



January 12, 2022

VIA RESS

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

Dear Ms. Long,

**Re: Enbridge Gas Inc. (EGI)
2022 Federal Carbon Pricing Program Application
OEB File No. EB-2021-0209**

We are counsel to Anwaatin Inc. (**Anwaatin**) in the above-noted proceeding. Please find enclosed the submissions of Anwaatin, filed pursuant to Procedural Order No. 1.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Vollmer".

DT Vollmer

c. Richard Wathy, EGI
Tania Persad, EGI
Tyson Dyck, Torys LLP
Larry Sault, Anwaatin Inc.
Don Richardson

Encl.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sched. B, as amended;

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.

EB-2021-0209

**SUBMISSIONS
OF
ANWAATIN INC.**

January 12, 2022

1. We are counsel to Anwaatin Inc. (**Anwaatin**) in the matter of Enbridge Gas Inc.'s (**EGI**'s) application to the Ontario Energy Board (the **Board** or the **OEB**), for approval to increase its rates effective April 1, 2022, to recover the costs associated with meeting its obligations under the federal government's *Greenhouse Gas Pollution Pricing Act* (**GGPPA**) and Ontario's Emissions Performance Standard (**EPS**) (the **Application**).
2. Anwaatin is a collective of Indigenous communities including Aroland First Nation, Animbiigoo Zaagi'igan Anishinaabek Nation, and Ginoogaming First Nation (the **Anwaatin First Nations**) and has full intervenor status in this proceeding. The Anwaatin First Nations each have traditional territory, and associated Aboriginal rights and interests protected by the *Constitution Act, 1982*, that may be impacted by the outcomes of this proceeding.
3. Anwaatin's submissions address the Board's consideration of:
 - (a) the transition from the federal Output-Based Pricing System (**OPBS**) to the provincial EPS; and
 - (b) EGI's efforts to assist customers, including its Indigenous customers, to reduce the bill impacts of the FCPP charges.

A. Transition from the federal OBPS to the provincial EPS

4. Effective January 1, 2022, Ontario is transitioning from the federal OPBS to the EPS program and will no longer be covered under Part 2 of the GGPPA. Entities that are covered under the EPS are exempt from coverage under Part 1 of the GGPPA and are required to apply to the Ministry of Environment, Conservation and Parks (**MECP**) and the Canada Revenue Agency (**CRA**) for exemption from the Federal Carbon Charge. In its application, EGI indicated that it is working to understand the transition plan to the EPS and reserves the right to amend the Application as appropriate.¹ Anwaatin is not aware of any such amendment to date. EGI notes that it has alternative compliance options to satisfy its annual OBPS and EPS compliance obligations, including the purchase of Emission Performance Units (**EPUs**) under the EPS and Offset Credits in the OBPS.
5. In interrogatory responses, EGI noted updates related to the transition. Specifically, EGI provided details on newly-released registration steps required to apply for and obtain a Determination from Environment and Climate Change Canada and further details as to the steps of registering with CRA to receive an Exemption Certificate. EGI confirmed that the

¹ EB-2021-0209, Exhibit A, Tab 2, Schedule 1, p. 8.

updates had no impact on the forecasted 2022 EPS compliance obligation included in the pre-filed evidence.² EGI noted that it anticipates EPU to trade at a discount to the excess emissions charge under the EPS while noting that only EPU can be used to satisfy a regulated entity's compliance obligation under the EPS.³

6. In interrogatory responses in EGI's 2021 FCPP proceeding (EB-2020-0212) EGI indicated that transitioning from the OBPS to EPS for the 2021 compliance period could result in a reduction of the OBPS compliance costs of approximately \$1.9 million. In an interrogatory response in the present proceeding, it appears that EGI affirmed this cost reduction estimate.⁴ However, EGI was unable to provide a cost reduction estimate for 2022 as a result of uncertainty of the value, availability, and cost of transacting of EPUs.⁵
7. EGI has the potential for material cost reductions of its compliance with the EPS, GGPPA other similar compliance-based regulatory schemes through the use of alternative compliance options such as EPUs under the EPS and Offset Credits under the OBPS. Anwaatin requests that the Board order EGI to track the use of alternative compliance obligations under the EPS, such as EPUs, in a manner that provides transparency and accountability as to whether EGI is adequately making use of such alternative compliance measures to reduce the cost of its compliance.

