



June 19, 2024

VIA RESS

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

Dear Ms. Marconi,

**Re: Enbridge Gas Inc. ("EGI")
2024 Rebasing and IRM – Phase 2
Board File No.: EB-2024-0111**

We are counsel to Three Fires Group Inc. ("**TFG**") and Minogi Corp. ("**Minogi**") in the above-noted proceeding. Please find attached TFG and Minogi's joint interrogatories to EGI pursuant to Procedural Order No. 2.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Vollmer", with a stylized flourish at the end.

DT Vollmer

c. Vanessa Innis, EGI
David Stevens, Aird & Berlis LLP
Dennis O'Leary, Aird & Berlis LLP
Dr. Don Richardson, Minogi
Reggie Georgo, TFG

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 (the “**Application**”).

EB-2024-0111

INTERROGATORIES

OF

THREE FIRES GROUP INC.

(“THREE FIRES”)

AND

MINOGI CORP.

(“MINOGI”)

June 19, 2024

Question: **1.10-TFG/M-1.**

Reference: • Exhibit 1, Tab 10, Schedule 7, p.1

Preamble: EGI is proposing to create an Energy Transition Technology Fund (“**ETTF**”) in the amount of \$5 million each year over the period of 2025 to 2028.

- a) Please identify any innovation or energy transition funds that EGI or its representatives reviewed in the process of developing EGI’s proposal for the ETTF. Please provide particulars of any such funds.
- b) What does the budget for the examples provided above in a) constitute in terms of a percentage of the applicable utility’s total operating budget?
- c) How does the ETTF’s \$5 million budget compare with the examples provided above in a)?

Question: **1.10-TFG/M-2.**

Reference: • Exhibit 1, Tab 10, Schedule 7, pp.3-4

Preamble: EGI notes that innovative energy efficiency technologies and programming require significant technology development in Ontario, requiring meaningful funding levels, and that it has a long history of leading technology innovation in Ontario. Enbridge Gas states that it has successfully led technology development projects in a number of areas by working closely with manufacturers, industry associations, other utilities and government.

- a) What efforts has EGI undertaken to determine whether other jurisdictions, companies, or organizations are investing in innovation efforts similar to those that EGI proposes to undertake through the ETTF?
- b) What efforts has EGI undertaken to determine whether it is better placed to invest in the areas of innovation proposed under the ETTF than other jurisdictions, companies, or organizations that are undertaking similar efforts?
- c) How will EGI monitor whether innovation funding is prudent in a context where innovative practices and technologies may become available from other sources?
- d) What are the advantages to EGI developing technology innovations, as opposed to making use of advancements that others achieve?
- e) What provisions will EGI make for the ownership (or public availability) of the intellectual property or associated rights related to any discovery or technology developed through ETTF funding?
- f) What confidentiality protections will apply to participants and funding recipients under the ETTF? In your response, please discuss how much of the fund's work and activities will be made publicly available and what mechanisms will exist for stakeholder participation and review of ETTF project funding.
- g) What are EGI's views as to whether it would be preferable to make energy transition funding available from a centralized source with all utilities eligible to apply for funding, as opposed to individual utilities proposing similar funds specific to the utility as part of a rate application? In your response, please provide EGI's determination of the benefits, disadvantages, and barriers of centralized energy transition funding with all utilities (gas and electric).

- h) How is EGI coordinating and incorporating learnings, findings, developments etc. from other similar innovation funds into the mandate and funding of the ETTF? If EGI does not intend to coordinate with other utilities and innovation funds, please explain why not and how this serves the interests of ratepayers.
- i) What opportunities, if any, will there be for Indigenous participation and/or consultations in the ETTF, including with respect to the development, piloting, or selection of projects?
- j) What measures, if any, will be taken to ensure that the ETTF produces benefits for Indigenous communities specifically or as part of any benefits that EGI customers more widely eventually enjoy?
- k) What efforts have been taken to identify any examples of Indigenous participation in any existing innovation or energy transition funds that could provide helpful precedents for Indigenous participation relating to the proposed ETTF? If EGI has not considered other funds to structure the ETTF to support Indigenous participation, please explain why not.
- l) What efforts have been taken to identify any examples of Indigenous participation in other EGI projects that could provide helpful precedents for Indigenous participation relating to the proposed Fund?
- m) What efforts, if any, has EGI undertaken, or will it undertake, to ensure that some or all funding initiatives under the ETTF align with Indigenous priorities and interests?

