

Elson Advocacy

July 29, 2025

BY RESS

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700, P.O. Box 2319
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

Re: EB-2025-0058 – Responses to Interrogatories

Please find enclosed responses to the Interrogatories of OEB Staff, submitted on behalf of eMerge Guelph Sustainability.

Yours truly,



Kate Rose Siemiatycki

On behalf of eMERGE Guelph Sustainability

cc: Parties in the above proceeding

EB-2025-0058

eMerge Guelph Sustainability Responses to Interrogatories of OEB Staff

OEB Staff -1 eMerge Guelph Evidence

Reference: Procedural Order No.1, March 13, 2025
eMerge Guelph Evidence, July 2, 2025 Affidavit of Robert Blakeney
eMerge Guelph Evidence, July 2, 2025 Affidavit of Evan Ferrari
eMerge Guelph Evidence, July 2, 2025 Affidavit of Indigo Moran

Preamble:

Procedural Order No.1 stated “The scope of this proceeding will be focused on the OEB’s consideration of Enbridge Gas’s request for a new certificate for the City of Guelph, and Enbridge Gas’s request for the renewal of its franchise agreement with the City based on the terms and conditions of the Model Franchise Agreement. This proceeding will consider the views of the City and local residents as to whether there are compelling reasons to deviate from the terms and conditions of the Model Franchise Agreement in this City. Broad issues that may have implications for communities and natural gas consumers across Ontario, which are not specific to the City of Guelph, will not be within the scope of this proceeding.”

Question:

- a) Please discuss which specific terms and conditions of the Model Franchise Agreement to which eMerge Guelph seeks amendments.
- b) Please discuss how the issues raised in the filed affidavits are unique to the City of Guelph and warrant deviation from the terms and conditions of the Model Franchise Agreement.

Response 1(a)

This question asks eMerge Guelph to identify the “specific terms and conditions of the Model Franchise Agreement to which eMerge Guelph seeks amendments.” eMerge Guelph does not seek amendments to any terms of the Model Franchise Agreement, which would require a generic hearing. However, if the OEB chooses to impose specific terms in a franchise agreement between Enbridge Gas Inc. and Guelph in this proceeding, eMerge requests that the franchise agreement Guelph contain the deviations set out below.

eMerge Guelph is concerned with the following franchise renewal terms proposed by Enbridge:

- a. constraints on charging land-use fees in the event that amendments are made to allow such fees under Ontario Regulation 584/06;
- b. liability to cost-share gas infrastructure relocations needed due to conflicts with municipal infrastructure under clause 12(c); and

c. liability to undertake and pay for removal of decommissioned infrastructure under clause 15(b).

There are several modifications to the Model Franchise Agreement that could address these concerns. Some options include:

New term: adding a new conditional term that would permit the City to charge land-use fees in the event that O.Reg. 584/06 is amended during the Agreement term. Two examples of potential new terms include the following:

If O. Reg. 548/06 is amended to remove the prohibition on municipalities charging fees to gas distributors for the use of property with respect to pipes or works that are or will be located on a municipal highway, the Corporation may charge fees for the use of highways and may apply to the Ontario Energy Board (or an alternative body if so required by law) to set those fees.

If O. Reg. 548/06 is amended to remove the prohibition on municipalities charging fees to gas distributors for the use of property with respect to pipes or works that are or will be located on a municipal highway, the Gas Company shall pay any such fees duly enacted by the Corporation, subject to any limitations set out in law or by an order of the Ontario Energy Board.

s. 4: allow the municipality to submit a notice to Enbridge triggering a renegotiation process in the event that O.Reg. 584/06 is amended to remove the prohibition on municipalities charging fees to gas distributors for the use of highway lands

s. 12(c): modification to the current cost-sharing requirements for pipeline relocations to accommodate municipal infrastructure, including through elimination or reduction of the current 35% cost allocation to the City of Guelph

s. 15(b): modification to require removal of decommissioned parts of the gas system by Enbridge Gas upon request by the Corporation

eMerge submits that the most efficient and effective process to identify the appropriate modifications in this case would be through good faith negotiations between the two parties, which has not yet occurred. eMerge Guelph opposes the request by Enbridge Gas to impose certain terms and conditions on Guelph and will argue that the OEB should decline to approve this request and instead require Enbridge to engage in good faith negotiations with Guelph.

