



Cabot Canada Ltd.  
800 Tashmoo Avenue  
Sarnia, Ontario  
N7T 7N4  
Canada

January 9, 2024

Via Electronic Mail  
Ministry of Natural Resources: Development and Hazard Policy Branch  
300 Water Street  
Peterborough, Ontario K9J 8M5  
email: [resources.development@ontario.ca](mailto:resources.development@ontario.ca)

Re: Feedback on Bill 228 *Resource Management and Safety Act* (ERO 019-9299)

Dear Public Input Coordinator,

Cabot Corporation is a leading global specialty chemicals and performance materials company. Cabot Canada Ltd, located in Sarnia, Ontario, is a wholly owned subsidiary of Cabot Corporation. Cabot is committed to creating materials that improve daily life and enable a more sustainable future. This commitment includes operating our facilities in full compliance with regulatory requirements, using innovative technology to meet international standards and sustainability goals, and being a responsible supporter of the communities in which we operate.

Carbon black is produced at Cabot's Sarnia facility. It is a highly engineered and versatile performance product with a diverse range of applications from tires and industrial rubber products. The carbon atoms remaining in the tail gas after the production of carbon black are currently emitted to the atmosphere in the form of carbon dioxide, CO<sub>2</sub>.

Cabot is actively pursuing an advanced pollution controls capital project to deploy an innovative tail gas processing technology at the Sarnia facility. Once deployed at commercial scale, this new technology provides opportunities to more sustainably desulfurize the carbon black production waste gasses, produce value-added co-products such as low-carbon intensity hydrogen, and enable CO<sub>2</sub> capture for utilization and/or sequestration (CCUS).

**We strongly urge the Ministry to adopt a regulatory framework inclusive of geologic carbon storage for carbon sequestration with these key considerations:**

- **Ensure reasonable and sustainable access to permanent geologic carbon storage;**
- **De-risk the possibility of legal challenges to ownership of pore space and private/public land where carbon storage resides**
- **Guarantee a transparent permitting process and timely issuance of permits;**
- **Support (not restrict) other steps in the CCUS value chain as sequestration benefits can't be maximized without CO<sub>2</sub> capture nor CO<sub>2</sub> transportation;**
- **Avoid imposing additional penalties on CO<sub>2</sub> emissions.**

The regulatory uncertainty for CO<sub>2</sub> sequestration reduces the incentive for companies like Cabot to invest in CO<sub>2</sub> capture, which in turn reduces the incentive for investments in the development of the broader CCUS ecosystem. A supportive legal and physical infrastructure for CCUS in Ontario would be a key enabler for Cabot to capture, transport, and sequester up to 255,000 metric tons per year of CO<sub>2</sub> that otherwise would be emitted to the atmosphere. In the absence of CCUS, these CO<sub>2</sub> emissions will



Cabot Canada Ltd.  
800 Tashmoo Avenue  
Sarnia, Ontario  
N7T 7N4  
Canada

be emitted to the atmosphere onsite or exported to another customer as an input to make other products (i.e. CO2 utilization).

The cost required to support Cabot's CCUS adoption in Sarnia is high. In order to capture and export up to 255,000 MT per year of dehydrated CO2, an estimated CAD \$30M of additional investment will be needed at the Sarnia site alone. This excludes the capital cost needed to design and install compression and a new CO2 pipeline for safely transporting supercritical CO2 to the permitted sequestration site. Federal funding incentives such as the refundable Carbon Capture, Utilization, and Storage Investment Tax Credit (CCUS ITC) are available for eligible use provided it includes "the storage of captured carbon in dedicated geological storage." Currently, Ontario is not eligible for this tax credit because the federal government views Ontario to lack a viable regulatory pathway to CCS. **Without Ontario being listed as an eligible jurisdiction, Cabot's Ontario site is ineligible to access the CCUS ITC funds.** These financial and regulatory hurdles must be addressed to spur CCUS adoption in Sarnia.

Cabot is working with Enbridge, a pipeline developer and operator, to explore CO2 transportation and storage services. We understand that Enbridge and Imperial are working to evaluate the subsurface of Southwestern Ontario and this project has support from Cabot and many other industrial emitters in the Sarnia region as well.

The Sarnia Lambton region is home to many chemical companies and refineries. Through coordination with local industrial partners, the greenhouse gas (GHG) emissions from Cabot's site could be delivered to a hub to support greater economies of scale that will reduce the cost of CCUS and make it more viable. When CCUS is regulatorily available in Ontario, Cabot will have already installed a significant portion of the carbon capture technology equipment as part of the advanced pollution controls system. This will speed the rate of CCUS adoption to support local GHG reduction.

The engagement and investment required to capture, transport, and permanently sequester CO2 is significant. Cabot supports the Ministry's efforts to issue a geologic carbon storage regulatory framework in 2025 and strongly encourages the Ministry to collaborate with stakeholders to ensure it creates a viable commercial path to scaling carbon capture in Ontario, Canada.

We thank you in advance for the opportunity to provide feedback and perspective.

Regards,

A handwritten signature in black ink, appearing to read "D. Pearson", with a long horizontal line extending to the right.

Dean Pearson  
Facility General Manager  
Cabot Sarnia