

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

February 2022

# connection

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## MESSAGE FROM THE PRESIDENT

JENNIFER STEWART

## FEBRUARY GOVERNMENT POLICY AND INDUSTRY UPDATES

## ADVOCACY CORNER

## 2022 CANADIAN FUEL MARKETING CONFERENCE

APRIL 11-13, 2022 MONTREAL, QUEBEC

## SECTOR NEWS UPDATES





## FULL MEMBERS



## ASSOCIATE MEMBERS





# CONNECTION CONTENTS

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- 1** | **PRESIDENT'S CORNER**
  - 2** | **STAYING CONNECTED**
  - 3** | **GOVERNMENT POLICY UPDATES**
  - 7** | **ADVOCACY UPDATES**
  - 9** | **NEWS UPDATES**
  - 15** | **CANADIAN TRANSPORTATION ALLIANCE**
  - 17** | **THANKS TO OUR FRONTLINE WORKERS**
- 

## MISSION

CEMA's mission is to support and elevate Canada's small and medium-sized energy marketers, who are responsible for nearly 100,000 direct and indirect jobs across the country and are deeply committed to ensuring that innovative energy products, including low-carbon transportation solutions, are readily available to Canadian consumers.

CEMA ensures the voices of its membership are heard at all three levels of government in a fair, consistent and advocacy-first manner – members who include progressive leaders responsible for the distribution of diverse products like gasoline, diesel, heating oil, propane and aviation fuel, as well as low-carbon transportation energy solutions including renewable fuels and electric vehicle charging stations across a vast geography, to diverse industries, and to millions of Canadian consumers.





# MESSAGE FROM THE PRESIDENT

JENNIFER STEWART | **PRESIDENT & CEO**

## Dear Members,

Welcome to our first issue of Connection magazine as the new Canadian Energy Marketers Association (CEMA)! We are excited about this name rebrand, which will serve us well into the future by reflecting our changing role in the country and expanding our influence and credibility.

It has been quite a month in Canada, with skyrocketing fuel prices due to supply chain issues and inflation, political upheaval resulting in the departure of Conservative Party leader Erin O'Toole and Conservatives' reversal of support for the federal carbon tax, and the attention of the entire country on the cross-country convoy and resulting protests.

Parliament is finally getting back up to speed, which means we anticipate a number of developments and opportunities for advocacy in the coming months. The Standing Committee on Natural Resources, with its planned study on the low-carbon and renewable fuels industry in Canada, and the Standing Committee on Environment and Sustainability, which will be conducting a study on the government's commitment to eliminate fossil fuel subsidies by 2023, are two series of meetings in particular we will be watching closely. At every turn, we will be sure to keep you informed about developments that might affect you.

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

All the best,

**Jennifer Stewart**  
President and CEO  
**Canadian Energy Marketers Association**



# STAYING CONNECTED

CEMA CONNECTION  
2022 EVENTS, PODCASTS, WEBINARS

## PODCAST: SEASON 2, EPISODE 3 ROAD CHATS NOW AVAILABLE

In this episode, CEMA President Jennifer Stewart talks to Canadian Fuels Association Vice President of Western Canada David Schick about what it was like to collaborate with different levels of government and other organizations to keep British Columbia supplied with fuel when the Trans Mountain Pipeline shut down last fall. Tune in to hear about the biggest challenges they faced and important lessons learned.

## 2022 CANADIAN FUEL MARKETING CONFERENCE EARLY BIRD RATES IN EFFECT UNTIL MARCH 14

Montreal, Quebec  
April 11 – 13, 2022

For further information and to register click [here](#)  
Interested in learning about sponsorship opportunities?  
Contact Dana Telfer at [events@cemassociation.ca](mailto:events@cemassociation.ca)

## CEMA ON LINKEDIN

Follow [CEMA on LinkedIn](#) for the latest in energy policy, thought leadership, and content and event updates from membership and stakeholders.





# GOVERNMENT POLICY AND INDUSTRY HIGHLIGHTS

This update serves as a recap and reference point for our members regarding the latest policy impacts on the energy market as well as industry trends. We will continue to monitor and communicate any policy changes directly to members as they happen.

## CANADA

### **New report suggests path to phase out Canadian fossil subsidies by 2030**

The Canadian Institute for Climate Choices (CICC) has released a report called **Cutting to the Chase on Fossil Fuel Subsidies** that broadly assesses government spending and goes beyond the debate

over what does or does not constitute a subsidy. Rather than government trying to insulate affected industries from changing circumstances, the authors of this report argue that “impacted sectors and regions will ultimately be better off with strategies that help them prepare for, and thrive in, the emerging low-carbon economy.” Providing support for industries to adapt, adjust, and transition to new market realities is the only way forward, they argue.

