



Ontario Federation of Agriculture

Ontario AgriCentre

100 Stone Road West, Suite 206, Guelph, Ontario N1G 5L3
Tel: (519) 821-8883 • Fax: (519) 821-8810 • www.ofa.on.ca

Ontario Federation of Agriculture

Presentation to the Standing Committee on General Government

Comments on Bill 32

Good morning Chair and ladies and gentlemen. I am Pat Jilesen, a director with the Ontario Federation of Agriculture. The OFA represents the interests of 38,000 farm families across Ontario and works closely with the rural communities in which our members live and work.

Thank you for the opportunity to comment on Bill 32. Access to natural gas infrastructure for rural and remote communities, and for agricultural operations has been a goal for OFA for many years.

We commend this government for its commitment, through Bill 32, to bring energy cost relief to rural Ontario, by enabling privately funded natural gas expansion to small, rural, and remote communities. We have often said that an investment in natural gas infrastructure may be the most important investment that can be made in rural Ontario.

Clean, abundant and affordable natural gas is readily available to urban customers. However, with only 20% of rural Ontario serviced, expanding natural gas access across Ontario must be a provincial infrastructure priority.

Energy is one of our largest expenses. If natural gas were available across the province, it would free-up well over \$1 billion in annual energy spending and greatly boost business opportunities. That is a new \$1 billion in disposable income across rural Ontario. Pipeline access will also enable renewable natural gas production (biogas) to power distributed energy resources and lend additional economic support for further expansions.

However, without the support Bill 32 proposes, the upfront aid-to-construction costs needed to make expansions viable put these projects beyond reach.

Bill 32 is needed to enable natural gas expansion - a \$1 to \$2 monthly customer charge will enable rural, remote and northern expansions, including pipeline infrastructure, or compressed or liquid gas solutions where more appropriate. Funds would be used to make the Aid-to-Construction large enough for individual community or sub-community level expansions to be deemed viable – as defined by OEB regulations.



Ontario needs this smart investment for smart expansion. Working with distributors and the Eastern and Western Wardens' Caucuses, we identified the concept of smart expansion, that is: developing programs that combine community expansion opportunities with economic development opportunities.

This means developing natural gas expansion projects and routing that will capture not only homes, but also businesses and farms. In doing so, the distributors maximize the economic potential of small towns and surrounding areas.

Investing in small communities improves rural Ontario's physical and social infrastructure, providing opportunities to work and live in communities throughout the province. This is not just good for rural Ontario – it also alleviates strains on Ontario's urban centres. Rural Ontario and our agri-food industry is alive with innovation, opportunity and economic potential – and the more success in its rural areas, the better and more prosperous everyone becomes across the Province.

We caution that utilities, alone, must not oversee the prioritising of expansions without government, regulator and rural stakeholder input. The OEB must encourage utilities to plan smart expansion, by considering expansions that contain both a community and a business/agricultural component. Smart community expansion can happen, when the proposal captures all components of a community; its homes, its businesses and its agriculture operations.

The provincial government needs to work with natural gas distributors and rural stakeholders to develop fair and equitable ways to install natural gas pipelines throughout rural and remote Ontario over the next 20 years. This represents an excellent beginning for the Province's renewed relationship with rural Ontario.

On behalf of OFA's more than 38,000 farm family businesses, we look forward to continuing our work with rural community stakeholders, utilities and government to ensure Bill 32 reflects and promotes the best interests of agricultural, rural, and remote communities, and Ontario's long-term energy policy objectives.

Respectfully submitted,

Ontario Federation of Agriculture
October 2018