

January 15th, 2024

VIA ELECTRONIC SUBMISSION TO THE ENVIRONMENTAL REGISTRY OF ONTARIO

Ministry of the Environment, Conservation and Parks
40 St. Clair Avenue West, Floor 8
Toronto, Ontario
M4V 1M2

RE: ERO Number 019-7649: Regulatory amendments to clarify program requirements and improve program efficiency for Emissions Performance Standards (EPS) and Greenhouse Gas (GHG) Reporting Programs.

Dear Mr. Daniel Cayley,

Northland Power Inc. ("Northland") is pleased to have the opportunity to comment on the Ministry of the Environment, Conservation and Parks' (the "Ministry") proposal to update the EPS and GHG Reporting Programs, with comments focused on expanding the eligibility of Renewable Natural Gas (RNG) in the context of electricity generation.

The Ministry posed the question:

"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?"

Northland believes it should, as an EPS facility responsible for the injection of RNG into a natural gas system need not be the one to combust those exact RNG molecules, nor combust those molecules at the same time they are injected, to have the same environmental impact. The important point is to displace natural gas sourced from underground with RNG, a carbon-neutral fuel. Expanding eligibility would also reduce the cost and emissions associated with RNG transport (via existing pipeline infrastructure instead of heavy transport vehicles), and potentially eliminate the need for RNG storage at an EPS facility site.

With respect to eligibility criteria and other considerations, Northland has the following comments:

1. Injections outside of Ontario should be allowed if 1) there is a substantial decrease in price, reducing the cost to electricity ratepayers; or 2) the injection jurisdiction matches the destination of electrical capacity or energy in the case of firm export agreements.
2. Contracts with RNG marketers should be permitted so long as the underlying RNG comes from Ontario or aligns with the exceptions noted above. Contracting with a marketer that works with multiple RNG suppliers adds resiliency should an issue arise with a single RNG supplier. A clear record of RNG deliveries can still be facilitated while using a marketer.

3. To the extent the use of RNG results in an EPS facility carbon intensity below the performance standard for generating electricity (currently 310 tCO₂e/GWh) in any compliance period, credits created should be valued at the applicable federal carbon price and returned to electricity ratepayers to offset the incremental costs of RNG and decarbonization.
4. Ontario becoming another province that supports this RNG eligibility (in addition to British Columbia and Quebec already) could further drive its consideration under the federal Clean Electricity Regulations, permitting the operation of EPS facilities beyond the 450 hrs/year and 150 ktCO₂e/year limits if utilizing conventional natural gas alone.

The Ministry also posed the question:

Are there any circumstances where this approach would affect the integrity of the EPS program?

At this point in time Northland does not believe there are circumstances to this approach that would affect the integrity of the EPS program but does believe that making this change is an important step towards a net-zero electricity system and economy. If implemented, this could be the means to remove those most difficult and costly emissions from the electricity system, the ones created from natural gas that provides flexibility and reliability, with the benefit of maintaining the utility of existing resources.

In summary, Northland supports the Ministry's proposal to update the EPS and GHG Reporting Programs in respect of RNG and is open to further discussing the potential benefits to Ontario's electricity system.

Thank you and best regards,

Salvatore Provvienza

Salvatore Provvienza

Senior Manager, Commercial Operations
Northland Power Inc.

About Northland Power Inc.

Established in 1987 as one of Canada's first independent power producers – and headquartered in Toronto, Ontario – Northland Power is dedicated to developing, building, owning, and operating clean and green global power infrastructure assets in North America, Asia, Europe, and Latin America.

Northland Power produces electricity from clean-burning natural gas and renewable resources such as wind and solar and has over 35 years of experience owning and operating generation assets in Ontario.

