



January 15, 2024

Melissa Ollevier
Financial Instruments Branch
Ontario Ministry of the Environment, Conservation and Parks
40 St. Clair Avenue West, Floor 8
Toronto, ON
M4V 1M2

Re: ERO-019-7649: Proposed Regulatory amendments to EPS and GHG Reporting programs

StormFisher Hydrogen Ltd. (StormFisher) is pleased to provide feedback on the proposed regulatory amendments aiming to clarify program requirements and enhance the efficiency of the Emissions Performance Standards (EPS) and Greenhouse Gas (GHG) Reporting programs. The amendments released by the Ministry of the Environment, Conservation and Parks (MECP) on November 22, 2023, are welcomed by StormFisher.

We firmly believe that the EPS and GHG Reporting programs, in conjunction with the suggested amendments, will expedite progress toward achieving the 2030 emission reduction objectives. StormFisher envisions that these proposed changes will establish a balanced and competitive landscape, tailoring charges and incentives to the scale of GHG emissions. This approach not only ensures fairness but also boosts the competitiveness of our industries globally.

Our responses to the questions sought by MECP are provided below:

Responses to discussion questions

1. How should compliance obligations be adjusted in the transition period for facilities that are retooling (e.g., moving from manufacturing internal combustion engines to electric vehicles)?

Considering the varied duration of transitional periods based on the nature of major modifications/ activities, StormFisher suggests activating the compliance adjustment mechanism once comprehensive retooling is complete. This encourages facilities to expedite retooling and allows them to quickly benefit from adjusted compliance obligations after retooling.

2. How much lead time is appropriate for the transition to sector-based standards where there are several facilities that produce the same product? Are there any sectors that should be prioritized?

StormFisher believes that a 2 to 3-year period for the transition to sector-based standards makes sense; however, a deeper dive might be required as the MECP might be able to transition certain sectors more quickly while giving certain sectors more time. GHG policies are changing quite significantly including the European Union's carbon border adjustment mechanism and we need Ontario EPS parties to remain competitive with respect to the export of their goods.



3. Should RNG procured by an EPS facility and injected into the Ontario natural gas system be eligible to be considered as if it is being used directly at an EPS facility? Are there any circumstances where this approach would affect the integrity of the EPS program?

StormFisher supports the proposed amendment allowing for the use of RNG to reduce a facility's reported and verified emissions.

StormFisher encourages the MECP to further expand the scope of eligibility for RNG. We suggest the inclusion of any RNG injected North American natural gas distribution system. This expanded scope would create a more extensive market for RNG/EPS collaborations, fostering trade relationships. Aligning with programs in other jurisdictions that encourage RNG sourcing beyond their borders, Ontario can embrace this trend, tapping into the broader market landscape. This expanded scope would allow regulated facilities to access the lowest-cost RNG available in the market offering the possibility of reduced compliance costs.

With this broader scope in mind, StormFisher proposes the following requirements for RNG:

- a) The RNG is injected into the North American natural gas transmission and distribution system.
- b) Procurement of the RNG must occur through contractual agreements between the supplier and the EPS facility.
- c) The EPS facility should be able to demonstrate a transparent record of RNG deliveries from the supplier to the facility OR a record of purchase and retirement of RNG attributes.
- d) GHG emissions from the RNG must be quantified using the methods outlined in the Guideline.

StormFisher would like to point out that the carbon intensity of the various RNG sources varies significantly from -150 gCO₂e/MJ to 40 gCO₂e/MJ. However, under the current policy, it would attribute a 0 CI to all RNG sources which means that certain sources of RNG are getting a benefit such as landfill gas to RNG; while agricultural sources (manure) are having an adverse impact based on this approach as the negative carbon intensity isn't being properly accounted for by the EPS facility

Closing Comments

StormFisher values the chance to share its comments and is prepared to collaborate with MECP to advance the proposed amendments to EPS and GHG reporting programs.

Please do not hesitate to contact us if you have any questions about the information contained herein.

Yours truly,

Brandon Moffatt, P.Eng, MBA

Co-Founder

StormFisher Hydrogen Ltd.

Phone 519-573-8719

Web www.stormfisher.com

Email bmoффatt@stormfisher.com

320 Bay St Suite 101, Toronto, ON M5H 4A6