

PERFORMANCE METRICS AND COST INFORMATION

1. Enbridge understands that the Board will assess Compliance Plans based on diversity of compliance options, value extraction from GHG abatement activity investment, cost-effectiveness, customer protection (compliance), flexibility and continuous improvement. This exhibit outlines the data and an additional performance metric in conjunction with anticipated contextual, qualitative insights that Enbridge anticipates to be required by the Board to assess Enbridge's Compliance Plan implementation performance and costs.
2. As outlined in Exhibit B, Tab 1, Schedule 1, Enbridge has submitted a one-year Compliance Plan. As such, the forecast Compliance Plan costs that are shown in this exhibit are for 2017 only.

[REDACTED]

[REDACTED]

Witnesses: A. Langstaff
J. Murphy
F. Oliver-Glasford

[REDACTED]

[REDACTED]

6. As requested in Appendix A: Filing Guidelines, Enbridge has drafted a template report for Compliance Plan Forecast versus Actuals which is illustrated in Exhibit D, Tab 1, Schedule 1 for purposes of the annual monitoring and reporting activity. 2017 forecast or “plan” numbers are detailed in Exhibit C, Tab 3, Schedule 2, and Exhibit C, Tab 3 and Schedule 3.

7. After detailed review of both the Cap and Trade Regulatory Framework for the Assessment of Costs of Natural Gas Utilities’ Cap and Trade Activities and the accompanying Filing Guidelines for Natural Gas Utility Cap and Trade Compliance Plans, Enbridge proposes one additional performance metric at this time.

8. Enbridge submits that an appropriate performance metric for 2017 given the nascent state of the market, many variables at play in terms of linkage and California’s status in Cap and Trade, and Enbridge’s experience in carbon markets

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is the carbon allowance “soft” ceiling price of \$66.49. This adequately captures the full cost efficiency of the Compliance Plan.

9. It should be noted that many aspects of the market and thus total compliance costs are outside of Enbridge’s control and/or too difficult to mitigate as further discussed in Exhibit C, Tab 4, Schedule 1. Furthermore, Enbridge must seek to ensure compliance as its number one goal, which may depending on market forces and the demand/supply dynamic not necessarily be appropriate to benchmark against ICE, or market clearing prices. Enbridge will approach the compliance activities earnestly, diligently and with professionalism, striving to protect customers’ interests.
10. Enbridge recognizes that with experience there will be evolution in the performance metrics considered. Noting the Board’s remarks that:

the OEB intends to establish a working group that will consider, among other things, the need for and design of potential new metrics for evaluating the Utilities’ Plans and performance.

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