### **Output-based pricing system proceeds fund: Decarbonization Incentive Program**

Applications for the Decarbonization Incentive Program (DIP) **opened on February 14** and will be accepted on a rolling basis for a minimum of two months. The fund is a merit-based program funded by proceeds collected from the Output-Based Pricing System (OBPS). The objectives of DIP are to incentivize long-term decarbonization of Canada’s industrial sectors and support Canada’s greenhouse gas emissions reduction goals. The program will support single or multi-year projects to accelerate the deployment of commercially available and/or proven low-carbon technologies and processes that will further reduce GHG emissions.



## Green hydrogen key to Canada becoming net carbon neutral

**Stephen Appleton, Canada Country Manager at Fortesque Future Industries, writes** that if Canada is serious about meeting its net-zero targets, a whole lot of energy innovation and imagination is urgently needed. To get there, he says we need to start by redefining our notion of energy and fully embrace a future-oriented definition of energy that includes all sorts of renewable and non-renewable sources. While a lot of the public and industry discussion on decarbonization revolves around hydro, wind, solar, and nuclear, it is Appleton's contention that this focus misses what is likely the biggest and most valuable part of the solution in Canada – green hydrogen.

## Business Council of Canada Submission: Priorities for Canada's 2030 emissions reduction plan

The Business Council of Canada has prepared a submission to the federal government in the hopes of catalyzing significant early progress toward meeting Canada's ambitious GHG reduction goal in 2030. The submission includes five key recommendations on what should be included in Canada's 2030 emissions reduction plan, with a focus on shaping a plan to net zero that benefits Canadians both economically and environmentally. They plan to release a follow-up report that will outline a more comprehensive set of policies and actions that they believe are necessary to ensure a successful long-term transition to a low-carbon economy. Read more [here](#).

## Energy transition must be managed in a 'thoughtful' way: Scotiabank President and CEO

In a fireside chat during McGill University's Desautels Faculty of Management's Achievement Awards ceremony this month, Scotiabank President and CEO Brian Porter underscored the importance of carefully planning and coordinating Canada's transition to a low-carbon future. Porter was being awarded a Lifetime Achievement Award. In his speech, he spoke about the need for reducing emissions "in a thoughtful way that doesn't penalize Canadian households or Canadian businesses," saying that "it's going to take all the intellectual resources in this country to get it right." View his full speech [here](#).

## Natural Resources Minister discusses Canada's low carbon initiatives

Presented by the Canadian Fuels Association and the Empire Club of Canada, Canada's Minister of Natural Resources Jonathan Wilkinson and Susannah Pierce, Shell Canada's Country Chair, spoke about the government's much-delayed plan to achieve net-zero during a virtual event on February 16. They discussed the vital role that lower-carbon fuels will play in the transportation sector, as well as how to increase the amount of investor certainty in Canada. Read more [here](#).

## Investments to help meet climate and net-zero emissions targets

Working in partnership with the Government of Canada and visionary companies, Sustainable Development Technology (SDTC) Canada is supporting entrepreneurs to unlock their potential to become world leaders and global champions in the development of sustainable solutions.

SDTC recently announced an investment of \$52.3 million in 16 ground-breaking Canadian companies. The recipients are boosting innovation across all regions of Canada and across several sectors of our economy. Read more about the Canadian entrepreneurs who will be supported by these investments [here](#).

# REGIONAL

## Western Region

In October 2021, an alliance of Canada's oilsands producers announced its "**Pathways to Net Zero initiative**," and it hopes the provincial and federal governments will help fund its steep bill (**about \$75 billion over 30 years**). Unfortunately, this initiative is nowhere close to best practices and is not going to help seriously reduce greenhouse gas (GHG) emissions, writes decarbonization consultant **Kyra Bell-Pasht for Policy Options magazine**.

**Advocates say** a 'renewable natural gas' boom is coming, as companies rush to turn waste into fuel. According to the World Biogas Association, organic waste from food production, food waste, farming, landfill and wastewater treatment account for about 25 per cent of human-caused global emissions of



methane, a harmful greenhouse gas. Vancouver-based EverGen Infrastructure Corp. is a renewable energy company that converts organic waste into a form of natural gas that has been the subject of a flurry of announcements by Canadian utility companies in recent months. EverGen was founded just two years ago and has already snapped up two organic waste processing facilities in B.C. with plans to pursue similar acquisitions in Alberta and Quebec.

