

INDUSTRY **NEWS UPDATES** | MEMBER **BENEFITS** | UPCOMING **EVENTS** | AND **MORE**

June 2021

# connection

W W W . C I P M A . O R G

## **MESSAGE FROM THE PRESIDENT**

JENNIFER STEWART

## **JUNE GOVERNMENT POLICY UPDATES**

## **ADVOCACY CORNER: POLITICIANS BETTING CARBON PRICING STILL TOP OF MIND FOR VOTERS**

## **SECTOR NEWS UPDATES**



# FUELLING CANADA'S FUTURE

## FULL MEMBERS



## ASSOCIATE MEMBERS



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## MISSION

CIPMA's mission is to ensure the sustainability and growth of a healthy and viable independent fuel marketing and distribution sector at both the wholesale and retail levels in Canada. Our specific goals include:

Ensuring that independent fuel marketers thrive and have the opportunity to earn a fair and reasonable return that is proportionate to their business risk and capital investment, and ensuring that Canadian consumers and independent fuel marketers have access to a competitively priced and readily available supply of fuel products in all regions of the country.



# MESSAGE FROM THE PRESIDENT

JENNIFER STEWART | PRESIDENT & CEO



## Dear CIPMA Members,

With the House of Commons rising for the summer, election hype escalating, and vaccine uptake increasing, there's a feeling of renewal here in the Ottawa bubble. As federal parties set their sights on electoral platforms, CIPMA works behind the scenes to advocate for our members' interests.

Over the last many months, we have acted to ensure retail sites have remained an important area of service – key to supporting the industry, its dedicated employees, and people in communities across the country. We continue to engage the Government of Canada to explore funding sources to support the development of bio blend retail infrastructure; to ensure credit generation and accumulation are maintained in the updated Clean Fuel Standard; and to influence policy thinking as part of the government's commitment to net-zero by 2050, through active participation in the Transportation Taskforce.

Regionally, over the last year, we have proactively participated in retail pricing reviews in Nova Scotia and New Brunswick; in the Government of Quebec's low-carbon regulation consultation; in Ontario's Cleaner Transportation Fuels Regulations; in the British Columbia Utility Commission's Fuel Transparency Act framework review process; in Manitoba's Biofuels Act consultation, and more.

CIPMA has also played a significant leadership role in bringing together a cross-section of transportation market players to form the Canadian Transportation Alliance. The Alliance will be a fact-finding and research-driven forum to inform good policy and better educate consumers on the diversity of transportation fuel availability. This is an important opportunity for our members to demonstrate their commitment to advancing sustainable environmental policy all Canadians can benefit from.

I want to thank each of you for your ongoing engagement with our Association.

As always, we are here to support you. Don't hesitate to reach out to us should you have any questions or concerns.

All the best,

**Jennifer Stewart**  
President and CEO  
Canadian Independent Petroleum Marketers Association

# STAYING CONNECTED

CIPMA CONNECTION  
2021 EVENTS, PODCASTS, WEBINARS

## PUMP CHATS

Latest episode now available:

Episode 12  
Jennifer Madigan  
Vice President Media and Communications  
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Thanks to John Eichberger, Executive Director of the Fuels Institute and the newly formed Canadian Transportation Alliance, for joining CIPMA to explore how the coalition of players from all sides of the transportation sector will work together to drive objective, third-party research to inform effective policy and educate Canadians on transportation solutions that contribute to lower emissions and a greener future.

Missed the webinar? See the recording [here](#).

## CIPMA PRESENTS: ADVOCACY INSIGHTS

Join Jennifer Stewart and Michelle Coates Mather for an update on key advocacy priorities that have been advanced in recent months by CIPMA.

**Date:** Wednesday, August 25, 2021 **Time:** 12:00-1:00 pm EST

Can't make it? No problem. We'll share the recording!  
[Registration Now Open!](#)



**FUEL MARKETING CONFERENCE**  
April 11 – 13, 2021  
Fairmont Queen Elizabeth, Montreal, Quebec  
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**EPISODE 12**  
**Jennifer Madigan**  
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# GOVERNMENT POLICY HIGHLIGHTS

This latest feature of the newsletter will be published monthly. The update serves as a recap and reference point for our members regarding the latest policy impacts on the energy market. We will continue to monitor and communicate any policy changes directly to members as they happen. The updates below are for the period beginning June 1 and ending June 28, 2021.



## Call for Proposals under \$1.5-billion clean fuels fund to grow clean fuels market across Canada

- The Government of Canada is building a low

emissions energy future to strengthen the economy, create good, middle-class jobs and support workers in our natural resource sectors. Producing and using cleaner fuels in our buildings, vehicles and industries is a key step to exceeding our 2030 climate target and reaching net-zero by 2050. On June 21, the Honourable Seamus O'Regan Jr., Minister of Natural Resources, **officially launched** the \$1.5-billion Clean Fuels Fund with a call for proposals for projects that increase Canada's capacity to produce clean fuels.

### Eligible projects include:

- Capital clean fuel production projects that use fuel production technologies in advanced stages of technological readiness and that are designed for commercial deployment
- Feasibility studies, basic engineering studies and detailed front-end engineering studies to assess the new build or expansion of low carbon fuel production facilities. In addition, feasibility studies to assess the techno-economic feasibility of blending hydrogen into natural gas systems.

