

**ONTARIO ENERGY BOARD**

**Consultation to Review 2024 Annual Update to Five-Year  
Natural Gas Supply Plan of Enbridge Gas Inc.**

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**POLLUTION PROBE WRITTEN COMMENTS**

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## Introduction

On April 15, 2024, the Ontario Energy Board (OEB) issued a letter initiating a consultation to review Enbridge Gas's 2024 Annual Update to the natural gas supply plan. The letter informed parties that as part of the written comments filed in the consultation, stakeholders may provide observations on the Framework and the consultative process that has been in place since 2019. The following are the written comments on behalf of Pollution Probe.

This process represents the fifth Annual Update to the five-year Year Gas Supply Plan that Enbridge (including the amalgamated Enbridge Gas and Union Gas) has filed with the OEB pursuant to the Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans (Framework)<sup>1</sup>. Enbridge provides gas supply, transportation and storage to meet forecasted customer demand and these costs represent a significant portion of the costs on customer bills. Decisions made as part of the Gas Supply Plan can also have an impact on other areas of the utility.

In Pollution Probe's view the current Annual 5 Year Gas Supply Plan Review process has not been adequate to drive alignment, innovation and effective consideration of stakeholder input into the Annual Gas Supply Plan. Pollution Probe is also in receipt of Enbridge's letter dated July 10, 2024 to the OEB which indicates that Enbridge believes that the current Framework and Annual Review is sufficient. Enbridge provides no details in its submission on any of the enhancements, innovation, updates or other improvements it believes have been achieved by the Annual process since 2019. In fact, Enbridge confirmed that "the 2024 annual update is no different than what you've seen in previous annual updates"<sup>2</sup>. That could be characteristic of the lack of these enhancements over the period, but if Enbridge believes that there have been material enhancements included each year since 2019, Pollution Probe recommends that they be included in a table outlining the specific improvement, impact and the tangible outcomes achieved by each change.

The current Annual Gas Supply Plan review process is stale, static and has not led to the information, action and outcomes possible if a more robust OEB process was used. Given that Gas Supply represents one of the greatest costs and opportunities for Ontario ratepayers, a better approach to unlock value is urgently needed.

## Recommended Improvements for the Framework

The Annual Gas Supply Plan review process is a very important process given that Gas supply represents one of the largest costs to Ontario ratepayers in their natural gas bill. Gas Supply is also a fundamental portfolio that impacts directly and indirectly many of the policy areas that the Province and OEB has targeted for improvement and innovation. Proper Gas Supply planning can significantly contribute to reducing energy costs for consumers, increasing energy efficiency, developing Integrated Resource Plan

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<sup>1</sup> EB-2017-0129 Gas Supply Framework.

<sup>2</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 7 lines 14-15.

options to defer or avoid Capital investments, play a role in mitigating risks related to stranded assets, Distributed Energy Resources and many other focus areas. Gas Supply (and its integration with other functional areas) is often a complex or confusing subject since many of the opportunities and value lies in its connection to the broader utility operation. The full Gas Supply portfolio is often unclear since there is no integrated plan/strategy that has been made available to the OEB and stakeholder, including regulated and unregulated activities. The Annual Gas Supply Plan over the past five years has typically been treated as a siloed function which limits transparency and opportunities for unlocking hidden value.

There has been a sufficient amount of time (5 years) under the current Framework approach to reflect on whether the Framework is meeting its potential effectively. Gas Supply is one of the largest functional areas (by cost to consumer and overall utility impact) and is one of the greatest current opportunities for improvement, but the current OEB review process has provided very little basis for unlocking this value, particularly in an integrated manner with the other siloed functional departments in Enbridge. Throughout the annual review process (Stakeholder Conference<sup>3</sup>) it was highlighted that Gas Supply is a functional silo that receives inputs from other functional departments, but that it does not have the knowledge and ability to respond to the integrated issues raised by stakeholders directly since representatives from the related departments (e.g IRP or other relevant issues) are not available during the Stakeholder Conference<sup>4</sup>. This siloed approach significantly reduces the value of the annual review process.

