

March 14, 2022

MNDMNRF - RPDPB - Resources Development Section
300 Water Street
2nd Floor, South Tower
Peterborough, ON
K9J 3C7

RE: Geologic Carbon Storage in Ontario (ERO: 019-4770)

To whom it may concern:

For more than a century, the Ontario Chamber of Commerce (OCC) has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our 60,000 members, including local chambers of commerce and boards of trades in over 150 communities.

The OCC is pleased to provide feedback on the Government of Ontario's discussion paper about geologic carbon storage. We were encouraged to see a proposal to enable and support the safe and permanent sequestration of carbon dioxide in the province.

Carbon capture and storage (CCS) will be critical to the competitiveness of many hard-to-abate, carbon-intensive, and trade-exposed sectors of Ontario's economy. Further, according to a recent report by RBC Economics, carbon capture markets are potentially worth \$12 billion per year in Canada and \$90 billion in the United States.¹ This presents a significant economic opportunity for Southwestern Ontario, which has some of the best geology for CCS in Canada.

However, current language in the *Oil, Gas, and Salt Resources Act* (OGSRA) prohibits the injection of carbon dioxide "for the purposes of carbon sequestration." While this provision was originally designed to facilitate the phase-out of coal-fired generation in Ontario, it is no longer needed and is preventing industry from unlocking the economic and environmental benefits of carbon capture. The Act should be amended to enable and support the responsible development of CCS in Ontario. Doing so would attract capital investment and help large emitters reduce their emissions while competing with businesses in other jurisdictions that allow carbon capture.

In developing a regulatory framework for CCS in Ontario, we encourage the government to be guided by five key principles:

- 1. Positioning Ontario as a CCS leader.** Expedite the consultations and amendments necessary to fully enable and support CCS in Ontario in light of the environmental imperative and business case for CCS, and the growing regulatory momentum in this space.
- 2. Removing the regulatory barriers to CCS in Ontario.** This includes revoking section 11(1.1) of OGSRA.
- 3. Creating a streamlined approval regime for new CCS projects.** Enact a permitting regime for carbon dioxide wells, injection activities, and related facilities, and ensure efficiency in the approvals process.

¹ Josh Nye, Naomi Powell, and Cynthia Leach. 2021. RBC Economics. *Trading Places: Canada's place in a changing global economy*. <https://thoughtleadership.rbc.com/trading-places-canadas-place-in-a-changing-global-economy/>.

4. **Encouraging commercial-scale CCS projects.** The Emissions Performance Standards program should be amended to allow carbon dioxide captured from a covered facility and appropriately sequestered to be deducted from a covered facility's verified emissions.
5. **Facilitating scalable and cost-effective projects for carbon capture, utilization, and storage infrastructure across the province.** Ensure that any regulatory amendments designed to facilitate an initial set of CCS projects can be leveraged in the future to support more extensive infrastructure. To minimize the costs associated with CCS regulation while still ensuring public safety, Ontario should adopt open access policies and non-discriminatory rates.

Other jurisdictions in Canada (including Alberta and Saskatchewan) are already advancing CCUS technologies, and the Government of Canada is developing and delivering a suite of relevant support programs, including direct funding and tax incentives for successful initiatives across the country. Federal measures include the Strategic Innovation Fund's Net-Zero Accelerator, the Clean Fuels Fund, the Climate Change Action Fund, and a recently proposed tax incentive. Ontario should move quickly to make necessary legislative and regulatory changes to enable safe geologic sequestration of carbon dioxide.

We look forward to working with your government to support Ontario businesses in their efforts to address climate change, and we welcome the opportunity to discuss this issue further.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce