

## Addendum to Enbridge’s 2013 Corporate Social Responsibility Report (with a focus on 2013 data)

### Risk from Climate Change Performance Data Sheet

This performance data sheet relates to the following Global Reporting Initiative (GRI G3.1) Economic Performance Indicator:

- EC2 – Financial implications and other risks and opportunities for the organization’s activities due to climate change

#### Context

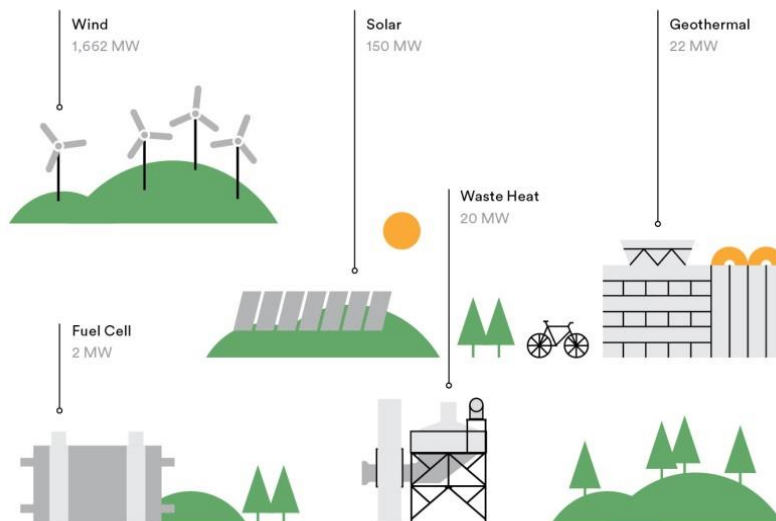
We recognize that climate change is a critical global issue and believe that meaningful greenhouse gas (GHG) reductions require governments to collaborate with industry and consumers to establish clear, realistic GHG emissions objectives, public policies and effective regulations. We also recognize that climate change is a critical issue for Enbridge, given that our business is focused on transporting fossil fuels.

While we don’t produce the fossil-fuel-based products we ship, we understand that some stakeholders oppose our pipeline projects due to concern over climate change. From an industry perspective, we address this issue by working with all of our stakeholders and all levels of government to ensure that our industry is a proactive participant in developing and implementing climate change solutions.

From a company perspective, we continue to work on reducing our own greenhouse gas emissions from existing operations, designing new facilities with a view to reducing emissions, and tracking and reporting on our emissions.

We are also diversifying our business by investing in alternative and renewable energy technologies that support the development of a low carbon economy. Since 2002, we have invested more than \$3 billion in wind, solar, geothermal, waste heat recovery, and a host of other alternative energy technology projects that, together, have the capacity to generate more than 1,800 megawatts of emissions-free energy and result in the avoidance of approximately 1.6 million tonnes of GHG emissions each year. We plan to add to this capacity by 2016.

#### Enbridge’s Renewable and Alternative Energy Investments—Total Capacity by Type

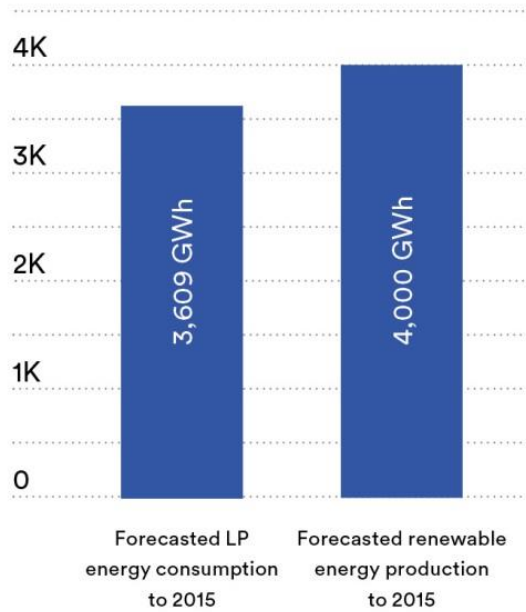


***Enbridge is Canada’s largest solar and second largest wind power producer, and in the United States, we are a growing renewable energy player with investments in wind, solar and geothermal.***

In addition, as we generate more renewable energy, we are participating in efforts to find ways to store it—particularly during non-peak demand hours—which is why we invest in technologies that support large-scale electricity storage. By investing in these technologies, we are helping to advance society’s use of intermittent energy sources such as wind and solar.

