



September 19, 2023

VIA EMAIL AND RESS

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

Dear Ms. Marconi:

Re: EB-2022-0200 — Enbridge Gas Inc. – 2024-2028 Natural Gas Distribution Rates

We are counsel to Ginoogaming First Nation (“**GFN**”) in the above-referenced proceeding. Please find enclosed the written argument of GFN, which is filed pursuant to Procedural Order No. 6.

Sincerely,

A handwritten signature in dark ink, consisting of a large, stylized 'L' followed by a horizontal stroke that curves upwards and to the right.

Lisa (Elisabeth) DeMarco

c. Vanessa Innis, Enbridge Gas Inc.
David Stevens and Dennis M. O’Leary, Aird & Berlis LLP
Kate Kempton, on behalf of GFN

Encl.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule. B);

AND IN THE MATTER OF an Application by Enbridge Gas
Inc, pursuant to section 36(1) of the *Ontario Energy Board
Act, 1998*, for an order or orders approving or fixing just and
reasonable rates and other charges for the sale,
distribution, transmission and storage of gas as of January
1, 2024.

EB-2022-0200

**WRITTEN SUBMISSIONS OF
GINOOGAMING FIRST NATION**

September 19, 2023

I. INTRODUCTION

1. We are counsel to Ginoogaming First Nation (“**GFN**”) in the matter of the application of Enbridge Gas Inc. (the “**Applicant**” or “**EGI**”) to the Ontario Energy Board (the “**OEB**” or the “**Board**”) for approval for an order or orders approving or fixing just and reasonable rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2024 (the “**Application**”).
2. GFN is an Anishnawbe First Nation in Northern Ontario, located approximately 40 km east of Geraldton, Ontario, Canada, on the northern shore of Long Lake, immediately south of Long Lake 58 First Nation and the community of Longlac, Ontario. GFN is a member of the Nishnawbe Aski Nation, a political territorial organization representing 49 First Nations in northern Ontario and Matawa First Nations Management, a tribal council providing a variety of advisory services/programs to 8 First Nations in *James Bay Treaty No 9* and 1 First Nation in the *Robinson-Superior Treaty*.

II. GENERAL COMMENTS ON THE INDIGENOUS WORKING GROUP

3. In these submissions, GFN wishes to provide supportive comments to the OEB indicating its continued support for the creation of the Indigenous Working Group (“**IWG**”) as part of the Board-approved settlement agreement for Issue #4. GFN anticipates that the IWG will be a meaningful and respectful partnership and venue to hear from and better understand impacted First Nations and Enbridge Gas's Indigenous customers.
4. The IWG will be an important step in the ongoing path towards reconciliation and an important part of ameliorating the deficiencies and failures of the past in understanding and centring the unique interests, rights, and concerns of First Nations across Ontario.
5. The IWG is aimed at including First Nations in planning and decision-making at a much earlier stage to address how EGI's policies, actions and services will directly and indirectly impact First Nations and their members. In addition, the IWG will support meaningful engagement and action on issues and concerns, such as the energy transition, rates, and climate change, and hopefully enable and inform collaborative

solutions that are developed, studied, discussed, and approved by GFN and the other Indigenous participants together with EGI.

6. Finally, GFN envisions the IWG to serve as a framework OEB-approved model for how the OEB and regulated entities can support greater respect for the inherent and constitutionally recognized rights of First Nations and Indigenous Peoples to be equal partners and participants in all planning and decision-making processes that impact their Nations, lands, communities, and rights.¹

III. **OVERVIEW**

7. GFN's submissions are generally that:
 - (a) Ontario and Canada must rapidly decarbonize the economy to meet emission reduction targets;
 - (b) Remote and northern communities including many First Nations such as GFN are particularly vulnerable to the impacts of climate change;
 - (c) EGI has not adequately considered the impacts of the energy transition in the context of climate change on remote and northern communities;
 - (d) Lower-income households and ratepayers, including many members of GFN, face significant and disproportionate energy transition risks which have not been addressed or considered by EGI in the Application or as part of its Energy Transition Plan ("**ETP**");
 - (e) Ontario's energy system would be better served if the OEB adopted and directed utilities to take an integrated planning approach to managing the energy transition and mitigating risks for vulnerable ratepayers; and
 - (f) All stakeholders, including EGI, other regulated utilities, the OEB, ratepayers, and other stakeholders, would benefit from an OEB-led process to consider

