

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

July 22, 2022

**Re: EB-2022-0141 Consultation to Review 2022 Annual Update to Five-Year Natural Gas Supply Plans EPCOR Natural Gas Limited Partnership (Aylmer and Southern Bruce)  
Pollution Probe Comments**

Dear Ms. Marconi:

In accordance with the OEB notice dated May 10, 2022 for the above-noted proceeding, please find below Pollution Probe's comments on the 2022 Annual Updates to the EPCOR Natural Gas Limited Partnership (ENGLP) Five-Year Natural Gas Supply Plans (Aylmer and Southern Bruce).

As expected, many of the elements/drivers across both the Aylmer and South Bruce Gas Supply Plans are similar and therefore feedback should be applied to both plans where possible. In some cases, there are distinct differences that need to be considered independently and where that occurs, Pollution Probe has specifically noted those differences.

Please feel free to reach out should there be any questions or interest in additional collaboration prior to development of the next gas supply plan iterations.

**Gas Supply Plan Timing & Scope**

The Aylmer Gas Supply Plan is a five-year (2020-2024) plan. However, the South Bruce Gas Supply Plan is only a three-year plan which expires in 2022 leaving a potential gap in 2023 until the next generation plan can be filed and assessed.

In comparison, Enbridge files a five-year gas supply plan annually which is actually a fully updated five-year rolling plan updated to cover a five year period from the year it is filed. Of course, many elements are similar from year to year, but it enables a seamless advancement over time rather than filing a static five-year plan and only doing a thorough assessment of changes (like enhancements or scorecard metric updates) at the end of a five year period. This also has the added benefit of providing more timely flexibility to adjust to market changes such as has been seen recently (e.g. COVID, global supply chain and fossil fuel supply issues, etc.). Waiting five years to adjust to those types of changes is sub-optimal.

**It is recommended that both the Aylmer and South Bruce gas supply plans be five-year rolling plans updated annually going forward.**

In response to interrogatories, ENGLP indicated that there have been a number of incremental policy drivers since the last annual gas supply plans update, including the recent OEB Mandate letter<sup>1</sup>. However, it was not fully evident in the gas supply plan updates filed how these changes have impacted the gas supply plans or related metrics.

**It is recommended that annual gas supply plan updates provide a list of the major policy changes up front and how the plan was adjusted to respond.**

#### Renewable Natural Gas (RNG)

ENGLP indicated that it is supporting RNG in Ontario through enabling access to its system for RNG projects. Enabling low carbon RNG aligns with public policy and there is a significant demand for RNG including by Ontario municipalities. RNG can be transferred to customers outside ENGLP's franchise area as noted by ENGLP, enabling broader potential benefits and growing the RNG ecosystem. RNG flowing into the distribution system can also provide reliability benefits.

Currently ENGLP does not proactively promote or coordinate with potential RNG suppliers to expand the supply or use of RNG. RNG has been identified by the Province of Ontario as an economic opportunity to help Ontario reach its decarbonisation goals, particularly in displacing natural gas. Municipalities have also identified RNG as an opportunity through their community energy and emission plans and as part of their regulated requirements for energy and emissions plans filed with the Province<sup>2</sup>.

**It is recommended that ENGLP specifically assess and leverage its ability to partner for facilitation of increased RNG, including with local supplier and municipalities.**

Although ENGLP is not "purchasing" RNG as part of its supply portfolio, RNG will flow into the distribution system and does have reliability benefits. ENGLP has estimated RNG will form up to 10% (more specifically 6% for Aylmer) of the total supply. RNG supply in Ontario is essentially 0% (i.e. negligible) of gas throughput and it does not seem possible for RNG to make up 10% (or even 1%) of natural gas system throughput without proactive action.

#### Demand Side Management (DSM)

ENGLP has identified DSM as a focus in previous plans filed and consistently did the same in the 2022 plan update. OEB Staff and Pollution Probe asked questions about the progress being made and when real programs would be launched. ENGLP indicated that "While a rollout of implementation may not happen concurrently, ENGLP is anticipating providing DSM programs to both Aylmer and Southern Bruce customers"<sup>3</sup>. ENGLP indicates that it is targeting their 2025

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<sup>1</sup> Response to Pollution Probe interrogatory #1.

<sup>2</sup> [O. Reg. 507/18](#).

