



GRAND(M)OTHERS ACT
TO SAVE THE PLANET

Gas Expansion in Ontario – Briefing by Elizabeth Carswell, Sandford, ON, Chair of the Energy Transition Team, Grand(m)others Act to Save the Planet <https://www.gasp4change.org/>

Summary

This document explains why natural gas expansion is happening in rural Ontario, how the legislation and funding model work. It uses the hamlet of Sandford in the Township of Uxbridge as a real example of how the program operates in practice. The intention is to share information about how current gas users pay to expand gas distribution through the existing Phase 1 and 2 of the Natural Gas Expansion Program (NGEP) and to avoid a Phase 3 extending beyond 2026.

Background and Context

I live in the hamlet of Sandford with a public school, a community centre, a church and a convenience store in the Township of Uxbridge. Like many rural areas in Ontario, it does not have access to municipal water and sewer infrastructure. Pollution Probe and Environmental Defence and I were Intervenor in the Ontario Energy Board hearing to consider expansion of gas to Sandford. We opposed gas expansion and we made good arguments. The Ontario Energy Board had no choice but to approve the Sandford gas because gas expansion is the law.

The Natural Gas Expansion Legislation

The Expansion of Natural Gas Act, 2018 and the Natural Gas Expansion Legislation (NGEP legislation).

The law was passed in 2018 but replaced an earlier 2015 program. 10 years ago, at the time this program began, rural heating options were primarily oil or propane. We did not have cold climate air source heat pumps and residents and businesses in rural areas were paying more for energy, than those close to the city with gas lines and cheaper natural gas. Oil was much more expensive but propane was more expensive too. 10 years ago, rural areas, only had the expensive energy options for heating.

The public announcements about the Natural Gas Expansion Program (NGEP) law and funding focus on reducing energy costs for rural, northern and indigenous communities. \$1 is collected from each gas account each month (I call this a gas tax) and is the NGEP funding. The collection of \$1/month continues today and through 2026 under the Phase 2 program. Enbridge has more than 3.8 million customers, and collects \$12 per year from each, resulting in more than 45 million dollars in NGEP funding every year.

Website GASP4change.org
Email info@gasp4change.org

Instagram [GASP4Change](#)
Facebook [GASP Grandmothers Act to Save the Planet](#)
Twitter [Gasp4Change](#)



GRAND(M)OTHERS ACT
TO SAVE THE PLANET

There was a small first test phase with a few projects approved to receive NGEF funding. The first phase was considered a success and a second Phase went forward. A third phase is being considered, still using the 10 years old message about reducing heating energy cost, without acknowledging that electric heat pumps are now a viable option to reduce heating costs. For the Phase 2, Gas providers, (Enbridge is almost the only one left in Ontario), submitted a list of projects. The Ministry allocated NGEF funds and approved a list of projects, including Sandford, to move forward. For larger projects the Ontario Energy Board also has to approve the start. Many Phase II projects, including Sandford, are now complete.

Sandford as a Case Study

The purpose of the NGEF is to subsidize the installation of gas lines to areas where the cost is more than the usual cost to extend the gas infrastructure. It is, therefore, not surprising that the Sandford project planned high costs for each connection. 183 connections at a cost of \$40,000 each. The customers who connect pay no upfront cost but do pay a higher amount for the gas during the next 40 years. The project received NGEF funds to cover \$25,000 for each expected connection and the remaining \$15,000 is from the higher price of gas to be paid by Sandford users. The life of a gas furnace is at least 15 years so the Sandford gas expansion will keep 183 users generating greenhouse gasses for at least 10 years beyond our 2030 commitment to reduce. A comparable public investment of \$25,000 per home could have covered the full installation cost for a cold-climate air sourced heat pump rather than building new fossil fuel infrastructure. Heat pumps are part of the solution to meet Canadian climate commitments and they also reduce energy costs and are safer. Applying the same amount as a \$5,000 incentive for heat pumps could have supported approximately 900 households—far more than the number of projected gas customers in Sandford.

