

Thursday, April 4, 2024

Sent via email to: premier@ontario.ca; MinisterEnergy@ontario.ca;

The Honourable Doug Ford

Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

The Honourable Todd Smith

Minister of Energy
10th Floor, 77 Grenville Street
Toronto, ON M7A 2C1

RE: Guelph City Council Resolution to Support the Decision of the Ontario Energy Board (OEB) to End the Subsidization of Fossil Gas

Dear Premier Ford and Minister Smith,

Guelph City Council at its meeting held on March 26, 2024 passed the following resolution in support of the Ontario Energy Board (OEB) decision to revise the revenue horizon for calculating the upfront cost for new natural gas connections, and to end the Gas Pipeline Subsidy:

WHEREAS, residents are struggling with energy bill increases and need relief;

WHEREAS, natural gas is no longer the cheapest way to heat homes because electric heat pumps are now much more efficient, can provide all heating needs even in the cold climates, and result in far lower energy bills over the long term compared to gas heating;

WHEREAS, natural gas is methane gas, which is a fossil fuel that causes approximately one-third of Ontario's GHG emissions, and must be phased out because it is inconsistent with all climate targets, while heat pumps result in the lowest GHG emissions and are consistent with a zero-carbon future;

WHEREAS, the Ontario Energy Board ("OEB") decided to end a subsidy for methane gas pipelines to be built in new construction developments, effective 2025, finding that this would lower energy bills for existing gas customers and improve affordability for new homebuyers, but this decision is at risk of being overturned by the provincial government;

WHEREAS, the OEB decision will help lower energy bills and encourage heating systems that are consistent with climate targets and plans;

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WHEREAS, the construction of new methane gas pipelines, which have 60-year lifetimes, should not be subsidized because they are inconsistent with the City's climate targets and will result in higher carbon emissions, higher energy bills, higher future decarbonization retrofit costs to get off fossil fuel heating, and a continued financial drain as dollars leave the province to pay for fossil fuels extracted in other jurisdictions;

WHEREAS, Guelph City Council acknowledged the climate crisis (May 2019), passed a resolution to support the phase-out of gas-fired energy plants by 2030 (December 2020); and passed a resolution of support to the United Nations Race to Zero commitment (December 2021);

WHEREAS, transforming our existing and new buildings by supporting actions that improve the energy efficiency and GHG profile within the City is a stated goal of our Community Energy Initiative (CEI), our Official Plan and our Strategic Plan;

WHEREAS, the City of Guelph is actively working to support the decarbonization of heating and cooling systems in existing and future building stock within the community, as demonstrated by the Guelph Green Homes Energy Retrofit Program, which will provide 0% interest loans to Guelph homeowners to enable them to transition away from fossil-fuel powered heating and cooling equipment to low carbon air or ground source heat pump systems.

THEREFORE, BE IT RESOLVED:

(a) That the City of Guelph expresses its support for the decision of the Ontario Energy Board to end the fossil gas infrastructure subsidy and requests that the Ontario Government withdraw Bill 165 and allow the OEB decision to stand; and

(b) That this resolution be circulated to the President of Association of Municipalities of Ontario, Colin Best; Premier of Ontario, Doug Ford; Minister of Energy, Todd Smith; Minister of Finance, Peter Bethlenfalvy, MPP Mike Schreiner, and all Ontario Municipalities requesting support for the proposed changes.

Sincerely,

Intergovernmental Services on behalf of Guelph City Council

Chief Administrative Office

Intergovernmental.relations@guelph.ca

City Hall, 1 Carden Street, Guelph ON N1H 3A1

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CC: The Honourable Peter Bethlenfalvy, Minister of Finance;
Mike Schreiner, MPP;
Colin Best, President of the Association of Municipalities of Ontario;
All Ontario Municipalities