

Enbridge's Feedback on the Proposed Revocation of the Parkway Belt West Plan October 2022

ERO # 019-6167
Submitted online

Submission date: December 13, 2022

About Enbridge Inc.

At Enbridge, we safely connect millions of people to the energy they rely on every day, fueling quality of life through our North American natural gas, oil or renewable power networks and our growing European offshore wind portfolio. Enbridge Gas, a subsidiary of Enbridge Inc., is Canada's largest natural gas storage, transmission and distribution company based in Ontario, with more than 170 years of service to customers. The distribution business provides safe, affordable, reliable energy to about 3.8 million homes, businesses and industries and is leading the transition to a clean energy future through net-zero emissions targets and investments in innovative low-carbon energy solutions. We're investing in modern energy delivery infrastructure to sustain access to secure, affordable energy and building on two decades of experience in renewable energy to advance new technologies including wind and solar power, hydrogen, renewable natural gas and carbon capture and storage. We're committed to reducing the carbon footprint of the energy we deliver, and to achieving net zero greenhouse gas emissions by 2050.

Headquartered in Calgary, Alta., Enbridge's common shares trade under the symbol ENB on the Toronto (TSX) and New York (NYSE) stock exchanges.

To learn more, visit us at [Enbridge.com](https://www.enbridge.com).



Introduction

Enbridge Inc. and its affiliate companies, including the natural gas utility Enbridge Gas Inc. (collectively referred to as “Enbridge” throughout), appreciate the opportunity to submit feedback on the proposed revocation of the Parkway Belt West Plan (PBWP) and commend the Government of Ontario (Government) for its action to address Ontario’s housing supply crisis.

The PBWP, when developed in the 1970s, identified potential future encumbrances and developments and put in place a process for lands to ensure future growth and the infrastructure required to enable that growth are not constrained or blocked. This process is similar to the process the Government currently uses to identify, protect, and develop the proposed GTA West Highway Corridor and the associated proposed Hydro One Transmission (HONI) corridor. The forward-thinking planning of the PBWP is just as valid now as it was when developed.

Within the PBWP, Enbridge has vital natural gas distribution and transmission assets, supplying over 95 percent of Ontario’s natural gas needs and serving residents, major commercial and industrial customers, hospitals, schools, government buildings, and power producers in the area and beyond. Enbridge also has massive liquid pipeline assets within the PBWP, delivering nearly 300,000 barrels of crude oil and liquids every day and maintaining the petrochemical industry in Montreal. Therefore, it is imperative that while the Government studies the impacts of the proposed revocation of the PBWP, it considers the safety, environmental, energy transition, compatibility, accessibility, permitting, financial, and regulatory implications of the revocation on the public, who would be located in close vicinity to high-pressure pipelines, and Ontario’s energy supplies.

Enbridge believes that the existing process for releasing lands from the PBWP is consistent and ensures engagement from all stakeholders that may be impacted and would recommend updating the existing process to a more streamlined and expedited process rather than revoking the PBWP. However, if the Government moves forward with the proposed revocation of the PBWP, below are Enbridge’s recommendations to mitigate potential impacts.

- *Ensuring all developments’ property lines have a standard minimum setback distance of 30 metre from the centreline of existing pipelines and other assets in the PBWP lands and the utility corridor and keeping pipeline easements as open spaces to maintain access and clearance for operational, maintenance, and expansion activities.*
- *Setting a minimum standard setback of 50 metre from all complex infrastructure, highway, and river crossings developments to provide enough space to execute work safely.*
- *Mandating that contractors follow safe ground disturbance practices around vital high-pressure pipelines and that pipeline companies are afforded the ability to provide onsite inspection during excavation and construction activities that may impact their infrastructure.*
- *Reserving lands for future linear facilities and unanticipated activities requiring high accessibility and substantial land areas.*
- *Considering the Technical Standards and Safety Authority’s (TSSA) recommendation that property lines of buildings and institutions where rapid evacuation may be difficult have a minimum setback distance of 200 metre from the centreline of existing pipelines.*
- *Reserving access points to pipelines in the PBWP lands and utility corridor through any released PBWP lands.*

- *Maintaining the permitting accountabilities for assets in the PBWP lands and utility corridor to ensure the permitting processes' consistency, certainty, and clarity.*
- *Exempting PBWP projects from or modifying the standard Ontario Energy Board (OEB) leave to construct (LTC) process to minimize total time requirements and regulatory costs should the revocation create the need for a large number of pipeline construction projects.*
- *Reducing red tape by increasing the LTC process's cost threshold to at least \$10 million and pipe size to 16 inch for smaller pipeline construction projects to connect more communities and businesses faster.*
- *Ensuring the completion of any required pipeline construction projects prior to any development works in close vicinity to pipelines in the PBWP lands.*
- *Affording pipeline operators the ability to recover their costs from developers for engineering assessments, onsite inspection, and relocating and upgrading assets.*