And we continue to support our Neutral Footprint commitments. Currently, our commitments are to plant a tree for every tree we remove; help conserve an acre of natural habitat for every acre we permanently alter when building new energy infrastructure; and generate a kilowatt hour of renewable energy for every kilowatt hour of additional energy consumed by our liquids pipelines business.

### Environmental Footprint Reduction—Kilowatt for a Kilowatt



*We’re on track to meet, by 2015, our goal of generating a kilowatt hour of renewable energy for every additional kilowatt of energy consumed by our Liquids Pipelines business unit since 2009.*

## 2013 Key Performance Areas

### #1. Invest in renewable and alternative energy technologies, with the aim of doubling Enbridge's clean energy capacity in the five years from 2011 to 2016

In Quebec, the 308-megawatt (MW) Lac Alfred Windfarm, in which we hold a 50 per cent interest, reached commercial operation in two stages in January and August 2013.

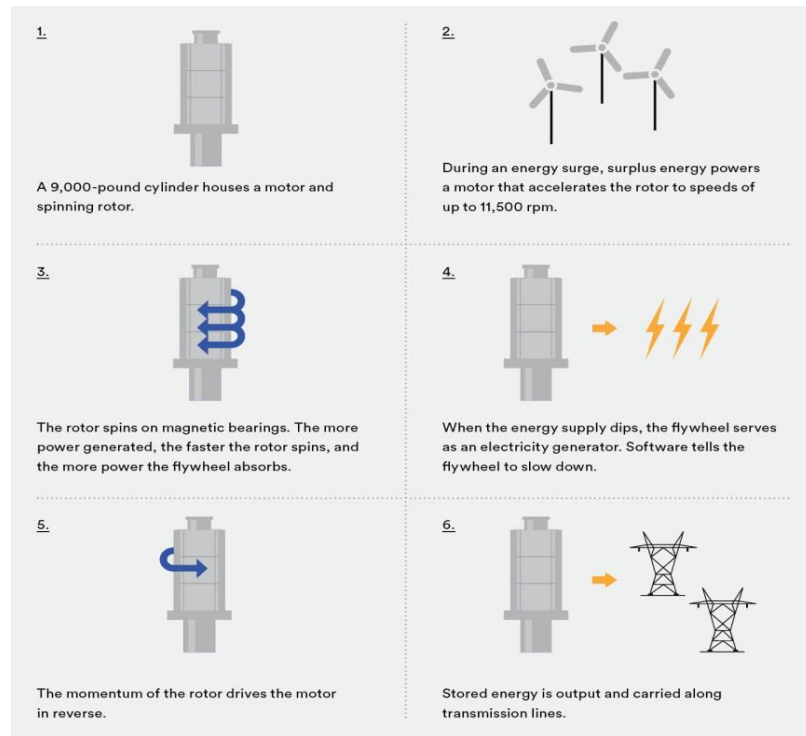
The 153-MW Massif du Sud Windfarm in Quebec, in which we hold a 50 per cent interest, began delivering emissions-free energy to the Quebec grid in January 2013.

In April 2013, we secured a 50 per cent interest in the development of the 300-MW Blackspring Ridge Windfarm in Alberta, which will be the largest wind project in western Canada when operational, which we expect to occur in mid-summer 2014.

In July 2013, we acquired a 50 per cent interest in the 82-MW Saint-Robert-Bellarmin Windfarm in Quebec.

### #2. Invest in energy innovation

In 2013, we made an equity investment in Temporal Power, an Ontario-based developer and manufacturer of electrical energy storage systems. Temporal's technology consists of spinning cylinders (flywheels) that are accelerated to a high speed by an electric motor. The spinning cylinders store the electrical energy as kinetic energy through their continuous high-speed rotation. Electricity can then be extracted when needed by using the kinetic energy to spin an electricity generator. (For more information, please see the illustration at right.) The fast-responding technology offers a cost-effective solution for utilities and power generators for balancing energy and improving power quality on the electrical grid.



