Guiding Principles underpinning Enbridge Gas's IRP Proposal (discussed in Section 2.0), there are other factors that may be considered.

Accordingly, Enbridge Gas supports the assessment of well-known and clearly quantifiable impacts to both ratepayers and society. That being said, Enbridge Gas also recognizes the challenges in assigning quantitative values to societal factors that offer indirect benefits. Therefore, Enbridge Gas supports the OEB's consideration of other costs and benefits similar and in addition to those set out in E.B.O. 134 as part of its development of an IRP Framework for Enbridge Gas. When assessing the feasibility of natural gas facility (pipeline) infrastructure and comparing them to IRPAs, the Board should establish a staged economic evaluation standard for IRPAs through this proceeding that ultimately resembles a modified version of the OEB's E.B.O. 134 guidelines or a DCF+ test.

a) Please confirm that consideration of "societal factors" that offer indirect benefits in what EGI refers to as a DCF+ plus test may result, if approved, in the implementation of IRPAs that are more expensive from a rate-making perspective than the facilities-based options the IRPAs are deferring or replacing.

b) Assuming that a) is confirmed, please comment on the feasibility of splitting the allocation of the costs of an IRPA into two components:

    i) the cost of the facilities-based solution the IRPA is replacing, and
    ii) the incremental costs beyond what would have been incurred to implement the facilities-based solution which are only being incurred as a result of going beyond the basic DCF analysis to consider societal factors,

    with the result that incremental costs incurred in recognition of societal factors are allocated to all of EGI's customers.