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September 11, 2023

**EB-2022-0157 – Panhandle Regional Expansion Project Leave to Construct
Pollution Probe Interrogatoires**

Dear Ms. Marconi:

In accordance with OEB direction, please find attached Pollution Probe's Interrogatories to the Applicant.

Respectfully submitted on behalf of Pollution Probe.

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ONTARIO ENERGY BOARD

**Enbridge Gas Inc.
Panhandle Regional Expansion Project
(Updated Application June 2023)
Leave to Construct**

POLLUTION PROBE INTERROGATORIES

September 11, 2023

**Submitted by: Michael Brophy
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Consultant for Pollution Probe

1-PP-24

Reference: “The Project as proposed is designed to reliably serve increased demands for firm service in the Panhandle Market, including, in particular, incremental demands from the greenhouse, automotive, and power generation sectors” [A/2/1]

- a) Enbridge previously confirmed that there is only one incremental automotive customer proposed on the Panhandle system and that it would only use natural gas for potential space and/or water heating. Has this changed for the updated Project? If so, please provide details for any incremental automotive customers, proposed use for natural gas and the proposed annual volume / peak demand for each of these potential customers.
- b) Enbridge removed the Leamington Interconnect from the Project reducing greenhouse customers for the Project. Please explain what the difference in greenhouse customers is for the Project with that Project component removed and the resulting annual volume / peak demand increases forecasted. Please note which of the greenhouse customers (if any) are new incremental load and if so, what year they are forecasted to come on the system.
- c) Is there a change in the number/size of power generation customers from the 2022 application. If so, please provide details and which year they are forecasted to be added/removed.

1-PP-25

Reference: The additional capacity of 168 TJ/d resulting from the Project will support the continued reliable and secure delivery of natural gas to the growing residential, commercial, and industrial customer segments within the Panhandle Market. [A/3/1 Page 2]

- a) Please provide a summary of the incremental customers (by residential, commercial, and industrial customer segments) by year that are driving the Project need.
- b) Please explain why the Panhandle system would not be able to provide “continued reliable and secure delivery” to already existing customers without the Project.

1-PP-26

Please confirm that Enbridge did not conduct a 40 year demand forecast to validate the peak demand capacity that would be provided by the project options consider and the proposed project. If Enbridge did conduct that analysis, please provide a copy.

1-PP-27

Reference: A/4/1 Page 4:

- Winter 2023/2024 customer demands decreased by 14 TJ/d, from 744 TJ/d to 730 TJ/d.
 - The 5-year demand forecast (i.e., the total forecast demand in Winter 2028/2029) decreased by 40 TJ/d, from 932 TJ/d to 892 TJ/d.
- a) Please provide a table and corresponding graph showing forecasted annual customer demand from current to Winter 2028/2029 and indicate the customer categories driven the demand. In the major categories, please include residential, contract automotive, contract greenhouse and contract power generation.
- b) For the forecasted increase in customer demand (per part a) from current to Winter 2028/2029, please provide a summary of how much is secured through executed contracts.
- c) A primary driver of the Project put forward was to maintain delivery pressure for power generation customers. Is this still a Project driver or has that issue no longer a consideration.

1-PP-28

- a) When was the proposed project first identified in the Enbridge Asset Management Plan (AMP)?
- b) Please provide the page references from Enbridge's most current Asset Management Plan that explains the basis for the project and where it ranks against all other projects in the AMP.
- c) Enbridge indicated that it intends file an Updated AMP in the fall 2023. If this is not the most recent version provided in response to part b, please explain the differences between the AMP version referenced in part b with the Updated 2023 AMP (if any).
- d) What process will Enbridge use to file the Updated AMP in fall 2023 (i.e. is it via this proceeding)?

1-PP-29

Reference: EGI_Correspondence_PO6_20230825_eSigned. Enbridge indicated that the response several pieces of evidence was no longer accurate. Please provide the accurate response to following (Please refile each marked as updated for administrative efficiency).

