

Integrated Resource Planning (IRP)

Presentation Day – February 19, 2021

EB-2020-0091



Enbridge Gas Inc

Natural Gas IRP in Ontario

IRP is a multi-faceted planning process intended to resolve identified long-term system constraints/needs which includes the identification, assessment and evaluation of natural gas supply-side and demand-side alternatives compared to facility alternatives in order to determine the alternative (or combination of alternatives) that provides the optimal balance of cost and risk for ratepayers.

Why is an IRP Framework important?

- Enables Enbridge Gas to pursue investment in IRP alternatives (IRPAs) while ensuring the continued provision of safe and reliable service to customers.
- Creates clarity and provides guidance as to:
 - IRP Approvals
 - Allocation of Risk
 - Cross-Subsidization
 - Cost Recovery
 - Monitoring & Reporting (EM&V)
 - Guiding Principles
 - Scope of Allowed IRPAs
 - Remuneration
 - Assessment Criteria & Evaluation Process

Guiding Principles, Assessment Criteria & Evaluation Process



STEP 1 - Binary Screening Criteria

Safety

Timing

Project-Specific Considerations

Customer-Specific Builds

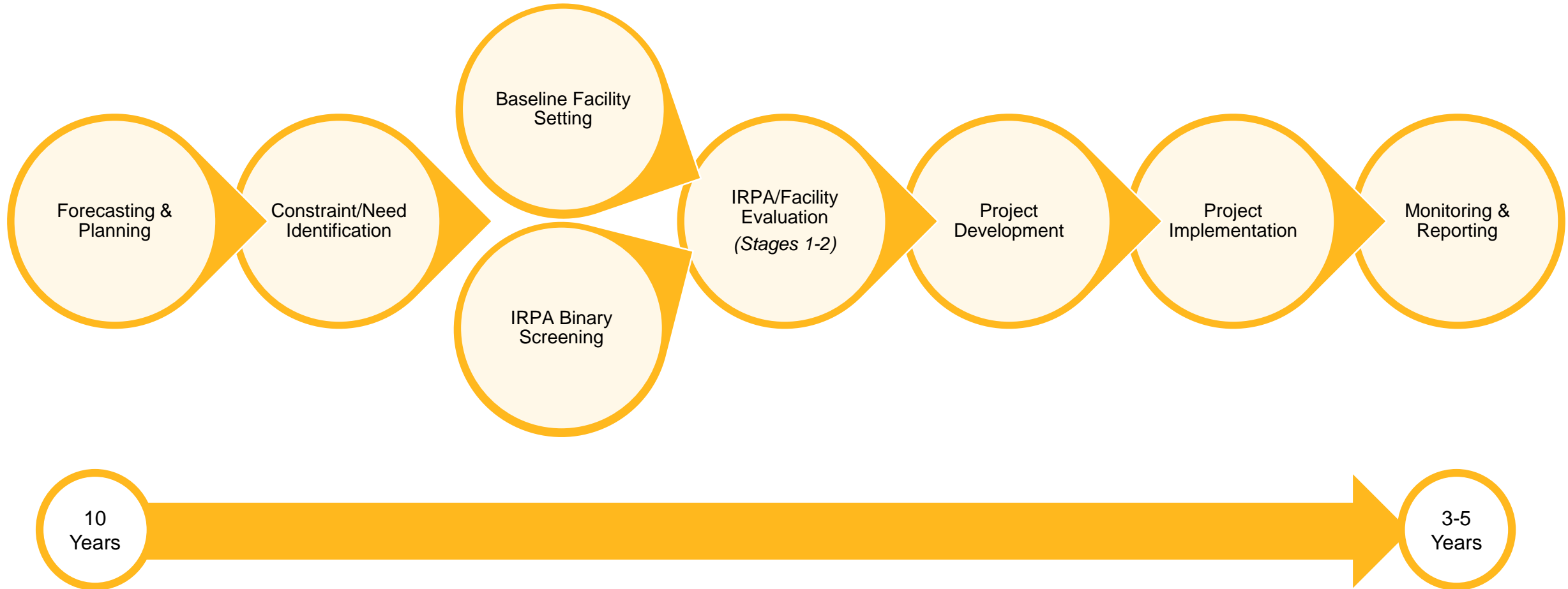
Community Expansion & Economic Development

STEP 2 - Evaluation of Alternatives

Stage 1 - Unconstrained IRPAs
IRPA(s) Savings/Reliability

Stage 2 - Economic Test –
(DCF/DCF+ Test)
IRPAs vs. Facility

IRP Planning Horizon



Stakeholder Outreach

Leverage Existing Channels and Engagement

COMPONENT 1

- Gather and analyze data and insights from existing stakeholder engagement initiatives.
- Seek ongoing opportunities to improve existing initiatives to elicit new information required to enable IRPA assessment and investments.

IRPA-Specific Engagement *(following identification of system constraints)*

COMPONENT 2

- Conduct Stakeholder Day immediately following annual update to the AMP.
- Discuss the nature of identified constraints and any associated IRPA(s) or facility alternatives considered to resolve.
- Solicit input on additional IRPAs from stakeholders.

Targeted Engagement

COMPONENT 3

- Geographically-specific stakeholder engagement completed prior to filing a proposed IRPA application.
- Discuss the nature of identified constraints and any associated IRPA(s) or facility alternatives considered to resolve.
- Solicit input on additional IRPAs from stakeholders.

Approvals Sought



Asset Treatment

Rate Base Treatment



Guiding Principles and IRP
Assessment/Evaluation

Screening Criteria +
Evaluation Process



Risk and Cost Recovery

Full Cost Recovery
IRP Deferral Account



Scope of Alternatives

Wide + Ability to Own
and Operate or Procure



IRP Enabling (AMI)

Acknowledgement

Next Steps



Dependent upon the timing of establishment of an IRP Framework for Enbridge Gas next steps, include:

- Complete initial exercise to integrate IRP into existing planning processes.
- Propose 2 IRP Pilot Projects as part of Phase 2 of Enbridge Gas's 2022 Rates application with program designs completed by Q2 2022 and deployment targeted by Q4 2022.
- Identification of system constraints/needs as part of a future annual update to the Asset Management Plan (AMP).
 - Complete IRP assessment and evaluation processes and begin to identify system constraints that may be resolved through investment in IRPAs and/or facilities.
 - Conduct IRP Stakeholder Days following filing of future annual updates to the AMP.