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February 7, 2024

To: Mayor Doug Elmslie City of Kawartha Lakes 26 Francis St. Lindsay, ON K9V 5R8

Re: Securing access to natural gas for our community and Ontario

Your Worship and Members of Council,

I am writing to inform you of Peterborough & the Kawarthas Home Builders Association's (PKHBA) concerns with the Ontario Energy Board's (OEB) decision on Phase 1 of the Enbridge Gas 2024 rebasing application (the "Decision"), issued on December 21, 2023. The disappointing decision puts future access to natural gas in doubt and sets a deliberate course to eliminate natural gas from Ontario's energy mix. This decision is about the millions of Ontarians who rely on natural gas to keep their homes warm and the many businesses throughout Ontario that depend on natural gas for day-to-day operations. Furthermore, the consequence of the Decision, if left to stand, will increase the cost of servicing homes in our community to cover the upfront costs of all gas infrastructure needed. For new subdivisions, there is potential that multi-million dollar projects would be required to build necessary infrastructure, years before subdivision occupancy begins.

Ontario and our local communities are growing, and access to affordable energy to support this growth for homes and businesses is crucial. Energy infrastructure is vital to the manufacturing, agriculture, and consumer goods industries in Ontario. The impacts of this decision, which conveys a strong bias against natural gas, will stifle economic growth and put housing and energy affordability at risk – these are issues that matter the most to our municipality.

Without natural gas, communities across Ontario will feel the impacts of this decision in their everyday lives – the stakes are high.

- Energy Affordability: Those looking to connect to natural gas will be required to pay an upfront fee, which creates a significant financial barrier to all forms of residential and commercial development. This resulting fee adds thousands of dollars to individual consumers' cost to obtain or expand gas service.
- Economic Growth: This decision will put economic developments in your community at risk. The
 decision limits the ability of future expansion projects to support regional investment to meet the

ever-growing energy needs in your community and communities across Ontario. That includes greenhouses, grain dryers, industrial parks, and any new businesses or housing developments seeking access to natural gas.

- Energy Access: Preserving customer choice is critical. Constraining access to natural gas
 through a reduction in capital will significantly limit the future development of essential energy
 infrastructure vital to moving manufacturing, agriculture, and the consumer goods industry in
 Ontario.
- Energy Security: On an annual basis, natural gas delivers twice the energy to Ontario than electricity and five times the maximum peak capacity of Ontario's electricity grid at a quarter of the cost. Even in the worst weather conditions, our reliable natural gas system delivers.

The Ontario Homebuilders Association (OHBA) has conveyed these concerns and the basis of the Decision to the Minister of Energy, Premier Ford and MPPs.

We humbly ask you to reinforce this message by calling local MPPs to share your support for the government's quick action and write the OEB about the consequences of reduced access to the natural gas grid to support economic development, housing growth, and energy reliability. Use your voice to acknowledge the need for natural gas and infrastructure in Ontario today and into the future while we take a measured step towards energy transition and, lastly, express the Council's support to re-affirm the response of the Government of Ontario to introduce a legislative vehicle to reverse the OEB's rate rebasing decision upon return of the Legislature on February 20, 2024.

Regards,

Jennifer Hurd, President

Peterborough & the Kawarthas Home Builders

Association

Rebecca Schillemat, Executive Officer

Peterborough & the Kawarthas Home Builders

Association

Cc:

MPP Dave Smith

Peterborough and the Kawarthas Home Builders Association is proudly affiliated with the Ontario Home Builders' Association (OHBA), the Canadian Home Builders Association (CHBA) and other chapters within our network. PKHBA is the voice of the residential construction industry in Peterborough City & County and City of Kawartha Lakes. PKHBA represents members including builders, developers, professional renovators, trade contractors and many others within the residential construction sector. The 2022 economic impact of residential construction in the City and County of Peterborough represented over 4,000 jobs and over \$650 Million in build investment in our community. (https://www.chba.ca/impacts)

Contact Rebecca Schillemat eo@pkhba.com 705-930-1620