## Central Region

A plan to convert Ontario's steel plants to using lower-carbon sources of energy **will result in a dramatic reduction in greenhouse gas emissions**. The three biggest industrial emitters of CO<sub>2</sub> in Ontario are all steel plants, with steel production alone accounting for more than 40 per cent of all industrial greenhouse gas emissions in the province. The latest step in what is being dubbed "green steel" is Doug Ford's announcement of a \$500-million provincial government contribution to ArcelorMittal Dofasco in Hamilton, the biggest producer of flat-rolled steel in the country and the single biggest industrial source of CO<sub>2</sub> emissions in Ontario. The plan is to convert Dofasco's coal-fired blast furnaces to electric-powered systems by 2028.

On Feb 17, Énergir released its second *Climate Resilience Report* and reaffirmed its ambition to be a proactive leader in the fight against climate change by aiming for net-zero emissions in its operations and in the energy it distributes by 2050. "In the face of the climate emergency, Énergir is undergoing a profound transformation in order to evolve from an energy distributor to a diversified energy company and a partner of choice in the fight against climate change," says Éric Lachance, President and CEO of Énergir. Read highlights from the report [here](#).

## Atlantic Region

econext, in partnership with the Maritimes Energy Association (MEA) and with support from the Atlantic Canada Opportunities Agency (ACOA), has released a report titled *Atlantic Canada's Green Potential – Jobs and Skills Toward Clean Growth*. The report helps define what a 'green job' means in the context of Atlantic Canada's economy and outlines why it is important for decision-makers to understand what the idea of a 'green job' means in the region. Read the full report [here](#).

A study commissioned by the provincial government and carried out by Dartmouth's **Centre for Ocean Ventures and Entrepreneurship** has found that Nova Scotia may enjoy a comparative advantage in the world of electric boats. The study, *Nova Scotia's Opportunity for Marine Electrification*, analyzed market conditions and input from industry players to assess the province's positioning in the marine vessel electrification market. The topics it examined included alternative fuels like hydrogen and ammonia, fuel cell technology, battery storage advancements and infrastructure and supply considerations.

# GLOBAL TRENDS

## Oil and gas facilities could profit from plugging methane links, IEA says

The International Energy Agency (IEA) published its **Global Methane Tracker** report this month, outlining key findings about the dramatic extent to which governments around the world have been underreporting their emissions of methane. Using satellites and other new data, the energy watchdog found emissions were about 70 per cent higher than national governments had suggested, showing the need for far greater monitoring, as well as efforts to staunch leaks. Methane is the main component of natural gas and is responsible for as much as 30 per cent of the rise in global temperatures to date. About 40 per cent of methane emissions come from the energy sector, mostly from leaky oil and gas wells and pipelines, or fracking operations. The IEA findings show that there are few excuses for countries to stall on plugging leaks, as the technology needed to eliminate leaks is widely available and cost-effective. Read more [here](#).

## Bluesource & Element markets are combining to form a global decarbonization platform backed by TPG Rise

Bluesource, LLC, the largest carbon credit developer in North America, and Element Markets, LLC, a leading renewable natural gas marketing and environmental commodities company, **today announced** that they are merging to form a combined entity under majority ownership by TPG Rise, a global impact investing platform managed by alternative asset firm TPG. Together, Element Markets and Bluesource will create the largest marketer and originator of carbon and environmental credits in



North America and one of the largest in the world. “Uniting Bluesource and Element Markets represents the realization of our shared vision to achieve a decarbonized future through quality, trust, and accountability in our environmental products and services,” said Angela Schwarz, CEO of the newly combined entity. “Environmental action cannot wait, and as a combined firm we are positioned as the global leader in driving integrated climate solutions for public and private organizations around the world.”

## Carbon pricing projections

Resources for the Future (RFF) will host an **event about the future of carbon pricing** on March 10 at 10:00 a.m. EST. A panel of experts will review the trends and trajectories in carbon pricing around the world. Speakers include Valentina Bosetti, a senior scientist at the RFF-CMCC European Institute on Economics and the Environment; Pam Kiely of Environmental Defense Fund; and Joseph Majkut of the Center for Strategic and International Studies. RFF’s Carbon Pricing Initiative director, Marc Hafstead, will moderate the event. RFF is an independent, nonprofit research institution in Washington, DC whose mission is to improve environmental, energy, and natural resource decisions through impartial economic research and policy engagement.

