

April 17, 2023

The Ontario Energy Board grants Enbridge Gas Inc. approval to construct a natural gas pipeline in Blenheim in the Municipality of Chatham Kent to transport renewable natural gas

DECISION

On April 6, 2023, the Ontario Energy Board (OEB) issued its [Decision and Order](#) granting Enbridge Gas Inc.'s (Enbridge) application for leave to construct a 5.7 kilometre pipeline (Project) in Blenheim, in the Municipality of Chatham Kent.

The OEB found that the Project is in the public interest, subject to the OEB's standard conditions of approval for pipeline construction projects with one modification.

ABOUT THE PROJECT

The proposed pipeline will connect Waste Connections of Canada Inc.'s planned renewable natural gas (RNG) facility at Ridge Landfill to Enbridge's natural gas distribution system and be used to transport RNG produced at that facility. Enbridge also plans to construct an RNG injection station at Ridge Landfill.

Waste Connections plans to build and operate RNG gathering, upgrading and compression facilities at Ridge Landfill, a waste disposal facility, in Blenheim. The new facility will produce and convert landfill gas into RNG, suitable for injection into Enbridge's distribution system. Waste Connections will pay the entire cost of the Project, and it will have no cost impact on existing ratepayers.

Enbridge also applied for approval of the forms of agreements that it has offered or will offer to landowners affected by the routing or location of the proposed pipeline.

CONSIDERATIONS

When determining whether a gas pipeline project is in the public interest, the OEB typically examines the following factors that comprise the OEB's standard [Leave to Construct Issues List](#):

1. Need for the Project
2. Project Alternatives
3. Project Cost and Economics
4. Environmental Impacts
5. Route Map and Form of Landowner Agreements
6. Indigenous Consultation
7. Conditions of Approval

INTERVENORS IN THE PROCEEDING

- Federation of Rental-housing Providers of Ontario (FRPO)
- Ontario Petroleum Institute



- Pollution Probe

OEB FINDINGS

A summary of the OEB's key findings as they relate to its determination that the Project is in the public interest follows below.

Need for the Project *(Section 3.1, pp. 3-4)*

The OEB found that Enbridge has adequately demonstrated a need to construct new pipeline facilities to accommodate Waste Connections' planned RNG facility. The new pipeline will facilitate the injection of RNG supply into Enbridge's existing local distribution system.

Project Alternatives *(Section 3.2, pp. 4-6)*

The Project is driven solely by Waste Connections' request to connect to Enbridge's distribution system.

The OEB accepted Enbridge's assessment that the Project meets the definition of a Customer-Specific Build¹ as defined in the OEB's [Integrated Resource Planning \(IRP\) Framework](#), and as such no IRP evaluation was required.

The OEB further accepted Enbridge's submission that the Ridgeway Line alternative proposed by FRPO did not represent a feasible alternative to the proposed Project, having neither the market demand to accommodate Waste Connections' volumes, nor the ability to operate at the higher operating pressure necessary.

Project Cost and Economics *(Section 3.3, pp. 7-9)*

Enbridge and Waste Connections have executed a contract through which Waste Connections has agreed to pay all actual Project costs (~\$11.5 million) through a Contribution in Aid of Construction and annual operating and maintenance costs. Accordingly, the OEB found that the Project will have no cost impact on existing ratepayers.

Environmental Impacts *(Section 3.4, pp. 9-10)*

The OEB found that Enbridge has completed its Environmental Report in accordance with the OEB's [Environmental Guidelines](#). The OEB further found that Enbridge's commitment to implement the mitigation measures set out in the Environmental Report and its commitment to complete an Environmental Protection Plan prior to the start of construction provides sufficient measures to ensure that any adverse impacts from pipeline construction will be mitigated and monitored.

Route Map and Form of Landowner Agreements *(Section 3.5, pp. 10-11)*

The OEB approved the forms of temporary land use and permanent easement agreements as filed, noting that both have been approved by the OEB in the past.

Indigenous Consultation *(Section 3.6, pp. 11-12)*

The OEB found that the duty to consult has been discharged sufficiently to allow the OEB to approve the Project. This finding was also supported by the Ontario Ministry of Energy's [Letter of Opinion](#) regarding the consultations undertaken by Enbridge.

Based on the consultation records filed, Enbridge provided a reasonable opportunity for the Indigenous communities to engage in meaningful conversation about the application and there did not appear to be any outstanding concerns. The OEB also noted that Enbridge provided direct notice of the application to all of the

¹ If an identified system need has been underpinned by a specific customer's (or group of customers) clear request for a facility project and either the choice to pay a Contribution in Aid of Construction or to contract for long-term firm services delivered by such facilities, then an IRP evaluation is not required.

potentially affected Indigenous communities, and none of them sought to intervene or otherwise directly participate in the hearing.

Conditions of Approval (*Section 3.7, pp. 12-13*)

The OEB accepted OEB staff's proposal that the OEB's standard conditions of approval should apply to the Project, with a modification to Condition 6 that Enbridge provide confirmation that the actual final Project costs are fully funded by the Contribution in Aid of Construction paid to Enbridge by Waste Connections.

About the OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued April 6, 2023, which is the official OEB document.