

Elson Advocacy

March 30, 2021

BY RESS

Ms. Christine Long

Board Secretary

Ontario Energy Board

2300 Yonge Street, Suite 2700, P.O. Box 2319

Toronto, Ontario M4P 1E4

Dear Ms. Long:

Re: EB-2021-0004 – 2021 Annual Update to Enbridge's Supply Plan

Enclosed please find the Environmental Defence interrogatories for the above matter.

Yours truly,



Kent Elson

EB-2021-0004
2021 Annual Update to Enbridge's Supply Plan
Environmental Defence Interrogatories

Interrogatory 1

Reference: Page 11

Questions:

- (a) Please provide a break-out of the percentage of Ontario's gas that is extracted in the U.S., Alberta, Saskatchewan, and B.C. Please also provide the figures in m3. Please provide the data for the most recent year available. Please make estimates and assumptions as needed.
- (b) Please discuss whether this break-out is expected to change in the future.
- (c) Please provide the percentage of Ontario's gas sourced from Empress vs. Dawn.

Interrogatory 2

Reference: Page 13, figure 3

Questions:

- (a) Please provide the historical and forecast consumption per customer from 2010 to 2045 for residential, commercial, industrial, and power sector customers.
- (b) Please provide a table showing the historical and forecast number of customers from 2010 to 2045 (or as far out as possible) for each customer type (residential, commercial, industrial, and power sector).

If necessary, power sector customers can be included under industrial customers.

Interrogatory 3

Reference: Page 13, figure 3

Questions:

- (a) Please provide the historical and forecast consumption by the power sector in each year from 2015 to 2045. Please express this in m3. Please also include a row showing the GHG emissions arising therefrom.
- (b) Please provide the historical and forecast design day by the power sector in each year from 2015 to 2045. Please express this in m3.
- (c) Please provide the historical and forecast annual demand by the power sector in each year from 2015 to 2045. Please express this in m3.

- (d) Does the increase in power sector gas demand illustrated in figure 3 represent new gas burning generation facilities or greater utilization of existing facilities? Please discuss the percentage increase attributable to each.
- (e) Please discuss how gas plants are accounted for in design day analysis. For example, are they assumed to be running at full capacity on the design day?
- (f) Ontario is planning to ramp up the use of existing gas plants. Will this have an impact on Ontario design day demand?
- (g) Do Ontario's gas plants generally have contract that allow them to operate at 100% capacity at any hour of the year, such that Enbridge is required to fulfill that requirement if needed? Please explain and discuss these contracts.

Interrogatory 4

Reference: Page 13, figure 3

Questions:

- (a) Please file a copy of all of Enbridge's long-range gas demand and gas consumption forecasts. Please include Enbridge's 20-year forecast.
- (b) Please provide a table with the numbers underlying figure 3. Please also provide those figures in m3 instead of PJ.
- (c) Please provide a table comparing Enbridge's gas demand and consumption forecasts with the one in figure 3.

Interrogatory 5

Reference: Page 14

Questions:

- (a) Please discuss Enbridge's strategy in choosing between spot market gas purchases and long-term contracts?
- (b) What is the average term length for Enbridge's gas supply contracts?
- (c) What is the longest term fixed price gas contract that Enbridge has for Ontario customers?
- (d) A fixed price contract is one means to hedge against future price increases. What kind of premium or price is paid for this hedge benefit? Please provide an amount on a m3 basis. Please provide an answer depending on the length of a fixed price contract.
- (e) What other kinds of hedging vehicles are available to protect against future gas price increases? Generally speaking, what is the value that the market attaches to such a benefit?

Interrogatory 6

Reference: Page 14

Questions:

- (a) If the GHG emissions arising from the extraction of fossil gas (e.g. in Western Canada or the United States) were to be taxed at \$200/tonne CO₂e, how much would this add to the price of fossil gas? Please provide all figures.
- (b) Please discuss the possibility that the GHG emissions arising from the extraction of fossil gas will be taxed in the future.
- (c) Please discuss whether or not Enbridge believes this is a risk that should be hedged against for the sake of protecting Ontario consumers.
- (d) Please discuss the GHG emissions arising from the extraction of shale gas versus traditional gas. Please provide Enbridge's best estimates of the amounts of CO₂e per m³ for each. If necessary, estimates for different regions can be provided.

Interrogatory 7

Reference: Page 26

Questions:

- (a) Is Enbridge proposing to purchase SNG this year?
- (b) If Enbridge proposes SNG in the future, will it seek OEB approval first?
- (c) Does SNG have a lower carbon footprint?
- (d) What is the CO₂e arising from the extraction of SNG versus the average for other fossil gas?
- (e) Does Enbridge believe the term sustainable could be interpreted to mean that SNG has a lower carbon content or zero carbon content?

Interrogatory 8

Reference: OEB Staff Report, EB-2019-0137, p. 28

Preamble:

The OEB staff report stated:

“OEB staff recommends that Enbridge’s evaluation matrix be expanded to identify and describe any infrastructure investments (in whole or in part) that may result from each of the proposed options that are being evaluated. It is OEB staff’s expectation that the expanded evaluation matrix would be used starting in Enbridge’s 2020 Annual Update. OEB staff also recommends that Enbridge clearly identify existing vs. proposed supply options starting in its 2020 Annual Update.”

Questions:

- (a) Please confirm whether and how Enbridge has fulfilled the above recommendation.

- (b) Is Enbridge proposing any upgrades to the Dawn-Parkway system that it would apply for between now and 2025?
- (c) Is Enbridge considering any upgrades to the Dawn-Parkway system that it would apply for between now and 2025?
- (d) If the design day demand forecasts set out on page 23 of the annual update were flat or falling, could any projects in Enbridge's latest Annual Maintenance Plan be deferred? If yes, please indicate which and explain why for each.
- (e) Are there any projects in Enbridge's Annual Maintenance Plan that could be addressed through different gas supply options instead of infrastructure investments? If yes, please indicate which and identify each.

Interrogatory 9

Reference: Page 22 & 23

Questions:

- (a) Please provide a breakout of the annual and design day demand forecasts for each zone by customer type to show which sectors are generating the increase in demand.
- (b) Please provide a table comparing the annual forecast change in annual demand versus design day demand.
- (c) Please explain any differences between the rate of change in annual and design day demand.

Interrogatory 10

Reference: Page 8

“Gas Supply plays a major role in planning and execution of the gas supply plan for the utility, with expenditures of more than \$2 billion annually.”

Questions:

- (a) Please provide the total historical and forecast cast supply costs for the past five and future five years.
- (b) Please provide the historical and forecast annual average price per m3 paid by Enbridge for the past five and future five years.
- (c) If Ontario gas demand were to decline by 10%, what percentage impact would that have on the price of gas in Ontario? (The impact will be very small in percentage terms, but can be calculated.) Please provide an answer on a best efforts basis.