## Accelerating the climate transition: report

A **new Swedish research report** involving 39 researchers from various institutions concludes that neither technological nor economic barriers preclude Sweden from achieving its 2045 net-zero climate goal—and decarbonizing the economy to mitigate climate change is urgent. The Swedish research program that released the recent report, called **Mistra Carbon Exit**, has studied entire value chains to inventory the industrial transformation that’s required for the transportation, buildings, and construction sectors to reach zero emissions. Read a summary of the findings **here**.

## Russian reverberations in the Middle East

The Middle East Institute (MEI) is a non-partisan think tank providing expert policy analysis and the oldest Washington-based institution dedicated solely to the study of the Middle East. Their authors write that a large-scale conflict in Ukraine will significantly increase global energy prices, benefitting energy

exporters in the Middle East/North Africa by increasing the leverage and importance of the area’s energy producers, especially in the natural gas sector, as the West looks to reduce Europe’s energy dependence on Russia. You can read more of their thoughts on the impacts of the Russia-Ukraine conflict on the European and global order **here**.

## Renewable power policies in the Arab Gulf states

Arab Gulf states appear to be following a common template in responding to the global transition toward an energy system in which renewables play an increasingly central role. They are publicizing renewable energy **targets**, **decarbonizing** upstream and downstream oil and gas operations, commissioning renewable energy **projects**, and improving **energy efficiency**, among other strategies. Read more about renewable power policymaking in the Gulf **here**.

## U.S. EPA commits to increasing biofuel use, targets not yet finalized

The U.S. Environmental Protection Agency is committed to increasing the use of biofuels, an **agency official said on Tuesday**, but the industry is still anxiously awaiting the Biden administration to finalize specific blending goals. EPA’s Sarah Dunham, Director of the Office of Transportation and Air Quality, says that the Biden administration is open to using every tool to fight climate change in the transportation sector, which includes biofuels. Both oil refiners and corn-based ethanol producers are paying close attention to the agency’s planned sweeping decisions on the Renewable Fuel Standard, the nation’s biofuel blending law, which is due to enter a new phase at the end of the year.

## Recent effects of COVID-19 on alternative fuel trends worldwide

The COVID-19 pandemic has altered the landscape of alternative fuels around the globe. While trends in alternative fuels have varied for each country, the world as a whole experienced a shift towards renewable electricity generation and faced a decrease in ethanol production. Government programs are possibly one important factor if we expect post-pandemic progress, **write Raj Shah, Aaliyah Kaushal and David Philips on behalf of Koehler Instrument Company**.





# ADVOCACY CORNER

The Advocacy Corner will be featured in the newsletter on a monthly basis. We will continue to monitor and track all policy-related issues that matter to you, our members, in relation to Canada's 44th Parliament.

## A TOUGH TIME FOR LIBERAL AND CONSERVATIVE LEADERS

For the leaders of Canada's two main national political parties, the answer to their ongoing Wordle assignment is 'drama' (we'd have gone for 'crisis,' but it doesn't fit).

For Justin Trudeau, supply chain issues and raising inflation of 5.1 per cent, an increasingly hostile Russia threatening the invasion of Ukraine, and a protest-turned-occupation of the national capital have all called into further question his leadership abilities.

Don't count him out yet, though, as the younger Trudeau tactfully maneuvered his very own 'just watch me' moment, culminating in his orchestration of a confidence vote on the Emergencies Act, which passed on Monday, February 21.

Meanwhile, another electoral defeat at the hands of the Liberals and a continued struggle to find someone who can defeat Justin Trudeau has led the Conservatives, who came into the year poised for growth among more moderate Canadians, to oust leader Erin O'Toole.

O'Toole became the third Conservative Leader to take a walk in the snow at the hands of Justin Trudeau when he wedged himself between the progressive and more socially conservative elements of his caucus.

The result of his half-in, half-out approach to supporting and meeting with Convoy protestors was a civil war within caucus with the social conservative wing of the party, which is now led by Interim Leader Candice Bergen, emerging the victors.

Now, on to the substantive developments.



## Conservatives Reverse Course on the Carbon Tax

Among newly minted Conservative Interim Leader Candice Bergen's first actions was to reverse Erin O'Toole's policy in support of the federal carbon tax. She did so while noting that this is an issue that should be debated during the upcoming leadership race.

For its part, the Manitoba government has maintained that its focus is on working with the federal government to help meet Canada's pledges under the Glasgow Climate Pact.

