

August 23, 2024

Ministry of Natural Resources: Development and Hazard Policy Branch
300 Water Street
Peterborough, ON
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Canada

Re: Regulating Commercial-Scale Geologic Carbon Storage Projects in Ontario - ERO 019-8767

The Industrial Gas Users Association (IGUA) represents the largest industrial natural gas consumers from the chemicals, refining, steel, forest products, mining and manufacturing sectors in Ontario and Quebec. IGUA members are committed to environmental stewardship and take pride in having lowered emissions across the membership. All IGUA members have aggressive carbon reduction plans for 2030, and most have committed to net-zero by 2050. IGUA members have publicly committed to decarbonization, while ensuring that Canada's industries are globally competitive throughout the transformation of our energy system.

For many of Canada's heavy industries, access to carbon capture and storage (CCS) is important for carbon emission reductions. These industries use fossil fuels as part of their process, not only as feedstock, which is the case for refiners, fertilizers or chemical plants, but also as an integral part of the industrial process. Electrification for many is not feasible nor possible as a means to meet emission targets. Development of CCS will be an important tool needed for large industrials to meet those decarbonization commitments.

In developing the CCS regulatory framework IGUA urges the government to vest the pore space in Ontario quickly once appropriate community consultation is completed. The July 2025 date for regulations and legislation is encouraging but decisions on the Ministry vesting, controlling and stewarding the pore space need to occur now. Having the Ministry control the pore space is the optimal path towards economic viability combined with Ministry lead community education on safety, impacts to the environment and Indigenous consultation.

Specific to the Regulatory Framework the Ministry requested feedback and comments on several questions:

Would you support using a competitive process to select projects looking to store carbon dioxide on Crown land?

- IGUA supports a competitive process however the Ministry needs to have oversight over the selection of projects. Developers and interested parties who meet a predetermined set of Ministry criteria would be eligible to participate in the competitive RFP process. Criteria to include technical and operational expertise, financial viability, Indigenous consultation/participation, community

engagement and acceptance.

How should proponents obtain rights to pore space?

- Allocation of vested (crown and private) pore space should be via a competitive process controlled and stewarded by the Ministry via an RFP process. Parties awarded the pore space should have a term limit to develop ensuring space is developed in a timely manner or returned to the Ministry at expiry to be redistributed.

How should proponents of commercial-scale geologic carbon storage projects notify and engage with Indigenous communities and other parties who may be affected by their proposed projects?

- Early community engagement, education and acceptance will be critical regardless of whether development occurs on private or crown lands. Direct consultation in the early planning phases with the Indigenous community is a must as well as ongoing transparent meaningful participation.
- Equity partnerships with Indigenous communities should be explored.
- A key factor to the long-term success of industrials and their social licence to operate in their various communities is a robust Indigenous community engagement and communication strategy. Industry maybe a resource to call upon for assistance on this matter.

What operational controls should be put in place to help ensure commercial-scale carbon storage projects would be developed, operated, and decommissioned in a safe and responsible manner?

- Developers and interested parties must meet the Ministry predetermined set of well-established industry standards. Other jurisdictions such as Alberta, Manitoba and BC could be a source for information in this regard.
- The existing OEB and MNR process for granting storage injection/withdrawal approvals and permits should be considered. Similarly existing protocols for decommissioning depleted wells should be reviewed.
- The OEB and MNR for many years have played a vital role in approving long term natural gas storage project and in doing so have gained public trust. Although not within the current jurisdiction of the OEB, the Act could be amended to allow for similar oversight for CCS.

We congratulate this Ministry for working diligently on a comprehensive CCS regulatory framework which is crucial to ensure a safe, efficient, transparent, and economically viable CCS industry in Ontario.

We appreciate this opportunity to provide comments and look forward to continued collaboration.

Regards,



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President, Industrial Gas Users Association