



Canadian Association  
Propane canadienne  
Association du propane

August 6, 2024

Mr. John Williamson, MP  
Chair, Atlantic CPC Caucus  
69 Milltown Blvd  
St. Stephen, New Brunswick  
E3L 1G5

Dear Mr. Williamson,

Over the past few months, colleagues from the Canadian Propane Association and I have begun meeting with CPC MPs from all regions to discuss propane as a partner in affordable energy choice.

As the CPC Atlantic Caucus gathers in Saint John later this month, I am reaching out to you in the hopes that the discussion will include the importance of ensuring affordable energy choice for Atlantic Canadians.

Over the summer recess, Members of Parliament have been in their ridings and undoubtedly have heard about the challenges of affordability. I spend the summers working from my home in Guysborough, NS and I can tell you that I am shocked at the price difference for food, transportation and most consumer goods that are found on store shelves, compared to Ottawa.

Those are summer-time costs. The cost of home heating is not part of the equation during the summer, but rest assured it will become a problem as fall approaches. Just as it was last year and the year before that.

Atlantic Canadians face a unique challenge when it comes to home energy. Unlike other regions of Canada, affordable, low-emission natural gas is not an option for most consumers here. Because of that, Atlantic Canadians suffer the highest levels of energy poverty in the country.

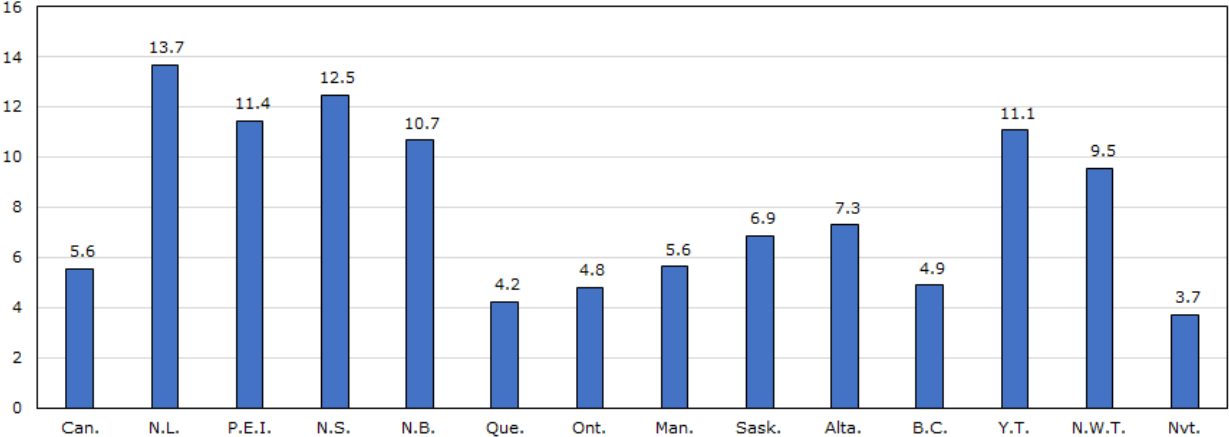
Federal programs such as the *Canada Greener Homes Grant* and the recently announced *Canada Green Building Strategy* do not offer Atlantic Canadians real energy choice but rather promote electrification at the expense of affordable energy options such as propane. In essence, the government is putting its thumb on the scale in favour of electricity, which is not the most affordable or reliable energy option.

A report by Statistics Canada commissioned by Natural Resources Canada found that affordable energy choice is not available equally to all Canadians. In fact, in areas of Canada that are off the natural gas grid, governments have been slow to encourage more affordable and low-emission energy options to heating oil such as propane.

Among the findings, Statistics Canada reported that, “The 2021 Census showed that 822,000 households in Canada (5.6%) were energy poor, and this was more prevalent in the Atlantic provinces (ranging from 10.7% to 13.7%).”

