

## **Ontario Ministry of Mines**

Honorable Minister Pirie, Minister of Mines 99 Wellesley Street West, Toronto, Ontario, M7A 1W3

Submitted via ERO webform and email at: MiningActAmendments@ontario.ca

April 11, 2023

RE Environmental Registry of Ontario File Number 019-6717 (a component of Bill 71, the "Building More Mines Act, 2023")

Dear Minister Pirie,

I am writing to share Tesla's comments and feedback on the Proposed Amendments to the Ontario Mining Act, presented through Bill 71, the "Building More Mines Act, 20231". We thank you for the opportunity to provide input into this important consultation in support of strengthening Ontario's critical minerals supply chains for batteries and electric vehicles.

Tesla only works with those mines and refineries that adhere to the highest environmental and social standards. We expect our suppliers to operate in a sustainable manner. For example, Tesla expects all mines in its supply chain to undergo an external audit against an international responsible mining standard. This is further outlined in *Appendix 1 'Overarching Considerations for the Mining Act Amendments'* which is provided as a first-principles document for the Ontario Government's consideration pertaining to all amendments to the Mining Act.

Tesla fully supports the government's efforts to expedite mine-related approvals – this is an important and prudent undertaking. However, Tesla also believes that we must find a way to ensure the highest environmental standards will be upheld while also accelerating mining and refining approvals to keep pace with the demand for critical minerals in North America. We believe the recommendations provided here, if adopted, will help achieve expedited approvals while continuing to protect the environment and Ontario communities.

Tesla's mission is to accelerate the transition to sustainable energy. As proof of our commitment to this mission, our Canadian operations have seen tremendous growth. We now have 1,300+ employees in Canada, two manufacturing facilities in Ontario, three battery-related R&D locations, a coast-to-coast network of over 1,750 Direct Current Fast Chargers, and 26 electric vehicle retail stores and service centers. Moreover, Tesla is striving to produce 20-million electric vehicles per year by 2030. Achieving these targets will require both recycled and new virgin mineral resources, particularly for battery electrode. As such Tesla shares the Government of Ontario's objective of expediting new mining projects through approvals so that

<sup>&</sup>lt;sup>1</sup> Building More Mines Act, 2023 via Ontario Legislative Assembly, at

<sup>:</sup> https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-71



minerals can be brought to the market as quickly as possible – particularly for Ontario lithium and Class-2 nickel.

In pursuit of these objectives, Tesla supports the Government of Ontario's efforts to have a modern and competitive regime for mineral development, capable of competing with markets in Asia-Pacific, Australia, and the USA. We appreciate the opportunity to provide the following comments.

# ERO Number 019-6717: Amendments to the Mining Act: Recovery of Minerals and Decision-making Authorities

### **Recovery of Minerals Framework**

Tesla agrees with the language change in the Mining Act which would replace the word "improved" with a requirement that the land be made "comparable to or better than" the prior condition. In the context of recovering critical minerals from tailings dams or other wastes, improving the land would be impractical given the land is already significantly disrupted as a result of legacy mining activities.

## **Minister's Decision-Making Authority**

Tesla agrees with the proposed amendment to the Mining Act which would allow the Minister of Mines to exercise any power or perform any duty of the Director of Exploration, allowing the Minister of Mines to make early exploration decisions where the Director has not yet made a decision. Tesla agrees that this would accelerate exploration budget approvals within industry.

Tesla does not agree with the proposed amendment to the Mining Act which would remove the statutory role of the Director of Mine Rehabilitation and transfer this position's decision-making authority to the Minister of Mines. This move would remove vital expertise and Ontario-focused technical knowledge in mine rehabilitation from key decision making.

<u>Tesla recommends</u> decision making authority to remain with the Director of Mine Rehabilitation, with the ability extended to the Minister of Mines to decide based on informed input and advice in the event the Director of Mine Rehabilitation has not made a decision within a reasonable period.

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We believe that Ontario can establish a world leading critical mineral mining sector. We appreciate the opportunity to comment on Ontario's amendments to the Mining Act and thank you for your time and consideration in this matter. We look forward to continuing our engagement with you. Please note that Tesla is also filing additional comments related to the



proposed amendments through three other ERO postings and this submission alone does not represent the totality of Tesla's comments.

Sincerely,

Aleem Ladak, P. Eng.

Critical Minerals & Supply Chain Policy Advisor, Public Policy & Business Development – Global

cc: Iain Myrans, National Senior Manager, Public Policy & Business Development – Canada. Tesla.



# **Appendix 1 - Overarching Considerations for the Mining Act Amendments**

The Content of this Appendix is consistent and attached to each of Tesla's filings pertaining to ERO Numbers 019-6717, 019-6718, 019-6749 and 019-6750

In addition to our comments on the proposals above, Tesla wanted to take the opportunity to share overarching considerations regarding mining regulations.

### **Recognition of Audit Schemes**

Tesla views external audits as an important tool in ensuring mining is performed responsibly. Tesla expects mine sites in its battery supply chain to undergo independent external audits against international responsible mining standards such as the Initiative for Responsible Mining Assurance (IRMA) Standard, Towards Sustainable Mining (TSM), and the International Council on Mining and Metals (ICMM) Performance Expectations. The governing organizations have standards that are applicable to the mining as well as exploration stage of projects. Tesla is also a member of IRMA and views the IRMA Standard as the most robust standard and assurance scheme for mines. IRMA and other standards include criteria that apply to all aspects of mining, including those included in the below proposals.

Tesla recognizes that regulation governing mineral supply chains can include expectations that companies in scope undergo external audits within a specified timeframe, as was done with the EU Conflict Minerals Regulation.

<u>Tesla recommends</u> adding a) a process for the recognition of external audit schemes against international responsible mining standards (acknowledging that enshrining a specific standard in regulation is difficult) and b) an expectation that mining companies in scope of the proposed regulation undergo audits within a specified timeframe.

#### **GHG Emissions**

Tesla has identified the mining and refining of battery minerals as a potential hotspot for GHG emissions in our supply chain and has started collecting GHG data from our suppliers. Multistakeholder forums such as the Global Battery Alliance (GBA) have started developing and piloting standardized GHG reporting frameworks applicable to all stages of the battery minerals supply chain, including mining and refining.

<u>Tesla recommends</u> including a requirement for mining and refining companies to report GHG emissions in a standardized format within a specified timeframe.

## **Indigenous Peoples Engagement**

Tesla has identified the respect and engagement of indigenous peoples as one of the priority engagement areas in our battery minerals supply chains.