



Re: Comment on Ontario's Affordable Energy Future – The Role of Natural Gas

Dear Minister. Lecce,

On behalf of Petro-Canada Lubricants Inc. I am writing to provide comments on the Ontario government's vision statement, Ontario's Affordable Energy Future: The Pressing Case for More Power. We commend the government's commitment to include a Natural Gas Policy Statement in the province's integrated energy plan, as recommended by Ontario's Electrification and Energy Transition Panel (EETP).

Specifically, we support the government's position that the Ontario Energy Board must ensure a rational expansion of the natural gas system to meet the province's economic and industrial needs.

Natural gas is an indispensable component of a balanced energy mix and essential for ensuring that Ontario's energy system remains affordable, reliable, and capable of supporting a sustainable transition to lower emissions. Petro-Canada Lubricants is committed to reducing our GHG emissions and access to affordable natural gas plays a pivotal role in accomplishing this to ensure we remain sustainable and competitive.

Key considerations include:

Reliability: Natural gas provides a stable and reliable energy supply, avoiding the intermittent blackouts that can affect electricity. This reliability is particularly critical for heavy industrial processes that demand consistent energy inputs.

Limited Alternatives for Hard-to-Electrify Sectors: For industries that are difficult to electrify, there are currently very few practical alternatives to natural gas, both in terms of equipment availability and cost-effectiveness.

GHG Reduction Pathway: Natural gas offers a viable pathway for reducing greenhouse gas (GHG) emissions by replacing higher-emitting fuel sources. Furthermore, existing natural gas infrastructure can seamlessly support the transition to renewable natural gas (RNG) as it becomes more available, enabling continued reductions in GHG emissions.

Hydrogen Production: Natural gas is integral to hydrogen production via steam-methane reforming, which is currently the most cost-effective method for producing hydrogen at scale. This process is vital for meeting emerging hydrogen demand across various sectors.

Energy Density: With approximately three times the combustion energy of hydrogen, natural gas remains more practical for many applications in the near term. A premature shift to



AN HF SINCLAIR BRAND

hydrogen would necessitate costly overhauls of existing gas delivery infrastructure, which could undermine the affordability and reliability of Ontario's energy system.

We support the government's measured approach to incorporating natural gas into the province's energy future, balancing economic, environmental, and practical considerations.

It is our hope that this comment contributes to Ontario's Natural Gas Policy Statement as it will play a pivotal role in ensuring that the province's energy system supports economic competitiveness and environmental sustainability while remaining affordable and reliable for consumers and businesses alike.

Sincerely,

Anthony Smith
Vice President, Operations
Mississauga