Submissions can be made beginning June 21, 2021 with the deadline set for **September 29, 2021**. Details on the submission process can be found here:

- **Application Guide**
- **Application Form**

### Zero-Emission Vehicle Infrastructure Program (ZEVIP) now accepting project proposals

- Stream A of this Canadian Department of Natural Resources (NRCan) RFP targets direct recipients with a special ZEV infrastructure project for on-road and off-road commercial and public fleets. Stream B of this RFP targets provincial, territorial, regional or municipal governments, their institutions, agencies, and Crown corporations (including public utilities) and not-for-profit organizations validly incorporated or registered in Canada that can help deliver a component of the ZEVIP funding for EV infrastructure projects for on-road and off-road commercial and public fleets.
- Eligibility and application details can be found here: NRCan **website** and **online form**.
- **Deadline for submission:** Completed project proposals may be submitted via email or sent to NRCan by courier. All bids must be received no later than **September 8, 2021 (23:59 Eastern Daylight Time)**.

### Federal government launches consultations on investment tax credit for carbon capture

- The Department of Finance has **announced** it is launching consultations with stakeholders on the recent federal budget proposal to introduce a new investment tax credit for capital invested in carbon capture, utilization, and storage (CCUS) projects.
- The federal government intends the new investment tax credit to be available for a broad range of CCUS applications across different industrial subsectors (e.g., concrete, plastics, fuels), including blue hydrogen projects and direct air capture projects, but not enhanced oil recovery projects. The government is seeking input from all industrial subsectors, recognizing that various subsectors face different challenges in adopting CCUS.

- Stakeholders are invited to provide comments on the government's proposed approach by September 7, 2021. Comments can be sent to **CCUS-CUSC@fin.gc.ca** with "CCUS Consultation" as the subject line.

### In Committee

- The Standing Committee on Environment and Sustainable Development continued its clause-by clause consideration of **Bill C-12**, An Act respecting transparency and accountability in Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050.
  - There was rising pressure from **environmental groups** for the committee to complete its review of the Bill over concerns that it would stall if it failed to pass before summer adjournment. Minister of Environment Jonathan Wilkinson wrote a letter to the leaders of the NDP and the Bloc Quebecois asking for their support to get the Bill to the Senate as soon as possible.

- The Standing Committee on Natural Resources continued its study of the **Low-Carbon and Renewable Fuels Industry in Canada**.

### In the House of Commons

- The House of Commons **rose for a two-month summer hiatus Wednesday**, after passing the Liberal minority government's key bills amid inflamed partisan tensions and speculation that MPs won't sit again in Ottawa before a federal election call.
- **Bill C-206**, *An Act to amend the Greenhouse Gas Pollution Pricing Act (qualifying farming fuel)*, entered the third reading in the House of Commons on June 6, 2021. If passed, the resulting Act will seek to extend the exemption for qualifying farming fuel to marketable natural gas and propane.
- **Bill C-262**, An Act to amend the Income Tax Act (capture and utilization or storage of greenhouse gases), was read for a second time and referred to the Standing Committee on Finance. This Bill is to establish a tax credit for the capture and utilization or storage of certain greenhouse gases.



## WHAT'S NEW? REGIONALLY



### WESTERN REGION

#### Canada invests in hydrogen fueling station for a commercial fleet in Alberta

- **Minister of Natural Resources** Seamus O'Regan Jr. announced a \$2.3-million investment in the Alberta Zero Emissions Truck Electrification Collaboration (AZETEC) project.
- The project, led by the **Alberta Motor Transport Association** (AMTA), in collaboration with Hydrogen Technology and Energy Corporation, Zen Clean Energy Solutions, Canadian Energy Systems Analysis Research, Bison Transport, Trimac Transportation, and Suncor Energy, will validate the design, manufacture, and operation of long-range fuel cell electric trucks for operation between Calgary and Edmonton.

#### Alberta government ends agreement with TC Energy

- In a **news release**, the provincial government said it had reached an exit agreement with TC Energy, terminating its involvement in the Keystone XL project.
- The final cost to the government is expected to be within \$1.3 billion, in alignment with previously disclosed costs. Both parties will still look for ways to recoup the government's investment in the project.



### EASTERN REGION

#### Canada invests in electric bus fleet for Nova Bus in Quebec

- **Minister of Innovation, Science and Industry** François Philippe Champagne announced an investment of \$15 million in the Nova Bus Transformation Project to help **Nova Bus** modernize its public transit buses, optimize them for electrification, and build other types of all electric and battery-powered buses. The investment will also support Nova Bus in updating its manufacturing facilities in Saint-Eustache and Saint François-du-Lac, Quebec.



### ATLANTIC REGION

#### Newfoundland and Labrador's 2021 budget, EV adoption program

- On May 31, Minister of Finance Siobhan Coady presented **Change Starts Here**, the provincial government's 2021 budget. The projected deficit for 2021-22 is \$826 million, an improvement of \$1 billion from Budget 2020.
- Of note is a commitment of \$500,000 for an electric vehicle adoption accelerator program, which is meant to encourage the purchase of electric vehicles through a \$2,500 rebate for consumers.