Meanwhile, a group called **Conservatives for Clean Growth**, led by former Minister Lisa Raitt and strategist Ken Boessenkool, is lobbying leadership contestants to get serious on climate change. They argue the Party is more competitive with a credible, coherent climate plan.

## The Legislative Agenda

After a lengthy transition period, Ministers' Offices are taking shape, Parliamentary Committees have set their agendas, and government priorities are becoming clear. Let's unpack that a bit.

Minister of Natural Resources Jonathan Wilkinson has secured key policy staff, including:

- Claire Seaborn (Chief of Staff)
- Fiona Simons (Director of Policy, Clean Energy and Innovation)
- Randi Anderson (Director of Policy, Sustainable Resource Development)
- Blake Oliver (Senior Policy Advisor)
- Kyle Rosnick and Vincent Desmarais-Adam (Policy Advisors)

Environment and Climate Change Minister Steven Guilbeault has also identified senior members of his team, including:

- Dominic Cormier (Chief of Staff)
- Joana Dafoe (Director of Policy, Climate)

At committee, the Standing Committee on Natural Resources, Chaired by Liberal MP John Aldag, has **agreed to their priority list of studies**, which includes:

- A two-meeting study concerning the development and implementation of the Emissions Reduction Fund – Onshore Program (completed)
- An eight-meeting study of the government's proposal for a greenhouse gas emissions cap on the oil and gas sector (ongoing – four meetings remaining)

The Committee also agreed to table a report concerning its study on the Low-Carbon and Renewable Fuels Industry

in Canada, undertaken during the 2nd session of the 43rd Parliament.

The Standing Committee on Environment and Sustainability, Chaired by Liberal MP Francis Scarpaleggia, has **agreed to their priority list of studies**, which includes:

- A study on single-use plastics (ongoing at the discretion of the Chair)
- A study reviewing nuclear waste governance in Canada
- A study of the government's commitment to eliminate fossil fuel subsidies by 2023

The Committee also agreed to request the government to table a response to the Committee's report titled *The Road Ahead: Encouraging the Production and Purchase of Zero-emission Vehicles in Canada*, as tabled on April 13, 2021.

And finally, Government House Leader Mark Holland has signalled that Government Bills to combat online hate, to regulate foreign web giants and to better protect Canada's critical infrastructure are forthcoming, while a plan to acquire and distribute more COVID-19 rapid tests will be "first and foremost" among his government's priorities.

The government will be hard pressed to pass its legislative agenda alongside the federal budget. It appears this will be a marathon Session for a government that is facing battles on multiple fronts.



# 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

### [OIL RALLY COOLS AS U.S. SPARES RUSSIAN SUPPLIES FROM SANCTIONS](#)

Oil pared most of its gains February 24 after President Joe Biden said the U.S. was working with major consuming nations to coordinate a collective release from strategic petroleum reserves, while continuing to spare Russian supplies from sanctions. Futures in New York closed under \$93 a barrel and Brent slipped under \$100 a barrel after earlier soaring to as high as \$105.79 in the immediate aftermath of Russia's invasion of Ukraine.

### [BOOMING EV SALES CHALLENGE CRITICAL MINERAL SUPPLY CHAINS](#)

A supply chain vulnerability assessment for battery electric vehicles (EVs) shows the countries with the biggest EV sales are also the countries with some of the biggest supply chain vulnerabilities, the exception being China.

### [MERCEDES-BENZ FORESEES EV-ONLY PRODUCTION LINES WITHIN A FEW YEARS](#)

Mercedes-Benz expects to have factories producing exclusively electric vehicles (EVs) by the second half of the decade but will steer clear of building EV-only plants, instead keeping production lines flexible in line with market demand. The carmaker foresees some of its production lines within factories switching fully to electric even sooner, production chief Joerg Burzer said in an interview with Reuters.



## MAJOR DIESEL CHANGES TO BE MADE AS AUDI INTRODUCE 'ESSENTIAL' RENEWABLE FUEL

Audi is set to introduce a new renewable fuel which will be used in a number of their diesel vehicles as a way for the German brand to help cut emissions. The company has now approved many of its current six-cylinder diesel engines for use with the renewable fuel HVO - hydrotreated vegetable oil. HVO is a sustainable fuel that enables CO2 reductions of between 70 and 95 percent compared to fossil diesel.

