



**Canadian Fuels**  
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Nik Spohr  
Ministry of Energy and Electrification  
77 Grenville Street  
Toronto, ON  
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**RE: ERO #019-9501 Consultation to support the important role for natural gas in Ontario's energy system and economy.**

On behalf of the Canadian Fuels Association (CFA), we thank you for the opportunity to provide feedback on the Ministry of Energy and Electrification's (ENERGY) principles and commitments for how the continued role of natural gas should be a part of Ontario's integrated energy plan in early 2025. The Canadian Fuels Association (CFA) represents the producers, distributors and marketers of transportation fuels<sup>1</sup>, including gasoline, ethanol, bio-based diesel, jet fuel as well specialty fuels and lubricants. Our sector represents 111,000 workers, 15 refineries, 10 biofuels production facilities, 75 fuel terminals, and supplies over 12,000 retail sites. Our members supply 95% of Canadians' transportation fuel, or 109B litres/year, and over 70% of biofuels made in Canada.

The fuels industry is a cornerstone of Ontario's energy and economic landscape. With 5 refineries and 8 biofuels production facilities, the sector produces and distributes over 26 billion litres of fuel annually—equivalent to a staggering 71 million litres daily. This production sustains 42% of Ontario's energy supply mix, demonstrating the industry's critical role in powering transportation and supporting economic activity. In terms of Gross Domestic Product, the fuels sector ranks as the third most significant economic driver only after automotive and agriculture. In addition to its economic contributions, the industry generated \$11 billion in government revenue through fuel sales taxes in 2023, funding vital public services and infrastructure. The sector's capacity to meet energy demands while fueling provincial growth underscores its indispensable role in Ontario's prosperity.

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<sup>1</sup> Canadian Fuels members: Braya Renewables, Cenovus Energy, Federated Co-operatives Limited., Greenenergy, Greenfield Global, Imperial Oil Limited, Irving Oil, North Atlantic, North West Redwater Partnership, Parkland Corporation, Petro-Canada Lubricants Inc., Shell Canada Products, Suncor Energy Products Partnership, Tidewater Midstream and Infrastructure Ltd. and Valero Energy Inc.

## **Policy Statement: Ensuring Energy Security and Competitiveness for Ontario's Manufacturing Industry**

The CFA and its members are committed to supporting Ontario's transition to a balanced, sustainable, and reliable energy future. We recognize the vital role that natural gas plays in ensuring affordable, accessible, and secure energy while facilitating the province's economic growth and resilience. As Ontario charts its energy future, we urge policymakers to adopt a pragmatic, all-of-the-above approach to integrated energy planning, ensuring that energy infrastructure and policies meet the needs of households, businesses, and industries.

### **The Role of Natural Gas in Ontario's Energy Mix**

Natural gas remains an essential pillar in Ontario's energy mix, delivering reliable, low-cost energy that ensures affordability for families and competitiveness for businesses. It provides unmatched energy capacity—four to five times that of the electricity grid—at a quarter of the cost. This cost-effectiveness is essential for maintaining competitive energy pricing in Ontario for industry and residence alike. Additionally, natural gas infrastructure strengthens Ontario's energy resiliency. Unlike above-ground electricity lines, underground natural gas pipelines are less vulnerable to extreme weather events, minimizing disruptions during storms and peak demand periods. Maintaining and expanding this infrastructure ensures the province has continued access to heat during extreme cold weather, when electricity systems alone may struggle to meet demand.

### **Economic Growth and Competitiveness**

A robust natural gas system is fundamental to sustaining and growing Ontario's manufacturing sector. Industry currently consumes 80% of the volume of the Enbridge Gas system. Costs remain competitive due to a strong distribution of customers across the system. Without a balance of customers, Ontario's industries would face higher energy costs, reducing their competitiveness against other jurisdictions and potentially passing these costs on to consumers.

### **Investor Confidence and Energy Flexibility**

A balanced, affordable energy mix is essential for attracting and retaining global investment capital in Ontario and keeping the province 'Open for Business'. There are many 'hard to decarbonize' industries that are essential to Ontario's prosperity. Where electrification proves challenging due to technological and cost constraints; providing businesses with the flexibility to choose reliable and affordable energy sources, including natural gas, is critical for mitigating risks, meeting production timelines, and maintaining financial stability.

## Policy Recommendations

To support Ontario's fuels sector and broader economic goals, we recommend the following actions:

1. **Ensure timely energy connections:** Direct the Ontario Energy Board to facilitate the timely connection and rational expansion of the natural gas system, supporting economic growth across the province.
2. **Adopt a technology agnostic energy strategy:** Implement policies that maintain a balanced energy mix, allowing households and businesses to choose energy solutions that align with their needs, budgets, and timelines.
3. **Support resilience and affordability:** Invest in maintaining Ontario's low-cost underground natural gas infrastructure, ensuring reliable energy delivery and minimizing disruptions from extreme weather.
4. **Support high-priority regions:** Ensure that municipalities and regions have access to the energy resources required to meet current and future demands, preserving economic competitiveness and fostering growth.
5. **Maintain economic equity:** Protect the balance between residential, business, and industrial energy costs to prevent undue financial burdens on Ontario's manufacturing sector and consumers.

Natural gas is a key part of Ontario's energy system, enabling economic resilience, competitiveness, and affordability. As a key member of Ontario's manufacturing industry, we stand ready to work with the government to ensure that Ontario's energy policies support a sustainable future for its families, businesses, and industries.

CFA thanks you again for this opportunity to provide feedback on this important consultation.

Sincerely,



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