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November 6, 2017

PJ Partington
Policy Advisor
Ministry of the Environment and Climate Change
Climate Change and Environmental Policy Division
Air Policy Instruments and Programs Design Branch
77 Wellesley Street West
Floor 10, Ferguson Block
Toronto, Ontario M7A2T5

RE: Amendments to the Cap and Trade Program and Reporting Regulations & Services Regulation & Administrative Penalties Regulation (EBR Registry Number 013-1457)

Dear Mr. Partington,

Thank you for the opportunity to comment on the amendments under consideration for Ontario's Cap and Trade Program, which were released in September 2017.

For more than a century, the Ontario Chamber of Commerce (OCC) has been the independent, non-partisan voice of Ontario business. Our mission is to support economic growth in Ontario by defending business priorities at Queen's Park on behalf of our network's diverse 60,000 members. We represent local chambers of commerce and boards of trade in over 135 communities across Ontario, steering public policy conversations provincially and within local communities.

After careful review of the proposed amendments, the OCC would like to offer its support for the proposed provision of treatment of Sarnia Regional Cogeneration customers. The proposed change of providing free allowances to capped facilities that are customers of this regional cogeneration system in the Sarnia area is a step in the right direction for supporting equitable treatment amongst cap and trade program participants.

Currently, customers of a regional cogeneration system in the Sarnia area are paying for the natural gas (including a carbon price) that is used to generate electricity, which is then transferred to the IESO-controlled grid. These customers are also capped facilities, but they are not eligible to receive free allowances for the electricity that they purchase from the IESO grid since it is not transferred directly from the regional cogeneration system to the customer's facility.

The proposed change would allow for the intricacies of regional cogeneration to be properly addressed under the cap and trade program. The regulatory change would also allow for regional cogeneration to be given the same treatment as an onsite cogeneration system, thus creating fair and equal treatment for cogeneration. This proposal has broad sectoral and industry support



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throughout the province and especially in the Sarnia region. If implemented, the regulatory change would provide positive impacts to the regional economies and communities as well as strengthen the ways that greenhouse gas emissions can be reduced in the province.

We encourage the government to continue to engage with the OCC and the broader business community as it moves ahead on the design and implementation of this regulatory proposals. Continued engagement with industry is essential to creating a system that helps the government achieve its environment ambitions while fostering the conditions necessary for economic growth and prosperity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Koroscil', written over a light blue horizontal line.

Richard Koroscil
Interim President & CEO
Ontario Chamber of Commerce