¹ See *Constitution Act, 1982*, s. 35 and UN General Assembly, *United Nations Declaration on the Rights of Indigenous Peoples* (adopted 2 October 2007), A/RES/61/295, Article 18.

and address the energy transition and climate change as a significant source of risk and opportunity in Ontario.

8. GFN has collaborated with Three Fires Group Inc. (“**Three Fires**”) in the preparation of these submissions, including concerning the IWG and in the context of the energy transition EGI’s limited modelling of the impacts on its business and customers, probability of actions and outcomes of pathways, and the need for broader stakeholder engagement and study. Accordingly, GFN supports and adopts the submissions of Three Fires on the topic of the:
- (a) IWG, which are located at paragraphs 9 to 13 of Three Fires’ submissions;
 - (b) modelling the impacts of the energy transition on EGI’s business and customers special, which are located at paragraphs 21 to 57 of Three Fires’ submissions;
 - (c) probable consequences of the various pathways and not modelled by EGI in support of the energy transition, which are located at paragraphs 58 to 76 of Three Fires’ submissions; and
 - (d) need for generic Board-led process to examine and consider the implications of energy transition in Ontario’s regulated energy system, which are located at paragraphs 93 to 99 of Three Fires’ submissions.

SUBMISSIONS

A. Ontario and Canada must rapidly decarbonize to meet net-zero targets by 2050

9. Ontario, much like the rest Canada and the world, is undergoing a rapid and accelerating transition in the energy sector to less carbon intensive sources of energy. The International Panel on Climate Change (“**IPCC**”) has unequivocally linked human activity to increasing global surface temperatures which are already more than 1.1°C higher than pre-industrialization levels.² As a result, the broader regulatory and policy context is rapidly moving toward net-zero goals to rapidly reduce greenhouse gas

² IPCC, “Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change” (2023), online: <https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf>, p. 42.

(“GHG”) emissions. The Canadian *Net-Zero Emissions Accountability Act* (the “CNZEAA”), for example, sets a national target of net-zero emissions by 2050 and provides that interim targets are to be set for each of 2030, 2035, 2040, and 2045. The federal Minister of Environment is required, in setting interim targets, to take into account “the best scientific information available as well as Canada’s international commitments with respect to climate change.”³ The CNZEAA states that “net-zero emissions means that anthropogenic emissions of [GHGs] into the atmosphere are balanced by anthropogenic removals of [GHGs] from the atmosphere over a specified period.”⁴

10. As noted in EGI’s evidence, Ontario has committed to reduce GHG emissions by 30% below 2005 levels by 2030 and the provincial government is currently developing related climate policy and programs to meet this target.⁵ However, the province has not yet set emission reduction targets beyond 2030 nor indicated how or if the province will achieve a net-zero target by 2050. This is likely to create increasing uncertainty for Ontario’s high-emitting industries and sectors of the economy, including EGI, as federal emission reduction targets and policy lead to further regulations, incentives, and support for the significant decarbonization needed in Ontario to meet Canada’s net-2050 and interim targets.
11. EGI recognizes the importance of the energy transition and the impacts of a warming climate on Ontario’s infrastructure in its own evidence,⁶ and notes that it is confident in the role it “can play in supporting customers, the province, and municipalities in achieving their GHG emission reduction goals.”⁷ EGI further explains in its evidence that its approach to the energy transition is to deliver reliable, resilient, secure, and affordable energy to its customers.
12. GFN broadly submits that there is insufficient data and analysis provided in the Application and explored on the record in this proceeding to deliver reliable, resilient,

³ *Canadian Net-Zero Emissions Accountability Act* (S.C. 2021, c. 22), available online at: <<https://www.laws-lois.justice.gc.ca/eng/acts/C-19.3/page-1.html>>.

