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680 Waterloo St., London, ON N6A 0B3

Tel.: 519-472-8200

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Attn: Nik Spohr, Ministry of Energy and Electrification

77 Grenville Street

Toronto, ON M7A 2C1 Canada

Nik.spohr@ontario.ca

Re: ERO 019-9501 - Consultation to Support the Important Role for Natural Gas in Ontario's Energy System and Economy

On behalf of Drewlo Holdings Inc., please consider this letter our comments in response to consultation to support the important role for natural gas in Ontario's energy system and economy (ERO posting 019-9501).

Our responses to the Consultation Questions are provided below:

Q: What principles should the government provide to the OEB to help inform the Board's ongoing development of natural gas connection policies?

Response: Consistent with the passing of the *Keeping Energy Costs Down Act, 2024*, the government should ensure the revenue horizon for residential connections is maintained at a reasonable period to ensure new customers are not responsible for upfront connection fees, to avoid this cost being added to the price of new homes – further eroding housing affordability. Overall, providers should cover the capital and rely on return through usage in the delivery calculations.

Q: What role should natural gas play in supporting energy affordability and customer choice in residential and small commercial applications (e.g., space and water heating)?

Response: As highlighted within the ERO posting, natural gas currently makes up almost 40% of Ontario's energy usage. It is the most energy efficient and cost-effective method to provide heat - where pipes exist. To support energy affordability, it should remain a front-runner, given its ability to provide higher energy density at a low cost. The importance of natural gas in energy affordability increases exponentially if there is a possibility of the carbon tax being eliminated through change in government.

Q: 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?

Response: Our field of expertise is residential. However, an important aspect of natural gas in industrial and agricultural sectors is affordability, which is essential for healthy economic development within the Province.

Q: What role should the government play in supporting and expediting the rational expansion of the natural gas system to make home heating more affordable and support economic growth in communities that are seeking natural gas service?

Response: It is important to have the ability to have homes affordability heated. The government is investing in infrastructure to stimulate much needed housing supply, rational expansion of natural gas systems should be part of that investment.

Q: For natural gas expansion projects receiving government support, should the approvals processes be streamlined to support affordable home heating for Ontarians? In what ways?

Response: Absolutely. Remove restrictions. Reduce red tape.

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

Response: Nuclear should be core, natural gas can provide economic supplementary power where needed. It's a critical component of the mix given its ability to maintain reliability.

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

Response: Not our expertise.

Q: 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?

Response: Natural Gas provides Canadians a cost-effective heat source. In order to mitigate the GHG's focus should be on carbon capture. Instead of focusing on eliminating the use, the priority should be figuring out how to effectively mitigate the emissions.

We trust that the comments provided above will assist in establishing the principles and commitments of a Natural Gas Policy Statement, to be integrated into Ontario's energy plan.

Please do not hesitate to contact our office.

Sincerely,
DREWLO HOLDINGS INC.

Carrie O'Brien, Land Developer Planner
cobrien@drewloholdings.com
Office: 519-472-8200 x.1077
Cell: 226-926-5709