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# ADVOCACY CORNER

The Advocacy Corner will be featured in the newsletter on a bi-monthly basis. We will continue to monitor and track all policy related issues that matter to you, our members, in the lead up to and following the federal election.



**By Michelle Coates Mather, Vice President, CIPMA**

## Politicians betting carbon pricing still top of mind for voters

As the final days of the legislative calendar drew to a

close, whispers of a federal election have been rekindled.

Earlier this month, the federal Liberals signaled the likelihood of a fall election when the national campaign co-chairs declared a **“state of electoral urgency,”** a procedural move that will allow the party to speed up the nomination processes for local candidates ahead of the next federal election.

Pandemic management and vaccine roll-out (for better or worse) will be key talking points as the parties each ready their electoral platforms. Who has a better recovery plan? “Secure the Future,” demand the Conservatives. “Build Back Better,” boast the Liberals. Every party will be competing to make the most compelling pitch to the electorate.

Key among the pandemic recovery commitments will be a renewed promise to secure Canada’s ‘clean growth’ agenda.

To inform our advocacy work and to ensure our members are in the loop, here is a recap of where the parties stand on carbon pricing here in Canada:

### **Liberal Party: Price on Pollution**

The federal Liberals positioned their re-election in 2019 as an endorsement of their carbon price plan. In the past few months, they have made it clear they see a path to electoral victory by doubling down on pre-existing commitments and championing a green recovery plan as the responsible path toward post-pandemic healing and ensuring a gradual transition to net-zero by 2050.

**How the plan works:** Under the Greenhouse Gas Pollution Pricing Act, which came into force on June 21, 2018, the federal carbon pollution pricing system (also

known as the federal backstop) has two parts: a pollution price on fuel, known as the fuel charge, and a pollution price for industry, known as the Output-Based Pricing System (OBPS). Under the plan, provinces and territories have the flexibility to maintain or develop a carbon pollution pricing system that works for their circumstances, provided it meets federal benchmark stringency requirements. The federal government announced that all provinces and territories must put a price on carbon pollution. They can use a carbon tax, a cap-and-trade program, or a blend of the two approaches.

The Liberals’ plan calls for a carbon price that rises to \$170 per tonne in 2030, though 90 percent is returned to Canadian taxpayers through rebates. Budget 2021 further announced the government’s intention to return a portion of the proceeds from the price on pollution directly to farmers in backstop jurisdictions (currently Alberta, Saskatchewan, Manitoba, and Ontario) beginning in 2021-22.

### **Conservative Party: Secure the Environment**

Following a defeat in the last election, party insiders and pundits criticized the Conservative Party of Canada for their lack of a climate change plan as a key failure in their attempts to broaden their voting base. Not wanting to repeat history, Team O’Toole unveiled a carbon plan introducing a consumer carbon price – a significant shift in policy. As an alternative to the Liberals’ carbon tax, under a Conservative government, the plan would see consumers paying a price on carbon which would then be stored in a personal low-carbon savings account.

**How the plan works:** Canadians will pay into their account each time they buy hydrocarbon-based fuel. They will be able to apply the saving towards things that will help them live a greener life, including buying a transit pass, a new bicycle, an electric vehicle, or a more energy-efficient furnace. The program will be managed by a consortium of companies like the INTERAC system. The plan includes removing the current carbon tax carbon price for one that is deemed more affordable, starting at \$20/tonne and increasing to \$50/tonne with no further increase planned.

### **NDP Party: Protect our air, land, and water, securing our future**

The New Democrats are caught between a rock and a hard place as they attempt to position themselves as more ‘green’ than the Greens and more ambitious than the Liberals on climate change policy. They are expected to maintain the Liberals’ ‘Price on Pollution’ plan with some tweaks, including lowering the emission limits from 90 percent to 70 percent and making companies pay the carbon tax on a larger portion of emissions while maintaining the fuel charge.

**How the plan works:** The NDP plan will continue

to put a price on carbon as a critical tool to drive greenhouse gas reductions at the source and include rebates to households that fall under the federal backstop plan, and also roll back what they see as ‘breaks’ the Liberal government has given to big polluters. The NDP will legislate targets that stabilize the global temperature rise to 1.5 degrees Celsius and introduce a new Independent Accountability Office responsible for oversight of regular progress audits.

### **Green Party: Mission Possible - The Green Climate Emergency Action Plan**

As the Green Party looks to expand its representation in the House, it will look to take its renewable energy economy plan to Canadians. The Greens have not been shy in their position that Canada must end all expansion of fossil fuels and work to support industry workers in the transition. A Green government would also legislate a Climate Change Act that would require a 60 percent decrease in emissions below 2005 levels by 2030, reaching net zero in 2050, with five-year interim targets beginning in 2025 – the same as the Liberal commitment. The plan focuses on regulations, public spending, pollution pricing, and Indigenous leadership as key pillars to achieve their goals.

**How the plan works:** The baseline pricing is expected to be similar to the NDP and Liberal programs, with the Greens setting ‘legal emissions’ limits for industries which include penalties for those that exceed them. The Greens to date have said they will maintain the scheduled increase of \$10 per year, well beyond the \$50 per tonne mark. These increases will continue year on year until there are no more carbon emissions in Canada. They would create a broad-based revenue-neutral carbon fee on all sources of carbon pollution, with revenues from the fee being returned to Canadians as a dividend.



