

# Natural Gas Opportunities for Ontario

## Opening Statement – OFA President Mark Wales

Thank you, Tim and good morning ladies and gentlemen.

It is a privilege to be here to speak to the issue of the day – natural gas opportunities for rural and small town Ontario. And there truly is a tremendous opportunity for OFA's constituents – Ontario farmers - to grow with lower energy costs with natural gas.

While our members are some 37,000 farm businesses across Ontario the OFA's work encompasses all rural residents and, in particular, the work we do to secure natural gas.

It is not an exaggeration to say that the delivery of natural gas to rural Ontario will be the most important initiative since tractors started working our fields.

Let's put this in perspective. IF we are able to reach just two-thirds of farms, rural residents and business, we will free up \$800 million dollars per year in new disposable income due to energy savings. That is \$800 million dollars each year.

This is savings in electricity or propane or heating fuel costs.

Imagine the amount of reinvestment and economic development that can happen with \$800 million new dollars per year of disposable income, not to mention the new opportunities created by competitively priced energy in our rural communities. It is staggering.

On a micro level, farms using energy to heat barns will save \$10,000 per year. Crop drying operations could save \$20,000 per year. Individual households will average at least a \$1800 saving in heating costs with up to \$3800 for those going off electric heat.

Our farms will be more competitive and our communities will attract new agri-business ventures.

There are costs. We know we will not be able to reach all of rural Ontario. The recently announced loan and grant program is a good start and we will learn as we go.

Opportunities exist for farms and municipalities to lower line costs by providing methane for bio-digestors, sewage treatment and landfill sites. Local injection means smaller and less costly pipe while providing a significant net removal of green house gases.

And there is potential for other environmental contributions. As we will hear from the City of Hamilton, the availability of gas in rural Ontario will enable farmers to convert the tractor and combine fleet –reducing operating costs and green house gases. Our fleet doesn't run 24/7 but it is a very large fleet.

Clearly, gas lines for rural Ontario is a winning proposition all around. OFA thanks Union and Enbridge for this opportunity to tell this important story and for their ongoing work in making it happen.

## Q & A:

- Household energy saving calculated as \$1500 per year from propane and up to \$5000 per year from electricity
- Oil savings are about \$1000 last year but oil not popular for hot water and not available for cooking. So it is supplemented by electricity.
- Savings from:
  - 42,000 farms yet to get gas
  - 620,000 rural and small town homes yet to get gas
  - 10,000 halls, churches, businesses yet to get gas
- **A down side** - Lost jobs – propane and fuel oil delivery – convert to new installs of gas equipment, pipeline and furnace manufacturing, etc. (potential in future for compressed ng for remote locations)
- Greenhouse Gas effects
  - Natural gas for diesel – about ½ the GHG's per unit of work done.
  - CO<sub>2</sub> for methane - methane is captured from manure, landfills, sewage and burned as gas to release CO<sub>2</sub>. The CO<sub>2</sub> has about 5% of the GHG impact the methane.