

COMPLIANCE PLAN – ABATEMENT ACTIVITIES - FACILITY

1. Enbridge recognizes that abating Greenhouse Gas (“GHG”) emissions from its own operations is part of helping the province reach its GHG emission targets, as well as a tool to reduce Enbridge’s overall Cap and Trade compliance obligation. Enbridge has already completed several key projects that have reduced facility-related GHG emissions to 20% below what they were in 1990. This includes the complete replacement of cast iron pipe, replacement of pneumatic controllers, and efforts to reduce fugitive emissions through damage prevention and improved leak detection and repair programs.
2. Enbridge also recognizes that GHG abatement may be required to meet the proposed federal methane regulations. These regulations are expected to be available in draft format in 2017, with phase in of the regulation as early as 2018 to 2020, and are expected to cover Enbridge’s gas storage facilities. Although Enbridge understands that distribution is excluded from the covered sectors in the initial phase of the regulations, it may be included in future years.
3. Enbridge notes that its facility related obligations represent approximately only 1% of its total obligations under the Regulation.
4. As part of Enbridge’s asset management program, ongoing asset replacement and upgrade projects are undertaken. Often these measures have the added benefit of reducing gas loss from distribution assets. Enbridge will leverage these projects to maximize the existing investment that is already built into the Company’s Custom Incentive Regulation.

Witnesses: J. Murphy
E. Naczynski

5. Enbridge has developed a multi-department team to discuss abatement opportunities for facility-related GHG emissions. This team is working to develop a list of potential abatement opportunities. These opportunities may include asset replacement or upgrade, improved asset or work management practices and implementation of new technologies in order to decrease fugitive, vented, combustion or flared emissions.
6. Facility-related abatement opportunities identified will be reviewed for feasibility. The feasibility review will include determining the potential amount of GHG emissions reductions that could be achieved with the project and capital and operating cost requirements. This will then be used to determine the cost per tonne of GHG emissions for the project. Further analysis will include a review of additional factors, including but not limited to safety, training requirements, and ongoing maintenance requirements.
7. The outcome of this effort will be a list of facility-related abatement opportunities that includes a feasibility analysis and a cost per tonne of GHG reductions. This list will be used to prioritize the opportunities for inclusion in future year Compliance Plans. It is expected that this will be an ongoing effort that will be updated on a frequent basis as new opportunities present themselves or if/when regulatory requirements, such as the introduction of new methane regulations, change.
8. In addition to the development of the facility-related abatement opportunities, Enbridge is working to develop a mechanism to begin reviewing the impact on GHG emissions of all asset management projects. This is expected to be completed in 2017.

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9. As the above mentioned activities are still in early stages, Enbridge has not included any long-term facility related abatement programs in the 2017 Compliance Plan, however it does intend to include both short and long-term facility-related abatement programs in future Compliance Plan filings. Longer term planning will be required to implement abatement opportunities such as renewable natural gas, which will reduce both customer and facility-related obligations, and projects to reduce venting and fugitive emissions. A discussion on longer term investments is included in Exhibit C, Tab 5, Schedule 1.

Witnesses: J. Murphy
E. Naczynski