

CBA INTERROGATORY #7

INTERROGATORY

2. Cost Consequences:

2.2. Is the methodology to set services fees for the RNG Enabling Program – Injection Service reasonable and appropriate?

REF: Exhibit B/Tab 1 Schedule 1 page 4

PREAMBLE:

*In June 2016 the Ontario Ministry of Environment and Climate Change (the “MOECC”) published its Climate Change Action Plan (the “CCAP”). The CCAP consolidated the Province’s plans to bring together effective initiatives designed to enable Ontario to achieve its GHG reduction targets. The plan outlines how the Province intends to direct the Cap and Trade proceeds towards projects that will create good jobs, help families and businesses become more energy-efficient, and accelerate Ontario’s transition to a low-carbon economy.*

Please discuss whether EGD’s proposed RNG Enabling Program qualifies for investment from the provincial government as a measure intended to help introduce RNG in the province. If the proposed program qualifies for such funding, please discuss how such funding would be used to reduce the cost of the proposed services to RNG producers. If the proposed program does not qualify for such funding, please explain why not?

RESPONSE

It is the Company’s understanding that the development of RNG production facilities may be supported by government subsidies funded through Cap and Trade monies collected by the province. The terms and conditions of any such funding arrangements will be negotiated between the biogas producer and the provincial government. It will be up to the biogas producer to determine how best to apply these funds given the terms and conditions of the funding agreement they enter into with the province. This might result in customized arrangements with upgrading customers, to allow for effective use of the Government funding.