All of these arguments were made as the Ontario Energy Board considered the Sandford project. The Sandford gas expansion was approved and is complete because gas expansion is the law in Ontario.

Phase 3 Consultation

In December of 2023 the Ministry of Energy began consultation on a potential Phase 3 of the NGEF beyond 2026. Consultation continued in 2025 with an Environmental Registry of Ontario, ERO 025-0923 asking for comments from municipalities, Indigenous communities and others. Enbridge sent templates to Municipalities suggesting wording for their favourable comments. Municipal participation requires no financial contribution and carries no immediate infrastructure obligation, making it simple for municipalities to support expansion.

Municipalities have nothing to lose today if a Phase 3 is approved. Residents may also see low risk. They can choose to connect or not. If they have short connection distances, have propane now and have the right size piping inside the building their costs to connect may be very low.

Website GASP4change.org
Email info@gasp4change.org

Instagram [GASP4Change](https://www.instagram.com/GASP4Change)
Facebook [GASP Grandmothers Act to Save the Planet](https://www.facebook.com/GASP4Change)
Twitter [Gasp4Change](https://twitter.com/Gasp4Change)



GRAND(M)OTHERS ACT
TO SAVE THE PLANET

They make no commitment beyond connecting and turning on the gas for a month. They may see a lower monthly cost than their propane bill.

The Losers

The problem is that we all pay the cost to the environment. We pay with our wallets and with our health and our children and grandchildren will pay more. Today we have the Government of Canada, Environment and natural resources Extreme Weather event attribution.

<https://www.canada.ca/en/environment-climate-change/services/climate-change/science-research-data/extreme-weather-event-attribution.html>. The analysis tells of events caused by human-caused climate change. The main source of human causes is burning fossil fuels such as natural gas. This analysis is only covering heat and cold events and not the likely more costly hail, tornado, flooding and wildfires. Even so we already know that heat events cause health costs that are paid by taxpayers. Insurance costs will rise to cover the other events. We will share this cost. There is no immediate downside for the municipality or for those who connect.

Quoting from the Association of Municipalities of Ontario's submission to the Phase 3 consultation "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 of maintaining existing assets, most of which municipalities manage. These costs do not appear on customer's bills, but will ultimately fall to taxpayers."

Research published by the [Canadian Climate Institute](#), [Heat Exchange](#), June 2024 finds "that provinces should stop expanding gas infrastructure and invest in electrification to ensure building heating remains reliable and affordable in the transition to clean energy."

In the conclusions section 5.1 it says "Under status quo utility regulation and current climate policy, greenhouse gas emissions from the buildings sector are rising, gas utilities are continuing to expand their networks, and electricity utilities are only just starting to get serious about growth. Delayed action on the gas system will result in continued growth, adding costs that would take decades to recover. Ongoing and increasing investment in the gas system leaves remaining gas ratepayers at risk of rising gas rates, as larger numbers of gas ratepayers switch to electricity to heat their homes and businesses."

Conclusion

Ontario's Natural Gas Expansion Program (NGEP) was originally introduced 10 years ago to address rural energy inequity at a time when low-carbon heating alternatives were limited.

Website GASP4change.org
Email info@gasp4change.org

Instagram [GASP4Change](#)
Facebook [GASP Grandmothers Act to Save the Planet](#)
Twitter [Gasp4Change](#)



GRAND(M)OTHERS ACT
TO SAVE THE PLANET

That context has changed. Cold-climate air sourced heat pumps are now widely available and would require much smaller subsidies to make them cost-competitive. Electric heat pumps are consistent with Canada's 2030 and 2050 climate commitments. Continuing to subsidize new fossil fuel infrastructure creates long-term costs for taxpayers at all levels.

There should be no Phase 3 of NGEP. The gas tax should be stopped when Phase 2 concludes in 2026 and future public funding should be redirected toward electrification rather than further gas system expansion. Aligning Ontario's policies with federal climate goals would support lower long-term utility costs, reduce exposure to stranded asset risk, and accelerate the transition to cleaner home heating.

A modern program that supports households in moving away from fossil fuels would deliver greater public benefit than continuing to expand a system that must eventually be phased down.