⁴ CNZEAA, s. 2.

⁵ EGI, Application, 1.2.1, para 42.

⁶ EGI, Application, 1.10.2

⁷ EGI, Application, 1.10.1, para 3.

secure, and affordable energy to EGI's vulnerable customers in northern and remote communities.

B. First Nations and Indigenous Peoples Face An Existential Risks From Climate Change

13. GFN is an Anishinaabe community with its culture, economy, society, spirituality and identity deeply rooted in the Land. The Land for Anisinaabe including GFN is not just earth; it is all the living and non-living beings and things that depend on and interact with the earth, including plants, air, water, climate, animals and humans.
14. The climate is altering the entirety of the Land and GFN's dependence on and interaction with the Land. Forest fires, droughts, algae blooms, reduction in numbers and health of animals produce a despair felt by GFN members over all of this and more, as well as contribute to a crushing effect on GFN.
15. While many people feel these pressures, GFN is on the front line of these effects and experiences them at the core of their very being. There is nothing more central to GFN's identity and survivability as an indigenous community than climate change threats.
16. Indigenous Peoples are at the forefront of the climate crisis and continue to bear witness to the increasingly devastating impacts of rapidly rising temperatures across Ontario and Canada. The observed impacts on biodiversity continue to worsen as a result of the cumulative effects of climate change, habitat loss, pollution, and other pressures.⁸
17. First Nations and Canada's Indigenous Peoples are particularly impacted by climate change as it "exacerbates many of the resulting impacts of colonization, including those relating to mental health and well-being, poverty, poor housing, food and water insecurity, and the erosion of rights, culture, and access to lands."⁹ Climate change is increasingly having a significant and heightened impact on First Nations and

⁸ Douglas, A.G. and Pearson, D. "Ontario" in F.J. Warren, N. Lulham, D.L. Dupuis and D.S. Lemmen (eds) *Canada in a Changing Climate: Regional Perspectives Report*, (2022), online: <<https://changingclimate.ca/site/assets/uploads/sites/4/2020/11/Ontario-Chapter-Regional-Perspectives-Report.pdf>>, p. 6

⁹ Assembly of First Nations, "National Climate Gathering Report", (7 October 2020), online: < https://www.afn.ca/wp-content/uploads/2021/04/Climate_Gathering_Report_ENG.pdf>, p. 6.

Indigenous Peoples in Ontario, especially as they are often intimately linked to and reliant on the environment undergoing rapid and potentially irreversible change.¹⁰

18. The impacts of both climate change and the energy transition cannot be overstated for many northern and remote Indigenous communities, including GFN. Climate change is already having a significant impact on these communities across Ontario, and as temperatures continue to rise, these impacts are predicted to get worse. Mitigating the worst impacts of climate change is of utmost importance to many northern and remote communities which are both the least responsible for climate change and yet some of the most climate-vulnerable communities in Ontario.
19. GFN submits that any approach that seeks to manage the energy transition taken by EGI must ensure that it takes into account the specific and existential impacts of the energy transition and climate change on the First Nations and Indigenous Peoples that it serves.

C. EGI Did Not Adequately Consider The Energy Transition In Northern And Remote Communities

20. Modelling the impacts of the energy transition and approaches to managing it at a provincial level misses key information and data on how the energy transition will affect disparate regions and communities in Ontario. EGI's use of economy-wide modelling did not include regional analysis, especially as it related to northern and remote communities, to better understand the impacts and associated costs of the energy transition and the importance of reliable, sustainable, and cost-effective energy.
21. Ms. Wade noted that modelling performed by EGI did not consider the consequences of EGI's actions to address and participate in the energy transition for vulnerable and remote communities:

MR. DAUBE: Okay. You acknowledged at the technical conference, at my page 85, that there could be greater impact to vulnerable communities if there are not policies that support reduced costs for those communities. Is that still your position?

¹⁰ Douglas, A.G., "Ontario", p. 77.

MS. WADE: Yes, I would agree that, if that is not modelled and understood, then there could be impacts to those communities.