B. EGI's efforts to assist customers, including its Indigenous customers, to reduce the bill impacts of the FCPP charges

8. Indigenous customers are disproportionately living in energy poverty in Ontario and experience greater-than-average energy reliability challenges in light of the slow pace of natural gas expansion to remote and near-remote Indigenous communities.⁶ Indigenous communities awaiting natural gas expansion continue to emit relatively high levels of GHG emissions and would benefit from reductions in the cost of heating and GHG emissions provided by natural gas expansion.⁷ As a result of the Board's decision determining that FCPP charges are applicable to on-reserve First Nations, many of EGI's Indigenous

² EB-2021-0209, Exhibit I.STAFF.1.

³ EB-2021-0209, Exhibit I.EP.5(b).

⁴ EB-2021-0209, Exhibit I.EP.5(a).

⁵ EB-2021-0209, Exhibit I.EP.5(b).

⁶ For recent data on energy reliability issues faced by Indigenous communities see EB-2021-0110, Exhibit A-7-2, Attachment 1.

⁷ See Table 3 in [EB-2019-0255, OEB Report to the Minister of Energy, Northern Development and Mines and to the Associate Minister of Energy, Potential Projects to Expand Access to Natural Gas Distribution \(October 30, 2020\)](#) and included in footnote to EB-2021-0209, Exhibit I.Anwaatin.2(g).

customers would now further benefit from EGI pursuing opportunities to reduce its cost-recoverable obligations under the OBPS and EPS, as applicable.

9. In 2019, Enbridge Inc. implemented a Carbon and Energy Efficiency Plan (**CEE Plan**) to identify emissions reduction opportunities at EGI, among other business units. In November 2020, Enbridge Inc. announced expanded environmental, social and governance (ESG) targets related to reducing GHG emissions and achieving net zero emissions by 2050 and a 35% reduction in GHG emission intensity by 2030.
10. EGI, as a covered entity, incurs obligations under the EPS/OBPS for its own company use volumes and transmission and storage compression volumes and is seeking to recover the costs of its compliance with the GGPPA and the *Greenhouse Gas Emissions Performance Standards Regulation*. To assist EGI in reducing its emissions associated with company use or EPS volumes and as part of the CEE Plan, EGI initiated the Facility GHG Emissions Reduction project to reduce its scope 1 and 2 emissions which will correspondingly reduce its OBPS/EPS compliance obligations.⁸ EGI initially identified several opportunities to reduce its company use volumes including online monitoring, air filters, Plant J Twinning, and Re-wheeling turbines. In addition, EGI indicates it will continue to monitor and review opportunities, including electrification, and RNG fuel switching and is currently developing a plan to for compressor unit lifecycle replacement. However, EGI does not anticipate any OBPS/EPS emissions impacts for 2022.
11. In interrogatory responses, EGI indicates that it will continue to work towards developing an emissions reduction plan and that future cost recovery will be assessed on a project-specific basis,⁹ and that estimated costs and potential GHG reductions will be determined as part of the analysis of reviewing emission reduction opportunities.¹⁰ EGI also indicated that it will make reasonable efforts to maximize the reach of the Low Carbon Transition Program offering through the development of its contractor network.¹¹
12. EGI's Indigenous customers, disproportionately affected by energy poverty, increases to cost of natural gas service and delivery, and the increased costs incurred from the FCPP, would directly benefit from enhanced attempts by EGI to significantly reduce emissions associated with company use or EPS volumes. Anwaatin requests that the Board direct EGI

⁸ EB-2021-0209, Exhibit I.Anwaatin.4(a).

⁹ EB-2021-0209, Exhibit I.Anwaatin.4(d).

¹⁰ EB-2021-0209, Exhibit I.EP.4(c).

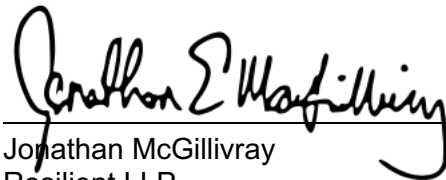
¹¹ EB-2021-0209, Exhibit I.Anwaatin.2(h); see also EB-2021-0002, Exhibit I.12.EGI.Anwaatin.3 d).

to set meaningful targets for reducing its obligations and costs under the EPS/OBPS for its own company use volumes and transmission and storage compression volumes that it seeks to recover for compliance with the GGPPA and the *Greenhouse Gas Emissions Performance Standards Regulation* in a manner that provides accountability as to whether EGI is adequately making use of opportunities to reduce its emissions and the cost of its compliance.

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS
12th day of January, 2022



Lisa (Elisabeth) DeMarco
Resilient LLP
Counsel for Anwaatin



Jonathan McGillivray
Resilient LLP
Counsel for Anwaatin