



Ontario
Home Builders'
Association

January 25, 2024

The Honourable Todd Smith, Minister of Energy
Ministry of Energy
77 Grenville St., 10th Floor,
Toronto, ON
M7A 2C1

Dear Minister Smith,

Re: Support for Reversing the Ontario Energy Board's December 21, 2023, Decision

The Ontario Home Builders' Association (OHBA) would like to express its full support for your decision to protect housing affordability by committing to overturning the Ontario Energy Board (OEB) decision from December 21, 2023.

The OEB's decision puts housing affordability, economic growth and development, energy security, and reliability for the province at great risk. The OEB's decision would effectively shut down the gas system without any practical and reliable alternative to meet the energy needs of Ontario's families and businesses. Moreover, it assumes that enough power supply would be available to new communities, which is not the case. The decision has the effect to limit where and whether builders could construct new homes, hampering the growth of the housing industry and placing in peril provincial and municipal housing targets.

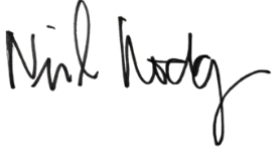
The implications of this decision are more complex than just the cost of connecting to the gas system in 2025. The OEB's Decision will abruptly limit critical access to natural gas for new customers in 2024. In 2025 and beyond, it would require new homes to pay the full natural gas connection costs upfront. This would mean that the costs that are usually spread out and paid over 40 years (through rates) would be owed in full upfront. As you noted the cost of building new homes could increase by tens of thousands of dollars, and builders/developers may have to bear millions of dollars in carrying costs. Both outcomes are not in the interests of Ontario and the rest of Canada in the face of an unprecedented housing affordability crisis. Simply stated, now is not the time for the OEB to impose additional costs on home buyers.

OHBA believes it is both urgent and critical for the government to seek every opportunity to help address the housing crisis and assist in the construction of housing supply. The OEB decision undermines the Ontario Government's efforts and current policy to bring affordable and sustainable natural gas to all Ontarians and deliver on its pledge to build 1.5M homes in the next decade. As such, we will support your government's commitment to reversing this OEB decision as the correct step forward upon the return of the Legislature on February 20, 2024.

We look forward to continuing our ongoing support and engagement with your Ministry and the Ministry of Municipal Affairs and Housing to ensure that our collective efforts are fulfilling the shared goals of delivering on Ontario's housing supply targets while improving housing attainability for current and future Ontarians.

OHBA would welcome the opportunity to meet with you to discuss this further and offers to speak to the legislation in any legislative hearings that the Ontario Legislature may choose to have. The voice of Ontario's home building industry is united in its support of your actions. Thank you.

Best Regards,



Neil Rodgers

Interim CEO, Ontario Home Builders' Association



Dave Depencier

President, Ontario Home Builders' Association

cc: Premier Doug Ford
Hon. Paul Callandra