



**Pollution  
Probe**

130 Queens Quay East, Suite 902  
Toronto, Ontario M5A 0P6  
T 416.926.1907 F 416.926.1601  
[www.pollutionprobe.org](http://www.pollutionprobe.org)

---

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

November 30, 2023

**EB-2023-0175 – Watford RNG Project Leave to Construct  
Pollution Probe Submission**

Dear Ms. Marconi:

In accordance with OEB Direction, please find attached the Pollution Probe Submission pertaining to the above-noted proceeding.

Respectfully submitted on behalf of Pollution Probe.

A handwritten signature in black ink, appearing to read "Michael Brophy", written over a horizontal line.

Michael Brophy, P.Eng., M.Eng., MBA  
Michael Brophy Consulting Inc.  
Consultant to Pollution Probe  
Phone: 647-330-1217  
Email: [Michael.brophy@rogers.com](mailto:Michael.brophy@rogers.com)

Cc: Eric VanRuymbeke, Enbridge Regulatory (via email)  
Guri Pannu, Enbridge Legal (via email)  
All Parties (via email)  
Richard Carlson, Pollution Probe (via email)

**ONTARIO ENERGY BOARD**

**Enbridge Gas Inc.  
Leave to Construct Application  
Watford RNG Project**

---

**POLLUTION PROBE SUBMISSION**

---

**November 30, 2023**

**Submitted by: Michael Brophy  
Michael.brophy@rogers.com  
Phone: 647-330-1217  
28 Macnaughton Road  
Toronto, Ontario M4G 3H4**

**Consultant for Pollution Probe**

## Background

Enbridge Gas Inc. (Enbridge) applied to the Ontario Energy Board (OEB) on August 1, 2023, under sections 90 and 97 of the Ontario Energy Board Act, 1998 for an order granting leave to construct approximately 15.3 kilometres of Nominal Pipe Size (“NPS”) 6 inch Steel (“ST”) natural gas main with a design pressure of 6,160 kPag and associated facilities in the Township of Warwick and the Municipality of Brooke-Alvinston. The proposed natural gas pipeline will connect Waste Management of Canada Corporation’s (Waste Management) planned renewable natural gas (RNG) facility at the Twin Creeks Environmental Centre to Enbridge’s system and will be used to transport the RNG that is produced at the facility. In addition, Enbridge plans to construct an RNG injection station. Enbridge has also applied to the OEB for approval of the form of land-use agreements it offers to landowners affected by routing and construction of the project.

Enbridge is also requesting that the OEB issue the following order(s):

- (i) Pursuant to section 90(1) of the Act, an order granting leave to construct the Project.
- (ii) Pursuant to section 97 of the Act, an order approving the forms of easement agreement and temporary land use agreement found at Exhibit G, Tab 1, Schedule 1, Attachments 2 and 3.
- (iii) Pursuant to Section 8 of the Municipal Franchises Act an order cancelling and superseding the existing Certificate of Public Convenience and Necessity held by Enbridge Gas Inc. for the former Village of Watford and the former Township of Warwick and replacing it with a new Certificate of Public Convenience and Necessity to construct works to supply natural gas in the Township of Warwick.

## Recommendation

Pollution Probe recommends that the OEB approve the Leave to Construct request for this project, given that Waste Management has agreed to pay the capital costs and will pay the related annual O&M costs. Even though there will be other costs related to construction and operation of this project and the system it connects to, those costs are expected to be relatively small in comparison to the project Capital costs. In addition, the OEB will have the ability to assess future costs prior to approving rate recovery, if appropriate. Further discussion related to costs is in that section below.

There is additional risk associated with collection of the funds (i.e. compared to EB-2022-02023) given that Waste Management is being allowed by Enbridge to pay a monthly fee instead of lump sum contributions in aid of construction<sup>1</sup>. Should Waste

---

<sup>1</sup> Exhibit I.PP-10

Management fail to pay for the entire project costs over 20 years. It appear that Enbridge assumes that rate payers may automatically carry that risk, but the OEB may consider it more appropriate that Enbridge carry the financial risk of non-payment.

Enbridge also requested OEB approval related to a new Certificate of Public Convenience and Necessity . Although not essential to the project, Pollution Probe is not aware of any reason why the OEB should not also approve the Certificate of Public Convenience and Necessity changes requested by Enbridge.

