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July 30, 2024

**EB-2024-0139 - Consultation to Review EPCOR Natural Gas Limited Partnership's ("EPCOR" or "ENGLP") 2024 Annual Gas Supply Plan Updates - Aylmer and Southern Bruce
Pollution Probe Interrogatoires**

Dear Ms. Marconi:

In accordance with OEB direction, please find attached Pollution Probe's Interrogatories to EPCOR.

Respectfully submitted on behalf of Pollution Probe.

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cc: EPCOR Regulatory (via email)
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ONTARIO ENERGY BOARD

**Consultation to Review EPCOR Natural Gas Limited Partnership's
("EPCOR" or "ENGLP") 2024 Annual Gas Supply Plan Updates
Aylmer and Southern Bruce**

POLLUTION PROBE INTERROGATORIES

July 30, 2024

**Submitted by: Michael Brophy
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Consultant for Pollution Probe

A) Questions related to the EPCOR's Aylmer 2024-2028 Gas Supply Plan

Please note that some of the EPCOR/ENGLP questions included in Part A relate to EPCOR/ENGLP opinions or plans in general. If the response to those questions would vary between the Aylmer and South Bruce Gas Supply Plans, please indicate in the response. Otherwise Pollution Probe will assume that EPCOR/ENGLP response would apply to both areas and EPCOR/ENGLP in general.

Pollution Probe #1

Please explain how ENGLP has modified its approach, inputs and analysis in the 2024 Gas Supply Plan to reflect the current and accelerating impacts of the Energy Transition.

Pollution Probe #2

Per Figure 1 and Section 5.2, the majority of gas supply (particularly during peak demand periods) is from the Enbridge system.

- a) Enbridge is requesting the ability to cross-subsidize RNG purchases as part of its gas supply in the 2024 Rebasing Phase 2 proceeding [EB-2024-0111]. Does EPCOR support cross-subsidizing more expensive RNG for blending in the gas network or support it being a customer choice to procure RNG? Please explain the response.
- b) Enbridge has proposed that it gradually be allowed to blend more costly RNG into its system and pass the higher costs along to customers. If approved, what impact would this have on the ENGLP system and customers?
- c) Enbridge is undertaking a study to support migrating its system to hydrogen by 2050 [Reference: EB-2022-0200 Exhibit 1.10.5.2_Pathways to Net-Zero Emissions for Ontario_BLACKLINE_20230421]. If Enbridge proceeds with that plan, what impacts will that have on the ENGLP system and customers?

Pollution Probe #3

Reference: "In December 2022, EPCOR finalized the local supply contract with a local RNG producer. The RNG producer is expected to generate approximately 11% to 12% of total system demand by 2024". [Annual Update to the 2020-2024 EPCOR (Aylmer) Gas Supply Plan Filed: 2023-04-28 EB-2023-0111 Page 17 of 48]

Please provide an update on the amount of RNG (m3, GJ and percent of system demand) in the Updated Gas Supply Plan.

Pollution Probe #4

Reference: EPCOR recognizes the importance of Greenhouse Gas (GHG) abatement across the province, as well as the role that EPCOR plays in supporting the achievement of GHG emission reduction targets. [Section 6.1]

- a) Does EPCOR believe that carbon (i.e. GHG) reductions/emissions (including from RNG displacement of natural gas) should be calculated on a lifecycle basis or a different methodology? Please explain why.
- b) Is EPCOR aware of existing standards for calculating GHG reduction that apply to the use of RNG? If yes, please provide a copy.
- c) If the OEB were to develop guidelines related to accounting for RNG (including net emissions reduction values), would EPCOR find value in that, or would EPCOR prefer to develop such guideline independently?

Pollution Probe #5

Reference: In Q3 of 2023, EPCOR started receiving RNG into its distribution system. However, EPCOR is not purchasing the environmental attributes of this RNG gas. As such, EPCOR will purchase the RNG as another source of local supply, and will not take ownership of the environmental attributes generated from the production of RNG. [Section 6.1]

- a) Please confirm that EPCOR is just providing access for RNG to be transported (i.e. claimed) by parties outside its system when it provides RNG access to its system.
- b) Please confirm that RNG generated in Ontario and being injected into the EPCOR system is being exported (actually or nominally) outside of Ontario to jurisdictions such as BC and the US.
- c) Please confirm that given the RNG environmental attributes are not flowing to EPCOR, that the methane in its system is not being treated as RNG (i.e. is counted as regular natural gas for emissions purposes).
- d) RNG typically ceases to be RNG once the environmental attributes are striped from it. Please confirm that EPCOR is not procuring RNG, but simply enabling access to the gas system and augmenting its supply of methane equivalent to natural gas).

