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August 23, 2024

EB-2024-0111 Enbridge Rebasing Application – Phase 2
Pollution Probe Interrogatories on M1 Energy Futures Group Evidence

Dear Ms. Marconi:

In accordance with OEB direction, please find attached Pollution Probe's interrogatories on M1 – Energy Future Group evidence.

The following appendices have been filed in parallel:
PollutionProbe_IR_AppendixA_CSAClassificationReport_20240823
PollutionProbe_IR_AppendixB_MuncipalSlidesIRPPilot_20240823
PollutionProbe_IR_AppendixC_OEB_IRPTWG_2023Report_20240823
PollutionProbe_IR_AppendixD_NZAB_Principles_20240823

Respectfully submitted on behalf of Pollution Probe.

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EB-2024-0111

ONTARIO ENERGY BOARD

Enbridge Gas Inc.
Rebasing Phase 2

POLLUTION PROBE INTERROGATORIES
ON
M1 - ENERGY FUTURES GROUP (ED/GEC)

August 23, 2024

Submitted by: **Michael Brophy**

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M1-PP-1

Reference: **Maximize ratepayer benefits:** The LCEP should exclusively procure new RNG supply (not recontract for existing supply) and heavily prioritize the development of Ontario-based RNG sources to increase overall supply and maximize long-term benefits. [Page 2]

a) What approach is practical for the OEB to ensure that RNG is incremental to the current market. Wouldn't this take building specific RNG facilities from scratch that do not already have purchase or emission credit commitments to other market participants?

b) Given that the current RNG (or related emission credits if credits are stripped from RNG) is over subscribed and taken outside Ontario (e.g. for Fortis BC or US uses), how would Enbridge be able to ensure that any RNG purchased is incremental market supply.

c) Enbridge previously confirmed that RNG ceases to be RNG if the emission credits (attributes) are separated and sold off. What controls would be needed through an OEB Decision to ensure this does not occur?

d) Given the cost, current market demand and maximum blending of RNG proposed by Enbridge, would it not just be better to have Enbridge support the development of incremental RNG production rather than purchase it for mandatory blending targets in Ontario?

M1-PP-2

Reference: **Achieve the most cost-effective GHG reductions:** The LCEP should procure RNG based on the cost per tonne of avoided lifecycle GHG emissions to reflect the major variance in carbon intensity of different RNG sources and to minimize the cost of carbon emissions reductions. [Page 3]

a) Please confirm that the cost per tonne recommended to be used for RNG purchases is the full lifecycle emissions of the RNG (lifecycle emissions for production of the RNG, combustion, etc.) against the full lifecycle to of the baseline fuel (i.e. natural gas in the case of an Enbridge natural gas customer).

b) Please explain why a lifecycle calculation for GHG reductions is better than the approach proposed by Enbridge (i.e. counting emissions only from the end use natural gas combustion emissions displaced).

M1-PP-3

Reference: PollutionProbe_IR_AppendixA_CSAClassificationReport_20240823, Page 20.

Standards organisations such as CSA recognize lifecycle assessment for carbon (GHG) emissions as a best practice and notes that the International Organization for Standardization (ISO) has produced several emissions standard documets that are used in North America and across the world including the following which address use of LCA methods and calculation of GHG emissions, including:

- ISO 14040, Environmental management – Life cycle assessment – Principles and framework outlines the four phases of an LCA study, including goal and scope definition, inventory analysis, impact assessment, and interpretation. The framing of an LCA following ISO 14040 can apply to both attributional and consequential models.
- ISO 14044, Environmental management – Lifecycle assessment – Requirements and guidelines, outlines the details for conducting an LCA for practitioners.

a) Are the ISO standards noted above aligned with EFGs recommendations for recognized best practice standards for calculating lifecycle emissions for fuels used (including in Ontario)? If there are additional standards that the OEB should consider, please provide them.

b) Is using lifecycle analysis and calculations for emissions reductions a regulatory best practice that the OEB should apply for Enbridge low carbon fuels and GHG reduction comparisons? Please explain the answer.

c) What would be the impact if the OEB were to adopt the Enbridge proposed approach (natural gas displacement at end use combustion) over the more holistic lifecycle emissions approach to calculate net emission reductions.

M1-PP-4

Reference: **Achieve timely progress:** The OEB should require that Enbridge develop its approach to system pruning in consultation with the IRP Working Group within 6 months and begin implementation on a small pilot within 12 months.

a) Please comment on the importance of the OEB setting a specific time requirement (e.g. withing 6 months for approach and 12 months for a pilot) for developing the approach to system pruning in consultation with the IRP Working Group and implementing the pilot.

b) Enbridge has failed to implement the two IRP pilots prior to the end of 2022 as order by the OEB. What OEB controls would need to be in place for a pruning pilot to be more successful and implemented on time, compared to the other 2 IRP pilots that the OEB ordered in 2021.

