

# Elson Advocacy

July 25, 2024

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. 2024 to 2028 Rates Application  
EB-2024-0111**

I am writing in response to Enbridge's letter of yesterday's date. Enbridge's letter responded to Pollution's Probe's objections to redactions made in a document filed in relation to the Hydrogen Blending Grid Study. In its letter, Enbridge states that "funding for the Hydrogen Blending Grid Study is not at issue in Phase 2 of Rebasing." Enbridge made similar assertions in its interrogatory responses and at the technical conference. Environmental Defence believes this is incorrect and that examination of the Hydrogen Grid Blending Study is clearly captured by issue 18. We ask that the OEB provide confirmation for the parties.

The history of this issue is relevant. The draft issues list initially included the following wording for issue #18: "Are the energy transition safe bet proposals with capital spending in the IRM term appropriate?" In its May 6, 2024 submissions on the issues list, Enbridge stated that it "does not accept" that issue and that there is no need for it. Enbridge also proposed the following alternative relief:

However, should the OEB not agree, then Enbridge Gas submits that the proposed issue #18 should be much more narrowly defined to ensure that the scope of what is examined is limited to what remains after Phase 1. In that regard, Enbridge Gas suggests that the issue would be focused solely on the proposed Hydrogen Blending Grid Study.<sup>1</sup>

In its decision on the issues list, the OEB stated as follows:

Most intervenors with the exception of VECC submitted that the issue should remain as proposed. The OEB agrees that the wording needs to scope the issue to ensure that matters reviewed in Phase 1 are not re-examined in this proceeding. Accordingly, the OEB has modified the draft issue to ensure sufficient delineation between Phase 1 and Phase 2 while reflecting the intent of the Phase 1 Decision.<sup>2</sup>

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<sup>1</sup> Enbridge Issues List Submissions, May 6, 2024, p. 5.

<sup>2</sup> EB-2024-0111, Decision on Issues List, May 30, 2024, p. 8.

The OEB revised the issue to read as follows:

18. Are the energy transition safe bet proposals with capital spending in the IRM term that were not addressed in Phase 1, such as the Energy Transition Technology Fund and the Low-Carbon Renewable Natural Gas Program, appropriate?

The Phase 1 decision spoke to this issue as follows (emphasis added):

Enbridge Gas's vision was for a diversified pathway towards net zero for Ontario, but recognized alternate views on how the energy transition will occur. Given this uncertainty, Enbridge Gas proposed a list of safe bet actions:

- Maximizing energy efficiency through demand side management programs
- Increasing the amount of renewable natural gas in the gas supply through a Low-Carbon Voluntary Program and supporting renewable natural gas upgrading
- Reducing greenhouse gas emissions from the industrial and transportation sectors via fuel switching and carbon capture and sequestration, including expansion of the Natural Gas Vehicle Program
- Integrating gas and electric system planning
- Supporting consumer choice and the energy transition journey, including:
  - Conducting a Hydrogen Blending Grid Study
  - Implementing Phase 2 of Enbridge Gas's Low Carbon Energy Project (hydrogen blending)
  - Establishing an Energy Transition Technology Fund
  - Maintaining the gas system via Integrated Resource Planning and scope 1 & 2 emissions reductions

...

The only safe bet proposal for which approval is specifically requested in Phase 1 of this proceeding is the proposed expansion of the Natural Gas Vehicle Program.

Enbridge Gas is seeking approval for the Energy Transition Technology Fund and the Low-Carbon Voluntary Renewable Natural Gas Program in Phase 2. Spending for several additional safe bet proposals is included in Enbridge Gas's capital expenditures over the rebasing term, although approval of these individual projects is not specifically requested. These will also be examined in Phase 2.<sup>3</sup>

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<sup>3</sup> EB-2022-0200, Decision and Order, December 21, 2023, pp. 15-16.

For the following reasons, it is clear that the Hydrogen Blending Grid Study is covered by issue #18:

1. Issue 18 includes safe bet proposals “not addressed in Phase 1.” The Phase 1 decision does not address the hydrogen study, including the issues raised by Environmental Defence regarding the merits of the spending and whether it is appropriate to include spending on a study in rate base as a capital cost.<sup>4</sup>
2. The hydrogen study is to be addressed in Phase 2 pursuant to this wording in the Phase 1 decision: “Spending for several additional safe bet proposals is included in Enbridge Gas’s capital expenditures over the rebasing term, although approval of these individual projects is not specifically requested. These will also be examined in Phase 2.” The hydrogen study is one of those safe bet proposals included in Enbridge Gas’s capital expenditures over the rebasing term for which approval was not specifically requested, which the OEB stated would be examined in Phase 2.
3. Enbridge’s own letter of May 6, 2024 refers to the hydrogen study as an issue that “remains after Phase 1.”<sup>5</sup>

We therefore request that the OEB confirm that the Hydrogen Blending Grid Study is included in issue 18. This would assist the parties in the next steps of this proceeding, including the settlement conference.

Thank you for the opportunity to make these submissions.

Yours truly,



Kent Elson

cc: Parties to the above proceeding

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<sup>4</sup> See e.g. Environmental Defence Phase I Submissions, September 19, 2023, pp. 47-48.

<sup>5</sup> Enbridge Issues List Submissions, May 6, 2024, p. 5.