# NEWS UPDATES

The following section is a summary of the top media headlines and coverage of key policy and issues impacting the transportation fuel marketing space. Please note that all orange text in the following section is hyperlinked. If viewing electronically, you can click to read full articles directly from the publication source.

## GLOBAL

### **CARBON PRICING GAINS TRACTION, BUT NOT ENOUGH TO HIT CLIMATE GOAL**

More than a fifth of the world's carbon emissions are priced, but the current costs of emitting carbon dioxide are still too low to rein in rising global temperatures, the World Bank said in a recent report.

### **SWISS CITIZENS REJECT CARBON TAX IN WORLD'S FIRST 'CO2 REFERENDUM'**

51.6 percent of Swiss voters struck down their federal government's plans to hike taxes on petrol diesel, heating oil and natural gas.

### **PHILIPPINES FINANCE DEPARTMENT PREFERS EMISSIONS TRADING SCHEME OVER CARBON TAX**

As the Philippines seeks to adopt a policy response to climate change, its finance department said it prefers the adoption of an intensity-based carbon emissions trading scheme over an outright carbon tax.

### **BIG OIL (PROBABLY) ISN'T GOING AWAY ANYTIME SOON. BUT IT'S DEFINITELY CHANGING**

Mounting urgency about climate change has finally reached the boardrooms of Exxon Mobil, BP, Shell and other international oil companies. While there is still no consensus on what the future of oil will look like, there is resounding agreement that companies must pledge to prepare for a lower-carbon future.

Many American companies have made small investments into nascent technologies, such as carbon capture, but continue to put money largely behind

oil-and-gas-based investments. However, the story is different in Europe, where many major players have made ambitious pledges to switch from primarily oil-based income to wind and solar. A large number of these companies have also chosen to revamp their image entirely and now prefer to be called "energy companies."

For many American oil companies, changing with the times means pivoting investments.

### **NORWAY ISN'T GIVING UP ON NEW OIL DEVELOPMENT**

Norway, Western Europe's largest oil producer, is preparing to face the energy transition but isn't giving up on the oil and gas sector just yet.

The country is betting on offshore wind, hydrogen and electrification to meet its environmental responsibilities under the Paris Agreement. However, in a recent interview, Minister of Petroleum and Energy Tina Bru said that the petroleum sector will continue to be a factor in the Norwegian economy for years to come. She added that the Norwegian government will continue to facilitate long-term economic growth in the industry within the regulations of Norway's climate policy and its Paris Agreement commitments.

### **INDIA'S FUEL DEMAND RISES AS COVID LOCKDOWNS EASE**

India's motor fuel demand has picked up after many states eased lockdown and restrictions following a decline in COVID-19 cases, according to industry and market participants.

Diesel and gasoline consumption rebounded in the first half of June by 12 percent and 13 percent respectively from the same period in May, according to data from state-controlled refiners that account for around 90 percent of the country's fuel sales.

### **OIL MAJORS RACE TO GET A PIECE OF THE QATARI LNG MARKET**

Six large Western energy companies are bidding for a stake in Qatar's North Field expansion project aimed at boosting the country's LNG export capacity. Four of the six are already partners of Qatar in the development of its massive natural gas reserves: Exxon, Shell, TotalEnergies—formerly just Total—and ConocoPhillips. Now, Italy's Eni and Chevron have also joined the bidding, Reuters reported, citing unnamed industry sources.

### **OIL UP NEARLY 2 PERCENT TO MULTI-YEAR HIGHS ON DEMAND EXPECTATIONS**

Oil prices rose nearly 2 percent to their highest in more than two years on June 15, buoyed by expectations demand will recover rapidly in the second half of 2021.

### **SCOTT MORRISON SAYS GAS WILL 'ALWAYS' BE A MAJOR CONTRIBUTOR TO AUSTRALIA'S PROSPERITY**

The prime minister addressed the Australian Petroleum Production and Exploration Association's conference in Perth (via video from London) to reassure producers the government had a plan for the transition to low emissions as efforts to decarbonise economies have gathered pace in developed economies since the U.S. re-entered the Paris Agreement.

### **CHINA'S ROBUST OIL DEMAND RECOVERY UNDERPINNED BY GASOLINE SURGE**

China's meteoric rebound from the COVID-19 pandemic has been a source of strength for global oil demand, and a close look at domestic trends reveals that cars have underpinned the recovery. Gasoline demand in May was 5 percent higher than the same period in 2019, according to the median of five estimates from the nation's top oil companies, including China Petroleum & Chemical Corp., better known as Sinopec, and China National Petroleum Corp, as well as industry analysts. Diesel use wasn't as robust, with most respondents seeing flat consumption last month.

### **ACTIVISTS TAKE ARCTIC OIL FIGHT TO EUROPEAN COURT**

Environmental groups Greenpeace Nordic and Young Friends of the Earth Norway, alongside six activists, have filed an application to the court arguing that Norway has breached fundamental human rights by allowing new oil drilling in the midst of a climate crisis.

Norway's oil policy has drawn criticism from politicians and climate activists who say the country's approach is at odds with its drive to cut emissions. Last year the Norwegian parliament approved fiscal stimulus measures for the oil industry to spur spending and protect jobs.



