

Meeting Notes

Integrated Resource Planning Technical Working Group (EB-2021-0246)

Working Group Secondary Meeting #9

Meeting Date: August 9, 2022 Time: 2:00 p.m. - 4:00 p.m.
Location: MS Teams

Attendees

**Grey cells denotes IRPTWG DCF+ Subgroup members*

IRPTWG Members	Role
Stephanie Cheng	OEB staff representative
Chris Ripley	Enbridge Gas representative
Whitney Wong	Enbridge Gas representative
Chris Neme, Energy Futures Group	Non-utility member
Tamara Kuiken, DNV	Non-utility member
Cameron Leitch, EnWave Energy Corporation	Non-utility member
Jay Shepherd, Shepherd Rubenstein Professional Corporation	Non-utility member
Dwayne Quinn, DR Quinn & Associates Ltd.	Non-utility member
Kenneth Poon, EPCOR Natural Gas LP	Observer

Additional Attendees	Role
Josh Wasylyk	OEB staff
Candice Case	Enbridge staff
Rich Szymanski	Enbridge staff
Sue Mills	Enbridge staff

Regrets

IRPTWG Members	Role
Michael Parkes	OEB staff representative (Working Group chair)
John Dikeos, ICF Consulting Canada Inc.	Non-utility member
Amber Crawford, Association of Municipalities of Ontario	Non-utility member
Steven Norrie, Independent Electricity System Operator	Observer

Purpose

These notes are for the Working Group purposes only and do not represent the view of the OEB

These notes summarize the information discussed during the working group (WG) meeting on each of the key points presented in the published materials.

Meeting Agenda

1. Preliminary Matters (OEB staff, 10 minutes)
2. DCF+ Working Paper Approach (OEB staff, 10 minutes)
3. DCF+ Foundational Issues – discussion over Working Paper topics under section 1.1-1.4 & 2.1 (All, 90 minutes)
4. Enbridge Update/ Other Matters (Enbridge/ All, 10 minutes)

1. Preliminary Matters

Item Description	Discussion Comments/Outcome	Action Items
<p>Meeting #7 Notes</p> <p>OEB staff asked if there were any comments on draft meeting #7 notes circulated with the pre-meeting materials</p>	<p>There were no comments on meeting #7 notes. Therefore, the notes are accepted by working group members.</p> <p>A WG member questioned why meeting notes #8 was not shared before meeting #9. OEB staff clarified that meeting notes from the previous IRP general or DCF+ subgroup meeting will be shared as pre-meeting materials for the upcoming general or DCF+ subgroup meeting respectively. Therefore, meeting notes #7 was shared before meeting #9 (DCF+ subgroup meetings) and meeting notes #8 will be shared before meeting #10 (IRP general meeting).</p>	<p>OEB staff to post meeting #7 notes on IRP webpage</p>

2. DCF+ Working Paper Approach

Item Description	Discussion Comments/Outcome	Action Items
<p>DCF+ Working Paper</p> <p>OEB staff described the DCF+ working paper as an evolving document updated by OEB staff to capture developments (consensus and non consensus items) made by the working group on DCF+ topics/ issues. WG members provided their questions and comments.</p>	<p>WG members were generally content with the DCF+ working paper approach to capture discussion outcomes. Some WG members had questions/ concerns that were addressed by the working group as follows:</p> <p>Confidentiality</p> <ul style="list-style-type: none"> • WG member questioned whether the working paper will be shared with individuals outside of the working group and if so, the extent it will be shared (i.e. will it be circulated internally at the OEB and Enbridge) • OEB staff clarifies that the draft 	

	<p>working paper will only be shared amongst participants of the IRPWG. If broader decisions need to be made by OEB management on any issues discussed in the working paper, OEB staff would let WG members know before sharing the contents of the working paper with individuals outside of the working group.</p> <ul style="list-style-type: none"> • Enbridge also confirms that they would keep the draft working paper tight to WG participants; apart from the WG members, contents may be shared with Enbridge's director of IRP, VP of finance and the VP of regulatory. • WG members are OK with the method and extent to which the working paper is to be shared <p>Intended Use of Working Paper</p> <ul style="list-style-type: none"> • Enbridge would like to use this working paper exercise to capture dialogue thoughts and positions from experts. Over the next few meetings, they hope to evolve this for use in the working group pilot discussions. • Contents can be leveraged for WG advice report and used by Enbridge to develop their DCF+ guide • Structure of working paper can also be updated to stay consistent between issues to ensure points of consideration are not missed 	
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3. DCF+ Foundational Issues

Item Description	Discussion Comments/Outcome	Action Items
<p>WG members commented on the foundational issues in DCF+ working paper sections 1.1 to 1.4. WG also began discussions over section 2.1 costs and benefits.</p> <p>Goal was to reach consensus for as many</p>	<p>Section 1.1 Comparative Basis for DCF+ Test</p> <ul style="list-style-type: none"> • Enbridge clarifies intent of proceeding with option 1: conducting 2 separate tests (IRPA vs. current state & facility vs. current state, then comparing the results of both tests) as opposed to option 2: IRPA vs. facility • Some WG members feel there is higher risk of doing 2 tests under option 1 since Enbridge needs to be careful about what the numbers mean. Conversely, Enbridge 	<p>WG members to reflect on the positions presented on stage 2 of the test and to return to the next subgroup meeting with any updates on thoughts/considerations.</p>

