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Submitted via email

RE: Regulatory amendments to clarify program requirements and improve program efficiency for Emissions Performance Standards (EPS) and GHG Reporting programs. (**ERO Number: 019-7649**)

Introduction

Established in 1989, Greenfield Global Inc. is one of the world's largest privately held high-purity alcohol and fuel ethanol production and distribution companies, with products used for thousands of industrial, beverage, medical, and pharmaceutical applications. In addition, Greenfield is Canada's largest producer of low-carbon ethanol for transportation. We are also actively engaged in producing Renewable Natural Gas (RNG) from organic waste processing, along with robust R&D efforts in sustainable aviation fuels.

Greenfield's mission is to accelerate sustainable solutions for the health of the planet, be it lowering the carbon intensity of its products, shrinking the company's carbon footprint, or working with partners and governments at all levels to build successful, public policy driven sustainable clean energy projects. This includes welcoming the opportunity to provide comments on the Regulatory amendments to clarify program requirements and improve program efficiency for Emissions Performance Standards (EPS) and GHG Reporting programs.

Recommendations in Brief:

1. Ethanol manufacturing should be kept on a facility specific performance standard.
2. Proposed changes in certain methods of calculating an annual emissions limit in the EPS methodology could significantly impact producers using cogeneration units which warrants further review and discussion.

3. The proposed expansion of eligibility for renewable natural gas is an important and highly welcomed change. Additionally, we the expansion of RNG supply to also include RNG from outside of Ontario as part of this proposed change. Also that the combustion of biogas (i.e., RNG before purification) at a nearby facility, while allowing the RNG producer to receive full market value.
4. The OBPS modifications include a 1% reduction factor for ethanol production, down from 2%, due to import pressure and carbon leakage risk. Greenfield recommends the MECP to apply a similar reduction to ethanol manufacturing stringency factors.

Comments on Proposed Changes and Questions

RE: Transitioning to sector-based standards

In ethanol production, it's crucial to maintain facility-specific performance standards, particularly due to the differences in production processes. This is for several important reasons.

In the case of Industrial ethanol, there are four facilities in Ontario, each producing high purity alcohol (HPA). These four facilities are, albeit, owned by just two companies. However, implementing a sector-specific standard could inadvertently disclose confidential business information to competitors, undermining competition in the province.

For fuel ethanol, the journey from corn to the final product might seem similar across the industry. However, the energy flow within these facilities is far from identical. The degree of energy integration, which directly affects exposure to the Emission Performance Standards (EPS), varies significantly between older and newer facilities. On the surface, a sector-based standard might seem to incentivize high emitters to adopt emission-reducing technologies. However, in complex processes such as corn-to-ethanol production, these improvements are not easily achievable since they often require the replacement of major equipment pieces. For instance, substituting an atmospheric distillation column with a pressure-rated column is not feasible.

Given the lack of homogeneity in fuel ethanol production processes across Ontario's industry, **a sector-based standard would NOT accurately represent Ontario's ethanol industry.** Therefore, a facility-specific performance standard should be maintained.

RE: Clarifying applicability rules under certain methods of calculating an annual emissions limit in the EPS methodology.

Our cogeneration units currently qualify to use Methods B, C, and TETy in Method E. Any alterations to the eligibility criteria affecting these methodologies could significantly impact Greenfield.

We propose, and would appreciate, a meeting to gain a clearer understanding of the possible changes and their effects. Especially as our understanding is that the proposed change will allow additional facilities to be eligible to use the existing electricity generation and cogeneration thermal energy methodologies.

RE: Expanding eligibility for Renewable Natural Gas (RNG)

The proposed expansion of eligibility for renewable natural gas is a welcome change. Additionally, Greenfield would encourage the expansion of RNG supply to also include RNG from outside of Ontario as part of this proposed change.

The natural gas distribution system is essentially a North American system with Provincial, State or Federal borders having little impact on its function. The physical distance between the RNG producer and the RNG consumer is irrelevant and the supply of RNG will always displace fossil natural gas.

Under the proposed changes, the responsibility of verifying biomass content lies with the purchaser (i.e., the RNG producer is not regulated directly under the EPS), and this can be accomplished as easily outside of Ontario as within. Ontario could be viewed as being closed to RNG producers in other jurisdictions and this could lead to the threat of repercussions. This will be perceived by RNG producers and investors as a risk and may inhibit investment in Ontario.

We request consideration of allowing biogas (i.e., RNG prior to purification) to be combusted at a nearby facility while allowing the RNG producer to receive full value on the market.

Greenfield acknowledges the complexity of this topic and understands that it may not be possible to include it in this round of updates. Such an arrangement would still replace fossil natural gas with a fuel derived from biomass, while allowing RNG producers to postpone investment in upgrading equipment, compressors, and the gas distribution system. These deferred investments comprise a significant part of the cost and could attract investors to this expanding industry.

Other important items for consideration

The recently announced changes to the OBPS include a 1% tightening factor for ethanol manufacturing instead of the 2% target. This change was made due to the level of import pressure and risk of carbon leakage at the border. Greenfield would encourage the MECP to consider adopting a similar reduction in the stringency factors being applied to ethanol manufacturing.

Conclusion

As an Ontario producer, Greenfield appreciates the opportunity to comment on MECP's proposed changes to the Emissions Performance Standards (EPS) and the greenhouse gas

(GHG) reporting programs. We offer these comments to assist MECP in clarifying requirements, improving efficiency, and ensuring the fundamental aspects of Ontario's ethanol industry, including its competitiveness and ability to attract investment, are well understood, and reflected in the province's standards. Please do not hesitate to reach out to me to arrange a meeting or to answer any questions.

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