



# Ontario Energy Board Commission de l'énergie de l'Ontario

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## DECISION AND ORDER

**EB-2016-0270**

## ENBRIDGE GAS DISTRIBUTION INC.

Application by Enbridge Gas Distribution Inc. for an exemption from section 2.2.4 of the Affiliate Relationships Code for Gas Utilities.

By delegation before: **Brian Hewson**  
Vice President, Consumer Protection  
& Industry Performance

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**August 3, 2017**

On January 19, 2017, Enbridge Gas Distribution Inc. ("EGD") filed an this application to renew the Ontario Energy Board's ("OEB") Order in EB-2010-0232, in which the OEB granted EGD an exemption from section 2.2.4 of the Affiliate Relationships Code for Gas Utilities (the Code) to allow EGD to provide certain operational services to Enbridge Inc. ("Enbridge") wind farms.

Section 2.2.4 of the Code states "a utility shall not share with an affiliate that is an energy service provider any employee who controls the access to utility services, or directs the manner in which utility services are provided to customers, or who has direct contact with a customer of the utility service".

In EB-2008-0275, EGD requested and the OEB granted an exemption from section 2.2.4 of the Code to allow EGD operational personnel to provide communication and control services (the "Control Services") to Enbridge's Kincardine, Ontario wind farm. In EB-2010-0232, EGD requested a similar, more "generic" exemption for all affiliated wind farms. The OEB granted an exemption in EB-2010-0232 subject to a number of conditions, including (among others) requirements that Enbridge file the Intercorporate Services Agreement (ISA) governing the service arrangements between Enbridge and each affiliated wind farm on the public record immediately after the ISA is executed, and in the event of any material change, renewal or expiry; that EGD file with the OEB "a new exemption request application in the event of any material change in the facts or circumstances underlying the exemption, or the passage of six (6) years from the date of this Decision and Order, whichever occurs first"; and that Enbridge shall, once every two years from the date of the Decision and Order in EB-2010-0232, file with the OEB a letter of affirmation that the facts or circumstances underlying the exemption remain unchanged for each of the affiliated wind farms.

EGD confirmed in its current application that there has been no material change in the facts underlying the exemption and the EB-2010-0232 Order was set to expire on February 22, 2017. Since the date of the EB-2010-0232 Order, EGD has provided Control Services to several Enbridge wind farms. The Control Services, more particularly described in the ISAs, consist of SCADA monitoring and data recording, System Operator communications, emergency shut off procedures and turbine monitoring where applicable. EGD provided copies of the Wind ISAs as part of its application.

EGD has stated in its application that it is best suited to provide the Control Services in a cost-effective and reliable manner due to EGD staff's expertise with SCADA, experience in providing the services for the wind farms, and 24 hour operating schedule

of its control centre in Edmonton. The SCADA system and telephone connections required for wind farm Control Services are standalone and completely separate from the gas control SCADA and information technology systems, and will not adversely affect gas control operations in any way. At this time, EGD anticipates providing ongoing Control Services to the following Enbridge wind farms:

- a. Cedar Point Wind, LLC
- b. Keechi Wind, LLC
- c. Blackspring Ridge Wind Project
- d. Greenwich Windfarm LP Inc.
- e. Enbridge Renewable Energy Infrastructure Limited Partnership
- f. Talbot Windfarm LP Inc.
- g. Sunbridge Wind Power Project
- h. New Creek Wind LLC

Enbridge's operating procedures for the wind farms must comply with Independent Electricity System Operator ("IESO") requirements, including the need to have operational control personnel available 24/7 to respond to System Operator communications within 5 minutes. EGD submitted that it is not practical, reliable or economical to outsource the Control Services, EGD is requesting that the OEB grant an Order on the same terms as the previous Order to enable EGD to continue to provide the Control Services to Enbridge's wind farm operations.

EGD confirms that there is no other party that would be able to provide the Control Services in the cost effective, efficient and reliable manner as provided by EGD. Further, according to EGD, it remains the case, as EGD stated in EB-2008-0275, that Canadian wind farms regularly conduct their own or contract with affiliated companies for control services. In addition, the critical nature of these services and the consequences for non-performance render outsourcing arrangements with non-affiliates highly impractical or unworkable.

EGD has stated that there is no harm to the competitive energy markets that could result from EGD providing the Control Services because Enbridge's wind farms cannot generate power on demand; the generating capacity is dependent on Mother Nature. The wind farms in Ontario are dispatched on instructions of the IESO whenever they are capable and are paid a fixed price for their generated energy.

EGD has proposed in its application that rather than submit confirmation with the OEB every two years that there is no material change in circumstances, EGD proposes to file such confirmation with the OEB every year.

According to its Affidavit of February 22, 2017, EGD gave notice of this application to those parties set out in the OEB's February 10, 2017 Letter of Direction, and published a copy of the application on EGD's website. The OEB has received no response to the Notice of Application.

## Findings

I have made the determination on the application without a hearing in accordance with section 6 of the *Ontario Energy Board Act, 1998*.

This is the third application by EGD for an exemption from 2.2.4 of the Code with respect to services it provides to Enbridge wind farms. I find that the reasons provided by EGD are sufficient to support the applicant's request for the exemption from the requirement set out in section 2.2.4 of the ARC. After considering the application, I find it to be in the public interest to grant the requested exemption. I further find that EGD's proposal for an annual filing confirming there have been no material changes in the Control Services provided to Enbridge wind farms is appropriate given the ongoing nature of the exemption. The ongoing reporting provides the OEB with the opportunity to determine whether the facts and circumstances underlying the grant of the exemption have remained unchanged, and whether the exemption should be withdrawn or amended, and therefore I find that there is no need for a time limit on the exemption.

Accordingly, I will grant the exemption from ARC section 2.2.4 under the following conditions (the Wind Farm Conditions):

1. For any affiliated wind farms in respect of which EGD is providing Control Services and it has not filed an ISA in this proceeding, EGD shall file the ISA governing the service arrangements between Enbridge and each affiliated wind farm on the public record immediately after the ISA is executed, and must also file the ISA in the event of any material change, renewal or expiry.
2. EGD shall file with the Board a new exemption request application in the event of any material change in the facts or circumstances underlying the exemption.
3. EGD shall, on an annual basis from the date of this Decision and Order, file with the Board a letter of affirmation that the facts or circumstances underlying the exemption remain unchanged for each of the affiliated wind farms.

4. The exemption shall be restricted to the provision of Control Services and shall be applicable to affiliated wind power generators.

**IT IS THEREFORE ORDERED THAT:**

1. Enbridge Gas Distribution Inc. is exempt from section 2.2.4 of the Affiliate Relationships Code for Gas Utilities with respect to the provision of Control Services (as that term is defined in the application) to wind farms operated by Enbridge Inc. within the Province of Ontario where those wind farms are operating under a contract with the Independent Electricity System operator, subject to the Wind Farm Conditions listed in this Decision and Order.

**DATED** at **Toronto**, August 3, 2017

**ONTARIO ENERGY BOARD**

*Original Signed By*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance