



**Pollution
Probe**

130 Queens Quay East, Suite 902
Toronto, Ontario M5A 0P6
T 416.926.1907 F 416.926.1601
www.pollutionprobe.org

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

December 1, 2023

**EB-2023-0261 Neustadt Community Expansion Project Leave to Construct
Pollution Probe Interrogatories to the Applicant**

Dear Ms. Marconi:

In accordance with Procedural Order No. 1 for the above-noted proceeding, please find attached Pollution Probe's Interrogatories to the Applicant.

Pollution Probe recognizes that this is a large complex Leave to Construct proceeding and has filed questions in advance of the deadline to assist all Parties to the proceeding.

Respectfully submitted on behalf of Pollution Probe.

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

Cc: Enbridge Regulatory (via email)
All Parties (via email)
Richard Carlson, Pollution Probe (via email)

ONTARIO ENERGY BOARD

**Enbridge Gas Inc.
Neustadt Community Expansion Project
Leave to Construct**

POLLUTION PROBE INTERROGATORIES

December 1, 2023

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

Consultant for Pollution Probe

1-PP-1

References Exhibit B, Tab 1, Schedule 1 indicates that Enbridge is requesting OEB approval in this application for: Approximately 4.8 km of NPS 2 PE natural gas distribution pipeline,

- 7.6 km of NPS 6 PE natural gas pipeline, consisting of approximately 6.7 km of supply lateral and 0.9 km of reinforcement pipeline, and
- Ancillary facilities (customer services including meters, regulators, and service pipelines).

a) Please explain the impact on the “Project” if any of the following was not approved or constructed:

- (1) Supply Lateral
- (2) the Reinforcement pipelines
- (3) Ancillary Facilities

b) Is there incremental demand capacity in any of the following Project components that will be used for purposes other than serving the proposed 230 customers, or has all three project components been sized only to serve those customers? Please explain how the excess capacity will be used, if applicable.

- (1) Supply Lateral
- (2) the Reinforcement pipelines
- (3) Ancillary Facilities

c) Are the Ancillary Facilities only for the purpose to serve the 230 customers identified? If not please explain how many of the 230 customers would be served and what other customers would be served from the Ancillary Facilities now or in the future.

d) Are the Reinforcements only for the purpose to serve the 230 customers identified? If not please explain how many of the 230 customers would be served and what other customers would be served from the Ancillary Facilities.

1-PP-2

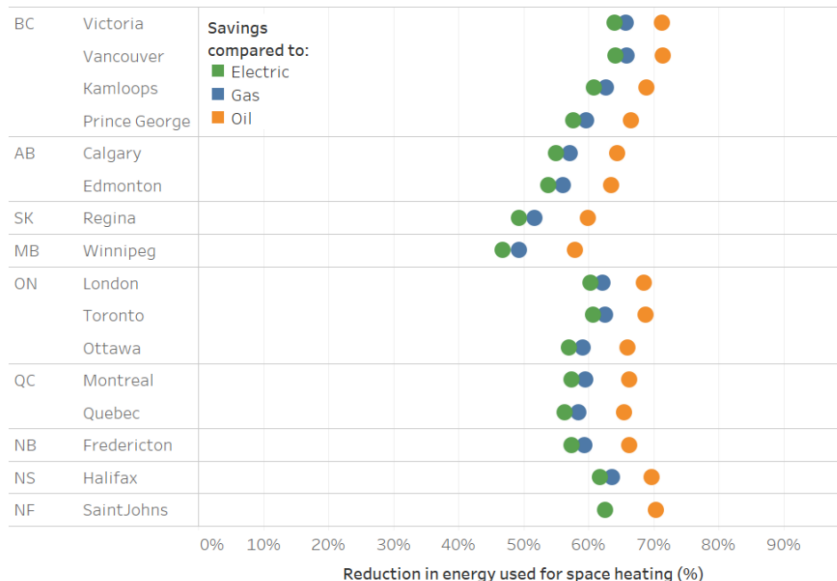
Enbridge indicates that the project was reviewed and selected for a grant by the Government of Ontario under Phase 2 of the NGEF.

- a) Please provide a copy of the approvals from the Government of Ontario and the OEB for this Project, and please highlight the specific approvals and scope related to this Project.
- b) Please identify any variances between the information in the NGEF application and the information in this application.
- c) Please confirm that NGEF approval for access to grant funding does not automatically provide Leave to Construct (or other required regulatory) approvals related to this project.
- d) Please provide any approvals received from the Government of Ontario and/or the OEB related to:
 - the Reinforcement pipelines
 - Ancillary Facilities
- e) Is there a mandated timeframe under NGEF for completion of the proposed pipeline? If yes, please provide the relevant condition that dictates specific timing.
- f) Please confirm that the Government of Ontario requires a full review under the OEB Leave to Construct process for Enbridge to proceed with the project.
- g) Please confirm that Enbridge will not proceed with the project without OEB Leave to Construct approval.

1-PP-3

Reference: PollutionProbe_IR_AppendixA_CanmetReport [from Enbridge per EB-2022-0200 Exhibit J11.5]

Figure 1: Energy Savings (percentage) for a ccASHP compared to natural gas, oil and baseboard electric.



The CanmetENERGY cold-climate air source heat pump (ccASHP) Report filed by Enbridge indicates in Figure 1 (above), that for Ontario jurisdictions a ccASHP is approximately 50% to 70% more efficient than natural gas, oil or resistance (i.e. baseboard) electric.

- Please indicate whether this information for ccASHPs was shared with potential customers as part of the information related to heat pumps. If it was, please provide a copy of the information/materials provided to consumers.
- This information was provided by Enbridge in 2023 based on a 2022 Study. If Enbridge has a more recent/relevant study/information that provides a different savings rate for ccASHPs vs. natural gas, oil or electric resistance heating, please provide a copy.

1-PP-4

Reference: PollutionProbe_IR_AppendixB_HeatPumpConversionGuidehouse per EB-2022-0200.

Enbridge's Guidehouse Energy Transition expert indicated that 40% to 85% of Ontario households are expected to switch to a heat pump by 2050. If Enbridge has more current information or reports, please provide a copy.

2-PP-5

- a) Please confirm that the Reinforcement included in the Project scope would require full OEB IRP assessment if it were filed as a discrete Leave to Construct application. If that is incorrect, please explain why.
- b) Please explain why Enbridge did not conduct an IRP assessment for the Reinforcement or if one was conducted, please provide all related documents and reports.

2-PP-6

Reference: Exhibit B, Tab 1, Schedule 1, Figure 1

- a) Please confirm that the values in Figure 1 relate to fuel only and do not include incremental equipment costs to retrofit a home or business with natural gas.
- b) Please confirm that the values in Figure 1 only include costs and savings related to heat and exclude costs/savings for cooling.
- c) Please confirm that the values in Figure 1 related to electricity are for electric resistance (e.g. baseboard) heating only. If that is not correct, please state the assumptions and provide the calculation.
- d) Please confirm that the options provided in Figure 1 are meant to represent common fuels used historically in comparison to natural gas and not a comprehensive list of current/future options for consumers in the community. If not correct, please explain.
- e) Please explain why other current/modern options have not been included in the Figure 1 comparison and related marketing information, specifically cold climate air source heat pumps.

2-PP-7

Reference: "Enbridge Gas served new or upgraded natural gas service requests from customers on the understanding that these customers are sufficiently informed about the available energy and technology solutions and that they have chosen the alternative that best suits their needs" [EB-2022-0200 2.6-Staff-81, part (c)]

Please confirm that the above evidence from Enbridge is still accurate. If it is no longer accurate, please provide updated evidence to indicate how Enbridge views its role in providing resources and educational information on a full range of modern energy/technology options to new, potential or existing customers.

2-PP-8

- a) Please provide a copy of the all materials used for public consultation including those used for the Open House.
- b) Please provide a copy of all marketing and communication material provided by Enbridge or partners to consumers/businesses in the community to promote DSM or other energy efficiency opportunities when considering renovation of a primary (water/space) heating systems.
- c) Please provide a copy of all communication material provided by Enbridge or partners to educate consumers/businesses on options and incentives under the Greener Homes program (delivered by Enbridge in Ontario).
- d) 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.
- e) Please confirm that Enbridge Gas is delivering the Greener Homes Grant program in the area impacted by the proposed project.
- f) Please confirm how many potential customers have expressed interest to leverage incentives through the Greener Homes Grant program for retrofits.
- g) Please confirm how many of the potential attachments have completed one or more home audits required to participate in the Greener Homes Grant Program.
- h) Has Enbridge conducted analysis on consumers along the proposed pipeline 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.

2-PP-9

Please provide the full list of 'alternative energy sources' considered and provide cost comparison analysis for any beyond resistance (e.g. baseboard) electric, propane and heating oil.

