



Friday, February 2, 2024

Mr. Stephen Motluk
Senior Advisor, Gas Supply
Ministry of Energy
Fuels Policy and Liaison Branch
77 Grenville Street, 7th Floor
Toronto, ON M7A 2C1

Delivered via e-mail to Stephen.Motluk@ontario.ca
Submitted online to the Environmental Registry of Ontario

Re: WOWC Submission to Environmental Registry of Ontario (ERO) Posting 019-8070

Dear Mr. Motluk,

On behalf of the Western Ontario Wardens' Caucus (WOWC), thank you for this opportunity to provide a submission to the Province of Ontario regarding the Environmental Registry of Ontario (ERO) posting 019-8070, *Proposed Change to Support Building Homes and Transit Faster and Support Electrification by amending the Ontario Energy Board Act, 1998 Requirement for a Leave to Construct*.

The WOWC is a not-for-profit organization representing 15 upper and single-tier municipalities, 300 communities, 250,000 businesses and 1.5 million residents across rural Western Ontario, aiming to enhance the prosperity and overall well-being of rural and small urban communities across the region.

Rural Western Ontario has seen significant growth in the past decade, bringing additional pressure to build out the gas pipeline network. Several municipalities in our region have lost major investment opportunities resulting from delays in getting natural gas to development sites. Under the current regulations, any person or company planning to construct hydrocarbon transmission facilities within Ontario, must apply to the Ontario Energy Board (OEB) for authorization, if the projected cost to build the pipeline is over \$2 million – a threshold that was set in 1998.

The WOWC understands that the Province of Ontario modernized the Leave-to-Construct (LTC) process in 2022 for electricity transmission projects, and that following this modernization, additional amendments are proposed to the *Ontario Energy Board Act, 1998* to allow government to prescribe conditions in regulation to fast-track energy infrastructure project (hydrocarbon and electricity lines) through the OEB's LTC process. If passed, the government may then propose regulations to exempt energy projects costing between \$2 million and \$10 million from LTC, if duty-to-consult (DTC) is met.

The WOWC has been informed that the natural gas industry has also proposed an update to the LTC threshold from \$2 million to \$10 million for hydrocarbon lines, by amending Ontario Regulation 328/03, while maintaining current requirements and expectations for Indigenous consultation and environmental review for projects greater than \$2 million and less than \$10 million.

While increasing the LTC threshold to \$10 million would closer align Ontario with other Canadian jurisdictions (for example, in British Columbia, these thresholds are \$15 million for electricity and \$20 million for natural gas), the WOWC is recommending a \$20-million threshold for the Province of Ontario in order to remain competitive with other Canadian jurisdictions. The WOWC adopted a resolution supporting this recommendation on October 13, 2023, and provided a letter to the Minister of Energy.

Ontario's outdated regulations are causing the LTC to apply far more broadly than intended when it was established more than 20 years ago. Furthermore, due to increased regulatory and cost pressures, as well as inflation, virtually all gas pipeline projects are now greater than \$2 million, rendering the threshold meaningless. Today, the cost of approximately half a kilometre in gas pipelines in urban settings often exceeds this threshold.

Modernizing these outdated regulations would reduce delays and costs for economic development initiatives including new industries that desire to relocate in Ontario and create jobs (or allow additional employment opportunities for businesses seeking to expand), transit projects, community expansion projects, housing developments, connections for low carbon fuel blending (e.g. renewable natural gas, hydrogen) as well as residential and business customer connections.

Rural Western Ontario has lost significant opportunities for economic development as a result of the current threshold, including but not limited to the following examples:

- County of Brant
 - EV battery manufacturer, investment of \$1 billion
- Municipality of Chatham-Kent
 - New distillery in Bloomfield Business Park – reinforce natural gas infrastructure south along Bloomfield Road from Richmond Street
 - Two new agricultural processing plants, \$140 million total investment on Park Avenue East in Chatham
 - New agricultural plant, investment of \$225 million USD 3 kilometres east of Chatham, to reinforce natural gas infrastructure along Queens Line, west of Bloomfield/Richmond intersection

In conclusion, the Government of Ontario should modernize the Ontario Energy Board (OEB) Leave to Construct (LTC) process in order to bring reliable, affordable energy options to communities, homes and businesses in a more cost-effective and timely manner, and also to promote economic development and job creation across the Province.

As always, the WOWC appreciates the opportunity to comment on the proposed policy changes and looks forward to working with the provincial government and our municipal counterparts to advance this important policy modernization.

Thank you in advance for your collaboration and your attention to this matter. On behalf of the WOWC and its constituents, I look forward to your response.

Sincerely,



Warden Glen McNeil
Chair, Western Ontario Wardens' Caucus