



COMMENTS TO THE IMPACT ASSESSMENT AGENCY OF CANADA ON THE DRAFT CO-OPERATION AGREEMENT WITH ONTARIO

TC Energy Submission | December 15, 2025

NATURAL GAS PIPELINES

75%
of Canada's demand
...

Our 93,600-kilometre pipeline network connects the most competitive, low-cost natural gas basins to premium value markets in Canada, the U.S. and Mexico. In Canada, we have completed construction of the Coastal GasLink pipeline, enabling the first direct path between Canada and global LNG markets to deliver responsibly produced natural gas to the world.

POWER AND ENERGY SOLUTIONS

30 +
years of experience
...

We own or have interests in facilities that generate approximately 4,600 megawatts of power-generation capacity, over 75 per cent of which is emissions-less. To backstop the forecasted growth in renewable power generation by 2050, our strategy in Power and Energy Solutions focuses our portfolio on world-class nuclear power generation and pumped hydro opportunities, critical for maintaining grid reliability.



About TC Energy

We are a leader in North American energy infrastructure, spanning Canada, the U.S. and Mexico. Every day, our dedicated team proudly connects the world to the cleaner-burning energy it needs – moving 75 per cent of Canada’s natural gas, and over 30 per cent of all natural gas used across the continent. Complemented by strategic ownership and low-risk investments in power generation, our infrastructure fuels industries and generates affordable, reliable and sustainable power across North America, while enabling Canada’s first liquid natural gas exports to global markets.

Our business is based on the connections we make. By partnering with communities, businesses and leaders across our extensive energy network, we unlock opportunity today and for generations to come.

General Comments to the Impact Assessment Agency of Canada

TC Energy appreciates the opportunity to provide comments on the draft co-operation agreement between Ontario and Canada on environmental and impact assessment. The draft agreement is timely.

Canada’s new government set forth a clear mandate: to make Canada the fastest growing economy in the G7, to become an energy superpower, and to build nation-building infrastructure. Achieving these goals will be impossible without fundamentally altering how we review and approve new projects. Right now, Canada’s regulatory processes are too complex, too subjective, and too long.

There is a clear urgency for acting. Canada needs new infrastructure and resource projects that will enable job creation, strengthen our economic sovereignty, and meet Canada’s increasing energy demand,¹ all while advancing reconciliation in partnership with Indigenous communities.

As such, we welcome this draft agreement as a way of increasing coordination between the federal and provincial governments, with the broader goal of expediting and streamlining completion of all projects, including new energy infrastructure. Provincial co-operation agreements should define clear roles and responsibilities by jurisdiction, remove redundant regulatory processes, and set predictable timelines for approving all types of projects.

Eliminate Duplicative Reviews

Duplicative project reviews at federal and provincial levels overcomplicate the regulatory process and hinder the building of projects. As a matter of first principles, **TC Energy believes that provinces should solely lead the review of projects under their constitutional jurisdiction.** Federal cooperation or oversight on provincially regulated projects should be rare and limited to instances where it is explicitly required by some other jurisdictional requirements (e.g., federal work or on federal land).

Functionally, we are strongly supportive of the “one project, one assessment, and one decision” approach, including a reliance on substituting Ontario’s processes *and* project approvals. As currently drafted, the co-

¹ <https://www.ieso.ca/Corporate-IESO/Media/News-Releases/2024/10/Electricity-Demand-in-Ontario-to-Grow-by-75-per-cent-by-2050>

operation agreement falls short of this one decision objective, as each government retains final decision-making authority (section 5(1)). Splitting final decision-making authority between the provincial and federal levels undermines any efficiencies gained through a single assessment by introducing needless uncertainty and increasing the risk of legal challenges. To fully deliver on the draft agreement's goals, the federal government must recognize provincial decision making as equivalent and capable of standing alone. This alignment would ensure the draft agreement's contents match its preamble as well as the federal government's stated goals, and enables one assessment to truly result in one decision.

A single, streamlined approach from assessment to approval not only reduces redundancies, it also minimizes engagement burden and conflicting requirements.

Enable Meaningful Indigenous Participation

Indigenous rightsholders have a critical role in project reviews – which is why it is so important Indigenous consultations are done right. Duplication in the current project review system not only has a negative outcome on project timelines and project certainty, but also increases the administrative burden of Indigenous rightsholders. The largest, most sophisticated companies in Canada struggle with the complexity of project reviews: it is not fair that Indigenous rightsholders must similarly navigate this process. For this reason, it is crucially important that consultations respect not just the varied interests of Indigenous rightsholders, but also their capacities and preferred methods for sharing information. **TC Energy recommends the draft agreement contain a mechanism for delegating procedural aspects of the Crown's duty to consult (both provincial and federal) to project proponents.**

Project proponents already engage directly with Indigenous rightsholders. In fact, it is increasingly common for rightsholders to be equity holders in projects (an approach that TC Energy strongly supports). As a result, federal and provincial governments should focus their efforts on empowering proponent-led engagement, ensuring that engagement takes place early, continuously, and is appropriately scaled to the potential impacts on Indigenous groups. Crown-led consultation in addition to proponent-led engagement often leads to the re-opening of resolved issues, is duplicative and results in significant delays to project timelines. Crown-led consultation subsequent or in addition to proponent-led engagement should therefore be limited to very rare instances where there is a strong justification for the need for additional consultation.

