



January 15, 2021

Melissa Ollevier
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Ontario Ministry of Environment, Conservation & Parks
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Re: Consultation on amendments to transition Ontario industrial facilities from the Federal Output-Based Pricing System (OBPS) to Ontario's Emissions Performance Standards (EPS) program (ERO # 019-2813)

Ms. Ollevier,

Thank you for the opportunity to provide feedback on the proposed *regulatory amendments and amendments to incorporated documents to support the transition of Ontario industrial facilities from compliance obligations under the federal OBPS to the Ontario EPS program*. AV Group NB Inc. has been actively engaged in discussions with the Ontario Ministry of Environment, Conservation & Parks for more than a year on this important subject.

The following are our comments with respect to the proposed amendments to transition Ontario industrial facilities from the Federal Output-Based Pricing System (OBPS) to Ontario's Emissions Performance Standards (EPS) program (ERO # 019-2813)

Proposed Amendment #1:

On December 23, 2020, the Minister of Environment and Climate Change issued a Notice of Intent to make regulations in response to the stated intention to stand down the federal Output-Based Pricing System (OBPS) in Ontario and New Brunswick and in order to improve the implementation of the Output-Based Pricing System Regulations (OBPS Regulations). Pursuant to s. 194 of the Greenhouse Gas Pollution Pricing Act, the measures referred to in the Notice may take effect, subject to Governor in Council approval, as early as the date of publication of this notice.

Proposed Amendment #2:

It is strongly recommended that the Province continue to urge ECCC for retro-activity of the implementation of the provincial EPS cover emissions for 2020 and onward as this will be beneficial to the Pulp & Paper Industry in the province (i.e. start date for emissions covered under the EPS be January 1, 2020).



Proposed Amendment #5:

It is recommended:

- to automatically opt-in facilities to the Ontario EPS program if they are already registered under the Federal OBPS system.
- that the definition of the Pulp & Paper Industry (i.e. end product) be open to include bio-products to allow for future diversification & expansion of the pulp & paper industry to include other bio-products &/or fuels.
- that the emissions limit and/or compliance take into account electricity generation along with pulp & paper production for the Pulp & Paper Industry.

It is also recommended that the Emission Limit and Compliance Obligation take into account the risk assessment (i.e. trade exposure) and an adjustment factor for energy produced from biomass/Biofuels in the Pulp & Paper industry.

AV Terrace Bay remains committed to working with the Ontario Ministry of Environment, Conservation & Parks on this important file and if you any questions or require clarification on our comments please feel free to contact me directly at (807) 825-8902.

AV Terrace Bay would also like to be included in future consultations on regulations and amendment of regulations (e.g. O.Reg 241/19 and O. Reg 390/18) to support the provinces EPS program

Sincere Regards,

A handwritten signature in black ink, appearing to read 'Bill Murphy', is written over a horizontal line.

Bill Murphy, EP
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