

July 07, 2021

RE: Amendment to Support Transition and Implementation of Ontario's Emissions Performance Standards Program

To Whom It May Concern,

We would like to thank the Ministry of the Environment, Conservation and Parks for allowing Aurora Power Corp. ("Aurora") to submit comments about the amendment intended to further support the transition from the Federal OBPS to the Provincial EPS. Aurora is committed to providing our customers with energy-resilient solutions that are cleaner and cost-effective. We currently focus on installing and maintaining natural-gas-powered Combined Heat and Power ("CHP") systems in multi-unit residential buildings to reduce the customers' energy costs, and most of the CHP systems are below 500kW in size, with system efficiency aiming for 70% or above.

One barrier to our business is the federal fuel carbon tax {"Fuel Charge"}. Natural gas-powered CHP systems are high-efficiency technology that produce both heat and electricity from one fuel source, yet operators of CHPs are still required to pay the federal Fuel Charge.

To be granted an exemption per the Federal Government's 'Fuel Charge relief' webpage we would first need to register with the OBPS or the EPS voluntarily since we do not meet the requirements for mandatory registration. However, the CHP systems that Aurora develops are not eligible to register for the OBPS or EPS since they produce one-tenth of the minimum CO₂e kilotons annually for voluntary or opt-in registration (10,000 tonnes CO₂e /year in the current registration requirement).

We believe it is punitive for highly efficient energy solution providers like Aurora to be required to pay the fuel charge while larger polluters have the ability to obtain an exemption from the CRA. In June of 2021, Ontario's then-Minister of Environment, Conservation and Parks, Jeff Yurek, published an op-ed in support of the continued implementation of CHPs that are capable of "providing cheaper, more energy-efficient fuel sources and technologies, and more reliable power in emergency situations like blackouts." Mr. Yurek went on to emphasize that the adoption of CHP technology also spurs job creation, investment opportunities, and lower GHG emissions, specially for the small size high efficiency CHPs.



21 Roysun Road, Unit 17
Woodbridge, Ontario
L4L 8R3

We agree with Mr. Yurek that the province has a responsibility to support and implement highly efficient CHP technology. Aurora recognizes that the amendments to the EPA and EAA exempting low impact CHP systems from requiring an environmental approval does represent a step taken to make implementation easier. However, the Fuel Charge impedes implementation of highly efficient CHP solutions in Ontario. As part of its transition to implementing the EPS, Aurora requests that the Province of Ontario supports the implementation of Fuel Charge exemptions for highly efficient CHP systems that use natural gas as a fuel source. As it is a national charge, the Federal Government and the CRA will need to be engaged for discussion.

Thank you for taking the time to review Aurora Power's comments, and we look forward to continuing a dialogue on this matter.

Kindest regards,

A handwritten signature in blue ink that reads "David Speck".

David Speck

President

Aurora Power Corp.