

From: Murray Costello <Murray.Costello@enbridge.com>

Sent: Wednesday, November 15, 2023 5:08 PM

To: Corrina Giles <cgiles@thebluemountains.ca>

Cc: Julie Alexander <Julie.Alexander@enbridge.com>

Subject: Consultation on the future of natural gas expansion and home heating affordability

Greetings Mayor Matrosovs,

I am writing today to encourage municipalities to have their voices heard by contributing feedback to the consultation on the future of natural gas expansion. Your municipal perspective could help shape the future of the program.

The Ministry of Energy's consultation is open until December 15, 2023, and you can learn more at: [consultation on the future of natural gas expansion and home heating affordability](#).

Attached please find a letter that provides additional information as well as a draft resolution regarding modernization of the current leave-to-construct guidelines.

Please reach out to me or to your municipal advisor should you have any questions.

With thanks,

Murray Costello, P.Eng.

Director, Southeast Region Operations

ENBRIDGE GAS INC.

TEL: 519-885-7425 | CELL: 819-635-3984 | murray.costello@enbridge.com
603 Kumpf Drive, Waterloo, ON N2J 4A4

November 15, 2023

Town of the Blue Mountains
Dear Mayor Andrea Matrosovs and Members of Council,

Re: Consultation on the future of natural gas expansion and home heating affordability

Earlier this year, the Ministry of Energy launched its [consultation on the future of natural gas expansion and home heating affordability](#). The Ministry is specifically seeking input from stakeholders on the future of the program, which will be used to inform next steps to address home heating costs in rural and northern Ontario and Indigenous communities.

I encourage you to have your voices heard by contributing your feedback. Your municipal perspective, interests and priorities could help shape the future of the program. Responses are due by December 15, 2023, and you can learn more about the consultation process on the Ministry's [website](#).

Phase 1 and 2 of Ontario's Natural Gas Expansion Program were oversubscribed with more than 200 projects submitted for funding, indicating the overwhelming demand from municipalities and businesses for access to more cost-effective heating options. The natural gas expansion program can help businesses achieve annual cost savings of up to 30% each year on space and water heating, with homeowners realizing even greater savings. This affordability is vital for Ontario residents and businesses now more than ever.

Enbridge Gas will be contributing to this consultation and leveraging our experience planning and executing the projects that were selected in Phase 1 and Phase 2 of this program.

We continue to advocate for a modernized leave-to-construct application threshold and process for smaller pipeline projects to bring reliable affordable energy options to communities, homes, and businesses in a more cost-effective and timely manner – and to promote economic development and job creation across the province. I invite you to reach out to your local MPP, the Ministry of Energy and the Ontario Energy Board and add your support to this discussion. Attached to this correspondence is a draft resolution for your consideration.

While our work to expand access to natural gas continues so does our commitment to bringing alternative [energy solutions and fuels](#), such as renewable natural gas, hydrogen blending and energy conservation programs, as pathways to lower-cost, clean and reliable energy options for Ontarians. Enbridge Gas has been meeting Ontario's energy needs for more than 175 years; our customers rely on us to deliver clean, reliable, and cost-effective natural gas, and we are proud to deliver on this commitment.

Thank you for your consideration. Please do not hesitate to contact me, or your municipal advisor, if you have any questions or would like to discuss these topics further.

Sincerely,



Murray Costello, P.Eng.
Director, Operations, Southeast Region
Enbridge Gas Inc.
murray.costello@enbridge.com

RESOLUTION

RESOLUTION NO.

DATE:

MOVED BY:

SECONDED BY:

WHEREAS the Enbridge Gas has shared with [municipality name] key messages regarding the Ontario Energy Board's Leave to Construct (LTC) process, entitled "reducing red tape for more cost-effective, timely energy connections in Ontario."

AND WHEREAS [municipality name] supports and wishes to endorse the recommendations put forward by Enbridge Gas in order to expedite the installation of natural gas to rural, remote or underserved communities such [municipality name];

NOW THEREBE IT RESOLVED:

1. THAT the [municipality name] petition the Ontario Government to expedite the implementation of the following recommendations:

i) THAT the Government of Ontario move to modernize the Ontario Energy Board's (OEB) Leave to Construct (LTC) process for smaller pipeline projects in order to bring reliable, affordable energy options to communities, homes and businesses in a more cost-effective and timely manner;

ii) AND THAT the LTC cost threshold be updated from \$2M to \$10M for hydrocarbon lines (by amending Ontario Regulation O.Reg.328/03) while maintaining current requirements and expectations for Indigenous consultation and environmental review for projects greater than \$2M and less than \$10M;

iii) AND THAT these outdated regulations are causing the LTC to apply far more broadly than intended when it was established over 20 years ago due to increased regulatory and cost pressures, as well as inflation, virtually all gas pipeline projects are now greater than \$2M rendering the threshold meaningless;

iv) AND THAT roughly 0.5 KM pipe in urban settings now often exceeds the \$2M threshold;

v) AND THAT modernizing these outdated regulations would reduce delays and costs for economic development initiatives including 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;

vi) AND THAT based on OEB's performance standards, this proposal would save approx. 5-7 months of regulatory process which is in addition to the time needed to undertake Indigenous consultation and environmental review and prepare an application to the OEB;

vii) AND THAT the cost of preparing and having a LTC application heard ranges from approx. ~\$50,000 to ~\$200,000, which is passed on to customers;

viii) AND THAT while no cost-based threshold exists for electricity lines, there are a range of exemptions ensuring that LTC is only required for significant electricity projects and the proposed changes would help ensure that, consistent with electricity projects, LTC for hydrocarbon lines would only be required for significant projects;

ix) AND THAT increasing the cost threshold to \$10M would closer align Ontario with other Canadian jurisdictions (e.g., in B.C., these thresholds are \$15M for electricity and \$20M for natural gas);

2. AND THAT this resolution be circulated to the President of AMO, Colin Best, Premier Doug Ford, the Minister of Energy, Todd Smith, The Minister of Finance, Peter Bethlenfalvy and all regional municipalities requesting support of the proposed changes regarding reducing red tape for more cost-effective, timely energy connections in Ontario.

MAYOR