**BMW LAUNCHES ROAD TEST OF HYDROGEN FUEL CELL VEHICLE IN EUROPE**

In an announcement June 16, the firm explained prototypes of the BMW i Hydrogen Next would be tested on a range of metrics including reliability, safety and efficiency.

It described hydrogen fuel cell tech as having the “long-term potential to supplement internal combustion engines, plug-in hybrid systems and battery-electric vehicles.”

**JAGUAR LAND ROVER IS DEVELOPING A HYDROGEN-POWERED VEHICLE AND PLANS TO TEST IT OUT THIS YEAR**

Jaguar Land Rover said June 15 it was working on the prototype of a hydrogen fuel cell electric vehicle, with testing of the concept slated to start later this year.

The vehicle will be based on the new version of the company’s Land Rover Defender and is part of JLR’s broader attempt to meet a target of zero tailpipe emissions by the year 2036. Testing of the vehicle will focus on areas such as fuel consumption and off-road capabilities.

**SHELL PROMISES TO ACCELERATE SHIFT TO LOW CARBON**

The oil giant Shell will reduce its greenhouse gas emissions more quickly than planned following a legal ruling in the Netherlands, its chief executive has promised in a blog post.

As a result of the ruling, Shell must cut its CO2 emissions by 45 percent compared to 2019 levels by 2030.

**CHINA’S ELECTRIC CAR LEADERS PREDICT NEW ENERGY VEHICLES WILL DOMINATE THE LOCAL MARKET BY 2030**

New energy vehicles will dominate the world’s largest auto market in about 10 years, two executives from major Chinese electric car companies predicted at a conference held June 12-13.

EVs accounted for more than 10 percent of new car sales in China in March and grew to 11.4 percent in May. Industry experts expect those numbers to surge to nearly 70 percent by 2030.

**SPAIN HOPES TO JUMPSTART ELECTRIC CAR INDUSTRY WITH EU FUNDS**

Spain’s Secretary of State for Industry, Raul Blanco, told The Associated Press that the government is aiming at spending around 5 billion euros (\$6 billion) over the next three years on its electric vehicle initiative.

Spain produced 2.2 million cars and trucks in 2020. But only 140,000 of these were electric or hybrids, according to ANFAC, the Spanish Association of Automobile and Truck Manufacturers.

**UK COULD BE LEFT BEHIND IN THE ELECTRIC CAR RACE, WARNS REPORT**

Influential green group Transport and Environment (T&E) says that as recently as 2018, the UK produced roughly half of all electric cars built in Europe.

But it claims a lack of investment by UK manufacturers means that by the end of the decade that figure will have fallen to just 4 percent.

**DAIMLER SPEEDS UP SHIFT TO ELECTRIC VEHICLES, MANAGER MAGAZIN REPORTS**

Daimler AG (DAIGn.DE) will accelerate the launch of electric cars slated for the middle of this decade while phasing out fossil fuel versions, as it revamps its electrification strategy, Manager Magazin reported on June 17.

Many of the electric vehicle models the German carmaker has planned for 2024 or 2025 will be moved forward a year and their fossil fuel equivalents will be dropped from the lineup, the magazine reported, citing sources close to the matter.

**TOYOTA SAYS IT’S STILL TOO SOON TO FOCUS ON ELECTRIC CARS**

Toyota Director Shigeki Terashi said at the company’s annual shareholders meeting that it was “still too early to concentrate on one option.”

While Toyota has been pushing hybrid and hydrogen for years, executives resoundingly confirmed that Toyota will continue to offer a variety of options over the next 30 years — not limited to electric.

**MAZDA AIMS TO LAUNCH 13 ELECTRIFIED CAR MODELS BY 2025, INCLUDING THREE FULL EVS**

In stark contrast to Toyota, Mazda will introduce 13 electric car models by about 2025, including hybrids and plug-in hybrids, in an effort to electrify all vehicles by 2030.

**NET ZERO: G7 COUNTRIES PROMISE TO STOP FUNDING COAL POWER**

The Group of Seven (G7) nations announced on Sunday they will stop new government support for coal generation by the end of 2021, according to **Reuters**.

The G7 also pledged to raise US\$100 billion a year to help poor countries slash greenhouse gas emissions, **BBC News** reports. However, activists criticized the announcement as that amount is identical to the one previously pledged in 2009.

The G7 commitments come just after Ottawa announced on June 11 it would discontinue the approval of new thermal coal mining projects, citing “unacceptable environment effects.”

**ROLLS-ROYCE OUTLINES PLANS FOR NET-ZERO EMISSIONS BY 2050**

Britain’s Rolls-Royce (RR.L), which makes engines for planes and ships, outlined plans to reach net-zero emissions by 2050 through investing more in decarbonizing technologies and, in the short term, using more sustainable aviation fuel.

**UNITED STATES**

**GLOBAL GREEN HYDROGEN MARKET SIZE TO SHOWCASE LUCRATIVE GROWTH TRENDS OVER 2021-2026**

Seasoned analysts claim that worldwide green hydrogen market size was appraised at US\$908.15 million in 2020 and is projected to grow at a rapid pace through 2026. This expansion is attributable to a shift in government focus to promoting clean fuel.