The results and outcomes of the current review process have not been sufficient to drive the enhancements of the Gas Supply Plan related to the key elements:

- Cost Effectiveness
- Reliability & Security of Supply
- Public Policy

Over the past five-year cycle, the Gas Supply Plan improvements have been slow, meagre and almost all stakeholder input to increase visibility and outcomes has been ignored. This lack of annual progress is not typically experienced when the OEB leverages a more traditional hearing process. The current Annual Gas Supply Plan review process simply provide Enbridge the ability to avoid or refuse to provide information to stakeholders, which is significantly different from OEB processes that are actively adjudicated by OEB Commissioners. The Stakeholder Conference process appears to be a checkbox in the process without having any material influence on enhancements to the Gas Supply Plan.

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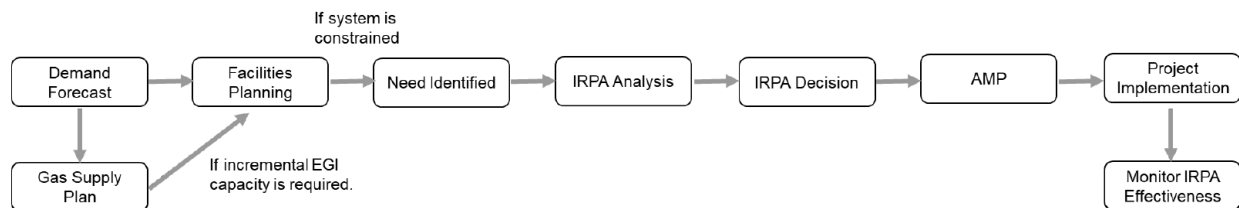
<sup>3</sup> For 2024, the 2 day Stakeholder Conference was truncated to 1 day which did not enable stakeholders to follow up on the outstanding requests that Enbridge indicated they would look into. Undertakings are a logical alternative which was refused by Enbridge.

<sup>4</sup> One of many examples is 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 90 lines 8-21. Having the right staff available and/or leveraging Undertakings would avoid these questions from being continuously punted without resolution.

The OEB is aware that the world is not static and has taken great efforts in other areas to ensure that the processes are in place to drive the changes needed. In the current Gas Supply Plan Enbridge reinforces the importance of aligning with Net Zero, the Energy Transition and the changing environment, but during the Stakeholder Conference refused to provide much of the information requested on those topics and/or suggested that the questions go beyond Gas Supply and that the Enbridge staff needed to answer them are not available. Enbridge did not attempt the same approach in other hearings actively adjudicated by OEB Commissioners, such as the recent Rebasing proceeding. The bar is much lower in the current Annual Gas Supply Plan review process and the outcomes reflect that.

A significant strength of the OEB process is that it is an open, fair and transparent approach that leverages objective facts based on evidence to arrive at the best outcomes. The current approach for the Annual Gas Supply Plan review does not deliver on this same best practice. Adopting a process more aligned with a traditional hearing (including a written or oral components as required with active Commissioner involvement) process would help bridge the gaps and ensure that the Gas Supply Plans get back on track to meet Ontario's energy needs. For Enbridge in particular, there is a divergence with the Gas Supply Plan from the direction of the Phase 1 Rebasing (EB-2022-0200) proceeding to meet policy direction, (current and future) Ontario energy consumer needs and alignment with the Energy Transition. The gaps existed well before the Rebasing proceeding, but have become even more evident as the Energy Transition accelerates. An update to the Annual process for the Gas Supply Plan as early as possible (i.e. 2025) would help drive better alignment and avoid additional divergence. An OEB led workshop in the fall 2024 could set baseline recommendations on Scorecard enhancement expectations for 2025 and beyond.

The following is a simple diagram from Enbridge<sup>5</sup> that highlights the influence that Gas Supply could have on the entire infrastructure process if considered properly in an integrated manner. Gas Supply is a fundamental element that ripples through the Capital planning process. The current process is not integrated in a manner that drives decreased/rationalized Capital projects, reducing exposure to stranded assets or Integrated Resource Plan Alternatives (IRPAs).



