

The Ontario Energy Board grants Enbridge Gas Inc. approval to construct a natural gas pipeline in the Township of Warwick and the Municipality of Brooke-Alvinston to transport renewable natural gas

DECISION

On March 7, 2024, the Ontario Energy Board (OEB) issued its [Decision and Order](#) granting Enbridge Gas Inc.'s (Enbridge) application for leave to construct a 15.3-kilometre natural gas pipeline in the Township of Warwick and the Municipality of Brooke-Alvinston (the Project).

The OEB was satisfied that the Project is in the public interest and granted leave to construct subject to the OEB's standard conditions of approval for pipeline construction projects with certain modifications.

ABOUT THE PROJECT

The Project will connect Waste Management of Canada Inc.'s (Waste Management) planned renewable natural gas (RNG) gathering, upgrading and compression facility at Twin Creeks Environmental Centre (a landfill) to Enbridge's network. Waste Management asked that Enbridge construct new pipeline facilities to facilitate the injection of RNG supply volumes produced at the Centre.

The capital cost of the Project will be paid by Waste Management at no risk to other ratepayers.

Enbridge also applied for approval of:

- a new certificate of public convenience and necessity for the Township of Warwick (under the *Municipal Franchises Act*) to replace existing certificates for the former Village of Watford and the former Township of Warwick
- the Form of Easement Agreement and Form of Temporary Land Use Agreement it offers to landowners for the routing and construction of the proposed pipeline

CONSIDERATIONS

When determining whether a natural 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. Project Need
2. Project Alternatives
3. Project Cost and Economics
4. Environmental Impacts
5. Land Matters
6. Indigenous Consultation
7. Conditions of Approval

INTERVENORS IN THE PROCEEDING

- Pollution Probe
- Three Fires Group

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 Management's planned RNG facility. The Project will facilitate the injection of RNG supply into Enbridge's existing local distribution system to meet the transportation needs of Waste Management.

Project Alternatives (*Section 3.2, pp. 4-5*)

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

Enbridge also stated that the only existing system in the area that can facilitate the RNG injection volumes requested by Waste Management is 15.3 km away from the Twin Creeks Environmental Centre and that there are no other feasible facility alternatives to meet Waste Management's need, or the ability to operate at the higher operating pressure necessary. Enbridge also noted that it considered a number of potential routes for the Project.

The OEB found that Enbridge has undertaken an appropriate review of alternatives and potential routes for the Project, and that the proposed route is the preferred route from an environmental and socio-economic perspective.

Project Cost and Economics (*Section 3.3, pp. 5-7*)

Enbridge and Waste Management have executed a contract through which Waste Management has agreed to pay all actual Project costs (estimated at \$20.4 million). Accordingly, the OEB found that there will be no financial impact to other ratepayers.

The OEB accepted that the Project costs are reasonable in the circumstances of this proceeding, including the fact that Waste Management did not dispute the costs it will bear. The risk of cost recovery is a matter between Enbridge and Waste Management, and it will not be open to Enbridge to seek recovery of any aspect of the capital cost of this Project from other ratepayers.

Environmental Impacts (*Section 3.4, pp. 7-9*)

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 provide sufficient measures to ensure that any adverse impacts from pipeline construction will be mitigated and monitored.

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.

Land Matters (Section 3.5, pp. 9-10)

The OEB approved the forms of temporary land use and permanent easement agreements as filed, noting that both were previously approved by the OEB. In accordance with the OEB's standard conditions of approval, Enbridge must obtain all approvals, permits, licences and certificates required to construct, operate and maintain the project.

Indigenous Consultation (Section 3.6, pp. 10-12)

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 identified in the Ministry's Delegation Letter (and listed below) to engage in meaningful conversation about the application. The OEB was also assisted by the participation of Three Fires Group and was satisfied that any potential impacts to rights raised by Three Fires Group have and will be mitigated through the Environmental Report, the Environmental Protection Plan and the conditions of approval.

- Aamjiwnaang First Nation
- Bkejwanong (Walpole Island First Nation)
- Chippewas of Kettle and Stony Point First Nation
- Chippewas of the Thames First Nation
- Oneida Nation of the Thames

Conditions of Approval (Section 3.7, pp. 12-14)

The OEB accepted staff's proposal that Condition 7 of the OEB's standard terms of approval be modified to require that Enbridge provide confirmation that the actual final Project costs are fully funded by Waste Management.

The OEB also required Enbridge to provide its draft Environmental Protection Plan to Three Fires Group for comment prior to implementation, which is reflected as a new condition of approval (Condition 5).

To facilitate meaningful collaboration, the OEB also encouraged Enbridge to either directly or through its contractors employ representatives of Three Fires Group and other affected Indigenous communities to participate as monitors for archeological and environmental matters during construction and post-construction site restoration and to provide reasonable capacity funding. Equally, should Enbridge implement a monitoring program, the OEB encourages Three Fires Group to participate in developing and implementing such a program. If Enbridge implements such a monitoring program, the OEB directed Enbridge to report on this program as described in a new reporting requirement under section 8(b)(vi) of the conditions of approval.

Request for Certificate of Public Convenience and Necessity (Section 4, pp. 15-16)

The OEB found that it was in the public interest to approve Enbridge's application for a new certificate of public convenience and necessity to supersede the existing certificate of public convenience and necessity held by Enbridge for the former Village of Watford and the former Township of Warwick. The new certificate of public convenience and necessity is geographically aligned with the current municipal boundaries of the Township of Warwick.

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 March 7, 2024, which is the official OEB document.