



BEDROCK ENERGY CORP.  
100 Arisaig Drive  
Vaughan, Ontario, Canada  
L6A 1V7

*April 29<sup>th</sup>, 2021*

Bill Greenizan  
Ministry of Energy, Northern Development and Mines  
77 Grenville Street, 7th floor  
Toronto, ON  
M7A 2C1

**Re: Leave to Construct Amendments for Compressed Air Energy Storage Projects**

***(i) Proposed Revision to Ontario Energy Board (OEB) Leave to Construct Cost Threshold for Hydrocarbon Pipelines***

Dear Mr. Greenizan,

Thank you for this one-time opportunity to offer our experienced observations on this important set of amendments.

At Bedrock Energy Corp. (“Bedrock”), we have one strong recommendation to urge you to make to your Ministries as you amend the Leave to Construct (“LtC”) provisions of regulations. The recommendation is properly centered on, and well within the realm of the overarching public interest to ensure that approved energy storage projects are treated systematically, and consistently, within Ontario’s regulatory and legal framework which currently exists for other energy storage projects.

**Gas Storage as an Example**

When natural gas storage projects are proposed to the Ontario Energy Board (“OEB”), the Ontario Ministry of Natural Resources (“MNRF”), in the normal course, proposes a Designated Storage Area (“DSA”). A DSA is simply a parameter drawn around and registered on the land titles of the surface owners to protect the subsurface rock reservoir from any further development or intrusions (e.g. drilling) by any other source.

The DSA also serves to publicly identify and hold the land parcel for the coherent development of the reservoir for gas storage. Ontario has enjoyed this type of land identification and legal protection for decades. The permanent protection afforded the project and the owners is paramount.

In the event that a landowner or a few landowners, who own a minority interest in the DSA refuse/decline to join in the development, the OEB has the legal power to compel their joinder in the DSA alongside the other consenting landowners. The OEB also has the jurisdiction to direct appropriate, consistent and similar compensation for the development to that/those landowner(s). One hold-out landowner, it is understood, should not be able to frustrate the development of a public geological energy resource. Similar rules are in place for oil and gas development in Ontario and across Canada.

## **Compressed Air Energy Storage**

Bedrock respectfully is requesting that in the amendments proposed to the Ontario LtC regulatory fabric, a necessary provision is inserted to ensure that, in the event of a refusal of a landowner(s) to participate in a subsurface storage project(s) for air or other gaseous substances, the situation must be subject to the oversight of the OEB or the Mining and Lands Tribunal, where the matter can be resolved fairly by an independent agency, which has the jurisdiction and expertise to evaluate the situation. Thus, where there is a hold-out landowner, who refuses to join in allowing the development of a storage reservoir, there needs to be a legal ability of the developer and the other consenting landowners who are in pursuit of the project, to compel a landowner to join in the development, and be compensated.

This simple request for a solution for landowner consolidation in the case of a Compressed Air Energy Storage (“CAES”) project can be accommodated identically in the same manner as gas storage development landowner issues are resolved, with all the appropriate preservation of legal rights balanced and respected by an independent agency.

Thank you for considering this vital request. If these amendments are allowed, CAES projects may proceed, as they are clearly in the public interest – not only of the immediate consenting landowners – but for all the electricity customers of Ontario, who will benefit from these types of grid projects being developed. A single landowner should not be able to frustrate her/his neighbours by holding out on a sensible development.

Signed by:

A handwritten signature in black ink, appearing to read 'S. Sangiuliano', followed by a long horizontal line extending to the right.

Stephen J Sangiuliano  
Director, Project Management