

OFA Natural Gas Talking Points – October 4, 2016
President, Don McCabe

Good afternoon ladies and gentlemen:

Thank you for joining us this afternoon. I am Don McCabe, President of the Ontario Federation of Agriculture, representing over 36,000 family farm businesses across Ontario. Joining me today is Mr. Randy Hope, Mayor of Chatham-Kent and Chair of the Western Ontario Wardens' Caucus and Mr. Peter Emon, Chair of the Eastern Ontario Wardens' Caucus. These gentlemen represent eastern and western Ontario's rural municipalities involving almost 4 million rural Ontarians.

We are here today to announce a partnership across our three organizations to work collaboratively with the Province of Ontario to secure access to natural gas for rural Ontario. We are asking Ontario to commit to a long term program of access to natural gas for rural Ontario.

Access to natural gas is critical for the wellbeing of rural Ontarians and our ability to grow and develop. The initiative is comparable to the electrification of rural Ontario early in the last century. It is our contention that an achievable level of natural gas access will save up to \$1 billion in energy costs for Ontario farmers and rural residents. This is found money - new disposable income for families and rural businesses. It will better distribute wealth across Ontario, make our farms and businesses more competitive, stimulate investment, promote economic development and jobs across Ontario and add another tool to address our climate change mitigation concerns.

Our proposal is to work with the provincial government and our gas companies to immediately develop a fair and equitable way to install 1,000 kilometers of new pipe across rural Ontario each year for the next 20 years. The program will require public investment in the pipeline infrastructure and a viable rural rate for gas set by the Ontario Energy Board.

Why is this important and vital public policy? It will save home owners \$2,000 to \$2,500 a year on heat and \$4,400 a year for those going off electric heat. For each poultry and hog barn it will save over \$10,000 a year. Tractors and combines can also be converted to compressed natural gas. This can provide another tool for farmers to reduce greenhouse gases. Grain dryers on gas save over \$20,000 a year.

We recognize that achieving 100% coverage across our 50,000 farms and businesses and 700,000 households is not feasible. However, we estimate that we can achieve 60% conversion to natural gas, providing rural Ontario an annual savings of \$1 billion to reinvest in our rural economy

I am pleased to now hand over to Randy and Peter, our new partners in this undertaking to help stimulate our rural communities and our Ontario economy.

Western Ontario Wardens' Caucus Talking Points

Chair, Randy Hope

Good Morning,

As Chair of the Western Ontario Wardens' Caucus, I represent 15 upper and single tier municipalities in Southwestern Ontario, collectively representing about 300 communities with over 3 million residents. The territory is almost half a million square kilometres, more than 90% of it rural.

Natural gas infrastructure is a critical factor in sustaining competitiveness for existing businesses and farms in our rural communities and an "absolute must" for future economic growth in rural Southwestern Ontario. Many communities are facing infrastructure that is either at capacity or non-existent which hinders economic growth throughout Southwestern Ontario. For example our utility has indicated that most of my community is effectively at capacity in terms of natural gas.

New investment whether it be agriculture related or manufacturing must have access to natural gas. In Chatham-Kent for example, we had an investor acquire options on 200 acres of land with the intention of constructing a 150 acre greenhouse operation. The infrastructure to deliver natural gas to the site required \$13 million "in aid to construct" contribution from the investor. As a result the plan was abandoned. That is a loss of a \$150 million dollar investment in the community and the loss of 300 new jobs! That does not include "spin-off" jobs estimated at 300 that would have been created.

The Ontario Energy Board's position that utility investment in infrastructure must be based upon a 10 year return is too short. Furthermore their position that infrastructure investment must not negatively impact rate payers in other parts of Ontario is unfair.

Just as all Ontario taxpayers are impacted by investments in urban transportation projects for the GTHA, in the same way urban natural gas rate payers should support expansion of natural gas in rural areas.

We call on the provincial government to address these rural needs and the inequity inherent in the approach to new infrastructure in rural Ontario.

Future growth and job creation is dependent upon action in expanding the access to natural gas in rural areas. Just as we see companies moving south of the border, four in our region recently, due to high electricity prices, companies will not invest in rural Ontario without adequate and competitive access to natural gas so they can be sure of a clean and reliable secondary energy source.

Eastern Ontario Wardens' Caucus Talking Points

Chair, Peter Emon

Ladies and Gentlemen, members of the media,

Thank you for joining us this afternoon. My name is Peter Emon, Chair of the Eastern Ontario Wardens' Caucus, or EOWC. Together, our group advocates on behalf of 100+ municipalities across rural Eastern Ontario, which in turn represent 750,000 rural residents and businesses across rural Eastern Ontario – stretching from east of the GTA, to the Quebec border.

You have already heard from my colleague, Mr. McCabe of the OFA, about the importance of securing natural gas access for rural Ontario. I can tell you, from an Eastern Ontario municipal perspective, we are absolutely thrilled to be sitting at the table with both the OFA and Western Ontario to get this message across to our leaders at Queen's Park. And in being here today, we hope that you will help get it out to the Ontario public.

As we have stated for many years, the Province of Ontario must commit to a long-term program to increase access to natural gas across rural Ontario. To its credit, over the past few weeks, the Province has demonstrated some willingness to address the energy challenges facing rural Ontario. But the soaring cost of hydroelectricity continues to be the number-one concern of our rural residents – and our rural industries – and without greater relief, this “energy crisis” will continue to worsen and drive existing business and potential industries away from our regions.

First and foremost, the EOWC – like our colleagues at the OFA and the WOWC – will continue to be steadfast advocates for the ratepayers and businesses of rural Ontario. So while we support the Province's long-term vision of a clean energy future, we must first address the issue of rising energy costs across rural Ontario. It is why, just six weeks ago, the EOWC presented recommendations to the Province on how to address the rural energy situation. And it is why our three groups are sitting here, today.

Agricultural businesses like St. Albert Cheese and Skotidakis – whose products are distributed provincially and even nationally – experience hydro brownouts and wide-scale power outages on a regular basis. When electricity delivery is unpredictable, it hurts our businesses, and discourages the expansion of new ones. It negatively impacts our tax revenues, our local employment and our tourism. Yet expansions of the hydro network to these rural areas would cost tens of millions of dollars – capital that small businesses simply don't have access to.

You have heard the numbers from the OFA: natural gas access will save over \$1 billion in energy costs for Ontario farmers and rural residents. Rural Ontario needs more energy, we need it now, and we need it at a reasonable cost. Natural gas companies have expressed interest in expanding the network – but only if provincial funding becomes available. For many of our rural and agricultural businesses, this energy relief is the key to economic development opportunities and job creation. Those words are used frequently, but I can tell you that we – as municipal leaders – hear them, time and time again, directly from our residents, our employees and our businesspeople.