

EB-2022-0157
Enbridge Panhandle Regional Expansion Project

Environmental Defence Opening Statement Outline

The project fails to meet the EBO 134 criteria

- Stage 1
 - NPV of negative \$150 million
 - Losses & cross-subsidies increase if 40-year revenue forecast does not materialize
 - Enbridge has not assessed the risk of revenue shortfalls
 - Even a PI of 0.48 requires \$356 million in revenue over 40 years (to cover capital costs and ongoing expenses, per DCF table) – significant possibility of shortfalls
- Stage 2
 - There are no stage 2 benefits because gas is no longer the cheapest heating option
 - Enbridge says: \$226 million in stage 2 benefits from energy cost savings
 - BUT ignores heat pumps and their high efficiency levels
 - Customers stand to *lose* \$48 million if developers adopt gas instead of the best alternative (heat pumps)
 - Homes with gas instead of a heat pump will pay \$12,000 more in energy bills over the equipment lifetime
 - Gas expansion is no longer needed to lower bills
- Stage 3
 - Project will add to energy transition risk exposure and rate base
 - Project will subsidize fossil fuel consumption
 - Subsidy will skew behaviour, blunting incentives to be more efficient and/or adopt alternatives to gas (especially for new contract customers)
 - Will create 36 MT CO₂e in carbon pollution (plus upstream emissions)
 - Compared to electricity, gas use harms job creation, GDP, and gov't revenue
 - Spending on gas flows out of Ontario
 - Spending on efficiency and electrification mostly stays in Ontario, creating good jobs, economic growth, and government revenue