**STUDY: FIXING OIL AND GAS METHANE EMISSIONS COULD CREATE JOBS IN NEW MEXICO**

New Mexico recently enacted new regulations on methane emissions from oil and gas at its Energy, Minerals and Natural Resources Department, setting a goal of 98 percent gas capture by 2026 and calling for an end to routine flaring, which is the burning of excess gas.

The New Mexico Environment Department has its own emissions regulations underway, which are expected to be complete later this year. Such state regulations led to an increase in demand

for emission reduction services, per the recent **Environmental Defense Fund (EDF) report**, with 75 percent of manufacturing companies and 88 percent of service firms anticipating hiring more workers as New Mexico’s and other states’ regulations go into effect.

**COLORADO DOESN’T WANT TO FOOT THE BILL FOR ABANDONED OIL AND GAS WELLS. HERE’S HOW IT WILL AVOID PICKING UP THE TAB.**

Colorado oil and gas regulators looking to avoid a rash of abandoned and unplugged oil and gas wells are proposing to increase financial guarantees by operators for each of their wells — a price tag that could add up to billions of dollars.

The rules, however, take particular aim at what the commission sees as the greatest risk of abandonment: the state’s inactive wells. Colorado currently has 535 orphan well sites to remediate with 239 wells to plug.

**FEDERAL JUDGE HALTS BIDEN PAUSE ON NEW OIL AND GAS LEASES ACROSS THE U.S.**

In a preliminary ruling, U.S. District Judge Terry Doughty ordered the Biden administration to restart regular sales of oil and gas leases and to hold quarterly lease sales nationally until the final ruling of the case.

As part of a January 27 executive order meant to address climate change, Biden temporarily paused new oil and gas leases on public lands while the administration reviewed leasing policy, including its contributions to climate change.

However, many Republican-led states’ interests lie in blocking the administration’s pause because of the losses in state funding that would result from the lost bonus payments when lease sales are held.

**GM ACCELERATES BATTERY-PLANT PLANS, HYDROGEN FUEL-CELL PROJECTS**

General Motors has announced plans for two additional U.S.-based battery factories and hydrogen fuel-cell projects as part of a \$35-billion investment in green technology through 2025.



## NEW RENEWABLE FUEL MAY BE THREE TIMES MORE POWERFUL THAN GASOLINE

The U.S. Department of Energy is now **backing** continued research into hydrogen, a fuel that has up to three times the energy content of gasoline. More importantly, it may be the only fuel on earth that produces zero emissions when burned.

Until recently, this super fuel was considered too dangerous and expensive to be used commercially. But a new technological breakthrough appears to have made the adoption of hydrogen much more likely.

## RENEWABLE FUEL TO POWER BENTLEY'S CONTINENTAL GT3 TO THE CLOUDS

Bentley recently announced a renewable fuels research and development program which is now spearheaded by the most extreme road-car-based Bentley in the company's 101-year history. The Continental GT3 Pikes Peak will be the first competition Bentley to run on renewable fuel, ahead of a goal to offer sustainable fuels to Bentley's customers around the world.

## BIDEN WEIGHS SMALL CUT TO BIOFUEL TARGETS IN NOD TO REFINERS

The Biden administration juggles the economic responsibility of maintaining jobs for refinery workers while continuing to push an environmental agenda.

In a bid to keep all parties satisfied, Biden is developing biofuel targets that fall lower than expected but continue to advance an environmental agenda.

This move responds to pressure from refining advocates who have warned about mounting costs for the tradeable compliance credits. Oil refiners meet the government's biofuel quotas either through blending renewable fuels themselves, or by purchasing credits from others that have.

## COLUMN: CLIMBING OIL PRICES SIGNAL NEED FOR MORE OUTPUT

Oil prices are signalling the need for an urgent increase in production from OPEC+ and U.S. shale companies as the global economy and oil demand recover more rapidly than expected from the pandemic, according to John Kemp.

## HONDA CLARITY FUEL-CELL AND PHEV MODELS TO END PRODUCTION SOON

The Honda Clarity, initially available as a plug-in hybrid, a hydrogen fuel-cell vehicle, and an EV, will end production in August 2021. The EV version was dropped last year, and the PHEV and hydrogen versions will soon disappear from the lineup as well.

### CANADA

## NEW STUDY FINDS CANADIANS SEE RISK BUT MORE OPPORTUNITY IN ENERGY TRANSITION

In the latest survey work by Clean Energy Canada and Abacus Data, a study found 3 out of 4 Canadians believe countries that set higher emissions reduction ambitions will be more successful competitors in the global economy compared to those with lower ambitions. While some Canadians see economic risk in the transition away from oil and gas, a majority (55%) believe there is more opportunity than risk (45%).

## CANADA'S OIL INDUSTRY OPTIMISTIC AS PRICES REBOUND

As prices rebound, Canada's largest oil companies expect stronger cash flow generation this year, which would be funnelled into reducing debts and boosting shareholder returns. The pandemic forced many operators to curtail oil production; however, despite this tumultuous year, output in the main oil-producing province of Alberta has recovered to pre-crisis levels.

Canada's reopening, along with that of its key petroleum export neighbour, the United States, drives Canadian oil production higher, making companies confident about their near-term prospects. Moreover, government and analyst estimates point to rising oil production in the medium term.

