

June 26, 2024

The Hon. Graydon Smith  
Minister of Natural Resources and Forestry  
Whitney Block, 99 Wellesley St W  
Toronto, ON  
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Via email: [minister.mnrf@ontario.ca](mailto:minister.mnrf@ontario.ca)

## **Vesting Pore Space to Enable Carbon Capture and Storage Opportunities for Ontario**

Dear Minister Smith,

Thank you for your government's initial steps to remove legislative barriers preventing the development of carbon capture, utilization, and storage (CCUS) and for your ongoing commitment to establish a commercial framework to support carbon capture and storage (CCS) in Ontario. We, as stakeholders from chambers of commerce, associations, hard-to-abate industries, and environmental organizations are writing to underline the urgent need for the government to vest pore space as a vital next step in delivering a comprehensive CCUS framework. This is crucial to ensure a safe, efficient, transparent, and economically viable CCUS industry in Ontario, a need that cannot be overstated.

Without vesting pore space, CCS will be economically unviable in Ontario, risking billions of dollars in investments and thousands of jobs. Furthermore, failure to do so may jeopardize the competitiveness and ability of hard-to-abate industries, including steel, cement, fertilizer and hydrogen producers, to leverage this clean technology in reaching their emissions targets.

### **Ontario's CCS Opportunity and Challenge**

CCS, recognized by the [United Nations Intergovernmental Panel on Climate Change](#) and the [Government of Canada](#) as an indispensable tool for achieving our collective net-zero objectives and with a strong safety and success track record in numerous jurisdictions. By embracing CCS while pursuing a comprehensive emissions reduction strategy, Ontario will secure investment into its economy, position itself as a leader in clean energy, and strategically support global efforts to fight climate change. This is a strategic opportunity that we must seize.

According to [the Canadian Centre for Economic Analysis \(CANCEA\)](#), strategic investments in CCS and hydrogen in Ontario could reach up to \$95 billion by 2050, contributing over \$218 billion to Ontario's GDP by 2050, and supporting 44,000 jobs annually. However, any delays in establishing a viable commercial framework, including pore space vesting, could result in substantial economic losses. The same study by CANCEA estimates that a three-year delay could risk \$53 billion in GDP, and a 5-year delay could risk \$84 billion in GDP. A viable commercial framework is also necessary to unlock the federal CCUS Investment Tax Credit for Ontario-based companies that want to build projects in Ontario, attracting billions of dollars worth of investments and securing tens of thousands of local jobs.

## **Comparison with Other Jurisdictions**

All jurisdictions in Canada with a commercial framework for CCUS, namely Alberta, Manitoba, and BC, have vested or stated Crown control of pore space. This underscores the criticality of the Crown controlling pore space for the economic viability of CCS projects. To remain competitive with these other jurisdictions and attract investments, Ontario must align with these best practices.

## **Call-to-Action for CCS in Ontario**

We urge your government to vest the pore space in Ontario swiftly. This is crucial because:

1. A CCS industry will only develop in Ontario with absolute certainty in pore space ownership in the Crown. Any alternatives will increase project costs, delay project schedules, and reduce investment certainty.
2. Vesting pore space provides a secure, predictable, and transparent policy foundation for CCS project development.
3. Vesting pore space will accelerate the establishment of CCS hubs at commercial scale and enable emissions reduction solutions for large emitters.
4. Vesting pore space builds public confidence, with Ontario taking a stewardship role in awarding pore space through an RFP process to ensure safety, strong technical requirements, and successful operational experience.
5. Vesting pore space sets a pathway for Indigenous equity partnerships and economic reconciliation.

## **Driving Public Awareness and Community Support**

Building public awareness and trust is critical. The actions outlined above will help set up a foundation of public confidence and success. Partnerships will play a critical role, as evidenced by the leading examples in Alberta (e.g., Indigenous participation in the [Wabamun Open Access Carbon Hub](#)). Industry leaders have already begun some of this work in Ontario to educate communities. We remain committed to working alongside government, Indigenous, and other community leaders to build confidence in the benefits and safety of CCS, fostering a shared vision for a sustainable, prosperous Ontario.

Acknowledging the legal and constitutional rights of Indigenous Peoples in Canada and the significance of their relationship with traditional lands and resources, we are also dedicated to genuine and transparent Indigenous consultations. We commit to early and meaningful engagement with Indigenous Peoples, ensuring their input is integral to the development of any potential CCS project.

## **Supporting and enabling CCS in Ontario**

Again, thank you and your colleagues for your continued efforts on this important file. As representatives of industry in Ontario that would benefit from a CCS solution, we remain committed to continuing to work with your government to help inform on the next steps and collectively leverage opportunities for CCS to help attract investment, create jobs, and help achieve emission reduction goals in Ontario. We appreciate your attention and welcome further collaboration opportunities to advance CCS in Ontario.

Sincerely,



CC: Doug Ford, Premier of Ontario  
Hon. Vic Fedeli, Minister of Economic Development, Job Creation and Trade  
Hon. Peter Bethlenfalvy, Minister of Finance  
Hon. Stephen Lecce, Minister of Energy and Electrification  
Hon. Andrea Khanjin, Minister of the Environment, Conservation, and Parks  
Hon. Greg Rickford, Minister of Indigenous Affairs and First Nations Economic Reconciliation, and Minister of Northern Development  
Hon. Lisa Thompson, Minister of Rural Affairs  
Hon. Rob Flack, Minister of Farming, Agriculture, and Agribusiness  
Hon. Sam Oosterhoff, Associate Minister of Energy-Intensive Industries  
Drew Vanderduim, Deputy Minister of Natural Resources  
Dawn Gallagher-Murphy, Parliamentary Assistant to the Minister of Natural Resources and Forestry  
Patrick Sackville, Chief of Staff to Premier of Ontario  
Adam Bloskie, Chief of Staff to Minister of Natural Resources  
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Holly Fullager, Director of Stakeholder Relations, Office of the Minister of Natural Resources