

## Fueling a Burning Industry: The Fight to End Subsidies for Natural Gas

Historically, we've advocated for fossil fuels to persist in an evolving world—today communities are pushing back in the face of a climate emergency. Enbridge Gas is responsible for over half of Guelph's greenhouse gas emissions and serves as Ontario's primary natural gas supplier (Enbridge, 2024).

Utilities like Alectra, formerly Guelph Hydro, and telecommunications services provide compensation to the city for costs of land use through dividends, and fees for access, permits, and restoration among others. Apart from some property taxes, the multi-billion-dollar fossil fuel company pays little to use the public right of way to run their pipelines. But with unfulfilled climate targets and increasing pressure for a clean energy revolution, it's time to level the playing field.

According to the Ontario Energy Board's (OEB) Model Franchise Agreement, regulation prohibits municipalities from charging access fees or equivalent taxes on natural gas distributors like Enbridge. A quick scan of energy policies across Canadian provinces doesn't reveal the same pattern. The rates charged by Ontario's neighbours suggest Guelph is missing a 4-9-million-dollar income— Ontario's losses are hundredfold (City of Ottawa, 2023).

In jurisdictions across Canada, natural gas utilities are charged fees that cover direct costs, planning and development restrictions, and other associated risks faced by cities that implement this infrastructure. Regina (SK) implemented a 5% access fee onto natural gas suppliers in 2019 after the SaskEnergy Act was amended; Winnipeg (MB) legislation functions similarly with a sales tax, and parts of British Columbia have an operating fee of 3% on all gas revenues. Edmonton (AB) has the highest fee and charges companies up to 35% of delivery revenues in exchange for the company's right to monopolize their utility.

For decades this has served as a subsidy for Enbridge to profit from municipal taxpayers who are now advocating against the renewal of agreements to support infrastructure expansions. The franchise agreements that enable Enbridge's free ride to public land were created when natural gas was an essential public good— unlike today where the depleting resource is a privately-owned, profitable commodity. Amongst the 500+ filings between Enbridge and the OEB, the gas company argues that the provincial framework shouldn't be renegotiated for each city, claiming the current agreement provides stability for customers. Ultimately, where the authority of the OEB stands in front of Enbridge's path to profit, the provincial government stands to obstruct Ontario's future in renewable energy.

Alongside the lost revenue, this shows a clear misalignment with global sustainable development goals, with local municipalities at the forefront for delivering these results. Low-carbon energy alternatives like district energy systems and solar are feasible in Guelph, but competing with an energy behemoth like Enbridge requires collective investment and support to drive change. These alternatives face higher upfront costs for installation, permits, and construction, while costs of new infrastructure for Enbridge are shifted onto existing customers. Current regulations also allow gas equipment to be abandoned underground after its expiry, posing risks and limiting the capacity for cities to take on new projects (City of Ottawa, 2023). Renewable energy brings long-term affordability for consumers and can be a substantial step in meeting community climate targets, yet it remains on the backburner.

Bill 50, put forth by Guelph MPP, Mike Schreiner, seeks to amend the limiting regulations and the cities of Toronto, Ottawa, and Waterloo have taken similar actions in solidarity. A provincial hearing is on this year's calendar and demands public support (Ontario Legislative Assembly, 2025).

If Enbridge is charged for the use of public land, consumers could see an increase in gas prices. While municipal partners work to prevent this, higher prices could function as a wake-up call to bring renewables to the forefront of energy discussions. Heat pumps designed for cold climates can be up to 3.5 times more efficient than a gas furnace while also curbing emissions (Natural Resources Canada, 2025). In a 2021 report submitted to the Ontario Energy Board, evidence shows that a cold-climate air source heat pump provides a 15% decrease in overall costs when compared to a gas furnace and air conditioner (McDiarmid, 2021). The new revenue for the city would simultaneously be organized to support these energy efficient alternatives and climate action programs across Ontario. It's evident that the current agreement prioritizes convenience over the long-term sustainability of municipalities like Guelph and must be revised (eMERGE, 2025).

As the years go on, the urgency for global change continues to build against the fossil fuel sector. The sprint towards a sustainable future has already begun and it's time for Ontario to catch up, starting with Enbridge.

Resources:

<https://www.enbridgegas.com/about-enbridge-gas>

[https://drive.google.com/file/d/1FB68raq2uyOKWoSeNbKTEfrBILrp2\\_rC/view](https://drive.google.com/file/d/1FB68raq2uyOKWoSeNbKTEfrBILrp2_rC/view)

<https://emergeguelph.ca/guelph-another-free-ride-for-enbridge/>

<https://emergeguelph.ca/guelph-stop-subsidizing-enbridge/>

<https://www.ola.org/en/legislative-business/bills/parliament-44/session-1/bill-50>

<https://www.nationalobserver.com/2026/02/23/news/ontario-cities-enbridge-land-use>

<https://natural-resources.canada.ca/energy-efficiency/electric-heat-pumps/heat-pump-basics>

[file:///C:/Users/madis/Downloads/ED\\_Sub\\_McDiarmidExpertEvidence\\_20211201.PDF](file:///C:/Users/madis/Downloads/ED_Sub_McDiarmidExpertEvidence_20211201.PDF)