



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

May 9, 2023

EB-2022-0156/0248/0249 Community Expansion Projects Pollution Probe Letter regarding Supplemental Interrogatories

Dear Ms. Marconi:

Pollution Probe is in receipt of the OEB Decision dated April 17, 2023 rejecting the Environmental Defence evidence proposal and also indicating that the OEB is willing to allow a supplementary interrogatory phase for the above noted proceedings.

Pollution Probe is in the process of reviewing interrogatory responses provided May 2, 2023 and has also received evidence updates for EB-2022-0249 on May 8, 2023 from Enbridge which raise some additional questions. Furthermore, Enbridge has indicated that additional evidence will be filed by May 31, 2023¹ relevant to these community expansion projects.

Pollution Probe understands that the OEB is planning a supplemental interrogatory phase for the expansion projects which will also accommodate incremental questions from Environmental Defence and other parties. Pollution Probe is anticipating that the process and timing for supplemental interrogatories would be outlined by the OEB in a future procedural order. It would appear to make sense to hold the supplementary interrogatory phase until after May 31, 2023 when Enbridge has filed the evidence updates noted.

In the interim, it would be helpful if Enbridge can clarify if all the interrogatories responses filed May 2nd for EB-2022-0249 remain valid given the evidence updates, or if any of these would need to be updated based on the updated evidence (and current knowledge). This clarification would assist in the supplemental interrogatory phase.

On a separate but related topic, Pollution Probe understands the rational included in the OEB Decision dated April 17, 2023 and specifically the relationship between these three proceedings and the Province of Ontario Natural Gas Expansion Program (NGEP). The OEB Staff letter dated March 28, 2023 did a great job highlighting the relevance of the evidentiary issues brought forward by Environmental Defence in alignment with the Issues List for the proceedings. Pollution Probe would highlight that proper planning and analysis (including consideration of alternatives) is not counter to the NGEP, but complimentary to ensure that projects are prudently planned, designed and executed in alignment with consumer needs. The recent evidence updates for EB-2022-0249 is just one example that highlights that

¹ EB-2022-0249 Exhibit I.ED.16e which is referenced in IR Responses for all three projects.

design, customer forecasts, project costs and other relevant factors are not static over time. In some cases even small project and customer choices adjustments can have a significant impact on project costs, attachment rates and overall consumer costs (energy, equipment replacement costs, related energy efficiency renovations, etc.) in these communities.

Based on real experience, there has been a wide swing in expansion projects actual results compared to what is put in evidence before the OEB. For example, a multitude of factors have caused the Profitability Index of expansion projects to vary significantly from the EBO 188 requirement of 1.0 minimum to as low as 0.47^2 . It is not surprising that expansion project results are varying significantly from the results that were initially forecasted to the OEB. Assessing projects, customer options/decisions and related IRP considerations in a more robust manner can support the fundamental goal of NGEP while validating customer choice and ensuring expansion projects are done in a more cost-effective manner. Project alternative assessment does not necessarily mean that an expansion project should not be done, but considers the most cost-effective mix of energy options to serve a new community in alignment with customer choice. This has the added benefits of reducing the risks and costs related to stranded assets. There is a lot of work to be done to strike the right balance and ensure that proper objective information is shared with homes and businesses in new communities targeted for natural gas expansion. It may not be possible to resolve all those issues in these specific proceeding, but they provide a current example to highlight some of the issues and risks that need to be mitigated.

Respectfully submitted on behalf of Pollution Probe.

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² EB-2022-0200 Exhibit JT3.16 Table 1.