



Canadian Biogas
Association
canadienne du biogaz

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Sent via email: nik.spohr@ontario.ca and formally submitted through the ERO submission portal.

RE: Canadian Biogas Association (CBA) Response to a Consultation to Support the Important Role for Natural Gas in Ontario's Energy System and Economy (ERO Posting #019-9501)

Background

The Canadian Biogas Association (CBA) appreciates the opportunity to provide input to help inform the government's policy on natural gas and the long-term role natural gas should play in the province's energy system. While our submission will highlight our support for the use of natural gas in the near-medium-long term in Ontario, we also focus on biogas and the role renewable natural gas (RNG) can play interchangeably in existing natural gas pipelines.

As background, the CBA represents over 185 member companies that span the interests of biogas & RNG production, regularly publishing analysis, reports, and meaningful thought leadership pieces to strengthen Canada and Ontario's biogas sector. Our members are committed to supporting Ontario's vision to meet the province's energy needs with clean, affordable and reliable energy. To date, there are 56 existing biogas facilities in Ontario which represent 79MW of clean energy, providing continued economic opportunities to Ontario farmers, utilities, municipalities and local businesses.

What role should natural gas play in supporting power system security and resiliency?

The CBA believes that there is a strong future for the use of natural gas and particularly RNG in providing reliable and affordable power to Ontario. In fact, we were very pleased to see Minister Lecce announce in Fall 2024 that the government would be taking an "all-of-the-above" approach to energy policy with the goal of scaling up Ontario's energy supply using all forms in future procurements.¹

Due to natural gas's existing infrastructure in the province and ability to be deployed when and where Ontarians need it most, we view natural gas to be increasingly important as Ontario continues to face great pressure with accelerating electricity demand due to an increase in industrial growth and broader

¹ "Ontario's Affordable Energy Future: The Pressing Case for More Power." Ontario, October 24, 2024. <https://www.ontario.ca/page/ontarios-affordable-energy-future-pressing-case-more-power>.

socio-economic expansion. In October 2024, the Independent Electricity System Operator (IESO) released its updated demand forecast, projecting a 75% increase in Ontario's electricity needs by 2050. The updated demand forecast also highlighted that annual electricity demand in 2035 will be 12 TWh higher than originally predicted.²

The CBA is supportive of the use of natural gas in the short, medium, and long-term as we see natural gas as an energy source that is reliable, easily dispatchable and cost-effective. We are also highly supportive of Ontario-produced RNG to support energy security by providing a lower carbon deployable energy source for electricity and heat.

As the biogas industry's voice in Canada, it is the CBA's mission to increase the integration and adoption of biogas & RNG. Since biogas can be upgraded to RNG and can be used as a drop-in fuel that is interchangeable with conventional natural gas, increased use of RNG can be very effective at providing reliable energy while also working to lower GHG emissions. Because biogas can be upgraded to RNG while electricity resources ramp up, we view RNG as a here and now solution that will provide energy security in the natural gas network while playing a foundational role in helping Ontario achieve its decarbonization objectives. Additionally, RNG can support the electricity sector with a lower-carbon peaking service offered by gas plants. Ontario currently has 8 RNG projects in operation demonstrating this proven integration and decarbonization of the natural gas system, with a further 14 projects in development. Greater use of RNG long-term may also attribute to RNG becoming more cost effective over time.

What role should natural gas play in supporting economic development in Ontario's industrial and agricultural sectors, including those processes that may be difficult to electrify?

The CBA would like to highlight the role natural gas and RNG can play in Ontario's industrial and agricultural sectors. First off, RNG production can provide an additional revenue stream for farmers through the collection and processing of agricultural waste and residues into biogas. This process provides a source of clean energy to farm operations while promoting waste reduction and sustainable agricultural practices. The expansion of biogas & RNG projects also contributes to high-quality digestate for improved land management and greatly improves agricultural conditions for farmers.