### #3. Reduce direct GHG emissions company-wide

In 2005, we achieved our initial corporate target to reduce our Canadian direct GHG emissions by 15 per cent below 1990 levels and, in fact, achieved an 18 per cent reduction. We subsequently set a new Canadian operations reduction target for the 2010 inventory year of a 20 per cent reduction in direct GHG emissions below 1990 levels and, in 2011, we determined that we had achieved a 21 per cent reduction below 1990 levels, primarily through upgrading facilities and equipment. We are currently in the process of developing more accurate inventory data to help us establish a more robust baseline for new targets.

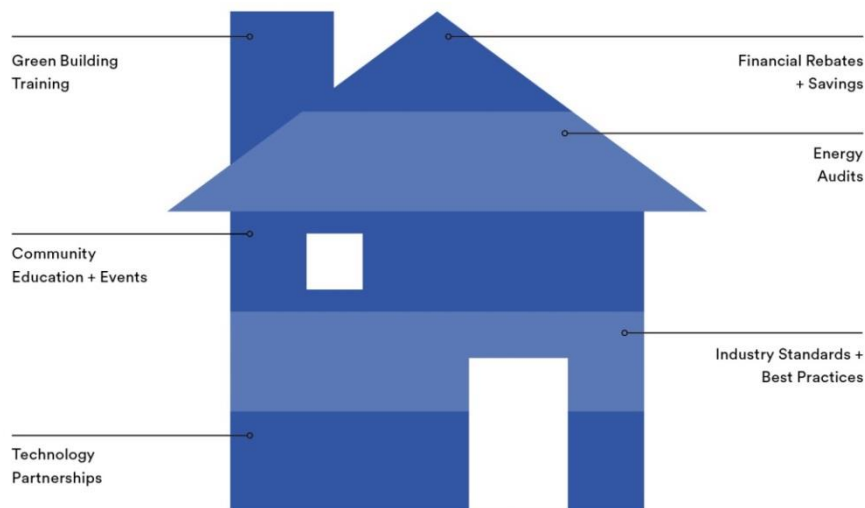
For our Enbridge Gas Distribution (EGD) business unit in Canada (but excluding EGD's storage operations), we have set a direct emissions intensity target of five per cent reduction based on 2011 emissions and number of customers (i.e. the metric is tonnes of carbon dioxide equivalent per number of customers) to be achieved by 2015.

Our Gas Transportation (GT) business unit in the U.S. has set a target of creating a comprehensive GHG emissions estimation methodology across all of its facilities for the 2015 calendar year using Enbridge's newly created Emissions Data Management System (EDMS). Using a 2015 baseline, GT will determine whether methane emissions reductions are achievable and, if so, will set reduction targets.

#### #4. Help customers use energy wisely through demand-side management (DSM) programs

Cumulatively, between 1995 and 2013, Enbridge Gas Distribution's DSM programs collectively saved approximately 8.6 billion cubic metres of natural gas or 16.5 million tonnes of carbon dioxide emissions.

### Helping Our Customers Use Energy Wisely



***Between 1995 and 2013, our DSM programs collectively saved approximately 8.6 billion cubic metres of natural gas. These savings are equivalent of reducing GHG emissions by 16.5 million tonnes, which is similar to taking 3.2 million cars off the road for a year.***

## Management Approach and Background

Climate change and the other changes that climate change will trigger challenge Enbridge with the following financial and business risks:

### **1. INCREASED REGULATORY BURDEN RESULTING FROM GOVERNMENTS' RESPONSE TO CLIMATE CHANGE AND THE NEED TO REDUCE GHG EMISSIONS**

Governments in Canada and the U.S. have indicated a desire to take a harmonized approach to GHG-related regulations in both countries. A variety of different regulatory initiatives on GHGs are under way at local, state, provincial and national levels. These include the introduction of carbon taxes and cap-and-trade systems, as well as the setting of energy efficiency and conservation goals. Regulatory risks to Enbridge include the issue of local gas distribution companies being required to take responsibility for their customers' emissions from the use of natural gas. Under the cap-and-trade systems being considered for Quebec and Ontario, we likely will also be managing both the free allocation and purchase of credits on behalf of customers, a function that companies such as Enbridge Gas Distribution have not traditionally been required to do.

