

# **A Coordinated and Transparent Natural Gas Expansion Program**

AMO'S SUBMISSION TO ERO 025-0923

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## **Executive Summary**

The Association of Municipalities of Ontario (AMO) is pleased to provide comments on the future of the Ontario Natural Gas Expansion Program (NGEP). Municipalities remain committed to working with the province and energy partners to deliver clean, reliable, and affordable energy.

In AMO's [previous submission on the role of natural gas](#), we called on the province to balance access to an economically viable, growth-enabling energy system with a commitment to decarbonize Ontario's energy supply. We understand that the government considered this feedback while developing the Natural Gas Policy Statement included in *Energy for Generations*, Ontario's Integrated Energy Plan.

Expectations for the role of natural gas vary across communities. While some municipalities are introducing moratoriums on natural gas, others are seeking expansion. AMO continues to advocate for a balanced approach that allow communities and consumers to make informed decisions about their energy choices. This approach should be based on the following principles:

- **Coordinated:** Natural gas system growth should align with decarbonized electricity capacity growth to avoid overbuilding natural gas infrastructure
- **Clean:** Funding models should facilitate and incentivize the use of clean energy alternatives whenever possible
- **Transparent:** Ontarians should have clear and accessible information about the costs and environmental impacts of different energy sources

## **Coordinated and Transparent Planning for Natural Gas**

The pace and success of expanding Ontario's energy system to support growth, trade resilience and decarbonization goals will depend on continued reliability and affordability. Although natural gas is a reliable, affordable option today in parts of the province, this may change as decarbonization and electrification efforts advance.

AMO supports the use of the NGEP where it is needed to increase energy reliability and affordability, support economic growth, and reduce reliance on more carbon intensive

fuel sources. In particular, it plays an important role in rural, remote, and northern communities where building energy infrastructure can be cost prohibitive. Proposed expansions should be approached in partnership with municipalities who can coordinate new connections with local growth planning so new infrastructure can be built when and where it is needed.

At the same time, different regulatory and funding frameworks for natural gas and electricity can obscure the true costs to consumers and businesses. In our recent advocacy on natural gas and electrical system planning, we have consistently called for transparency so customers across the system understand the costs of different energy sources so they can make informed decisions about which source best meets their needs. For example, while the NGEP provides funding to expand the natural gas system to communities where it would not be economically viable, communities and consumers considering supporting expansion should understand that this funding relies on an ongoing surcharge applied to all customers across the system.

Similarly, the environmental impacts of long-term reliance on carbon emitting energy sources should be clear to Ontarians. Extreme weather events and forest fires across the province wreak havoc on impacted communities. They necessitate significant municipal resources to address – from delivering emergency services to repairing infrastructure. The Financial Accountability Office of Ontario estimates that changing climate hazards will add over four billion dollars per year to the cost the maintaining existing assets, most of which municipalities manage. These costs do not appear on customer's bills, but will ultimately fall to taxpayers.

## **Conclusion**

AMO is pleased to see the province consult on the role of natural gas as part of a gradual transition to a more diverse, cleaner energy system. We support the use of the NGEP in the short-term to deliver affordable, reliable energy and to support growth and economic resilience.