3-PP-10

- a) Please confirm that the revenue horizon (for EBO 188 analysis) for the proposed Project in the application is 40 years. If that is incorrect, please provide the correct figure.
- b) Please provide the EBO 188 wording that mandates a 40 year period be used for project economic analysis.
- c) Please confirm the actual amortization that Enbridge intends to apply to the Project (or if it varies by Project elements, e..g. (1) Supply Lateral and (2) the Reinforcement pipelines, plus (3) Ancillary Facilities, please provide info for each).
- d) Please explain how any residual (unamortized) costs would be recovered from rate payers if the proposed pipeline becomes stranded (i.e. not used and useful) before it is fully depreciated.

3-PP-11

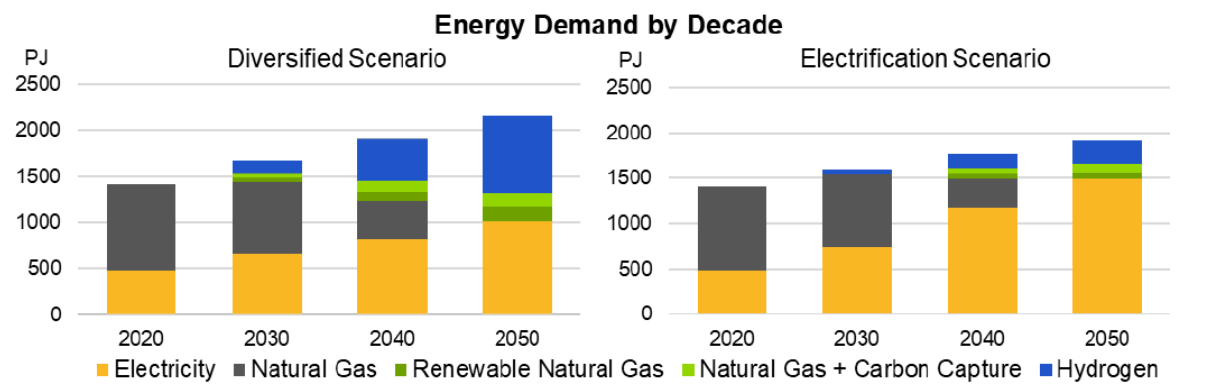
Has Enbridge conducted a risk assessment on the probability that the proposed pipeline will become a stranded asset before being fully depreciated? If yes, please provide a copy of the assessment and all related materials. If no, what evidence exists to support that the pipeline will remain used and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

3-PP-12

Enbridge indicates that the System Expansion Surcharge ("SES") to all new customers taking gas distribution service from the Project will be a fixed volumetric rate of \$0.23 per cubic metre of gas to be charged in addition to Enbridge Gas's base distribution rates as approved by the OEB. The SES is proposed to be charged to all customers taking gas distribution service from the Project for a term of 40 years. Please indicate the SES impact if the amortization period the OEB approves is less than 40 years (e.g. 25 years).

3-PP-13

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.

- 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.
- 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.
- If Enbridge intends to use hydrogen to serve this community once natural gas is no longer available, please provide details on the source, transmission and lifecycle carbon emissions of the proposed hydrogen.

3-PP-14

Is this proposed Project included in the most current Enbridge Asset Management Plan (AMP) and Utility System Plan (USP)? If not, why not. If yes, please provide the references and documents (or links).

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

3-PP-15

Please confirm that Enbridge will fund this project from its capital envelopes for 2024 and 2025 if approved by the OEB. If that is not correct, please clarify.

4-PP-16

Reference: PollutionProbe_IR_AppendixC_ExpansionProjectPI

Recent Enbridge Community Expansion Projects have shown a trend of decreasing Portfolio Index (PI) and a lower actual PI than forecasted in the OEB Leave to Construct proceedings. This has also cause the actual Project Portfolio to dip below the OEB required PI=1.0.

- a) Please indicate how the proposed Project compares to other recent community expansion projects and why the OEB should not expect this Project to follow the noted trend.
- b) Please explain what mitigation measures Enbridge has put in place to avoid the actual project PI being below 1.0. If any of the mitigation measure are different than those used in in other expansion projects, please indicate.

4-PP-17

Please provide any additional stakeholder comments/correspondence since the application was filed.

4-PP-18

Please confirm that the Environmental Report and related OPCC consultation relates to the proposed Pipeline and the Reinforcement pipelines, but not the Ancillary Facilities. If that is incorrect, please provide details on the specific scope of the Environmental Report and OPCC review.

4-PP-19

Reference: Exhibit F, Tab 1, Schedule 1.

The Environmental Report identifies wetlands along the Preferred Route. Please provide details on what approvals and additional studies Enbridge is undertaking related to these wetlands.

4-PP-20

Please provide a copy of the detailed mitigation plan for the proposed pipeline.