

Ministry of Natural Resources and Forestry

Resources Planning and Development
Policy Branch
Policy Division
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Ministère des Richesses naturelles et des Forêts

Direction des politiques de planification et d'exploitation des ressources
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January 23, 2024

Subject: *Oil, Gas and Salt Resources Act* regulation changes for special projects and well security

Hello,

Last fall we shared information about proposed regulation changes under the *Oil, Gas and Salt Resources Act* related to:

- Establishing a framework to allow projects to test or demonstrate new or innovative activities in Ontario – called special projects - to pursue authorization under the *Oil, Gas and Salt Resources Act*.
- Well security caps and exemptions for all wells under this act.

Today, we are writing to let you know that a decision has been made to proceed with these changes. The new regulation for special projects will allow businesses interested in pursuing projects to test, assess, pilot or demonstrate carbon storage projects to pursue special project designation, and if designated, apply for authorizations for their project. While this new regulation applies to both private and Crown lands, initially, special projects for carbon storage will only be enabled on private land because further legislative changes will be necessary to access Crown lands for carbon storage.

The changes are being made subject to the following modifications that were made in response to feedback received:

- Municipal source water protection authorities have been included as one of the parties to be circulated on applications for special projects.
- In response to a request from Professional Engineers Ontario (PEO), the qualifications of people that may be approved by the ministry to conduct examinations of special projects has been expanded to include individuals holding a limited licence under the Professional Engineers Act. A limited licence is issued by PEO to an individual who, as a result of at least eight years of specialized experience, has developed competence in a certain area of

professional engineering, and holders may include individuals with academic qualifications other than a university engineering degree.

- The proposed changes that would have eliminated security exemptions and caps where a well licence is transferred were removed to allow more time to assess potential implications identified by operators / industry.

These changes came into effect on January 1, 2024. More details on the decision, the feedback received, and the original proposal can be viewed in in the decision notice on the Environmental Registry of Ontario: <https://ero.ontario.ca/notice/019-7507>.

Carbon storage is new to Ontario, and we want to ensure the activity is undertaken responsibly. That is why we are taking a phased approach to developing a framework to regulate this activity.

With Phase 2 – Enabling Demonstration – of our [roadmap towards regulating geologic carbon storage](#) now complete, the province is now turning to the development of the commercial scale framework and is taking a measured approach as to options for facilitating access to the underground pore space that is used for carbon storage. Ontario aims to have a commercial framework in place by summer 2025, with opportunities for public consultation beginning this year.

If you would like more information or have any questions, please contact Andrew Ogilvie, Manager of Resources Development Section, at 705-761-5815 or through email: Resources.Development@ontario.ca.

Sincerely,



Jennifer Keyes
Director, Resources Planning and Development Policy Branch