## KEY EU LAWMAKER PROPOSES NEW WAY TO TAME CARBON PRICE SHOCKS

Lead lawmaker Peter Liese proposed on February 16 that the European Union should release some permits held in a carbon market reserve if the price of pollution surges above certain limits. Liese, a German member of the European Parliament, is seeking to strengthen a mechanism preventing excessive price growth as part of a sweeping reform of the EU Emissions Trading System.

## SINGAPORE HIKES CARBON PRICE, ANNOUNCES 2050 NET-ZERO TARGET

Singapore has announced a steep rise in the price heavy polluters must pay for carbon emissions, as it looks to set more ambitious climate targets in line with what scientists say is needed to battle global warming. It is also aiming to achieve net-zero carbon emissions "by or about" 2050.

## HYDROGEN POLICY TO CUT THE GREEN FUEL'S COST BY 50 PER CENT, CLAIMS INDIAN OIL

India's largest oil marketing firm Indian Oil Corporation (IOC) claims the country's newly announced green hydrogen policy will cut the cost of this clean fuel by up to 50 per cent. The IOC also says that this is a watershed moment in the country's energy transition. This policy would bring down costs of hydrogen adoption and increase its use, believes the IOC.

## STUDY: HYDROGEN FUEL-CELL OPPORTUNITY WINDOW HAS PASSED FOR CARS, DIMINISHED FOR TRUCKS

The author of a study from Fraunhofer Institute for Systems and Innovation Research, who claims to be free of competing interests, argues that improvements to the range and charging capability of battery-electric vehicles have cancelled out the main selling points of fuel-cell vehicles—long range and quick refueling times. Policymakers should now focus all efforts on promoting EVs, he argues.

### UNITED STATES

## U.S. CORN-BASED ETHANOL WORSE FOR THE CLIMATE THAN GASOLINE, STUDY FINDS

Corn-based ethanol, which for years has been mixed in huge quantities into gasoline sold at U.S. pumps, is likely a much bigger contributor to global warming than straight gasoline, according to a study published February 14. The study, published in the Proceedings of the National Academy of Sciences, contradicts previous research commissioned by the U.S. Department of Agriculture showing ethanol and other biofuels to be relatively green.

## VERTEX ENERGY SIGNS 5-YEAR RENEWABLE DIESEL SUPPLY CONTRACT WITH IDEMITSU

Vertex Energy said in a February 17 statement it has contracted 100% of the renewable diesel to be produced at its Mobile, Alabama, refinery to Idemitsu Apollo Renewable Corporation under an offtake agreement which will increase volumes of the low-carbon fuel heading to the lucrative California market.

## BIDEN ADMINISTRATION FREEZES NEW OIL AND GAS DRILLING LEASES AFTER COURT RULES AGAINST KEY CLIMATE TOOL

Earlier this month, US District Judge James Cain of the Western District of Louisiana issued an injunction preventing the Biden administration from using what's known as the "social cost of carbon" in decisions around oil and gas drilling on public land, or in rules governing fossil fuel emissions. In an appeal filed February 19, the Biden administration argued Cain's injunction necessitated a pause on all projects where the government was using a social-cost-of-carbon analysis in its decision-making.

## YALE STUDY: GAS CARS PRODUCE MORE SUPPLY CHAIN EMISSIONS THAN EVS

Electric vehicles offer a cleaner, lower-emission experience for consumers, but some skeptics have criticized the mining, manufacturing and charging practices necessary for their batteries as less clean than EV companies claim. However, a recently-published **study** shows how minuscule the lifespan emissions of EVs are, especially when compared to those of fossil fuel vehicles.

### CANADA

## ENERKEM RECEIVES \$5.5M FROM CRIN LOW EMISSION FUELS AND PRODUCTS TECHNOLOGY COMPETITION

Enkema, a world leader in the production of biofuels from waste materials, is proud to have received funding as part of the Clean Resource Innovation Network Low Emissions Fuels and Products Technology Competition for its Integration of Advanced Carbon Recycling Technologies to Produce Sustainable Drop-in Fuels in Canada. The organization has received a grant for \$5.5 million to validate a solution that can directly provide low-carbon fuel to the heavy transportation sector.

## OVER ONE IN 20 NEW CARS REGISTERED IN CANADA IN 2021 WERE EVS

London-based consultancy IHS Markit's year-end 2021 Automotive Insights report shows electric vehicle adoption in Canada is gathering steam, with electric vehicles — battery electric vehicles (BEVs), plus plug-in hybrid electric vehicles (PHEVs), hybrid electric vehicles (HEVs) and hydrogen fuel cell (FCEVs)— making up 11.8 per cent of all vehicle registrations in 2021, an impressive leap from 7.6 per cent in 2020.