<sup>5</sup> Reference: EB-2020-0091 Exhibit I.Staff.2 and reconfirmed by Enbridge.

Gas Supply and the related Gas Supply Plan is an integrated element of Enbridge's Integrated Resources Planning (IRP) process. In some cases, infrastructure decisions driven by gas supply changes can result in hundreds of millions in Ratepayer savings. However, Enbridge confirmed that the Gas Supply Plan does not include any IRP implementation assumptions or scenario analysis<sup>6</sup>.

In keeping with its commitment to protect consumers and hold distributors to account, the OEB identified three guiding principles that will be used in assessing gas supply plans: cost effectiveness, reliability (which includes security of supply) and support for public policy. The Framework outlines the information that the OEB requires to assess whether the gas supply plans appropriately balance the guiding principles and deliver value to customers. The responsibility for delivering reliable supply to customers in a prudent manner remains with the distributors<sup>7</sup>.

Pollution Probe recommends that the OEB:

- Recognize the importance and role for the Gas Supply Plan and Portfolio to adapt more urgently on an annual basis to align with Energy Transition demands, Capital Planning rationalization (including more prudent IRP and stranded assets option mitigation).
- Add better structure and transparency, specifically adding an adjudicative hearing process before Commissioners to the annual process including:
  - Annual Gas Plan Review to provide greater direction to the gas utilities on enhancements required to meet the Energy Transition and ensure all possible Gas Supply options are considered to deliver IRPAs. This would help avoid a superficial process that would undermine enhancing the value of such an important component of the regulated gas utility portfolio.
  - Reduce gaming of the process and ensure that the utility is more responsive to questions and requests for pertinent information needed to assess the Gas Supply portfolio<sup>8</sup>.
  - Add an Undertaking response deadlines in the OEB Procedural Order to ensure timely and complete responses to stakeholder requests.
- Raise the bar on the Gas supply Scorecard approach to ensure more meaningful metrics, targets and delivery. What does not get measured, does not get managed. The current approach used is passive, retrospective, delivers little real value or outcomes and should:

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<sup>6</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 40 line 27 to Page 41 line 2.

<sup>7</sup> EB-2017-0129 Gas Supply Framework, Page 1.

<sup>8</sup> For Example, Enbridge has refused to provide important information during the current process, where a normal hearing adjudicated by Commissioners removes that process gaming. OEB Staff have repeatedly indicated that they do not have the authority to require Enbridge to provide information if Enbridge has refused to do so.

- Require specific metrics, targets and actuals reporting related to metrics for Cost Effectiveness, Reliability and security of supply and Public Policy in alignment with OEB requirements.
  - Hold a separate stakeholder consultation to create a new Gas Supply Scorecard that meets the requirements outlined above.
  - Specifically set targets and objectives for Gas Supply to enable real, tangible IRP results.
- Require that each Annual Update identify the changes since the previous version of the Gas Supply Plan and provide a catalogue of any enhancements and the specific benefits of each enhancement.
- Increase assessment of Gas Supply opportunities across all relevant proceedings (Including Rate Cases, IRP and Leave to Construct) to leverage all possible Gas Supply options (including communication and validation with customers) that would decrease (current and future) Capital infrastructure and stranded assets.
- Require that the Gas Supply Plan demonstrate alignment with policy drivers including reduced natural gas infrastructure requirements in alignment with the Energy Transition.
- Require that the Annual Update to the Five Year Gas Supply Plan represent current, best available information. The current plan is stale and has not been updated to include any information or scenario analysis around IRP.
- Require that backup calculations and references be provided to substantiate claims in the Gas Supply Plan (e.g. Enbridge's claim that its procurement of RNG and hydrogen have mitigated 313 tonnes of carbon dioxide equivalent as of the end of the 2022/'23 year and anticipates an emission abatement of approximately 200 tonnes of carbon dioxide equivalent for the '23/'24 year<sup>9</sup>). It is critical to separate fact from fiction when suggesting that there are net environmental/emission benefits associated with any Gas Supply Plan procurement.
- Require the Gas Supply Portfolio to be modernized to ensure that Ontario ratepayers are not stranded with Capital assets costs that are not supported by contributions and contractual obligations to mitigate those risks (e.g. St. Laurent Pipeline is proposed to be paid for by Ontario ratepayers without a contribution to the ex-franchise customers that it will serve).
- It is recommended that a gap analysis and schedule be included in each future Annual Gas Supply Plan to identify what gaps were closed in the previous period and what remains. There are significant Gas Supply elements which have not been aligned since the merger and a path to closure would benefit stakeholders.

