

**Corporate
Services**

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March 27, 2019

Ms. Vicky La
Financial Instruments Branch- Policy Unit
Ministry of the Environment, Conservation and Parks
77 Wellesley Street West
Toronto, ON M7A2T5

Re: Region of Peel Submission - Making Polluters Accountable: Emission Performance Standards (ERO #01-4551)

Dear Ms. La:

Thank you for providing an opportunity to comment on Environmental Registry of Ontario (ERO) #01-4551, the Emission Performance Standards (EPS). With a population of over 1.4 million people, the Region of Peel (Region) is the second largest municipality in Ontario and continues to grow. By 2041, the Region is expected to welcome more than 500,000 new residents and 250,000 new jobs. As the Region plans for this growth, sustainability is a key consideration in line with the Region's vision of a "Community for life," and Long-Term Strategic Plan which includes "a community that is environmentally friendly" as one of its 20-year goals.

The Province's Made-in-Ontario Environment Plan mentions the development of an EPS to ensure that industrial emitters are accountable for their greenhouse gas emissions, an objective that the Region supports. The Region is providing feedback on the proposed EPS ERO to outline the potential implications of the EPS as the Province considers extending them to institutions, such as municipalities, in the future.

As the Province proceeds with the implementation of the EPS, the Region would like to provide input for consideration in the following areas:

- Reducing greenhouse gases (GHGs) for large emitters & business competitiveness
- Potential impact of the Proposed EPS on municipalities

Reducing Greenhouse Gases (GHGs) for Large Emitters and Business Competitiveness

The Region shares the Province's interest in finding solutions that balance economic, social, and environmental interests and welcomes an opportunity to explore and share ideas on how these may be accomplished. As the Province finalizes its approach to regulating large emitters, the Region asks that it consider the following:

- Clear and binding emission reduction targets that do not allow large emitters to emit above their historical levels.

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- The intensity-based EPS targets could be strengthened by increasing their stringency over time, an approach which is currently absent from the EPS proposal.
- Strong measures and indicators to assess the progress made towards reaching the targets and commitments.
 - This could include metrics used to evaluate business competitiveness and local economic benefits due to lower emitting industry standards.
- A monitoring and reporting framework that describes progress and supports learning and continuous improvement.

Proposed EPS's Potential Impact on Municipalities

The ERO states that the Province is considering applying the EPS to sectors that are not covered by Part 2 of the Federal Greenhouse Gas Pollution Pricing Act (GGPPA), including institutions such as government organizations. Should the Province decide to apply the EPS to municipalities, there would be potential impacts for the Region, particularly for the water and wastewater systems it operates and manages following environmentally sound practices.

Applying the EPS to municipalities would have implications for current regulatory and reporting requirements for air emissions. Currently, the Region of Peel must comply with O.Reg.419/05 which sets air emission standards from wastewater biosolids incineration and mandates source testing and reporting requirements. The Region also annually reports on its energy consumption and GHG emissions through O.Reg.507/18.

Clarity is needed around how the proposal to extend the EPS to municipalities would align with these regulations and more generally how compliance and reporting obligations will be met. In fact, components of these existing regulations may become redundant if the EPS is applied to municipalities. The Province should therefore review these and other current air emissions regulations that apply to municipalities prior to the application of the EPS.

The proposed EPS for institutions also comes at a time when the Province has committed to lessening municipal reporting requirements. As such, the Province should consider consolidation or other means of increasing the efficiency of existing municipal reporting requirements if it implements an EPS requirement for municipalities.

As currently proposed, the EPS would not recognize the significant financial investments the Region has made to date in its water and wastewater systems to comply with current regulatory requirements and would likely require capital investment to accommodate the EPS. As such, the Region suggests that the Province consider establishing transition provisions for existing water and wastewater systems where significant lifecycle remains. These transition provisions would aim to strike a balance between environmental protection and fiscal responsibility. Should municipalities become subject to the EPS, the Province

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should also consider providing grants to support any capital investments that municipalities will need to make to meet the new requirements.

As the Province moves forward with the development of the EPS, it should actively consult with affected institutions and municipalities, which is essential to building an understanding of the EPS and improving the program. It would also give the Province the opportunity to provide greater clarity and details on the application of the EPS to institutions and help the Region and other affected municipalities to better determine impacts to essential public services such as the provision of clean drinking water, wastewater treatment and processing of solid waste.

Conclusion

The Region appreciates the opportunity to provide feedback on the EPS proposal and welcomes the opportunity to provide additional comment in the future as more details become available. The Province is encouraged to work with the Region and other potentially affected stakeholders as the EPS continues to be refined and moves forward with implementation. By doing so, we can help make progress on our collective goal to reduce GHG emissions.

Should you require more information or have any questions regarding the Region's comments, please contact Christine Tu, Director, Office of Climate Change and Energy Management at Christine.Tu@peelregion.ca or 905-791-7800 ext. 4084.

Sincerely,



Catherine Matheson, MBA, CEC
Commissioner, Corporate Services