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October 2, 2025

Jeffrey Ong, Director
Ministry of Energy and Mines
77 Grenville Street
Toronto, ON
M7A 2C1

Dear Mr. Ong:

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

Peel Region appreciates the opportunity to provide input on the consultation regarding the Proposed Amendments to the Electricity Act, 1998, the Ontario Energy Board Act, 1998, and the Municipal Franchises Act as presented in *Bill 40, Protect Ontario by Securing Affordable Energy for Generations Act, 2025*. As one of Ontario's largest and fastest-growing municipalities, home to over 1.5 million residents and Canada's largest airport, Peel depends on an energy system that is affordable, reliable, resilient, and sustainable. Bill 40 will shape Ontario's energy future and carry important implications for municipalities like Peel that are advancing electrification, climate change mitigation, and reliable service delivery.

PEEL REGION COMMENTS

Data Centres and System Access, Proposed Amendments to the Electricity Act, 1998

Peel Region recognizes the near-term pressure that large data centres can place on constrained transmission and distribution systems. However, a prohibition-first approach to connections risks normalizing scarcity and may set precedents that constrain other sectors, including critical municipal services electrifying fleets and buildings. While restrictions on data centre connections may create some temporary benefits by freeing capacity, Peel Region cautions that such measures risk setting a precedent that could adversely affect essential municipal services and businesses. Peel Region therefore asks the Province to prioritize timely investments in generating capacity, transmission and distribution improvements, and to provide clarity on how clean electricity requirements for data centres will be supported. We also ask for confirmation from the Province on whether programs will be established to advance distributed energy resources for these facilities as part of a balanced approach to meeting future demand.

Deferral and Variance Accounts for Higher Procurement Costs, Proposed Amendments to the Ontario Energy Board Act, 1998

Peel Regional Council supports local preference, recognizing the importance of fostering growth and competitiveness among small and medium-sized businesses in Peel. Peel Region requests assurances that the proposed amendments would not inadvertently disadvantage these businesses if procurement restrictions result in higher costs that are passed through without adequate safeguards. While deferral and variance accounts may improve regulatory transparency by tracking incremental



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costs, Peel Region stresses that their implementation must not restrict opportunities for local businesses or create barriers to participation in the provincial supply chain.

Adding Economic Growth to the IESO Objects and OEB Objectives

Peel Region supports the inclusion of economic growth in the mandates of the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB), recognizing the importance of aligning electricity planning with Ontario's investment and competitiveness goals. A healthy economy is underpinned by a healthy environment. Economic development and environmental sustainability cannot be separated if long-term affordability, resilience, and prosperity are to be achieved.

For this reason, Peel Region seeks clarification about whether the Province will also consider the explicit inclusion of environmental protection and climate change objectives in the mandates of both the IESO and the OEB. Such an approach would ensure that economic growth is advanced in balance with climate change goals, greenhouse gas reduction, reliability, and resilience objectives, and would reduce the risk of stranded assets that fail to meet Ontario's long-term energy and environmental goals.

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

Peel Region supports enabling low-carbon hydrogen pilots, carefully targeted where electrification is not yet feasible, provided that safety, lifecycle emissions, and public value criteria are met. Peel Regional Council declared a Climate Emergency in 2019 and has established ambitious mitigation targets that would benefit from the availability of clean and safe hydrogen fuel sources, particularly in sectors where traditional sources of clean energy have limited application. Peel Region's Waste Management Division is actively exploring the integration of low-carbon hydrogen into its fleet and equipment. This includes prioritizing the production and use of green hydrogen as a zero-emissions solution. Advancing this work aligns with Peel Region's broader climate change goals and commitment to reducing greenhouse gas emissions.

Peel Region supports legislative amendments that promote the development and use of low-carbon hydrogen, especially in the industrial and transportation sectors. In response to the Renewal of Ontario's Low-Carbon Hydrogen Strategy (ERO # 019-9324) in December 2024, we previously requested that the Province broaden the scope of the Hydrogen Innovation Fund (HIF) to include mobility sectors, recognizing the strategic importance of hydrogen in decarbonizing transportation. We reiterate this recommendation and that the HIF be expanded to support the integration of hydrogen vehicles into existing fleets and fueling networks to facilitate the adoption of commercial and heavy-duty hydrogen-powered vehicles. Furthermore, reliable municipal services require diversified and decentralized energy systems. Hydrogen production can play an important role in supporting grid reliability, and the HIF should enable projects that advance this diversification.

Municipal Franchises Act Changes Regarding Municipal Electors' Assent

Removing elector assent entirely would eliminate a municipal mechanism for democratic input into natural gas franchises. While the Ontario Energy Board often waives assent, eliminating it outright may undermine local economic, environmental,



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and land use considerations. Peel Region recommends that municipalities retain the option to defer municipal elector's assent, thereby maintaining an appropriate role in decisions that affect local residents and businesses.

Future Clean Electricity Fund Legislative Enablement

Peel Region supports the establishment of the Future Clean Electricity Fund (FCEF), which aligns with Peel's climate change goals and Regional Council's position that all fossil natural gas-fired electricity generation be phased out as soon as possible (Resolution 2021-451). However, a singular emphasis on nuclear and hydroelectric projects risks missing opportunities to diversify supply, enhance resilience, and lower long-term costs. While these sources will remain important components of Ontario's energy mix, Peel asks the Province to clarify how the FCEF will support a more diverse and balanced portfolio of clean energy solutions.

In particular, the Peel Region requests clarity on the following key questions:

- Through the FCEF, will the Province support a wider range of clean electricity generation sources such as wind, solar, storage, and efficiency measures?
- Will the economic and environmental value of resilient, hyper-local distributed energy resources be recognized and funded through this program?
- Will equity considerations be integrated into the funding criteria to ensure that vulnerable populations benefit from clean energy investments?
- How does the Province intend to use the FCEF to strengthen transmission capacity and reliability in high-growth regions such as Peel, where businesses and municipalities rely on secure energy supplies to provide critical services and maintain a competitive advantage in the global economy?

Conclusion

Peel Region supports the Province's intent to modernize Ontario's energy framework through these legislative amendments but emphasizes that economic growth must be advanced in balance with climate change objectives, environmental protection, and long-term system resilience. We request that the Province prioritize investment in transmission and distribution infrastructure to address generating, transmission and distribution capacity constraints, ensure that procurement changes do not disadvantage small and medium-sized businesses, and explicitly include environmental and climate change objectives in the mandates of the IESO and the OEB.

Peel Region also supports enabling well-managed hydrogen pilot projects, particularly in transportation and industrial sectors, and recommends broadening the HIF to support fleet integration. Peel Region further recommends retaining a municipal role in decisions related to natural gas franchises to safeguard local accountability.

We encourage the Province to work closely with municipalities in the development of accompanying regulations and funding frameworks, as local governments are on the front line of growth, electrification, and climate adaptation. Peel would welcome the opportunity for technical discussions with the Province on transmission planning, distributed energy integration, hydrogen pilots, and the design of the FCEF.



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If you require any additional information or clarification, please contact Jeremy Schembri, Manager, Office of Climate Change and Energy Management, at jeremy.schembri@peelregion.ca.

Thank you,

Signed by:

Christine Tu

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Christine Tu
Director, Office of Climate Change and Energy Management