



November 2, 2005

Ontario Emission Trading Registry
c/o Subashna Moktan
DPRA Canada
7501 Keele Street, Suite 300
Concord, Ontario L4K 1Y2

Dear Subashna Moktan,

I am writing on behalf of Pollution Probe in response to the “Notice of Intent to Create” posted on the Ontario Emission Trading Registry by CSX Transportation Inc. on October 03, 2005 (Account Number N_2005_97). CSX Transportation Inc. has proposed to add K9® Auxiliary Power Units to its locomotive fleet in order to reduce idling time and associated emissions of NO₂ and SO₂. Pollution Probe does not oppose emission reduction credit formation from the reduced idling of mobile sources in principle; however, it is not clear that the proposed idling reductions in U.S. and Canadian jurisdictions will result in actual reductions in ambient levels of NO₂ and SO₂ in Ontario.

One of the key principles in the Standard Method of the Ontario Emission Trading Code is that emission reductions must be ‘real’ – i.e. the reductions would not have taken place without the emission reduction project and emissions are not simply the result of a change in activity level. While the CSX Transportation Inc. proposal meets these criteria, Pollution Probe submits that it should be necessary for credits purchased from U.S. sources to demonstrate that a real reduction must also result in an actual reduction of air pollution in Ontario (e.g. through the reduction of transboundary pollutant flows or from sources locally generated).

A recent MOE report estimated that more than 80 percent of ground level ozone in Ontario during severe smog episodes originated from transboundary sources. However, emissions from mobile sources are generally dispersed locally, and rarely contribute to transboundary pollution. Hence, it is unclear if reduced idling of the locomotive fleet in U.S. jurisdictions will reduce transboundary pollution from the U.S. into Ontario. Further, if these credits are used to offset emissions by stationary sources in Ontario, then ambient air quality in Ontario could actually deteriorate.

In the proposals, CSX Transportation Inc. does not provide any scientific evidence or modelling results which show that emission reductions from reduced idling in U.S. jurisdictions will result in actual emission reductions in Ontario from transboundary

sources. In addition, the CSX Transportation Inc. proposal does not identify the portion of idling reductions that will take place in Ontario and that will have an impact on local air quality. Unless such evidence can be supplied, Pollution Probe submits that the CSX Transportation Inc. proposal should be 1) rejected or 2) limited to emission reductions that can be verified as resulting from reduced idling within Ontario or from adjacent border regions where idling reductions will clearly have a positive benefit on Ontario's air quality.

We respectfully submit these comments and look forward to further discussions on the inclusion of mobile source emission reduction credits in the Ontario emission trading program.

Sincerely,

A handwritten signature in black ink, reading "Quentin Chiotti". The signature is written in a cursive, flowing style.

Dr. Quentin Chiotti
Air Programme Director and Senior Scientist

cc. K.B. Ogilvie, Executive Director