<p>foundational issues as possible and to note the areas of non-consensus. The discussion identified any takeaways for Enbridge and WG considerations for members to return to future DCF+ meetings with an update.</p> <p>Refer to the DCF+ working paper for details.</p>	<p>believes there is more risk to double counting by comparing IRPA vs. Facility under option 2. However, WG members agree that if done correctly, the results should be the same mathematically. Hence, WG members are OK with Enbridge proceeding with option 1 if properly executed. This is in line with the OEB decision.</p> <p>Section 1.2 Purpose/ Definition of Stages There is ongoing debate between WG members over the purpose of each stage of the DCF+ test. See below for key discussion points identified for each stage and whether consensus was reached and where there are varying views with potential takeaways for follow up discussion in upcoming meetings:</p> <ul style="list-style-type: none"> • Stage 1: Utility <i>Are rates going up or down and by how much?</i> <ul style="list-style-type: none"> ○ WG members believe stage 1 is intended to tell us which option will result in the lowest rates (inclusive of any distribution, transmission, storage, commodity etc. rates where applicable) ○ Enbridge agrees that the purpose of stage 1 is about lowest rates in general. ○ In upcoming subgroup meetings, WG will work through a few examples to fine tune which rates are applicable • Stage 2: Customer <ul style="list-style-type: none"> ○ Enbridge clarifies stage 2 results could be interpreted on a standalone basis where Stage 1 results are not added to stage 2. WG members raised concerns that it was unclear what fundamental question was being answered by stage 2 results if used in this fashion. ○ Some WG members believe the purpose of stage 2 is to determine how total cost to all Enbridge customers be will affected – are total costs going up or down? It was noted that this question does 	<p>Enbridge will work internally to test the concepts proposed during the WG meeting on some of the potential pilots.</p> <p>Enbridge may meet with Chris Neme separately prior to the next subgroup meeting to further discuss stage 2.</p> <p>OEB staff to confirm with OEB management and legal on how much latitude WG has in refining the DCF+ test and report back to the group by next subgroup meeting in September 2022.</p>
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	<p>not address distributional impacts (winners/losers) among the group of Enbridge customers, but that is also the case with similar tests used for traditional DSM programs</p> <ul style="list-style-type: none">○ Enbridge indicated that the original intent of this stage was to capture the incremental cost and benefits only to customers directly impacted by the IRPA or facility solution, not all Enbridge customers (reduced scope). WG members noted that it may be difficult to define what customers are impacted by a specific project, and may not be necessary.○ WG members note that different questions you are answering for each stage of the test may not be mutually exclusive – some things that affect rates may also affect total customer costs (and thus should be part of the stage 2 test). The debate amongst WG members is 1) whether the same costs and/or benefits can be present in more than one stage knowing that the results of each stage will not be summed (avoids double counting) and 2) whether the question each stage should answer needs to be structured in a way that allows separation of the utility/customer/society venn diagram so that all costs and benefits are mutually exclusive.○ Consensus was not reached on these issues – members agreed to take away and give more thought to the perspectives raised. <ul style="list-style-type: none">● Stage 3: Society<ul style="list-style-type: none">○ Minimal discussion on stage 3 but WG members agree the purpose is to address societal costs and benefits <p>Section 1.3 Additivity of Stages & Section 1.4 Number of Stages</p> <ul style="list-style-type: none">● WG members note that sections 1.3 and	
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	<p>section 1.4 cannot be addressed until section 1.2 is resolved – WG discussion on these matters will be delayed until later subgroup meetings once further clarity is reached for 1.2</p> <ul style="list-style-type: none"> • WG members agree that rate impacts and costs are two different matters and should not be added together but considered separately <p>Section 2.1 Aligning Costs/ Benefits with Purpose of Test</p> <ul style="list-style-type: none"> • WG members agree that several test cases should be executed to help define what costs and/or benefits to include in each stage of the test. Enbridge plans to do this over a few potential pilot types. • In executing test cases, WG members note that we should start by conceptually identifying things that should be included, then consider whether it is reasonable and practical to do it/ quantify it • Enbridge questions which is the best type of IRPA to use as a test case. WG members noted the importance of considering the nature of the alternative, nature of the constraint and how quickly it needs to be resolved. Taking this into consideration, to illustrate the cost effectiveness test application, some WG members suggested an example where multiple IRPAs are being implemented together (e.g. demand response and efficiency). This will force us to consider how to categorize cost and benefits of each IRPA. 	
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List of Action Items

Action Item	Assignment/ Owner	Due Date
Post meeting #7 notes	OEB staff	As soon as possible
OEB staff to confirm with management and legal on the latitude the working group has on enhancements to the DCF+ test	OEB staff	September subgroup meeting
Enbridge to internally discuss and execute the cost effectiveness test for a few potential pilot types taking	Enbridge	Future subgroup meetings (ideally, September)

<p>into consideration the potential refinement of stage 1 and stage 2 test objectives and inputs as discussed during meeting #9. Enbridge to report back to WG with comments and results at upcoming subgroup meetings.</p>		
<p>Establish agenda for meeting #11 (DCF+ subgroup)</p>	<p>OEB staff (with input from Enbridge Gas)</p>	<p>Prior to September subgroup meeting</p>