
Remarks by Bob Delaney
Parliamentary Assistant to the
Ontario Ministry of Energy
at the
Ontario Petroleum Institute
Conference
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Thank you for your invitation to join you here today. The reason I am here stems from a visit a few of you had with me in my Queen's Park office not that long ago. We had a good visit. Having spent several years in my mid-20s and early 30s out west, I have a lot of time for the type of business acumen it takes to stay in the oil and gas business. I was aware that there *was* a petroleum industry in Ontario, and knew a bit about what you do. But to understate it a bit, most in the Ontario public sector are not burdened by a superabundance of detailed knowledge about the industry and the Ontario Petroleum Institute.

Let me begin, then by bringing greetings from Ontario Minister of Energy Bob Chiarelli to you on your 53rd annual conference and trade show. I would be remiss not to venture to say that Ontario has a long history of oil and natural gas extraction, and that the petroleum sector has built Ontario for more than 150 years.

In 1858, oil production in Ontario first began in Oil Springs. There is another reason I wanted to speak with you on the Ministry's behalf today. The past year has been a tough one, even for an industry that prides itself on its resilience in the always-interesting roller-coaster ride of global

commodity prices. If you're still in the oil and gas sector today, it's because you're good. And that's something I think you ought to be hearing from the Province at your annual conference. You're good at a tough job, and you're at your best in tough times.


I also wanted to speak with you about energy in general in the Province of Ontario, and lay out our Province's future as plainly and clearly as we can. Not too much of what I will say ought to be a surprise. In a challenging time for business people in the oil and gas business, I think we should be looking to the future, exploring our common ground, and finding ways to work more closely together in the coming years.

Oil is primarily a transportation fuel. Natural gas provides heat and hot water to Ontario homes and businesses, as well as steam and process heat for industry. As Ontario has phased out coal as a fuel to power thermal power generation, natural gas and renewables have largely substituted for coal. Natural gas now provides

approximately ten percent of the electricity generated within Ontario, mostly as peak power production. With so many different organizations

playing a role in the oil and gas sector, this conference can contribute to our Province's energy mandate with new ideas to move the petroleum industry, and Ontario forward.

While oil and gas production and gas storage are important in energy generation, they also create jobs and opportunities in fields that support the energy sector, including education, environmental consulting, engineering, exploration, the trades, law and finance.



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Another point I will return to in a few minutes is that the name of our Ministry is the *Ministry of Energy*, and not just the Ministry of Electricity.

The Ministry of Energy is a group of people who spend their working careers developing policies and plans to provide Ontarians with a safe, clean, reliable and affordable supply of energy. It's a broad mandate, but a small Ministry, which makes it particularly important to have a cohesive guiding plan in place.

That plan is called the *Long-Term Energy Plan*. The latest version was released in December of 2013. The version before that came out in 2010. It is not so much that the Province will keep releasing versions until we get it right, but more that we need to keep revising it because the times don't stand still.

As business people like you grasp where Ontario is getting and using energy in all its forms, they'd like to sit down at that table and become part of the province-wide process too. We think that's healthy. We hope you do.

The *Long Term Energy Plan* balances five principles to guide our decisions: cost effectiveness; reliability; clean energy; community engagement, and an emphasis on conservation and demand management *before* building new generation.

So, where does the oil and gas sector fit in? If you look for it explicitly, it's one of the last sections in the publication. By the way, the *Long Term Energy Plan* is a free PDF download from the Ministry of Energy web site in case you want to keep it on your

tablets. The *Long Term Energy Plan* is well-written and clearly illustrated.

I mentioned earlier that Ontario officially burned its last lump of coal for the production of electricity in 2014. Natural gas and natural gas storage played an important role in that.

Under the *Long Term Energy Plan's* reliability and affordability section, we note that access to natural gas is an important issue, especially for Ontario's rural and northern communities. That's why Ontario


is working with gas distributors, and municipalities, to pursue options to expand natural gas infrastructure to service more communities in Ontario.

With more than 110,000 kilometres of natural gas pipelines in

Ontario, natural gas distributors and their customers have made significant investments in the network of pipelines that carry gas from where it is extracted, to where it is stored, and then to where it is consumed.

Ontario will help communities and distributors connect even *more* homes and businesses to natural gas. Through programs led by the Minister of Economic Development, Employment and Infrastructure, more Ontario residents and industries are able to share in affordable supplies of natural gas.

These programs are the *Natural Gas Access Loan* and the *Natural Gas Economic Development Grant*. The goal of these programs is to provide consumers in underserved communities more energy choices; to make commercial transportation more affordable; to attract new industry to



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Ontario; and to benefit our agricultural producers.

As well, the Minister of Energy has asked the Ontario Energy Board to examine opportunities to enable affordable access to natural gas services to more Ontario communities.

Gas distribution expansion in Ontario is overseen by the Ontario Energy Board. It is managed by the private sector gas distribution companies.

The Ontario Energy Board has invited potential applicants interested in distributing natural gas to unserved rural and remote communities to submit proposals.

The Ontario Energy Board will consider requests for regulatory flexibility or appropriate exemptions made in an application pertaining to expansion of gas infrastructure to communities.

Our province's great sustainable business advantage is our stable and reliable energy sector – and oil and natural gas are an important part of our energy supply mix.

As we move through this year into 2016, Ontario will look to release an updated version of its *Long Term Energy Plan*. I have spoken with other sectors, most recently businesses in the geothermal sector, and advised them to work with the Ontario Ministry of Energy. Let's think together about 2016 and beyond.

Some 99 percent of Ontario oil comes from outside the province. What are the costs, benefits and trade-offs of finding, extracting, refining, and distributing more Ontario oil within Ontario? Are there structural issues we should address? Should we change some of the things we've always


done, to get better results than we've always got?

If all of you, who have taken time to come to this conference, have stronger, and more productive businesses, would Ontario not have a more vibrant oil and gas industry to continue its proud history of contributing to Ontario's economy?

And wouldn't that be a good thing for all Ontarians?

As I said when I met a few of you at Queen's Park, there is no 'quota' on your visits to talk with us. Let us spend more time talking about a bright energy future together.

Thank you for your kind invitation, for the pleasure of your company, and for the wonderful lunch this afternoon.



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