

August 23, 2024

Ministry of Natural Resources
Public Input Coordinator
Development and Hazard Policy Branch
300 Water Street,
Peterborough, Ontario
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Sent via email to resources.development@ontario.ca and uploaded to the Environmental Registry of Ontario

To the Public Input Coordinator;

RE: ER-019-8767 Discussion Paper: Regulating Commercial-Scale Geologic Carbon Storage Projects in Ontario

The Ontario Federation of Agriculture (OFA) is pleased to provide comments from the perspective of Ontario's agricultural sector, on the July 2024 Discussion Paper related to Commercial-Scale Geologic Carbon Storage Projects in Ontario under the Oil, Gas and Salt Resources (OGSR) Act.

OFA is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. We are a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government.

Many of our members live and work in areas potentially impacted by commercial-scale geological carbon storage. Our key recommendations to the Ministry of Natural Resources (MNR) include:

1. Incorporate strong provisions to hold companies accountable for adverse environmental, financial and safety impacts.
2. Ensure landowners concerns are considered during processes that will increase activities under existing and new lease arrangements, and specifically address the concerns of those living above areas designated for deep geological carbon storage.
3. Undertake a robust educational campaign to ensure Ontarians understand the risks associated with carbon storage activities, which are new to Ontario geology.
4. Collaborate with landowners and other stakeholders to better understand the long-term impacts of ceding personal land rights or Crown property rights.
5. Publish information and share findings related to test and demonstration projects to help the public make informed decisions.

The International Energy Agency sees no path to net-zero emissions without rapid and extensive deployment of carbon capture, utilization, and storage by 2050. OFA recommends that the government undertake a more robust educational campaign to ensure Ontarians understand the risks associated with geological carbon storage activities – new to Ontario geology.

Considering the potential scale of these activities, and to better protect people, OFA recommends that the MNR collaborate with landowners to better understand the long-term consequences of ceding personal land rights or Crown property rights.

A carbon storage space under pressure requires a large buffer to other carbon storage projects to ensure pressures do not compromise each project. OFA recommends that MNR share science-based information on permitted and prohibited activities under lands with carbon storage and we recommend that Ontario not impose a nominal annual rental amount, especially if other activities are restricted.

In the advancement of carbon storage, OFA supports strong oversight to prevent impacts to public safety and the environment. This should include a clear framework to identify, assess and mitigate potential impacts, including the use of Agricultural Impact Assessments related to the construction operation and decommissioning of projects. OFA supports implementing measures to further enhance these protections such as court and inspector's orders for carbon storage activities.

For many decades, landowners in southwestern Ontario, where the majority of salt solution-mining, oil and gas wells, and storage are located, have struggled to get closed wells decommissioned. They have had to deal with multiple company changes, restructuring and bankruptcy of original lease signees, and abandonment of those assets.

Therefore, many landowners are concerned that they will not be heard or treated fairly. OFA recommends MNR work to ensure landowners concerns are considered during processes that will increase activities under existing or new lease arrangements and address the concerns of those living above areas designated for commercial-scale geological carbon storage.

During recent in-person and virtual engagements hosted by MNR, stakeholders raised concerns that proponents would rely on government incentives and subsidies to undertake unproven commercial-scale activity. In addition, there were concerns that companies may not have the resources to remedy project failure activities.

OFA recommends the commercial-scale regulatory framework include requirements for operators to provide financial assurance to address decommissioning, abandonment, remediation activities, carbon leakage, carbon migration, non-compliance, monitoring (including seismic) during all stages of a project including permanent post-closure, and for emergency response.

If ongoing post-closure responsibilities are to be transferred to the government, OFA recommends operators be required to pay stewardship fees sufficient to cover the costs associated with any responsibilities being transferred.

OFA recommends strong provisions be put in place related to carbon storage activities to hold directors and former directors of corporations accountable for the actions of their company or associated companies that have adverse impacts on the environment, safety, or the financial wellbeing of landowners and residents.

OFA recommends that companies that enter bankruptcy, close or sell operations, assign to subsequent owners and heirs all risk and agreements. Otherwise, the province must be obligated to take over the site and its associated risks and liabilities.

OFA recommends that landowners and residents have a “save harmless” agreement with all companies using their land for carbon storage activities. This should fall to the province in case of default. If this is not offered, insurance companies may have concerns about insuring properties above carbon storage systems.

There are benefits and drawbacks with both stand-alone project and larger hub models. While there are economies of scale with the hub model, getting CO₂ to the hub is of concern; new dedicated pipelines would impact landowners, and trucking would entail a significant increase to traffic density which is a concern in rural areas with limited roadway options. While onsite projects are faster to implement, reduce the need for building pipelines or adding trucking, they may not be sufficient to meet 2050 sequestration targets and there could be a higher level of regulatory compliance burden.

While consultation and development proceed, it is important that government understand that informed support or opposition may not be possible; until residents know the scale and type of site models that will be eligible, and their locations, they cannot appreciate the consequences of increased pipeline and trucking activity, or risk to their water supply.

OFA recommends MNR seek consensus from Ontario Ministries of Municipal Affairs and Housing, Environment, Agriculture, Food and Agribusiness, and Rural Affairs, the Federal government, and impacted municipalities, related to responsibilities necessary to protect water, ensure municipal supports, ensure agricultural sustainability, and the protection of people, land rights and businesses potentially impacted.

As MNR’s 2022 Discussion Paper highlighted, the Ministry hopes to learn from demonstration projects to better inform the development of a standardized regulatory framework for commercial-scale projects which maintains high standards for public and environmental safety.

OFA recommends the Ministry share with all stakeholders information and findings related to demonstration and test projects on a regular basis so as to help stakeholders make informed decisions regarding deep geological carbon storage.

During the in-person engagement, stakeholders also voiced concerns about carbon storage below fresh water drinking sources, and fissure migration producing carbonic acid. While MNR mentioned that Norway safely stores carbon in layers below water, Norway stores carbon 2,600 meters below the seabed. OFA recommends MNR share science-based information of leaks, steps taken to close leaks, any other remedial action, and impacts to the surrounding lands and people.

OFA recommends that government require information submitted in support of an application be prepared by qualified persons, including regulated Professional Engineers, and Professional Geoscientists, and made available for external review.

Agriculture has a key roll in carbon management, utilizing CO₂ to grow plants and turning it into food and organic matter, while building healthy and resilient soils along the way. OFA strives to ensure agriculture has a voice in infrastructure policy discussions, and infrastructure design, construction and operation, including carbon sequestration. This is meant to help insure the sustainability, growth and modernization of our farm sector. We appreciate this opportunity to present a perspective from the viewpoint of Ontarians living in rural and farm communities.

Sincerely,



Drew Spoelstra
President

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