



## **Submission to the Consultation to Support the Important Role for Natural Gas in Ontario's Energy System and Economy**

On behalf of our small- and medium-sized business members in manufacturing and other sectors of the Canadian economy, the Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) would like to express its unqualified support for an important role for natural gas as a key energy source in Ontario for the foreseeable future.

In Ontario, about 50 per cent of GDP and the majority of net new job creation is represented by the small- and medium-sized business sector (SMEs). In recent years, energy issues have become a much more important consideration as so-called “green” policies have upended Ontario’s long-standing reputation for secure, reliable and affordable energy for households and businesses. For instance, electricity costs used to be an important competitive advantage for Ontario in attracting and retaining businesses.

The introduction of costly and inefficient so-called “renewable” energy sources such as wind and solar under the Green Energy Act of 2009 put the end to that, more than doubling the cost of electricity and decreasing the reliability of Ontario’s electrical grid. This has had a hugely negative impact on the province’s economic competitiveness. For instance, none of our CCMBC manufacturer Board members had operations outside of Canada a decade ago. Now, about half of them do. Although energy costs were not the only issue driving them out of the country, they were a major consideration.

Under current circumstances, businesses have no incentive to expand in Ontario or Canada. Our high electricity costs have also driven away foreign investment. No amount of business subsidies can ever offset this competitive disadvantage, and the billions in subsidies that have been undertaken to date by the current Ontario government, such as those on Electric Vehicle (EV) battery plants, will surely prove to be a massive waste of taxpayer dollars.

Natural gas is and will continue to be an essential component of our energy system to maintain reliability. Experience has shown wind and solar to be highly unreliable and cannot be counted on to provide energy when it is most needed. Reliability is essential for businesses and natural gas is a vital energy source for the majority of the manufacturing sector, among others, because of its scalability, reliability and affordable cost.

Recent claims that wind and solar are declining in cost and therefore should be an increasing component of our energy mix are simply not true. When the full costs of wind and solar are

factored in they remain prohibitively expensive compared to such sources as natural gas. Estimating the actual cost of wind and solar must include such elements as the cost of back-up generation (typically by natural gas) when wind and solar frequently fail to deliver and the cost of disposing of non-recyclable wind turbine and solar panel components once they have reached the end of their life cycle. Wind and solar also operate at low capacity compared to traditional electricity generators and have a shorter life expectancy so depreciate faster. There are also higher transmission costs involved as wind and solar farms are usually located further away from the populations centers where energy is consumed.

When a proper, comprehensive accounting of all costs, wind and solar remain very high-cost energy sources despite the claims of the climate alarmists who state that prices are falling rapidly. It is also worth noting that in every country that has increased the proportion of wind and solar in its system, electricity rates have increased significantly.

The so-called energy transition away from fossil fuels also needs to be questioned when facts are considered. In terms of energy currently consumed in Canada, the number one source is refined petroleum at about 40 per cent, with natural gas a close second. In total, fossil fuel energy sources represent about 75 per cent of total Canadian demand. International data show similar trends, with demand for fossil-fuel based energy remaining stable or even increasing in some cases in forecasts for the next couple of decades. The claim that a major energy transition is underway away from fossil fuels, which is made in a number of the Ontario government documents, is not supported by the facts.

A push toward so-called electrification - having all energy provided by electricity and having all electricity generated by non-fossil fuel sources - must also be questioned. Despite all the hype, electricity represents less than 20 per cent of all energy consumed in Canada at present. The notion that Canada will be converting to an all-electric energy system within a certain time frame is a pipe dream that is unrealistic and unaffordable. Furthermore, even if this was achievable, the concept of being completely dependent upon one energy system makes us more vulnerable to attacks and weather events, undermining the security of our system.

Much of the discussion around the desire for electrification is based on the expectation that EVs will soon replace fossil-fuelled vehicles and greatly increase demand for electricity. However, reports on the progress of EVs continue to worsen. Auto companies have delayed or dropped plans to produce more EVs as demand plummets. EV battery plants in which Canadian governments have invested massive amounts of our tax dollars look increasingly like white elephants soon to be made obsolete by technology. Past purchasers of EVs talk about how they will never do that again. As EVs have now been around for a few years, a used EV market is appearing yet those buying used EVs have terrible tales about how they had to spend \$30,000 on a new battery for their used vehicle. Evidence regarding wear and tear on roads and a worsening of auto accident severity from heavy EVs is also hitting home. It certainly appears that federal Environment Minister Steven Guilbeault's goal of forcing all new vehicles sold by 2035 to be EVs is a foolish fantasy.

Not unlike EVs, as people become more experienced with heat pumps – often the recommended replacement for natural gas heating in households – they realize the facts don't live up to the

hype. People that have installed heat pumps have found they are expensive to install, don't work well in cold weather when they are most needed, and use much more electricity to operate. Yet it is regularly recommended that the widespread use of natural gas for home heating can easily be replicated by heat pumps with no downside.

It is also worth noting that some of the very same climate alarmists who are currently working hard to eliminate natural gas from our energy mix were big supporters of natural gas a mere 15 or so years ago. At that time, the so-called environmental groups were touting clean natural gas as a terrific replacement for coal. Now that coal has been eliminated, natural gas remains just as clean yet is now being demonized by these groups. If natural gas was so great 15 years ago, there is no reason to believe it is not just as great today.

Ontario has much to be proud of in our current energy system, as it is currently a world leader with respect to sustainable power generation. With energy generated from hydroelectric, nuclear, wind and solar, biomass and natural gas, the system is already 90 per cent emissions-free. Do we really want to risk unreliability, insecurity, higher costs and a more uncompetitive business environment for the gain of a few relatively miniscule percentage points of improvement at best? The zealotry of the net zero movement is such that they don't seem to care how much they put households, businesses and our economy at risk as long as they can achieve the elimination of fossil fuels entirely, no matter what the cost.

These groups do not have the best interests of Ontario households and businesses at heart, merely their own inflexible and unrealistic climate goals that are frequently debunked by facts, science and experience. Recent Ontario Energy Board (OEB) proceedings regarding new residential housing developments, at which the various climate-related groups attempted to convince the Board to discourage the incorporation of natural gas infrastructure, are a good example of how these groups have no qualms about acting against the interests of average Ontarians in attempting to limit the ability of future homeowners to choose natural gas for their energy needs. It is alarming that some members of the OEB seems to be sympathetic with this dictatorial and unrealistic approach which is not supported by fact and will surely increase costs even further and reduce reliability.

A sensible balance of energy sources in Ontario is what is needed, driven by facts and experience, not extreme policy driven by ideology. Around the world we are seeing countries, businesses, international organizations and even many former environmental advocates fall off the net zero, no fossil fuels bandwagon as it is increasingly shown to be unrealistic, destructive to our standard of living, inflationary and uneconomic with little if any gain for the climate. Natural gas has unique advantages that other sources of energy do not and as such cannot be replaced by wind, solar or other means. Accordingly, natural gas must remain a key and significant component of our energy mix going forward.

Catherine Swift, President  
CCMBC

January 16, 2025

416 816 7248 [swifty4488@outlook.com](mailto:swifty4488@outlook.com)