

October 16, 2023

Public Input Coordinator
MNRF - RPDPB - Resources Development Section
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RE: ERO# 019-7507 Proposed regulatory provisions for ‘special projects’ using wells to test or demonstrate new and innovative activities, including carbon storage, and to remove well security caps and exemptions for all types of wells under this legislation going forward

Dear Public Input Coordinator;

On behalf of the Canadian Fuels Association (CFA), we thank you for the opportunity to provide feedback on this important issue. CFA members¹ are committed to a future where Canadians achieve significant transportation greenhouse gas (GHG) emissions reductions without compromising the ability to move people and goods. Our [Driving to 2050 Vision](#) highlights how Canada’s transportation fuel sector is innovating and investing in the development of clean transportation-energy choices which include reliable, affordable low-carbon liquid fuels.

Carbon capture and storage (CCS) presents a major opportunity for industrial decarbonization, while at the same time offering economic benefits in the form of community investments and job creation. CFA commends the Ministry of Natural Resources and Forestry (MNRF) for proceeding to the next stage of regulatory development on the path to realize commercial-scale CCS in Ontario.

CCS technology has been safely used in North America for decades, including world-leading projects in Western Canada and throughout the United States. Thousands of kilometres of CO₂ pipelines already connect critical industrial facilities to storage or utilization infrastructure, where CO₂ is either permanently stored deep underground or repurposed.

¹ Canadian Fuels members: Federated Co-operatives Limited, Greenenergy, Greenfield Global, Imperial Oil Limited, Irving Oil, North Atlantic, North West Redwater Partnership, Parkland Corporation, Petro-Canada Lubricants Inc., Shell Canada Limited, Suncor Energy Products Partnership, Tidewater Midstream and Infrastructure Ltd. and Valero Energy Inc.

To achieve the federal government's Net Zero Emissions by 2050 legislation, the path to decarbonize Ontario's industrial sector requires CCS. Without this tool, Ontario risks decarbonization through deindustrialization. Delays in setting a regulatory framework risks Ontario falling further behind other competing jurisdictions in Canada and abroad. Failure to implement a multi-faceted decarbonation approach that includes CCS, will increase the risk of carbon leakage and the deindustrialization of the economy.

CFA offers the following recommendations:

- Ontario must create a CCS Strategy that positions the need and opportunity for industry that can be communicated with private sector partners. CCS service providers will play an important role in implementation. In order to execute on this important opportunity, Ontario must ensure there is clarity in direction, including plans to advance regulatory frameworks and mechanisms to recognize captured carbon
- In order to realize economies of scale for the greatest benefit, Ontario must strive towards "commercial scale" CCS. Success relies on maximizing the volume of CO₂ sequestered, creating conditions that make CCS accessible to a large number of emitters. Ontario must implement a regulatory framework that is good for the environment, ensures safe projects and is economically attractive to prospective service providers and emitters.
- Timely development of a regulatory framework is critical. The Government of Canada requires a provincial regulatory framework in place in order for proponents to qualify for the proposed federal Investment Tax Credit (CCUS ITC). Other jurisdictions including British Columbia, Saskatchewan, and Alberta – where provincial governments have created regulatory frameworks – already qualify. The federal CCUS ITC is proposed to be in effect for expenses beginning in 2022, with the ITC rate decreasing by 50% beginning in 2031. Given the time to design, permit, and construct CCS projects, it is important for Ontario to progress the CCS regulatory framework in a timely manner.
- Similar to other provinces, Ontario must provide clarity on pore space ownership. We recommend that the province vest all pore space and grant tenure for the purposes of enabling utility-scale carbon storage on both private and Crown lands.
- The current restriction excluding Crown lands is not reasonable. MNRF has indicated that Crown lands offer significant potential for pore space capacity. Additionally, the potential interconnected nature of subsurface pore space between private and Crown lands will need to be addressed. Therefore, amendments to the Mining Act are needed as soon as possible to enable geologic carbon storage on Crown lands.
- CCS is a critical pathway in the transition to net-zero for industry and Ontario's economy. Work will also be required to ensure that the public understands CCS given it is new to Ontario. Ontario must work in a proactive manner with local communities, rightsholders, Indigenous and other stakeholders to build increased understanding of CCS.

CFA thanks you again for this opportunity to participate in this important work. We are committed to working with the Ontario government to ensure CCS is both an environmental action to support industrial decarbonization as well as an economic development opportunity that attracts investment capital and creates jobs. Should you have any questions about these, or any other issues related to fuels

and their place in Ontario's energy supply mix, please do not hesitate to reach out. We look forward to hearing from you.

Sincerely,



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About CFA

CFA represents the producers, distributors and marketers of transportation energy, including gasoline, ethanol, bio-based diesel, jet fuel, as well as, specialty fuels and lubricants. Our sector represents 111,000 workers, 15 refineries, 8 Clean Fuels production facilities, 75 distribution terminals, and 12,000 retail and commercial sites. Five refineries and five clean fuels facilities are located here in Ontario. Our members supply 95% of the transportation fuel Canadians use every day.

We have a long history of working collaboratively with governments to strengthen environment, health and safety policies while ensuring an uninterrupted supply of fit-for purpose transportation fuels to meet the needs of Canadian consumers and businesses.