

January 9, 2023

MNRF - PD - Resources Planning and Development Policy Branch
300 Water Street, 2nd Floor, South Tower
Peterborough, ON
K9J 8M5

RE: Proposed amendments to the Oil, Gas and Salt Resources Act to remove the prohibition on carbon sequestration (ERO: 019-6296)

To whom it may concern:

For more than a century, the Ontario Chamber of Commerce (OCC) has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our 60,000 members, including local chambers of commerce and boards of trades in over 157 communities.

In November 2022, the Government of Ontario introduced a proposal to remove the prohibition on geological carbon storage by amending the *Oil, Gas and Salt Resources Act* through Bill 46, the *Less Red Tape, Stronger Ontario Act*. The Province also announced its intention to propose legislative and regulatory changes to allow testing and demonstration projects in Ontario. The OCC is pleased to provide feedback on this proposal, building on [prior comments](#) we have provided to the government on this matter.

First, we support the government's proposal to enable geological carbon storage in Ontario. Carbon capture and storage (CCS) technologies will be critical to global progress on climate change as they contribute both to reducing emissions directly from high-emitting industries and removing carbon from the atmosphere.¹ As such, CCS will be critical to the competitiveness of many hard-to-abate, carbon-intensive, and trade-exposed sectors of Ontario's economy as they work towards net-zero ambitions. Further, from an economic perspective, carbon capture markets are potentially worth \$12 billion per year in Canada and \$90 billion in the United States.² This presents a significant economic development opportunity for Southwestern Ontario, which has some of the best geology for CCS in Canada.

While the prohibition on geological carbon storage was originally designed to facilitate the phase-out of coal-fired generation in Ontario, it is no longer needed and is preventing industry from unlocking the economic and environmental benefits of carbon capture.

It is important for government to develop a competitive framework for CCS that improves certainty around both regulations and revenue, as investments in CCS projects will only be as attractive as the business case for them.

¹ International Energy Agency. 2020. *Energy Technology Perspectives*. <https://www.iea.org/reports/the-role-of-ccus-in-low-carbon-power-systems/why-carbon-capture-technologies-are-important>.

² Josh Nye, Naomi Powell, and Cynthia Leach. 2021. RBC Economics. *Trading Places: Canada's place in a changing global economy*. <https://thoughtleadership.rbc.com/trading-places-canadas-place-in-a-changing-global-economy/>.

Specifically, we encourage the government to:

- **Clarify regulations.** This includes providing greater clarity around storage rights and long-term responsibility for sites. The Province should also signal a strategy or options under consideration for pore space access. Other jurisdictions (such as Alberta) provide clear parameters to project proponents, which is critical for investment planning and attracting private investments in CCS.
- **Create a streamlined approval regime for new CCS projects.** Ontario will need to ensure an efficient permitting process for carbon dioxide wells, injection activities, and related facilities. The environmental approvals process must protect environmental outcomes while avoiding duplication and minimizing delays.
- **Align with federal incentive programs.** Requirements around CCS projects in Ontario should be compatible with Canada's fiscal programs to ensure projects are eligible for federal incentives. This includes the new [investment tax credit](#), the Strategic Innovation Fund's Net-Zero Accelerator, the Clean Fuels Fund, and the Climate Change Action Fund.
- **Help support the economics of CCS.** Investments in the technology must be economically viable to attract investments. Beyond federal assistance, Ontario can support the business case for CCS projects through offset or credit markets. We also applaud the Ontario government's recent decision to amend the Emissions Performance Standards program to recognize carbon dioxide captured and appropriately sequestered in certain CCS projects as an emission reduction.
- **Facilitate scalable and cost-effective CCS infrastructure projects.** Ensure that any regulatory amendments designed to enable an initial set of CCS projects can be leveraged in the future to support more extensive infrastructure. To minimize the costs associated with CCS regulation while still ensuring public safety, Ontario should adopt open access policies and non-discriminatory rates.

As other jurisdictions in Canada and abroad advance competitive CCS frameworks, Ontario should move quickly to make necessary legislative and regulatory changes to enable safe geologic sequestration of carbon dioxide.

We look forward to working with your government to support Ontario businesses in their efforts to address climate change, and we welcome the opportunity to discuss this issue further.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce