



Ministry of Energy and Electrification
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Canada

RE: Canadian Biogas Association Response to an Integrated Energy Resource Plan (ERO Posting #019-9285)

Background

The Canadian Biogas Association (CBA) appreciates the opportunity to provide input into the development of Ontario's first Integrated Energy Resource Plan (IERP). As a member-driven industry organization with the goal of building a strong, robust biogas & renewable natural gas (RNG) industry in Ontario and across Canada, we are strongly supportive of the Ontario government in its quest to meet growing energy demands in an affordable way, while best positioning the province to become a growing energy superpower.

The CBA represents over 185 member companies that span the interests of biogas & RNG production, and regularly publish analysis reports, manuals, and meaningful thought leadership pieces to strengthen Canada's biogas sector. These members are committed to supporting Ontario's vision to meet our energy needs with clean, affordable and reliable energy.

In October, the Independent Electricity System Operator (IESO) released its updated demand forecast, projecting a 75% increase in Ontario's electricity needs by 2050, up from the 2024 Annual Planning Outlook (APO) forecast of 60%. The updated demand forecast also highlighted that annual electricity demand in 2035 will be 12 TWh higher than originally predicted. This is certainly a pivotal time for Ontario when it comes to energy planning, and we applaud the Ministry's recent release of the energy policy vision paper, "*Ontario's Affordable Energy Future: The Pressing Case for More Power*,"¹. We understand that this will set the stage to build out an affordable, reliable, and clean energy future and welcome the opportunity to meet with you to further discuss the feedback highlighted in our response to the *Guiding Questions* below.

¹ *Ontario's Affordable Energy Future*

Response to Guiding Questions

What policy options and actions should the government consider in the integrated energy resource plan to achieve Ontario's vision for meeting growing energy needs, keeping energy affordable and reliable, ensuring customer choice and positioning us to be an energy superpower?

The CBA wants to recognize the action that the Minister of Energy and Electrification has taken earlier this week in instructing the IESO to report back on a small/local generation program design. This is great news for our sector as there are currently 56 existing biogas facilities in Ontario representing 79 MW of clean energy, with about 20 facilities with contracts set to expire by 2030. We also see significant opportunity for new biogas facilities to help meet the provinces growing demand for electricity.

The biogas sector brings significant value to Ontario's electricity grid. As energy production from biogas facilities can provide consistent low or negative carbon emission generation throughout a 24-hour period or be incentivized to be flexible and provide more generation at times of the day in which it is more valuable to the electricity system, the opportunity for biogas to help Ontario meet its growing energy demand needs is clear. Moreover, as the sector is interested in leveraging new and existing assets that will work to decarbonize the province, the flexibility of the facilities being able to generate more during peak times will be most valuable in the years to come. Biogas is also an affordable clean energy option that can support Ontario farmers, municipalities and businesses while creating opportunities for the farm's next generation – aspects that are very much in line with the priorities of the Ontario government.

To date, there are limited pathways for the development of new local or small generation facilities, nor the ability to re-contract existing biogas facilities, which can provide affordable, clean and reliable energy to our province. These facilities can support our farmers, many municipalities, and a variety of businesses across Ontario. We see this request of the IESO as a very important step to ensure existing and new projects, specifically under 1MW, have the ability to participate in re-contracting.

Building on the recommendation of the ETPP's final report, what actions should be prioritized to enhance planning across natural gas and other fuels?

The CBA supports the consideration of opportunities to support clean fuels to reduce emissions from the natural gas system. Out of all the priorities listed in the October 2024 report, we believe that this should be prioritized – while acknowledging that natural gas is still needed in the province – especially during a time where energy demand is growing at an exponential pace. However, we feel that additional actions are necessary to enable a pathway for further RNG in Ontario.

Currently, Ontario has 14 RNG projects in development which produce nearly 4 PJ of RNG. RNG is an affordable and reliable source of energy in Ontario, that uses existing natural gas infrastructure and supports economic development. Modelling by Navius Research shows that with the right

policies for RNG, \$2.2 billion in private investment can be unlocked across Canada, mostly from development in the agriculture sector. As RNG can help encourage private investment which in turn will help bolster Ontario's economy, CBA is very supportive of the use of RNG in Ontario and want to ensure the province is taking advantage of its benefits. As you know, programs offered by Enbridge or non-utility suppliers already have the ability to voluntarily add RNG to their gas supply. As it stands there is no requirement that RNG must be used in Ontario. The CBA sees this as an opportunity for Ontario's natural gas policy to address as the deployment of RNG would maintain energy reliability while working to decarbonize the province's natural gas streams.

