

COMMENTARY on BILL 165 – *KEEPING ENERGY COSTS DOWN ACT*

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From: Seniors for Climate Action Now!

To: The Standing Committee on the Interior (Ontario)

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Seniors for Climate Action Now! (SCAN!) is an Ontario based climate action group whose members are older adults determined to address the climate emergency and protect the planet for future generations. SCAN! is a young but rapidly growing organization with members in Kingston, London, Kitchener, Waterloo, City of Kawartha, Haliburton, Barrie, Ottawa, Hamilton, Niagara, Toronto, Northumberland and other locations around the province and elsewhere in Canada. As a climate advocacy group, SCAN's members are engaged in a wide range of climate-related activities including research, education, policy development and public policy advocacy.

SCAN! has three primary concerns with Bill 165, the *Keeping Energy Costs Down Act*, put forward by the Ontario Ministry of Energy:

1. The independence of a regulatory body that has a role to play in protecting consumers;
2. The cost of home energy;
3. The need to address the climate crisis.

1. The Independence of the Ontario Energy Board

SCAN! Is opposed to the overt political interference by the Ontario Government in the work of a quasi-judicial, independent. regulatory body in favour of the profit-seeking, financial interests of Enbridge Gas Inc. We would have hoped that the government would have learned from the Developer scandal around the Greenbelt.

Here are a few points to consider. The government did not have to intervene on Enbridge's behalf. There are avenues for Enbridge to complain and to appeal the December 21, 2023 decision of the OEB: *Enbridge Gas inc. Application for 2024 Rates – Phase 1* (EB 2022-0200). It

had already asked the OEB to reconsider its decision and taken legal action in the courts. The government should have allowed those processes to continue without interference. But instead, it chose to act on Enbridge's behalf.

In a note to shareholders Enbridge writes: "We also received the Ontario Energy Board decision on Phase One of our 2024 rebasing application. **We are actively working with the government of Ontario to address issues we see with the decision ...**" Soon afterwards the government gave Enbridge Bill 165.

Bill 165 is an abrupt and ill thought shift in government policy.

The Minister of Energy through his 'letter of direction' [Letter of Direction \(pdf\)](#) to the OEB (November 29, 2023) outlines the Government of Ontario's priorities for the energy sector and expectations for the OEB for the upcoming 3-year planning period. The letter notes that the OEB's "modernization transition period ended last year, and the OEB's board of directors now exercises its full authority under the *Ontario Energy Board Act, 1998* (OEBA)." The letter congratulated the OEB on the completion of that process.

The letter goes on to note: "the transition period has ended at a time when the OEB's role as energy regulator has never been more important. Electrification and the transition to cleaner energy sources requires strong, proactive thought leadership from the OEB in consultation with the sector."

We want to emphasize the point the Minister made. "Electrification and the transition to cleaner energy sources requires strong proactive thought leadership." But as soon as the OEB acted on that advice, the government moved to censor it.

The letter goes on:

"The OEB should continue to ensure that the needs of all customers are considered in its work, and that access to electricity and natural gas in an affordable manner remains central to decision-making.

I continue to look to the OEB to ensure Ontario electricity and natural gas ratepayer interests are protected and that Ontario takes every opportunity to generate deeper retrofits, more energy savings, and greater emissions reductions while ensuring natural gas costs remain affordable, stable and predictable."

The OEB's December 22, 2023 decision is consistent with the goals expressed by the Minister just a week or so earlier.

Bill 165 is at odds with the goals expressed in the Letter of Direction. Bill 165 ignores the “needs of customers.” It ignores the request to ensure that natural gas ratepayer interests are protected.” It ignores the goal of “generating deeper retrofits, more energy savings and greater emission reductions.”

Bill 165 puts the interest of Enbridge over the interests of Ontario gas ratepayers. That the government is willing to undermine the independence of a tribunal to achieve that goal is deeply troubling.

Bill 165 (together with the government’s impending “gas policy”) will effectively undermine or even eliminate an evidence-based planning process for the gas system. It is replacing the OEB’s procedural independence with political directives.

2. The Cost of Home Energy

SCAN! is an organization of seniors concerned with climate breakdown. But as seniors we are also directly aware of the hardships that many seniors face in trying to make ends meet. At a time of high inflation and rising energy bills, too many seniors are forced into an unacceptable trade off between heating their homes and paying for food and other necessities.

Some of those concerns have been expressed to the OEB in its recent round of hearings on Enbridge’s application to adjust its fees. Here are some quotes from letters that many individuals wrote to the OEB and which are available as part of the OEB hearings record:

- ‘Please, the rate increase is very high.’
- ‘What’s happening here to consumers? This has to be reigned in. People have to choose between food and heating their homes.’
- ‘People CANNOT afford any higher prices for anything, let alone on their Enbridge bill. This is getting ridiculous and will hurt many people ... please don’t allow these increases.’
- ‘I am begging that you do not approve Enbridge rate increase request ... I don’t want to be in a position where I have to decide between eating and heating my home ... show some compassion.’
- ‘What if instead of making your customers choose between heat and food you had a year or 4 with slightly less profits? Imagine being a kind human instead of a corporate greed machine participant.’
- ‘I am 69 and have gone back to work part time. I spend most of my day readjusting my budget to make sure I can pay my bills. I am asking you to put this off ...’.