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<sup>9</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 174 lines 9-18.

- It is recommended that each Annual Gas Supply Plan include a table of what OEB approvals (if any) are required from any related initiatives over the five year term covered in each plan. This will provide visibility to the OEB and stakeholders on which applications and timing will include Gas Supply related requests.

### 2024 Gas Supply Plan Review and Process

Enbridge has indicated that the annual Gas Supply Plan update is not just an update based on one year, but a new five-year plan since Enbridge updates the entire five-year plan annually. Pollution Probe agrees with this approach since it is the least likely to lead to a stale plan. This means that each year the OEB and stakeholders are actually reviewing the full five-year Gas Supply Plan. This year Enbridge indicated that they have not included the outcomes of the Phase 1 Rebasing into the 2024 Gas Supply Plan. This leads to a mismatch between the Gas Supply Plan for 2024 and the rest of the Enbridge portfolio. It will be highly important to find ways to mitigate these gaps in future Gas supply Plans. Enbridge did include some of the Rebasing issues, but these were limited to the areas where Enbridge is hoping to get OEB approval (i.e. RNG approvals included in Rebasing Phase 2). It is unclear why Enbridge has included information on Rebasing issues not yet addressed by the OEB while excluding other issues that were included in the Rebasing Phase 1 Decision issued in December 2023. Given that the 2024 Gas Supply Plan was not filed until March 2024, it would have been possible to include a table if the issues in the OEB Rebasing Decision and how Enbridge will integrate them into the Gas Supply Plan in 2024.

The annual review process is important given the magnitude of costs and impacts related to the Gas Supply Plan, but a more thorough and integrated approach would unlock greater value to Ontario energy consumers and avoid risks that are currently growing (e.g. lost IRP opportunities, overbuilding of Capital infrastructure, stranded assets and placing the cost risk for infrastructure on the back of Ontario ratepayers<sup>10</sup>).

Pollution Probe understands that the annual process set by the OEB is meant to provide an open and transparent review of the Gas Supply Plan and the opportunity to identify opportunities to close gaps or make improvements. It is unclear whether the review and consultation process is meeting the outcomes intended by the OEB and Pollution Probe has requested that the OEB consider steps to ensure a more thorough and outcome-oriented process is defined for the future. Enbridge was less responsive and prepared (including having the right staff available) for the Annual Gas Supply Plan review process than other more structured OEB proceeding, particularly including OEB

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<sup>10</sup> For example, approximately half the proposed demand for the St. Laurent Project rejected by the OEB would have been driven by an Enbridge affiliate in Quebec, but the full costs would have accrued to Ontario ratepayers. Assuming that an affiliate will pay through rates over the life of a new pipeline is a risk that could be mitigated.

Commissioner oversight. Many questions were not answered or pushed off in the stakeholder conference, with no governance in place to close the gaps. During the recent Stakeholder Conference (2024 and previous examples) Enbridge refused to answer many of the questions submitted prior to the Stakeholder Conference or provide relevant information, including by way of undertakings<sup>11</sup>. This inherently limits transparency and the ability to ensure that appropriate information is provided on the public record for assessment of the Gas Supply Plan.

As noted, Enbridge indicated that they would not accept undertakings through process which significantly limited Enbridge's response to stakeholder questions and requests for information. It is recommended that Enbridge provide a response to all stakeholder questions submitted that were not addressed during the Stakeholder Conference. This would signal Enbridge's willingness to be responsive to stakeholder issues during the process.

