

BOARD INTERROGATORY #21

INTERROGATORY

Issue 2 - Monitoring and Reporting – Are the proposed monitoring and reporting processes reasonable and appropriate?

Topic: Monitoring and Reporting

Ref: Exhibit D, Tab 1, Schedule 1, p. 1, #2

Preamble:

Enbridge indicates that its annual monitoring report will capture all compliance instruments transactions throughout the year.

Questions:

- a) Please discuss whether Enbridge's monitoring and reporting processes will include monitoring and reporting of its customer-related and facility-related abatement activities.
- b) Does Enbridge have any concerns with the proposed reporting templates outlined in Union Gas Limited's Compliance Plan application – EB-2016-0296, Exhibit 4, Schedules 1 and 2? Please explain.

RESPONSE

- a) Enbridge's monitoring and reporting processes will include monitoring and reporting of customer-related and facility-related abatement activities. Such draft reporting and monitoring templates have been outlined in Exhibit D, Tab 1, Schedule 1, Table 3.
- b) Enbridge has reviewed Union Gas Limited's ("Union") proposed templates and does not have any immediate concerns. Enbridge notes that Union's templates are similar; however, subtle differences in each company's approach to the calculation and presentation of some metrics exist. These differences in approach may be necessary due to the company's method of data collection.

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

Enbridge is open to discussing the further development and refinement of these monitoring and reporting templates for the purposes of tracking the Utilities' Compliance Plan. On page 37 of the Board's Framework paper, it is suggested that the Ontario Energy Board's Cap and Trade Working Group will look to further refine the Monitoring and Reporting metrics. Enbridge is agreeable to discussing its Monitoring and Reporting templates if it is felt that additional transparency of the Company's compliance activities might be achieved. Enbridge also believes that these templates will continue to evolve as the Company gains more knowledge and familiarity with the Cap and Trade program.

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

BOARD INTERROGATORY #22

INTERROGATORY

Issue 2 - Monitoring and Reporting – Are the proposed monitoring and reporting processes reasonable and appropriate?

Topic: Monitoring and Reporting

Ref: Exhibit C, Tab 3, Schedule 4, p. 3

Preamble:

Enbridge indicates that Green Investment Fund (GIF) activities will be similar to Enbridge's existing DSM offering, the Home Energy Conservation program, and will be available to all customers regardless of primary fuel type. GIF funding will also support incentives for adaptive thermostats and educational / behavioural-based GHG reductions.

Enbridge has identified 13,043,500 m³ of annual GIF-related program savings in 2017, indicating that this was a test case on reporting and submitting verified volume reductions and will be documented in the annual monitoring and reporting submitted to the OEB and used for true up purposes.

Questions:

- a) Please indicate how Enbridge intends to measure & verify the energy savings and carbon reductions achieved for non-Enbridge customers by the GIF program.
- b) Please indicate how Enbridge intends to measure & verify the energy savings and carbon reductions achieved for Enbridge customers by the GIF program, both in terms of the rebates offered for equipment not covered by DSM programs or the incremental rebate levels for measures that are included in DSM programs.

RESPONSE

- a) In the case of non-Enbridge customers, energy savings resulting from the GIF funded Home Energy Conservation plan are measured and verified in much the same manner as Enbridge's existing DSM offering. Energy savings estimates are

Witness: J. Tideman

determined based on pre and post modelling of the participants' homes using NRCan's Hot2000 energy modelling tool. Modelled post-retrofit energy use is subtracted from modelled baseline energy use to determine energy savings (and in turn carbon reductions) for each participant. Savings for each participant are aggregated on an annual basis to determine the total impact of the program. Periodic verification of results will be conducted by an independent third party evaluator in line with the verification approach employed for the DSM Enbridge customer program. The verification should include desk reviews of tracking data and modelling files as well as participant and energy auditor surveys to verify calculation inputs and assumptions.

- b) In the case of savings generated from eligible measures in the GIF program not currently included in the DSM program (e.g., Air Source Heat Pumps, High Efficiency Space Heating upgrades for propane, oil and wood fuels), NRCan's Hot2000 tool will be used to conduct pre-retrofit and post retrofit audits of the home to calculate energy savings generated from the particular combination of measures upgraded for each project. Beyond the DSM program verification, the scope of work for the verification of GIF results, to be conducted by an independent third party evaluator, will include the assessment of savings generated for equipment not covered by the DSM program. The verification should include desk reviews of tracking data and modelling files as well as participant and energy auditor surveys to verify calculation inputs and assumptions.

Participants in the Climate Literacy and Awareness campaign will be evaluated based on the data provided by Opower at the end of each heating season. Reports will summarize the impact of the program on energy consumption and GHG emissions. OPower will also supply the necessary information to a third party evaluator of the recipients choosing in order to verify that program results align with Ontario Energy Board protocols.

BOMA INTERROGATORY #22

INTERROGATORY

Issue 2

Ref: Monitoring and Reporting

- (a) Please confirm that EGD is of the view that its annual monitoring report should be made public. If not, which parts of the report would not be made public; which parts would be made public, and why?
- (b) Please confirm that the Monitoring and Reporting Reports of GIF driven emissions reduction, as well as the methodology used to determine those reductions, with sample calculations, will be available to the public.

RESPONSE

- (a) Enbridge is of the view that the annual monitoring reports may be a mixture of confidential information and commercially sensitive information which may be available to intervenors that are not market participants, through the Board's Practice Direction and Rules in respect of Confidential filings. For example, the Transaction Logs should remain auction confidential as per the *Climate Change Act*. However, the average weighted cost per compliance instrument may be an item that could be produced subject to confidential treatment by the Board under its Rules and Practice Direction given the commercial sensitivity of such information. As experience in the market grows, what should and should not be confidential at varying levels, may be better understood.
- (b) Enbridge will be preparing GIF reports for the Ministry of Energy. These and other information will likely be produced for the verification of GIF results which will occur in 2018.

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

BOMA INTERROGATORY #23

INTERROGATORY

Issue 2

Ref: Deferral and Variance Accounts

Why would EGD not commit to the clearance of any balance in its variance account at the same time each year, namely the Spring 2018 true-up for its 2017 variance accounts, in order to guarantee that customers would quickly obtain the potential advantage of the previous year cap and trade optimization work, and avoid needless confusion?

RESPONSE

Please refer to Board Staff Interrogatory #24, filed at Exhibit I.4.EGDI.STAFF.24, which articulates Enbridge Gas Distribution's proposal with respect to the disposition of Cap and Trade related deferral and variance accounts.

Witnesses: A. Kacicnik
R. Small

BOMA INTERROGATORY #24

INTERROGATORY

Issue 2

Ref: Cost Recovery/Prudency

When, in EGD's view, should the Board review the prudency of the costs incurred in implementing the 2017 compliance plan? In the Spring 2018 true-up of 2017 deferral accounts and related matters; if not at that time, and what other time?

RESPONSE

Please refer to Board Staff Interrogatory #24, filed at Exhibit I.4.EGDI.STAFF.24, which articulates Enbridge Gas Distribution's proposal with respect to the disposition of Cap and Trade related deferral and variance accounts.

Witnesses: A. Kacicnik
R. Small

SEC INTERROGATORY #14

INTERROGATORY

With respect to potential conflicts of interest:

- a. Does Enbridge expect any of its affiliate or other related parties to be registered market participants? If so, please provide details.
- b. Please provide details of arrangements or protocols Enbridge will have in place to ensure that ratepayers are protected from any Cap and Trade related transactions with an Enbridge affiliate or related parties.
- c. Please explain if Enbridge believes any motorizing and reporting is appropriate.

RESPONSE

Enbridge has been communicating with its affiliates and confirmed that they are not registered as market participants. Enbridge is developing plans to be more formalized in its approach. Enbridge is aware of and subject to the provisions of the *Climate Change Act* that apply to related persons and to the protection of the carbon market. In the event that an affiliate registers as a market participant, the Company would undertake any required changes to comply with the Act.

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