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

**ERO number**

**019-9501**

**Respectfully submitted by Sarnia-Lambton Economic Partnership (SLEP)**

The Sarnia-Lambton Economic Partnership (SLEP) is the lead economic development agency for the Sarnia-Lambton area. Funded by the County of Lambton, we have a focus on promoting the distinct advantages that Sarnia-Lambton proudly offers companies and residents. By coordinating community-based economic development initiatives and working to maintain a commercially attractive environment, we foster new business creation, help ensure that established firms remain and grow here, and work to attract growing businesses to the Sarnia-Lambton area.

Natural gas plays a pivotal role in ensuring a balanced energy mix, which is essential for a measured energy transition while maintaining affordability, availability, and reliability.

Lambton County is home to Enbridge’s Dawn Hub, the second largest natural gas hub in North American. Enbridge Gas is Canada's largest natural gas storage, transmission and distribution company based in Ontario. The distribution business provides safe, affordable, reliable energy to about 3.9 million customers, while the storage and transmission business offers a variety of storage and transportation services to customers via the Dawn Hub.

Dawn Hub activity:

* Dawn is one of the most physically traded hubs in North America.
* Top North American marketers are active at Dawn Hub.
* More than 100 active counterparties.
* Dawn is the largest integrated underground natural gas storage facility in Canada.
* Connected to most of North America’s major supply basins.

SLEP supports the government’s position that the Ontario Energy Board (OEB) must ensure timely connection to both the electricity and natural gas systems and promote the rational expansion of the natural gas network to bolster Ontario’s housing development and economic growth – especially in Ontario’s industrial and agricultural sectors. Key considerations include:

1. **Integrated Energy Planning:** Ontarians require an all-encompassing approach to energy planning. This necessitates flexibility for households and businesses to meet their energy needs based on individual budgets and timelines.
2. **Winter Reliability:** Natural gas ensures Ontario households and businesses remain warm and safe during extreme cold weather, with no proven alternative capable of reliably meeting peak winter demand.
3. **Resilient Infrastructure:** Underground energy systems, like natural gas pipelines, deliver low-cost, reliable, and clean energy. With natural gas offering twice the energy and four to five times the maximum electricity capacity at a quarter of the cost, maintaining and expanding this infrastructure is essential for Ontario’s sustainable future.
4. **Economic Vitality:** A robust natural gas system underpins Ontario’s economic growth by ensuring energy availability and capacity to attract investment and support job creation. This is essential for industrial sectors where natural gas may be a key feedstock for manufacturing processes or utility supply, and also for the agricultural sector where other forms of energy supply may not be capable of meeting the necessary demands especially in rural areas.
5. **Natural Gas Policy Statement:** The Natural Gas Policy Statement will support Ontario’s integrated energy plan to achieve the government’s vision of an affordable, reliable, and clean energy system. Success in achieving these objectives for the province’s energy system could have significant positive impacts on the environment through the buildout of a cleaner and more diversified economy.

**Affordability and Reliability:**

1. **Energy Poverty:** Statistics Canada reports that Ontario has some of the lowest rates of energy poverty in the country. Unlike Atlantic provinces, which rely primarily on electricity, propane, and oil, Ontario benefits from the affordability and safety of natural gas heating.
2. **Industrial Contributions:** Ontario’s industries consume 80% of the Enbridge Gas system’s volume while contributing only 20% of the costs. Without residential and small business users, industrial consumers would face significantly higher energy costs, which would ultimately be passed on to consumers and reduce competitiveness against other jurisdictions. At the same time, natural gas represents a critical feedstock and energy source for new industrial development and capital investment across Ontario.
3. **Capacity and Cost-Effectiveness:** Natural gas provides four to five times the maximum capacity of electricity at just a quarter of the cost. Unlike electricity infrastructure, natural gas systems are less vulnerable to climate events, enhancing reliability and resiliency.
4. **Storm-Resistant Infrastructure:** With its underground infrastructure, natural gas is immune to the storm-related disruptions that often affect overhead electricity lines.

**Capacity and Economic Growth:**

1. **Investor Flexibility:** Providing flexibility in energy options is critical to attracting businesses. Many industries, such as chemical, steel and concrete manufacturing, cannot fully electrify, and investors require a balanced energy mix to meet their timelines, ensure resilience, and manage costs.
2. **Meeting Growth Demands:** Ontario’s high-growth areas need immediate energy solutions. Relying solely on electricity grid expansion will not suffice and may not be available to all areas of economic potential in a timely manner; natural gas infrastructure is necessary to support current demands and preserve economic competitiveness.

