

October 1, 2024

Hon. Steven Guilbeault  
Minister of Environment and Climate Change  
Place Vincent Massey Building  
351 Saint-Joseph Boulevard  
Gatineau QC K1A 0H3

**Re: Clean Electricity Regulations Concerns – Ensuring Ontario’s Access to Reliable, Sustainable, Affordable Electricity to Support Economic Growth**

Dear Minister Guilbeault,

The Ontario Chamber of Commerce (OCC) is the indispensable partner of business and Canada’s largest, most influential provincial chamber, representing a diverse network of more than 60,000 businesses across the province. The OCC’s mission is to convene, align and advance the interests of its members through policy work, value-added business services and broad engagement to drive competitiveness and inclusive, sustainable economic growth.

The Ontario Chamber fully supports the transition to net-zero electricity. Success, however, requires that this transition be feasible and orderly. That is why we write to express our concern with the proposed Clean Electricity Regulations (CER) as currently drafted.

Clean, reliable and affordable electricity is essential to Canada’s economic growth and path towards net-zero. Ontario already benefits from one of the cleanest electricity grids in the world, with about 90 per cent of electricity generated from non-emitting sources. Ontarians invested early to achieve this status, working through the early 2000s to phase out coal power plants. As we seek to accelerate the path towards electrification to meet our ambitious climate goals, it is critical we ensure sufficient, reliable, and affordable electricity to continue leveraging Ontario’s advantage.

The Independent Electricity System Operator (IESO) projects that Ontario’s electricity demand will nearly double by 2050, as the transportation sector, home heating and industrial sectors transition away from traditional energy sources and seek to decarbonize. The adoption of electric vehicles and home heat pumps in addition to the 1.5 million new homes targeted for the province by 2031 will add significant demand to the energy grid. This will be compounded by critical minerals production and gigafactories secured with federal government support. We must also ensure we have sufficient clean electricity to support a 21<sup>st</sup> century economy by funding data centres and artificial intelligence compute for the knowledge economy.

To meet this growing demand, the OCC has highlighted the need to address Ontario’s growing electricity needs by investing in additional energy supply. This means a mix of nuclear, hydroelectric, solar, wind and natural gas. This “all of the above” approach is critical to meeting our growing energy needs and supporting economic growth.

We are concerned that the proposed CERs could hinder this objective in many parts of Canada and leave a system that is expensive and unreliable compared to peer jurisdictions. If regulations jeopardized reliable and affordable electricity, Ontario would risk slowing progress towards electrification, which we know will be one of the most significant contributors to decarbonization. Since the grid is already 90 per cent clean, electrification is a significant contributor to emissions reductions.

To sustain this transition, the adoption of electric vehicles, heat pumps and clean technologies depends on consumers being confident about a reliable and affordable abundant supply of electricity. We must therefore heed the concerns from grid operators that regulations be consistent with the pace of transition using proven and available technologies. As the [IESO has stated](#), “Ontario's natural gas fleet is capable of providing continuous, flexible energy year round and under all weather conditions, and there is currently no like-for-like replacement. This means natural gas will be needed until reliable replacements have been identified, put into service and have demonstrated their capability.”

As the Canada Electricity Advisory Council points out, electrification provides a tremendous opportunity for decarbonizing the Canadian economy. Through the decarbonization of other sectors, the system has the potential to reduce 268 metric tons of CO<sub>2</sub> by 2050. However, this will not be realized if it is unable to grow and remain affordable and reliable.

The pace and scale of investment required to achieve a net-zero grid by 2035 will create unintended consequences, impacting consumer affordability and system reliability, especially if the impact of the pace is not mitigated by flexibility in compliance mechanisms and allowances. We recommend that the Government reconsider the inclusion of fleet-averaging and the use of high-quality offsets and compliance payments as a pathway to compliance.

As Canada's largest provincial chamber, we are concerned that the CERs, as currently drafted, could jeopardize the province's economic growth and status as a world-leading destination for business with stable, reliable, and affordable electricity. We ask that you ensure the necessary flexibility to enable a sufficient supply of reliable power while supporting the net zero transition.

Sincerely,



Daniel Tisch, APR, FCPRS, ICD.D  
*President and CEO*  
*Ontario Chamber of Commerce*

CC:

Hon. Chrystia Freeland, Deputy Prime Minister and Minister of Finance  
Hon. Jonathan Wilkinson, Minister of Energy and Natural Resources

Hon. Dominic LeBlanc, Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs

Hon. François-Philippe Champagne, Minister of Innovation, Science and Industry

Hon. Stephen Lecce, Ontario's Minister for Energy and Electrification

Jean-Francois Tremblay, Deputy Minister of Environment and Climate Change Canada

Joanna Dafoe, Chief of Staff to Canada's Minister of Environment and Climate Change

Matt Hirashi, Chief of Staff to Ontario's Minister of Energy and Electrification