MR. DAUBE: And a similar position you have asserted on the question of what will the consequences be for remote Indigenous communities. Right?

MS. WADE: That is correct.

MR. DAUBE: Now, is it fair to say that the absence of more granular modelling, sector by sector, region by region modelling, makes it a whole lot harder to determine which assets in the future might be more likely to be retired?

MS. WADE: I think that is fair, yes. So our model, as we've noted, is one-node provincial, and, in order to understand the very specific impacts on our system, we would have to get down to a more granular and regional level.¹¹

22. The decision not to model and better understand the impacts and risks of the energy transition on northern and remote communities was a choice made by EGI that significantly limits the utility of the ETP for these communities and vulnerable customers looking to reduce costs and risks and ensure access to reliable and sustainable energy. However, Dr. Hopkins noted that it is possible to model impacts at more granular levels, including impacts on northern and remote communities, but also suggested that other approaches, which EGI also did not undertake, are possible and likely more cost-effective:

[D]R. VOLLMER: Right. In your opinion, is it possible to quantify those potential impacts, either at a geographic level or a neighbourhood level on more vulnerable communities, and specifically such as, like, First Nations and remote communities?

DR. HOPKINS: Yes, and I think you could model that kind of thing out. I think you would -- you know, it has commonly been the case that it is difficult to get the level of granular data from the utilities about, you know, it is that status and design and cost of different assets and what is -- you know, so I think you -- you know, it is like -- it is one of these things that is, like, yes it is possible to do that analysis; yes, you would need a lot of particular information in order to do it.

[D]R. VOLLMER: All right. So it is difficult. Is there potentially maybe a different approach that would be able to capture those more vulnerable communities that might be more -- but easier, more possible or probable to conduct?

DR. HOPKINS: Yes. And I think you can -- you know, you can work at a somewhat more, more generalized level. Right? You will work a little bit more with averages and less with specific. If you are working with the question of a, you know, a particular remote community, right, like that is -- it is easier to think like, okay, well, think of that as like one

¹¹ Transcript, Volume 4 (18 July 2023), at 67:17-68:8.

whole unit for analysis, rather than think, like, well, what about this street versus the next street Right?

And so getting information about sort of, you know, at the community level and thinking about, like, what does it mean to make the transition, you know, on a community basis across a whole area. I know for example in -- apologies, for the digression, a little bit -- but in the Netherlands, the decisions about how to decarbonize the buildings sector are municipal decisions, where each municipality is like, well, we have, you know, a lot of -- you know, we have, like, three big digesters on the outskirts of town, and we how much RNG they make. Right? And, like, we are going to plan about how we are going to use that in our district heating seating. You know, like, versus the next town over that says, well, we don't have that, we are electrifying. Right? And you can make those decisions in that sort of granular basis.

So that, you know, it seems to me that particular -- for a, you know, remote community-type situation, where you could say, like, look, you know, it is relatively easy to draw a box around that and say, all right, what is the net energy inflow into this community in order to meet its needs, what are its needs? Like, how would we think about, you know, what is a cost-effective future for meeting needs in a decarbonized way, right? -- and be able to say, we go -- what are -- and cut that part out from an analytical standpoint of, you know, what does the gas system cost for that area, you know, what are the costs of other options, right? - and be able to sort of do that kind of analysis. It seems more tractable, perhaps, than it would actually be in a more urban setting, where it is, like, well, but this part has looped into this, and it depends on this other trunk and -- you know, et cetera.¹²

23. EGI's failure to consider geographic and other regional realities for many of its more northern and remote customers means that the ETP does not meet the needs of these customers to cost-effectively manage the energy transition and therefore the Application and the ETP do not adequately consider the impacts of the energy transition on EGI's customers in northern and remote communities.
24. GFN submits, and the record in this proceeding clearly demonstrates, that the Application does not sufficiently model, analyze, and address the risks of the energy transition on northern and remote communities, especially as it relates to the cost and risks of the energy transition on many vulnerable ratepayers in these communities.