Question: 1.10-TFG/M-3.

Reference:

- Exhibit 1, Tab 10, Schedule 7, p. 4

Preamble: EGI indicates that the ETTF portfolio will focus on several areas of technology innovation, consistent with the safe bet actions identified in the Energy Transition Plan provided in EB-2022-0200 Exhibit 1, Tab 10, Schedule 6.

- a) Please elaborate on how the ETTF is consistent with EGI's "safe bets". In your response, please discuss with which aspects of the EGI "safe bets" is the ETTF consistent.

Question: 1.10-TFG/M-4.

Reference: • Exhibit 1, Tab 10, Schedule 7, pp. 4-5, 10

Preamble: EGI proposes to fund the ETTF through a rate rider rather than through base rates. EGI notes that this proposed regulatory treatment will provide transparency and certainty and that EGI will provide a dedicated, continuous, reliable funding stream for technology research and innovation.

a) Please provide further detail on the governance mechanisms that would form part of the ETTF, including:

- who will be responsible for selecting the projects that will receive funding;
- whether there will be a formal steering committee;
- whether any individuals who are not employed by or associated with EGI have input into project selection;
- how individuals responsible for selection will be supported in their evaluation of potential projects; and
- how EGI's proposals relating to these items compares to the similar examples of technology funds that it has reviewed as part of this application.

b) Please provide further detail on how projects will be identified for the ETTF, including:

- whether there will be a formal application process and if so what that will entail;
- whether EGI anticipates pilots initiated and led by external organizations; and
- how EGI's proposals relating to these items compares to the similar examples of technology funds that it has reviewed as part of this application.

c) Please provide further detail on how projects will be evaluated for the ETTF, including with respect to:

- their initial selection;
- their later success (or lack thereof);

- whether EGI will employ specific evaluation criteria at any stage of the process;
- any efforts to mitigate the risk of duplication of existing projects being undertaken by other entities; and
- how EGI's proposals relating to these items compares to the similar examples of technology funds that it has reviewed as part of this application.

d) Please provide further detail on how results from ETTF projects will be reported, including with respect to:

- what details and/or data from the projects will be made public (and how), and what (if any) details and/or data will be kept confidential; and
- how EGI's proposals relating to these items compares to the similar examples of technology funds that it has reviewed as part of this application

e) Please discuss whether (and how) EGI will report on the following performance metrics:

- customer cost savings impacts;
- reliability impacts;
- accessibility impacts;
- greenhouse gas ("**GHG**") reduction impacts (scope 1, 2 and 3), using the GHG Protocol where applicable;
- impacts for First Nations in general and remote First Nations in particular; and
- how EGI's proposals relating to these items compares to the similar examples of technology funds that it has reviewed as part of this application.

Question: 1.17-TFG/M-5.

Reference: • Exhibit 1, Tab 17, Schedule 1, pp. 5-11

Preamble: EGI is proposing to implement a new ALE approach as part of the EDIMP Program, building on existing integrity programs to evaluate and identify ALE alternatives.

EGI notes that it will incorporate energy transition sensitivity analysis, which will examine how long the pipeline is expected to be needed under different energy transition scenarios, and additional statistical modelling of residual risk for repair alternatives.

EGI further notes that additional resources will be required to support the new ALE analysis and associated incremental activities

- a) Please elaborate on the energy transition scenarios EGI proposes to use and how they will be employed?
- b) How will localized and/or sector-specific considerations form part of the approach?
- c) How will the interests of and consequences for First Nations and remote First Nations be taken into account as part of EGI energy transition sensitivity analysis?
- d) How will EGI's approach determine and reflect the relative likelihood of any particular scenario taking place?
- e) How will EGI work to ensure that any given analysis is based on the best and most current information then available?
- f) Will EGI's usage of scenarios evolve as time goes by and, if so, how will it do so?.
- g) Please elaborate on how EGI's proposed approach will affect the risk of stranded assets, using specific examples to illustrate the point.
- h) Where in EGI's description of anticipated requirements for resources does its work on scenario analysis fall?

- i) Does EGI intend to retain any additional experts to assist in its proposed sensitivity analysis and, in particular, with respect to the development of any energy transition scenarios?