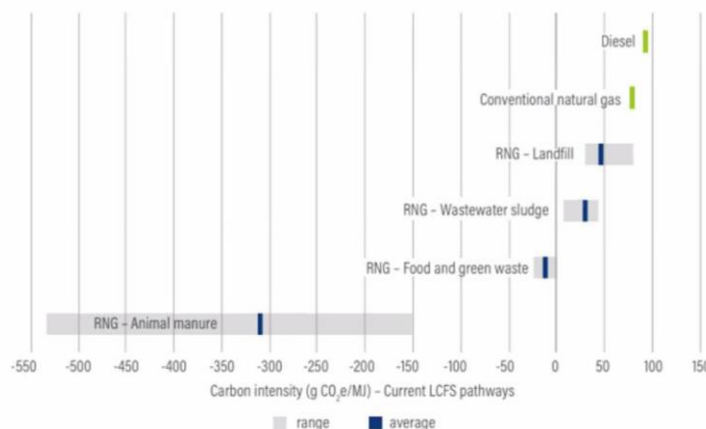
### Purpose, Need & Timing

Pollution Probe generally supports RNG-related projects as part of the clean energy transition when they clearly demonstrate that the specific RNG supply has a low carbon intensity (i.e grams of CO<sup>2</sup>e per MJ) compared to baseline fossil fuels such as natural gas.

Enbridge has not filed specific lifecycle emissions information related to the RNG proposed to be injected into the Ontario natural gas system. However, Enbridge was able to confirm that the source of RNG is landfill gas<sup>2</sup> and has previously filed with the OEB published values related to lifecycle greenhouse gas emissions related to typical landfill gas. The figure below confirms that although landfill RNG is not zero emissions, it is below the lifecycle emissions of (fossil) natural gas. Ontario and gas rate payers will receive no emissions benefits from this RNG, but it will support development of Ontario's RNG production market.

Figure 1: RNG carbon intensity of landfill RNG<sup>3</sup>

## RNG: carbon intensity



<sup>2</sup> Exhibit I.PP-1c

<sup>3</sup> EB-2022-0200 Exhibit J4.1 and K3.4 page 46.

Enbridge indicates that to reduce and manage greenhouse gas emissions, consistent with the Government of Ontario's Climate Change goals, Waste Management plans to construct and operate new RNG gathering, upgrading and compression facilities at the existing Twin Creeks Environmental Centre site near the community of Watford in the Township of Warwick, Ontario<sup>4</sup>. As noted above, no specific information was provided on the RNG carbon intensity to be supplied or whether any emissions credits have been stripped from the landfill gas. The information provided to the OEB and Ontario public related to emissions reductions from this project are incorrect and misleading. The calculations assume that RNG has Net Zero lifecycle emissions compared to natural gas. Project information would also likely be considered by the impacted municipalities and Ontario consumers as leading to reductions in Ontario carbon emissions, which is incorrect. It is important that the OEB promote correct and accurate information to Ontario communities and energy consumers.

Landfill RNG is not Net Zero emissions. Enbridge has also previously confirmed that RNG that has the environmental attributes (e.g. carbon emissions credits) stripped away from the methane, ceases to be classified as RNG and is simply natural gas<sup>5</sup>. No information is available on whether that has occurred, so it is unclear whether using the term RNG in the application is valid. Based on the information on the public record in this proceeding it is not possible to validate if the RNG from the Waste Management site will in fact reduce Ontario's emissions in alignment with the Government of Ontario's Climate Change goals. RNG has a wide range of carbon intensity and if any emissions benefits (if they exist) were stripped away via emissions credits (sold separately in the market) the RNG coming from landfill would be equivalent to (fossil) natural gas. It is likely the RNG (or emissions credits) have been sold to BC or other markets where demand for RNG (or emission credits) is higher<sup>6</sup>. Either way, Enbridge has confirmed that the RNG benefits will not flow to Ontario rate payers.

The Environmental Report for the project indicates that the project will generate enough RNG to heat 35,000 homes in Ontario<sup>7</sup>. The OEB required public consultation notice for the project indicated that the RNG from the project is expected to reduce carbon dioxide emissions by 70,000 tonnes per year, which is the equivalent to taking 28,000 cars off the road<sup>8</sup>. This public information suggests to the OEB, Ontario communities and consumers that there would be reduced Ontario emissions, but this is not the case. Pollution Probe has previously raised this RNG issue and recommended that the OEB take appropriate steps to mitigate potential misinformation or greenwashing.

