

October 13, 2023

Jennifer Keyes  
Director  
Ministry of Natural Resources and Forestry (MRNF)  
Resources Planning and Development Policy Branch

**Re: ERO 019-7507 – Enabling Carbon Capture, Utilization and Storage in Ontario**

Dear Ms. Keyes,

Last year, CME cautiously welcomed the proposed amendments to the Oil, Gas and Salt Resources Act (OGSRA) to remove the prohibition of carbon sequestration and the associated policy roadmap to regulate this activity in Ontario. At the time, we made clear the proposed roadmap did not provide the needed regulatory certainty to develop CCUS at scale, but we hoped policy adjustments would take place, building on industry engagement and the expressed political intent to move forward.

Now that the regulatory framework for special projects has been fully developed, our concerns have only grown. CME, like other industry associations, utilities and manufacturers have advocated for a more comprehensive regulatory framework to be introduced up front, including the declaration of suitable underground pore space as a provincial asset (also known as vesting), and making this a precondition to all development going forward.

Despite this, the regulation before us introduces very narrow parameters for carbon capture to occur, on a demonstration basis, and on private land only, and it appears to overlook the complexity and high risk for proponents to engage in extensive discussions with property owners and stakeholders to secure the rights for such projects. This approach seems counter-productive to the achievement of a operational carbon capture system being deployed at scale in Ontario. It ignores the fact that carbon capture is not an experimental technology. It is being deployed today in Canada, North America and abroad, and it is urgent for Ontario to catch up with competitive regulations, resources and tax incentives.

Crucially, the current policy focus on private land is delaying the inevitable discussion on using the significant potential of pore space located under offshore Crown Land, similar to what other jurisdictions [like Japan](#) are aggressively pursuing to support the decarbonization of hard to abate sectors like steel, cement, concrete, pulp and paper.

We urge the Ministry of Natural Resources to ensure that implementation of special projects is structured in a way that does not interfere with a broader roll-out of CCUS in Ontario.

If regulatory process, permitting or consultation processes related to special projects become a reason to delay a broader roll-out of CCUS, we would prefer delaying those projects to make room for a more certain policy framework. Such a process would need to include upfront legislative and regulatory authorities for the province to control and oversee development of underground pore space located under both Crown and Private lands.

Sincerely,



Vincent Caron  
Director, Policy & Ontario Government Relations

Cc: Graydon Smith, Minister of Natural Resources and Forestry