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August 25, 2023

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
P.O. Box 2319  
26<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Marconi,

**RE: Board File No. EB-2022-0094: System Access Proceeding**

Please find enclosed the submissions of the Canadian Biogas Association in the above noted proceeding.

If any further information is required, please do not hesitate to contact the undersigned.

Yours very truly,



Michael R. Buonaguro  
Encl.

**Enbridge Gas Inc.**  
**System Access Proceeding**  
**CANADIAN BIOGAS ASSOCIATION SUBMISSIONS**  
**August 25, 2023**

**OVERVIEW**

These are the submissions of the Canadian Biogas Association (the “CBA”) with respect to the Ontario Energy Board (the “OEB”) motion initiated to address certain system access issues raised by the Ontario Petroleum Institute (“OPI”).

The issues raised by OPI are specific to existing and potential customers of Enbridge Gas Inc. (“EGI”) that access or are seeking to access EGI’s distribution and transmission system to inject and transport their locally produced natural gas to consumers. While OPI notionally raises these issues on behalf of the conventional natural gas producers that make up its membership, the same issues impact the renewable natural gas (“RNG”) producers that are members of the CBA.

In fact, in its report to Agriculture and Agri-Food Canada in March 2022, the CBA highlighted similar issues as those raised by OPI in this proceeding, noting in relation to challenges connecting to the natural gas and electricity grids that “Stakeholders reported a high cost of grid connection, complex or unclear interconnection process, and a slow response time and long timeline to connect.”<sup>1</sup>

Accordingly, the CBA respectfully repeats and relies on the submissions of OPI with respect to its observations concerning the challenges faced by local producers seeking injections services with EGI and the proposed remedies it seeks and offers these incremental submissions in support of those observations and remedies.

**Gaining Access – Need for a More Prescriptive Connection Process**

The CBA generally agrees with the submissions of OPI to the effect that a standardized and transparent connection process should be required of EGI with respect to the connection of locally produced natural gas to the EGI system.

The CBA notes that local producers are businesses seeking to participate in a competitive marketplace for their product, with competition for RNG in particular becoming more

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[https://biogasassociation.ca/images/uploads/documents/2022/resources/Agricultural\\_Bio\\_gas\\_Regulatory\\_Analysis\\_April\\_2022.pdf](https://biogasassociation.ca/images/uploads/documents/2022/resources/Agricultural_Bio_gas_Regulatory_Analysis_April_2022.pdf) page 36.

prevalent as Ontario, Canada and the world at large wrestle with “Energy Transition”, an issue discussed at length in EGI’s ongoing 2024 Cost of Service Application (EB-2022-0200). Local producers of RNG rely on access to EGI’s regulated monopoly distribution system to compete in that marketplace; accordingly, the CBA respectfully submits, it is imperative that the framework that governs access to that system is transparent and non-discriminatory. To that end, the CBA agrees that a standardized, prescriptive connection process is appropriate.

The CBA notes EGI’s comments to the effect that requests for producer connections for injection services are relatively infrequent and comprise a small part of EGI’s customer base, such that EGI questions whether a standardized, prescriptive connection process is warranted.<sup>2</sup> To that point the CBA notes that in its 2024 Cost of Service Application EGI is forecasting \$94.6M in spending for RNG injection connections in 2024 alone, representing material growth in the number of RNG producers seeking to inject their product into the EGI system.<sup>3</sup> With this growth in the number of new producers, all seeking to connect within the same general time frame, and all seeking to compete with each other in the RNG marketplace, it is more important than ever that the connection process that stands between them and that marketplace be transparent, predictable, and fair.<sup>4</sup>

### **Gaining Access – A Transparent Market Availability Methodology and Priority for Ontario-Produced Gas**

The CBA generally agrees with the submissions of OPI to the effect that there is a need for transparency with respect to EGI’s methodology for determining the availability of injection capacity for producers. The CBA also agrees with OPI’s submissions to the effect that the general system benefits associated with accepting locally injected natural gas support a higher priority to accepting locally produced natural gas whenever possible.

In the CBA’s respectful submission, that a local producer could be denied injection capacity and forced to flare their natural gas production into the atmosphere<sup>5</sup> rather than EGI adjusting its operations to the extent possible to accept that production into its system, particularly when local injections can obviate some of the costs of bringing outside natural gas into the local grid, is unconscionable.

While the CBA accepts that there may be situations where a particular capacity request cannot be reasonably accommodated, the reasons, both technical and economic, for the denial of any requested injection capacity need to be fully and transparently documented

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<sup>2</sup> Exhibit EGI-Staff-1 a)

<sup>3</sup> EB-2022-0200 Exhibit I.2.5-STAFF-64

<sup>4</sup> The CBA notes that the need for transparency and fairness is highlighted where one or more of the entities seeking to use the EGI system for injection of their RNG products are affiliates of EGI.

<sup>5</sup>OPI Evidence, page 9.

by EGI in order to ensure that local producers are not being unreasonably denied access to injection capacity and EGI's distribution customers are not being denied the benefits associated with locally injected natural gas, both conventional and RNG.

### **Gaining Access – Allowing Producers to Mitigate Station/Connection Costs**

The CBA generally agrees with the submissions of OPI to the effect that producers should have the ability to, in the words of the Distribution System Code, “contest” portions of the station/connection costs.

As the parties that ultimately bears 100% of those costs, and as the parties whose business relies entirely on the timely and economically efficient construction of the assets necessary to connect their production to the EGI system, it is, the CBA respectfully submits, obvious that producers should be at liberty to access the competitive market for construction services and construction materials for the construction of their injection related assets.

As detailed by the OPI in its submissions, under a properly defined framework EGI would retain authority over the preliminary planning, design and engineering specifications for customer stations, and would perform the final tie-in of the customer stations to EGI's system and the energization and commissioning work. With those responsibilities and tasks remaining with EGI, the CBA agrees with OPI's assertion that there is no defensible reason why the remainder of the work could not be performed by the producer and any properly qualified contractors it retains on its behalf.

### **Maintaining Access – Restricting/Limiting EGI's Shut-In Practices**

The CBA generally agrees with the submissions of OPI to the effect that the OEB should require EGI to proactively minimize incidents of producer shut-ins and require EGI to report on the specifics of any shut-ins that do occur (including location, start date, reason for shut-in, estimated return to service, mitigation efforts to allow Producer supply).

The (ongoing) incident of an 8-month shut-in described by OPI is, the CBA respectfully submits, *prima facie* intolerable, and could, for many of the CBA's members, result in the failure of their business were they to experience a similar shut-in.<sup>6</sup>

It is particularly concerning and indicative of the need for regulatory requirements, the CBA respectfully submits, that EGI is incapable of reporting on the number and nature of shut-ins.<sup>7</sup> The act of denying a producer the ability to inject its natural gas into the EGI system represents a complete failure of the basic service provided to the producer. The

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<sup>6</sup> OPI Evidence, page 12

<sup>7</sup> Exhibit EGI-CBA-1 b)

inability of the distributor to report to the OEB in any comprehensive way on its success or failure to provide that service consistently to its injection customers is a material issue that the OEB should rectify by imposing appropriate record keeping and reporting requirements.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 25<sup>th</sup> DAY OF AUGUST, 2023**