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**Enbridge Gas Inc.**  
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January 12, 2021

BY RESS AND EMAIL

Ms. Christine Long  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)  
Ontario Energy Board File No.: EB-2020-0091  
Integrated Resource Planning Proposal  
Enbridge Gas Interrogatories to Green Energy Coalition/Environment Defence  
(GEC/ED)**

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In accordance with Procedural Order No. 7 issued by the Ontario Energy Board ("OEB" or "Board") on December 2, 2020, enclosed please find Enbridge Gas interrogatories to GEC/ED and Energy Futures Group ("EFG") for the above noted proceeding.

If you have any questions, please contact the undersigned.

Sincerely,

(Original Digitally Signed)

Adam Stiers  
Technical Manager, Regulatory Applications

cc.: D. Stevens (Aird & Berlis)  
M. Parkes (OEB Staff)  
M. Millar (OEB Counsel)  
EB-2020-0091 (Intervenors)

**ENBRIDGE GAS INC.  
INTEGRATED RESOURCE PLANNING PROPOSAL:**

**Written Interrogatories of Enbridge Gas Inc. to the Green Energy Coalition,  
Environmental Defence and Energy Futures Group.**

**Issue 2 - What is the appropriate process and approach for incorporating IRP into Enbridge Gas's system planning process, including scope, timing, stakeholder consultation, approval process and evaluation?**

**Enbridge 2.1**

**Reference:** Section 4.3.2.1

**Preamble:** The evidence states that "The Board should require Enbridge to begin to deploy two such pilot projects in 2021 with actual deployment of IRPA resources beginning no later than January 2022."

**Question:**

- a) Please comment on how the two pilot projects should be selected, implemented, and evaluated.
- b) Should pilot projects be completed and evaluated before the Board finalizes an IRP Framework for Enbridge Gas? If the answer is "no", why not?

**Issue 5 - What are industry best practices for IRP, and how are they applicable to the Ontario context?**

**Enbridge 5.1**

**Reference:** Section 1.4.1

**Preamble:** The evidence states that “Experience in other jurisdictions suggests that more granular forecasting that accounts for such changes can significantly alter estimates of T&D needs.”

**Question:**

Please provide examples of natural gas utilities that have implemented more granular forecasting which has significantly altered the estimates of their transmission and distribution needs, including the detailed explanation of volumetric variances from their original forecasting methodologies to new more granular ones.

**Enbridge 5.2**

**Reference:** Section 4.2.1.2

**Preamble:** The evidence states that “Some jurisdictions have initial “rough cut” criteria – including lead time – for determining whether a detailed IRPA analysis is warranted. In Vermont, the criteria for consideration of non-wires solutions for deferral of electric transmission system investments are structured around the magnitude of the load reduction required as follows:

- 1 to 3 years for load reductions of 15% or less;
- 4 to 6 years for load reductions of 15% to 20%;
- 6 to 10 years for load reductions of 25%.”

**Question:**

Please provide examples of the other jurisdictions where “rough cut” criteria for natural gas lead time and load reductions are similar to the criteria for consideration of non-wires solutions in Vermont. Are the “rough cut” criteria cited in evidence currently used and valid for the assessment of non-wires solutions in Vermont?

### **Enbridge 5.3**

**Reference:** Section 4.2.4.1

**Preamble:** The evidence states that “The Gas IRP framework should establish a planning committee, modeled on Vermont’s System Planning Committee, to secure input throughout the planning process from key stakeholders.”

**Question:**

Does Vermont have a system planning committee for natural gas utilities? If not, why not?

### **Enbridge 5.4**

**Question:**

Please confirm that New York is the only jurisdiction in North America with real/practical experience with natural gas IRP for the purposes of the deferral of natural gas infrastructure, beyond conducting research or pilot initiatives.

### **Enbridge 5.5**

**Question:**

Is EFG aware of a Benefit-Cost analysis for natural gas IRP that has been thoroughly reviewed and accepted by a regulatory body in North America? If so, please provide the details of this analysis (ideally including all calculations in excel with formulae intact) and the resulting conclusions/decision/direction of the relevant regulatory body.

