

Troy Media – Natural gas bans are fuelling higher energy costs

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Governments are pulling the plug on natural gas with no real backup plan in place and Canadians are paying the price

Banning natural gas and pushing electricity without enough supply is a recipe for soaring energy costs and blackouts. Politicians may forget the basics of economics, but supply and demand won't go away.

When the supply of anything goes up, its price falls. Limit or decrease supply and the price rises. Demand works in the opposite direction—high demand drives up prices, and lower demand brings them down.

Like gravity, the law of supply and demand is always there, but many politicians behave as though it doesn't exist. Nowhere is that clearer than in energy policy, where environmental goals are prioritized while economic realities are sidelined. The drive to eliminate energy-related emissions in just a few years may sound noble, but it ignores practical limits, and Canadians are paying the price.

Take natural gas. It emits far less carbon than coal or oil. In Canada, most natural gas comes from Alberta and British Columbia, and it's one of the country's most affordable and secure energy sources. Despite this, several jurisdictions in B.C. are banning its use in new and renovated buildings—moves encouraged by federal emissions targets and climate incentives.

These policies may be well-intentioned, but they ignore a basic fact: people still need to heat their homes and cook their meals. Without gas, they'll be forced to use electricity. But unlike gas, electricity is already in short supply and getting more expensive. Our current generating capacity can't keep up with rising demand, and that's before we even consider the added strain from electric vehicles, data centres and energy-hungry artificial intelligence.

British Columbia's Site C dam, a multibillion-dollar hydroelectric project under construction on the Peace River, is expected to generate enough electricity for 450,000 homes when complete. But all of that power is already spoken for. There are no Site C-scale replacements on the horizon. Meanwhile, our distribution infrastructure can't meet today's needs, let alone tomorrow's.

In one recent case, buildings planning to install EV chargers were told by B.C. Hydro, the Crown corporation responsible for electricity in B.C., that there wasn't enough power available. Major housing developments have even been blocked due to limited electricity supply.

These constraints aren't just technical—they're already making it harder to build new housing. Canadians may accept higher costs for environmental gains, but pushing up both housing and energy bills risks crossing a line. Banning natural gas makes it harder to build and maintain affordable homes, directly undermining what governments claim to support. In homes forced to switch from gas to electricity, heating and hot water bills could quadruple. Reliability also drops. Builders are now being advised to install backup generators to handle expected power outages—ironically, those generators will often run on the very natural gas being banned.

We can no longer assume the government will keep the lights on. That's a serious blow to Canadians' standard of living.

Some argue these trade-offs are justified if they cut emissions. But even that goal is questionable. The gas we don't burn here will simply be sold elsewhere—likely to countries still relying on coal, oil or even dung. Because emissions don't respect borders, the global climate impact remains the same, or worse.

Of course, Canada could go further and stop producing natural gas altogether. Leave it all in the ground. But doing so would deliver a major blow to our economy and standard of living: something no elected government is likely to survive.

Alternatively, Canada could export more of its low-cost, lower-emission natural gas to displace dirtier fuels abroad. That would reduce global emissions more effectively than restricting gas at home.

Canadians care about the environment. But we need smart, balanced policies—ones that use our resources wisely, not wastefully. We can pursue conservation and cleaner technologies while still recognizing that economic laws apply, even when they're inconvenient.

It's not about choosing between prosperity and the planet. It's about realizing that ignoring the fundamentals—like supply and demand—comes at a cost most Canadians can't afford.

Dr. Roslyn Kunin is a respected Canadian economist known for her extensive work in economic forecasting, public policy, and labour market analysis. She has held various prominent roles, including serving as the regional director for the federal government's Department of Employment and Immigration in British Columbia and Yukon and as an adjunct professor at the University of British Columbia. Dr. Kunin is also recognized for her contributions to economic development, particularly in Western Canada.