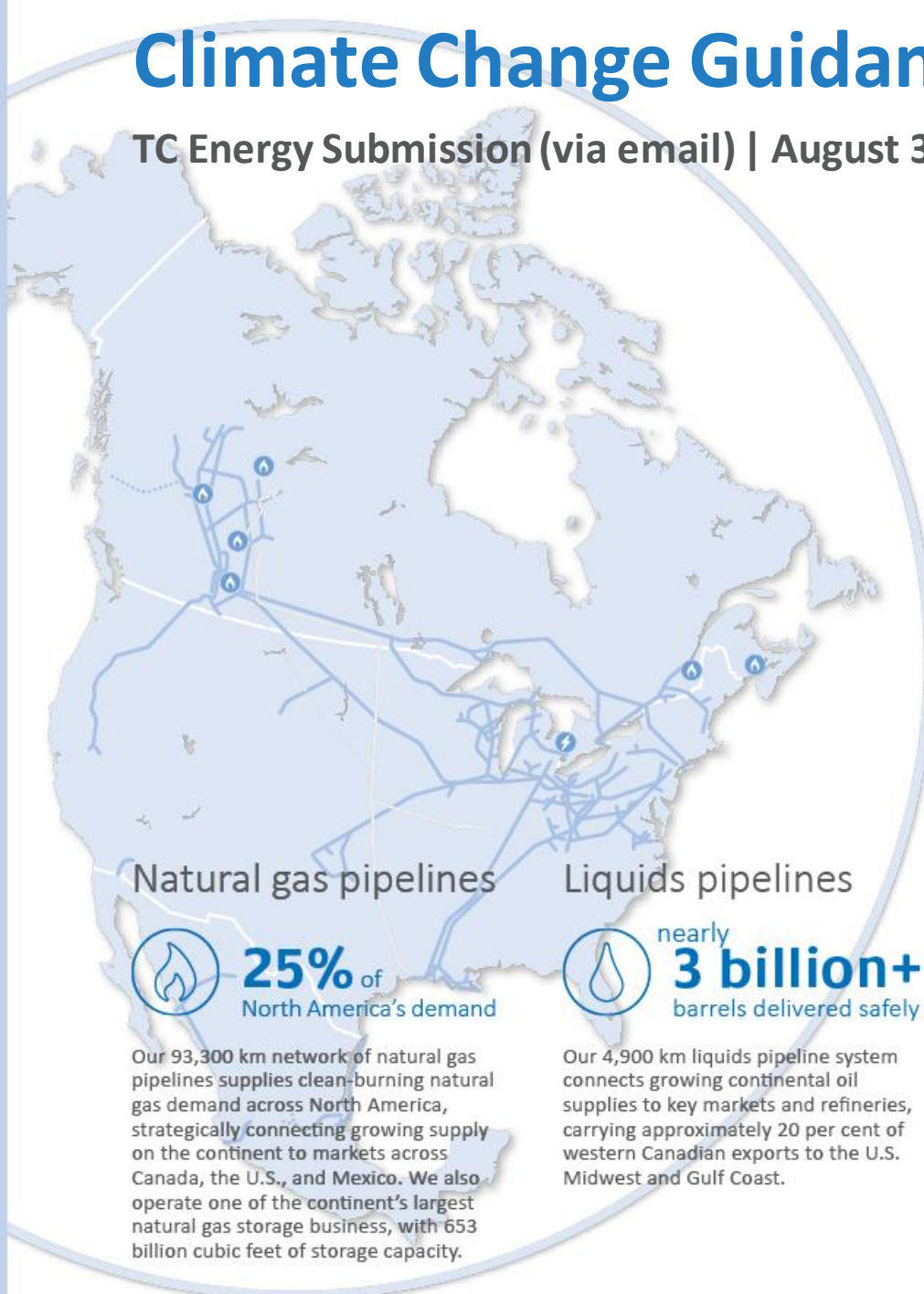


# Comments on Proposed Filing Manual Updates: Greenhouse Gas and Climate Change Guidance

TC Energy Submission (via email) | August 31, 2022



## Natural gas pipelines



**25%** of North America's demand

Our 93,300 km network of natural gas pipelines supplies clean-burning natural gas demand across North America, strategically connecting growing supply on the continent to markets across Canada, the U.S., and Mexico. We also operate one of the continent's largest natural gas storage business, with 653 billion cubic feet of storage capacity.

## Liquids pipelines



nearly **3 billion+** barrels delivered safely

Our 4,900 km liquids pipeline system connects growing continental oil supplies to key markets and refineries, carrying approximately 20 per cent of western Canadian exports to the U.S. Midwest and Gulf Coast.