<ul style="list-style-type: none">• JT1.16• JT1.19• JT1.21• JT1.23• JT1.32• JT2.9• JT2.10• JT2.11• JT2.12• JT2.7 (Given that JT2.7 refers to I.PP.5, please confirm that I.PP.5 remains accurate and please provide an updated response to JT2.7 with the updates required.)• JT1.5	<ul style="list-style-type: none">• I.PP.3 (also please provide a copy of all documents and specific information sources outlining the growth assumptions that would affect the Panhandle system.)• I.EP.3• I.PP.5• I.PP.8• I.PP.14• I.PP.16• I.PP.23• I.STAFF.7• I.STAFF.9• I.APPrO.6• I.ED.2• I.STAFF.11• I.ED.12
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1-PP-30

Reference: EGI_Correspondence_PO6_20230825_eSigned. Enbridge indicated that the response to the original JT2.8 is no longer accurate,

- a) Please provide an updated response that is accurate based on current information.
- b) Please provide details on which customers are expected to experience a drop below the contracted pressure constraint (in chronological order starting with the first to occur) and provide the following information:
 - Customer name
 - Current annual volume
 - Expected annual volume for years 2024-2030 (or the range available)
 - Current contracted demand
 - Expected contracted demand for years 2024-2030 (or the range available)
 - Current delivery pressure, expected delivery pressure in Winter 2029/2030
 - Year that pressure is expected to go below the pressure constraint value without the Project.

1-PP-31

Reference: Enbridge previously indicated that Contract rate customer demand makes up approximately 98% of the capacity of the proposed Project. However, in the updated Project (updated Application) Enbridge indicates that contract rate (Rate M/BT4, Rate M/BT5, Rate M/BT7, Rate T-1 and Rate T-2) demand accounts for approximately 55% of firm demand served by the Panhandle System as of Winter 2021/2022.

- a) Please reconcile the discrepancy.
- b) Why did Enbridge only survey Contract customers making up 55% of Panhandle system demand, rather than surveying the Contract customers making up 95% of Panhandle system demand?
- c) Please summarize the types of Contract customers not included in the survey.
- d) If the OEB were to require a CIAC for Contract customers requiring incremental demand that is driving the Project, please explain why it would only apply to those surveyed by Enbridge and not the larger list of Contract customers that were not surveyed?
- e) If the OEB were to require a CIAC for Contract customers requiring incremental demand, please provide a table (and accompanying Excel) indicating the following:
 - Contract Customer
 - Incremental Demand
 - % of Incremental Demand from the Project
 - CIAC (calculated based on the total cost of the Project times the % of total Incremental Demand due to the customer)
 - % of total customer CIAC compared to the total Project cost.

1-PP-32

Reference: Enbridge highlights potential significant gas demand increases due to the Brighton Beach Generating Station (“BBGS”) and the potential Capital Power expansion at its existing East Windsor Cogeneration Centre. [B/1/1 Page 18]

- a) Please indicate when Enbridge expects a firm commitment from these customers related to the increased gas demand which could occur or if a commitment has already been signed, please provide a copy.
- b) Please provide the current and forecasted future peak demand for these power generation facilities should they expand as forecasted by Enbridge.

1-PP-33

Please replicate Figure 3: Graph of the Forecast Panhandle System Capacity, Design Day Demand and Shortfall [B/2/1 Page 12] and segment the bars in the chart by the following categories:

- General Service
- Large Industrial/Commercial
- Greenhouse Market
- Power Generation

1-PP-34

It appears that Enbridge has added the peak demand (current and forecasted increase) for all Contract demand customers to arrive at its forecast. The resulting system peak demand would be much lower if the customer peak demands are not concurrent (e.g. some peak in summer and others peak in winter). Please explain what analysis (if any) Enbridge has done to reduce the projected system peak demand increase based on non-concurrent customer peak demand.

1-PP-35

Reference: “No customer indicated that they would be willing to provide CIAC for a transmission system expansion project ...” [A/4/1 Page 6].

- a) Please provide a copy of the CIAC related survey/questions sent to customers.
- b) Based on the information collected how many customers would pay a CIAC if it was required by the OEB, rather than forgo their forecasted incremental gas demand?

2-PP-36

- a) Please provide a list of the IRP alternatives considered for the Project.
- b) Please provide a copy of the IRP assessment materials (form/checklist, presentation, report, or other materials) for each IRP option evaluated.

