

CBA INTERROGATORY #2

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 7

PREAMBLE:

*Over the course of the past eighteen months, the Company has conducted discussions with several municipalities and other potential RNG producers with respect to the services Enbridge could provide to accelerate the development of RNG production capacity in its service area. Enbridge believes this will support the growth of RNG production which will facilitate lower cost RNG to supply market demand.*

a) Please provide more detail as to:

- i) how the RNG Enabling Program will facilitate lower cost RNG Supply for the Company and other consumers,
- ii) how the RNG Enabling Program will increase RNG production, and
- iii) how the RNG Enabling Program will benefit RNG producers relative to the status quo.

RESPONSE

- i) At present there is only one RNG production facility operating in Ontario with the capability to deliver pipeline quality RNG into the province’s gas delivery system. It can be expected that increasing the supply of a commodity will reduce the price of that commodity. The introduction of the Company’s RNG enabling programs will facilitate the growth of RNG production by multiple suppliers. This is expected to support price competition in the RNG market. That will lead to lower RNG costs to ratepayers or a reduced need for other subsidies to mitigate the cost of RNG supply.
- ii) Enbridge’s RNG enabling programs will support increased RNG production by providing a safe and reliable means of bringing RNG production to the Ontario energy market.

- iii) The status quo in Ontario is that there is no ability to inject into Enbridge's system and very limited upgrading capacity. As a result, there is virtually no pipeline quality RNG production. As explained above, the RNG Enabling Program will support the growth of RNG production.