The CBA is encouraging the government to consider the implementation of a policy that would require a minimum percentage of RNG to be incorporated in the natural gas supply in Ontario, limiting the percentage that can be sold to other provinces. This action would allow Ontario to follow in the footsteps of British Columbia and Quebec who have already established programs that include a minimum percentage of the RNG in the natural gas supply to be utilized in the home province of production and would better equip the province to meet its decarbonization goals.

The government's priority is to ensure Ontario has the energy resources it needs to support growth. Are there opportunities to enhance the province's approach to procuring electricity generation supply to better serve this priority?

Earlier this year, a biogas facility was selected through the Long Term 1 RFP, which is a competitive process. This helps demonstrate that biogas facilities *are* affordable and can compete with other forms of generation – which is good for consumers. At the same time biogas is supporting our farmers and helping the industry thrive. Since then, the Minister of Energy and Electrification has asked the IESO to expand procurement targets through the Directive issues on December 11th and the frequency that they will run their procurements. The CBA is supportive of the yearly frequency of the Long Term 2 RFP windows, and we encourage the province to remain focused on procuring electricity resources through this type of mechanism for the foreseeable future, including enabling existing facilities seeking the opportunity to expand.

The LT2 RFP design includes Rated Criteria points for projects that are not located on prime agricultural areas. While the CBA understands the importance of protecting prime agricultural lands, we believe this should be revisited after LT2 Window 1 to see if it inadvertently negatively impacted certain resource types over others. The vast majority of existing biogas facilities, (and anticipated new facilities), are located in southern Ontario in Prime Agricultural Areas, and support rural communities and agricultural industries. Most biogas facilities are also defined as On-Farm Diversified Uses under the Provincial Planning Statement, 2024. In many respects, agricultural biogas projects are complimentary to farming and necessitate the use of Prime Agricultural Lands.

As stated previously in the answer to the first question, the government should also ensure there is a customized program that can support development of new small projects, like biogas, and re-contract those that are coming to the end of their contract life. As the government is seeking an all-

of-the-above approach through the creation of a pro-growth agenda² that is technology agnostic, it is important that government does not forget about existing and new small generation assets as these facilities in aggregation can provide significant value to Ontario's energy grid.

What policy guidance should the government provide to the Ontario Energy Board (OEB) with respect to the long-term role of natural gas in Ontario's economy and opportunities for low-carbon alternatives in the gas system?

With respect to natural gas long-term, programs that increase the requirement of RNG supplied to the natural gas system have been proven successful in both British Columbia and Quebec. As RNG can play a significant role in the decarbonization of the natural gas stream to support an overall decarbonized energy system, we believe Ontario should introduce a policy or program to ensure that of the many existing low-carbon gas resource projects that produce RNG in Ontario is not sold to other provinces.

As biogas has the ability to be upgraded to RNG while electricity resources ramp up, we view RNG as a here and now solution that can provide energy security in the natural gas network and play a foundational role in achieving Ontario's net zero objectives. As RNG is a drop-in fuel that is interchangeable with natural gas with no upgrades required, utilization would be very seamless.

What cooperation opportunities exist across other jurisdictions to support energy trade, construction of transmission infrastructure (ex. pipelines and interties) and transportation electrification?

RNG injected into the natural gas grid can be tracked and measured using book and claim. This ensures the climate benefits are only measured once (no double counting). The CBA recommends that book and claim of RNG continue to be enabled, consistent with changes made to the GHG Reporting and Guideline in the Emissions Performance Standard which allows RNG injected into the natural gas grid to count towards and EPS facilities GHG reduction. This amendment removed the requirement for co-location and direct pipelines from RNG facilities to EPS facilities. This change bolsters the ability for RNG to enter the market and further support Ontario as the province undergoes a major energy transition.

Conclusion

In summary, the CBA would like to thank the Ministry of Energy and Electrification for the opportunity to provide input into Ontario's first Integrated Energy Resource Plan. We strongly encourage the government to support the benefits the biogas sector brings to Ontario's energy

² *Ontario's Affordable Energy Future*



supply and its ability to provide flexible, clean, affordable and reliable energy to consumers. We would be happy to meet with you at your earliest convenience to discuss our feedback further.

Sincere regards,

A handwritten signature in blue ink that reads "Jennifer Green". The signature is fluid and cursive.

Jennifer Green

Executive Director

Canadian Biogas Association