

February 4, 2020

More greenhouse gas pollution and higher gas rates

ENBRIDGE'S HAMILTON PIPELINE:

INTRODUCTION

Enbridge Gas is seeking permission from the Ontario Energy Board to build a large gas pipeline in the City of Hamilton, including through the ecologically important Beverly Swamp.¹

The proposed pipeline would be 10 kilometres long and four feet in diameter. **The pipeline's right-of-way would be 28 to 30 metres wide, equivalent to an eight- or nine-lane roadway.**² Its forecast cost is \$204 million.³

According to Enbridge the pipeline is needed for two reasons: First to facilitate the ramp-up of electricity production from Ontario's gas-fired power plants' by increasing imports of fracked gas from Pennsylvania. **This would increase greenhouse gas (GHG) pollution from these plants by more than 300%** between 2017 and 2025 (not factoring in GHG emissions released during the fracking process itself).

Second, the pipe would allow Pennsylvania **fracked gas to flow through Canada to U.S.** utilities in Maine and New Hampshire.⁴

ONTARIO'S GAS-FIRED POWER PLANTS

Ontario's Independent Electricity System Operator is forecasting that Ontario's gas plants will increase their electricity production by more than 300% between 2017 and 2025 as production is increased to offset the closure of the Pickering Nuclear Station and the re-building of aging reactors at the Darlington and Bruce Nuclear Stations.

The proposed new pipeline is Enbridge's first step in helping Ontario gas plants to increase their electricity generation and greenhouse gas pollution by more than 400% by 2040.⁵

DELIVERING FRACKED GAS TO U.S. UTILITIES

The second purpose of the proposed pipeline is to deliver fracked Pennsylvania gas via Canada to the Bangor Natural Gas Company in Maine and to Northern Utilities in New Hampshire.

According to a report prepared for Enbridge by ICF Resources, this gas must be routed through Canada to New England because U.S. regulatory authorities will not permit the construction of new pipelines to deliver fracked Pennsylvania gas



Proposed location for Hamilton Pipeline to cross Spencer Creek.

to the U.S. northeast:

Over the past few years, New York and many states within New England have been denying pipeline expansion projects and greenfield pipelines the permits they need to begin construction. ICF expects these regulatory hurdles to remain indefinitely.⁶

The ICF report goes on to note that the U.S. northeast could reduce its need for fracked gas imports by obtaining renewable electricity from Quebec and offshore wind projects.⁷

COST

Enbridge's proposed pipeline is not financially self-sustaining. As Enbridge admits, its forecast revenues are \$120 million less than its forecast costs. Therefore, **Enbridge is proposing to raise rates for Canadian gas consumers by \$120 million to subsidize the pipeline and the export of fracked gas to the New England utilities.**⁸

THE BETTER ALTERNATIVE

Instead of spending \$204 million to increase fracked gas imports and greenhouse gas pollution, **Enbridge should invest the money in energy efficiency programs to reduce its customers' gas bills and pollution.**

On average, Enbridge's 2019 energy efficiency programs are forecast to reduce its customers' energy bills by \$4.72 for every dollar spent by the utility. Its most cost-effective programs in the commercial sector are forecast to reduce bills by \$16.43 for every dollar spent.⁹

Therefore, by spending \$204 million on energy efficiency programs instead of the proposed pipeline, Enbridge can reduce its customers energy bills by \$963 million to \$3.4 billion.

In addition, the Province of Ontario can make a deal to import low-cost water power from Quebec to avoid the need to increase output from our gas plants. Quebec Premier Francois Legault has repeatedly offered to sell Ontario power at a bargain rate under a long-term contract.¹⁰

By investing in energy efficiency and importing renewable electricity from Quebec, we can lower our electricity and gas bills, and lower greenhouse gases, while moving Ontario to a renewable energy future.¹¹

WHAT YOU CAN DO

Please contact Ontario's Minister of the Environment, Jeff Yurek, and ask him to tell Enbridge to increase its spending on energy efficiency programs by \$204 million instead of building a pipeline to import fracked gas from Pennsylvania.

Please also tell Mr. Yurek that you want Ontario to keep its lights on by investing in all our cost-effective energy efficiency options and by importing clean, safe and low-cost renewable electricity from Quebec.

You can contact Mr. Yurek at: **Jeff.Yurek@pc.ola.org** or **416-314-6790**.

1. read:https://www.thespec.com/opinion-story/9771450-hamilton-s-newest-pipeline-battle-set-to-begin/?fbclid=IwAR19kixoytvnrL_kwgopfdxlbqwgdbribiqih4n2kqqltm095fzoehkqfy?s=e
2. <https://www.thespec.com/opinion-story/9771450-hamilton-s-newest-pipeline-battle-set-to-begin/?s=e>
3. Ontario Energy Board Docket No. EB-2019-0159, Exhibit A, Tab 3, page 5.
4. Ontario Energy Board Docket No. EB-2019-0159, Exhibit A, Tab 6, pages 1 to 4.
5. Independent Electricity System Operator, *Annual Planning Outlook*, (January 2020), page 32.
6. *Impact of Changing Gas Supply Dynamics on the Ontario Natural Gas Market*, page 36.
7. *Impact of Changing Gas Supply Dynamics on the Ontario Natural Gas Market*, page 40.
8. Ontario Energy Board Docket No. EB-2019-0159, Exhibit A, Tab 3, page 6; and Exhibit A, Tab 8, page 3.
9. Ontario Energy Board Docket No. EB-2015-0049, Exhibit B, Tab 2, Schedule 3, page 6.
10. <https://montreal.ctvnews.ca/door-closed-on-hydro-sales-to-ontario-doug-ford-1.4710621>
11. <https://www.cleanairalliance.org/wp-content/uploads/2019/12/options-2019v2.pdf>

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