2-PP-37

Please provide a copy of the following:

- a) Communications to current or proposed customers fed (directly or indirectly) from the Panhandle system with the potential demand or pressure challenges that Enbridge has highlighted in this Leave to Construct application.
- b) Communications to current or proposed customers fed (directly or indirectly) from the Panhandle system that were asked for input on IRP options or alternatives.
- c) Communications to current or proposed customers fed (directly or indirectly) from the Panhandle system indicating that a contribution (e.g. CIAC), charge or other fee may be required from the customer to support the proposed Reinforcement.

2-PP-38

- a) Please provide a copy of all marketing and communication material provided to consumers/businesses served by the Panhandle system to promote (targeted) DSM or other energy efficiency opportunities.
- b) Please provide a copy of all communication material provided by Enbridge or partners to educate consumers/businesses served by the Panhandle system on options and incentives under the Greener Homes program (delivered by Enbridge in Ontario).
- c) Please provide a table (or marketing material if a table is already included) of potential Greener Homes Grant Program incentives for residential homes, including those for air source heat pumps.
- d) Please confirm how many customers served by the Panhandle system have expressed interest to leverage incentives through the Greener Homes Grant program.
- e) Please confirm how many customers served by the Panhandle system have completed one or more home audits required to participate in the Greener Homes Grant Program.
- f) Has Enbridge conducted analysis on consumers served by the Panhandle system that can or have (currently or recently) participated in the Greener Homes Grant Program. If yes, please provide a copy of the information and analysis.

3-PP-39

Reference: Final Transcript for EB-2022-0157 Enbridge LTC Panhandle Day 2, Page 2 lines 14-21.

- a) Enbridge confirmed that there approximately 5-6 customers directly served from the Panhandle transmission pipelines. Please confirm this remains accurate and if not, please provide an update.
- b) If customers are directly served from the pipeline, please explain why EBO 188 requirements do not apply.

3-PP-40

Reference: Exhibit C,, Tab 1, Schedule 1, Attachments 2 & 3

- a) Please explain how current and potential customer feedback was collected and used in the Posterity IRP analysis and reports.
- b) Please provide a list of customers surveyed for their consideration of (targeted) DSM, fuel switching or other IRP alternatives.
- c) Please provide a list of stakeholders consulted during the IRP analysis and report creation.
- d) Please explain how/if Posterity was involved in the selection of IRP Pilot options (per the EB-2020-0091 Decision) and why this Project was not considered.
- e) If electric-ccASHPs with electric backup were added as an IRP incentive option, please explain what impact that would have on the Posterity analysis for this Project.
- f) Please provide an estimate of the peak demand reduction if 10% of the residential customers served by the Panhandle system left the gas system for other options.
- g) Please provide an estimate of the peak demand reduction if the proposed Stellantis facility used non-gas options (e.g. geothermal, etc.) for space and water heating.

3-PP-41

Reference: Exhibit E, Tab 1, Schedule 5, Page 1

- a) Please confirm Year 1 in the DCF Table represents 2024 and that the Year 1 Revenue figure represents 2 months (i.e. In-service November 1, 2024). If incorrect, please provide the correct interpretation.
- b) Please provide a table and corresponding pie chart (with percent) breaking the Year 1 (\$3,572,000) and Year 7 (\$9,246,000) Revenues into the following categories:
 - General Service
 - Large Industrial/Commercial
 - Greenhouse Market
 - Power Generation
- c) For the Year 7 Revenue (\$9,246,000), what percent of the revenue is related to customers that are on the system before Year 1 (i.e. currently) and what percent is due to new incremental customers?

3-PP-42

Enbridge indicated in its Rebasing application (EB-2022-0200) that PREP is significantly different (e.g. larger) from other proposed projects over the 2024-2028 period.