Stakeholders, including the municipalities impacted by this project do not have the relevant information underpinning the project. Enbridge confirmed that it directly requested the support letters of the municipalities and provided the information and wording that was used by the municipalities in the letters submitted for OEB

---

<sup>4</sup> Exhibit B , Tab 1 , Schedule 1 , Page 1

<sup>5</sup> Final Transcript EB-2022-0200 Enbridge Gas Rebasing Vol 4, page 11 lines 2-6

<sup>6</sup> Final Transcript EB-2022-0200 Enbridge Gas Rebasing Vol 4, page 9 lines 9-14

<sup>7</sup> F-1-1 Attach1\_Watford\_ER\_Rev1\_AODA\_Redacted\_Secured, page xii and page 2

<sup>8</sup> Exhibit H, Tab 1, Schedule 1, Attachment 6, Page 23

consideration<sup>9</sup>. When stakeholders (including municipalities) are counting on Enbridge and the OEB to ensure that the information they are provided is accurate, it places a high standard to ensure that credible information is used.

The OEB does not currently have guidelines defining what RNG is and how different sources of RNG may reduce carbon (or other) emissions compared to natural gas (i.e. fossil fuel methane) in Ontario. This creates a significant risk for Ontario and to rate payers since there are no guidance to protect stakeholders thinking that RNG is reducing greenhouse gas emissions in Ontario, when in fact it may not. Without proper certification to indicate the emission intensity and related emission credits, RNG should be treated just like regular (fossil) natural gas/methane<sup>10</sup>. Defining that process is beyond the scope of this proceeding, but will become more important if Enbridge or the OEB believes that RNG could play a potential decarbonization role in Ontario. In Enbridge's recent Rebasing proceeding<sup>11</sup>, RNG was put forward as a significant factor in Ontario to meet decarbonization objectives.

Regardless of this gap in information, it is logical to assume that there are general benefits to Waste Management to sell the RNG into the market in order for them to be willing to incur the capital costs of the project. In cases where the proponent is willing to provide a CIAC to cover the project costs, it decreases the need to justify the project for other purposes (e.g. emission reductions). In this case Waste Management is not paying a lump sum CIAC, but Enbridge has offered them a monthly payment option. The contract is for a 20 year period.

The current Project is non-core and not included as a project within the core capital forecast used as the basis for Enbridge Gas's rate application. As such, there are no references to the proposed Project in the 2021-2025 Asset Management Plan. This project is a Growth Project outside Enbridge's Asset Management Plan<sup>12</sup> and therefore does not have Indirect Overheads applied.

Pollution Probe notes that Enbridge has a current voluntary RNG program and has proposed additional costs for RNG procurement in its 2024 Rebasing Application<sup>13</sup>. Any costs related to these proposals would need to be reviewed in detail by the OEB prior to Enbridge allocating costs to Ontario rate payers. However, based on the information Enbridge has provided in this application this project appears to be a stand-alone capital project to provide access for landfill gas supply to the open market and not related to

---

<sup>9</sup> Exhibit I.PP-9

<sup>10</sup> Consistent with Enbridge current treatment per Final Transcript EB-2022-0200 Enbridge Gas Rebasing Vol 4, page 11 lines 2-6. This is also the approach EPCOR uses for OEB purposes.

<sup>11</sup> EB-2022-0200

<sup>12</sup> Exhibit I.PP-4

<sup>13</sup> EB-2022-0200

Enbridge's RNG proposal. This is just one of many similar requests<sup>14</sup> that the OEB should expect and it is important to consider the broader context. Pollution Probe recommends that all projects be included in future AMP iterations to ensure a consistent assessment and treatment.

Enbridge indicated that the proposed pipeline is intended to be dedicated to Waste Management supply, but there is nothing which would restrict customers from attaching to the pipeline. The pipeline extending from the injection station to the existing local Enbridge natural gas distribution system is a gas distribution main. The pipeline will become part of the Enbridge regulated system once constructed and commissioned. Enbridge indicates that Waste Management has also requested gas service to the facility. Maximizing access to pipeline assets is in the public interest.

