



# Proposed Union Gas Limited Expansion to the Sheffield Rural Settlement Area – Ministry of Infrastructure Natural Gas Grant Program

July 10, 2017

## Project Chronology:

- City was approached by Union Gas Limited on May 12, 2017 through Councillor Partridge on behalf of Councillor Pasuta.
- Union Gas Limited proposed the potential expansion of natural gas services to the Sheffield Rural Settlement Area under the Ministry of Infrastructure's Natural Gas Grant Program.

# Union Gas Limited Draft Proposed Distribution Network



# Ministry of Infrastructure – Natural Gas Grant Program

- On January 30, 2017, the Ministry of Infrastructure announced a \$100 million Natural Gas Grant Program as part of the Province’s “Moving Ontario Forward” Plan.
- The Grant program will support natural gas expansion projects in municipalities, First Nations and unincorporated areas. Projects to expand natural gas pipelines as well as liquefied or compressed natural gas infrastructure are eligible.
- <http://www.infrastructureontario.ca/NGGP/>

# Ministry of Infrastructure – Natural Gas Grant Program

## What types of projects are eligible?

The Grant program will provide funding under two separate application streams:

### *Expansion stream:*

- Projects that will help convert primarily residential connections to natural gas. For example, projects that will mainly connect new households.

### *Economic Development stream:*

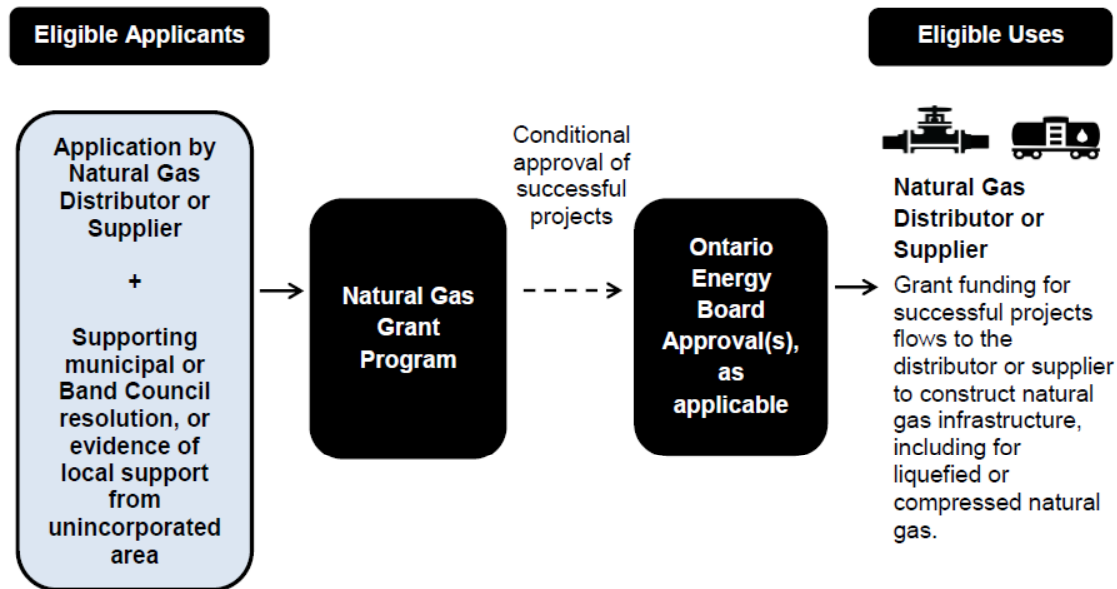
- Projects that will help convert primarily business connections to natural gas and benefit agri-businesses, rural Ontario, First Nations communities or unincorporated areas. For example, projects that will help connect farms, greenhouses, manufacturing facilities, mining operations, etc.

# Ministry of Infrastructure – Natural Gas Grant Program

## Who is eligible?

- Applications for the Grant program must be made by the natural gas distributor or supplier.
- In addition, participating municipalities and First Nations must indicate their support for natural gas expansion through a council or band council resolution.
- Applications are to be submitted by Monday, July 31, 2017.

# Ministry of Infrastructure – Program Overview



The process generally will follow the following steps:

- Assess the demand and benefits;
- Determine costs and timelines;
- Determine financial need;
- Submit application form and supporting documentation;
- If successful, seek approval(s) from the Ontario Energy Board; and,
- Enter into contract with the municipality.

*Source: Ministry of Infrastructure – Natural Gas Grant Program 2017 Program Guidelines*

# Ministry of Infrastructure – Program Evaluation Criteria

The evaluation criteria for review of applications is weighted (Primary, Secondary, and Tertiary):

- Cost-Effective Access (Primary);
- Energy Affordability (Primary);
- Project Revenues and Customer Engagement (Secondary);
- Greenhouse Gas Emissions (Secondary);
- Partnership and Innovation (Secondary); and,
- Geographic (Tertiary).



# City of Hamilton Review of Union Gas Limited Proposal

- The proposed expansion to the Sheffield Rural Settlement Area will be applied for under the Expansion Stream of the Program.
- In order to meet the Ministry Deadline, the report is being presented to this General Issues Committee meeting and the subsequent Council Meeting on July 14, 2017.
- The City received a copy of the proposed mapping and a ballpark taxation details (financial commitment) at the end of May 2017.
- Due to insufficient time, and lack of supporting details regarding the City's potential financial contribution to the project, staff have recommended that the City support the proposed project, but not commit to any financial contributions for the project at this time.