

OGA INTERROGATORY #21

INTERROGATORY

*Issue 1.2 - Should the new business activity – Geothermal Energy Service Program – be considered as part of the utility’s regulated business?<sup>1</sup>*

Reference: Ex. B, Tab 1, Schedule 1, p. 23

Please list and explain the benefits of Enbridge undertaking its proposed geothermal project as a regulated vs. unregulated business.

RESPONSE

A regulated model accelerates adoption of innovation and new technologies. A regulated model has proven over time to achieve high adoption, e.g., natural gas has had near universal adoption since regulation was first introduced. With Federal and Provincial policy driving towards a lower carbon economy, it is imperative that the same sound, transparent framework be used for the market transformation and faster adoption for new lower carbon technologies like Geothermal. The response to Board Staff Interrogatory #2(a) filed at Exhibit I.1.EGDI.STAFF.2. also discusses the specific market barriers that the proposed model is designed to overcome.

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<sup>1</sup> Note that these interrogatories also relate to issue 2.3 - Are the services fees for the Geothermal Energy Service Program reasonable and appropriate?