## COLUMN: THE U.S. HAS GRAND AMBITIONS TO CONQUER THE GLOBAL EV MARKET, BUT IT CAN'T WIN WITHOUT CANADA

The U.S. recently announced a \$174-billion plan that aims to spur domestic production and sales of U.S.-made electric vehicles while bolstering domestic supply chains, from raw materials to parts.

The Biden administration's ambitious plan encompasses a transition to EV for 20 percent of the nation's school bus fleet, electrifying the entire U.S. federal vehicle fleet, directing \$100 billion towards incentives for buyers of U.S.-made EVs powered by U.S.-made batteries, and having every car manufactured in America be electric by 2030. However, according to Ryan Castilloux, it will not be able to achieve its goals without a robust supply of critical metals from Canada.

## 'THE GOAL POSTS ARE MOVING': AFTER BIG OIL'S TERRIBLE WEEK, CANADIAN OIL COMPANIES BRACE FOR INVESTOR PRESSURE

A Montreal-based retirement fund for union members of the Confédération des syndicats nationaux (CSN), a trade union, submitted a shareholder proposal for Imperial Oil Ltd.'s May 4 annual meeting to demand the Calgary-based oilsands producer adopt a net-zero carbon pledge similar to competitors Cenovus Energy Inc. and Canadian Natural Resources Ltd.

Exxon Mobil, which is Imperial's controlling shareholder with a 69.6 percent ownership stake in the company, sank the proposal with its vote. However, this kind of battle is expected to become more commonplace in Canada.

## CANADIAN PUBLIC OPINION POLL SHOWS STRONG SUPPORT FOR OFFSHORE OIL AND GAS PROJECTS

The Newfoundland and Labrador Oil and Gas Industries Association recently engaged a public opinion firm to survey Newfoundlanders and Labradorians about their support for the offshore oil and gas industry, and the Terra Nova Project specifically.

The vast majority of respondents support the industry and efforts to ensure the Terra Nova Project undergoes the Asset Life Extension project and continues to operate offshore, even if that requires the Government of Newfoundland and Labrador to purchase an equity stake.

## COVENANT ENERGY TO PRODUCE RENEWABLE DIESEL WITH LOW CARBON FOOTPRINT

Canada-based Covenant Energy's new facility is set to produce renewable diesel with a significantly lower carbon footprint than conventional diesel and will thereby support the country's goal of carbon neutrality by 2050.

## MAJOR OIL SANDS COMPANIES PARTNER TO ACHIEVE NET-ZERO EMISSIONS BY 2050

Canadian oil sands producers Suncor Energy, Canadian Natural Resources, Cenovus Energy, Imperial Oil and MEG Energy recently announced they would be forming an alliance to achieve net-zero greenhouse gas emissions from their operations by 2050.

The cash-rich firms have been under pressure recently to meet Canada's goal on energy transition, and this alliance points to a positive step forward.

### WESTERN REGION

## PARKLAND ADVANCES ITS TRACK RECORD OF ENERGY TRANSITION LEADERSHIP IN BRITISH COLUMBIA; ANNOUNCES BC'S LARGEST EV ULTRA-FAST CHARGING NETWORK

Parkland Corporation has announced plans to launch the largest network (by site count) of Electric Vehicle ultra-fast chargers in British Columbia. Strategically located on major highways and in key cities and towns across Parkland's extensive retail portfolio, this network of approximately 25 high-quality sites will stretch from Vancouver Island to Calgary and is expected to open to customers in 2022.

## AIR PRODUCTS PLANS \$1.3-BILLION HYDROGEN PLANT IN ALBERTA AS OIL AND GAS INDUSTRY SEEKS NET-ZERO EMISSIONS

Air Products and its subsidiary Air Products Canada Ltd., in conjunction with the Government of Canada and the Province of Alberta, announced a multi-billion-dollar plan to build a landmark new net-zero hydrogen energy complex that will make Edmonton the centre of western Canada's hydrogen economy and set the stage for Air Products to operate the most competitive and lowest-carbon-intensity hydrogen network in the world.

## SUNCOR EXTENDS LIFELINE FOR TERRA NOVA OFFSHORE PROJECT, UPS STAKE TO 48 PERCENT

Calgary-based Suncor is increasing its stake in the Terra Nova offshore oil project to 48 percent from 38 percent and has agreed to extend the life of the offshore oil facility.



PIPELINES PUMPING OUT MORE CASH AS OIL AND GAS VOLUMES INCREASE

As oil and gas production increases so does pipeline cash flow, with the major export pipelines in the country earning \$10 billion in 2020. Generally, revenues have increased as more oil and natural gas is transported and as improvements are made to the pipeline system. Oil pipelines in particular are operating at near capacity. As of the end of March, the Trans Mountain pipeline and TC Energy’s Keystone pipeline were both operating at 100 percent capacity.

ELECTRIC VEHICLE CHARGING STATIONS TO BE INSTALLED IN LEDUC, ALBERTA

A plan to install EV charging stations has been approved by Leduc city council to help fill a gap for EV owners driving between Red Deer and Edmonton.

There are currently no Level 3 “superchargers” for electric vehicle owners driving from Red Deer to Alberta’s capital, and few charging stations in general between the two cities.

