



CF Industries

161 Bickford Line
PO Box 1900
Courtright, ON N0N 1H0
Tel: 519.867.2739
www.cfindustries.com

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Ministry of Northern Development, Mines, Natural Resources and Forestry
Resources Planning and Development Policy Branch
Policy Division
300 Water Street
Peterborough, ON K9J 3C7

Submitted via Environmental Registry of Ontario

RE: CF Industries comments on proposed amendments to the Oil, Gas and Salt Resources Act to remove the prohibition on carbon sequestration (Environmental Registry of Ontario Proposal Notice #019-6296)

Thank you for the opportunity to provide input on proposed amendments to the Oil, Gas and Salt Resources Act to permit carbon sequestration in Ontario. Carbon capture and sequestration (CCS) is an essential technology that can help some of the province's largest industries transition to a low-carbon future.

About CF Industries

At CF Industries, our mission is to provide clean energy to feed and fuel the world sustainably. With our employees focused on safe and reliable operations, environmental stewardship, and disciplined capital and corporate management, we are on a path to decarbonize our ammonia production network – the world's largest – to enable green and blue hydrogen and nitrogen products for energy, fertilizer, emissions abatement and other industrial activities.

Headquartered in Deerfield, Illinois, CF operates manufacturing complexes in the United States (U.S.), Canada, and the United Kingdom (UK), with an unparalleled storage, transportation and distribution network in North America, and logistics capabilities enabling a global reach. CF's Canadian business includes nitrogen production facilities in Courtright, Ontario and Medicine Hat, Alberta.

As the world's largest producer of ammonia, our business over the last 75 years has primarily revolved around how the nitrogen in ammonia helped the world meet the challenge of feeding a growing population. Ammonia, as the building block for nitrogen fertilizer products, is essential to feeding the world by providing crops with the nitrogen they need in a useable form.

Meeting the challenge of climate change is at the centre of our company strategy, which is to leverage our unique capabilities to accelerate the world's transition to clean energy. CF has committed to reducing our own carbon dioxide (CO₂) equivalent emissions by 25% per ton of product by 2030 and achieving net zero carbon emissions by 2050.¹ CF's progress toward those goals includes:

- Constructing a green ammonia project at Donaldsonville, Louisiana;
- Investing US\$200 million to install CO₂ dehydration and compression equipment at Donaldsonville and partnering with an offtaker for the permanent geologic sequestration of that CO₂ to enable blue ammonia production; and

¹ CF Industries Announces Commitment to Clean Energy Economy (October 29, 2020), available [here](#).

- Announced an agreement with Mitsui & Co. to jointly develop a greenfield facility in the U.S. to produce blue ammonia, with a Front-End Engineering and Design (FEED) study underway.

Ontario's CCS Opportunity

CF strongly supports the Ministry's proposed amendments to the OGSRA to remove the current prohibition on geologic carbon sequestration in Ontario. This is a critical first step toward enabling Ontario's emissions-intensive industries to adapt and thrive in a low-carbon world. In fact, for industries with hard-to-abate emissions, safe and secure CO₂ sequestration is one of the few viable ways to avoid rising greenhouse gas compliance costs that otherwise could threaten the global competitiveness of Ontario manufacturers.

CF's Courtright manufacturing facility is situated in the Sarnia-Lambton region, an area which is well positioned to become a regional hydrogen and CCS hub due to its suitable geology, concentration of heavy emitters, skilled workforce and market and transportation links.² To capture and sequester even a portion of the Sarnia region's industrial emissions would make an important contribution to Canada's climate goals and position Ontario as a leader in clean technology opportunities.

With cost-effective access to local CCS infrastructure and the right policy CCS framework, CF could eventually produce low-carbon or 'blue' ammonia at Courtright to help meet growing demand for clean energy and agricultural inputs. Blue ammonia is increasingly being seen as a key enabler of the clean energy economy, including through its direct combustion in maritime shipping, power generation, energy storage and other uses. Ammonia is also an efficient carrier of low carbon hydrogen, facilitating economical transport of this clean energy source to remote locations domestically and around the world.

CF is pleased that Ontario also will develop a regulatory framework in 2023 for commercial-scale geologic carbon storage projects on Crown and private land. Other jurisdictions, such as Alberta and the U.S. already have regulations in place and are moving quickly to attract CCS investment. Commercial-scale CCS projects have long lead times and, even under ideal conditions, require several years to become operational.

CF encourages MNRF to take a whole-of-government approach to developing this regulatory framework and draw on the best practices from other jurisdictions, such as Alberta, which have had success in attracting CO₂ sequestration projects, as well as Ontario-based stakeholders such as CF who have real-world experience with CCS policy in other jurisdictions. We welcome the opportunity to contribute to those discussions.

Thank you for the opportunity to provide input and please do not hesitate to contact me if you require further information.

Sincerely,



Greg Kennette
General Manager, Courtright Complex

² Sarnia Lambton Economic Partnership: Ontario's Hydrogen Hub in Sarnia Lambton: A Strategic Plan (December 22, 2022).