D. Lower-Income Households And Ratepayers Face Significant Energy Transition Risks

25. Increased electrification continues to be problematic for many lower-income communities that are unable to afford the high upfront costs to leave the gas system and electrify their energy needs. In addition, many of these households may be

¹² Transcript, Volume 5 (19 July 2023), at 128:26-130:28.

incentivised to delay electrification and stay on the gas system through electricity/gas hybrid programs that lower the initial costs as compared to full electric options, such as hybrid heat pumps instead of all electric heat pumps. However, these customers may become stranded on the gas system as they face increasingly higher costs as federal and provincial efforts to decarbonize the economy increase the costs of deriving energy from more carbon intensive sources, such as natural gas for heating and cooking.

26. Mr. Neme addressed the issue of an unjust energy transition in his evidence, stating that there is likely to be “significant inequities between customers today and those left on the system in the future who end up paying for an inappropriate and disproportionately large share of the cost of gas system assets – including assets that were intended primarily or exclusively to meet the needs of other customers who will have left the gas system.”¹³
27. Lower-income ratepayers in many northern communities face significant risk of an increasing affordability crisis when it comes to meeting their energy needs. They are also the most likely to be negatively impacted by declining gas peak demand and gas sales, the stranding and underutilization of assets, and upward price pressures on the sale and distribution of natural gas, as more customers leave the gas system and decarbonize:

[D]R. VOLLMER: ... As we just heard earlier today, you noted that the implications of declining gas peak demand and gas sales present a growing risk that current and new capital gas assets will become underutilized, if not stranded, and the implications of this will be probably problematic for lower-income households. Right?

MR. NEME: Correct.

[D]R. VOLLMER: Could you just maybe unpack or elaborate on the reasons it would be particularly problematic for lower-income households.

MR. NEME: Sure. There are, I guess, a couple of lenses through which you could think about this issue. One is that low-income holds are typically already at their limits in terms of how much they can afford for energy. Their energy burdens tend to be quite high. And, therefore, anything that increases their energy costs just makes their lives more challenging. And some would use terms much stronger than that, you know.

And so, as the gas system -- if we go down the path of decarbonization and there is significant electrification, which I believe that pretty much every study, even the two

¹³ Exhibit M9-GEC-ED Energy Transition, p. 4.

scenarios that Enbridge had their consultant Guidehouse look at, says this, that there is going to be significant electrification and customers leaving the gas system, the costs that are going to have to be recovered from the gas system will be spread over a smaller number of customers and a smaller volume of sales. And that is going to create upward-rate pressure and it is going to create significant challenges for low-income households who are still on the gas system.

Now, those challenges could be mitigated if those customers could get onto a less expensive system, which is likely to be the electric system. And, as I mentioned to somebody earlier, when the Massachusetts gas utilities did their analyses of eight or nine different pathways scenarios, they definitely found that energy burdens for low-income households could be maintained at relatively the same levels they are today for those customers who exit the system onto the electric system in a high-electrification scenario.

The problem is that those low-income households are the ones that do not have the capital to make that transition themselves. And, as a result, they are more likely without support than others, proportionally, to be the ones left on the system facing the higher gas prices that they cannot afford.¹⁴

28. A just and equitably managed energy transition for EGI's customers should seek to optimize existing assets and avoid stranding assets and be conducted in a manner that is most responsive to the needs of EGI's most vulnerable customers. Otherwise, EGI, and the Board, risk multiplying inefficiencies and exacerbating the potential for assets to be stranded, underutilized, and imposed as a burden on those ratepayers left on the gas system that are unable to switch to lower-emitting sources of energy.
29. GFN submits that EGI's study of the energy transition and its incorporation into EGI's operations and business planning does not adequately avoid inefficient asset decisions and is likely to result in potentially stranded assets in light of the current and reasonably anticipated emission reduction regulatory and policy context, including: (i) Enbridge Inc.'s announced targets of net-zero emissions by 2050, a 35% reduction in GHG emissions intensity from operations by 2030 and net-zero by 2050,¹⁵ and (ii) the federal government's announced carbon prices rising in \$15 dollar annual increments from \$65 per tCO₂e in 2023 to \$170 per tCO₂e in 2030.

