CHEMISTRY INDUSTRY ASSOCIATION OF CANADA | ASSOCIATION CANADIENNE DE L'INDUSTRIE DE LA CHIMIE

May 14, 2023

Ministry of Energy, Energy Supply Policy Division
Address
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Dear Public Input Coordinator

RE: ERO# 019-6647 IESO Pathways to Decarbonization Study

The Chemistry Industry Association of Canada (CIAC) is pleased to provide comments in response to the Ministry of Energy's ERO# 019-6647 IESO Pathways to Decarbonization Study consultation.

CIAC recognizes that climate change and the transition to a lower carbon economy are important global public policy issues, and that sound environmental stewardship and management of natural resources are fully consistent with good business practices. For nearly 40 years, Canada's chemistry sector has led the journey towards safe, responsible, and sustainable chemical manufacturing through its U.N.-recognized sustainability initiative, Responsible Care®. Founded in Canada in 1985, the chemistry ESG is now practiced in 73 countries and by 96 of the 100 largest chemical producers in the world. Responsible Care® compels CIAC's members to engage in safe, responsible, and sustainable chemical manufacturing and to invest in research and innovation for cleaner energy sources and reduced carbon emissions.

The global chemistry sector is on the cusp of two major transformations – the transformation to net-zero greenhouse gas emissions, and the transformation to a circular economy for plastics. Transition pathways for decarbonizing heavy industry are complex and facility-specific. Each facility will have a unique solution, based on the industrial processes, location, investment cycles, and how technology evolves.

In principle, CIAC is supportive of the no regret actions, subject to ensuring cost competitiveness, reliability and transparency of policy development for Ontario industrial electricity customers. Industrial electrification is only one path to decarbonization and other decarbonization pathways, for instance carbon capture utilization and storage (CCUS), should be explored and optimized on a cost-benefit basis.

The objective must be to prioritize cost effective pathways that provide viable business cases for a feasible and sustainable decarbonized electricity system while ensuring Ontario's industrial and manufacturing sectors can continue to grow and contribute to Ontario's long-term prosperity.

We also endorse comments supplied by the Industrial Gas Users Association (IGUA) and the Association of Major Power Consumers of Ontario.

We remain committed to working together with all stakeholders including indigenous communities and the government to develop an effective long term regulatory framework to support decarbonization.

Please feel free to contact us to discuss any questions or comments.

Sincerely,

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About Ontario's Chemistry Industry

CIAC represents leaders in Canada's chemistry and plastics sectors. Our members are innovators, solution providers, and world-class stewardship pioneers. Our companies produce industrial chemicals (including petrochemicals, inorganic chemicals and resins) and plastics in Canada, as well as companies which provide services to the Canadian chemistry and plastics industries. Ontario's $26-billion chemistry industry, the province's third largest manufacturing industry and second largest manufacturing exporting sector, directly employs 42,000 Ontarians in well-paying jobs, supports over 210,000 Ontario jobs in other sectors, and provides important inputs to a range of key manufacturing sectors in the province including automotive, forest products, construction, and food and beverage. Ontario's chemical manufacturers must compete globally and domestically for market shares and investments.

Responsible Care

CIAC founded Responsible Care®, a chemistry ESG and the industry's globally recognized sustainability initiative, in 1985. Since then, our commitment to its ethic and principles has never wavered. At our core, we believe it is imperative "to do the right thing and be seen to do the right thing."