Pollution Probe #6

Reference: When preparing the 2023 update, EPCOR included commentary regarding plans to submit a DSM proposal in its next cost of service filing for Aylmer (or in a separate standalone proceeding), where the plan, the financial impacts and ratemaking implications can be addressed. While this was the intent, EPCOR is not currently ready to do so. This is largely attributable to the transitional state of the DSM framework for natural gas customers in Ontario, and specially the Enbridge DSM supplemental application to be filed in 2024. [Section 6.2]

- a) Given that ENGLP is at the early stages of DSM development/delivery, why would it not be more appropriate to initiate a baseline level of DSM in the Rebasing application rather than delay DSM initiation further?
- b) Regardless of the barriers ENGLP has encountered, why is it not reasonable to include an estimated DSM approach in the ENGLP Cost of Service application so that details can be sorted out during the term. An issue with excluding DSM entirely is that it delays potential implementation and flexibility to develop programs/partnerships real time during the new Cost of Service term.
- c) Please explain why ENGLP would not consider a DSM Vairnace Account in its Rebasing application to provide flexibility and the ability to initiate DSM during the new term.
- d) Despite over \$160 million per year and over 150 FTEs, Enbridge has been struggling to accelerate DSM to the level that the OEB indicated it expects and in alignment with cost-effective DSM available. This is a different paradigm from where ENGLP will start in its first DSM term given its limited experience with DSM. Please comment on why it is reasonable to allow Enbridge's struggles to hold back DSM initiation at ENGLP.
- e) Please provide an update on the development and specific stakeholder (customers, consultants, partners, LDC, government, etc.) engagement activities related to EPCOR's DSM proposal for its next cost of service filing for Aylmer.

Pollution Probe #7

Reference: After engaging third party vendors, as well as investigating potential collaboration with both Enbridge and the IESO (in response to the Minister of Energy's letter of direction as noted above in section 8.2), EPCOR believes that a collaborative, consistent program offering would be of best interest to its customers and the most effective way to deliver this would be through a shared arrangement with a larger provider. [Section 6.2]

- a) Please provide details of discussions and planning with related parties (including IESO and/or Enbridge) and what barriers ENGLP is navigating to get progress with those stakeholders on coordinated DSM efforts.
- b) Please provide a copy of all correspondence with Enbridge and IESO related to potential coordination on DSM.
- c) Please identify if ENGLP has requested deliver of DSM through (or with) IESO and what the outcomes of those discussions have been. Please explain why this did not result in DSM programs for its next Cost of Service application.
- d) If the barriers to coordinate with Enbridge and/or IESO are not able to be overcome by EPCOR, what is Plan B?

Pollution Probe #8

Reference: This Supply Plan does not include potential impacts of future IRP projects. [Section 6.6]

If an IRP alternative was available (e.g. cold climate air source heat pump) in the ENGLP franchise area that was more costs effective than traditional gas pipelines, would ENGLP be open to delivering that customer solution and be compensated using an incentive mechanism? If no, please explain. If yes, could this be applied in the upcoming Cost of Service term?

Pollution Probe #9

Reference: The Ministry of Energy confirmed in February 2022 that it is working on a Natural Gas Policy Statement which was a recommendation of the *Electrification and Energy Transition Panel's* final report.

- a) Is EPCOR aware that the Ministry is working on the Natural Gas Policy Statement which was a recommendation of the *Electrification and Energy Transition Panel's* final report? If yes, when and how did it become aware?
- b) What participation and communications has EPCOR had with the Province of Ontario (including Ministry of Energy) on implementing elements of the EETP and development of the Natural Gas Policy Statement?
- c) Please provide a copy of all materials (submissions, letters, presentations, briefing notes, etc.) provided by EPCOR/ENGLP to the Province (including Ministry of Energy) on the EETP and Natural Gas Policy Statement, since the EETP was completed.
- d) What coordination/correspondence has EPCOR had with Enbridge, Ontario Enenergy Association or other industry stakeholders related to the Natural Gas Policy Statement. Please provide copies of the correspondence.
- e) What impacts if any does EPCOR expect the Natural Gas Policy Statement to have on its natural gas business in Ontario?
- f) When does EPCOR expect the Natural Gas Policy Statement to become available?

Pollution Probe #10

Reference: ENGLP Aylmer Performance Metrics Scorecard

- a) Please provide a summary of any scorecard metrics that have been updated since the last plan.
- b) Please provide what metrics EPCOR is considering for measurement of the DSM scorecard metric given that the DSM programs are currently being developed.

B) Questions related to the EPCOR's Southern Bruce 2024 Annual Update to the Gas Supply Plan 2023-2025

Pollution Probe #11

Please summarize in a table any feedback provided on the last Gas Supply Plan version (e.g. 2023 OEB Staff and other stakeholders) and indicate where any of such feedback was adopted into the 2024 Gas Supply Plan update.

Pollution Probe #12

Please explain how ENGLP has modified its approach in the 2024 Update to the Gas Supply Plan to reflect the current and accelerating impacts of the Energy Transition.

Pollution Probe #13

Is ENGLP aware of the potential for RNG production in the South Bruce area? If no, why not. If yes, please provide details.

Pollution Probe #14

Reference: ENGLP South Bruce Performance Metrics Scorecard

- a) Please provide a summary of any scorecard metrics that have been updated since the last plan.
- b) Please provide what metrics EPCOR is considering for measurement of the DSM scorecard metric given that the DSM programs are currently being developed.

Pollution Probe #15

The OEB has regularly recommended that EPCOR continue to explore opportunities to engage with local suppliers for RNG to identify potential opportunities (including costs and benefits).

Please provide copies of marketing materials, correspondence or other tools that ENGLP has used to enhance awareness and potential partnerships to expand RNG production in Ontario.