## NRCAN PUTS \$4.6 MILLION INTO FUNDING ZEV ADOPTION, AWARENESS PROGRAMS ACROSS CANADA

Natural Resources Canada is continuing its efforts to promote zero-emission vehicle adoption and education by investing over \$4.6 million in funding support of ZEV awareness projects across Canada. The funding, which is coming from the federal **Zero-Emission Vehicle Awareness Initiative**, will be divided between 22 organizations.

### WESTERN REGION

## COST OF TRANS MOUNTAIN PIPELINE EXPANSION SOARS 70 PER CENT TO \$21.4 BILLION

The projected cost of the Trans Mountain Pipeline expansion has soared 70 per cent to \$21.4 billion, while its completion is delayed. The Crown corporation behind the massive project says the total cost has increased from its earlier estimate of \$12.6 billion. The company also says the project will not be completed until the third quarter of 2023. It was originally expected to be finished this year.

## 'NOT A RUNAWAY BOOM,' BUT A STEADY REVIVAL FOR DRILLERS AS OIL HEADS TO \$100

President and CEO Kevin Neveu of Precision Drilling says it looks like 2022 is going to be a strong recovery year, both for activity and for rates. Neveu expects customer demand for the second quarter to run 25 per cent above levels from a year ago.

## ALBERTA TO TOUGHEN OILSANDS EMISSIONS STANDARDS THAT REWARD BIG CANADIAN POLLUTERS

The province of Alberta will toughen its greenhouse gas emissions standards for oilsands mines, closing a loophole that rewarded some of Canada's highest-emitting facilities with millions of dollars worth of tradeable credits, its environment ministry told Reuters. Alberta is updating industry benchmarks that set emissions reduction requirements per unit of production for mines and upgraders.

## CANADA INVESTS IN ALBERTA EV CHARGERS

The Canadian government is investing \$2 million to help install up to 260 electric vehicle (EV) chargers across Alberta via its **Municipal Climate Change Action Centre**. The centre is to select recipients based on demand. EV chargers will then be installed in public places, on streets locations, at recreation centres and other municipal-owned facilities for charging light-duty vehicles.



## PRAIRIE REGION

### OILPATCH OPTIMISM HIGH IN SASK. AMID SURGING PRICES AT THE PUMP

While Saskatchewan's oil and gas sector stands to benefit from a recent surge in global oil prices, drivers are feeling the pain at the pump. Patrick De Haan, head of petroleum analysis at GasBuddy, said Canadian fuel prices are currently at or near record-highs as pandemic supply and demand begins to level out.

### MANITOBA LITHIUM COMPANY LOOKS TO BECOME CONTINENTAL EV BATTERY SUPPLY CHAIN PLAYER

Ahead of rapidly growing electric vehicle demand in the next decade, Winnipeg-based Snow Lake Resources Ltd. (doing business as Snow Lake Lithium) is courting North America's automotive industry with promises of a green, all-electric mining and refining operation offering a secure and local supply of lithium hydroxide. The company plans to begin mining and lithium production by 2025 at the latest.

## ONTARIO / QUÉBEC REGION

### ENVIRONMENTAL GROUP SAYS VIABLE ALTERNATIVES EXIST TO LINE 5 FOR ENERGY SUPPLIES TO ONTARIO, QUEBEC

A Canadian environmentalist group is challenging the idea that a shutdown of Enbridge's Line 5 pipeline would trigger an energy crisis and has commissioned an economic report that says viable alternatives exist to deliver the same petroleum supplies to Central Canada. Toronto-based Environmental Defence says Line 5 can be halted with little impact on Canadian consumers or the price of gasoline by increasing shipments through Line 78.

### NEW EV CHARGERS COMING TO ONTARIO HOSPITALS

On February 10, federal government representatives announced a \$165,000 investment in Halton Healthcare to install a total of 36 EV chargers at hospitals in Oakville, Milton and Georgetown, Ontario.

### FORD SAYS HE WILL 'LOOK INTO' GAS PRICE CUT, CALLS OUT CARBON TAX FOR NEGATING PREVIOUS SAVINGS

Ontario Premier Doug Ford said February 22 he will "look into" a long-promised gas tax cut while also calling out the carbon tax for negating previous savings his government tried to implement for drivers. In the 2018 provincial election, one of Ford's key promises was to lower gas prices by 10 cents per litre including the fuel tax cut and eliminating the cap-and-trade system, a move that was meant to lower prices by 4.3 cents.

