

March 24, 2022

**BY EMAIL ONLY** 

Ms. Nancy Marconi Ontario Energy Board (OEB) Registrar P.O. Box 2319, 27th Floor 2300 Yonge Street Toronto, ON M4P 1E4 Email: registrar@oeb.ca

## RE: OEB CASE NUMBER EB-2020-00293 SUMMATION AS OUTLINED IN PROCEDURAL ORDER 6

Dear Ms. Marconi:

The City of Ottawa is grateful to have had the opportunity to opportunity to have participated in this hearing. The City of Ottawa's Community Energy Transition Plan, Energy Evolution, is based and modeled upon the community doing its part to help ensure that global heating does not increase beyond 1.5°C.

The transition plan has a positive net present financial value. This was intentional; it was the careful weighing of the many choices and deployment strategy options to reduce emissions that lead to this plan's favourable economics. A key aspect of deployment in our strategy is integrated planning. Integrated planning is the driver in the City of Ottawa's interest in this leave to construct application, as the choice being made in the St. Laurent pipeline decision goes to the foundation of the long-term integrated planning Energy Evolution directs us to undertake.

The City of Ottawa acknowledges its varied relevant subject matter expertise for this hearing. City staff, despite efforts to become more informed about pipeline quality and integrity, are not pipeline subject matter experts. In this area, our comments are for consideration. The final decision around pipeline integrity will be a weighty task for the Energy Board.

The City of Ottawa's area of expertise is focused on energy and emissions planning. This has been developed over the past five years through the development of the Energy Evolution plan and the initial phases of its implementation. More broadly, Canadian municipalities' energy and emissions plans are among the only fully integrated plans, meaning they endeavour to determine where all energy will come from and determine what it will be used for.

Our expertise is important and relevant to the current decision. When specific targets for fossil natural gas and renewable natural gas consumption or emissions are cited, for example, it is related to an integrated emissions model which was built on meeting our politically imposed emissions target. With these two areas consideration in mind, Ottawa offers its summation as follows:

## **Pipeline Integrity Issues**

While the City of Ottawa cannot be considered subject matter experts in natural gas pipeline integrity, staff put considerable effort into understanding this issue. Staff carefully familiarized themselves with the integrity issues as presented in Enbridge's application, staff performed some research and asked interrogatory questions to obtain clarification.

The City of Ottawa summarize its observations as follow:

- The evidence on the integrity of the existing pipeline, as reported in Enbridge's filing is contradictory. A pipeline asset health index chart indicates the pipeline will be in Enbridge's highest rating class until the early 2040s<sup>1</sup>. Other evidence provided suggests that the pipeline is in poorer condition than the quality index chart suggests (example<sup>2</sup>).
- The application made frequent references to "vintage steel" (example<sup>3</sup>). The term "vintage steel" was not defined. A member of the City of Ottawa staff attempted to discover if "vintage steel" is a technical or scientific term and was unable to discover a technical or scientific definition thereof.
- The City of Ottawa questioned Enbridge about lower pressure operation on the existing pipeline<sup>4</sup>. The response did not preclude operation at lower pressure and Ottawa suggests that the OEB consider if lower operating pressure would make potential leaks less consequential.

## **Emissions and Energy Planning Issues**

The City of Ottawa provided extensive evidence of its collaborative work with the community, with the federal government<sup>5</sup> and knowledge of developments in Gatineau<sup>6</sup>. Although representatives from the Federal Energy Services Acquisition Program were unable to take part in this hearing, the City of Ottawa was able to access key information from them to assist the OEB with decision making<sup>7</sup>

As discussed by the City of Ottawa, the Energy Evolution plan was organized into <u>20 project overviews</u>. At this stage, work is progressing on this plan with many projects and programs under development and some already implemented.

With respect to the St. Laurent area specifically several large gas consumers including the City of Ottawa, the federal government (both areas served by Cliff Street and those heating with natural gas), and Ottawa Community Housing Corporation have plans for aggressive reductions in combustionbased heating. These large consumers are joined by many others who are contemplating improvements or who are applying to the City's recently launched Residential Retrofit program.

## In Summation

The St. Laurent leave to construct application comes at a time of very significant change. Ottawa's Integrated emissions and energy plan is showing that large cuts in gas consumption are required. The cuts would see the role of gas from providing roughly half of the City's energy recently to

<sup>&</sup>lt;sup>1</sup> EGI\_Updated\_APPL\_20210910(3). Exhibit B. Tab 1, Schedule 1, Figure 17

<sup>&</sup>lt;sup>2</sup> EGI\_Updated\_APPL\_20210910(3). Exhibit B. Tab 1, Schedule 1, Page 33 of 48

<sup>&</sup>lt;sup>3</sup> EGI\_Updated\_APPL\_20210910(3). Exhibit B. Tab 1, Schedule 1, Page 32 of 48; paragraph 47

<sup>&</sup>lt;sup>4</sup> EGI\_IRR\_20211213(2). Exhibit 1, Ottawa 10, Question 2

<sup>&</sup>lt;sup>5</sup> SEC\_IRR\_EGI\_St Laurent\_20220222. Page 19. Response (a)

<sup>&</sup>lt;sup>6</sup> SEC\_IRR\_EGI\_St Laurent\_20220222. Page 55. Issue 2

<sup>&</sup>lt;sup>7</sup> SEC\_SponsorsUndertakingResponses\_EGI\_StLaurent\_20220314. Reference 2.1-Staff-5(b). Page 7

approximately 12% of its energy in 2050.<sup>8</sup> The City of Ottawa has stated that Ottawa will continue to need a gas system but what it will look like in 2050 will likely need to be radically different from today.

Further, improvements in building envelopes foreseen in the Energy Evolution plan will leave the community more resilient to a loss of gas supply should it occur. This deserves consideration in assessing risk.

Considering these developments, provided integrity issues are not an immediate significant concern, we recommend the OEB consider rejecting the St. Laurent leave to construct application. In the current state of flux, such a decision would avoid a large investment which may not be required as events around the energy transition unfold. This translates into the following tangible benefits:

- A reduction of impacts to area business from the disruption caused by pipeline construction. Many area businesses have been severely impacted by the pandemic.
- Time which would allow us to see how energy transition activities are proceeding vs. what the Energy Evolution plan has forecast.
- Time to further monitor and study the condition of the St. Laurent pipeline.
- A change to transition gas infrastructure planning into a more integrated format that aligns with Ottawa's Energy Evolution plan<sup>9</sup>.

We note the extensive work and consultation Enbridge has made to develop the application. Should replacement work be eventually required in some form on some or all of the St. Laurent pipeline in the future, hopefully, this work could provide some basis to a future application.

The City of Ottawa thanks the work of the OEB, Enbridge, and all parties in this application.

We are available to further contribute as required.

Sincerely,

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Don Herweyer Director, Economic Development & Long-Range Planning (EDLRP) Planning, Real Estate and Economic Development (PRED) City of Ottawa

Cc: Mike Fletcher, Project Manager - Environmental Program (PRED EDLRP) - City of Ottawa

<sup>&</sup>lt;sup>8</sup> SEC\_IRR\_EGI\_St Laurent\_20220222. Page 23. Response

<sup>&</sup>lt;sup>9</sup> SEC\_IRR\_EGI\_St Laurent\_20220222. Page 8. Response