



Promoting the new coal: Good for Enbridge, bad for the planet

Ontario's 2022 budget reported that the province had spent \$360 million on Phases 1 and 2 of its natural gas expansion program. This program subsidizes major gas companies like Enbridge to run even more gas pipelines to rural communities. The budget announced that the Ford government was planning phase 3 of the handouts to Enbridge.

The announcement was another page in the government's playbook: Reward big carbon polluters while forcing the people to foot the bill while putting Ontario on a path to climate breakdown.

Reward big GHG emitters

The lion's share of the \$360 million went to Enbridge. The huge pipeline company recorded \$3.36 billion in profits in 2021.¹ Under the Ford government's plan Enbridge gets a public subsidy of over \$26,000 for every potential hook-up.²

People forced to pay.

Ford's scheme hands Enbridge huge subsidy to extend its fossil fuel pipeline to a new network of communities. Once the pipeline is in place, homeowners must pay to get dwellings hooked up, pay to install fossil gas heating systems and then – over and above the regular

gas bills – pay a special surcharge to Enbridge for the privilege of buying its product. This corporate welfare will amount to some \$600 a year for the next forty years. In addition to this special surcharge on new customers, the rest of Ontarians who heat with gas must pay a small monthly extra charge.³ The \$360 million plus the government is providing is to be recouped by those extra charges.

The road to climate disaster

The United Nations, the International Energy Agency (IEA), and the Intergovernmental Panel on Climate Change (IPCC) have all sounded the alarm. Climate breakdown has reached Code Red. According to the IEA, we need to *halt* the expansion of fossil fuel infrastructure such as gas pipelines. Instead, the Ford government is using our money to help companies like Enbridge expand their pipelines.



¹ Market Watch, www.marketwatch.com

² SCAN! calculation

³ Government announcement. All existing customers will be charged \$1 a month.



The alternative.

The Ford government claims that its goal is to lower heating costs for Ontarians. But forcing existing customers to subsidize Enbridge's expansion makes no sense. Promoting fossil fuels like gas makes things worse. There are much better solutions, both in economic and climate action terms.

The government is giving Enbridge over \$26,000 for every potential hookup. The same amount could have supplied those homes with a heat pump.⁴ That would avoid all the extra costs to homeowners for gas hookups, new furnaces, and that corporate welfare surcharge. A 2022 analysis by the Ontario Clean Air Alliance compared the cost of gas heating and cooling equipment with that of installing a cold-weather air source heat pump. It concluded that the average household would will save up to \$10,000 with the heat pump.⁵

In Ontario about 22 per cent of GHG emissions come from buildings, much of which coming from burning fossil fuels.⁶ If Ontario is to achieve its 2030 climate targets it must dramatically reduce GHG emissions from buildings.

That means replacing fossil fuels with clean renewable energy. It does not mean promoting fossil fuel expansion.

The Ford Government is clearly committed to private special interests – big carbon emitters. Its disdain for renewable energy gets in the way of effective public policy that would address the cost concerns of Ontario households -- not to mention the urgent need to stop frying the planet.

Instead of the climate-killing fossil Gas Expansion Program, **Ontario should:**

- ! Provide subsidies for the purchase and installation of heat pumps**
- ! Support the development of a “made in Canada” heat pump manufacturing network**
- ! Prohibit fossil gas hookups in new subdivisions and buildings.**
- ! Shift the burdensome cost of antiquated nuclear plants off hydro bills**
- ! Expand the production, distribution and storage of clean renewable energy.**

⁴ Geothermal Association, Ontariogeothermal.ca

⁵ OCAA, An Analysis of the financial and climate benefits of Electrifying Ontario's gas-heated homes by installing air-sourced heat pumps, McDiarmid Climate Consulting, August 2, 2022

⁶ Canada Energy Regulator: provincial and territorial energy profiles -- Ontario, accessed Nov 14, 2022