### ULTRA-LOW OVERNIGHT ELECTRICITY PRICE PLAN COULD COME TO ONTARIO BY APRIL 2023

Ontario's Energy Minister Todd Smith is asking the Ontario Electricity Board to investigate the feasibility of a new, ultra-low overnight energy pricing structure, which could help support electric vehicle adoption. Incentivizing a shift of EV charging to off-peak hours could also increase grid efficiency and reduce emissions.

### BATTERY MANUFACTURING PROSPECTS IN WINDSOR GROW WITH NEW \$20-MILLION INNOVATION CENTRE

Windsor is hoping to become a player in the electric vehicle battery supply chain with the launch of a new battery research facility spearheaded by American global auto parts manufacturer and supplier Flex-N-Gate. The provincial government and Flex-N-Gate are investing \$1.5 million and \$18.5 million, respectively, to establish the Flex-Ion Battery Innovation Centre.

### ONTARIO INVESTING IN THE FUTURE OF EV BATTERIES

The Ontario government is investing \$250,000 to support the development of two new battery production lines at the Electra Battery Materials Corporation's future Battery Materials Park near Cobalt. The new production lines will be the first of their kind in Ontario and play a key part in supplying the demand for critical minerals that support the electric vehicle (EV) supply chain in North America.

## QUEBEC REQUIRES EIGHT-FOLD INCREASE IN EV CHARGING INFRASTRUCTURE TO MEET 2030 DEMAND, SAYS NEW ICCT REPORT

A new International Council on Clean Transportation (ICCT) study released February 11 says that while Quebec may be an advanced jurisdiction in electric vehicle charging infrastructure and adoption — currently it hosts 45 per cent of Canada's electric fleet — the province will still need at least an eight-fold increase in the number of EV chargers if it is to meet 2030 and 2035 targets set by the province and federally.

### ATLANTIC REGION

#### P.E.I. GOVERNMENT UNVEILS PLAN TO REDUCE GREENHOUSE GAS EMISSIONS

Last fall, the P.E.I. government announced its goal to reach “net-zero energy” by 2030 and “net-zero greenhouse gas emissions” by 2040. On February 17, the province **unveiled some priorities** for achieving those goals.

#### CARBON CHARGES ON FUEL IN N.B. ARE 600 PER CENT HIGHER THAN IN N.S. — AND RISING

Diesel prices in New Brunswick hit a record high February 11, 10 cents above what is allowed to be charged in Nova Scotia. That gap is caused by multiple factors, but most of it flows directly from a significant difference in carbon pricing between the two provinces. Ottawa hopes to end provincial pricing differences by 2023.

#### NDP PUSHES BACK ON BAY DU NORD AS DECISION ON FATE OF OFFSHORE PROJECT LOOMS

As a decision over the fate of a controversial oil project in Newfoundland's offshore looms, the provincial NDP is raising concerns over how the project squares with federal and provincial climate targets. The Bay du Nord development, located in the Flemish Pass some 500 kilometres east of St. John's, holds potential for 300 million barrels of oil and an estimated \$3.5 billion in federal revenues.

### NORTHERN REGION

#### NEW EV CHARGERS COMING TO THE YUKON

The Government of Canada is making it easier for Canadians to purchase, charge and drive electric vehicles (EV) in the Yukon and across the country. On February 17, the federal government announced an investment of \$595,000 towards a Government of Yukon \$1.5-million project to install 14 fast chargers in communities and remote locations, making inter-community EV transit possible across the Yukon. The chargers will be available by November 30, 2022.

#### AS YUKON ELECTRIFIES ITS HIGHWAYS, GNWT HAS NO PLANS FOR DEMPSTER

There may not yet be any electric vehicle charging stations along the Dempster Highway, but thanks to an ongoing greenhouse gas emission project by the Yukon government, they're getting closer. Just over two years after a small delegation presented the Yukon's vision for the northwestern road network in Inuvik, talks between the Northwest Territories, Alaskan and British Columbian government are underway to determine how to best operate the grid.

#### RENEWED INTEREST IN HYDROGEN AS A NORTHERN FUEL ALTERNATIVE

The NWT government is exploring whether hydrogen is ready to form a practical alternative to fossil fuels in the North. An online hydrogen workshop in January involved 35 people representing northern industry, non-profits, Indigenous organizations and academia.





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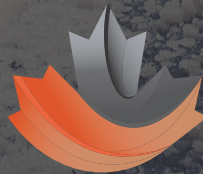




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