



Maryanna Lewyckyj
Environmental Registry of Ontario
Ministry of the Environment, Conservation and Parks
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RE: Clean Air Council Input on ERO # 019-5816: Development of a Clean Energy Credit Registry

Dear Ms. Lewyckyj:

The Clean Air Council and Clean Air Partnership appreciate the opportunity to provide input on the development of a Province of Ontario Clean Energy Credit registry. The Clean Air Council (CAC) is a network of over 35 Ontario municipalities working collaboratively on clean air and climate change actions. Clean Air Partnership (CAP), a charitable environmental organization, facilitates the CAC network. The below input and recommendations represent the consensus feedback from staff member representatives of CAC member municipalities.[i]

A regulated clean energy credit market has the potential to support decarbonization of Ontario's electricity system **IF** the framework ensures the criteria of additionality is met. Additionality serves as the foundational principle of a robust credit and offset market. The additionality principle requires that the sale of a credit results in supporting the addition of clean energy supply that would **NOT** have occurred without the revenue of the sale of the credit. This principle means that Clean Energy Credit should be limited to new clean energy credits. It should also only consider the sale of credits that are additional to the sellers' own greenhouse gas reduction commitments.

Without these two core principles being part of the Clean Energy Credit system, there is significant risk that the Clean Energy Credit Registry can result in increased greenhouse gas emissions and greenwashing risks, thereby undermining the credibility of the overall Clean Energy Credit system. The additionality principle was also identified by the IESO which has advised that credits that do meet the additionality requirement run the risk of being considered greenwashing and risking the reputation and value of credits within the whole Clean Energy Credit Registry[ii].

The Clean Air Council is concerned therefore that at present the proposal for the Registry includes the allowance for the sale of Carbon Energy Credits based on existing generation under contract. Carbon Energy Credits sold under existing generation assets do not meet the additionality criteria and are also not likely to be in addition to the Province's 2030 GHG reduction commitments. Therefore, they are likely to be required to be allocated/retired to make progress towards the Province of Ontario own 2030 GHG reduction target commitments.

If existing generation assets under contract are allowed to generate Clean Energy Credits it is recommended that those credits be retired on behalf of customers, Ontarians and the Province's 2030 GHG reduction commitment.

Therefore, the Clean Air Council supports the creation of a Clean Energy Credit Registry for Ontario provided that the Registry ensures a robust requirement regarding the principle/criteria of additionality.

Thank you again for the opportunity to provide input on this important topic and if you have any questions or clarification, please contact Gabriella Kalapos at gkalapos@cleanairpartnership.org to facilitate dialogue with CAC member municipalities.

[i] Municipal staff representatives on the Clean Air Council (CAC) were consulted in the preparation of this submission to reflect the feedback of member municipalities but direct endorsement of this submission by municipal councils was not sought due to time constraints. CAC representatives are the municipal change agents within leading climate action municipalities and have been working collaboratively across the region for the last 20 years to support and enable progress on clean air and climate change actions. The consultation undertaken were facilitated and are endorsed by the Clean Air Partnership, a charitable environmental organization that serves as the secretariat for the Clean Air Council.

[ii] ¹ IESO, Clean Energy Credits: Presentation for IESO Engagement Days, April 21, 2022.