### Cost Estimate

Enbridge stated that the total cost of the Project is estimated to be \$20,371,242, consisting of pipeline costs = \$16,374,904 and ancillary costs = \$3,996,337<sup>15</sup>. As this is a new pipeline asset, there will be increased O&M costs associated with regular annual maintenance (leak survey, valve inspections, corrosion maintenance, etc.).

The contingency rate of 24% is high compared to the most recent similar project. Enbridge provided the Greenstone Leave to Construct as a comparable project, but the Greenstone project is not an 'apples to apples' comparison. The Ridge Landfill RNG Leave to Construct is a better comparison and the contingency rate for that project was 17.2%<sup>16</sup>. Although more accurate values are typically preferred, given that Waste Management is forecasted to pay the costs incurred, having a high contingency in the Waste Connection project estimate could actually protect rate payers. If there is a project overage by Enbridge, rate payers could be asked to pay the difference by Enbridge in a future rate proceeding. The OEB may consider it more equitable to allocate the risk of project overage and/or default on project costs recovery to Enbridge instead of rate payers. Only Enbridge is in a position to mitigate those risks, so allocating them to Enbridge would incentivize risk mitigation.

Enbridge submits that the project is economically justified under EBO 188 and will not result in additional costs borne by existing rate payers<sup>17</sup>. Although the initial capital costs related to the project and related annual O&M costs related to maintenance are proposed to be covered by Waste Management, there will be additional costs over the

---

<sup>14</sup> Enbridge indicated more likely projects in Exhibit I.STAFF.9, Attachment 2, Page 75 of 81. Increased RNG activity is also highlighted in the Enbridge Gas Supply Plan and recent 2024 Rebasing Application.

<sup>15</sup> Exhibit E, Tab 1, Schedule 1 Table 1

<sup>16</sup> Exhibit I.PP-10

<sup>17</sup> Exhibit E, Tab 1, Schedule 1 Page 4.

life of the pipeline. Enbridge's 2024 Rebasing application<sup>18</sup> will determine rate treatment for specific assets. Given that there is a contribution that fully covers the project costs, this should result in no assets going into rate base to be recovered from rate payers. The OEB should be clear that this proceeding does not approve any costs related to the proposed project and to the extent that any cost recovery is sought, Enbridge will need to apply for and justify those costs.

Enbridge is also proposing rate changes impacting RNG injection services as part of its current 2024 Rebasing application and it is unclear if either of these changes will have an impact on Waste Management or its contract. Enbridge is proposing harmonized ex-franchise contract service rate classes effective April 1, 2026. The harmonized Rate E70 combines Rate 331, Rate 332, Rate M12, Rate C1 and Rate M17 Dawn Parkway System transportation into one rate class<sup>19</sup>.

### Environmental Issues

Enbridge indicates that it will construct the project using qualified construction contractors and Enbridge employees. Each of these groups will follow approved construction Specifications, which will be adjusted to reflect site-specific conditions for the Project as per the findings in the Environmental Report.

A site-specific mitigation plan has not yet been created. Aamjiwnaang First Nation conducted an Environmental Report Review that includes additional specific recommendations<sup>20</sup>. The OEB should require that Enbridge follow all recommendations from the Environmental Report, the Aamjiwnaang First Nation Review Report and those related to permitting and approval agencies.

It is unclear why Enbridge did not include the Aamjiwnaang First Nation Environmental Review Report dated July 2023 in the Enbridge filing dated October 6, 2023. It is important that all relevant information be included in an OEB filing and this information should be proactively filed rather than in response to Intervenor and OEB staff Interrogatories. The OEB may wish to comment to avoid this situation for future projects.

Section 6.1.3 of the Environmental Report details the extent of, and potential impacts to bedrock for the project. Enbridge confirmed that a well monitoring program will be developed and offered to landowners along the preferred route, where the potential exists for their water wells to be impacted by the project<sup>21</sup>.

---

<sup>18</sup> EB-2022-0200

<sup>19</sup> EB-2022-0200 Exhibit 8, Tab 1, Schedule 2, Attachment 3 Page 2.

<sup>20</sup> Exhibit I.STAFF-8, Attachment 2

<sup>21</sup> Exhibit I.PP-18



As Ontario's technical regulator, the OEB requires the TSSA to review proposed projects submitted for Leave to Construct approval. The TSSA has not provided the final review letter and should the OEB approve this application, it is recommended that the OEB add a Condition of Approval to ensure that the TSSA provides the required letter prior to construction and that it is filed on the public record.