RNG developments also support Ontario farmers and municipalities through the management of waste materials that are diverted to biogas production thus providing greater longevity to existing landfills by preserving landfill space. In addition, RNG positively contributes to economic development by creating more opportunities in rural communities where good paying jobs are often limited.

² "IESO Updated Demand Forecast," IESO, October 17, 2024. <https://www.ieso.ca/Sector-Participants/IESO-News/2024/10/IESO-Releases-Updated-Demand-Forecast>.

In addition, unique to the agriculture sector, biogas, natural gas and RNG play an important role in processes like combined heat and power (CHP). CHP systems provide heating, cooling, and cost-effective electricity to on-farm operations such as greenhouses as well as industrial processes. These sectors can rely on natural gas, biogas or RNG in CHP processes to ensure the safe cultivation of crops and the continued operation of industrial processes while at the same time helping to decarbonize their businesses.

What role should natural gas play in offsetting higher GHG-emitting fuel sources?

As highlighted by the CBA in our submission to the government's consultation on an Integrated Energy Plan, the CBA believes natural gas can play a significant role in offsetting higher GHG-emitting fuel sources long term specifically through the adoption of clean fuels such as RNG.

British Columbia and Quebec have been successful with the implementation of programs that increase the requirement of RNG supplied to the natural gas system. As RNG can play a significant role in the decarbonization of the natural gas stream to support an overall decarbonized energy system, the CBA views RNG as a critical tool to offsetting higher GHG-emitting fuel sources as it can serve to decarbonize sectors such as agriculture which are more complicated to electrify. Highlighted in our response to the government's consultation on an Integrated Energy Plan, we believe Ontario should introduce a policy or program to ensure that the benefits of the many existing low-carbon gas resource projects that produce RNG in Ontario accrue to Ontario and not other jurisdictions. Currently, all RNG projects in Ontario are selling their gas to other provinces and/or the United States (U.S.).

What are the challenges and opportunities for enhanced energy efficiency, adoption of clean fuels (e.g., RNG, Hydrogen) and emission reduction methods (e.g., carbon capture and storage) to lower emissions in the natural gas system?

As RNG is a drop-in fuel that is interchangeable with natural gas it requires no upgrades to the existing infrastructure and therefore allows for a seamless integration into the energy supply chain. RNG also presents a large opportunity for Ontario in terms of energy security and resiliency considering that to date, our province is very reliant on U.S. imports of conventional natural gas. RNG is also one of the few sources of renewable energy that can be stored in sizeable amounts because it can leverage existing gas storage resources. As previously mentioned, RNG can support Ontario farmers and municipalities while being an economic driver for job creation in rural communities.

The deployment of RNG is also effective at reducing GHG emissions which will continue be a focus for Ontario long-term. The challenge for RNG adoption in Ontario is that without prioritizing development the economics are not as cost effective as conventional natural gas. That said, modelling by Navius

Research shows that with the right policies for RNG, there is \$2.2 billion in private investment that can be unlocked across Canada, mostly from development in the agriculture sector.³

Moreover, 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 wants to ensure the province is taking advantage of its benefits. Programs offered by Enbridge Gas Ontario or non-utility suppliers already have the ability to voluntarily add RNG to their gas supply and to date there is still no target for RNG to be used in Ontario. The CBA hopes this will be addressed in the province's natural gas policy.

Conclusion

In summary, the CBA would like to thank the Ministry of Energy and Electrification for the opportunity to provide input to best inform the role of natural gas long-term. We strongly encourage the government to support the benefits the biogas & RNG sector brings to Ontario's energy 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, appearing to read 'Jennifer Green'.

Jennifer Green
Executive Director | Directrice générale
Canadian Biogas Association | Association canadienne de biogaz

³ "Hitting Canada's Targets with Biogas & RNG, Canadian Biogas Association, March 2022. [Hitting Targets with Biogas RNG.pdf](#).