

GLOSSARY OF TERMS

ALLOWANCE – A financial instrument that can be used for compliance in a Cap and Trade system. Each allowance is equal to one tonne of carbon dioxide equivalent (“t CO₂e”).

AUCTION CONFIDENTIAL – As stipulated in the Climate Change Act.

AUCTION RESERVE PRICE – The minimum price that may be paid for an allowance at auction. In this document also referred to as “floor price”.

CAPPED PARTICIPANT – As defined under the Cap and Trade regulation “means a mandatory participant or a voluntary participant”.

CLASS 1 EMISSION ALLOWANCE – As defined under the Cap and Trade regulation “means an Ontario emission allowance that has been classified as having a vintage year that is equal to either the auction year or an earlier year”.

CLASS 2 EMISSION ALLOWANCE – As defined under the Cap and Trade regulation “means an Ontario emission allowance that has been classified as having a vintage year that is later than the auction year”.

CLIMATE CHANGE MITIGATION AND LOW-CARBON ECONOMY ACT, 2016 (“CLIMATE CHANGE ACT”) –The Ontario government legislation related to climate change, which enables the Cap and Trade regulation.

COMMERCIALLY SENSITIVE – Confidential information of a commercially sensitive nature about Enbridge or a customer.

COMPLIANCE PERIOD – The first compliance period for Ontario’s Cap and Trade program is from January 1, 2017 to December 31, 2020.

CUSTOMER-RELATED ABATEMENT – Projects or initiatives that will reduce the natural gas used by customers, therefore reducing Customer-related obligations under Cap and Trade.

CUSTOMER-RELATED OBLIGATIONS – The Cap and Trade obligation related to GHG emissions associated with the natural gas delivered by Enbridge and used by customers.

Witnesses: A. Langstaff
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FACILITY-RELATED ABATEMENT – Projects or initiatives that will reduce the natural gas used or released by Enbridge’s own facilities, therefore reducing Facility-related obligations under Cap and Trade.

FACILITY-RELATED OBLIGATIONS – The Cap and Trade obligation associated with the GHG emissions associated with the natural gas used by Enbridge to operate its facilities and deliver natural gas to customers.

FRAMEWORK – The Ontario Energy Board’s Cap and Trade Framework document titled, “Report of the Board, Regulatory Framework for the Assessment of Costs of Natural Gas Utilities’ Cap and Trade Activities”, September 26, 2016.

GOLDEN OFFSETS – Offset credits – specific to California issued offsets - where the seller will replace an invalidated offset with either an offset or an allowance, depending on the contract specifics.

GREENHOUSE GAS (“GHG”) – As set out in Ontario Regulation 143/16 “Quantification, Reporting and Verification of Greenhouse Gas Emissions”.

GUIDELINES FOR QUANTIFICATION, REPORTING AND VERIFICATION OF GREENHOUSE GAS EMISSIONS (“GUIDELINES”) – The Ontario government guidelines related to the Ontario Regulation 143/16 “Quantification, Reporting and Verification of Greenhouse Gas Emissions” (“O. Reg. 143/16”).

LARGE FINAL EMITTER (“LFE”) – Large Final Emitter refers to a customer who is a mandatory participant in Ontario’s Cap and Trade program as per Ontario Regulation 144/16, The Cap and Trade Program.

MANDATORY PARTICIPANT – Mandatory participant in Ontario’s Cap and Trade program as per the Cap and Trade regulation.

MARKET PARTICIPANT – As defined under the Cap and Trade regulation means a Cap and Trade participant who is not an owner, operator or employee of a mandatory or voluntary participant.

MARKET SENSITIVE CONFIDENTIAL – As stipulated in the Board’s Framework.

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OFFSET CREDIT – A financial instrument generated from an offset initiative, that after all the relevant verification and approvals, can be used for compliance within a Cap and Trade system. Each offset credit is equal to one tonne of carbon dioxide equivalent (t CO₂e).

OFFSET INITIATIVE – A project that reduces or removes greenhouse gases from the environment.¹ The reduction in emissions or sequestration of carbon dioxide (“CO₂”) or other greenhouse gases is only applicable as an offset initiative if it occurs outside the scope of the Cap and Trade system.

OFFSET PROTOCOLS – Offset protocols are a set of rules that must be followed by an offset initiative to be eligible to apply for an offset credit. The protocols outline the processes that project developers must follow to create offsets credits for particular initiative types.²

ONTARIO ENERGY BOARD’S PRACTICE DIRECTION ON CONFIDENTIAL FILINGS – Outlines existing Board Guidelines for the filing of confidential information as part of the regulatory process.

ONTARIO REGULATION 143/16 “QUANTIFICATION, REPORTING AND VERIFICATION OF GREENHOUSE GAS EMISSIONS (“O.REG 143/16”) – The Ontario government regulation governing Greenhouse Gas (“GHG”) emissions in the province.

ONTARIO REGULATION 144/16, THE CAP AND TRADE PROGRAM (“Cap and Trade”) – The Ontario government regulation establishing Ontario’s Cap and Trade program. Referred to in this Glossary and in the evidence as the “Cap and Trade regulation”.

PRIMARY OFFSETS – Offset credits purchased directly from the project owners or developers at various stages of project development with applicable risks.

SEASONED OFFSETS – A type of offset credits – specific to California issued offsets – that have gone through either the 8-year or 3-year invalidation period and no longer have an invalidation risk.

¹ <https://www.ontario.ca/page/cap-and-trade-offset-credits-and-protocols>

² Ibid

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SECONDARY OFFSETS – Offset credits purchased via the secondary or over-the-counter market.

TONNES OF CARBON DIOXIDE EQUIVALENT (“tCO₂e”) – The unit of measure of greenhouse gas emissions as per Ontario Regulation 143/16 “Quantification, Reporting and Verification of Greenhouse Gas Emissions”.

VOLUNTARY PARTICIPANT – Voluntary, or opt-in, participant in Ontario’s Cap and Trade program as per Ontario Regulation 144/16, The Cap and Trade Program.

WESTERN CLIMATE INITIATIVE (“WCI”) – In this document, WCI generally refers to the linked Cap and Trade markets of California and Québec.

WESTERN CLIMATE INITIATIVE INC. (“WCI, INC.”) – is a non-profit corporation formed to provide administrative and technical services to support the implementation of state and provincial greenhouse gas emissions trading programs.

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