

## UNDERTAKING JT2.4

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TR 2, p.10

To update on a best-efforts basis the net benefits according to the program administrator cost test and the TRC for 2018 DSM programs, to add the long-term carbon price forecast

### RESPONSE

Enbridge does not update forecasts for TRC on an annual basis.

In order to be responsive to this undertaking, Enbridge has referenced "Table 3: 2018 TRC-Plus and PAC Analysis and Ratios" from EB-2015-0049<sup>1</sup> and tables utilized in the response to Environmental Defence Interrogatory #24 found at Exhibit I.1.EGDI.ED.24 for the EB-2017-0224 proceeding.

Because the TRC Plus test included a component to account for benefits such as environmental, economic and social, two scenarios are presented below, one where the LTCPF is added to the TRC Plus test and a second scenario where the LTCPF is added to the TRC test but the "Plus" (i.e., the 15% adder) is removed. Enbridge does not have insight into what portion of the 15% adder the Board intended to account for carbon, and so is using these two scenarios for illustrative purposes.

TRC Plus Net Benefits	TRC Plus + GHG Related Benefits*	TRC (no plus) + GHG Related Benefits*
\$165,962,507	\$222,960,321	\$193,799,630

PACT Net Benefits	PACT + GHG Related Benefits*
\$196,098,168	\$262,040,550

\*GHG Avoided costs were derived through a conversion of the \$/tCO<sub>2</sub>e values provided in Exhibit I.1.EGDI.ED.24.

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<sup>1</sup> EB-2015-0049, Exhibit B, Tab 2, Schedule 3, page 5 of 8.

## Caveats

1. The forecast for this TRC calculation was developed in 2015 for the 2018 time period. Actual program spend, actual program results and the current cost of gas have all changed significantly, which will result in a material change (likely a decrease) in this forecast.
2. Converting the cost per tonne of carbon to a cost per m<sup>3</sup> does not account for facility-related Cap and Trade costs.
3. Many of these values can be significantly impacted by a future NTG assessment.