## Power and storage



**4 million+** homes powered

We own or have interests in seven power generation facilities with combined capacity of approximately 4,200 megawatts, roughly 75 per cent is emission-less energy.

## General Comments to the Canada Energy Regulator

TC Energy Corporation (TC Energy) is writing to provide comments to the Canada Energy Regulator (CER) on the proposed updates to the greenhouse gas (GHG) emission and climate change section of the Filing Manual.

With more than 65 years experience, TC Energy is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and liquids pipelines, power generation and gas storage facilities. As a highly regulated enterprise, TC Energy has significant experience working within Canada's regulatory frameworks, and those elsewhere in North America, and is well situated to comment on the proposed Filing Manual updates.

TC Energy supports the continual improvement of the Filing Manual. As part of continual improvement, TC Energy emphasizes the need for clear regulatory requirements and guidance to foster regulatory and, in turn, industry efficiency.

### Addition of Emissions Sources to Calculations

TC Energy notes the proposed Filing Manual revisions include additional emissions sources. TC Energy's comments pertain to the addition of third-party construction emissions to the Filing Requirements set out in the Filing Manual, and the inclusion of maintenance emissions in Filing Requirements for the calculation of direct emissions as well as the addition of venting sources to the Guidance for direct emission calculations. With regards to the addition of third-party construction emissions to the Filing Requirements set out in the Filing Manual, TC Energy notes construction emissions from third-party sources are not currently defined. Without a clear definition of third-party construction emissions, calculations of these emissions are likely to be highly variable among proponents. This will lead to inconsistent direct emissions calculations, depending on each proponent's interpretation of third-party construction emissions. TC Energy recommends alignment of third-party emission sources to existing regulatory and reporting frameworks and definitions (i.e., with the standard definition of Scope 2 emissions), to provide greater clarity and consistency among proponent emission calculations.

With regards to the inclusion of maintenance emissions in Filing Requirements for the calculation of direct emissions and the addition of venting sources to the Guidance for direct emission calculations, TC Energy notes that the extent of venting or maintenance activities is highly variable across projects and throughout a project's lifecycle. This variability, in statistical terms, increases the margin of error of emissions calculations and results in decreased data confidence. Accordingly, while the inclusion of venting and maintenance emissions may provide for a more inclusive calculation of operational emissions, it increases calculation complexity and decreases confidence that calculations are accurate. Should the CER nonetheless proceed with including these sources, the addition of venting to the GHG assessment needs to be better defined; it is unclear if the bracketed text (i.e., planned depressurization) is intended to be the only venting emission source which is to be included.

### Scalable approach figures

TC Energy supports the proposed scalable approach for filing requirements based on project type and source of emissions, as it allows for the information proponents are required to file to be commensurate with the scope, nature, and complexity of the relevant company activity. TC Energy notes that in the new Figure 4 included in the

Filing Manual (Scalable Approach – Upstream GHG Emissions), the project examples for upstream GHG emissions may lead to the interpretation that level of throughput determines which emission threshold category a project falls into. These examples may suggest that projects increasing throughput fit into the greater than 500kt CO<sub>2</sub>e category and those that do not fit into the less than 500kt CO<sub>2</sub>e category. TC Energy suggests removing these project examples, as throughput is situation- and customer-specific and is not relevant to determining whether a project is above or below the stated threshold.

## Credible Net-Zero Emissions Plan

As written, guidance on net-zero emissions plans indicates that net-zero plans developed at the time of filing should include specific actions that will be taken to achieve net-zero emissions by 2050. This includes an implementation schedule for the actions, as well as project-specific mitigation and offset measures that will be implemented for the project to achieve net-zero emissions by 2050.

Net-zero plans will be in effect for many years before 2050. Plans which set out actions, schedules and specific mitigations at the project application stage do not reflect the dynamic and aggregate nature of achieving net-zero by 2050. To achieve net-zero, proponents will need to utilize emerging technology, balancing the effectiveness and efficiency of potential actions with the long-term impacts to costs and service for our customers, along with safety and reliability considerations. Flexibility is needed to allow the project proponent to incorporate changes in market conditions, available technologies, and regulations out to 2050 into the plan. Rather than guiding proponents to include the specific actions they will take in the plan, TC Energy recommends revising the proposed guidance to be more flexible by guiding proponents to include the processes they will follow to describe the technology and investment they will make to achieve net-zero by 2050, similar to the approach used in the Strategic Assessment of Climate Change.

## Conclusion

TC Energy appreciates the opportunity to provide feedback regarding the proposed updates to the GHG emission and climate change section of the Filing Manual. We look forward to further discussions regarding the CER's ongoing work via the contact below, as appropriate.

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