

CONFIDENTIALITY

1. It is clear from both *The Climate Change Mitigation and Low-carbon Economy Act, 2016* (“Climate Change Act”) and from the Report of the Board in respect of the Regulatory Framework for the Assessment of Costs of Natural Gas Utilities’ Cap and Trade Activities (EB-2015-0363) (“Framework”) that certain activities which Enbridge will necessarily undertake to meet its Cap and Trade obligations must be done in a manner which ensures the integrity of the market and is in confidence. The Climate Change Act contains specific prohibitions against conduct which would constitute a market fraud or market manipulation. It also contains specific prohibitions against the disclosure of certain types of information under Section 32. Specifically, sub-sections 32(6) and (7) state as follows:

(6) No person shall disclose whether or not the person is participating in an auction.

(7) No person shall disclose information relating to the person’s participation in an auction, including the person’s identity, bidding strategy, the amount of the person’s bids for a specified quantity of emission allowances and the financial information provided to the Director in connection with the auction.

2. Subsection 32(9) of the Climate Change Act states that subsections (6), (7) and (8) do not apply with respect to a disclosure to such persons as may be prescribed. Under Section 65 to Ontario Regulation 144/16 “The Cap and Trade Program” the Ontario Energy Board (the “Board”) is a prescribed person. It is therefore a statutory requirement that the information identified in subsections 32(6) and (7) must not be disclosed to any person other than the Board.
3. The Framework recognizes these disclosure limitations and notes at page 9:

The OEB recognizes that the Ontario Cap and Trade market is still nascent, and that the protocols and procedures surrounding confidential information must evolve as the market matures. The OEB believes that, in the early stages of the market’s

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J. Murphy  
F. Oliver-Glasford

development, the appropriate approach must not only comply with the *Climate Change Act* and associated regulations, it should also be cautious and have regard to market integrity in order to protect customers from undue costs while still making appropriate information publicly available where possible.

4. The Board has set two categories of strictly confidential Cap and Trade Information: Auction Confidential and Market Sensitive Confidential information. Specifics and examples of such information are included at page 10 of the Framework. Enbridge notes that where information is either Auction Confidential or Market Sensitive, that information will be automatically treated as strictly confidential and will only be reviewed by the Ontario Energy Board.
5. Enbridge further notes that the Framework requires that the Utilities file redacted versions of Auction Confidential and Market Sensitive Confidential information. Where this is appropriate, Enbridge has done so. However, in some cases the entirety of a piece of evidence is confidential; in those instances, Enbridge has only filed a confidential version.
6. Enbridge agrees with the Board that the Ontario Cap and Trade market is still nascent and that the protocols and procedures surrounding strictly confidential information may evolve as the market matures. Enbridge also agrees that it is appropriate to exercise caution at this stage. This is of particular importance in 2018 as the Cap and Trade market expands to include Quebec and California. Enbridge believes it is important to provide a period of time where all parties can become more familiar with the Cap and Trade markets, as well as regulatory and compliance protocols. Once parties have gained experience, compliance protocols and procedures can evolve appropriately.

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7. The Board has also recognized that in addition to Auction Confidential and Market Sensitive information, there may be other information, specifically information that is commercially and strategically sensitive, that may impact Enbridge's competitive position and that should be treated in confidence. In cases where Enbridge wishes to keep commercial and/or strategic information confidential ("Commercially Sensitive information"), a request will be made in accordance with the Board's existing Rules and Practice Direction if and when applicable. Enbridge requests that in these early stages of the Cap and Trade market, the Board should continue to err on the side of caution in making its determination about the appropriateness of treating information strictly confidentially.
8. The Tables below outline the various exhibits within this filing to which Enbridge is requesting strictly confidential treatment. In this Compliance Plan filing, Enbridge has not included any information under the "Commercially Sensitive" category. The Exhibits are divided amongst the other two categories: Auction Confidential and Market Sensitive Confidential information. In respect of each of the Exhibits, Enbridge includes a note as to why such information should be classified as either Auction Confidential or Market Sensitive. It should be noted that several Exhibits contain both Auction Confidential and Market Sensitive Confidential information and thus appear in each of the subject tables below.
9. Given the Company's commitment to operating in full compliance with all legal requirements and the objective of pursuing the most cost effective means of meeting its Cap and Trade Compliance obligations, Enbridge has taken a very cautious approach when it comes to both its internal operations and the sharing of information including the information filed in this proceeding. Such an approach is appropriate given the importance of protecting ratepayers from those looking to undertake competitive market analysis and take advantage of arbitrage

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opportunities at ratepayers' expense and the significant penalty provisions in the Act for breach of those provisions.