M1-PP-5

References: M1 EFG Evidence Section 3 on ETTF and PollutionProbe_IR_AppendixD_NZAB_Principles_20240823

a) EFG warns of the dangers of simply approving spending on anything that reduces GHG emissions, i.e. the first in the list of Enbridge ETTF Criteria. The Net Zero Advisory Board also warns of actions that create “dead ends” by reducing GHGs in a manner that will not enable a Net Zero emission future (essentially locking in bad decisions). Is this principle the same as what EFG is flagging to the OEB? If not, please explain.

b) If the OEB were to provide incremental innovation funding beyond that which Enbridge already has through rates, would changing the first criteria from “Reduce GHG emissions” to “Aligns with Net Zero emissions” be more in alignment with best practice and support of the Energy Transition?

c) EFG highlights the inherent Enbridge bias towards shareholder profit and activities to prolong the natural gas system. What effective option are open to the OEB to overcome this bias if ratepayers funds were to be leveraged for innovation funding? Would decision making through an arm’s length or independent Advisory Group be one option?.

d) With arms length innovation funds already existing in the market, what incremental benefit is there for Enbridge to start another gas centric innovation fund (ETTF)?

M1-PP-6

References: M1 EFG Evidence Section 5 on IRP / system pruning and PollutionProbe_IR_AppendixC_OEB_IRPTWG_2023Report_20240823

a) EFG highlights the lack of progress since 2021 on Enbridge implementing the OEB required IRP Pilots and Enbridge's proposed approach to only consider a system pruning pilot in the future with the IRP TWG, rather than taking action now. What options could the OEB consider through the Phase 2 Decision or other mechanisms to get IRP on track, including advancing a timely pruning pilot?

b) IRP TWG comments in the most recent 2023 OEB IRP TWG Report mimic the concerns and lack of progress reflected in the OEB IRP TWG annual reports since 2021, as discussed in Phase 1 of the Rebasing proceeding. What approach does EFG recommend for the OEB to address those concerns?

c) Enbridge's Asset Management Plan continues to favor Capital gas infrastructure over IRP alternative and no version of the Capital plan has included a list of any IRP alternatives to be installed in lieu of traditional pipeline assets. What recommendations does EFG have for the OEB to fix this issue (e.g. mandatory minimum percentage of IRPAs, an independent audit of Enbridge processes and areas of improvement, etc.)?

d) Enbridge has identified their obligation to serve as a gas distributor as a barrier to IRP and system pruning. Would any of the following (or other) options be effective in resolving that barriers:
   - OEB explicitly identifies IRP alternatives as equivalent to providing gas service under the obligation to serve.
   - OEB ensuring that customers remaining on pipelines that are targets for pruning pay the full costs related to the continuance of those specific pipelines.

M1-PP-7

Reference: PollutionProbe_IR_AppendixB_MuncipalSlidesIRPPilot_20240823. Enbridge recently did a municipal presentation on the Southern Lake Huron IRP Pilot. Appendix B includes the context slides provided (full deck is available via Updated: 2024-06-28, EB-2022-0335, Exhibit I.PP-15, Attachment 1). Similar slides were used in other municipal presentations.

Please comment on EFGs views on the accuracy of Enbridge's claim that the Enbridge Diversified Scenario (per the Guidehouse Pathways to Net Zero report commissioned) provides a Net Zero option at a lower costs than the Electrification Scenario.

M1-PP-8

Reference: Enbridge Gas 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. [Phase 2 E1/T17/S1, Page 7]

Given the challenges Enbridge has encountered implementing IRP, identifying IRP alternative and even initiating IRP Pilot projects, what advice does EFG have for the OEB to ensure the timely incorporate energy transition sensitivity analysis into the Capital planning process.

M1-PP-9

a) In EFG's experience in other jurisdictions, what is the role of rate payers and the regulated utility to fund hydrogen production technologies?

b) Please comment on EFG's opinion of spending more rate payer funding on hydrogen projects and research before Enbridge has filed the results of the $16 million Hydrogen Study Enbridge has undertaken to inform whther parts of the systems can be compatible with blends of hydrogen.

c) In EFG's experience in other jurisdictions, what is the role of rate payers and the regulated utility to fund carbon capture utilization and storage (CCUS) technologies?

M1-PP-10

Reference: Exhibit I.1.10-PP-16 asked Enbridge to explain how low-carbon fuels can achieve net-zero if they have a lifecycle emissions value greater than zero.

Enbridge responded: Please see the response at Exhibit I.1.10-PP-15, part c) on how low-carbon technologies can support achieving a net zero economy. Similarly, each low-carbon fuel does not need to achieve net-zero on its own. Net removals of carbon dioxide from the atmosphere can be achieved where the biogenic emissions released from the combustion of biomass derived fuels, such as RNG, are captured and sequestered, which is often referred to as bioenergy with carbon capture and storage (BECCS). The negative emissions from BECCS can be used to net out GHG emissions remaining in the economy, which has been identified by Canada's Energy Regulator as playing an important role in achieving net-zero.

Please provide EFG's response to the question and perspective in relation to Enbridge's response.

M1-PP-11

Reference: Enbridge Gas intends to conduct a jurisdictional scan to review how other natural gas utilities present energy comparison data in their marketing materials and identify best practices. The Company will use this information to determine if further changes should be made, and will consider if additional energy technologies, such as, but not limited to, electric ccASHPs should be added. [Phase 2 E1/T16/S1, Page 23]

a) Please provides EFGs opinion on the value and likely impact of limiting the proposed jurisdictional scan only to gas utilities.

b) Given the broader fuel agnostic relevance of ccASHPs and other efficient and lower GHG emitting technologies, please provide any comments on the value of replacing Enbridge's proposal with a jurisdictional scan be conducted through an independent third party in partnership with the OEB, IESO and other relevant stakeholders (perhaps even the DSM SAG).