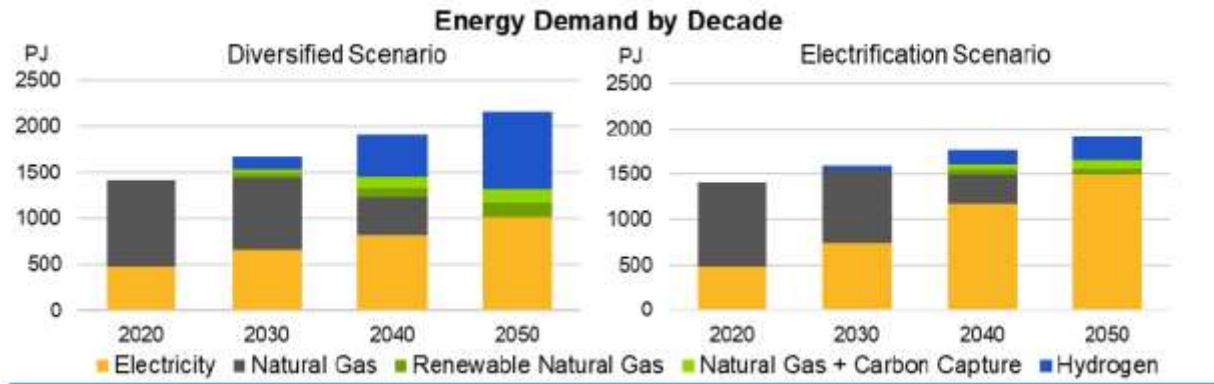
- a) Please explain how this project is different from other projects in the 2024-2028 timeframe (and/or provide the relevant EB-2022-0200 references providing this information).
- b) Please explain the treatment Enbridge proposes for recovery from rate payers for this project and how/why it differs from the typical approach used to recover costs related to large projects requiring Leave to Construct approval.

3-PP-43

Has Enbridge conducted a risk assessment on the probability that the proposed Project will become a stranded asset before being fully depreciated? If yes, please provide a copy of the assessment and all related materials. If no, what evidence exists to support that the pipeline will remain used and useful for the full amortization period.

3-PP-44

Reference: Pathways to Net Zero Emissions for Ontario ¹.



Enbridge indicates that for both the (Enbridge-preferred) Diversified Scenario and the Electrification Scenario that by 2050 natural gas will no longer be used in Ontario with the potential exception of select large volume industrial customers that have economic access to carbon capture and geological sequestration.

- a) Please explain why an amortization period past 2050 (i.e. greater than 25 years) is appropriate if natural gas will no longer be available to these customers prior to 2050.
- b) Please confirm that Enbridge has not received approval (from the OEB, TSSA or other relevant regulator) for use of 100% hydrogen for the Project assets proposed. If approval has been received for 100% hydrogen, please provide a copy of such approval.
- c) If Enbridge intends to use hydrogen to serve Panhandle customers once natural gas is no longer available, please provide details on the source, transmission and lifecycle carbon emissions of the proposed hydrogen.

¹ EB-2022-0200 Exhibit 1.10.5.2_Pathways to Net-Zero Emissions for Ontario_BLACKLINE_20230421

3-PP-45

Reference: IESO Pathways to Decarbonization Report - [Pathways to Decarbonization \(ieso.ca\)](https://www.ieso.ca)

IESO analysis suggests that natural gas capacity can be reduced to 8,000 MW from the current 10,000 MW by 2035 and completely phased out in the 2050 scenario.

- a) Please provide Enbridge's assumptions for how long each current or proposed gas fired generating station served (directly or indirectly) by the Panhandle system will be in service.
- b) Please confirm the amortization period for the proposed pipeline.
- c) If the proposed amortization period for the proposed pipeline is greater than 25 years (i.e. by 2050), please explain how recovery of the unamortized portion of the pipeline will be recovered if no gas fired generating stations remain on the Panhandle system.

4-PP-46

The Environmental Report published April 22, 2022 was filed for this application on June 10, 2022 as EGI_Appl_Panhandle Regional Expansion Project_F-1-1_Attachment 1_20220610. Updates were identified in the summary table to the updated application that relate to the Environmental Report, but it appears that an updated Environmental Report was not filed.

- a) Please indicate if the Environmental Report filed June 10, 2022 is the current version and if so, how the project updates have been applied. If there is an updated version of the Environmental Report, please file a copy and provide a summary of the differences between the June 2022 version and the most recent version.
- b) Was the OPCC and related stakeholder consultation process conducted for the Updated Project or is Enbridge relying on the process used for the previous Project submitted in 2022?
- c) Was additional consultation, surveys or open houses conducted related to the Updated Project? If yes, please provide a copy of the materials used and any feedback received.

4-PP-47

Please provide an update on the negotiation and execution of agreements required for the proposed Project (e.g. # outstanding and impact if they are not completed)