Enbridge confirmed that no IRP alternatives related to Gas Supply have been considered since the OEB gas IRP Decision<sup>12</sup> issued in the summer of 2021. Enbridge confirmed that the 2024 Five Year Gas Supply Plan does not reflect any impact for IRPs<sup>13</sup>. Greater effort and alignment on IRP alternatives including those driven by the Gas Supply portfolio are recommended for all future plans. There appears to be a lack of progress in identifying potential IRP alternatives in alignment with the OEB's gas IRP Decision and this is a lost opportunity. The Gas Supply portfolio could play a significant role in enhancing IRP opportunity identification since new Capital projects all require gas supply.

Following the merger during the last incentive regulation period, there remain differences between approaches, models and methodology used by the legacy Enbridge Gas and Union Gas franchise areas. Some alignment or enhancements have been made by Enbridge, but most of the changes required to align or optimize those approaches will require significant effort and analysis to develop the evidence to support OEB review and/or approval. It is recommended that a gap analysis and schedule be included in each Annual Gas Supply Plan to identify what gaps were closed in the previous period and what remains.

In a previous Stakeholder Conference for the Gas Supply Plan Enbridge suggested that outstanding issues for the Gas Supply Plan would largely be the focus of the rebasing application rather than resolved during the OEB annual review process<sup>14</sup>. However, Enbridge has not integrated the Decision from the Phase 1 Rebasing OEB Decision. It

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<sup>11</sup> Examples include 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 5, lines 9-25

<sup>12</sup> EB-2020-0091 and 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 40 lines 19-22.

<sup>13</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 41 lines 24-26.

<sup>14</sup> Transcript EB-2022-0072 Enbridge GSP Stakeholder Conference Day 1. Page 34, lines 13-20.

is recommended that all (direct and indirect) elements be included in the Gas Supply Plan to ensure better alignment and avoid siloed portfolio decision making.

Information from gas supply planning has a significant impact beyond gas supply, transportation and storage to meet forecasted customer demand. A more integrated and complete approach would enhance the value of the Gas Supply Plan.

### Alignment with Guiding Principles

The OEB defined guiding principles that are consistent with its legislated mandate to protect the interests of customers with respect to price and the reliability of gas service. The guiding principles for a distributor's gas supply plan are to deliver gas supply that is cost-effective, reliable (secure) and achieves public policy objectives. Enbridge's Annual Update provides a summary of Enbridge's activities in relation to these guiding principles. Below are relevant comments specific to each respective guiding principle.

#### **Cost-effectiveness**

The gas supply plans must be cost-effective. Cost-effectiveness is achieved by appropriately balancing the principles and in executing the supply plan in an economically efficient manner. Portions of this guiding principle were assessed during the Annual Update process, but Enbridge refused to provide some of the information required to assess the cost effectiveness or prudence of its decisions and proposals. One example is the information related to Enbridge's (current and proposed) Renewable Natural Gas (RNG) in its portfolio. In Its Rebasing Application, Enbridge has highlighted the importance of net emissions reductions to support Ontario Net Zero and the Energy Transition<sup>15</sup>. However, the refusal to provide the details underpinning these RNG purchases and proposals has the potential to undermine the credibility of the Gas Supply Portfolio. It appears that Enbridge only believes that it needs to provide this important information when it is requesting specific approvals (i.e. ratepayer funding of the RNG gas supply) and not as part of the Annual Gas Supply review process. The Annual Gas Supply Update was intended to provide broad portfolio transparency and it is currently not achieving that objective.

Several years ago Enbridge introduced the concept of purchasing "Responsibly Sourced Gas" (RSG) as part of its portfolio. Natural gas that is certified RSG does not contain any specific environmental attributes (similar reduced carbon emissions like RNG) and can be certified if it meets a number of general requirements under a set of general standards such as Trustwell by Project Canary, EO100, MiQ. None of these are internationally recognized certification bodies like International Standards Organization

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<sup>15</sup> Including significant changes and ratepayer cost for its RNG program as part of Rebasing Phase 2 in EB-2024-0111.

