

Elson Advocacy

BY RESS AND EMAIL

July 17, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

Re: EB-2024-0067 – Consultation to Review 2024 Annual Update to Five-Year Natural Gas Supply Plan of Enbridge Gas Inc.

I am writing on behalf of Environmental Defence to provide comments on the 2024 annual update to the gas supply plan.

IRP Options

Environmental Defence recommends that Enbridge include a section in its gas supply plans that explicitly sets out the gas transmission expansion projects it anticipates over a ten-year planning horizon, discusses how various gas supply options and decisions will impact the need for those transmission expansions, and describes all proactive steps that are being taken to keep supply-side alternatives to those capital projects open. This is important because gas supply decisions made today could impact the need for transmission expansions in the future. The most obvious example is with respect to proposed expansions of the Dawn-Parkway system (which carries gas from the Dawn hub near Sarnia to Parkway, near the GTA – see map in Appendix A). In many cases, the same demand growth that might be met with increased capacity on the Dawn-Parkway system could instead be met by securing gas supply from other delivery points, including Niagara and from Empress along the TC Mainline.

Enbridge has noted that upstream transmission supply has become tighter, such that upstream capacity that may be available today may *not* be available in the future. Therefore, we could be losing opportunities to avoid or defer a Dawn-Parkway capacity expansion project if we are not signing contracts today to secure alternative routes.

When this issue was raised in the consultation meeting, Enbridge noted that the IRP team reviews supply side alternatives. However, there is still a potential temporal problem. By the time the IRP team is reviewing supply-side alternatives, it may be too late to contract for those alternatives (or for the most cost-effective alternatives).

This is an area that deserves OEB attention because Enbridge's incentives are not aligned with customers incentives. Under the regulatory construct, Enbridge grows its earnings through

investment in capital. In contrast, customers benefit from cost-effective alternatives to capital. There is an inherent disincentive for Enbridge to adopt supply-side alternatives to capital spending and to exhaust all options when seeking out those alternatives. We are not saying that the Enbridge is intentionally sabotaging supply-side alternatives. Merely that OEB oversight should be focused on those instances where there is a potential mismatch between Enbridge and customer incentives. In the very least, Enbridge should be explicitly addressing the issue in its filing as detailed above.

Process Comments

In response to the OEB's invitation to provide observations on the consultative process and Framework, Environmental Defence requests that the gas supply planning process involve a hearing for each five-year cycle. The consultation process is less efficient and less effective than the normal hearing processes. For example, the normal interrogatory process would be much more efficient in comparison to the stakeholder meeting process. At the stakeholder meetings, Enbridge staff largely read from pre-prepared notes that attempt to address the questions that have been posed in writing. That requires intervenors to take at least an entire day to get answers to their questions. In contrast, interrogatory responses can typically be reviewed in a few hours, if that.

The stakeholder meeting process is also ineffective as it generates a far less clear record (i.e. a presentation and transcript). In contrast, interrogatory responses are better organized and much clearer. In addition, there is no effective avenue to obtain full discovery and make detailed submissions on contentious points. For example, we have only been able to explore the IRP issue discussed above at a very high lever. A hearing process would allow for much more detailed examination of the issue, and most importantly, an opportunity to ask the OEB for relief through an adjudicative process.

Thank you for the opportunity to provide these comments.

Yours truly,



Kent Elson

cc: Parties to the above proceeding

Appendix A

Figure 1: EGD Rate Zone Transportation Map

