

January 14th, 2024

Dear Ms. Ollevier,

I am writing to you on behalf of Carmeuse Lime in response to the proposed changes to the Emissions Performance Standards (EPS) program in Ontario. We appreciate the government's efforts to address climate change and reduce greenhouse gas emissions. However, we would like to highlight the unique challenges faced by hard-to-abate industries and propose potential solutions to ensure fair treatment and job preservation.

Hard-to-abate industries, such as steel, cement, and chemicals, are characterized by their high levels of emissions and limited opportunities for emission reduction. The lime industry specifically, has little opportunity to address their high proportion of process emissions. The proposed shift from site-specific standards to sector-specific Baseline Emission Intensities may not fully consider the unique circumstances of our industry and the commercial lime production in Ontario. We believe that more consultation with Carmeuse to consider the specific challenges and opportunities of the industry, would be more effective and equitable prior to any program rule changes implemented in Spring 2024 as described in the December 6th stakeholder engagement meeting.

We understand the need for stringent emission standards to achieve our climate goals. However, it is crucial to balance these environmental objectives with economic considerations. Many hard-to-abate industries are significant contributors to Ontario's economy and provide numerous jobs. Any drastic changes in emission standards could potentially jeopardize these industries and lead to job losses. Furthermore, a lack of offset protocols coupled with the stringency factor on process emissions, leaves the lime industry in Ontario under significant threat of carbon leakage.

To address this, beyond additional consultation, we propose that the government consider providing support for new greenfield projects that aim to install the best available technology for GHG emission reduction in Ontario. A new greenfield site could be supported by financial incentives, technical assistance, or favorable policy frameworks within the EPS including maintaining the site specific Baseline Emission Intensity of the replaced capacity. Such support would not only help these industries transition to lower-emission technologies but also ensure the preservation of jobs and the continued contribution of these industries to Ontario's economy.

We believe that with the right support and policies, hard-to-abate industries like the lime industry can make significant strides towards reducing their emissions while continuing to thrive. We look forward to working with the government to achieve our shared climate goals while ensuring the continued prosperity of Ontario's industries.

Thank you for considering our views. We welcome the opportunity to discuss the matter further.

Sincerely,

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