Question: 4.2-TFG/M-6.

Reference: • Exhibit 4, Tab 2, Schedule 7, pp. 3-11

Preamble: EGI is proposing cost recovery for low-carbon energy through a Low-Carbon Voluntary Program (“**LCVP**”) for large volume sales service customers and through the cost of gas supply commodity purchases.

EGI proposes to increase low-carbon energy purchases by up to one percentage point each subsequent year to a maximum of up to four percent by 2029.

Enbridge Gas indicates that it intends to use the existing Gas Supply Plan review process to provide an overview of LCVP results.

EGI proposes to first offer the low-carbon energy that has been procured to large volume sales service customers on a voluntary basis and that large volume sales service customers will have the ability to voluntarily assume an elected portion of the pass-through commodity costs associated with low-carbon energy as part of the proposed LCVP, up to 100 percent of their actual consumption.

Participating LCVP customers will receive a specified portion of their supply as low-carbon energy and pay the associated premium cost of low-carbon energy above the gas commodity cost through Rider L. The premium will vary based on the portfolio of low-carbon energy EGI procures.

- a) How did EGI arrive at the incremental 1% target? In your response please also explain how the 1% target compares to other comparable programs and include in your response why EGI believes these programs are comparable.
- b) Has EGI estimated the demand for the LCVP? If yes, please provide a breakdown of EGI's estimates for demand over each year of the rebasing period, including number of participants, total RNG procured, total costs, etc.
- c) What considerations does EGI anticipate that large volume customers will entertain as part of a decision to enter into the program? In your response, please indicate where in the record in this proceeding the full implications of opting into the LCVP are set out and explained.
- d) Based on EGI's estimates of participation and/or interest in the LCVP, is there an adequate supply of cost-effective RNG available to satisfy the demand? If no, please discuss how EGI will manage the program and customers if there is an

inadequate supply of RNG and/or how EGI will ensure that there is an adequate supply of RNG to support the LCVP and any other RNG program.

- e) How have EGI's forecasts of the supply of RNG in Canada, the U.S., and Ontario changed since EGI's last rebasing application and the applicable Annual Gas Supply Plan updates throughout the current gas supply plan period?
- f) Does EGI have any estimates of the anticipated emissions abated through the procurement of RNG throughout the rebasing period? If yes, please provide EGI's estimates.
- g) Please provide full details of all metrics EGI intends to use to track its progress and performance related to the LCVP. In your response, and in addition to any other metrics, please indicate whether EGI will track specific metrics such as (i) Indigenous participation, (ii) amount of RNG procured from Indigenous-owned sources and suppliers, and (iii) any other metric related to supporting Ontario First Nations and the supply of Ontario RNG to meet demand of the LCVP.
- h) Please provide all factors that EGI believes will go into the variance in price for RNG procured by EGI as part of its portfolio of low-carbon energy.

Question: **4.2-TFG/M-7.**

Reference: • Exhibit 4, Tab 2, Schedule 7, p. 8

Preamble: EGI notes that increasing the amount of RNG in gas supply (1) supports an immediate opportunity to reduce GHG emissions within Ontario's building, transportation, industrial and electricity generation sectors; and (2) develops an Ontario-based RNG market to supply RNG to the difficult-to-decarbonize sectors such as industrial processes and heavy

- a) Please elaborate on and discuss how the LCVP will help to develop an Ontario-based RNG market and whether this includes supporting the production of RNG in Ontario or only refers to developing the market for the demand of RNG. In your response, please discuss how an "Ontario-based RNG market" relates to the broader interconnected North-American RNG market.

- b) What is the basis of EGI's belief that the LCVP will support an Ontario-based RNG market?

Question: **4-TFG/M-8.**

Reference: • Exhibit 4, Tab 2, Schedule 7, Attachment 2, p. 21

Preamble: EGI notes that there has been rapid development of RNG supply projects in North America over recent years and it is expected to continue, with accelerated short-term growth.

- a) Is EGI aware of any RNG supply projects that are owned and/or operated by First Nations or Indigenous Peoples that could provide RNG to EGI?
- b) Does EGI currently procure RNG from any First Nation or Indigenous-owned RNG producers and suppliers? If yes, please provide details. If no, please discuss why not.
- c) Has EGI set any targets for procuring RNG from First Nations and Indigenous owned suppliers in Ontario? If yes, please provide details. If no, please discuss why not.

