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November 30, 2021

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
M4P 1E4

Dear Ms. Long

**RE: EB-2021-0209 Enbridge Gas Inc. 2022 Federal Carbon Pricing Program
Energy Probe Interrogatories**

Attached are the interrogatories of Energy Probe Research Foundation (Energy Probe) to the applicant in the EB-2021-0209 proceeding, the application by Enbridge Gas Inc. to the Ontario Energy Board for the approval of its 2022 Federal Carbon Pricing Program Application.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc. Patricia Adams (Energy Probe Research Foundation)
Roger Higgin (Sustainable Planning Associates Inc.)
Vince Mazzone (OEB Staff)
L. Murray (OEB Staff)
Richard Wathy (Enbridge Gas Inc.)

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EB-2021-0209

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sch. B;
AND IN THE MATTER OF an application by Enbridge Gas
Inc., for an order or orders for gas distribution rate changes
related to compliance obligations under the *Greenhouse
Gas Pollution Pricing Act*, S.C. 2018, c. 12, s. 186.

Enbridge Gas Inc. 2022 Federal Carbon Pricing Program Application

Interrogatories to the Applicant

Energy Probe Research Foundation

November 30, 2021

Energy Probe Interrogatories

Enbridge Gas Inc. 2022 Federal Carbon Pricing Program Application

Energy Probe -1

References: Exhibit A, Page 3, paragraph 7c and Exhibit A, Tab 2, Schedule 1, paragraph 47

Preamble: “EGI requests an order or orders approving the 2020 balances for all FCPP-related deferral and variance accounts, for all Enbridge Gas rate zones, as set out in Exhibit C and for an order to dispose of those balances as part of the April 1, 2022 QRAM.”

- a) Please confirm EGI has audited the 2020 FCPP-related DA balances. Please provide a copy.
- b) Has EGI 2021 unaudited results? If so, please provide the estimated range of the balances for each FCPP-related DV account and Total.
- c) Will disposition of 2020 balances in April 2022 materially add to the bill impact of the expected increase in FCPP charges? Please answer for each Rate Zone.

Energy Probe -2

Reference: Exhibit A, Tab 2, Schedule 1, page 5, paragraph 9b

Preamble: “Entities that are covered under Part 2 of the GGPPA, ‘Industrial Greenhouse’ Gas Emissions”, are exempt from coverage under Part 1 of the GGPPA, ‘Fuel Charge’. Part 2 entities are instead covered under an OBPS, with mandatory and voluntary participation thresholds, established for prescribed industrial facilities that emit specified volumes of GHG emissions, measured in tCO_{2e}, annually. This component of the GGPPA became effective January 1, 2019.”

- a) Please provide the forecast 2020 and 2021 OBPS/EPS volumes exempted and reconcile to the Exhibits in the evidence.
- b) Is this 2021 forecast likely to change? How will EGI deal with this? Please explain.

Energy Probe -3

References: Exhibit A, Tab 2, Page 10: and Exhibit C, Table 3

Preamble: “Enbridge Gas has estimated its 2022 cost of compliance with the GGPPA and EPS Regulation to be approximately \$1.68 billion: \$1,039.50 million for the EGD rate zone (see Exhibit B, Tab 1 for additional detail) and \$644.36 million for the Union rate zones (see Exhibit B, Tab 2 for additional detail). In addition, Enbridge Gas estimates that it will incur 2022 administrative costs of approximately \$6.99 million associated with the administration of its requirements under the GGPPA and EPS Regulation (see Exhibit C for additional detail). ”

- a) Please provide a schedule including comparable costs for 2019-21

- b) What are the main drivers for admin cost increases e.g. FTE, IT costs etc..

Energy Probe -4

Reference: Exhibit A, Tab 2, pages 14-15, paragraph 37, Table 3

Preamble: “As discussed in Enbridge Gas’ 2021 Application there were four opportunities identified with the potential to reduce OBPS/EPS-volumes.”

- a) What is the Cost of the CEE Plan to date, including non-implemented projects, and projected costs in 2022?
- b) Please provide OM&A and savings per year for Monitoring and Air filters.
- c) Are there any other opportunities EGI is considering, such as electrification, RNG and compressor replacement? Please list these, provide more details, the estimated costs and GHG reductions for each.