(ISO) and lack the consistent rigor of ISO standards. Stakeholders have questioned the value of RSG and recommended to Enbridge to not expend ratepayer resources purchasing RSG as an objective of the Gas Supply Plan. Stakeholders have also brought up the negative impacts for potential confusion or greenwashing associated with Enbridge pursuing promotion of RSG<sup>16</sup>. Enbridge has not yet assessed the potential compliance issues of using an RSG label against the recent changes to the Competition Act to avoid confusing consumers based on environmental claims that may not exist<sup>17</sup>. Enbridge indicated that they would take that concern away for consideration. It continues to be recommended that Enbridge avoid using the RSG certification as a goal in its Gas Supply Plan and that Enbridge undertake an assessment of how such claims would comply with the Competition Act. This should also help alleviate confusion between RSG and RNG by Ontario energy users and stakeholders.

### **Reliability and security of supply**

During the Stakeholder Conference, several parties assessed issues related to reliability and security of supply. Pollution Probe has attempted to avoid duplication on the questions from other stakeholders on this topic. Similar to other topics noted above, the current Annual Gas Supply Plan review process could be enhanced (including better discovery processes and mandatory response to undertakings).

The OEB should consider a process where any information and reports referenced in the Gas Supply Plan are able to be reviewed for reasonableness. If required, this can include confidential filings for portions of materials that meet the OEB threshold.

### **Public policy**

As noted above, Public Policy objectives under the Gas Supply Plan and related scorecard continue to be a challenge, despite being an increasingly important area for the OEB, stakeholders and Ontario energy consumers. A significant number of resources have been applied by Enbridge on relevant policy issues including the Energy Transition over the past several years and during preparation for Rebasing<sup>18</sup>. However, almost no material integration of these key issues appears to be occurring for the 2024 Gas Supply Plan to incorporate these important Public Policy issues. Treatment of these relevant Public Policy issues in the 2024 Plan are largely superficial and will not lead to the Gas Supply planning needed to address them in alignment with other Enbridge functional units. A more fulsome review of Public Policy<sup>19</sup> would result in

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<sup>16</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 190 line 26 to Page 191 line 15.

<sup>17</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 187 line 2 to Page 188 line 3.

<sup>18</sup> Examples include significant investment in consultant reports related to Net Zero, a new RNG proposal, consulting for an updated DSM Plan, etc.

<sup>19</sup> Current and that included in the recent Rebasing proceeding and Decision.

greater benefits and opportunities for Enbridge to support the Energy Transition in Ontario in an integrated manner. This should be a core component underpinning the Gas Supply Plan and not just addressed by Enbridge when they are requesting additional ratepayer funding (e.g. through the RNG Rebasing request).

The public policy area of the Scorecard is under-represented and less developed than the other two guiding principles. The Scorecard needs a major overhaul, including adding meaningful metrics and targets that can provide better (or more granular) clarity on whether the public policy outcomes are being met. Examples include:

- Specific municipal access to RNG,
- GHG emissions reductions (in tonnes CO<sub>2</sub>e) due to RNG procurement (ideally using an objective lifecycle analysis for net emissions)
- # of infrastructure projects deferred or avoided due to supply side IRP alternatives.

Enbridge has indicated that it would consider adding a metric to track supporting activities for RNG at a future date<sup>20</sup>. Previous acknowledgement to consider Scorecard metric improvements has not resulted in any tangible changes being applied. It is important that these improvements are applied to the next annual update, even if they are initially on a tracking basis.

Pollution Probe has previously identified areas of improvement for the Annual Gas Supply Plan. The policy and scorecards in the Enbridge Gas Supply Plan have remained static even though policy has advanced. One example previously noted is the policy drivers in the OEB Mandate Letter<sup>21</sup> which represent a higher degree of outcomes for IRP, GHG emission reductions and other issues directly or indirectly related to Gas Supply. Alignment with community energy plans across Ontario continues to be a gap and the OEB has indicated that more is needed to close that gap<sup>22</sup>. The OEB has made it clear that these issues must be addressed in recent proceedings<sup>23</sup>, but the Annual Gas Supply Plan review process has not matured at the same pace due to reasons outlined above.