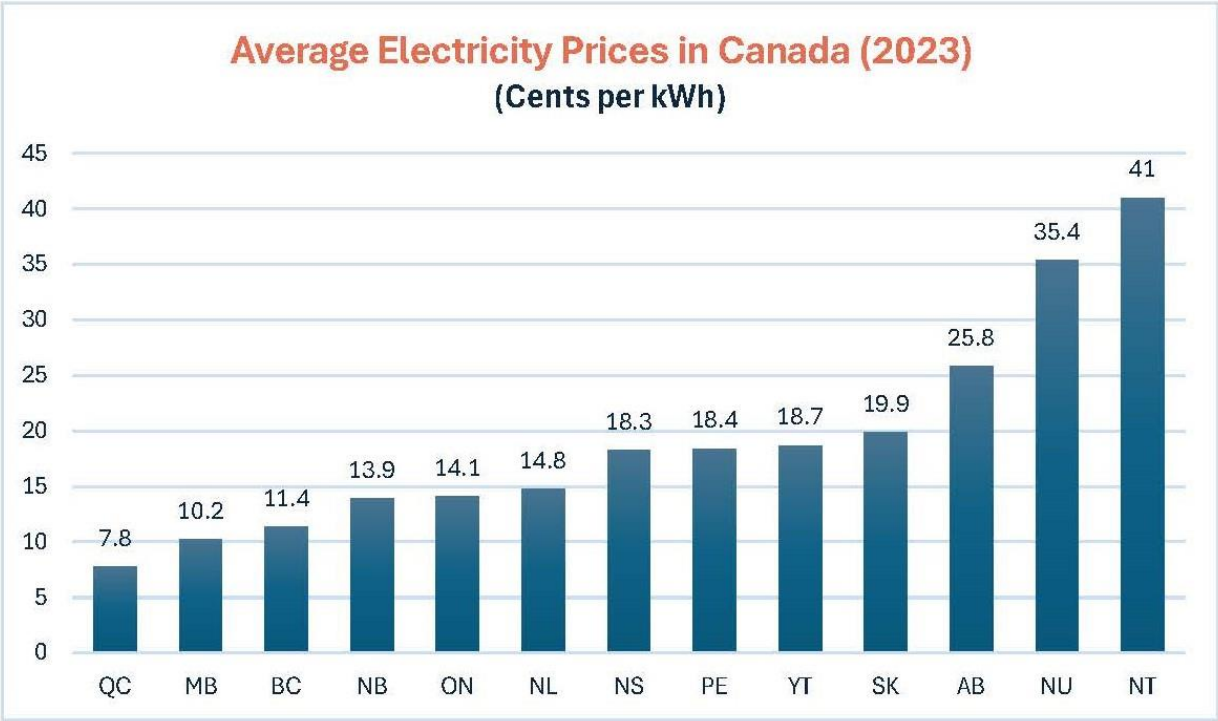
**Chart 1**  
**Rate of energy-poor households for non-farm households with household after-tax income greater than zero dollars, Canada, provinces and territories**

percentage of households spending 10 percent or more of household after-tax income on energy



Source: Statistics Canada, Census of Population, 2021.

We also know that the cost of electricity in Atlantic Canada, particularly Nova Scotia and Prince Edward Island, are among the highest in Canada.



Source: energyhub.org



In addition, the government of Newfoundland and Labrador recently announced it will spend \$2 billion over the next six years to offset the cost of residential energy, which would have risen from \$300 per month to well over \$500. In June, NB Power indicated that it will be looking for a 20% increase in rates. And because PEI receives its power from New Brunswick, any increase in New Brunswick will result in a ten per cent increase for Island residents (NB rate plus 10%).

Propane should be an important energy option as we look to provide the most affordable energy solutions. Consider:

- Every Canadian should have access to affordable, dependable, and sustainable energy security. Canadians need energy they can depend on, regardless of where they live.
- Canadians in rural, remote, and Indigenous communities that do not have access to the natural gas grid are dependent on high-priced and high-carbon heating oil or diesel and for whom electricity is expensive.
- Propane is not as susceptible to inflationary prices. For example, CPA members reported that in February 2023 a litre of propane in some parts of Canada was about *\$1 cheaper* than a litre of heating oil: \$1.09 for propane vs \$2.09 for home heating oil.
- In addition to providing space heating for homes, commercial buildings, rural hospitals and schools, propane is crucial for many industries including agriculture, school bus and police fleet transportation, construction, and mining.
- Increasingly, propane is relied upon to provide individual Canadian families with their own power generation when weather events occur.
- Propane also serves as critical backup energy for renewables when the sun is not shining, and the wind is not blowing.

Government should not pick winners and losers. The rush to decarbonization punishes rural, Indigenous, and remote communities that do not have a natural gas option, like Atlantic Canada.

The federal government policy for energy aimed at consumers has been spending billions of dollars exclusively on electrification. Providing affordable energy in Canada is anything but a “one-size fits all.” If government is intent on providing incentives, a much better approach is to include all affordable, low-emission options such as propane in any federal programming – *and let the consumer decide.*

We hope to continue our individual discussions with you and your caucus colleagues when the House returns in September.

Sincerely,



Allan Murphy  
Sr. Vice-President, Government Relations  
Canadian Propane Association