Question: **4.2-TFG/M-9.**

Reference: • Exhibit 4, Tab 2, Schedule 7, p. 10

Preamble: EGI notes that direct purchase (DP) customers who wish to procure RNG as part of their supply already can arrange this with their supplier as part of their supply arrangement.

- a) How many large volume customers are DP customers that procure RNG through their supplier as part of their supply arrangement?

- b) Does EGI anticipate that any of these DP customers will transition to the LCVP? If yes, please provide EGI's estimates of how many customers are likely to transition to the LCVP and how this has informed EGI's development of and forecasts related to the LCVP. If no, please explain why not and discuss any impacts this will have on EGI's ability to procure an adequate supply of RNG to meet the demands of the LCVP.

Question: **4.2-TFG/M-10.**

Reference: • Exhibit 4, Tab 2, Schedule 7, pp. 4-5, 25

Preamble: EGI notes that Ontario natural gas customers are at a disadvantage compared to customers in other jurisdictions as the current Voluntary Renewable Natural Gas (“**VRNG**”) Pilot Program does not support the purchase of RNG with long-term contracts.

EGI further notes that RNG is in demand in various jurisdictions including Québec, British Columbia and the United States with mandates and supporting programs in place and that utilities and other purchasers of RNG are importing RNG from across North America to their respective jurisdictions. EGI expects low-carbon energy commodity purchases will be made on long-term contracts of five years or greater.

EGI notes that it intends to end the VRNG Pilot Program upon the approval of the LCVP.

- a) What are the “other jurisdictions” that EGI has evaluated? As part of your response please discuss (i) what programs EGI has considered in other jurisdictions, (ii) how it has compared such other programs to the LCVP, and (iii) what initiatives or programs are in place to support domestic production of RNG in those jurisdictions.
- b) What is EGI’s relevant competitive market for the procurement of RNG? Please discuss EGI’s views of the mobility of RNG in domestic and global markets (i.e., Canada, North America, international).
- c) Please discuss EGI’s views of the procurement, use, and mobility of RNG in domestic and global markets (i.e., Canada, North America, international).
- d) Is EGI aware of any policy, regulatory, trade, tariff, etc. barriers to the exportation and/or importing of RNG in Ontario? If yes, please discuss the types of barriers and how this may impact the procurement of RNG by EGI from Ontario and non-Ontario RNG producers. If no, please explain why EGI is not aware of any barriers to the export and/or import of RNG in Ontario and the implications of this on the ability and/or cost of procuring RNG by EGI.
- e) Please provide details regarding EGI’s assessment of its anticipated main sources of RNG supply in (i) Ontario, (ii) other Canadian provinces, and (iii) the U.S. In your response, for each jurisdiction please provide (i) volumetric and/or total supply

percentage estimates and (ii) cost implications (tariffs, regulatory burden, environmental attributes, etc.) for procuring RNG from different jurisdictions.

- f) What is the basis for EGI's expectation of purchasing RNG on long-terms contracts of five years or greater?
- g) What programs will be available for non-large volume customers to make RNG part of their energy supply mix?
- h) What are the impacts of the supply of RNG for EGI's customers that do not are cannot participate in the LCVP? In your response, please discuss whether the LCVP will have a significant or minimal impact of the availability of RNG for EGI's non-participating customers and for how long does EGI anticipate such impacts will persist.

Question: **4.2-TFG/M-11.**

Reference: • Exhibit 4, Tab 2, Schedule 7, pp. 17-20

Preamble: In addition to the LCVP, EGI runs the VRNG Pilot Program.

- a) In EGI's opinion, are there other factors aside from marketing that explain why the VRNG program has had lower than forecasted enrollment from customers?

- b) Is EGI able to provide a breakdown by customer type, geographic region, length in the program, etc. for VRNG participants? If yes, please provide all available and relevant data to enable a better understanding of the demographics of the customer participants in the VRNG program. If not, please provide as much detail as possible regarding the types of customers and their participation in the VRNG program that is reasonably available.

- c) Please provide a summary of all environmental attributes EGI has acquired through its procurement of RNG under the VRNG Pilot Program and how they have been used to the benefit of all customers.

