ONTARIO GREENHOUSE VEGETABLE GROWERS

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October 04, 2025

Jeffrey Ong
Ministry of Energy and Mines
10th Floor, 77 Grenville St Toronto,
Ontario M7A 2C1

Re: Proposed Amendments to the Electricity Act, 1998, Ontario Energy Board Act, 1998 and the Municipal Franchises Act, to secure energy for generations (ERO 025-0993)

Dear Jeffrey Ong,

Ontario Greenhouse Vegetable Growers (OGVG) appreciate the opportunity to comment on the Proposed Amendments to the *Electricity Act, 1998*, *Ontario Energy Board Act, 1998*, and *the Municipal Franchises Act*, to help deliver Ontario's first Integrated Energy Plan. Ontario's greenhouse vegetable sector has grown an average of 5% annually over the last decade, with significant acreage gains due to supplemental lighting. In areas such as Essex County and Niagara regions, greenhouses already represent some of Ontario's largest and fastest-growing electricity demand loads. The *2019 IESO Greenhouse Energy Profile Study* predicted an increase in supplemental lighting use in Essex County going from 4% in 2018 to 29% in 2024. The significant increase in forecasted demand has been realized, and continues to increase, due to the significant production gains realized from supplemental lighting. Even while growers have transition to using energy efficient LED lighting from tradition high-pressure sodium (HPS) lamps, electricity demand continues to increase. The additional electricity demand directly supports year-round food security for Ontarians with high quality fresh vegetables locally produced in the winter months.

To align the growing energy needs of the greenhouse sector with the integrated energy plan, OGVG strongly recommends the Ministry to:

- **Support integrated on-farm energy projects participating in IESO's energy procurement** by enabling integrated on-farm projects in specialty crop areas and removing the Agricultural Impact Assessment (AIA) for integrated on-farm generation not requiring conversion of farmland.
- **Direct IESO to explore an agricultural rate class** to support growing agricultural electricity demands.
- **Direct the OEB to extend the cost recovery period** for new customer connections for electricity over a 40-year period
- **Include farm integrated projects** in the upcoming Future Clean Electricity Fund (FCEF) and hydrogen energy pilots.

<u>How OGVG Members Use Integrated Energy but Need Legislative Support to Continue</u>

Many members integrate their natural gas into combined heat and power (CHP) systems, allowing greenhouses to generate electricity while utilizing the heat produced from the systems for optimal crop growth. This maximizes fuel efficiency, reduces waste, and supplies excess electricity to local grids without

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additional land use. An ongoing constraint to further CHP use in the greenhouse sector is the interpretation of certain well-intentioned and supported government directives such as the prohibition of energy projects in Specialty Crop Areas. The prohibition, intended to prevent the destruction of farmland, prevents on-farm integrated projects, which cost no additional land, from participating in energy procurement programs, such as the IESO long-term request for proposals (LT2 RFP). Agricultural Impact Assessments (AIAs) additionally complicate the procurement participation denigrating on-farm energy project applications making them non-competitive in the scoring system as well as putting high-cost burden on greenhouses. **The directives hinder further integration, providing another reason greenhouses should be explicitly identified in Ontario's Integrated Energy Plan.** Greenhouse integrated energy projects including hydrogen/natural gas blending, air source heat pumps, and solar continue to be explored.

In regions like Windsor-Essex and Niagara, greenhouses represent some of the province's largest and fastest-growing electrical loads. Vegetable crops have strict environmental requirements and productivity of the crop is directly related to lighting and temperature, both of which require energy to maintain. The current electricity volumes and demand in the province places growers in a dilemma having to choose between reduced yields and increase costs when electricity prices are volatile. Supporting integrated on-farm energy projects in IESO's procurement initiatives, specifically with capacity payments, make on-farm electricity generation financially sustainable for farms and lowers electricity costs to Ontarians with responsive, efficient, and clean CHP units.

Adding Economic Growth to the Objectives of the IESO and OEB

OGVG strongly supports the Ministry's amendments to include economic growth in electricity planning and decision-making. Ontario's vegetable greenhouse sector contributes over 35,000 jobs in the full value chain and adds $2.4 billion in Gross Domestic Product (GDP). It is essential that the economic and food-security benefits of greenhouse operations be considered in transmission and distribution planning, Leave-to-Construct proceedings, and rate setting. **OGVG supports the creation and implementation of greenhouses in a distinct procurement program, supported by capacity payments, and electricity rate class.** IESO programs such as the LT2 RFP inadvertently disqualify greenhouses in specialty crop areas and lower their score in the process for locating on farmland. A greenhouse-specific procurement program for on-farm generation and a specific rate class for electricity will support electricity generation and provide predictability for electricity demand effectively maximizing the utilization of hundreds of MW of electricity in the province. Economic growth requires electricity and slow energy planning process risks constraining or even turning away investment.

Expanding the *Electricity Act, 1998* to Include Hydrogen-Related Pilot Projects and Funding Programs

OGVG welcomes the proposed direction of facilitating the development of a hydrogen market and economy, and to enable IESO to undertake hydrogen pilots. OGVG has partnered with a local University and windfarm in feasibility studies for a Hydrogen Integrated Greenhouse Horticulture (HIGH) Energy project. Greenhouses are ideal sites for hydrogen demonstration projects: CHP units can run on natural gas, hydrogen, or blends, while providing electricity, heat, and CO_2 for crops. **We appreciate the support**

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from the province and IESO in supporting greenhouse hydrogen pilots to enable agricultural participation in Ontario's emerging hydrogen economy.

OGVG members appreciate provincial support for growth and prioritizing infrastructure. We look forward to supporting infrastructure initiatives that support greenhouses and the economy across Ontario. As always available to answer any questions and provide further comment.

Sincerely,

Richard Lee
Executive Director

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