Ministry of Natural Resources and Forestry

**Proposed Changes to the OGSRA to regulate projects to test or demonstrate new or innovative activities, such as geologic carbon storage, and to safeguard people and the environment.**

**ERO number:** 019-6752

Submitted Via the Environmental Registry of Ontario

Sarnia-Lambton Economic Partnership (SLEP) is pleased to be able to have the opportunity to share feedback on the Minister of Natural Resources and Forestry (MNRF) proposed regulation changes to amend the Oil, Gas and Salt Resources Act, R.S.O. 1990 C.P.12 to allow for the testing and demonstrating of new activities especially geological carbon storage in Ontario.

SLEP is very pleased to see the MNRF proposing important steps to unlock Ontario’s ability to participate in potential carbon storage projects including through the proposed amendments to the OGSRA.

SLEP supports a “phased approach” that provides clarity for businesses that plan to invest in the Province, while ensuring safe and responsible development. Additionally, we agree that there is a need to take immediate action towards removing barriers for projects to move forward in Ontario that are already implemented in competing jurisdictions nationally and internationally.

**About SLEP**

The Sarnia-Lambton Economic Partnership (SLEP) is the lead economic development agency for the Sarnia-Lambton area. Funded by the County of Lambton, we have a focus on promoting the distinct advantages that Sarnia-Lambton proudly offers companies and residents. By coordinating community-based economic development initiatives and working to maintain a commercially attractive environment, we foster new business creation, help ensure that established firms remain and grow here, and work to attract growing businesses to the Sarnia-Lambton area.

Our work has supported the development of Ontario’s Hydrogen Hub, which is focused on development and growth of the low-carbon hydrogen economy in Sarnia-Lambton. The area was branded as Ontario’s Hydrogen Hub to reflect that the Sarnia-Lambton area is Ontario’s largest cluster of current and potential hydrogen producers and users, with unique competitive advantages position the region to become Ontario’s leading producer, user, and exporter of low-carbon hydrogen and hydrogen technologies and services. In 2022 the [Ontario’s Hydrogen Hub in Sarnia-Lambton Strategic Plan](https://www.sarnialambton.on.ca/hydrogen-hub) was released.

Additionally, we support the expansion and retention of the businesses operating within the Sarnia-Lambton Energy & Chemistry Cluster, which includes 17 of the 50 largest reporting emitters of carbon dioxide in the province.

**The Importance of CCS and Associated Projects for Sarnia-Lambton**

Carbon Capture & Sequestration (CCS) is a safe and proven clean energy technology, available now at commercial scale, that offers a significant pathway to achieve GHG reductions for hard-to-abate, carbon-intensive, trade exposed industries such as those in Sarnia-Lambton’s Energy & Chemistry Cluster.

Some key opportunities associated with the development of the Ontario’s Hydrogen Hub can only be achieved through the ability to utilize permissible CCS technologies, resources and demonstration projects. For example, the *Ontario’s Hydrogen Hub in Sarnia-Lambton Strategic Plan* identified that blue hydrogen pathways that take advantage of Sarnia-Lambton’s current grey hydrogen production capabilities would not be possible without modifications to the existing regulatory frameworks. As the Sarnia-Lambton area alone represents a demand forecast of up to 1-million tonnes of low-carbon hydrogen per year by 2050, this could represent a significant missed opportunity.

Sarnia-Lambton may have the privileged opportunity of having supportive geologic structures for carbon storage but the Province must allow for demonstrations to happen in a timely manner in order to capitalize on the economic advantage they pose for Ontarians and the Ontario chemistry and energy sectors.

**Recommendations**

1. State definitive and streamlined timelines for development of a comprehensive legislative and regulatory framework for Ontario projects, targeting completion by the end of 2023.
2. Develop a comprehensive regulatory framework for full lifecycle CCS project approval, from demonstration/pilot to commercial-scale development.
3. Ensure appropriate flexibility in the regulations for various types of storage applications, an expedited and timely approval process, rigorous pre-screening process for eligible project proponents.
4. Expedite the approval process for the regulations identified in recommendations 1-5, to ensure the competitiveness of economic development in Ontario, with a goal of all regulations being fully and completely defined prior to the end of 2023.
5. Expediate the ability for Crown land to be used in projects.

From an investment attraction standpoint, with provincial, national, and international competition for investment dollars and associated projects, the Province must be responsive to the needs of industry to develop timely projects in Ontario. Prospective investors linked to the low-carbon economy have indicated to SLEP that they are interested in pursuing large-scale capital investment projects similar in scope and scale to what have been announced in Alberta and competing jurisdictions in the United States, but have noted until there is a clear regulatory framework with defined timelines and policies these investments are not being explored as “top-of-desk” amongst the companies’ other projects in their investment portfolio.

From an investment retention and expansion standpoint, the implementation of these recommendations would have a tremendous impact on the short-term and long-term economic competitiveness of large emitters in the Province, and especially those in Sarnia-Lambton that could capitalize on investments linked to the low-carbon hydrogen industry and other pathways to decarbonization. Additionally, the ability to utilize CCS technologies and other technologies would have a tremendous financial benefit to those businesses currently exposed to the escalating carbon tax, while also assisting the Province and Canada in their drive to net-zero.

Respectfully submitted by,

Dan Taylor,

CEO

Sarnia-Lambton Economic Partnership