

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

January 12, 2021

**Re: EB-2020-0091 Enbridge Gas Integrated Resource Planning  
Pollution Probe Interrogatories on OEB Staff (Guidehouse) Evidence**

Dear Ms. Long:

In accordance with Procedural Order No. 7 dated December 2, 2020 for the above-noted proceeding, please find attached Pollution Probe's Interrogatories on OEB Staff (Guidehouse) Evidence. Please note that Pollution Probe's Interrogatory Appendices were filed as separate files and forwarded to participants as a separate email to avoid issues with file size restrictions. If you have not received the following Interrogatory Appendices, please reach out to the undersigned.

- PollutionProbe\_IR\_Appendix A-Toronto Plan\_20210112
- PollutionProbe\_IR\_Appendix B-Ottawa Plan\_20210112
- PollutionProbe\_IR\_Appendix C-BCUC Guidelines\_20210112
- PollutionProbe\_IR\_Appendix D-ConEd Interim BCA Handbook\_20210112
- PollutionProbe\_IR\_Appendix E-IESO Planning Process\_20210112
- PollutionProbe\_IR\_Appendix F-IESO Engagement\_20210112
- PollutionProbe\_IR\_Appendix G-Ontario Environment Plan\_20210112
- PollutionProbe\_IR\_Appendix H-Ontario MEP Guidelines\_20210112

Respectfully submitted on behalf of Pollution Probe.



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OEB Case Manager, Michael Parkes (via email)  
OEB Board Counsel, Michael Millar (via email)  
All Parties (via email)  
Richard Carlson, Pollution Probe (via email)

**ONTARIO ENERGY BOARD**

**Integrated Resource Planning for Natural Gas**

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**POLLUTION PROBE INTERROGATORIES  
ON  
OEB STAFF/GUIDEHOUSE EVIDENCE**

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**January 12, 2021**

**Submitted by: Michael Brophy  
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**Consultant for Pollution Probe**

Please note that Appendices to the interrogatories were filed as separate documents. A full list is included in the cover letter and if applicable, Appendices are referenced in the Interrogatory if applicable.

Pollution Probe #1

- a) Please rank the following IRP approaches from best to worst from a consumer, policy and cost-effectiveness perspective, and explain the ranking.
  - Siloed energy planning by fuel type (e.g. natural gas, electricity, renewables, etc.)
  - Planning by fuel type with a mandated consideration of benefits and costs against other fuel options.
  - Fully fuel-agnostic energy planning
- b) If an energy option other than a new natural gas pipeline is the best IRP alternative resulting from an assessment (e.g. geothermal), please explain the role of the regulator and utility to ensure that the best option is implemented?
- c) From a customer centric perspective, please explain the benefits and disadvantages of developing an IRP approach based on a siloed fuel (e.g. natural gas) vs. broader energy needs for consumers in Ontario.
- d) If an energy option other than a new natural gas pipeline is the best IRP alternative resulting from an assessment (e.g. geothermal), what is the role of the OEB or a utility to ensure that the best option is implemented?
- e) Is it Guidehouse's position that effective IRP can be done in Ontario at the utility level, or that it needs to be done at the system level and applied consistently to utilities? Please explain your answer.

Pollution Probe #2

[Guidehouse Report Page 5]

Reference: “The OEB should work to establish a common understanding amongst stakeholders for the gas IRP process and how benefits, costs, risks, and other parameters will be shared by shareholders, ratepayers, and other parties.”

- a) Please elaborate on how benefits, costs, risks, and other parameters should be shared by shareholders, ratepayers, and other parties, particularly in a monopoly utility environment such as Ontario.
- b) In cases where poor long-term IRP decisions are made, who should bear the risks of stranded utility assets?
- c) Is effective IRP typically expected as a condition of allowing a utility to have monopoly service rights? Please explain the answer.
- d) It has been suggested that Ontario utilities have a bias toward capital investment (above other potential solutions) since that is how it makes a sustainable shareholder return. What requirements does Guidehouse recommend to keep that bias from restricting effective IRP?

Pollution Probe #3

References:

[Guidehouse Report, Section 3] – “New York City and other local governments throughout the state have their own commitments, including New York City’s carbon neutrality goal of 2050. New York State leaders have not determined the exact pathway to reach these goals, but are currently evaluating different economy-wide strategies through the CLCPA Climate Action Council and Advisory Panels”

[EB-2020-0136, Reply Argument of Enbridge Gas, November 17, 2020, Page 9 of 23] - "For current planning purposes, the Company cannot assume that the emissions and gas consumption reduction targets set out in the Made in Ontario Environment Plan (MOEP) or the City of Toronto’s TransformTO initiative will be met."

