

ENBRIDGE GAS INC.
Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Reference: Exhibit D1, Tab 1, Schedule 1, Page 29

Preamble: The following question was put to Residential Customers:

“As you may know, Renewable natural gas (RNG), or bio methane gas or biogas, is a type of renewable gas that is carbon neutral, thus it is better for the environment than conventional natural gas. It is a sustainable fuel that is created by converting organic material such as municipal green bin collection waste (ie. vegetable peelings), farm crop residue, gas from water treatment plants and even landfill gas that is captured and cleaned to the same quality level as natural gas. Renewable natural gas could be produced in Ontario and put into the existing natural gas distribution system. It would be compatible with all your natural gas appliances so there would be no lifestyle change for households. Renewable natural gas helps reduce greenhouse gas emissions by displacing conventional natural gas. Investing in renewable natural gas can start with modest levels of blending renewable energy with conventional energy. Think of this like the 2% blending of ethanol in gasoline. This level of renewable blending is estimated to cost customers approximately \$1.60 per month. Over time, it is expected the cost of renewable natural gas will decline, making renewable natural gas less expensive than conventional natural gas in the long-term for customers.”

Question:

- a) Please provide the basis of the Calculation of the \$1.60 per month.
- b) Is this question accurate, given the OEB decision on RNG? Please discuss.
- c) Is it still relevant given the Government Policy on RNG? Please discuss.

Response

- a) The \$1.60 per month RNG price premium was based on 2% RNG blending by volume in EGD's supply gas supply for residential customers, and assumed an average price of \$16/GJ for RNG commodity price at the time the analysis was done.
- b), c) On November 29, 2018 the province released A Made-in-Ontario Environment Plan, Ontario's new plan to preserve and protect our environment for future generations. On page 33 of the plan the province states: "Require natural gas utilities to implement a voluntary renewable natural gas option for customers."