



Submission to the Environmental Registry of Ontario

Re: ERO #025-0669 – Proposal to Temporarily Require a Minimum Amount of Domestic Renewable Content in Diesel Fuel

Submitted by: Soyvant Inc.

Date: July 18, 2025

Introduction

SoyVant welcomes the opportunity to comment on the Ministry of the Environment, Conservation and Parks' proposed amendment to Ontario Regulation 663/20 under the Cleaner Transportation Fuels regulation. The proposed domestic renewable content requirement for diesel fuel represents a positive and necessary step toward strengthening Ontario's biofuels sector and improving the economic and environmental sustainability of our transportation fuel system.

As the proponent of a major soybean processing facility to be located near Stratford, Ontario, we believe this regulation—and future enhancements to it—can enable a thriving local biofuels industry, strengthen rural economies, and ensure that Ontario's energy transition supports made-in-Ontario solutions.

About SoyVant

SoyVant is a proposed soybean processing plant that will convert over **1.1 million metric tons of Ontario-grown soybeans annually** into:

- **Soybean meal** for local poultry and cattle feed
- **Biodiesel** to meet Ontario's renewable diesel blend requirements

Currently, more than **60% of Ontario-grown soybeans are exported**—primarily to China and Iran—at considerable logistical cost. The lack of local processing infrastructure limits economic value for Ontario farmers and contributes to suppressed domestic prices.

By creating a reliable, local market for soybeans and renewable energy, SoyVant is projected to increase the value of Ontario-grown soybeans by **\$30 million USD annually**, while supporting agricultural prosperity, rural employment, and energy security.

Barrier to Investment: U.S. Subsidy Distortion

Despite strong fundamentals, the SoyVant project faces a major policy-based obstacle: Ontario's current 4% renewable diesel blend mandate can be met using **heavily subsidized U.S. biodiesel**,



which benefits from the **Producer's Income Tax Credit (Section 45Z)** under the U.S. Inflation Reduction Act.

This subsidy provides U.S. biodiesel producers with a **\$20–30 million USD/year advantage** over Ontario producers, undermining the financial case for domestic investment. Without Ontario-specific safeguards or incentives, this distortion will prevent projects like SoyVant from moving forward—despite their strong potential to contribute to Ontario's climate, economic, and energy goals.

Support for the Proposed Regulation (ERO #025-0669)

SoyVant strongly supports the Ministry's proposal to require that a **minimum portion of renewable content in diesel be produced in Canada**—even on a temporary basis—while U.S. subsidies remain in place. This measure:

- Creates **short-term protection** for Ontario producers from distorted foreign competition
- Preserves Ontario's **bio-waste recovery and processing ecosystem**
- Aligns with the province's **circular economy** and **clean energy** goals

Recommended Enhancements to Ensure Long-Term Impact

To ensure that Ontario's renewable fuels policy supports long-term investment in domestic production capacity, SoyVant respectfully recommends the following enhancements to Regulation 663/20:

1. Permanent Domestic Content Requirement (Effective 2029)

- Amend the regulation to require that, starting in **2029, only Canadian-produced biofuels** may be used to meet Ontario's diesel blend mandate.
- This delayed implementation date allows Ontario producers time to construct new facilities and scale operations.
- It creates a **stable policy signal** that Ontario is committed to building a resilient, local biofuels supply chain.

2. Incremental Blend Mandate Increase (To 8% by 2035)

- Gradually increase the mandated renewable diesel blend from:
 - **4% (current)**
 - **To 6% by 2030**
 - **And 8% by 2035**
- This mirrors long-term growth policies seen in leading agricultural nations such as the **U.S., Brazil, Argentina, the EU, Indonesia, and Malaysia.**
- A growing mandate ensures continued demand for Ontario-based renewable fuel production and supports investment confidence.



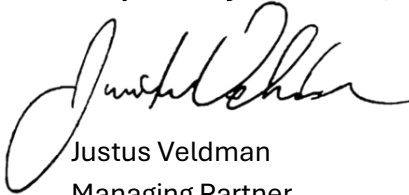
Conclusion

Ontario has an opportunity to build a biofuels industry that is **clean, competitive, and rooted in Ontario's agricultural strengths**. By adopting a permanent domestic content requirement and a clear growth pathway for the renewable diesel mandate, the province can unlock billions in long-term economic activity while advancing its climate goals.

SoyVant urges the Ministry to adopt the proposed domestic content regulation in the short term and move toward a **permanent, Ontario-focused biofuels policy framework** that delivers lasting benefit for our farmers, processors, energy consumers, and rural communities.

We thank the Ministry for considering these comments and stand ready to assist with further analysis or dialogue as this regulatory process moves forward.

Respectfully submitted,



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