**Issue 6 - What screening criteria and methodology should be adopted to evaluate and compare IRP Alternatives (IRPAs) with one another and with facility projects?**

**Enbridge 6.1**

**Reference:** Section 1.5.1

**Preamble:** The evidence states that “Individual customer demands for gas connection can be grounds for providing that connection, as long as the customer is prepared to pay for the full cost of their contribution to system costs and risks. However, if demand from a new customer would require T&D investment at a point in the system that serves many other customers, the utility should be required to consider non-pipe solutions. In addition, Enbridge should also proactively work with potential new customers to consider non-pipe alternatives early on, where that would reduce overall system costs and risks (e.g. heat pumps in new buildings).”

**Question:**

Is Energy Futures Group (“EFG”) advocating for Enbridge Gas to provide incentives through investment in IRPAs (e.g. incremental energy efficiency programming) to individuals/entities which are not contracted customers of Enbridge Gas?

**Enbridge 6.2**

**Reference:** Section 4.2.3

**Preamble:** The evidence states that “There are a range of measures that can be part of non-pipe solutions. That includes energy efficiency; demand response; electrification of gas end uses with air source heat pumps, ground source heat pumps and other technologies; and localized injection of compressed gas.”

**Question:**

If additional electric distribution, or transmission assets need to be built as a result of such investments in natural gas IRP should their associated costs be included in cost-effectiveness tests?

**Enbridge 6.3**

**Reference:** Section 4.4.2.2

**Preamble:** The evidence states that “The *National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources* (NSPM for DERs) is a widely-

recognized reference for electric and gas utility industry best practices on cost-effectiveness analysis. Moreover, it is the only such reference that starts with and articulates fundamental principles that must be followed if assessment of the economic merits of distributed energy resources – including, but not limited to applications in non-wires solutions or non-pipe solutions – is to be balanced and accurate”

**Question:**

Does EFG propose that the standards and assumptions set out in the NSPM for DERs be applied to natural gas IRP without consideration or adjustment for the differences between electricity and natural gas systems and methodologies? If adjustments/refinement are required, please specify what changes EFG proposes and explain why.

**Enbridge 6.4**

**Reference:** Section 4.4.2.3

**Preamble:** The evidence states that “...all gas utility system impacts must be included when assessing cost-effectiveness of non-pipe solutions or any other type of gas utility investment. That means considering not only the value of avoided or deferred T&D investments, but also the value of avoided energy costs, avoided storage capacity costs, avoided carbon taxes, market price suppression effect and any other gas utility system impacts.”

**Question:**

Is it EFG’s view that certain benefits/costs should be excluded from an IRP-related Benefit-Cost Analysis? If so, please specify which benefits/costs should be excluded and provide rationale for their exclusion.

**Enbridge 6.5**

**Question:** Taking into consideration Enbridge Gas’s Responding Evidence filed December 11, 2020, please explain fully any remaining concerns EFG has related to Enbridge Gas’s proposed use of a staged discounted cash flow methodology to assess IRPAs.

**Issue 7 - What is the appropriate approach to the recovery of the costs resulting from an approved IRP Plan and the costs for additional investments to support IRP?**

**Enbridge 7.1**

**Reference:** Section 4.4.2.3

**Preamble:** The evidence states that "...all gas utility system impacts must be included when assessing cost-effectiveness of non-pipe solutions or any other type of gas utility investment. That means considering not only the value of avoided or deferred T&D investments, but also the value of avoided energy costs, avoided storage capacity costs, avoided carbon taxes, market price suppression effect and any other gas utility system impacts."

**Question:**

- a) Please clarify whether the costs contemplated by EFG for IRP-related cost-effectiveness assessments are customer (or geographically) specific, or rather generic utility-wide (broad based) costs.
- b) In a hypothetical situation where an IRPA solution or portfolio of solutions only addresses residential customers – providing those residential customers with customer commodity and carbon charge savings - does EFG consider any resulting cross-subsidization between rate classes as a ratemaking concern?



**Other -**

**Enbridge 1**

**Reference:** Section 4.4.2.4.2

**Preamble:** Climate Policy Risk

**Question:**

How can the OEB make assumptions about climate policy that go beyond what is currently directed by the Ontario's Ministry of the Environment, Conservation and Parks without supplementary Government direction to the OEB?