

March 9, 2021

Toronto City Council
c/o Marilyn Toft
Council Secretariat Support
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 Members of Council,

For more than a century, the Ontario Chamber of Commerce (OCC) has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our 60,000 members, including local chambers of commerce and boards of trades in over 140 communities. Our membership comprises energy stakeholders of various kinds – from generators and distributors to consumers of all sizes.

The OCC has significant concerns with the motion to phase out gas-fired electricity generation. Not only would this undermine the flexibility and affordability of Ontario's energy system, but it is also not an effective or practical approach to reducing greenhouse gas (GHG) emissions in this province.

The OCC firmly believes Ontario needs a well-balanced energy system to cost-effectively reach net-zero greenhouse gas (GHG) emissions by 2050. Currently, electricity only accounts for about 3 percent of Ontario's emissions. Since phasing out coal, Ontario has one of the cleanest electricity systems in North America and its main emission sources are transportation, industry, and buildings.

While natural gas only accounts for 7 percent of energy output in Ontario, it is the only resource with enough flexibility and capacity to meet peak demand periods year-round when the wind does not blow, the sun does not shine, or above-ground infrastructure is impacted by climate events. Energy storage may be part of the solution in the future, but these technologies are simply not ready to meet current system needs, they can only provide energy for a set amount of time, and they still rely on another source of electricity generation.

Affordability is another major concern. Eliminating natural gas-fired generation from Ontario's energy mix will lead to considerably higher electricity prices for businesses and households. As Ontario faces a period of post-pandemic economic recovery, this will have serious implications for ratepayers and/or taxpayers.

Further decarbonization can be achieved in the near-term by leveraging existing technologies and energy infrastructure. For example, hydrogen and renewable natural gas (RNG) are being used to

green Ontario's natural gas supply; compressed natural gas (CNG) can displace more carbon-intensive fuels for heavy transportation; and technologies such as Combined Heat and Power and geothermal energy can reduce emissions from heating systems.

Finally, governments at all levels should continue supporting conservation programs with the private sector to boost savings for customers, maximize value for the electricity system at large, and grow the job opportunities in the energy efficiency sector. These are just some of the examples of affordable, practical solutions to Ontario's clean energy transition.

We welcome the opportunity to discuss this issue further. Our Energy Policy Council would be happy to meet, share their expertise, and answer any questions you may have.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC:

Hon. Greg Rickford, Minister of Energy, Northern Development and Mines, Government of Ontario

Hon. Jeff Yurek, Minister of the Environment, Conservation and Parks, Government of Ontario