Response 1(b)

This question asks how the issues raised in the filed affidavits warrant deviation from the terms and conditions of the Model Franchise Agreement.

The full position of eMerge Guelph on why deviations from the Model Franchise Agreement are warranted will be contained in its submissions. However, at a high level, deviations are warranted primarily for the following reasons:

1. The terms sought by Guelph and eMerge Guelph are just, reasonable, and in the public interest.
2. The generic hearing that developed the Model Franchise Agreement did not consider circumstances specific to Guelph, such as its specific environmental and financial interests and policies.
3. The Model Franchise Agreement was developed over 25 years ago and the process to develop it did not consider important developments that have occurred since that time. This includes evolving knowledge and circumstances around methane gas consumption and the clean energy transition. Some of these factors may not be entirely unique to Guelph, but they are relevant to and are reflected in Guelph's own unique plans, policies, and interests.
4. The requested deviation that would require fees to be negotiated if O. Reg. 548/06 is amended is a very small deviation from Model Franchise Agreement, despite being important.

For further details on item 3 in the list above, see paragraph 35 of the Affidavit of Evan Ferrari, which is excerpted here for ease of reference:

35. I have been advised that the model agreement was developed in 2000. There have been many developments since then that could not have been considered when that agreement was developed. These developments include the following:
 - a. Most of the Guelph climate policies were enacted after the model franchise agreement was developed.
 - b. The climate science on which Guelph's climate policies are based has progressed considerably since 2000. For example, scientists are now much more certain about the link between climate change, extreme weather, and deaths.
 - c. The international climate agreements and national climate legislation that Guelph's climate policies are also based on have been made or enacted in the past 25 years. This includes the Paris Accord and the binding targets set in the *Canadian Net-Zero Emissions Accountability Act*.
 - d. There are now only 25 years until net-zero must be achieved in 2050. That is half the time we had to decarbonize back in 2000 when the model franchise agreement was developed. Now that we have far less time to decarbonize in order to avoid catastrophic climate change, the imperative and urgency to take steps such as avoiding fossil fuel subsidies is that much greater.
 - e. The future role of gas has also changed in 25 years. In 2000, gas was seen by some as a transition fuel that would help Ontario move away from coal. In 2000, it was

reasonable to think that there was time to use gas as a stepping stone toward full decarbonization. That is no longer the case. With the combustion of gas generating approximately one-third of Ontario's greenhouse gas emissions, and only 25 years until that must be eliminated, there must be an all-hands-on-deck approach to eliminate the combustion of fossil methane gas over the next two and half decades.

- f. Climate science about the harms of gas has also developed over the past 25 years. This includes science about the true size and impact of methane released to the atmosphere when it is extracted from the ground and when it leaks from pipelines.
- g. In 2000, gas was still considered by many to be a positive public good. In Guelph, that is no longer the case. Our politicians and civil society understand that fossil methane gas needs to be phased out over the next 25 years and that it should not be encouraged through subsidies.

Question 1(b) also asks how the issues raised in the filed affidavits are unique to the City of Guelph. Although it is not entirely clear, we have interpreted this question as asking how the issues raised in the affidavits are within the scope of the proceeding as set out in the excerpt from Procedural Order #1 contained in the preamble to the question. The scope of the proceeding as set out in that excerpt does not state that the issues must be "unique to the City of Guelph". Instead, it states: "This proceeding will consider the views of the City and local residents as to whether there are compelling reasons to deviate from the terms and conditions of the Model Franchise Agreement in this City. Broad issues that may have implications for communities and natural gas consumers across Ontario, which are not specific to the City of Guelph, will not be within the scope of this proceeding."

In the following paragraphs we have explained why the evidence is within the scope as set out by the OEB as we believe this is the intention behind this question, while also commenting on uniqueness. However, if we have misunderstood the question, we ask that OEB Staff contact us to discuss an amended response.

At a high level, the affiants provide evidence of the specific financial, health, safety and ethical impacts that an imposed franchise agreement would have on local residents, including young people in Guelph facing climate catastrophe, local business owners and taxpayers – all of which is specific to Guelph and the duties of the municipality to its electorate.

