John A.D. Vellone
T (416) 367-6730
F 416.367.6749
jvellone@blg.com

Flora Ho
T (416) 367-6581
F 416.367.6749
fho@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com

Borden Ladner Gervais

January 12, 2021

Delivered by Email &RESS

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

Dear Ms. Long:

Re: Enbridge Gas Inc. Integrated Resource Planning Proposal
Interrogatories of the Association of Power Producers of Ontario ("APPrO")
Board File No. EB-2020-0091

Pursuant to Procedural Order No. 7 dated December 2, 2020, please find attached APPrO's interrogatories to Enbridge Gas Inc.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Flora Ho

cc: David Butters, APPrO
Adam Stiers, Enbridge Gas Inc.
David Stevens, Aird & Berlis
Parties to EB-2020-0091

ENBRIDGE GAS INC. INTEGRATED RESOURCE PLANNING PROPOSAL

EB-2020-0091

Interrogatories

To

Enbridge Gas Inc. (Enbridge)

From

The Association of Power Producers of Ontario (APPrO)

January 12, 2021

2-APPrO-1

Reference: Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, dated October 15, 2020, Page 40 of 46

Preamble:

Regarding stakeholder engagement, Enbridge identified three components of stakeholder engagement for IRP: (1) Gather and analyze data and insight from ongoing stakeholder engagement initiatives; (2) Discussion of IRP during Stakeholder Days; and (3) Conduct IRPA project geographically-specific stakeholder engagement prior to filing a proposed IRPA with the OEB.

Questions:

(a) With respect to gathering data and insights from stakeholder engagement initiatives, what type of data and insight does Enbridge intend to collect from stakeholders in relation to IRPAs? Please be as specific as is possible.
(b) Please provide some examples of topics and questions to be discussed with stakeholders which Enbridge will find helpful in informing its IRP Plan?
(c) Please provide some examples of topics and questions to be discussed with stakeholders which Enbridge will find helpful in informing proposed IRPAs with geographically-specific stakeholders?
(d) In electricity system planning, demand response resources have proven to be a source of electrical capacity in the IESO's capacity auctions. Is Enbridge willing to engage with geographically-specific large volume gas customers (including but not limited to gas-fired generators ("GFG")) to see if they are able to provide services that may be beneficial as a potential IRPA? If no, why not?
(e) When Enbridge is developing its IRPAs, is it Enbridge's intent to reach out to GFG customers to see if a commercial arrangement can be negotiated which itself may become a viable IRPA that can be assessed against other options? For example, if a GFG has excess contracted capacity it may be able to sell some of that capacity to Enbridge to meet a particular system need.

2-APPrO-2

Reference 1: Natural Gas Integrated Resource Planning: Initial Assessment of the Potential to Employ Targeted DSM to Influence Future Natural Gas Infrastructure Investment, by ICF Canada, Final Report, May 18, 2018 ("IRP Final Report"), page 168

Reference 2: IRP Final Report, page ES-5

Reference 3: IRP Final Report, page ES-4

Preamble:

Reference 1:

"The use of DSM to reduce facility investments remains relatively untried and untested. While ICF has identified areas where there is potential to use DSM to reduce facility investments, there remains uncertainty in both the potential and the cost of achieving that potential. There is little to no actual measured data on DSM program impacts on peak period demand for natural gas, and there are no real world examples that ICF can point to that indicate that DSM can be used effectively for this purpose.

[…]

Hence, one of the most important conclusions from this study is that ***additional research is necessary before the Gas Utilities would be able to rely on DSM to reduce new facility investments as part of the standard utility facilities planning process."***

Reference 2:

"additional research and additional hourly data by way of additional metered hourly reads (i.e. automated meter reading or infrastructure installation (AMI), as well as pilot studies to determine the cost-effectiveness and implementation potential of DSM programs are necessary before the Gas Utilities would be able to rely on DSM to reduce new infrastructure investments as part of the standard facilities planning process."

Questions:

(a) Given the uncertainty around DSM at the present time, does Enbridge intend to rely on DSM as a viable IRPA in its system planning processes in the near term? Is this a prudent approach that will protect customers from risk if DSM programs fail to produce anticipated benefits?
(b) In Reference 3, ICF's review indicates that changes to utility planning processes would be necessary to facilitate the use of DSM to reduce infrastructure investments.

    Does Enbridge agree with ICF's findings here? If no, why not? What are the challenges that Enbridge anticipates to face in implementing the changes to its utility planning processes as noted at Reference 3?

(c) What does Enbridge anticipate to be the risks involved in proceeding with DSM without performing additional research?

(d) As stated in Reference 2, additional research and additional hourly data by way of additional metered hourly reads (i.e. automated meter reading or infrastructure installation (AMI), as well as pilot studies will be required prior to relying on DSM.

i. How much would it cost for Enbridge to undertake additional research, data gathering and pilot studies related to DSM?

ii. What would be the amount of work involved in performing additional research and gathering additional hourly data? How much time would be involved?

iii. Would the implementation of AMI involve an upgrade to all of Enbridge's existing meters as well as the metering systems? If so, how much would it cost to undergo such upgrade (roughly)? Would Enbridge need to dispose of any assets (e.g. meters) that have a remaining useful life – and if so what would the wasted value of these removals be?

iv. Does Enbridge consider DSM as a viable IRPA given the costs involved? If yes, why? If no, why not?