¹⁴ Transcript, Volume 6 (20 July 2023) at 110:24-112:13.

¹⁵ See Enbridge Inc., Net Zero by 2050: Pathways to Reducing Our Emissions, available online at: https://www.enbridge.com/~media/Enb/Documents/About%20Us/Net_Zero_by_2050.pdf.

E. EGI Failed to Address The Cost Of the Energy Transition for GFN and Other Northern and Remote Communities

30. There remain significant levels of energy poverty in many northern and remote First Nations communities which could benefit from greater access to affordable, reliable, sustainable, and modern energy resources. The expense of transporting diesel, heating oil and propane fuels, heating with electricity, and securing wood supplies for supplemental wood stove heating can be cost-prohibitive for many of these communities. Excessive wood stove heating also poses health risks. For example, First Nations in northern Ontario commonly pay eight to ten times more than southern Ontarians to heat their homes and other buildings. Natural gas is not available to many First Nations across Ontario; however, the cost of electricity as a primary source of home heat is regularly prohibitive for many First Nations.

31. The cost of the energy transition is likely to be significant for northern and remote communities, including First Nations like GFN. Many of these communities continue to experience unreliable and increasingly costly heating and energy expenses. There are also limited options for many lower-income customers in these communities to electrify and/or transition to more energy efficient appliances and heat sources. Mr. Neme noted that northern communities face significant challenges as part of the energy transition and pursuing electrification:

[D]R. VOLLMER: Yes, thanks. Is it safe to say that a lot of those same considerations would apply to remote communities and First Nations that are often also, many of them, lower-income and have the same kinds of issues?

MR. NEME: Sure. Any customer that faces significant challenges in getting off the system and/or that has significant existing financial constraints would be in the same boat. And that's probably particularly true if you are in more northern areas, where the climate is more severe. (emphasis added)

32. EGI's approach to and analysis of the energy transition not only minimized the significant challenges of electrification for many remote and northern communities it also failed to consider geographically appropriate solutions that would support its customers, such as those noted by Mr. Neme:

[D]R. VOLLMER: Thank you. I think maybe just jumping off that a bit more. In your opinion, are there any other -- or could you maybe elaborate on the other kinds of

considerations for those First Nation communities, and especially northern communities, trying to either leave the gas system or electrify, and just maybe some comments on that?

MR. NEME: Sure. Obviously, as you go further north, the winters get more severe, which means you use more energy for meeting your basic needs. And so that is a bigger challenge.

In addition, the more kind of common electric heating options for the more moderate parts of Ontario, like Toronto and environs, and even up to Ottawa, which is a cold-climate air source heat pump, in very far-north communities, those heat pumps will not function nearly as well. Because, the further north you go, the lower their operating efficiency and the less they can produce without having to rely on backup systems.

So, for those more northern communities, First Nations communities, there would need to be kind of a visiting of a range of options that are maybe a little bit different than the average household in Toronto might pursue, or even the average low-income household in Toronto. There may need to be more of a focus on ground-source systems. There may need to be more of a focus on biofuel systems. And there probably needs to be some thought, as well, to how to, from a public policy perspective, mitigate the costs that will be incurred in switching to those alternative fuels or alternative heating systems for those communities. That is a policy call, but it seems like it is a reasonable one to consider.¹⁶ (emphasis added)

33. The energy transition will be experienced differently in northern and remote communities. This is likely to significant increase costs, limit the speed at which many customers in these communities are able to electrify their heating (a significant energy and cost burden for many of EGI's northern customers). A just and equitable energy transition must consider how different regions in Ontario can cost-effectively and reliably decarbonize.
34. Mr. Neme noted that the economy-wide analysis conducted by Guidehouse fails to consider more regional impacts and challenges associated with the energy transition and that these challenges (and solutions) are likely to be different for northern communities:

[D]R. VOLLMER: ... In your evidence here, you suggest that developing specific estimates of the cost effectiveness of customers investing in electrification at various points between 2023 and 2050 was beyond the scope of your evidence. In your opinion, does Enbridge's evidence in this proceeding allow for a comprehensive understanding of the cost effectiveness of customers investing in electrification in Ontario?

