OUTRUNNING THE STORM

Ontario: Oil Shock Response Briefing

Outrunning the Storm — Largest Health System, Farm Count & NAN Cluster

LSCM Inc. | Dougald Lamont | May 26, 2026

Ontario's dual exposure: the largest provincial health system (38% of national drug expenditure), the largest farm count (48,000), and the largest volume of oil-heated households (267,000) — combined with Canada's largest cluster of remote community vulnerability (49 fly-in First Nations in the Nishnawbe Aski Nation). The single most time-sensitive regulatory action in Canada (Pickering nuclear) is an Ontario decision.

STRUCTURAL POSITION

~60% nuclear grid + hydro = strong clean electricity base. ON's critical vulnerabilities are not its electricity — they are its pharmaceutical dependence (38% of national dispensing), its NAN communities (49 fly-in First Nations, Canada's largest single remote community cluster), and its rural agricultural and healthcare staffing exposure.

Metric	$90/bbl	$150/bbl	$200/bbl
Cost of inaction (annual, ON)	$2–4B	$6–12B	$18–32B
Programme investment required	~$4B (T1+2)	~$9B (T1+T2+T3)	~$18B (full)
Net benefit of acting (annual)	$1.5–3B/yr saved	$5–10B/yr saved	$15–28B/yr saved
Jobs created (direct + indirect)	30,000–55,000 job-yrs	55,000–95,000 job-yrs	85,000–150,000 job-yrs

MOST TIME-SENSITIVE: NUCLEAR LICENCE

FILE PICKERING NUCLEAR CNSC LICENCE EXTENSION IMMEDIATELY. 12–18 month regulatory timeline. $400M cost. 3,100 MW at stake. Identified as the single most time-sensitive regulatory action in Canada. Delay is irreversible — if not filed now, Ontario loses this clean baseload capacity in the next shock window. Comparable: Point Lepreau (NB) has the same urgency for Atlantic Canada.

- CNSC is independent of political direction — applications must be filed before the regulatory clock starts, not after.
- Ontario nuclear fleet prevented an estimated $3.5B in additional electricity costs during the 2022 European gas crisis; value at $150/bbl is an order of magnitude larger.
- Bruce Power Unit 3 and 4 refurbishments could be accelerated to add further capacity.

HEALTHCARE — LARGEST PROVINCIAL EXPOSURE

- ON accounts for 38% of national drug dispensing — pharmaceutical supply chain most nationally exposed. 180-day medicines stockpile: ON share $900M.
- Ornge air ambulance fuel guarantee: $35–50M additional/yr at $200/bbl. Without guarantee, transfers are deferred and some patients die. Must precede financial stress.
- Rural health worker fuel allowance (ON share of $150M/yr national): Northern ON has the most severe rural commuting exposure in the province.
- Rural hospital staff housing: ON share $50M (largest provincial share). CMHC Rapid Housing co-fund eligible. Modular: 4–6 month delivery.
- Expand IESO industrial demand response: ON large industrial users (steel, chemicals, automotive, data centres) are significantly under-enrolled; emergency price signals can mobilise hundreds of MW within weeks.

FIRST NATIONS (NAN) — CANADA'S LARGEST CLUSTER

- 49 fly-in First Nations in the Nishnawbe Aski Nation (NAN) catchment — Canada's largest single remote community cluster; no road access for most.
- Emergency diesel stockpile: Northern ON share $46M (second largest nationally after Territories). Barge window is the only affordable resupply — once closed, airlift is 8–15× the cost.
- 90-day food reserves at regional depots: Northern ON share $35M; Sioux Lookout as the regional hub.
- Air freight rate cap guarantee: Northern ON share $35M/yr (largest provincial share nationally).
- OPG/Hydro One NAN grid connections: 10–15 priority communities within 100 km of existing transmission ($600M–1B; 3–7 year construction). Permanent diesel elimination.
- Ornge/NAN air freight rate cap negotiation: medicine and food to fly-in communities.
- Telemedicine for all NAN nursing stations: each averted medevac saves $8,000–15,000; ISED rural broadband is prerequisite.

AGRICULTURE

- ON has 48,000 farms — largest farm count in Canada; corn/soy propane drying is most acute single ON agricultural risk.
- ON share of emergency farm finance loans: $850M (second largest provincially).
- ON share of 180-day essential medicines stockpile: $900M (largest provincial share — 38% of national drug dispensing).
- Shortline rail preservation in Southwestern Ontario: ON share $8M; Goderich-Exeter, Huron Central, Ontario Southland are at risk; closures are irreversible.
- Legume rotation bonus: ON is the largest soybean area province; soybeans in rotation reduce N requirements on following crops.

PASSENGER RAIL — LARGEST PROVINCIAL CASE

- High Frequency Rail (HFR): already in procurement — dedicated tracks Toronto–Ottawa–Montreal. At $150 oil the business case is unanswerable. Federal share: $9–13B over 10 years.
- Toronto–Windsor electrification (360 km catenary, $2.5–3.5B + EMU rolling stock $400–600M): ON's nuclear grid makes this clean and economically compelling.
- Ontario Northland fleet renewal + extension (300 km, $600M–1B): Toronto–Cochrane service being restored; extension to Moosonee is urgent at $150 oil — a lifeline for First Nations communities.
- Toronto–Thunder Bay track upgrade (1,100 km on CN, $1.5–2.5B): Northwestern ON is extraordinarily isolated; at $150 oil, air travel becomes unaffordable.
- Auto-train Toronto–Montreal: overnight service carrying cars; ~550 km ideal distance; depart 9pm, arrive 6am.

HOUSEHOLD HEATING

- 267,000 oil-heated ON households (largest volume by province): emergency heat pump programme for Enbridge gas households.
- Energy poverty assistance pre-approval: ON social assistance processing must be streamlined before heating season.
- Community warming centres confirmed in all major centres before heating season.

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