



Cement
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du Ciment

SUBMISSION

January 9, 2025

ERO number: 019-9299 Feedback on Enabling the Development of Commercial-Scale Geologic Carbon Storage in Ontario: The Geologic Carbon Storage Act

Jennifer Keyes
Director, Development and Hazard Policy Branch
Ministry of Natural Resources and Forestry
300 Water Street
Peterborough, ON K9J 8M5
Via email: resources.development@ontario.ca

Dear Ms. Keyes:

On behalf of the Cement Association of Canada (CAC), I am pleased to provide feedback on the Geologic Carbon Storage Act (hereafter "The Act"). We commend the Government of Ontario for advancing carbon capture, utilization, and storage (CCUS) and for your ongoing commitment to establish a commercial framework to support carbon capture and storage (CCS) in Ontario. The Geologic Carbon Storage Act is crucial to ensuring a safe, efficient, transparent, and economically viable CCUS industry in Ontario. This is a need for the cement industry that cannot be overstated.

Cement and concrete are vital contributors to Ontario's economy, supporting 62,000 direct and indirect jobs at 358 locations in the province, with \$26 billion in direct, indirect and induced economic impact. Our industry supports the necessary infrastructure and construction to deliver economic prosperity to Ontario, including building our homes, schools, hospitals, roadways, and more.

As a hard-to-abate sector due to the process emissions produced in the calcination process required to make cement, our future economic competitiveness is irrevocably linked with reducing those emissions. There is no other technology or process that enables the full decarbonization of the cement industry other than CCUS.

Our industry has a transparent and credible path to cleaner production and decarbonization, of which CCUS is a critical component, that will strengthen jobs, competitiveness, and the productivity of the Ontario economy and ensure that Ontario cement is made in Ontario.

The Act establishes a clear framework for CCS projects, outlining critical processes such as permit issuance, transfer of liability, pore space rights, and land access. We see three key opportunities to build on Ontario's progress to date:

- 1) Provide **additional regulatory guidance and clarity on transportation infrastructure and permitting** processes. The latter includes outlining an expedited Ontario Land Tribunal review process.
- 2) **Establish fair and open access** as a fundamental regulatory principle.
- 3) Create complimentary **economic incentives to spur CCS project development** in the province.

According to the Canadian Centre for Economic Analysis (CANCEA), strategic investments in CCS and hydrogen in Ontario could reach up to \$95 billion by 2050, contributing over \$218 billion to Ontario's GDP by 2050, and supporting 44,000 jobs annually. However, any delays in establishing a viable commercial framework, could result in economic losses. Ontario continues to make meaningful progress, and the CAC looks forward to supporting that progress by offering the following inputs:

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Include Transportation Infrastructure

CCS is an integrated three-step process of capture, transportation, and storage. However, the Act only provides regulatory guidance on two of the three components of CCS. Transportation infrastructure is essential for the successful development of any CCS project, regardless of how the captured and compressed carbon is transported, including pipelines, ships, or road transport. Depending on the transportation method used, the Act has a role to play in defining how pipelines for transporting captured carbon will be integrated, including a process for development, approval and operation. Regulatory direction should also include land access, routing, and compatibility with other industrial activities. Specific attention should be given to coordinating federal and provincial regulations, as well as aligning environmental and safety standards. Additionally, we would welcome clarity regarding which ministries will be involved in regulating transportation infrastructure and how regulatory, and other economic efforts will be coordinated.

Clarify Regulatory Discretion and Dispute Process

We support the government's decision to utilize the Ontario Land Tribunal to address unresolved concerns relating to an application. With the use of the OLT, we recommend that the government consider a streamlined process for handling applications, to avoid delays and hinder project development in the province. We support the government in upholding the public interest, particularly the maintenance of health and safety for all Ontarians. Regulatory clarity on a timely, structured approach to resolving land use and permitting disputes could uphold both objectives—development of CCS projects in the province with economic benefits, while at the same time ensuring those projects remain in the public interest.

The Act contains significant Ministerial discretion in the application of the Act and the ability to set regulations. This volume of discretion can be concerning for CCS projects, which, in an aggressive scenario, require more than six years to complete, from pre-feasibility to the start of operations. Changing regulatory landscape during projects with longer lead times can inject uncertainty that could have a negative impact on long-term investment decisions.

Establish Fair and Open Access

We encourage the Act to uphold the principles of fair and open access—thereby equally supporting CO₂ operators and CO₂ emitters, including cement producers. A model for this approach is outlined in [Alberta's Carbon Sequestration Guidelines](#).

Fair and open access ensures that carbon storage rates are set in a manner that is fair to both the operator and the emitter. This further ensures that projects can advance in a timely, equitable fashion.

Create Economic Incentives

Though we recognize this is outside of the scope of the Act, we wish to reiterate that there remains a need to strengthen the investment environment to support large-scale CCS deployment in Ontario. This is particularly acute for hard-to-abate industries such as cement, which face high upfront costs and longer lead times due to the complexity of CCS technologies. To address these challenges, we encourage the Ontario Government to adopt provincial financial support mechanisms such as Alberta's Carbon Capture Incentive Program (ACCIP), in addition to the access Ontario-based company's may be granted to the Federal CCUS Investment Tax Credit (CCUS ITC). Incentives should encourage market-driven solutions that support the development



of CCS projects, while advancing technology and ensuring long-term economic competitiveness for the province.

Once again, thank you for the opportunity to provide input on this important initiative. We would be pleased to discuss any aspect of our submission in greater detail and look forward to continuing our collaboration with the Government of Ontario.

Sincerely,

Adam Auer
President & CEO
Cement Association of Canada