

February 1, 2021

Toronto City Council
c/o Marilyn Toft
12th Floor, West Tower, City Hall
100 Queen St. W.
Toronto, ON M5H 2N2

Re: MM28.21 – Calling on the Province to Phase-Out Gas-Fired Electricity Generation

Dear Ms. Toft:

Please distribute this letter to the members of Toronto City Council.

With regards to motion MM28.21, presently before Council, I felt it was important to provide the following information to aid in a more thoughtful discussion around natural gas generation.

Electricity is an indispensable resource for the people and economy of Ontario – there must be security of supply produced by efficient and effective generating capacity.

The reliable operation of the electricity system depends on the continual balancing of supply and demand in real time. Natural gas generation plays a critical role in maintaining reliability through:

- Its availability to generate power during peak demand periods in both the summer and winter; and
- Its flexibility -- able to respond to ongoing changes in demand and availability of other supply sources.

With the addition of significant amounts of intermittent wind and solar generation in Ontario, the role that natural gas plays in maintaining system reliability and operability has become even more important.

Gas is the partner or enabler of renewable energy. It is vital to maintain this peaking capacity, especially as the province turns to decarbonizing other sectors through electrification.

OPG's closure of its coal stations remains one of the world's largest single actions to combat climate change. As a result of these closures the province's electricity carbon emissions were reduced by 85% between 2005 and 2018. Today, Ontario's electricity sector has one of the lowest carbon intensity rates in the world.

Our province's clean electricity sector is 90% carbon emissions free and contributes to only 2-4% of Ontario carbon emissions. Further reductions in electricity sector emissions would be expensive and difficult to achieve, largely because it would require a sizable overbuild of

intermittent renewables and significant battery storage to account for the intermittency. As well, replacing natural gas in the Ontario Power System with a combination of wind, solar and energy storage would raise the commodity cost of electricity by about 50%. This would make Ontario one of the most expensive markets in the Great Lakes Region, impacting economic growth potential for decades.

Significant progress on reducing Ontario's carbon emissions requires reducing emissions in the transportation and building sectors. That is why OPG is proud to be partnering with the TTC and Toronto Hydro on providing the charging infrastructure necessary to electrify the largest fleet of electric buses in North America.

Diversifying electricity output, rather than pursuing further emission reductions in the electricity sector, would help reduce Ontario's overall carbon footprint more substantially and in a much more cost-effective way.

Finally, some have suggested the need to increase the amount of hydroelectricity Ontario imports from Quebec. There are a number of limitations with this proposal including the existing transfer capability limitations, the transmission infrastructure updates that would be required, and the ability of Quebec to provide year-round capacity without building additional resources given their winter peaking pattern (<https://www.ieso.ca/sector-participants/ieso-news/2017/05/ontario-quebec-interconnection-capability---a-technical-review>). However, I would encourage you to consult with the Independent Electricity System Operator (IESO) to further discuss Ontario's overall system plan. The IESO is responsible for managing the power system in real-time as well as, planning for future energy needs.

Atura Power is committed to supporting the Province achieve a low-carbon future. The operation of our natural gas facilities produces GHG emissions, however we are currently investigating a number of mitigation strategies including:

- Exploring the production and use of hydrogen to offset natural gas usage;
- Pursuing efficiency and dispatch optimization in order to reduce the GHG intensity of generation; and,
- Continuing to assess Carbon Capture, Utilization and Storage (CCUS) technologies as they mature.

I would like to commend the City on the development of its *Net Zero Strategy*, which I understand is currently in development. The efforts you are proposing highlight Council's unwavering commitment to making our city a healthier place to live. We are proud to be a part of this dynamic City and would welcome the opportunity to meet with council members who may be interested in learning more about Atura Power or the work OPG is undertaking to become a [net-zero carbon company](#) by 2040. Please do not hesitate to contact myself or Kim McLennan, OPG's Director of Stakeholder Relations -Renewable Generation and Power Marketing at (416) 592-6936.

Atura Power

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Sincerely,



Chris Fralick

President, Atura Power