

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
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Toronto, ON M4P 1E4

December 12, 2022

**EB-2022-0157 – Panhandle Regional Expansion Project Leave to Construct  
Pollution Probe Letter of Comment**

Dear Ms. Marconi:

Pollution Probe is in receipt of Enbridge's letter dated December 5, 2022 requesting an abeyance until mid-February 2023 due to material cost increases above the filed evidence as the result of a procurement process Enbridge conducted in parallel to this proceeding. Pollution Probe is also in receipt of additional stakeholder letters outlining significant issues related to the proceeding and potential timing concerns should the abeyance be granted as requested.

Enbridge indicated OEB Leave to Construct approval was required by February 2023<sup>1</sup> in order to meet its proposed project schedule. The initial proposed schedule provided little time to properly assess the proposed project and alternative options available. It is important that an abeyance does not create an urgent deadline for the OEB, restrict review of prudent cost-effective options or circumvent proper project assessment including more cost-effective alternatives. It is unclear how an abeyance until mid-February would enable a open, transparent and objective process resulting in the best outcome for Ontario rate payers if a 2023 decision is requested in line with the timing proposed by Enbridge. It will be important for Enbridge to address all current gaps prior to recommencing this proceeding, not just update the cost estimate.

Given the circumstances, it is recommended that the OEB consider options when reviewing the request for abeyance, including:

- Notification to current and identified future customers of the potential system limits and their options for consideration (e.g. leveraging the OEB approved DSM/IRP incentives to reduce gas demand). To date no information has been provided to customers on the Panhandle system to notify them of potential constraints or options to reduce gas demand through OEB approved programs (more details below).
- Notification to the small number of large contract customers driving the potential project indicating the amount they would be responsible to pay should the OEB require those driving the project to pay for it. This would provide these customers valuable time to consider more cost-effective options.
- Post specific information about this project and IRP/DSM alternatives on the OEB mandated IRP website ([Regional Planning & Engagement | Enbridge Gas](#)). Currently there is no information on the

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<sup>1</sup> Exhibit I.PP.23

Enbridge IRP website identifying any issues or needs for the Panhandle system or options for customers to reduce demand or pursue other OEB approved IRP/DSM options.

Pollution Probe notes that this project would represent the seventh phase of Panhandle pipeline expansion in the past decade<sup>2</sup> and Enbridge has indicated that more phases are expected to come forward in the future. The OEB has indicated that it expects a proper systematic and wholistic assessment of projects driving multiple phases of capital expansion<sup>3</sup>. The OEB reiterated the need to undertake in-depth quantitative and qualitative IRP analyses in recent Leave to Construct<sup>4</sup>. Recently, stakeholders expressed their concerns regarding the status of Enbridge's compliance with the OEB's IRP Decision and Framework, and in particular with the impacts on 2023 operating and maintenance costs and capital project planning/implementation<sup>5</sup>. This Panhandle Regional Expansion Project is precisely the type of project that requires proper IRP consideration.

The Panhandle system is currently in a surplus position and Enbridge has been able to operate the system even in the rare occurrence of design day being exceeded. The OEB has provided existing IRP/DSM tools to Enbridge to mitigate the future additional demand it is forecasting. Furthermore, the OEB's recent DSM Decision clearly outlines the OEB's expectation that Enbridge leverage these tools more effectively to reduce customer energy use, gas demand and related emissions. The OEB specifically reallocated funding that can be used for cost-effective heat pumps<sup>6</sup>, including a specific condition that consumers do not need to remain a gas customer to receive the incentives<sup>7</sup>. This is one simple example of a tool that is already OEB approved for implementation in less than a month<sup>8</sup>. Should an abeyance be granted, Pollution Probe recommends that Enbridge use this time to notify (via direct communication and the IRP website) customers of the potential gas shortfall for the system and alternative options available including the heat pump incentive approved by the OEB.

Respectfully submitted on behalf of Pollution Probe.



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<sup>2</sup> KT1.1\_EGI\_Presentation\_TechnicalConference\_20221006, slide 4.

<sup>3</sup> A similar example is summarized in EB-2020-0181 EGI\_Corres\_20210210

<sup>4</sup> OEB EB-2020-0192 Decision dated January 28, 2021, page 20.

<sup>5</sup> EB-2022-0133 dec\_SettlementP\_rate order\_EGI 2023 Rates\_20221103. Appendix A, Page 12.

<sup>6</sup> EB-2021-0002 Decision Pages 2

<sup>7</sup> EB-2021-0002 Decision Pages 24-25.

<sup>8</sup> EB-2021-0002 Decision and direction is effective for Enbridge DSM as of January 1, 2023.