Safety

The proposed revocation of the PBWP has significant safety implications for the public that would be located within the PBWP lands and in close vicinity to the utility corridor due to the increased risk of damaging the existing utilities through development and construction activities. In addition, changing land use adjacent to a high-pressure pipeline comes with risks related to having high-pressure vital pipelines in close vicinity to population centers. This may require changing the class location designation of the existing pipelines, resulting in, without limitation:

- pressure modifications, which would impact the ability to meet customer demands on the gas and liquid pipeline systems;
- the need to replace the pipelines with heavier walled pipes;
- restricted access to the pipelines in the event of an emergency; and
- the need to access the pipelines through developed lands for operation, maintenance, and expansion purposes.

In addition, the replacement of pipelines would require:

- new easements, given that the existing easements are not wide enough for additional pipelines; and
- federal and provincial regulatory approvals for the liquid and natural gas pipeline systems, which could take 1-2 years at a minimum; thus, challenging Enbridge's ability to continue meeting our customers' demands in the area and beyond.

Moreover, increasing the building density in the vicinity of vital high-pressure pipelines and facility infrastructures would require more intensive pipeline patrols, creating potential operational challenges and potentially resulting in increased costs to operate and maintain existing energy infrastructure, which, for gas pipeline systems, would be passed onto residents in the form of increased rates.

In addition, having high-pressure pipelines in close proximity to and incorporated into residential properties creates the risk of encroachments on top of the pipeline and damages during ground disturbance activities, given that residential homeowners may not be informed of pipeline easements during the transition of ownership.

To mitigate these impacts and risks on residents in the vicinity, Enbridge recommends that **the Government ensures all developments' property lines have a standard minimum setback distance**



of 30 metre from the centreline of existing pipelines and other assets in the PBWP lands and the utility corridor and keeping pipeline easements as open spaces to maintain access and clearance for operational, maintenance, and expansion activities.

Enbridge also recommends that **the Government sets a minimum standard setback of 50 metre from all complex infrastructure, highway, and river crossings developments to provide enough space to execute work safely.**

Moreover, high-pressure pipelines are put at risk when construction occurs in close proximity to buried facilities and constructors fail to follow safe ground disturbance practices. The increased development and construction activity will also increase the request for utility field locates, impacting staff resources. Therefore, Enbridge recommends that **the Government mandates that contractors follow safe ground disturbance practices around vital high-pressure pipelines and that pipeline companies are afforded the ability to provide onsite inspection during excavation and construction activities that may impact their infrastructure.** Federally regulated pipelines will continue to require onsite inspection during excavation and construction activity within 30 metre of a pipeline, as per the Canada Energy Regulator (CER) regulations.

Environment

The proposed revocation of the PBWP also has the potential to result in significant environmental impacts, particularly regarding noise levels and water crossings. New developments in the existing pipelines and infrastructure vicinity may result in subsequent changes to the applicable noise level requirements in the area, necessitating replacement or significant upgrades to the assets in the utility corridor.

In addition, increased urban development causes increased flow in the existing water courses leading to erosion over existing buried pipelines. As a result, replacing pipelines at water crossings is becoming more common to address erosion concerns. However, such replacement of pipelines would require new easement rights and space for the construction activities and a larger setback to develop water course crossings safely.

Energy Transition

As a diversified energy company, Enbridge is uniquely positioned and committed to helping accelerate Ontario's transition to a cleaner energy future. We are advancing new low-carbon energy technologies—including hydrogen, renewable natural gas (RNG), and carbon capture and storage (CCS)—to help meet Ontario's energy needs while reducing the carbon footprint of the energy we deliver cost-effectively and achieve net zero emissions by 2050.

The PBWP provides a land reserve for future linear projects. Such future projects could include low-carbon energy infrastructure projects that meet the growth in energy demands and accelerate Ontario's transition to a clean energy future cost-effectively.

Therefore, Enbridge recommends that **the Government reserves lands for future linear facilities and unanticipated activities requiring high accessibility and substantial land areas.**

Compatibility

Enbridge's natural gas pipelines are constructed with consideration for and operate in accordance with the Technical Standards and Safety Authority (TSSA) recommendations, which include maintaining a minimum setback distance of 200 metre from the centreline of the pipe to institutions where rapid evacuation may be difficult, such as hospitals, nursing homes, or other institutions where occupants may have mobility challenges.

Enbridge recommends that **the Government considers the TSSA's recommendation that property lines of buildings and institutions where rapid evacuation may be difficult have a minimum setback distance of 200 metre from the centreline of existing pipelines.**

Accessibility

With the Greater Toronto and Hamilton Area (GTHA) growth and associated infrastructure development along the PBWP, accessing the utility corridor and pipelines within the PBWP has become more challenging due to road overpasses and interchanges.

Therefore, in addition to the recommended setbacks, Enbridge recommends that **the Government reserves access points to pipelines in the PBWP lands and the utility corridor through any released PBWP lands.**

Permitting

Enbridge and other companies operating assets in the PBWP lands and the utility corridor apply for various permits regarding the operation and expansion of their assets, which pass through various municipalities within the area and beyond. The PBWP and, in some cases, the Minister's Zoning Orders (MZO) ensure consistency regarding the different permitting processes for any works in the PBWP lands and the utility corridor.

The revocation of the PBWP means that some permitting accountabilities for operating and expanding assets in the PBWP lands and the utility corridor, and the access points to the utility corridor, will be transferred from the province to the various municipalities in the area. Such transfer of accountability would hinder the permitting processes' consistency, certainty, and clarity. It may also negatively impact the operations and expansion of assets in the PBWP lands and utility corridor that serve the area and beyond. Therefore, Enbridge recommends that **the Government maintains the permitting accountabilities for assets in the PBWP lands and utility corridor to ensure the permitting processes' consistency, certainty, and clarity.**

Regulatory implications

The proposed revocation of the PBWP could create the need for several pipeline construction projects due to the need to relocate pipelines or changes to pipeline class location caused by the construction of new developments near high-pressure pipelines. The CER or OEB approval may be needed for many of these pipeline construction projects. As per the OEB's Natural Gas Facilities Handbook (March 31, 2022), the OEB's LTC is required if certain pipeline project criteria are met, including but not limited to a total project cost of more than \$2 million. Pipeline construction projects in the PBWP area subject to CER jurisdiction will likely trigger a combination of Operations and Maintenance Notifications to full applications under section 214 of the CER Act (which could include an oral hearing depending on potential opposition.

In addition, any construction or ground disturbance activities associated with the development of the PBWP lands and within areas prescribed by the CER Act (ex., within 30 metre on either side of the pipeline) will be subject to the prohibitions and requirements set out in the CER Act and relevant regulations, including protection of the pipeline and public safety, pipeline owner consent prior to any activities as well as other technical requirements for any activities within the prescribed area.

When considering the revocation of the PBWP, the Government should consider the time and cost consequences of pipeline construction projects created by the revocation. The OEB's LTC process and the CER's application process can take up to 12 months or more from initiation of the regulatory process to approval. These regulatory processing time periods do not include the time required for project development in advance of the initiation of the regulatory process nor the time needed for construction following approval by the regulator – both of which can vary depending on project size and complexity.

Enbridge recommends that **the Government exempts PBWP projects from or modifies the standard OEB LTC process to minimize total time requirements and regulatory costs should the revocation create the need for a large number of pipeline construction projects.**

In addition, although many of the pipeline construction projects in the PBWP lands and utility corridor would require higher cost and pipeline thresholds, Enbridge recommends **reducing red tape by increasing the LTC process's cost threshold to at least \$10 million and pipe size to 16 inch for smaller pipeline construction projects to connect more communities and businesses faster.**

If the revocation also requires pipeline construction projects subject to CER and OEB jurisdiction, then Enbridge recommends the **Government ensures the completion of any required pipeline construction projects prior to any development works in close vicinity to pipelines in the PBWP lands.**

Financial implications

The revocations of the PBWP could have significant financial implications on the companies operating in the PBWP land and utility corridor, particularly regarding relocating assets and reviewing, approving, and inspecting construction activities. Such added costs for the gas pipeline systems would be part of future adjustments to the rate base and borne by ratepayers.

The relocation of assets, resulting from changing the class location designation of the existing pipelines, would entail cost recovery allocation and advanced notices for appropriate planning.

In addition, reviewing, approving, and providing inspection for construction activities in developed areas is labour-intensive. Therefore, pipeline companies often require support from external consultants to meet quick turnaround times.

Therefore, Enbridge recommends that **the Government afford pipeline operators the ability to recover their costs from developers for engineering assessments, onsite inspection, and relocating and upgrading assets.** Otherwise, the increased costs to relocate and operate the gas pipeline systems would eventually fall to the rate base and be passed onto ratepayers.

Conclusion

Enbridge appreciates the opportunity to provide feedback and recommendations to help guide the consultation on the proposed revocation of the Parkway Belt West Plan. Enbridge does not support the proposed revocation of the PBWP and believes the current process should be considered for each



property independently. However, if the revocation of the PBWP is carried forward, Enbridge requests consideration of the stipulations identified in this document and welcome the opportunity to meet with you to discuss the consultation and recommendations in further detail. If you have any questions or require additional information, please do not hesitate to contact Islam Elsayed, Government Affairs Specialist (islam.elsayed@enbridge.com).