**Ontario as an Energy Superpower:**

1. **Team Canada Approach:** As a global leader in energy production and transportation, Canada’s conventional energy sector—including natural gas—relies on domestic resources, technologies, and expertise to ensure safe homes and energized businesses.
2. **Economic Impact:** Enbridge’s Panhandle Regional Expansion Project in southwest Ontario is set to create 7,000 jobs and enable $4.5 billion in economic investment. This project supports the Great Lakes economies and stabilizes energy rates for Ontarians.
3. **Energy Independence:** Geopolitical instability underscores the importance of Canada’s energy security. By prioritizing domestic energy sources like natural gas, Ontario can avoid dependence on adversarial nations.
4. **Expansion of Energy Supply to Support Electrification:** Ontario has identified a need for energy supply via the electricity grid to grow by over 75% to accommodate industrial growth and electrification. Increased investment in natural gas cogeneration assets – and especially those that can be ready to accommodate alternative feedstocks such as hydrogen or renewable natural gas – will be key to supporting a diversified energy mix that can ramp up and down to meet the needs of homes and businesses on an as-needed basis. Natural gas energy production has the capability to ramp up instantaneously during periods of peak energy demand, whereas other forms of energy production do not have this capability.

**Rural Development:**

1. **Government Role:** The provincial government should play a leading role 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, especially with a lens towards rural communities where energy is currently single sourced (electricity) or where energy demands are secured through higher cost and less delivery efficient sources (ie. propane).
2. **Infrastructure Funding:** To accomplish the above, the province should consider the proactive creation of infrastructure funding for rural and agriculture centric communities that do not presently access natural gas to all areas of need (ie. Village of Warwick in Warwick Township).

**Decarbonization:**

1. **Clean Energy Adoption:** Natural gas presents an opportunity for the growth of an incremental shift towards clean fuels sources such as RNG and hydrogen. First, the present-day natural gas infrastructure can accommodate the blending on RNG and prescribed levels of low-carbon hydrogen. The province has a role in determining acceptable percentages of low-carbon energy sources that can be blended into the natural gas distribution and transmission infrastructure. The utilization of these fuel sources will help to reduce carbon emissions and intensify activities linked to the circular economy and waste reduction.
2. **Low-Carbon Hydrogen Development:** Natural gas can be utilized as a key feedstock in the development of the low-carbon hydrogen economy in Ontario, especially when paired with the potential for geological carbon storage to accommodate the carbon capture and sequestration that will permit the production of blue hydrogen. While zero-carbon hydrogen is the goal of the province, the shift towards zero-carbon hydrogen production will require an incremental shift that will likely require the utilization of blue hydrogen to implement industrial scale hydrogen production at an economically viable cost.
3. **Emissions Reduction:** As Ontario moves forward with legislation to permit geological carbon sequestration, the impacts of natural gas as a feedstock for energy production will be alleviated as a result of the potential utilization of carbon capture and storage in conjunction with the development and implementation of geological carbon storage assets. This will help to lower the impact of natural gas on the carbon intensity of Ontario’s energy grid, while allowing for the continued use of existing natural gas cogeneration facilities, and the development of new assets as they may be required.

**Local Projects Highlight:**

Local projects, such as the Enbridge Ipperwash Beach community of Lambton Shores Project, exemplify the role of natural gas in supporting Ontario’s integrated energy plan, supporting Ontarians and Indigenous Communities. Enbridge Gas is making it possible for the **Ipperwash Beach community of Lambton Shores** to connect to natural gas, count on instant heat, endless hot water and uninterrupted energy year-round—even through our toughest winters. This project serves the Lambton Shores and the Chippewas of Kettle and Stony Point First Nation with the construction of over 20 km of natural gas pipeline, at a total estimated cost of $2.1 million.

Enbridge has also started construction on a pipeline – to be completed in 2025 – that will transport renewable natural gas (RNG) produced at WM’s new RNG facility at the existing Twin Creeks Environmental Centre in the Township of Warwick and connect to the existing Enbridge Gas natural gas system in the Municipality of Brooke-Alvinston. Enbridge Gas will also construct a renewable natural gas injection station at the Twin Creeks Environmental Centre.

Highlighting similar initiatives across the province can illustrate how natural gas infrastructure aligns with the government’s vision of an affordable, reliable, and clean energy system, while driving significant environmental and economic benefits.

**Conclusion:** Natural gas is a cornerstone of Ontario’s energy system, providing affordability, reliability, and resilience while supporting economic growth. A balanced energy mix is essential to meet the province’s current and future energy demands. By promoting the expansion of natural gas infrastructure and maintaining a diversified energy approach, Ontario can continue to ensure a secure, sustainable, and prosperous energy future for its residents and industries.