

December 06, 2023

The Association of Municipalities of Ontario
200 University Ave., Suite 801
Toronto, Ontario M5H 3C6

Sent via email: resolutions@amo.on.ca

Attention: Colin Best, President

Dear Mr. Best

Re: Grey Highlands Resolution #2023-964

Please be advised that the following resolution was passed at the December 06, 2023 meeting of the Council of the Municipality of Grey Highlands.

2023-964

Whereas the Enbridge Gas has shared with Grey Highlands key messages regarding the Ontario Energy Board's Leave to Construct (LTC) process, entitled "reducing red tape for more cost-effective, timely energy connections in Ontario"; and

Whereas Grey Highlands supports and wishes to endorse the recommendations put forward by Enbridge Gas in order to expedite the installation of natural gas to rural, remote or underserved communities such as Grey Highlands; now Therefore be it resolved that the Municipality of Grey Highlands petition the Ontario Government to expedite the implementation of the following recommendations:

- i) THAT the Government of Ontario move to modernize the Ontario Energy Board's (OEB) Leave to Construct (LTC) process for smaller pipeline projects in order to bring reliable, affordable energy options to communities, homes and businesses in a more cost-effective and timely manner.**
- ii) THAT the LTC cost threshold be updated from \$2M to \$10M for hydrocarbon lines (by amending Ontario Regulation O.Reg.328/03) while maintaining current requirements and expectations for Indigenous consultation and environmental review for projects greater than \$2M and less than \$10M.**
- iii) THAT these outdated regulations are causing the LTC to apply far more broadly than intended when it was established over 20 years ago due to**

The Municipality of Grey Highlands

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increased regulatory and cost pressures, as well as inflation, virtually all gas pipeline projects are now greater than \$2M rendering the threshold meaningless.

iv) THAT roughly 0.5 KM pipe in urban settings now often exceeds the \$2M threshold.

v) THAT modernizing these outdated regulations would reduce delays and costs for economic development initiatives including transit projects, community expansion projects, housing developments, connections for low carbon fuel blending (e.g., renewable natural gas, hydrogen) as well as residential and business customer connections.

vi) THAT based on OEB's performance standards, this proposal would save approx. 5-7 months of regulatory process which is in addition to the time needed to undertake Indigenous consultation and environmental review and prepare an application to the OEB.

vii) THAT the cost of preparing and having a LTC application heard ranges from approx. ~\$50,000 to ~\$200,000, which is passed on to customers.

viii) THAT while no cost-based threshold exists for electricity lines, there are a range of exemptions ensuring that LTC is only required for significant electricity projects and the proposed changes would help ensure that, consistent with electricity projects, LTC for hydrocarbon lines would only be required for significant projects.

ix) THAT increasing the cost threshold to \$10M would closer align Ontario with other Canadian jurisdictions (e.g., in B.C., these thresholds are \$15M for electricity and \$20M for natural gas); and

That this resolution be circulated to the President of AMO, Colin Best, Premier Doug Ford, the Minister of Energy, Todd Smith, The Minister of Finance, Peter Bethlenfalvy and all regional municipalities requesting support of the proposed changes regarding reducing red tape for more cost-effective, timely energy connections in Ontario.

CARRIED.

If you require anything further, please contact this office.

Sincerely,

Amanda Fines-VanAlstine

Amanda Fines-VanAlstine
Manager of Corporate Services/Deputy-Clerk
Municipality of Grey Highlands

cc. Premier Doug Ford
Minister of Energy Todd Smith,
Minister of Finance, Peter Bethlenfalvy
All municipalities in Ontario

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