



August 20, 2020

Hon. Christyne Tremblay
Deputy Minister of Natural Resources Canada
580 Booth Street
Ottawa, Ontario K1A 0E4
Christyne.tremblay@canada.ca

Dear Ms. Tremblay,

Re: Hydrogen Strategy for Canada

The Chemistry and Fertilizer sectors have been pleased to participate in the consultation process for Canada's Hydrogen Strategy and we would like to thank you for actively engaging with stakeholders. To further support the development of Canada's Hydrogen Strategy we have prepared the following letter to bring awareness to issues that could potentially impede the strategy's success.

Canada's Hydrogen Strategy presents significant opportunities, but also significant risks for Canada's chemistry and fertilizer sectors, as well as other industries that rely on affordable, accessible, and safe natural gas for both energy and process inputs to their operations. The strategy presents the opportunity to assist industry in developing a pathway to address industrial emissions in the coming decades. However, affordability, as well as technical and safety issues present significant risks.

Natural gas is an essential fuel source for our sectors. The introduction of hydrogen into the natural gas system will require extensive testing and modification to existing practices. Public safety may be jeopardized due to gas buildup, explosions, and fires. Additionally, the presence of hydrogen in our natural gas pipelines will create technical uncertainty with our equipment and fuel gas supply systems. As we recover from the COVID-19 Pandemic, near-term and long-term investments into equipment modifications may not be economically feasible without greater understanding of the impacts of hydrogen blending.

Our sectors need a strategy that considers sustainable, low-cost opportunities to incorporate hydrogen into our processes. Our sectors also need a realistic and feasible timeline to

understand the safety impacts of hydrogen blending and to implement necessary equipment changes. A successful strategy will require further engagement from natural gas producers, distributors and technical specialists to research and analyze our safety concerns and to gain an understanding of the impacts to our sectors and our customers.

We believe these issues – of opportunities and risks – can be best addressed by establishing an Industrial Users Working Group within NRCan’s Hydrogen Strategy.

We look forward to meeting with you at a time of your convenience to discuss how our sectors can work together to address these concerns and better support the implementation of Canada’s Hydrogen Strategy.

Sincerely,



Bob Masterson
President and CEO
Chemistry Industry Association of Canada
bmasterson@canadianchemistry.ca



Garth Whyte
President and CEO
Fertilizer Canada
gwhyte@fertilizercanada.ca