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January 11, 2005

Hon. Leona Dombrowsky Minister for the Environment 135 St. Clair Ave. West Toronto, ON M4V 1P5

Re: Ontario's Industrial Emissions Reduction Plan (IERP)

Dear Ms. Dombrowsky

I am writing this letter to express our appreciation for the initiatives taken by your ministry to curb the emission of NOx and SO<sub>2</sub> under the proposed regulation: *Ontario's Industrial Emissions Reduction Plan*. This regulation, with some changes, will prove to be an important milestone in significantly reducing air pollution and smog across Ontario.

We believe that your ministry might consider revisiting some of the provisions under the proposed regulation to make the regulations stronger and more equitable. On the basis of analysis of the available information, we recommend that it would be appropriate at this stage to take further actions to augment the benefits to be accrued through the implementation of the proposed regulation. I am taking this opportunity to outline some of these ideas.

The proposed inclusion of seven new industrial sectors in emissions trading may give rise to problems of localized air pollution problems adversely affecting the environment and health in certain communities. The emissions trading program will supposedly allow a large source of  $NO_X$  and  $SO_2$  emissions in one locality to maintain higher levels of emissions by buying credits or allowances from another source in a distant locality. This will intensify regional imbalances in environmental health and localized public resentment.

The regulations need to reflect the provincial commitment to fair-share contributions from major industrial sources and leveling the playing field. We are particularly apprehensive of imbalances in the allowance figures for the non-ferrous smelting sector under the proposed IERP regulations compared to the previous Director's Orders.

We endorse the position taken by the ministry that all industrial facilities must endeavor for continuous improvement. Nevertheless, it is essential that both the government and industry organizations promote research and development to develop new technologies that produce the least harmful effect on the environment. The government may wish to obtain advice from the academic community.

Ontario should have bilateral discussions with the Federal Government and other provinces, particularly with Manitoba to help reduce the emissions from the facilities therein. Ontario, in collaboration with the Federal Government could also influence the concerned states in the U.S. for complete phase-out of coal-fired power plants. While extending our appreciation for your government's pledge to phase-out all coal-fired power plants by 2007, we are concerned that Ontario may not satisfactorily benefit from this action considering that a number of coal-fired power plants have been commissioned in the bordering states of U.S. in the last couple of years.

I am enclosing herewith a copy of our report that addresses the limited issue of fairness within the regulatory framework of IERP for your kind attention.

Yours sincerely

Anne Mitchell

**Executive Director** 

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