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Public Input Coordinator
Resources Planning and Development Policy Branch
Ministry of Natural Resources and Forestry
300 Water Street, 2nd Floor South
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Via email: resources.development@ontario.ca

RE: ERO# 019-6752 Comments on proposed changes to the OGSRA to regulate projects to test or demonstrate new or innovative activities, such as geologic carbon storage, and to safeguard people and the environment

Imperial Oil Limited (“Imperial”) appreciates the opportunity to provide comments in response to the Ministry of Natural Resources and Forestry’s (MNRF) ERO# 019-6752 posting. Imperial supports the ministry’s proposal to regulate projects to test and demonstrate new and innovative activities. Imperial views this proposal as having the potential to test and remove barriers and advance these small-scale projects in an expeditious, yet responsible, manner. That said, it is important that these projects be permitted with a view to their potential impact on the overall deployment of a provincial CCS strategy and regulatory framework.

For a successful energy transition, we will need to collectively ensure affordable, accessible and reliable energy is available to meet society’s needs while advancing projects to reduce greenhouse gas emissions. CCS is an important tool that can benefit Ontario’s energy sector as it aims to significantly lower its carbon emissions while continuing to be a primary energy supplier for the province. Public policy is a key enabler to technology development and deployment. Imperial believes that an effective carbon capture and storage (CCS) regulatory framework should include:

- Long-term government support for research and development
- Standards to ensure safe, secure and permanent CO₂ storage
- Fit-for-purpose CO₂ injection well design standards
- Legal certainty for pore space ownership
- A streamlined permitting process for carbon capture and storage facilities
- Access to CO₂ storage capacity owned or controlled by governments

The government’s long-term view of CCS development in Ontario is essential to ensure that carbon sequestration pore space is optimized for the benefit of all Ontarians. The finite nature of suitable pore space in the province demands that government take a strategic approach to CCS development. While special projects have a role in helping clarify the suitability of Ontario’s geology for carbon storage, they must not be permitted in a way that threatens the viability of future commercial-scale projects. Ad hoc and small-scale developments could inadvertently compromise the caprock integrity or interfere with one another subsurface. The number and location of special projects must be critically assessed with the future in mind. Proponents of test or demonstration projects must demonstrate to the province the strategic nature of their proposed activities and how they will fit into the anticipated regulatory framework for commercial-scale geologic carbon storage projects (e.g. CCS Hubs).

From a technical standpoint, it is expected that special projects will need to abide by specific CCS standards such as CO₂ injection well design standards and measurement, monitoring & verification (MMV) requirements. With these standard yet to be published, Imperial seeks further clarity. Will proponents earn

permits and licences for their projects upon proposing suitable standards that will be followed, or will they need to wait for the standards to be published in the regulatory framework later this year?

Imperial recognizes that the proposed changes to the OGSRA would allow the Minister to designate a proposed project as a special project, and that designating a project as a special project would not authorize it. Rather, that separate authorizations would be required under the Act before the project could proceed. It is important that the government ensure a streamlined permitting process for carbon capture and storage test or demonstration projects. This will help ensure that Ontario does not risk delay, or missing out entirely, in attracting large scale investments.

Imperial is pleased to see that the MNRF is adhering to its 'Roadmap towards regulating geologic carbon storage'. Of the five phases, the first three have all been on time. With the fourth phase, 'design a framework to regulate commercial-scale geologic carbon storage projects on Crown and private land', due to begin in the summer or fall 2023, Imperial remains encouraged by the focus and attention that CCS research and development is garnering with the province. Imperial looks forward to continuing to support the government's development of a robust and viable framework to regulate geologic carbon storage in Ontario.

We thank you for the opportunity to provide our input and look forward to working with your government to enable the development of CCS opportunities in Ontario. Please do not hesitate to contact me directly with any questions or concerns. You can also reach out to Ryan Levins, by phone at (416) 455-2895 or by e-mail at ryan.m.levins@esso.ca.

Sincerely,



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