2-APPrO-3

Reference: Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, dated October 15, 2020, Page 2 of 46

Preamble:

When a need is identified in the planning process, it will be assessed to determine the appropriateness of developing IRPAs to address it. This approach will ensure that Enbridge Gas has adequate lead time to fully assess, put forward to the OEB and verify the effectiveness of IRPAs to address peak period demands, deferring or reducing the need to construct facility alternatives.

Questions:

(a) For IRPAs (non-DSM), what does Enbridge expect the lead time to assess the IRPA to be? Please explain how this lead time will be accounted for within and will affect Enbridge's existing planning process.
(b) What measures does Enbridge propose to use to minimize the amount of lead time required in assessing an IRPA?
(c) What types of evidence does Enbridge propose to file to demonstrate that Enbridge does not use the lead time requirement as a reason to avoid pursuing IRPAs? (E.g. All new projects are identified as "urgent" and therefore exempt from the IRPA analysis).

5-APPrO-4

Reference 1: IRP Jurisdictional Review Report by ICF Canada, Exhibit B, Appendix A, October 15, 2020 Page 15 of 92

Reference 2: Natural Gas Integrated Resource Planning in New York State and Ontario Final Report prepared for Ontario Energy Board by Guidehouse ("Guidehouse Report"), Section 7.0 – Industry Best Practices for Natural Gas IRP

Preamble:

Reference 1:

"Ontario differs from New York State on many of the aspects that determine the value of NPS. Despite these differences, the experience in New York State represents a valuable source of information and best practices regarding NPS for Ontario utilities."

Question:

(a) For each of the identified best practices in Reference 2, please identify the extent to which Enbridge:
    i. has adopted such best practice in its IRP Proposal (and explain exactly how);
    ii. plans to adopt such best practice (and explain the effort required as well as an estimate of when such best practice would be adopted); or
    iii. believes that such best practice is not appropriate or applicable in the Ontario context (and explain why).

(b) Has ICF Canada reviewed the evidence provided in Reference 2 and are they in agreement with this list of best practices? If no, please explain the differences and the reasons for the differences in detail.

6-APPrO-5

Reference 1: Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, dated October 15, 2020, Page 30 to 31

Reference 2:

Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, dated October 15, 2020, Page 16

Reference 3: Guidehouse Report, Figure 3, page 43.

Preamble:

Reference 1:
"cost/economic evaluation together with consideration of system reliability, safety and sustainability and broadly protecting the interests of customers will enable Enbridge Gas and the Board to determine whether it is preferable to proceed with investment in an IRPA."

Reference 2:

"If an IRPA(s) is the most economical solution to meet the system need and it satisfies the Guiding Principles, Enbridge Gas will incorporate that IRPA(s) in the AMP for inclusion into its broader planning activities, stakeholder touchpoints and implementation at the appropriate time."

Questions:

(a) Is there a circumstance where Enbridge envisions adopting an IRPA that is cost effective but fails to meet customer requirements with regards to reliability or safety of the system? If yes, please explain in detail. Or is it the case that all projects must meet the basic reliability/safety/sustainability requirements before Enbridge will consider the cost/economic evaluation?
(b) For evaluating the various considerations for potential IRPAs, does Enbridge intend to use a matrix similar to that in Reference 3? If no, why not?

7-APPrO-6

Reference: Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, dated October 15, 2020, Page 19

Preamble:

"If this full IRP planning process was undertaken for every forecasted peak period system constraint/need it would be exceedingly time and resource intensive, resulting in substantial incremental administrative cost burden to ratepayers. To avoid incurring such costs where limited potential value to ratepayers exists, and so that all existing resources are optimized, the first step in assessing the appropriateness of IRPAs to defer, avoid or reduce the need for new facilities is to establish the appropriate scope and scale of system constraints/needs that should qualify for IRPA assessment."

Questions:

(a) Does Enbridge propose to recover costs incurred from evaluating potential IRPAs from ratepayers?
(b) How does Enbridge propose to manage the costs incurred from evaluating multiple potential IRPAs prior to selecting the best solution?

8-APPrO-7

Reference: Integrated Resource Planning Proposal – Additional Evidence, Exhibit B, dated October 15, 2020, Page 38

Preamble:

"Enbridge Gas acknowledges that ongoing monitoring and reporting of its investments in IRPAs is necessary to provide some certainty of the effectiveness of IRPAs as early as possible. This ongoing monitoring and reporting will be regularly fed into the IRP process to ensure systems are able to meet their capacity requirements, to address any operational challenges, to address flaws in the design or delivery of IRPAs, and/or to make additional investments in IRPAs or new infrastructure"

Questions:

(a) If during the ongoing monitoring and reporting of its investments in IRPAs, the IRPAs prove to be unable to meet their capacity requirements and there are flaws to the design and delivery of IRPAs, what remedial action plan does Enbridge have in place?
(b) If additional investments in IRPAs or new infrastructure is required to remedy the flaw in the IRPA, does that mean that ratepayers will have to bear the costs for the original flawed IRPA and the additional investments?
(c) How does Enbridge plan to mitigate the risk of a failed IRP Plan?