

# MEA Clarification Updated July 2023

## Cost Thresholds for Road Projects

Appendix 1 of the MCEA states:

“Note: Previously the MCEA allowed for cost thresholds to be indexed by MEA based on MTO’s Tender Price Index. The cost thresholds in the table have been adjusted to March 2022 based on MEA’s prior indexing in March 2019.

- The cost limit of \$2.4 million has increased to \$3 million.
- The cost limit of \$3.5 million has increased to \$4.1 million.
- The cost limit of \$9.5 million has increased to \$12 million.

Cost thresholds will be updated on an annual basis by the ministry based on MTO’s Tender Price Index, and will be effective when published on the Environmental Registry on Ontario (ERO).”

MTO’s Tender Price Index for April 2023 is 287.98 an increase of 8.98%

Applying this inflation increase, the cost thresholds should increase as below effective April 2023.

- The cost limit of \$3.0 million should increase to \$3.3 million.
- The cost limit of \$4.1 million should increase to \$4.5 million.
- The cost limit of \$12.0 million should increase to \$13.1 million.

However, MECP advises that a major amendment (Minister’s amendment) as per the requirements of the *Environmental Assessment Act* (Act), including consultation with Indigenous communities and a public posting on the environmental registry (EBR), must be completed before the updated 2023 cost thresholds are in effect.

MECP has been asked to proceed with their process so that the 2023 cost thresholds become effective.