

Canada releases Clean Fuel Standard design framework, sends strong transport sector signal

Government of Canada to engage stakeholders during 2018 on regulation design, final regulation will be released mid-2019.

VANCOUVER December 13, 2017 — After announcing its intent in November 2016 to regulate the carbon content of fuels used in every sector of Canada's economy, Environment and Climate Change Canada released today the design framework for the national Clean Fuel Standard (CFS).

The key elements of the framework include:

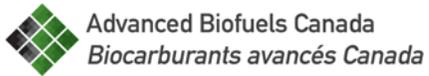
- The CFS objective is 30 megatonnes of GHG reductions annually by 2030
- The current federal Renewable Fuels Standard levels will be maintained, with replacement by the CFS over the longer term
- Separate carbon intensity reduction requirements will be established for liquid, gaseous and solid fuels
- With transportation fuels comprising 80% of liquid fuels, the effective partitioning of fuel types will ensure GHG reductions occur in the transportation sector. Some sub-fuel type grouping may be considered.
- Gaseous fuels may see a volumetric requirement or a hybrid approach
- Credit exchanges and other flexibilities to enable cross-sector compliance will be considered

Advanced Biofuels Canada released the following comment by President Ian Thomson. "We applaud the work of our federal government towards the CFS. Today's announcement acknowledges that discreet actions are needed to address the growing greenhouse gas emissions from transportation fuel use. The design framework for the federal Clean Fuel Standard will complement carbon pricing, offer consumers more choice at the pump, and capture the economic benefits inherent in the transition to production and use of clean fuels. Canada has abundant, sustainable resources to produce low carbon, advanced biofuels from forest and agricultural biomass and waste resources; growth in the production of these fuels will support rural and resource-based communities across all of Canada. We believe the design framework is a solid launching point for a productive consultation and the development of an effective Clean Fuel Standard."

Advanced Biofuels Canada and other advocates have called on Ottawa to develop a Clean Fuels Strategy to ensure the success of the CFS. This multi-year initiative would support domestic production and distribution of low carbon fuels to allow the economic benefits of clean fuels to be realized by all Canadians. It would also address the effectiveness of complementary measures that, if well designed, will drive growth across the low carbon economy. Carbon pricing and fuel taxation are two areas where legacy policies and emerging rules can inadvertently discourage the production and use of clean fuels in Canada.

Advanced Biofuels Canada has been the leading industry advocate for a Clean Fuel Standard in Canada. Our members provide sustainable, advanced biofuels with the range of carbon intensities, volumes, and operability required to meet the CFS targets. The association will play an active role to provide expert advice through the CFS regulatory design process.

Advanced Biofuels Canada/ Biocarburants avancés Canada promotes the production and use of low carbon advanced biofuels in Canada, which our members supply across North America and globally. These companies have invested in biofuels processing and supply chain operations across Canada, and are actively bringing to market the next generation of low carbon biofuels. The organization has a decade of leadership in policy and program design for biofuel demand and sustainable production conditions for our domestic biofuels industry. For information on Advanced Biofuels Canada and our members, visit: www.advancedbiofuels.ca.



Advanced biofuels reduce carbon emissions at least 50% below the fossil fuels they displace, and are made from sustainable biomass. Canada has approximately 750 million litres of advanced biofuel production capacity, and fuels produced in Canada are used across North America and Europe.

The clean fuel standards regulatory framework can be accessed at:

<https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/publications/clean-fuel-standard-regulatory-framework.html#toc1>

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