



TRIBUTE ENERGY STORAGE INC.
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Vaughan, Ontario, Canada
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March 23, 2020

Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

ATTENTION: Board Secretary;

**Re: Tribute Energy Storage Inc. ("TESI")
Application for De-Designation of the Bayfield & Stanley Reservoirs
Response to Ontario Energy Board ("OEB") Staff Interrogatories
OEB File Number: EB-2019-0297**

In accordance with Procedural Order No. 1 ("PO1"), please accept this document as TESI's response to OEB Staff Interrogatories in the above noted proceeding, which were served to TESI and all intervenors on March 13, 2020. This document has been served on OEB staff and all intervenors by TESI on March 23, 2020, as directed by PO1.

Sincerely,

[Originally signed by]

Stephen J. Sangiuliano
Director, Project Management
March 23, 2020

Summary of Application & Hearing Process, & Closing Remarks

TESI has applied to the OEB to de-designate its Bayfield and Stanley porous rock reservoirs as natural gas Designated Storage Areas (“DSAs”), pursuant to section 36.1(1)(b) of the *Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sched. B* (“OEB Act”), due in most part to the unfavorable economics of natural gas storage, which were witnessed shortly after this designation was granted by the OEB in 2012, persisting to date, and forecasted into the foreseeable future. Instead, TESI is seeking to develop the reservoirs as Compressed Air Energy Storage (“CAES”) facilities, for which the Bayfield and Stanley landowners are fully aware and in support of, as demonstrated by their initial signed support letter in December 2017, requesting an Ontario Regulation (“O.Reg”) to inject and withdraw air in to and out of the reservoirs from the Ontario Ministry of Natural Resources & Forestry (“MNRF”).

TESI is in agreement with the summary provided by the OEB concerning the (i) Proceeding, (ii) Background, and (iii) Submissions as detailed in their most recent interrogatory submission served on TESI on all registered Parties to this proceeding, dated March 13, 2020. Where TESI feels that it should opine is in relation to the *Coordination of De-Designation and New Regulation*. As detailed in the account provided by OEB Staff, TESI has made a formal request to the MNRF for the issuance of an O.Reg under the *Oil, Gas and Salt Resources Act, R.S.O. 1990, c. P.12*. (“OGSRA”), to inject and withdraw air in to and out of the Bayfield and Stanley reservoirs in order to allow for the development of the reservoirs as CAES facilities.

TESI has requested that the OEB consider granting approval for the natural gas DSA de-designation conditional upon the issuance of the abovementioned OGSRA O.Reg by the MNRF. The recent OEB Staff submission states that it is unusual for the OEB to attach a condition to an approval for an event that is external and unknown, as is the case with the issuance of an O.Reg by the MNRF. As such, OEB Staff put forth two scenarios for consideration.

Scenario #1 entails the de-designation of the Bayfield and Stanley reservoirs without attaching any conditions pertaining to the issuance of an O.Reg. Alternatively, the OEB advanced Scenario #2, which TESI interprets as the OEB establishing a sunset date on the approval, allowing for the de-designation approval to take effect for 24 months following the date of the OEB Decision & Order on this application, in which time the issuance and royal proclamation of an O.Reg would solidify said approval, or, in the absence of such issuance and proclamation, the de-designation approval would no longer apply.

TESI agrees with the logic behind the OEB’S Scenario #2 as it is described above, and submits that the OEB Decision and Order would favor this condition, as it allows for a sufficient amount of time for TESI to obtain an OGSRA O.Reg from the MNRF. This Scenario #2 also secures the designation most appropriate for the economic prospects of the company, as well as the usefulness of these provincial assets, as it pertains to utilizing a provincial resource over a long term, which is in the broader public interest.