Energy Probe -5

Reference: Exhibit A, Tab 2, pages 17-18, paragraphs 42-45

Preamble: “Enbridge Gas has alternative compliance options to satisfy its annual OBPS and EPS compliance obligation aside from paying the excess emissions charge, including the purchase of Credits, or EPU’s from other OBPS or EPS participants, respectively, and in the OBPS purchasing Offset Credits.”

- a) What was the potential cost reduction in 2021 if the EPS system was in place?
- b) What is the potential range(s) of credit cost reductions available for 2022? Please provide examples of the calculations.

Energy Probe -6

Reference: Exhibit A, Tab 2, Schedule 1, page 18, paragraph 43

Preamble: “With market prices of Offset Credits in Alberta expected to increase in the fourth quarter of 2020, Enbridge Gas did not have enough time to take the required steps to procure Offset Credits from Alberta below the 2020 excess emissions charge of \$30/tCO_{2e}.”

Please list the steps required to procure Offset Credits from Alberta and the time required for each step.

Energy Probe-7

Reference: Exhibit A, Tab 2, Page 19, paragraphs 46-47

Preamble: “The bill impact of the 2022 carbon charges for a typical residential customer with annual consumption of 2,400 m³ is an increase of \$47.05 per year in the EGD rate zone. The bill impact of the proposed 2020 FCPP-related deferral and variance account balance disposition for

a typical residential customer with annual consumption of 2,400 m³ is \$0.76 in the EGD rate zone.”

- a) What is the total amount of carbon charges for a typical residential EGD rate zone customer with annual consumption of 2,400 m³ including the \$47.05 increase and the \$0.76 disposition, and the amounts approved in previous years?
- b) What is the percentage of the total amount of carbon charge compared to the commodity cost for a system gas EGD rate zone customer based on the latest QRAM commodity price?

Energy Probe-8

Reference: Exhibit B, page 4, paragraph 13.

Preamble: “Volumes of RNG in OptUp were incorporated into the 2022 Customer-Related Volume forecasts based on the forecast provided in Exhibit C, Tab 2, Schedule 3 of the Voluntary Renewable Natural Gas Program Application (EB-2020-0066).”

- a) How many customers were registered in OptUp in 2020 and 2021 and forecast for 2022?
- b) What was the average price and price premium \$/m³?
- c) What was the 2021 GHG reduction and cost/ MTeqiv.?

Energy Probe-9

References: Exhibit B, Tab 1, Schedules 2 and 5 and Exhibit D, Table 1

- a) Why is there no Non-utility Forecast Amount for Company Use facilities? Which facilities do Unregulated Volumes use?
- b) For EPS compressor fuel, how are the non-utility fuel volumes calculated? Are they separated from utility compressor fuel? Please discuss/clarify.
- c) Please show for 2021, how forecast utility compressor fuel volumes and the Facilities Carbon Charge are recovered in rates, including separation of the Non-utility volumes.

Energy Probe-10

References: Exhibit B, Tab 2, Schedules 2 and 5

- a) Why is there no Non-utility Forecast Amount for Boilers/Line heaters and NGV Fleet? Which facilities other than Buildings do Unregulated Volumes use?
- b) For compressor fuel, how are the non-utility fuel volumes reported? Are they separated from utility compressor fuel?

- c) Please show for 2021 how forecast utility compressor fuel volumes and the Facilities Carbon Charge are recovered in rates, including separation of the Non-utility volumes.

Energy Probe-11

Reference: Exhibit C, page 11, paragraph 30

Preamble: “Enbridge Gas anticipates that it will incur \$0.30 million in consulting and external legal costs in 2022 for work supporting the development and sustainment of Enbridge Gas’s carbon strategy and related analyses...”

- a) What is the objective of “Enbridge Gas’s carbon strategy”?
- b) Will Enbridge’s shareholders benefit from Enbridge’s carbon strategy?
- c) Of the \$0.30 million, what amount is expected to be spent on work “supporting the development and sustainment of Enbridge Gas carbon strategy and related analyses”?

Energy Probe -12

Reference: Exhibit D, Tab1 Schedule 2

- a) Please provide the 2020 vs 2021 EGD Rate Zone Residential Bill impacts per Exhibit D Tab 1, Schedule 2 with the Facilities and OBS charges shown as separate lines.
- b) Please confirm which items are currently specifically identified on the EGD RZ Rate 1 Customer Bill e.g. FCPP Charge, Facilities Charge, OBS amount.

Respectfully submitted on behalf of Energy Probe by its consultants,

Roger Higgin
Sustainable Planning Associates Inc.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.