

November 10, 2021

Hon. Greg Rickford
Minister of Northern Development, Mines, Natural Resources and Forestry
Whitney Block – Room 5630, 5th Floor
99 Wellesley St. W
Toronto, ON M7A 1W1

RE: Carbon Capture, Utilization, and Storage in Ontario

Dear Minister Rickford,

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 150 communities.

We appreciate the Government of Ontario's ongoing efforts to modernize regulation and support greater investment, job growth, and business competitiveness in our province. As part of those efforts, we urge your government to remove barriers that preclude industry from exploring carbon capture, utilization, and storage (CCUS) in Ontario.

CCUS is a safe, clean energy technology that involves capturing carbon emissions from power generation or industrial processes before they are released into the atmosphere and either storing them permanently in deep geological formations or using them for other applications such as steel or cement production. In Ontario, CCUS would help to enable the cost-effective decarbonization of heavy industries that are more difficult to electrify. Further, according to a recent report by RBC Economics, CCUS markets are potentially worth \$12 billion per year in Canada and \$90 billion in the United States.¹ This presents a significant economic opportunity for Southwestern Ontario, which has some of the best geology for CCUS in Canada.

However, current language in the Ontario Oil, Gas, and Salt Resources Act (OGSRA) prohibits the injection of carbon dioxide "for the purposes of carbon sequestration." While this provision 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 CCUS.

The OGSRA should be amended to enable and support the responsible development of CCUS in Ontario. Doing so would attract capital investment and help large emitters reduce their emissions while remaining competitive with businesses in other jurisdictions that allow CCUS. This is especially critical for trade-exposed industries.

¹ 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/>.

Other jurisdictions in Canada (including Alberta and Saskatchewan) are already advancing CCUS technologies, and the Government of Canada is developing and delivering a suite of relevant support programs, including direct funding and tax incentives for successful initiatives across the country. Federal measures include the Strategic Innovation Fund's Net-Zero Accelerator, the Clean Fuels Fund, the Climate Change Action Fund, and a recently proposed CCUS tax incentives.

We look forward to working with your government to enable development of CCUS in Ontario and welcome the opportunity to discuss this issue further.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC:

Hon. Todd Smith – Minister of Energy

Hon. David Piccini – Minister of Environment, Conservation and Parks

Hon. Vic Fedeli – Minister of Economic Development, Jobs and Trade

Hon. Nina Tangri – Associate Minister of Small Business and Red Tape Reduction

Monique Rolf von den Baumen-Clark – Deputy Minister of Northern Development, Mines, Natural Resources and Forestry