

Enbridge Feedback on Proposed Cleaner Transportation Fuels Regulation Amendments

ERO: 019-9138 and 025-0669

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About Enbridge Gas Inc.

Enbridge Gas is Canada's largest natural gas storage, transmission and distribution company based in Ontario, with more than 175 years of service to customers. The distribution business provides safe, affordable, reliable energy to about 3.9 million homes, businesses and industries in Ontario and is supporting the transition to a clean energy future through net-zero emissions targets and investments in innovative low-carbon energy solutions. With the recently announced acquisition of three gas utilities serving customers in five US states, Enbridge owns and operates the largest gas utility franchise in North America. The storage and transmission business offers a variety of storage and transportation services to customers at the Dawn Hub, the largest integrated underground storage facility in Canada and one of the largest in North America. Enbridge Gas is owned by Enbridge Inc., a Canadian-based leader in energy transportation and distribution.

Learn more at www.enbridgegas.com.



Introduction

Enbridge Gas Inc. (Enbridge) commends the Government of Ontario for its ongoing efforts to strengthen the regulatory framework for transportation fuels through the proposed amendments to Ontario Regulation 663/20: Cleaner Transportation Fuels (CTF), as outlined in Environmental Registry of Ontario (ERO) postings <u>019-9138</u> and <u>025-0669</u>. By expanding eligible alternative energy inputs and introducing domestic content requirements for diesel fuels, these proposals support the development of a more resilient and competitive fuels market in Ontario.

Enbridge appreciates the opportunity to provide feedback.

Recommendations

While the CTF Regulation currently focuses on gasoline and diesel fuels, Enbridge believes there is a complementary and valuable role for low-carbon alternatives such as renewable natural gas (RNG) and hydrogen. Incorporating these fuels more fully into the CTF framework would broaden compliance options, support innovation, and help unlock additional emissions reduction opportunities across Ontario's transportation sector. To that end, Enbridge offers the following recommendations:

Align Treatment of Renewable Natural Gas (RNG) Between the CTF Technical Guidelines and the Emissions Performance Standards (EPS)

Under the current Technical Guidelines (Version 4), Section 3.11.2, the use of RNG in biofuel production is recognized when calculating the greenhouse gas (GHG) intensity of bio-based content. However, this recognition is limited to RNG that is delivered to the production site via direct connection, effectively restricting the GHG reduction benefits to facilities where RNG and biofuel production are co-located.

To enhance flexibility and encourage broader adoption of lower-carbon fuels, **Enbridge** recommends amending Section 3.11.2 of the Technical Guidelines to recognize RNG delivered by truck or via a common carrier pipeline. This amendment would align the Technical Guidelines with the operational realities of Ontario-based biofuel production facilities regulated under the EPS (Ontario Regulation 390/18), which may use pipeline-delivered RNG to reduce facility emissions. Under the current Version 4 of the Technical Guidelines, such facilities would not receive credit for RNG use in the calculation of the GHG intensity of the biofuel produced.

Enbridge also recommends that the Technical Guidelines include additional details regarding the use of hydrogen in biofuel production. Enbridge considers hydrogen to meet the definition of an alternative fuel as outlined in Section 3.1.3.

Conclusion

If adopted into the CTF regulation, these proposed enhancements would provide greater flexibility to help Canadian low-carbon and renewable fuel producers while retaining these fuels within Ontario. Additionally, the recommended amendments would enhance policy alignment and create a complementary regulatory environment that supports emissions reduction initiatives.

¹ Ontario Ministry of the Environment, Conservation and Parks. March 2024 Version. <u>Guideline for Quantification, Reporting and Verification of GHG Emissions</u>, ON.22.1 RNG Reporting Requirements.



We thank the Ministry for the opportunity to provide this submission and reaffirm our commitment to working collaboratively in support of Ontario's clean energy goals.

For any further inquiries or additional information, please contact Islam Elsayed, Senior Advisor, Government Affairs (islam.elsayed@enbridge.com).