[PollutionProbe\_IR\_Appendix A-Toronto Plan\_20210112]

[PollutionProbe\_IR\_Appendix B-Ottawa Plan\_20210112]

- a) Based on best practices, what is the best manner to ensure alignment between utility IRP planning assumptions and government energy and emissions planning and policy?
- b) Please provide any relevant recommendations on how the OEB could bridge the gaps between long-term utility planning and government planning and policy assumptions.
- c) Is Guidehouse aware of tools that have been used to engage utilities to actively pursue effective IRP activities?
- d) Since natural gas IRP frameworks are fairly new, what frequency would Guidehouse recommend for a review to ensure they work effectively and to make adjustments as needed?

Pollution Probe #4

[Guidehouse Report, Section 4]

[PollutionProbe\_IR\_Appendix A-Toronto Plan\_20210112]

[PollutionProbe\_IR\_Appendix B-Ottawa Plan\_20210112]

- a) Section 4 of the report highlights several pilots undertaken by utilities related to IRP. Does Guidehouse concur that with the GEC/ED recommendation that pilots should be undertaken in Ontario starting in 2021? If no, please explain. If yes, please indicate the highest value pilots that should be conducted first.
- b) If two pilots were done, would it make sense to conduct one on an existing pipeline that needs to be replaced and one for a project to feed new customers? If not, why not and what is recommended.
- c) Given that Enbridge will file its next generation DSM Plan in 2021, what elements should be included in that plan to enable any pilots (e.g. budget)?
- d) Municipalities across Ontario have developed energy and emissions plans, many with targets to reach net zero emissions by 2050 (illustrative examples are provided in the appendix references above). Please describe how these complimentary plans should be incorporated into the Ontario gas IRP Framework to ensure the greatest consumer and policy value.
- e) Does 'modernized gas planning process' require consideration and/or alignment with emissions policies over the life of proposed assets (i.e. 40+ years). If not, why not.

Pollution Probe #5

[Guidehouse Report, Section 5]

Reference: The report indicates that “The first step in defining an appropriate process for IRP is to identify what type of system needs / proposed facility projects require any consideration of potential IRP alternatives”

- a) Please explain why assessing consumer energy needs is not a required step before the steps identified above.
- b) Please confirm that a broader IRP Utility Plan (i.e. broader system needs assessment) should precede any IRPA for a specific project. If not correct, please explain.
- c) Does Guidehouse agree that the following steps are appropriate for natural gas IRP. If not, please explain what should be different.

<b>Scenario 1: Potential Gas Expansion</b>	<b>Scenario 2: Existing Gas Infrastructure/ Customers</b>
Assess Consumer Energy Needs	Assess Future Demand
Assess Fuel / Technology Options	Identify Demand-Side or other IRP Options
Select Preferred IRP Option (or mix)	Assess Options and Apply Beneficial Mix
Assess Demand-Side Mitigation Potential	Identify Infrastructure Options, Cost and Benefits
Identify Infrastructure Options, Cost and Benefits	Assess Options
Assess Options	Select Preferred Infrastructure Option
Select Preferred Infrastructure Option	

- d) Please explain what elements (if any) of Figure 2 (NPA Consideration Process from Con Edison NPA Framework) are consistent (or not) with Figure 1. IRP Integration at Enbridge Gas.

Pollution Probe #6

[Guidehouse Report, Section 5]

Reference : Section 5.1.4 of the report indicates that Guidehouse believes that the following OEB policies, rules, or guidelines may be impacted by the implementation of an IRP framework.

- Natural Gas Facilities Applications Guidance and Filing
  - DSM Frameworks
  - Rate Applications
  - Distributor Gas Supply Plans
- a) Please indicate the process and timing that Guidehouse believes would be prudent for making updates to impacted OEB policies, rules, or guidelines resulting from the development and implementation of the IRP framework.
- b) The OEB Environmental Guidelines for Location, Construction and Operation of Hydrocarbon Pipelines in Ontario, 7th Edition, 2016 ("Environmental Guidelines) requires consideration of all relevant policies, including that air emissions and their environmental impacts should be compared to all local, provincial and federal regulations, policies and guidelines. Given this is a principle OEB Guidance document for infrastructure projects, should IRP updates be made to OEB Environmental Guidelines or should they be done separately in the IRP Framework? Please explain your answer.
- c) OEB requirements for Enbridge's Gas Supply Plan require consideration of policy and inclusion of specific metrics in Enbridge's scorecard. What types of IRP policy metrics and targets would be appropriate for the scorecard to ensure alignment with an IRP Framework?
- d) Customers and the natural gas system receive a benefit due to access of curtailment. Curtailment is rarely used in Ontario and could provide a more strategic tool. Does Guidehouse agree and how should this be leveraged in the IRP Framework?
- e) It is often difficult to ensure consideration of all relevant OEB policies, rules, or guidelines during infrastructure proceedings and this could be more difficult when properly considering all relevant IRP options. Does Guidehouse have any advice on how to deal with this challenge from a structural or procedural perspective?



- f) In a recent Leave to Construct application (EB-2020-0192 London Line Replacement) Enbridge conducted a DSM option assessment, but used only two years of DSM benefits rather than the full measure life (as required in the OEB DSM Framework) to do the cost-benefit comparison against the preferred pipeline option. It appears that criteria outlined E.B.O. 134 and E.B.O. 188 alone are insufficient to ensure that proper accounting of costs and benefits (e.g. DSM or other IRP options) is conducted. Please specify what other consideration or controls (other than just E.B.O. 134 and E.B.O. 188) the OEB would need to put in place to ensure that correct calculations are used for IRP analysis.

#### Pollution Probe #7

[Guidehouse Report Section 5] - Guidehouse comments in the ICF major finding that “Based on a review of the state of the industry, there is no relevant precedent for, or evidence of natural gas utilities consideration of the impact of broad-based DSM, geo-targeted DSM or dedicated DR programs impact on facilities planning. Further, while electric utilities have used DSM and DR programs to reduce the need for new generating capacity and transmission capacity for many years, there is only relatively limited experience deferring distribution system infrastructure.”

[PollutionProbe\_IR\_Appendix C-BCUC Guidelines\_20210112]

[PollutionProbe\_IR\_Appendix D-ConEd Interim BCA Handbook\_20210112]

- a) Recent IESO auctions included energy efficiency and other Distributed Energy Resources (DERs) to enable a greater range of IRP solutions. The York Region auction alone exceeded the desired response by 340% (34MW vs. 10MW target). Does Guidehouse agree that these types of examples show capacity to meet Ontario’s energy needs through non-traditional IRP solutions? If not, why not.
- b) Pollution Probe has provided two illustrative examples above of specific natural gas IRP related initiatives. One from BCUC started almost 20 years ago and has been matured through regulatory process and effort of the Canadian gas utility (Fortis). The second example indicates an interim gas utility handbook that was developed in 2017 and updated based on stakeholder feedback. Additional transferable experience is also available from entities such as IESO. Do you agree with the major finding by ICF that there are little to no best practices available to inform gas IRP in Ontario? Please explain your answer.

- c) If Guidehouse agrees that there are limited precedents to draw from, what is the best approach to ensure that the IRP Framework is robust enough to meet Ontario's energy needs for the future?

#### Pollution Probe #8

Reference: Section 5.1.6 indicates that "Renewable natural gas (RNG) could be used in place of conventional natural gas for any CNG project, thus rendering the injection greenhouse gas emissions ("GHG") neutral."

- a) Currently, Enbridge only has a voluntary RNG program (approved in EB-2020-0066) where customers can contribute \$2 per month in support of RNG. Customers, including municipalities have a significant interest in developing or accessing RNG as part of their energy and emissions goals. What would need to change to enable RNG to become a meaningful part of the IRP solution in Ontario?

#### Pollution Probe #9

[Guidehouse Report Section 5]

[PollutionProbe\_IR\_Appendix A-Toronto Plan\_20210112]

[PollutionProbe\_IR\_Appendix B-Ottawa Plan\_20210112]

- a) What cost-effectiveness test does Guidehouse believe is most appropriate for conducting IRP option analysis?
- b) Municipalities across Ontario have developed energy and emissions plan (two illustrative examples are referenced above) which include IRP related goals and actions outside of activities planned by Enbridge. How should the IRP Framework consider these other activities to ensure that the overall energy and emission benefits for Ontario consumers are optimized?
- c) It has been difficult for the OEB to compare natural gas infrastructure proposals against other IRP options given the lack of comparable information. What is the best way to overcome this barrier?
- d) Does Guidehouse agree that O&M costs for IRPAs be capitalized? If not, why not.

Pollution Probe #9

[Guidehouse Report Section 6] - "It is the OEB's expectation that the DSM framework consultation will monitor the IRP framework proceeding".

Given that the OEB has now cancelled the next generation DSM Framework Consultation (EB-2019-0003), what DSM elements will need to be addressed in the IRP proceeding to ensure consistency and alignment?

Pollution Probe #10

[PollutionProbe\_IR\_Appendix F-IESO Engagement\_20210112]

Does Guidehouse agree that the IESO Engagement Principles used to coordinate their planning represent best practices? If not, what changes would you recommend?