MR. NEME: No, I don't think it does. As I said earlier, I think the Guidehouse pathways study is fundamentally flawed, with numerous biases in favour of gaseous fuel pathways

¹⁶ Transcript, Volume 6 (20 July 2023) at 112:16-114:1.

and against electrification pathways. But, moreover, it is a kind of economy-wide analysis. Which is not a criticism of their work; it's just that it doesn't allow for the kind of regional breakouts or community-specific challenges that you were alluding to earlier.

And nor does mine. My analysis in this report focuses on Toronto as kind of a typical, average Ontarian situation. I readily acknowledge that the situation is going to be different especially in far-northern communities, and kind of a wider range of options is going to need to be investigated to find solutions that are the most cost effective there.

I didn't mention earlier, but another one could be a much more significant level of investment in energy efficiency of buildings so that, whatever heating system is adopted, there is much less of it needed so that it is much more affordable. And much higher levels of efficient in very northern communities will make sense than in Toronto.¹⁷ (emphasis added)

35. As a result of the limited economy-wide analysis conducted by Guidehouse, EGI was unable to adequately consider the significant risks and costs for northern communities to access lower-emitting and modern sources of energy. GFN submits that this lack of understanding is likely to result in many of EGI's northern and vulnerable customers being stranded on the gas system as costs escalate, reinforcing energy poverty issues and having a deleterious effect on their access to affordable, reliable, sustainable, and modern energy resources.

F. An Integrated Planning Approach To The Energy Transition Is Prudent And Necessary

36. North American energy utility regulators are increasingly adopting an integrated approach to the energy transition and the broad decarbonization of high-emitting industries and customers in their jurisdiction.¹⁸
37. An integrated approach that holistically considers the energy transition on an energy system (gas and electricity) may help to eliminate or reduce inherent biases held by utilities in how they consider and approach the energy transition. Dr. Hopkins noted that several North American jurisdictions have undertaken processes to consider an integrated approach to the energy transition, taking into account the inherent biases and incentives of utilities for their approach to the energy transition:

¹⁷ Transcript, Volume 4 (18 July 2023), at 67:16-68:8.

¹⁸ See Exhibit M8-IGUA, Attachment 3

[D]R. VOLLMER: ... can you comment on whether utilities, both gas and electric, can suffer from bias or blind spots when it comes to the energy transition and how they approach and interpret scenario analysis?

DR. HOPKINS: I mean I guess you know that my answer here is one take on that. The utility business has it all regulation is incentive regulation. There are particular incentives for electric and gas utilities to, you know, towards outcomes that benefit their investors. That is part of the -- yes, if the folks running the utility were not generally interested in outcomes that benefited their investors, their investors have probably picked poor managers. Right? But then that means we need to account for that and think about engaging to make sure that analyses that are conducted or decisions that are made have that public interest overlay in them. And, you know, that is one of the key roles of regulators, to try to keep an eye on the ball in that sense.

38. Dr. Hopkins' evidence, and the experiences of similar regulators across North America, support GFN's submission that all stakeholders in Ontario would derive significant benefit from an integrated and coordinated approach to addressing and managing the energy transition by both gas and electricity utilities.
39. EGI has expressed support for an integrated approach to electricity and gas planning as one of its "safe bets" for managing the energy transition. However, as noted by EGI, "for coordinated energy planning to be successful there must be commitment and actions taken by others in the industry, including the Government of Ontario, IESO, OEB and electric utilities."¹⁹
40. Although EGI has expressed support for an integrated approach, it is limited in what approaches and solutions it may or will consider and develop to mitigate risks associated with stranded and underutilized assets when undertaking Integrated Resource Planning ("IRP") and assessing potential IRP alternatives ("IRPAs"). EGI is limited in its IRPA assessments as a result of the Board-approved IRP Framework which explicitly provides that it is not appropriate to provide funding to EGI for electricity IRPAs.²⁰
41. GFN submits that an integrated approach to energy system planning is both prudent and necessary to protect the interests of utilities, ratepayers, and other stakeholders in Ontario. GFN requests, as an interim measure and until such time that the Government of Ontario develops and provides any relevant energy transition policies and directions

¹⁹ Argument-in-Chief, p. 45.