### Performance Measurement

The OEB's Framework indicates that it is expected that a distributor will develop performance metrics that reflect the criteria the OEB has established to demonstrate how the principles have been achieved. The measures should demonstrate the value

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<sup>20</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 202 lines 14-15.

<sup>21</sup> mandate-letter-from-the-Minister-of-Energy-20211115-en

<sup>22</sup> Examples include OEB Decision for EB-2020-0293

<sup>23</sup> Like the direction and structure in the Rebasing proceeding, which is absent in the Annual Gas Supply Plan review process.

proposition for customers and how it balanced the Framework's guiding principles. Effective metrics will allow the OEB to focus its assessment on results that deliver value for customers and not a line-by-line review of expenditures.

Now that the fifth annual update has been provided, it is clearly visible whether the metrics in the Enbridge Scorecard are effective, demonstrate value for ratepayers and providing the tangible value envisioned by the OEB. The annual review is meant to provide a continuous improvement opportunity to assess annual outcomes achieved and mature the scorecard and related metrics. Based on a review of the Scorecards from the past five Gas Supply Plans, it appears that no material temporal progress has been made over the past five plan iterations. Measurement of meaningful targets/outcomes is missing and there have been no scorecard metric updates as a result of the annual process.

The OEB indicates that distributor performance metrics should link directly to one or more of the gas supply plan criteria and be chosen to illustrate the benefits expected from the gas supply planning decisions the distributor has made<sup>24</sup>. Most (if not all) of the Enbridge scorecard metrics are retrospective and only report on information from the past annual period, rather than setting SMART<sup>25</sup> objectives. Providing retrospective information can provide some general value in that it helps record what was achieved in the previous annual reporting periods. However, without an understanding of what performance means, there is no context to understand if those outcomes represent poor or excellent performance. Without an ideal (or target) outcome provided, many of these metrics make it difficult to determine whether the OEB principles have been achieved or if the annual results represent value for customers. This does not necessarily mean that Enbridge performance is good or bad, but just that it is hard to make that determination based on the current scorecard.

Furthermore, the OEB's Framework indicates that performance metrics, should

- Focus on strategy and results, not activities.
- Demonstrate that distributors consider opportunities for continuous improvement in their planning.
- Demonstrate value to customers.
- Include performance metrics that will accurately measure whether the plans are cost-effective and reliable and support public policy.

There are significant opportunities to enhance the Scorecard, including enhancing or adding metrics, setting clear targets, provide greater context on the desired range of

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<sup>24</sup> EB-2017-0129 Gas Supply Framework, Page 11.

<sup>25</sup> Specific, Measurable, Achievable, Relevant and Timely.

results for each metric, and quantifying the tangible benefits related to the outcomes achieved. Some examples proposed to Enbridge are included above. Enbridge is familiar with tangible outcome-based metrics that drive performance and transparency and the same principles apply to this scorecard.

Percentage of RNG is essentially zero<sup>26</sup> and is likely to remain a very small number as a percentage of system gas supply. Based on the trajectory of Enbridge to include RNG in its system, it is highly unlikely that RNG will make it even to 1%. It is recommended that a full review of the policy drivers and metrics related to RNG be conducted by the OEB and Enbridge. Enbridge's aspirational goal of 5% RNG does not appear to be on track and the % metric in the scorecard will likely remain at 0% for the foreseeable future. Enbridge confirmed that it has not undertaken any RNG potential updates since the 2021 study. Enbridge indicated that it believes that the RNG potential previously identified is still valid<sup>27</sup>. This will have a strong impact on Enbridge's RNG proposal since RNG potential in Canada/Ontario is very small compared to natural gas consumption. Very little RNG produced remains in Ontario for use. Setting goals that can't be achieved in reality could result in large ratepayer costs without the associated net emission benefits.

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<sup>26</sup> Enbridge previously confirmed results are 0.000002% RNG in the Enbridge system.

<sup>27</sup> 2024-07-02 Transcript EB-2024-0067 Stakeholder Conference, Page 175 lines 16-20.