

CBA INTERROGATORY #1

INTERROGATORY

1. New Business Activities

1.1. Should the new business activity – RNG Enabling Program – be considered as part of the utility’s regulated business?

REF: Exhibit B/Tab 1 Schedule 1 page 9

PREAMBLE:

Both programs over their respective lifetimes will reduce the number of Cap and Trade allowances that the Company will need to procure and hence lower the compliance costs for its existing and forecasted customers.

How will the RNG Enabling Program reduce EGD’s need for Cap and Trade allowances absent the procurement of RNG gas injected into EGD distribution system by EGD for consumption by EGD and its customers?

RESPONSE

Natural gas distributors, including Enbridge, are required to purchase Cap and Trade compliance instruments based on the GHG emissions reported to the Ministry of Environment and Climate Change (“MOECC”). GHG emissions are calculated based on the MOECC’s Guideline for Quantification, Reporting and Verification of Greenhouse Gas Emissions, which require the distributor to calculate the emissions from the natural gas it distributes based on a series of calculations. All calculations are based on quantities of natural gas, “excluding any natural gas derived from biomass or gas that does not contain any carbon.¹” Therefore, all volumes of RNG are exempt from a compliance obligation under the Cap and Trade program. The RNG Enabling program will support the injection of RNG into Enbridge’s distribution system, thereby reducing the Company’s obligation and need to buy Cap and Trade compliance instruments.

¹ Guideline for Quantification, Reporting and Verification of Greenhouse Gas Emissions, Effective November 2017