Question: **4.2-TFG/M-12.**

Reference: • Exhibit 4, Tab 2, Schedule 7, p. 32

Preamble: EGI indicates that it has not determined at this time if RNG will be purchased with or without credits under the federal *Clean Fuel Regulations* CFR. EGI further notes that may elect to procure RNG without CFR credits, where it is forecast that procurement of RNG without the CFR credit leads to more cost-effective procurement.

- a) Please file any and all analysis EGI and/or its affiliates have performed related to the creation and selling of CFR credits. If EGI has not undertaken any such analysis, please explain why no such analysis has been undertaken in light of the potential benefits for ratepayers and stakeholders.
- b) Has EGI considered requiring suppliers of RNG to include CFR credits when it procures such fuels? If no, please explain why not.
- c) Does EGI expect RNG that includes CFR credits to be a premium product demanding a higher price than RNG without associated CFR credits? If yes, please explain how procuring a more expensive supply will lower the cost of these fuels for ratepayers other than the fuels not being subject to the Federal Carbon Charge. If no, please explain why not.
- d) What metrics will EGI use to determine whether procuring RNG without CFR credits is more cost-effective?

Question: 4.2-TFG/M-13.

Reference: • Exhibit 4, Tab 2, Schedule 7, Attachment 2

Preamble: EGI commissioned Anew to prepare a “North American Renewable Natural Gas Market Evaluation” report (the “**Report**”). The Report is dated September 2022 and represents Anew’s good-faith effort to provide an objective and accurate summary of current and anticipated future market conditions, based on Anew’s long-standing and extensive experience in such markets and third-party observations and data.

Anew notes that RNG has been less cost competitive against its traditional fossil-fuel equivalents because its significant climate advantage and benefits have not been reflected in the price.

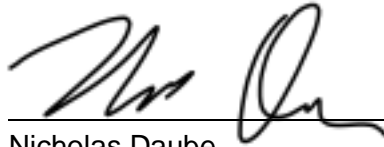
Anew notes that demand for RNG is growing in several key sectors to drive development of supply.

Anew notes careful structure of Ontario policy and programs can draw supply of decarbonizing RNG, especially the most potent carbon negative kinds, which could enable Enbridge Gas RNG buyers to realize significant decarbonization at relatively manageable costs.

- a) What would be the implications in dollar value and volumetric supply of RNG for EGI if the significant climate advantage and benefits were reflected in the price of RNG.
- b) Have any of the assumptions, conclusions or findings of the Report materially changed over the last two years? If yes, please discuss the implications for these changes on the Application and the LCVP.
- c) How will RNG mandates by other provincial regulators and government policies impact the supply of RNG available to EGI for its RNG procurement programs? In your response, please discuss the likelihood of increasing RNG mandates and the constraints this will have on the supply of RNG for voluntary programs.
- d) What opportunities exist for EGI to support the growth of RNG supply in Ontario to meet increasing demand? In your response, please comment on how such opportunities are supported and or impeded by Ontario’s regulatory framework.

- e) What is the total RNG supply capacity of Ontario over the rebasing period? Please include a discussion on the growth potential of RNG in Ontario and the likelihood of RNG supply meeting increasing demand in Ontario and elsewhere.
- f) What will be the impact of increasing voluntary targets to decarbonize for large industrial gas users in Ontario on the available supply of RNG to be procured by EGI as part of its RNG programs?
- g) How does EGI's LCVP compare to each of the voluntary programs discussed in the Report?
- h) How and in which sectors is demand growing the fastest in Ontario? How does this compare to other jurisdictions? Are there any factors (industries, supply, ESG metrics, etc.) affecting RNG supply, demand, and pricing that are unique to Ontario? If yes, please discuss the factors and their impacts on the availability of RNG supply to meet this demand.
- i) Are EGI's RNG programs consistent with Anew's position that "careful structure of Ontario policy and programs can draw supply of decarbonizing RNG"?
- j) If Anew were to develop an RNG program for EGI's Ontario customers, what programs or policies would be considered and used to inform such a program to maximize the supply of RNG and minimize the cost to customers?

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS
19th day of June, 2024



Nicholas Daube
Resilient LLP
Counsel for Three Fires and Minogi



DT Vollmer
Resilient LLP
Counsel for Three Fires and Minogi