



February 6, 2023

VIA ELECTRONIC FILING

Carly Steinman
Director
Climate Change Programs and Partnerships
Ontario Ministry of Environment, Conservation and Parks (Ministry)
135 St Clair Ave West, 11th Floor
Toronto, Ontario
M4V 1P5

Re: Proposed Lifecycle Analysis Models and Technical Guideline Updates (ERO 019-5144)

Dear Ms. Steinman:

Neste appreciates the opportunity to provide these comments on the Proposed Lifecycle Analysis Models and Technical Guideline Updates for the Cleaner Transportation Fuels Regulation (Technical Update) published by the Ministry on December 8, 2022. Neste is the world's largest producer of renewable diesel and renewable jet fuel refined from waste and residues. Over the past ten years, Neste's transformation journey has taken the company from a local oil refining business to a global leader in renewable and circular solutions. Neste continues to make substantial investments in low carbon technologies and our goal is to reach carbon neutral production by 2035. We intend to supply Ontario with these products so the province's greenhouse gas (GHG) emissions are 80 per cent below 1990 levels by 2050 as outlined in Ontario's Climate Change Strategy.

Neste believes that climate change is one of the biggest challenges of our time. We want to be a trusted partner to governments and consumers that are seeking to meet that challenge, by offering expertise and sustainable operations. In that spirit, Neste has been a regular advisor on and compliance partner for Ontario's Cleaner Transportation Fuels Regulation (CTFR).

The comments below are in response to materials provided by the Ministry in the December 8, 2022 Technical Update. We look forward to continuing to work with the Ministry on the development of the new lifecycle models.

Biodiesel and Renewable Diesel Lifecycle Updates:

Neste appreciates the addition of four proposed models for new bio-based content, three for the production of biodiesel and one for the production of renewable diesel. As the Ministry may be aware, biodiesel and renewable diesel feedstocks are virtually interchangeable, meaning all feedstocks can usually produce biodiesel or renewable diesel. Therefore, Neste would like to request that renewable diesel also be included in the model for the three new biodiesel feedstocks. Specifically, that renewable diesel be added to the models for brown grease, fatty acid distillates, and biodiesel distillate bottoms. This will ensure that Ontario can also receive renewable diesel from these three additional feedstocks, as is already occurring in other jurisdictions.

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Additional Proposal to Consider - Complementary Administrative Streamlining and Update:

Neste also has a suggestion that could further optimize the administration of the CTFR, and are complementary to the process of adding new lifecycle analysis models to the regulation.

- Establish a Maximum Pathway Processing Time: Consider adding to the CTFR a time requirement for the Ministry to process and approve a complete pathway application. This commitment gives renewable fuel producers certainty on when pathway CIs will be finalized. This is common regulatory language, especially in the environmental permitting sector, and Neste suggests this be added to the CTFR regulation. Neste believes that six (6) months is sufficient time to process a complete pathway application and therefore this timing should be added into the regulation.

Neste is proud of our leading solutions for GHG emissions reductions from transportation. We believe that our efforts, along with those of other stakeholders, contribute to the success of Ontario's CTFR.

We appreciate your consideration of the enclosed recommendations and questions.

Respectfully submitted,



Oscar Garcia
West Coast Regulatory Affairs Manager
Neste US, Inc.