²⁰ Integrated Resource Planning Framework for Enbridge Gas, (22 July 2021), p. 6.

or the OEB directs an integrated approach to electricity and gas planning to support the energy transition, that the restriction in the IRP Framework preventing EGI from providing funding for electrification IRPAs be removed.

G. The OEB And All Stakeholders Would Benefit From A Generic Climate Change And Energy Transition Proceeding

42. Phase 1 of this proceeding has clearly demonstrated that there is a substantial lack of analysis and understanding of the energy transition and the impacts of climate change more broadly. As noted above (paragraph 36), regulators across North America are increasingly considering and analysing the energy transition and its impacts on regulated energy utilities and ratepayers.
43. Addressing and mitigating the impacts of climate change and the energy transition will necessitate an integrated approach that holistically considers the entire energy system, ensuring that energy in Ontario remains reliable, resilient, secure, and affordable. However, energy regulators in Canada, including the OEB, have not yet conducted a generic process on addressing climate change by regulated utilities and how electricity and gas utilities should coordinate and manage the energy transition.

[D]R. VOLLMER: ... Dr. Hopkins, are you aware of any proceedings in Canada, including Ontario, that have considered and analyzed how gas and electric utilities could prudently manage the energy transition and its impacts at a systemic or system-wide level or at a more granular level that also considered impacts on vulnerable communities such as First Nations or Indigenous communities?

DR. HOPKINS: I don't know of any particular examples.²¹

44. Coordination between relevant stakeholders and utilities through a generic proceeding on climate change and the energy transition would provide an important forum for all stakeholders to conduct research, model pathways and impacts, and analyse and test evidence and experts. In addition, as noted by Dr. Hopkins, the OEB and regulated utilities are likely to derive significant benefits from bringing together all stakeholders:

[D]R. VOLLMER: So you might agree that the OEB or utilities or other stakeholders are likely to benefit from an OEB-like or guided process such as the ones discussed in your survey, that enables a wide group of stakeholders, including remote communities and

First Nations, to meaningfully participate and directly inform scenario analyses for the energy transition that would be separate from utility-specific proceedings such as this one?

DR. HOPKINS: Yes, and I think that there are real merits to an integrated approach, both from between electric and gas, which, you know, even at that point, then I guess if there are 60 electric distributors then the IESO, and there is a bunch of players, right, and so, in that sense, having an umbrella conversation rather than a conversation that is focused on the particularities of a given utility can be a helpful way to get -- to have good venue to have a lot of these kinds of conversations like you are talking about.²²

45. GFN submits that the Board, EGI, other gas and electric utilities, ratepayers, and stakeholders would critically benefit from an OEB-led generic proceedings examining the impacts, opportunities, and risks of climate change and the energy transition in Ontario's regulated energy system. GFN requests that the Board instigate such a proceeding or process as soon as possible but early enough to ensure that there is adequate time to inform EGI's future rate applications.

IV. CONCLUSIONS

46. GFN's submissions have addressed several of the key elements set out in EGI's Argument-in-Chief. GFN's submissions, stated generally, are that:
- (a) remote and northern communities are particularly vulnerable to risks associated with the energy transitions;
 - (b) EGI has failed to adequately analyze and consider the risks of the energy transition for its customers in remote and northern communities such as GFN;
 - (c) an integrated approach to energy system planning is both prudent and necessary to protect the interests of utilities, ratepayers, and other stakeholders in Ontario; and
 - (d) the Board and all stakeholders would benefit from an OEB-led process focused on addressing the impacts of climate change and supporting a just and equitable energy transition for all Ontarians.

²² Transcript, Volume 5 (19 July 2023), at 133:17-135:8.

V. COSTS

47. GFN respectfully submits that it has participated responsibly in Phase 1 of this proceeding with a view to maximizing its assistance to the Board, and therefore requests that the Board order reimbursement of its reasonably incurred costs.

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS 19th day of September, 2023

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