ONTARIO GREENHOUSE VEGETABLE GROWERS

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January 16, 2025

Hon. Stephen Lecce
Ministry of Energy and Electrification
10th Floor
77 Grenville St.
Toronto, ON M7A 2C1

Re: Consultation to support the important role for natural gas in Ontario's energy system and economy.

Dear Minister Lecce,

Natural gas is a critical fuel for Ontario Greenhouse Vegetable Growers (OGVG) and the wider agricultural sector. The reliability, energy density, and ability to generate carbon dioxide (CO2), a critical input for greenhouse vegetable growers, sets natural gas as an essential fuel for the greenhouse vegetable sector. Ontario's fast growing greenhouse vegetable sector has maintained 6% annual growth over the last decade due in large part to the availability of natural gas. OGVG represent 170 farming families who manage over 4,000 acres of fresh cucumbers, peppers, and tomatoes. Ontario greenhouse farms generate $1.6 billion in farmgate revenues and provide more than 32,000 high-quality jobs across the agri-food value chain.

OGVG support the government of Ontario to ensure that the Ontario Energy Board (OEB) pursues a rational expansion of the natural gas system to support economic growth and competitiveness. Natural gas currently supplies two to three times the energy of the electricity grid, four to five times the maximum capacity of the electricity system, and is an integral part of a balanced energy mix for Ontario. In the greenhouse sector natural gas has lengthened the growing season while lowering emissions by displacing the use of fuel oil and other more emitting fuels. The low-cost and climate resilient underground energy infrastructure of natural gas provides the crucial reliability the greenhouse sector requires to provide affordable food security.

Natural gas provides heat, generates supplemental CO2, and increasingly provides electricity to greenhouse farms through combined heat and power (CHP) resources. On-farm generation has become essential to support growth in the greenhouse sector as greenhouses adopt lights to further increase productivity and the growing season. Integrated energy generation assets, such as CHP units supplementing or replacing boilers, enable on-farm power generation without additional land use to protect Ontario's valuable farmland and generate needed electricity. Supporting integrated on-farm electricity generation decentralizes electricity generation, maximizes natural gas usage, and supports the needs of Ontario businesses. Supporting integrated on-farm generation and enabling connections to the grid supports electrification, grid resiliency, and agriculture through efficient land use.

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Greenhouses must maintain 100% energy backup to ensure food security, manage risk, and protect their crop. Adopting electrification as the sole source of energy increases risks and costs while undermining the viability of greenhouse farms. Electrification of heating would also increase the dependency of CO2 as an external input, straining the limited CO2 available on market. On-farm carbon utilization by means of generation, storage, and deployment maximizes natural gas usage. Supporting technologies including Renewable Natural Gas (RNG) to close the organic matter loop and Hydrogen blending to reduce carbon intensity are essential for a carbon neutral future for natural gas. OGVG is directly engaged in carbon reduction technologies through support of the Hydrogen Integrated Greenhouse Horticulture (HIGH) energy project which is investigating on farm hydrogen usage. As the current barrier to the adoption of the technology is the upfront cost and the undetermined return on investment, continued government support is critical to de-risk investment and allow adoption of carbon management technologies throughout the energy sector.

The greenhouse sector's need for heat and supplemental CO2 synergizes perfectly with natural gas. Supporting CHP and on-farm electricity generation supports high-growth communities that cannot wait for the electricity grid to support their growth. Natural gas provides an insurance policy that provides the electricity system with reliability to meet peak electricity demand and support regions and municipalities to meet their energy needs. To ensure the ongoing availability of natural gas in a responsible and energy efficient manner, OGVG recommends:

- Support of on-farm integrated natural gas electricity generation to provide electricity to communities and CO2 to greenhouse farms
- Support on-farm carbon utilization through investment in CO2 generation, storage, and deployment technologies.
- Continue to provide grants and funding for energy efficiency, clean fuels, and carbon sequestration projects whilst recognizing the carbon capture potential of greenhouse crops.
- Support CO2 as a commodity with uses throughout the agri-food sector and beyond.

Ensuring energy remains affordable and reliable requires an all-of-the-above approach for customers to have the necessary flexibility to affordably meet their energy needs in a timely manner. Greenhouses are operated year-round and access to natural gas is imperative to produce the heat, electricity, and CO2 the sector requires. Supporting natural gas supports Ontario's high growth sectors to maintain competitiveness, growth, and sustainability. Natural gas must remain affordable, available, and an option for the viability of the greenhouse sector.

Sincerely,

Richard Lee
Executive Director