Enbridge will also be exposed to increased power costs associated with our operations, when regulatory constraints associated with GHG emissions are imposed on power utilities. We anticipate that there will be no competitive disadvantage to Enbridge if regulatory costs are uniform internationally (i.e., if they impact Enbridge's competitors to the same degree).

Costs are difficult to quantify at this time because related policies in Canada and the U.S. at the provincial, state and federal levels are still evolving.

### **2. THE LONG-TERM DRIVE TOWARD A MORE CARBON CONSTRAINED FUTURE AND LESS RELIANCE ON FOSSIL FUELS**

Over the longer term, as society transforms to less carbon intensive energy systems, both oil and natural gas are expected to become more expensive due to increased costs and regulation.

However, although availability of renewable and alternative energy is growing, oil and natural gas is expected to continue to be a critical and dominant source of energy in the near- and mid-term. This will provide a continuing need for current Enbridge pipeline infrastructure and services.

At the same time, increased investment in renewable energy and electrical transmission is expected to provide new opportunities for Enbridge's businesses in these areas and contribute to offsetting the risks associated with a carbon-constrained future.

### **3. THE IMPACTS OF INCREASED SEVERE WEATHER EVENTS ON ENBRIDGE'S INFRASTRUCTURE SYSTEM**

The most severe weather events that Enbridge operations experience are hurricanes along the Texas Gulf coast and the Alberta flood in 2013. Our systems are part of a broadly based logistics network that connects producers to consumers, where all parties are aligned in their contingency planning to shut-down in advance of severe storms and resume operations and energy supply as a first priority following the storm event, thus limiting impacts.

### **4. INVESTOR RISK**

There is a growing pool of investment capital worldwide that is dedicated to investments in socially responsible and sustainable companies. Further, Enbridge is experiencing growing interest in our business from CSR rating services whose reports can influence these investors' perceptions, as well as public opinion. We believe that our ability to respond in a timely and transparent manner to requests for information regarding our environmental, social and governance (ESG) performance enhances our corporate reputation.

### **5. TECHNOLOGY DEVELOPMENTS**

To mitigate risk and capitalize on emerging technologies, Enbridge, through an internal dedicated department, tracks developments and identifies and screens appropriate new technologies. Technologies of interest are generally associated with new and improved energy delivery and efficiency, as well as renewable and alternative low-impact energy generation.

Enbridge has made significant investments with respect to wind, solar and geothermal power as well as our fuel cell/turbo-expander. Evaluations concerning carbon capture and storage are ongoing.

### **Opportunities Arising from Climate Change**

Enbridge believes that we are in a good position to take full advantage of many of the opportunities related to the climate change issue, including the following:

- With an increased focus on demand-side management activities and conservation, our recognized expertise in this area is expected to provide a good platform for growth and for offering fee-for-service services to current customers and others.
- There will be increased opportunities for select renewable and alternative energy delivery services in the realm of district energy, which will change the way customers receive energy in the future. Services along these lines may be offered to third parties.
- As Enbridge's customers become more aware and educated about their contribution to carbon issues, we expect to be in a strong position to be able to help them manage their emissions, thus creating a stronger link with them for further collaborative activities.
- Enbridge has interests in 13 wind power projects, four solar farms, four waste heat recovery facilities and one geothermal facility and a fuel cell/turbo-expander. Together, these projects have a combined capacity of approximately 1,800 megawatts, which is enough electricity to meet the power requirements of approximately 600,000 homes, while also avoiding approximately 1.6 million tonnes of GHG emissions each year. We expect that we will realize future wind and solar opportunities by expanding our existing operations, as well as by developing new greenfield projects near our operations throughout North America, particularly where operating synergies can be applied.

### **For More Information**

Please see the following performance data sheets on [www.csr.enbridge.com](http://www.csr.enbridge.com): [Energy and Climate Change](#); [Renewable Energy](#); [Air Emissions, Effluents and Waste](#); and [Demand-Side Management](#). For the current status of our Neutral Footprint progress, please see our [Neutral Footprint dashboard](#).