Bill 165 and the accompanying government directives will increase the economic hardship faced by seniors and other gas rate payers. The world is transitioning away from fossil fuels in the energy sector. In the years ahead more and more residents will shift away from natural gas to heating and cooling their homes with heat pumps and powering their home appliances with electricity.

As more consumers leave Enbridge, the shrinking pool of remaining customers will be faced with higher costs. Those who cannot afford to replace their home energy systems will see their costs increase as Enbridge's cash flow decreases and it becomes more of a high-risk business facing the threat of stranded assets. Bill 165 will increase the burden on seniors.

3. Seniors Concerned about Future Generations

Here is how one SCAN! member expressed opposition to Bill 165:

For me, it has to do with our motivation, which is our concern for our children and grandchildren and all others of those generations to come after us. We have known the joys of a healthy climate and being able to connect with nature in a very hands-on way, whereas now children cannot even breathe the air at times. We don't want to despair and our activism is inspired by that hope we have to demonstrate. We don't want our legacy, for the generation of our children and grandchildren, to be that we didn't do everything possible to try to make the powers that be (government, industry, capital) agree to stop the pollution with fossil fuels before it is too late.

Bill 165 must be criticized in the context of a failing government climate plan.

The Ontario government has committed to reduce greenhouse gas emissions by 30% over 2005 by 2030. We know that target is inadequate. The federal government is aiming at between 40-45% and it has clearly stated that in order to reach the federal target, Ontario has to reduce its GHG emissions by 36%.

But even the lower 30% target is in jeopardy.

The eight-pronged, 2019 "Made in Ontario" climate plan was supposed to accomplish that goal. It can't.

The Ontario Auditor General undertook comprehensive reviews of the government's climate plan in 2019 and 2021. The official conclusion: the climate action claims were not "supported by sound evidence."

In fact, one of the lawyer's representing the government in the *Mathur v. Ontario*, hearing before the Ontario Court of Appeal in January of this year, claimed that the government's climate plan is nothing more than a "glossy brochure" – a "communications project" with no force of law.

The government has quietly abandoned its "Made in Ontario" Climate plan. in favour of its 'carbon tax' lite program for industrial emitters (Emission Performance Standards), the addition of ethanol in gasoline, and the greening of the steel industry.

These initiatives will not achieve the climate target. The problem is twofold. Emissions are increasing rather than decreasing, and one of the major sources of GHGs will actually get worse as a result of Bill 165.

Ontario's GHG emissions come from several sectors. The big three are transportation at 35%, industry at 30% and buildings at 22%.

As the province adds more gas to the grid and encourages Enbridge to supply gas hookups to developers, GHG emissions from buildings will increase.

The province's carbon emissions dropped significantly with the phase out of coal plants. In 2005 the emissions were 203.7 Mt (megatonnes). By 2017 that had dropped to 156.1 Mt. Once the current government was elected in 2018, emissions started increasing again: 162.9 Mt in 2018, and 163.3 Mt in 2019. Covid and the concomitant economic downturn led to a fall in emissions to 146.6 Mt in 2020, the lowest figure since records were kept.

But data for the latest year show that emissions have started again. In 2021 the province produced 150.6 Mt of carbon emissions. All of these figures are from Table A12-7, GHG emissions for Ontario, National Inventory of Emissions 2023.

Recent government energy policy will further drive up emissions.

The Independent Energy System Operator (IESO) has contracted to procure new fossil gas (methane) fired electricity. In its latest report the IESO provided data that shows that in just one year, between 2022 and 2023, output from methane gas fired electricity plants increased by 26%. The IESO has also provided evidence that emissions from the electrical grid will increase significantly between now and 2040.

The emissions generated by methane gas-fired electricity plants will jeopardize any chance of Ontario meeting its climate target by 2030. Such a failure puts our children's and grandchildren's health, security and well-being at risk.

Bill 165 compounds the problem by privileging gas hook-ups over alternative energy systems for new buildings.

In a recent report, the *Toronto Atmospheric Fund* (TAF) concluded that “The data reveals that we are not on track to reduce emissions in line with local or international 2030 climate commitments.”

The TAF report notes that buildings are the biggest source of GHG emissions in the GTHA. They make up 44.6% of emissions and those come primarily from natural gas (91.6%) consumed on-site for space and water heating.

The TAF report continues: “Achieving net zero by 2050 will require phasing out virtually all natural gas from both heating and power production.”

Bill 165 moves us in the opposite direction. The government has talked about building 1.5 million new homes. If, as is encouraged by Bill 165, those homes are all hooked up to methane pipelines, then we will sacrifice our goal of achieving the emission targets that are consistent with holding the rise in temperature to 1.5 degrees Celsius and our hopes for a liveable future.

COP 28 (the UN’s annual climate summit)) produced the ‘UAE consensus.’ This consensus called for a transitioning away from fossil fuels and accelerating climate action in this decade. It also called for a tripling of renewable energy and a doubling of efficiency. Many jurisdictions are acting on that call. Ontario has ignored it.

Our government’s commitment to methane gas and home energy systems powered by methane reveals a government with no climate commitments. There is no plan to drive down emissions, and no plan to protect vulnerable communities and at-risk infrastructure from the ravages of climate breakdown.

There is no mitigation plan and no adaptation plan. Instead, we see a narrow and near-sighted commitment to support a for-profit fossil fuel company.

Bill 165 is more evidence of a preferred energy pathway based on bad climate-blind energy choices.

Ontario’s own “highway to climate hell.”

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