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

* The Province should recognise that the northern area of Ontario is subject to prolonged periods of severe negative temperatures where existing alternative sources of heat are not capable of providing a safe environment for residential properties
* The Province should also recognize that the existing cost of residential heating in the North, regardless of the fuel source, is significantly higher than the southern parts of the province and that the cost of installing more energy efficient equipment while retaining the existing natural gas supply will create a financial burden to the home owner. It is not likely that any subsidy will fully compensate the homeowner for the supply and installation and the ongoing energy cost.
* The Province should recognize the negative implications of rising gas charges to residential and business customers as the number and/or quantity of gas purchased declines in a particular area or province wide.
* The Province should acknowledge historical decisions to bring natural gas into a community in order to free up electricity supply for an expanding industrial facility (ie mine) in the development of any transition plan to move customers away from natural gas.
* The Province should recognize their historic unwillingness to expand the electrical distribution system into a particular community served by a radial line so that there is sufficient capacity to allow the community and local services to expand and to create a situation where new mines can connect to the provincial electrical grid instead of utilizing diesel or natural gas for their processes.
* Where a homeowner or business continues to have an obligation to pay for the connection to the natural gas distribution system, the government must forgive the remainder of that 40-year commitment and compensate the gas distribution company accordingly.[[1]](#footnote-1) This shall apply even if the homeowner is to continue to be a customer of the gas distribution company for supplementary heating.
* The Province should recognize the age and condition of the housing stock in Northern Ontario and the costs associated with significantly improving the insulation features of the building in order to shift to non-carbon-based fuels.
* The Province should recognize that Ontario communities need housing now and the province has several ‘high growth’ areas that need more electrical energy capacity immediately. These communities cannot wait for the electricity grid alone to support them. They need to ensure that their regions and municipalities can meet the energy needs of today.
* The Province should recognize that natural gas is a key part of a balanced energy mix, allowing for a realistic transition to lower emissions while ensuring energy remains affordable and reliable. We agree with the government’s position that the Ontario Energy Board must ensure a rational expansion of the natural gas system to support housing and economic growth.
* The Province should ensure that a major private sector project (ie mining) is not forced to opt for natural gas due to the failure of the government and its funding policies to provide the infrastructure necessary to connect the project to the provincial electrical grid

**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)?**

* Electrically based options such as the various heat pumps are unable to supply heat during the severe cold Northern Ontario faces for a multitude of weeks each winter therefor requiring a secondary source of heat (and fuel) significantly increasing the capital and operating cost of the secondary heating system. Natural gas remains the preferred source of heat!
* The existing natural gas distribution system is underground and as a result is not susceptible to severe weather, forest fires or vehicle accidents in the same way that the electrical distribution system is. (Three major clusters of communities receive their electrical power via a radial line with no redundancy and are susceptible to forest fire, ice storms and in some cases highway vehicle accidents. Power can be out for a significant period of time.)

**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?**

* Communities immediately adjacent to the trans-Canada pipeline and those with a major connecting line can use the available capacity to attract new industries that either require the gas for their processes or to properly heat very large buildings.
  + Municipalities continue to attract investors to their jurisdictions. Providing investors flexibility is essential to attracting new businesses. Not all industries can fully electrify (steel, concrete). Further, not all manufacturers are willing to take a risk on a sole source of energy. Ensuring a balanced energy mix gives investors the flexibility they need for their timelines, resilience and balance sheets.

**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?**

* Funding for the full capital construction of a LNG or CNG system to bring low-cost natural gas into communities that do have have pipeline access is a role that province can play. The capital cost should include the transfer facilities in each community, the distribution system within each community up to the property line of each customer and the transportation equipment required.
* Province research funding designed to determine other areas of the Northwest – particularly rural areas – where a LNG or CNG service could be viable.
* **For natural gas expansion projects receiving government support, should the approvals processes be streamlined to support affordable home heating for Ontarians? In what ways?**

Yes – historically, the province paid for natural gas expansion making it a viable and affordable heat source for Ontarians. With the introduction of hybrid heat pumps, natural gas reduction is an opportunity but the cost of the infrastructure is a barrier for many people.

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

* Communities on radial lines are unable to transition to electrical heat in part because the lines are already at capacity. Also, by switching to electricity homes become vulnerable to regular, unplanned and lengthy power outages. Natural gas is supplied through underground piping and is not susceptible to sever storms or wildfires.
* Battery back up systems for natural gas furnaces should be mandatory for all new installations ensuring their operation during power outages and providing 100% grants for homeowners purchasing back up battery systems (including installation).

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

Expansion of natural gas, either through a pipe network or through a CNG/LNG process to individual residents and buildings has the potential to eliminate the use of home heating fuel, propane or wood burning.

**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?**

People living in the Boreal Forest region know there’s a viable source of energy – one that not only produces green renewable energy but creates good paying long-term jobs in the smaller communities of the province.

It’s forest biomass; consisting largely of the left-over wood from logging and sawmill operations.

Almost every community in Ontario’s north is surrounded by the forest industry, making wood fiber a readily available resource. Today only 46% of the province’s total allowable cut is being harvested each year, less than 0.5% of Ontario's overall public forest.

One advantage of using forest biomass to produce biogas is the positive contribution it makes to combating climate change. Canada’s Boreal Forest absorbs and stores extremely significant amounts of carbon dioxide. New growth continuously draws carbon dioxide out of the atmosphere, however, at some point absorption stops and old forests start emitting carbon dioxide. Wood fibre that can’t be used for traditional forest products can be utilized in the creation of bio-gas.

It would transform waste from the 1.5 million-hectare Boundary Waters Forest – such as bark, sawdust and logging debris – into airline fuel, diesel and naphtha.

Fifty four percent of the Northwest’s forests allowable cut is available to fuel biogas production facilities. The output can be used locally to reduce the amount of western Canada natural gas being shipped to southern Ontario. Such a series of projects will create significant employment in the Northwest. It will also enhance the economic condition of the host communities.

1. 40 year rule [↑](#footnote-ref-1)