January 16, 2025

The Hon. Stephen Lecce

Ministry of Energy

77 Grenville St., 10th Floor

Toronto, ON

M7A 2C1

**RE:** **Consultation to support the important role for natural gas in Ontario’s energy system and economy**

Dear Minister Lecce,

Invenergy welcomes the opportunity to provide feedback to the consultation to support the important role for natural gas in Ontario’s energy system and economy.

Invenergy is a leading privately held, global developer and operator of sustainable energy solutions. With over 33 GW developed internationally, we have commissioned 1,071 MW in Canada to date. We have completed 9 projects including wind, solar and high efficiency natural gas with an over 4 GW project pipeline spanning wind, solar, energy storage, and natural gas in seven different provinces.

Our natural gas fired St. Clair Energy Centre (SCEC) plays a vital role in Ontario’s grid, contributing to reliability and providing affordable power. SCEC is a combined cycle natural gas plant which came into operation in 2009 and has a current capacity of 584 MW. It resides in Southwestern Ontario in St. Clair Township and recently was awarded a contract amendment from the Ontario Independent Electricity System Operator (IESO) through the Same Technology Upgrade competitive procurement process.

The use of natural gas and addressing climate change are not mutually exclusive. We support the Government’s goal to reduce emissions and accelerate the build-out of clean energy, and to do so reliably, Ontario will need a significant amount of dispatchable capacity to complement variable renewable assets. Additionally, without the reliability provided by dispatchable resources, the ability for other sectors (which comprise 97% of Ontario’s greenhouse gas) to electrify could be stymied, which would compromise the Government’s ultimate objective to reduce emissions. We believe policy around the role for natural gas in Ontario’s energy system must be balanced between the Government’s goals of making life affordable and attracting economic investment while not compromising the provinces’ ability to provide reliable power. A pragmatic approach can help balance costs and sustainability goals by keeping natural gas online and adding new clean generation.

Natural gas is a transitional fuel essential to system reliability that helps enable emission reductions in other sectors. In the Ontario context, companies are making major investments in electrification, but compromising reliability can discourage these investments. For example, electric vehicle auto manufacturers assess the grid’s ability to provide power prior to making investment decisions. Introducing any reliability risk has the potential to thwart those types of investments that would have a positive impact on climate change. This could even impact projects that have received Government support such as steel manufacturers’ transition from coal to electric arc furnaces.

There are ways Invenergy and other gas operators can play a part in the transition to net zero including clean fuel blending and carbon capture. However, these emerging technologies are still in a nascent phase, so it is crucial the incentives exist to support their use in Ontario. The Ontario government should be working with the federal government to ensure Investment Tax Credit (ITC) benefits for Carbon Capture and Storage (CCS) exist in Ontario and that all levels continue to work collaboratively on making the business case work for innovative natural gas plant upgrades that will be key pieces of Ontario’s clean energy transition

Invenergy appreciates the opportunity to provide feedback and looks forward to more opportunities to engage as the government develops their policies for the future of the Ontario electricity grid. We are encouraged to work together on our shared goals of system reliability and affordability.

Sincerely,

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