

Elson Advocacy

March 14, 2023

David Stevens

Aird & Berlis LLP
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Dear David:

**Re: Enbridge Gas Inc. 2024 to 2028 Rates Application
EB-2022-0200**

I am writing to request that Enbridge provide the model and output dataset for the Guidehouse report regarding decarbonization pathways at Exhibit 1, Tab 10, Schedule 5, Attachment 2 (the “Pathways Report”) in advance of the technical conference.

The Model

Both the School Energy Coalition and Environmental Defence requested a copy of the model that Guidehouse used to create the Pathways Report.¹ In both cases, Enbridge declined to provide a copy on the basis that it is a “proprietary model.” However, Enbridge has not followed the OEB’s *Practice Direction on Confidential Filings*.² If Enbridge believes the materials are confidential, it is required to follow the process for confidentiality requests set out in Part 5 of the *Practice Direction*.³ Enbridge has not done so.

In addition, the *Practice Direction* specifically states that a “model of a consultant retained by a party” is presumptively confidential and that “parties can generally have access” to these materials in accordance with Part 6.⁴ The confidentiality arrangements set out in Part 6 (e.g. the declaration and undertaking) are sufficient to address the proprietary nature of consultant models. If Enbridge disagrees, it may seek an order denying any representatives any access under section 6.1.7 of the *Practice Direction*. Again, Enbridge has not made that request

We therefore ask that Enbridge file the materials confidentially as soon as possible in accordance with the OEB’s *Practice Direction*.

¹ Exhibit I.1.10-ED-48(c); Exhibit I.1.10-SEC-48.

² OEB, *Practice Direction on Confidential Filings*, December 17, 2021.

³ *Ibid.*, Part 5.

⁴ *Ibid.*, s. 4.1.2 & Appendix B.

The Outputs

Environmental Defence also requests that Enbridge file the detailed model outputs from the Guidehouse Pathways Report, such as the cost of RNG (\$/m3), the cost of hydrogen (\$/m3 & \$/PJ), the contribution of heat pumps to peak electricity demand (kW per average home & efficiency), and the cost of electric resources (\$/kWh, \$/kW, & LUEC).⁵ These figures are necessary for a full assessment of the accuracy and appropriateness of Guidehouse's model and inputs.

Guidehouse declined to provide any of these figures on the basis that its model is top-down. However, that is not a valid reason to decline to calculate those figures, or provide the full model outputs such that our expert can calculate those figures.⁶ For instance, Guidehouse surely can provide the total volumes and total costs for RNG with which to calculate a unit cost (\$/m3). The same is true for hydrogen. Guidehouse should also be able to provide the total number of residential households assumed to electrify space heating with heat pumps in each scenario and their total contribution to electric system peak (which drives Guidehouse's estimate of winter electric peak demand) to enable a calculation of average residential peak kW demand with electrification.

We therefore ask for the full model output details.

Timing and Importance

We need the model and full output dataset prior to the technical conference so that we can ask questions to better understand Guidehouse's work. As you know, in the June 16, 2022 and subsequent pre-filing stakeholder meetings, Environmental Defence requested that Enbridge disclose the full set of calculations and data underlying the Guidehouse Pathways Report in its pre-filed evidence. Enbridge declined to do so. We remain without these essential details with only weeks remaining before our evidence is due.

As you know, the Guidehouse Pathways Report is a key element of Enbridge's application. Enbridge explicitly relies on the report in many ways, including:

- To argue against decreasing investments in the gas system (and conversely, in support of its proposed increases in gas system investments);⁷
- To support Enbridge's proposed spending relating to hydrogen;⁸
- To support Enbridge's proposed spending relating to RNG;⁹

⁵ These figures were requested in Exhibits I.1.10-ED-44, 45, 48, 50, and 54.

⁶ Environmental Defence explicitly requested the *implied* values if they were not explicit assumptions.

⁷ Exhibit 1, Tab 10, Schedule 5, Page 12-13, Para. 36.

⁸ Exhibit 4, Tab 2, Schedule 6, Pages 5-17, Paras. 11, 17, 38, 42, & 46.

⁹ Exhibit 4, Tab 2, Schedule 7, Page 10, Para. 22.

- To argue against reduced depreciation periods as a tool to address decarbonization-related risks;¹⁰
- To argue against the need for a segregated site restoration fund as a tool to address decarbonization-related risks;¹¹
- As a consideration in Enbridge's Asset Management Plan;¹²
- To argue that net-zero cannot be achieved without gaseous pipelines delivering RNG, hydrogen, and natural gas with CCUS;¹³
- To argue that a decarbonization pathway involving expanded investments in gaseous pipeline are \$200 billion more cost-effective than an electrified pathway;¹⁴ and
- To "support the development of Enbridge Gas's vision of Ontario's energy sector"¹⁵ and "inform the Company's internal planning."¹⁶

It is critical that such an important piece of evidence be tested, which requires full disclosure of the model and data prior to the technical conference.

Finally, we note that a motions hearing day is scheduled following the technical conference. This letter does not address the potential further and better interrogatory responses that may be sought at that time. Furthermore, the existence of the motions hearing day should not be a reason to decline to provide full answers now. Waiting for motions day could cause delay by prompting witnesses to be recalled or by extending the hearing days. We sincerely hope Enbridge can work with Guidehouse to provide the necessary details now to allow for a smooth and efficient proceeding that focuses on the substance of these important issues.

Yours truly,



Kent Elson

cc: Parties to the above proceeding

¹⁰ Exhibit 4, Tab 5, Schedule 1, Page 16, Para. 35.

¹¹ Exhibit 4, Tab 5, Schedule 1, Page 19, Para. 43.

¹² Exhibit 2, Tab 6, Schedule 2, Page 34.

¹³ Exhibit 1, Tab 10, Schedule 5, Page 14, Para. 41.

¹⁴ Exhibit 1, Tab 2, Schedule 1, Page 15, Para. 48.

¹⁵ Exhibit 1, Tab 10, Schedule 5, Page 2, Para. 6.

¹⁶ Exhibit 1, Tab 10, Schedule 5, Page 9, Para. 25.