<sup>3</sup> Response to Staff.4 interrogatory.

filing for inclusion of DSM programs. There does not appear to be tangible annual progress that would result in DSM programs being available to customers on a reasonable timeline. Each year that passes without DSM programs available creates lost opportunities.

There is a lot of low hanging DSM fruit which could be implemented by ENGLP in an expeditious manner for all customer classes. DSM has been delivered in Ontario for almost 30 years and there is also billions in existing funded programs available to customers in EPCOR's service territory. Pollution Probe believes that EPCOR should be providing program information to its customers and if it can increase consumer benefits of energy efficiency programs, it should be eligible for shareholder incentives based on the net benefits generated by the SCT (using the Societal Cost Test, or its current OEB proxy the TRC Plus test). This is a common methodology and one use by the OEB for Enbridge in their early days of DSM.

DSM also aligns with community energy and emission planning by municipalities across Ontario. These plans identify opportunities and goals to reduce energy costs and GHG emissions across all customer types (i.e. consumers) and are complimented by regulatory requirements for municipalities and other broader public sector organisations to track energy use and develop plans to reduce energy and related GHG emissions.

Additionally, delivery partners like IESO already have capacity that could be leveraged by ENGLP. IESO has support multi-fuel programs in the past to provide an easy and effective one-window approach that is consumer friendly.

**It is recommended that ENGLP develop and launch DSM programs in 2023 and also include a specific timeline for the development and launch of additional DSM programs as part of its future Gas Supply Plans. Should ENGLP fail to take specific and timely action, the OEB should provide more prescriptive direction for ENGLP.**

**Pollution Probe recommends that ENGLP leverage partners (including local municipalities) to the enhance program development and delivery with other energy and emission program goals. This will provide consolidated programs that are more cost-effective than a siloed approach.**

**It is also recommended that ENGLP initiate a DSM Consultative starting 2023 similar to what Enbridge leveraged for the first decade it developed and delivered DSM programs. The DSM Consultative provided a structured forum for the utility to solicit early feedback and partnerships from relevant stakeholders. DSM Consultative meetings typically occur 3-4 times per year, as appropriate.**

#### Integrated Resource Planning

ENGLP is participating in Enbridge Gas's Integrated Resource Planning (IRP) working group as an observing member. The OEB provided broad IRP requirements and flexibility to meet demand and supply side issues through its EB-2020-0091 IRP Framework. The Framework provides

opportunities for ENGLP to meet customer needs in a cost-effective manner that also reduces GHG emissions from incremental natural gas solutions. In some cases, IRP options such as heat pumps are more cost-effective for consumers and communities than traditional natural gas solutions. The OEB also enabled consideration of rate base type treatment for IRP alternatives. It may also be possible to leverage IRP options for community expansion where the overall consumer cost of IRP alternatives (e.g. heat pumps) are more cost effective than the full cost of installing and converting to natural gas.

**It is recommended that ENGLP accelerate its assessment of the IRP Framework and options for implementation. Information on those opportunities should be included in the annual Gas Supply Plan starting in 2023. ENGLP is encouraged to consult with relevant stakeholders and could leverage an IRP consultative group to increase real time input, partnership and increase regulatory certainty on options being considered.**

#### Scorecards and Metrics

The EPCOR scorecards do not have any objectives or targets to compare the achieved performance and assess the extent to which the guiding principles have been achieved, and provide value. Previously, ENGLP indicated that “EPCOR have not assessed opportunities to make improvements to its scorecard.”<sup>4</sup> Pollution Probe provided some suggestions previously and recommended that ENGLP is best placed to come up with a recommended list of target objectives and areas of improvement for OEB and stakeholder review. ENGLP indicated that they have made no changes or improvements to scorecard metrics in the 2022 update<sup>5</sup>. It appears that the annual OEB review process is not structured enough to drive forward annual improvements.

**It is recommended that the OEB consider enhancements to the Gas Supply Plan review process that would be more effective in driving forward annual improvements.**

All of which is respectfully submitted on behalf of Pollution Probe.



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Richard Carlson, Pollution Probe (via email)

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<sup>4</sup> EB-2021-0146 Annual GSP Update IRR, Pollution Probe IR A10e.

<sup>5</sup> Response to Pollution Probe interrogatory #5.