This approach enables Indigenous rightsholders and project proponents to mutually succeed and benefit, while fostering long-term, value-based relationships built on trust, respect and integrity.

Empower the Right Regulator

Under the draft agreement, all projects that fall under shared jurisdiction may still be reviewed under a harmonized process. The unrestricted use of harmonized assessments is counterproductive to an agreement intended to eliminate unnecessary, duplicative processes. **TC Energy recommends project reviews and approvals be based on substitution rather than harmonized arrangements.**

The draft agreement is generally clear on the federal government's willingness to substitute Ontario's environmental and regulatory processes when a project is primarily provincially regulated – an approach that TC

Energy supports. However, language contained in section 4(2) allows the Impact Assessment Agency of Canada (IAAC) to determine if a federal impact assessment is required, even when a proposed project primarily falls within provincial jurisdiction. TC Energy recommends removing this language, and instead unequivocally stating that projects primarily within provincial jurisdiction will have only one assessment and one decision, made by the provincial regulator.

TC Energy notes the draft agreement lacks equivalent clarity around Ontario's willingness to substitute federal processes when a project is a federal work or undertaking. In general, we believe reviews for these types of projects should be led by the federal agency most closely responsible for regulating the project's full lifecycle and be managed under that agency's existing regulatory process, in cases where there is such an agency. For instance, the Canada Energy Regulator should be the lead regulator for cross-border pipelines and assume the responsibilities of other applicable federal or provincial departments as part of its project assessment. Empowering the appropriate lifecycle regulator leverages the deepest technical expertise, resulting in the highest quality mitigation measures and most expedient reviews.

The goal of empowering the 'right' regulator should be to achieve a similar outcome to the Major Projects Office, in which project proponents only need to communicate with a single agency – either provincial *or* its federal counterpart. By ensuring federal and provincial agencies communicate clearly and consistently between each other, project reviews will also avoid conflicting findings or outcomes.

Create Clear Guidelines for Substitution

Under the draft agreement, the IAAC and the Ontario Ministry of the Environment (MECP) must make a qualitative assessment about shared jurisdictions and who will lead a review each time a new project is submitted. This creates additional delays and uncertainty for proponents – in part because the draft agreement is unclear about what happens if IAAC and MECP disagree. Primarily, no assessment on the part of IAAC should be necessary if a project clearly falls within strictly provincial jurisdiction. When that is not the case, a substitution approach where projects are reviewed by a single regulator based on primary jurisdiction, whether provincial or federal, should be reinforced by clear guidelines. **TC Energy recommends that the IAAC and provincial regulators develop standardized guidelines that set out when substitution will take place.**

Adopting standardized guidelines of substitution would significantly streamline applications and reviews by making it absolutely clear from the onset who will lead a project review. These standardized guidelines should be based on quantifiable, unambiguous criteria like length of new right-of-way in areas not paralleling existing corridors, project cost, mine throughput, etc. Using clear criteria to determine who leads project reviews is simple, objective, and sure – all highly desirable features in an assessment framework. Ultimately, clear guidelines for substitution set early expectations for project proponents and ensures that regulators can focus their efforts where they add the most value – assessing project impacts.

Right Size Reviews and Timelines by Project Impacts

While the draft agreement does not address the scope of project reviews, nor their timelines, TC Energy believes it is essential that Canada and Ontario take this opportunity to improve the general efficiency of reviews. **TC**

Energy recommends the IAAC and MECP develop common codes of practice and assessment timelines that are right sized for a project's impacts. This should be a commitment integrated into the co-operation agreement.

Bespoke and lengthy environmental assessments are not required for projects or industries with well-understood effects, and for which well-defined mitigation measures already exist. Regardless of which agency leads a review, it is inherently duplicative to recreate existing work. This is notably true for projects within existing rights-of-way, and brownfield projects. For these cases, the likeliest outcome is that the regulator ultimately recommends already common and routine mitigation measures.

As a result, IAAC and MECP should develop common codes of practice standardizing which mitigations are required for which projects. This would significantly streamline applications and reviews, and allow regulators to focus on only atypical project impacts. Fundamentally, the goal should be to limit full environmental reviews to only the highest impact and most complex projects without well understood effects and mitigations, regardless of project type or jurisdiction.

As for timelines, Canada's federal government previously set a goal of reviewing major projects in a maximum window of two years, and similar language was contained in the recent Canada-Alberta Memorandum of Understanding. We believe all project reviews should finish in two years or less. Crucially, a two-year timeline should represent the maximum review time reserved for only the highest impact and most complex projects, regardless of project type or jurisdiction.

Federal and provincial agencies should seek to reduce unnecessary reviews of projects by creating defined, shorter approval processes, simplified filing requirements for low-impact projects, or categorical exemptions altogether. This tiered approach will provide certainty for project proponents, while maintaining environmental protections, Indigenous rights and Canada's competitiveness in attracting investment.

Conclusion

The draft co-operation agreement is another step by Canada to forcefully respond to a moment of both crisis *and* opportunity. We believe progressing regulatory reform to ensure effectiveness and regulatory certainty will strengthen Canada's economy and global position, establishing us as a truly global energy superpower. TC Energy stands ready to work with all levels government to realize this vision.