Accelerating Energy Infrastructure Projects in Ontario

The Ontario Chamber of Commerce (OCC) and its members appreciate the extensive work being undertaken to build the energy infrastructure this province needs – from new generation to transmission and distribution infrastructure, carbon capture, storage, and more. Those projects are critical to the economic development and well-being of our communities.

To support that work, the OCC has developed the following policy recommendations focused on incentivizing and accelerating energy infrastructure projects under three areas of focus: reducing costs and delays, financing the infrastructure, and minimizing uncertainty. These recommendations have been informed by our Energy and Infrastructure Policy Councils.

Focus area #1: Reducing Costs and Delays

a. **Streamline impact assessments.** (Ontario & Canada)
    - Ensure previously approved environmental and safety studies on existing sites and projects be accepted as baseline studies for their expansion or continued operation.
        - This includes projects that have passed approvals but were never implemented.
    - Harmonize federal and provincial regulations and recognize federal impact assessments as the basis for provincial approval, and vice versa.
        - The more stringent of the two processes should be adopted.
    - Remove nuclear power projects from the Impact Assessment Agency Designated Project List and instead place them with the Canadian Nuclear Safety Commission.

b. **Take a more proactive approach to planning and investing in transmission and distribution infrastructure,** particularly in regions set to experience rapid load growth (such as Northern Ontario with the development of mines). This can be done by aligning energy system planning with economic development priorities. (Ontario)

c. **Work with municipalities and utilities to standardize EV charging infrastructure.** This includes streamlining and standardizing local development approvals processes required to install new infrastructure, and standardizing plugs across charging stations, both of which will help avoid a costly and complex patchwork across the province. (Ontario)

d. **Continue to revise Leave to Construct (LTC) regulations to reduce delays in critical energy infrastructure.** This includes measures introduced through Bill 165. Additionally, build a five-year review process for LTC considerations to ensure they remain up-to-date and competitive. (Ontario)

e. **Continue working with stakeholders to address locate backlogs through updates to Bill 153 and expansion of the Dedicated Locator model.** (Ontario)

f. **Address related labour shortages through immigration pathways and targeted training programs.** Strengthen training pathways for Indigenous people, improve interprovincial labour mobility, leverage immigration and foreign credential recognition, and work with secondary and postsecondary institutions as well as employers to build a robust talent pipeline for both skilled trades and professional services such as engineering. (Ontario)

Focus area #2: Financing the Infrastructure

g. **Develop innovative financing models to unlock private capital for low-carbon infrastructure.** This includes building on the work of the Canada Infrastructure Bank and the new Building Ontario Fund, using loan guarantees and other mechanisms that lower the risk and costs of private investments. Eligible infrastructure should include low-carbon fuel projects like carbon capture, new electricity generation assets, and transmission and distribution lines. (Ontario & Canada)

h. **Apply a broad 'beneficiary pays' principle to cost recovery of low-carbon infrastructure.** As recommended by the Electrification and Energy Transition Panel, when the beneficiaries of energy infrastructure extend beyond the ratepayer, it may make sense to fund projects through the tax base. (Ontario)

i. **Continue advancing tax incentives for low-carbon energy infrastructure projects.** Provide clarity on which specific projects in Ontario will be eligible for existing federal investment tax credits. Consider introducing new measures such as a Production Tax Credit for low-carbon fuels production. (Canada)

j. **Facilitate greater Indigenous equity ownership in clean energy projects**. This can be done by building on the National Benefits-Sharing Framework and following through on the commitment to establish a national Indigenous loan guarantee program. (Canada)

Focus area #3: Minimizing Uncertainty

k. **Provide policy direction via long-term integrated energy plans that balance reliability, sustainability, and affordability.** (Ontario)

l. **Affirm and clarify the role of natural gas as part of Ontario's balanced energy system and its economy through a new Natural Gas Policy Statement.** (Ontario)

m. **Support regular energy pathways studies.** As recommended by the Electrification and Energy Transition Panel, the Ontario government should fund independent studies on an ongoing basis to ensure transparency on costs and assumptions around the energy transition and support stakeholders in making the right investments. (Ontario)

n. **Improve community buy-in for energy infrastructure projects (both electricity and fuels).** This requires working with project proponents, IESO, OEB, utilities, and other stakeholders to share information, build capacity, and improve awareness among municipal official and staff, and the general public about energy projects, their safety and environmental record, and the local benefits. (Ontario)

o. **Follow through on the commitment to introduce carbon contracts for difference, to lower investment risk associated with changes in climate pricing.** (Canada)

For more information, see:

- Pathways to Decarbonization submission
- OCC letter on streamlining major project approvals
- Climate Catalyst Report
- 2024 Ontario Budget Submission
- 2024 Federal Budget Submission
- Blueprint Letters
- OCC letter on supporting critical transmission infrastructure SW Ontario
- Feedback on Bill 153 (locates)