Electrification and Energy Transition Panel Report: “energy transition” remains undefined

January 22, 2024

Important context for the EETP report issued on January 19, 2024 is the absence of specificity regarding what constitutes “energy transition” for Ontario. While the report makes multiple references to “addressing climate change”, “the clean energy economy” and “net zero” (another undefined term), it correctly recognizes that the Minister of Energy along with the provincial government will continue to lead energy planning. Ultimately, the Government of Ontario will determine what is, and what is not, energy transition (which may not be consistent with current Government of Canada policies).

The recent Enbridge Gas decision (EB-2022-0200) and the Minister of Energy’s swift, negative reaction to a central Ontario Energy Board finding in that case, illustrates the critical importance and need for the province to articulate, sooner rather than later, what energy transition means. In the Enbridge case, a key OEB finding was premised on its conclusion about “the reality of the energy transition” (p. 20) which poses a risk that assets used to service existing and new Enbridge customers will become stranded because of this energy transition.

However, to our knowledge the Government of Ontario has at no time indicated that an energy transition objective is phasing out the use of natural gas in Ontario. Our conclusion for why the Minister of Energy objected so strongly to this implication inherent in the OEB’s decision is because the Board panel took it upon itself (arguably reaching beyond its legislative mandate) to offer an interpretation of energy transition contrary to the Government’s position. If this is correct, then the Minister of Energy’s reaction to the OEB decision was both predictable and justified. For example, in some highly energy intensive processes, the conversion to natural gas **is** the energy transition. This would include Ontario steel makers who are making the switch from higher emission coke-fired blast ovens to significantly lower emission Electric Arc Furnaces which consume large volumes of natural gas as part of the heating and melting process.

To provide needed clarity about what energy transition means for Ontario, we support the EETP recommendation that “Government will need to provide direction on complex and contentious issues to ensure an orderly transition that allocates resources effectively and protects customers”.

By

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