

March 13, 2022

MNDMNRF - RPDPB - Resources Development Section

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**RE: Geologic Carbon Storage in Ontario
Discussion Paper**

The Canadian Steel Producers Association (CSPA) is the national voice of Canada’s \$15 billion steel industry. Our member companies annually produce approximately 13 million tonnes of primary steel as well as over 1 million tonnes of steel pipe and tube products in facilities located across Canada. Domestic steel operations directly employ some 23,000 Canadians while supporting an additional 100,000 indirect jobs.

Canadian steel producers are a critical component of Canada’s and Ontario’s economy and industrial base, serving the needs of North American customers with high quality, competitive, and innovative products. Key market segments for member companies include automotive; energy discovery, extraction, and transport; major infrastructure projects; commercial/residential construction; renewable energy creation; and many general manufacturing applications. CSPA is committed to fostering a strong and sustainable future for Canada and Ontario’s vital steel producers and enabling our members to prosper in both domestic and international markets.

We understand the proposal titled “Geologic Carbon Storage in Ontario” aims to amend the Oil, Gas, and Salt Resources Act. The proposed changes include:

- Lifting prohibitions on the injection of carbon dioxide (EOR excluded in the proposal),
- Adding the ability to enter into agreements with companies to explore, test, pilot, and demonstrate new technologies,
- Enhance provisions for corporate accountability, and
- Enhance existing protections to prevent risk to the public and environment.

In the Made-in-Ontario Environment Plan, the government established a proposed greenhouse gas (GHG) reduction target of 30% below 2005 levels by 2030. Our industry has also established an aspirational target to reach Net-Zero by 2050. For example, projects announced by ArcelorMittal Dofasco and Algoma will remove 6MT of CO₂ emissions annually as part of our industry's commitment to reducing GHG emissions. However, more will need to be done for an emissions-intensive trade-exposed sector like steel to reach its and the government's goals.

CSPA believes that for Ontario to achieve the government's emission reduction targets, a suite of approaches will be required including carbon capture and storage and regulatory clarity is required as soon as possible.

CSPA is encouraged that the Ontario government is considering changes to the Oil, Gas and Salt Resources Act and the Mining Act frameworks to provide more clarity which would enable the possibilities of carbon capture and storage (CCS) in appropriate locations and scenarios such as southwestern Ontario.

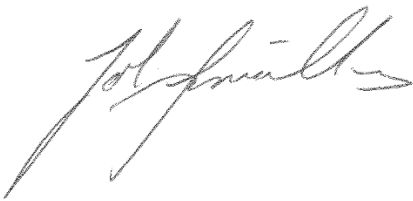
Comments

- CSPA recommends that the Emissions Performance Standard program be amended such that the sequestered CO₂ is deducted from the covered facility's CO₂ reportable emissions and carbon tax obligations. Such an approach is already established in the federal Output-Based Pricing System regulations, and this will incentivize large emitters, such as the steel sector, to consider carbon capture and storage as part of their overall decarbonization strategy. By incentivizing these investments, further important emissions reductions efforts will be possible. Therefore, it is crucial to develop a framework that allows for credits to be established from carbon capture and storage projects to encourage further investment in these projects and assist in meeting Ontario's overall goals to reduce emissions.
- CSPA notes that standalone geologic carbon storage projects are currently not covered by Ontario's current regulatory framework and the laws and regulatory setting for advancements of these projects is unclear. CSPA recommends that the Ontario government fast track the adoption of carbon capture and storage supportive regulations and consider how other CCS-leading jurisdictions with many years of implementation experience, such as Alberta, approach responsibilities for long term management of permanent storage of carbon. This could support the future regulatory framework for commercial scale carbon storage. Such clarity is required swiftly as businesses assess and determine the feasibility of CCS and whether to invest in this technological pathway.

- CSPA recommends that the Ministry develop an application and approval process for CCS projects that is clearly defined and with clear milestones for approvals to ensure that these projects can be started as soon as possible.
- CSPA recommends that any changes to Regulations and Acts do not exclude any geological formations that may have potential for long term CO₂ storage.
- CSPA would also point out that CSA Group has published CSA Code Z741 “Geological storage of carbon dioxide”. This Code establishes requirements to promote environmentally safe and long-term containment of CO₂ in a way that minimizes risks to the environment and human health. This Code can serve as a framework in Ontario’s geologic carbon storage approach.

Your consideration of these comments is valued. CSPA and its members wish to remain engaged throughout this process. CSPA and its member companies would be pleased to meet with Ministry staff to provide further insights and support for the issues raised in this discussion paper

Sincerely,



John Smičiklas
Director(Interim) , Environment
Canadian Steel Producers Association