10. Consistent with Enbridge's position on confidential information in the 2017 Compliance Plan<sup>1</sup>, Enbridge continues to affirm that the confidential information included in Tables 1 to 3 is not appropriate for public disclosure. Among other things, disclosure of these types of information could provide third parties information that could lead to an increase in the cost of Enbridge meeting its compliance obligations, which would lead to rate payers being negatively affected. Enbridge continues to be of the view that the release of such information should be undertaken on a very cautious basis.
  
11. The Tables below set out the treatment (public or confidential) of each Exhibit in this filing, and then set out the rationale for treating certain Exhibits as confidential.

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<sup>1</sup> EB-2016-0300 Exhibit A, Tab 3, Schedule 1

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Table 1: Treatment of Exhibits

Exhibit Item	Treatment
A-1-1	Public
A-1-2	Public
A-2-1	Public
A-3-1	Public
A-4-1	Public
A-5-1	Public
B-1-1	Public
B-2-1	Public
B-2-1 Appendix A	Public
B-3-1	Public
B-4-1	Public
C-1-1	Public
C-2-1	Strictly Confidential
C-3-1	Strictly Confidential
C-3-1 Appendix A	Strictly Confidential
C-4-1	Redacted
C-4-1 Appendix A	Redacted

Exhibit Item	Treatment
C-5-1	Public
C-5-2	Public
C-5-3	Public
C-6-1	Redacted
C-6-1 Appendix A	Strictly Confidential
C-7-1	Public
C-7-2	Public
C-7-2 Appendix A	Strictly Confidential
D-1-1	Public
D-1-2	Public
E-1-1	Public
E-1-1 Appendix A	Public
F-1-1	Public
G-1-1	Public
G-1-1 Appendix A, B, C, D	Public

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Table 2: Auction Confidential

Cap and Trade Framework Page 10:	Information related to emissions allowances that is prohibited from disclosure by s. 32 of the Climate Change Act (except to 'prescribed persons')		
Time period of confidential classification	Information will remain strictly confidential even after the transactions are concluded.		
Exhibit	Reference / Description	Extent of Disclosure	Confidential Determination
C-2-1	Compliance Plan – Strategy Overview	Enbridge Gas Distribution, OEB	Each of these Exhibits respond to the Board's filing requirements which require in respect of allowances the following: i. Number of allowances to be procured ii. Price of allowances iii. Timing of procurement iv. Total forecasted cost v. Forecasted cost per tonne of GHG <sup>2</sup> .
C-3-1 & Appendices A	Allowance Procurement Strategy		
C-6-1 & Appendix A	Risk Management – Identification and Mitigation Measures		
C-7-2 & Appendix A	Partial 2017 Monitoring and Reporting Templates		

<sup>2</sup> EB-2015-0363 Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities Appendix A: Filing Guidelines for Natural Gas Utility Cap and Trade Compliance Plans, page viii

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Table 3: Market Sensitive

Cap and Trade Framework Provision	Information relating to transactions of emissions units on secondary or tertiary markets or offset credits. Information relating to compliance instruments used by a Utility to meet its GHG obligations. <sup>3</sup>		
Confidential Classification	Market Sensitive		
Time period of confidential classification	Market Sensitive information will remain strictly confidential even after the transactions are concluded.		
Exhibit	Reference / Description	Extent of Disclosure	Confidential Determination
C-2-1	Compliance Plan – Strategy Overview	Enbridge Gas Distribution, OEB	These Exhibits respond to the Board’s filing requirements and contain information which relate to bidding strategies in future market activities, secondary and tertiary markets, offset credits, compliance instruments, forecast costs which are market sensitive and other information which if disclosed could compromise the integrity of the markets contrary to the provisions of the Climate Change Act <sup>4</sup>
C-3-1	Allowance Procurement Strategy		
C-4-1 & Appendix A	Offset Procurement Strategy		
C-6-1 & Appendix A	Risk Management – Identification and Mitigation Measures		
C-7-2 & Appendix A	2017 Partial Monitoring and Reporting Templates		

<sup>3</sup> EB-2015-0363 Report of the Board Regulatory Framework for the Assessment of Costs of Natural Gas Utilities’ Cap and Trade Activities, page 10

<sup>4</sup> EB-2015-0363 Report of the Board Regulatory Framework for the Assessment of Costs of Natural Gas Utilities’ Cap and Trade Activities, Page 13

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