OIL AND GAS ‘RESTORATION ECONOMY’ UNDERWAY IN B.C., SAYS OGC

BC Oil and Gas Commissioner (OGC) Paul Jeakins gave the regional district board an update and forecast on industry activity on June 11, showing decommissioning or restoration work on almost 400 orphan sites last year, with more than 250 sites targeted for cleanup this year.

The OGC has set 10-year reclamation timelines for wells under its care, with plans to shorten that where possible. Thanks to federal stimulus, many companies have also expanded their programs and shortened timelines.

Many B.C. townships and counties are looking forward to the economic benefits of said restoration and stimulus.

FROM RENEWABLES TO CARBON CAPTURE, CALGARY’S ARC FINANCIAL EXPANDS MANDATE WITH NET-ZERO ECONOMY IN MIND

ARC Financial Corp., funder of Canada’s oil patch, is expanding its investment strategy to include companies transitioning to a net-zero economy. The Calgary-based private-equity firm has secured

the approval of its investors to seek out companies in fields ranging from carbon capture, utilization and storage (CCUS) to biofuels, renewables and providers of construction and maintenance services for the sector.

Down the road, ARC aims to raise money for a new fund dedicated to climate-friendly energy investments.

ONTARIO / QUÉBEC REGION

‘YOU’RE SITTING ON YOUR OWN FUEL SOURCE’: OTTAWA PUSHES CLEAN-TECH SUBSIDIES TO CONVINCE FARMERS TO USE CORN STALKS AS FUEL

Local farmers are being hit hard by carbon pricing policies. The federal government has made a few pledges for green agriculture technologies in an attempt to mend the relationship with farmers, but some agriculture groups are questioning whether funding for new agricultural technology will provide relief for farmers any time soon.

The vice-president of the Canadian Federation of Agriculture says that the new technology would have to be affordable, and the alternative fuel would have to be readily available, for the government subsidies to have any real impact.

The government’s plan will cover half the cost of implementing or upgrading agricultural technology at for-profit operations, and 75 percent for non-profits, so long as the total cost of the project exceeds \$50,000.

CALLS GROW FOR ACTION ON ONTARIO’S THOUSANDS OF ABANDONED OIL AND GAS WELLS

A natural gas well about 300 metres from residents’ homes near Delhi, Ontario, erupts at least twice a week, causing a foul smell and health concerns from locals. The well has been spewing methane and hydrogen sulfide – a toxic gas in high concentrations – into the area since 2015.

The county is conducting a new study to find a solution, but in the meantime, people living in the area continue to put up with the smell and the potential health hazards.

TOP BIOFUEL MAKER EYES REFINERY IN QUEBEC THAT WOULD USE FORESTRY WASTE TO PRODUCE RENEWABLE DIESEL

The world’s biggest renewable diesel producer is looking to convert everything from tree limbs to landfill garbage into fuel for motor vehicles and planes as demand surges for low-carbon fuel sources.

In Quebec, oil refining and marketing company Neste Oyj, alongside other companies, is considering the possibility of building a refinery that would use forestry waste such as treetops and branches to produce renewable diesel.

This development comes as demand for feedstocks strains the availability of traditional biofuel ingredients like soy oil.

ATLANTIC REGION

INCOME TAX CUT SIGNALS A SHIFT IN CONSERVATIVE CARBON POLICY, SAY ECONOMISTS

Small-government advocates support the New Brunswick government’s latest move to adopt a modest income tax cut to offset the carbon tax as opposed to more spending on climate programs.

The Progressive Conservatives’ new legislation will reduce income taxes for 420,000 New Brunswickers by a small amount to account for this year’s hike in the carbon tax.

The bill was approved by a committee of MLAs in May and was expected to be passed into law in June.

UNIFOR SLAMS GOVERNMENT FOR UNDERMINING NL OIL AND GAS SECTOR

In September 2020 the federal government announced a \$320-million fund to support maintenance of the Newfoundland and Labrador energy sector’s assets, such as Terra Nova.

However, the Newfoundland and Labrador government’s recent refusal to fulfil its commitment to the Terra Nova project has resulted in many workers’ advocates voicing serious concern. Unifor in particular has said a refusal to fulfil the government’s commitment would kill hundreds of good local jobs and undermine the province’s entire oil and gas sector.

NORTHERN REGION

HOW EIGHT IDLE WELLS MIGHT DETERMINE THE FUTURE OF OIL AND GAS IN YUKON

Chance Oil and Gas Limited submitted a proposal in December 2020 to the Yukon Environmental and Socio-economic Assessment Board for a workover of eight idle wells owned, but not currently operated, by the company.

The maintenance proposal could mean that up to 30 exploration wells would eventually be drilled in the Eagle Plains, an expansive area of rolling hills between mountain ranges 400 kilometres north of Dawson City.

The possibility of development in the area is reigniting concerns about the impact oil and gas development would have on the **Porcupine caribou herd**, one of the largest migratory barren ground caribou herds in North America, which over-winters on the plains. Yukoners are also speculating whether or not the territory should consider fossil fuel development in a time of climate crisis, the impacts of which are felt more acutely in the North.



# THANK YOU TO ALL OUR FRONTLINE WORKERS!

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to your community.

On behalf of all our members, thank you.

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