

Integrated Resource Planning Technical Working Group

IRP Working Group Meeting #1

January 18, 2022

Agenda

- Welcome and member introductions/perspectives (all, 25 min, no slides)
- Update on IRP-related developments (OEB Staff, 5 min, slides 3-5)
- Review Terms of Reference (OEB Staff, 30 min, slides 6-13)
- Update on IRP pilots and related implementation of IRP Framework (Enbridge Gas, 30 minutes, no slides)
- Discuss priority activities and next steps (all, 30 minutes, slides 15-22)

OEB Updates – Mandate Letter

- [Mandate Letter from Minister of Energy to OEB Chair](#) (Nov. 15, 2021):
 - *“I expect to see the establishment of multi-year natural gas Demand Side Management (DSM) programming and the implementation of the OEB’s Integrated Resource Planning framework for assessing demand-side and supply-side alternatives to pipeline infrastructure in meeting natural gas system needs. I would like to express my strong interest in a framework that delivers increased natural gas conservation savings and reduces greenhouse gas emissions.”*

OEB Updates – Framework for Energy Innovation

- [Framework for Energy Innovation \(FEI\) consultation](#) (EB-2021-0118) aims to facilitate the deployment and adoption of innovative and cost-effective solutions, including distributed energy resources (DERs), in ways that enhance value for energy consumers.
- Several areas of overlap with IRP, including:
 - **Needs cases and use cases:** FEI WG has been developing “needs cases” (which system needs can DERs address?) and “use cases” (identifying DER solution(s) that can best meet those needs) and is focusing on the electricity system at this time.
 - It is expected that further consideration of alternative solutions in the natural gas system (similar to needs cases and use cases for DERs in FEI) will be done through IRP Framework implementation.
 - **Benefit-cost analysis:** FEI is working on benefit-cost analysis of DERs; a subgroup has been established and is using the National Standards Practice Manual as a starting point.
- OEB staff will monitor activities of both working groups and share information and attempt to co-ordinate activities if appropriate.

OEB Updates – Leave to Construct Applications

- Enbridge Gas has filed several Leave to Construct Applications with the OEB that address the requirements of the IRP Framework regarding assessment of IRP Alternatives:
 - St. Laurent Pipeline replacement in City of Ottawa (EB-2020-0293)
 - Greenstone Mine Pipeline (EB-2021-0205)
- In both cases, Enbridge Gas has submitted that detailed evaluation of IRP Alternatives are not required, based on the binary screening criteria in the IRP Framework.
- Both proceedings are currently active.

Terms of Reference

ToR:

General considerations and objective

- IRP Decision requires OEB staff to develop ToR.
- Draft modeled on ToRs for other active OEB Working Groups, with modifications to account for specifics of IRP Framework.
- Comments on draft ToR may be provided verbally today or subsequently in writing.
 - OEB staff will take into consideration and finalize ToR.
- **Working Group Objective:** To provide input on IRP issues that will be of value to both Enbridge Gas in implementing IRP, and to the OEB in its oversight of the IRP Framework.

ToR: Priorities

- Describes initial priorities of Working Group and other potential areas of work.
- Time set aside for discussion of priorities later in today's meeting.

ToR: Membership, term, roles & responsibilities

- Term of members expected to be for an initial period of two years.
- Members (other than OEB staff, Enbridge Gas and observers) have been selected as individuals, and asked to provide input and advice based on their experience and technical expertise and not to advocate specific commercial interests or on behalf of parties they have represented.
- Additional responsibilities defined for OEB staff and Enbridge Gas representatives.
- Observer role for IESO and EPCOR.

ToR: Issues resolution

- The IRP Working Group will attempt to achieve consensus on IRP related issues where appropriate.
- Any materials authored by the Working Group will reflect the Working Group's shared conclusions and not necessarily the views of the OEB, as well as identify areas where consensus was not reached.

ToR: Public reporting and confidentiality

- Default assumption is that meeting materials will be considered non-confidential and shared on the [OEB's Natural Gas IRP webpage](#).
- Summary of key outcomes from each meeting will be prepared by OEB staff and shared with meeting participants to review for accuracy.
 - Once reviewed and approved, the OEB will post the key outcomes and related meeting materials on its website unless materials are determined to be confidential, to allow stakeholders to follow the Working Group's progress.
- Enbridge Gas or other Working Group members may indicate that certain materials that they provide should be treated as confidential information. If necessary, Enbridge Gas may request that specific members not participate in review or discussion of issues of a commercially sensitive nature.
 - Provisions for members to view confidential materials upon signing a Confidentiality Declaration and Undertaking.

ToR: Cost awards

- Cost awards will be available to eligible persons.
 - Default maximum cost award of 1.5 * meeting time.
- OEB staff will provide guidance regarding costs as appropriate (e.g., whether additional hours will be eligible for cost awards for review of documents or completion of additional tasks).
- OEB will initiate costs awards process on a regular basis (at least annually).

ToR: Discussion

- Do you have any clarification questions regarding the ToR, and the expectations it establishes regarding your participation on the IRP Working Group?
- Do you have any concerns with the draft ToR or proposed changes?

Enbridge Gas Update on IRP Pilots and Implementation

(no materials)

Discussion of Work Priorities

Work priorities

- IRP Decision indicates that that the first priorities of the IRP Working Group are expected to be:
 - Consideration and implementation of the IRP pilot projects.
 - Enhancements or additional guidance in applying the Discounted Cash Flow-plus economic evaluation methodology.
 - Review of Enbridge Gas's annual IRP report (based on timing of Enbridge's application).

Other potential areas of work

- The IRP decision notes other potential areas of work for the IRP Working Group, including:
 - Learnings from natural gas IRP in other jurisdictions.
 - Performance metrics for IRP.
 - Accounting treatment of IRP costs.
 - Treatment of stranded assets in system planning.
- Other potential activities relevant to the IRP Framework may be identified by the Working Group or through OEB direction.

IRP pilot projects

- Enbridge Gas expected to select and deploy two IRP pilot projects by the end of 2022, with input being sought from Working Group.
- Will require an application to the OEB using the new approval process for IRP Plans.

Economic evaluation of IRP Alternatives

- IRP Framework (section 5.3) indicates that the economic evaluation used to compare IRP Plans and Facility Alternatives will be a three-phase Discounted Cash Flow-plus (DCF+) test, based on test currently used to assess transmission system expansions.
- General categories of costs and benefits in each phase are listed in the Framework, to be refined and improved by Enbridge Gas and the Working Group.
 - Working Group asked to consider how different carbon pricing scenarios should be used in the DCF+ calculation.
- Enbridge Gas encouraged to use pilots as testing ground for enhanced DCF+ test, and file an enhanced DCF+ test for approval as part of first non-pilot IRP Plan.

Annual IRP report and Working Group report

- IRP Framework (chapter 10) requires Enbridge Gas to file an annual IRP report with the OEB for information, with specified content requirements.
- Working Group is expected to review a draft of Enbridge Gas's annual IRP report in advance of filing.
- A report from the Working Group to the OEB should be filed by OEB staff in the same proceeding in which Enbridge Gas's annual IRP report is filed.
 - The Working Group report should include any comments on Enbridge Gas's annual IRP report, including material concerns that remain unresolved within the Working Group, and may also describe other activities undertaken by the Working Group in the previous year.

Work priorities: discussion

- Do you have any concerns with the proposed near-term priorities for the Working Group?
- Do you have initial views on the approach the Working Group should take regarding guidance on the DCF+ test and the consideration of pilot projects?
 - Detailed discussion of these items is expected at future meetings.
- In the list of other potential areas of work, are there additional items you believe are important that should be added to the list?

Wrap-up and next steps

- Confirm timing of meeting #2 (proposed for February 15, 2021)
- Finalize ToR
 - Request any follow-up written comments from members by January 25
- Draft and circulate summary of outcomes from today's meeting
- Establish agenda/action items for next meeting

Thank you