In addition, the affidavits speak to the City's duties that arise from its specific climate agenda and energy transition goals. Affiants Indigo Moran and Robert Blakeney represent the voices of those residents and taxpayers who have worked to advance climate action and oppose the proposed franchise agreement terms as inappropriate fossil fuel subsidies.

Evan Ferrari's affidavit outlines inconsistencies between the agreement terms sought by Enbridge and Guelph's policies. He also describes the beliefs and climate science behind Guelph's policies. Mr. Ferrari's affidavit further provides context relevant to the City's position on modifications to the duration of the agreement and/or inclusion of additional terms. Although some aspects of this

information may not necessarily be entirely unique to the City of Guelph, it is specific to Guelph and its unique policies, and relevant to why deviations from the Model Franchise Agreement are warranted.

In order to determine which agreement terms would best advance the public interest - defined as a balance between the Municipality's civic duties and the interests of Enbridge ratepayers - it is necessary for the Board to understand the central role that environmental policy plays in the City of Guelph's municipal planning and policy. Part of that is also recognizing the environmental context and science that drives Guelph residents to fight for local policies and programs that are consistent with the clean energy transition and limit the use and expansion of fossil fuels.

The evidence includes reports that discuss facts not necessarily unique to the City of Guelph. However, those reports are tendered in support of Guelph's unique policies and positions. We have pasted below paragraphs from the evidence to highlight the connection between those exhibits and factors specific and unique to Guelph and rationales to deviate from the Model Franchise Agreement (emphasis added with underlining):

Affidavit of Evan Ferrari

12. Guelph's plans to support electrification and end the combustion of fossil fuels are science-based, evidence-based, reasonable, cost-effective, and consistent with expert views on the feasible and optimal approaches to decarbonizing buildings. I have attached a report by the Canadian Climate Institute regarding decarbonization of buildings as **Exhibit "A"**, the contents of which I believe to be true. I have also attached a report by the Energy Futures Group as **Exhibit "B"**, and I believe the contents from pages 1 to 40 relating to the optimal pathways for decarbonizing the gas system to be true. These reports support Guelph's plans to end the combustion of fossil fuels and confirm that gaseous alternatives (renewable natural gas and hydrogen) can only replace a tiny fraction (i.e. less than 5%) of existing combustion of fossil methane gas.

...

14. Most importantly, the imposed agreement would rule out an important potential revenue stream. I have attached reports by the City of Toronto and the City of Ottawa regarding the charging of land-based fees for the use of highways, respectively as **Exhibit "C"** and **Exhibit "D"**. I believe the contents of these reports relating to land-based fees for pipelines to be true.

...

15. I have roughly estimated how much revenue Guelph could earn by charging land-based fees similar to other jurisdictions. I have applied the same approach as was used by the City of Ottawa in Exhibit D. Based on this, if we charged similar rates to Edmonton, the revenue could be over \$8.5 million per year and if they were similar to Saskatchewan it would be over \$3.5 million per year.

Affidavit of Indigo Moran

4. The potential future that I and my peers have to grapple with includes excess deaths, intensified natural disasters, and increased depression and suicidal ideation. Some of those dire consequences are outlined in a decision from the Court of Appeal in a case brought forward by young people like me, which is attached as **Exhibit "A"**, and which I believe to be true. ...

13. Given the seriousness of the potential impacts on my generation, I hope that the perspectives of youth like me on what's best for Guelph will not be ignored in this process and will instead be placed at the centre of the Board's considerations.

Enbridge asked that large swaths of eMerge Guelph's evidence be struck out. For example, with respect to Indigo Moran's affidavit, it stated that the "entire affidavit is out of scope and irrelevant to this proceeding." However, their affidavit provided the exact information that the OEB stated was within scope of this proceeding, namely "the views of ... local residents as to whether there are compelling reasons to deviate from the terms and conditions of the Model Franchise Agreement in this City." This evidence is both within scope, and an important perspective for the OEB to consider in rendering a decision on this application.

The positions of eMerge Guelph on the topics addressed in this interrogatory response are subject to refinement in final submissions and are not exhaustive.