

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

March 2022

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MESSAGE FROM THE PRESIDENT

JENNIFER STEWART

MARCH GOVERNMENT POLICY AND INDUSTRY UPDATES

ADVOCACY CORNER

2022 CANADIAN FUEL MARKETING CONFERENCE

APRIL 11-13, 2022 MONTREAL, QUEBEC

SECTOR NEWS UPDATES



FULL MEMBERS



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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,

March has been a roller coaster of a month, thanks to unrest in Europe and a number of developments here at home. Since the Russian invasion of Ukraine at the end of February, all eyes have been on this largest military assault on a European state since World War II. The repercussions have been huge, not only for Ukrainians, but for countries around the world who are now dealing with an influx of refugees and the disruption of supply chains resulting in soaring gas prices.

Meanwhile in Canada, talks between CP and rail employees broke down and a strike began Sunday, March 19, causing fears of worsening commodities shortages. Industry groups, including CEMA, are calling on the Canadian government to end the dispute.

Then, in another historic development, the governing Liberals and the opposition New Democrats struck a “supply and confidence” agreement that could affect the kind of legislation Canadians can expect to see pass through Parliament between now and 2025. The parties will work together on key policy areas, including climate change. This includes commitments to phase out federal government support for the fossil fuel sector starting in 2022 and to find new ways to accelerate the trajectory to a net-zero economy.

Through it all, CEMA has been here, monitoring developments and advocating for our members’ interests. For example, we have drafted letters to federal ministers requesting a delay in the scheduled federal carbon tax increase and a quick resolution to the CP rail labour unrest.

I look forward to seeing many of you at the 2022 Canadian Fuel Marketing Conference in Montreal April 11-13. It is shaping up to be a fantastic weekend with an exciting slate of speakers and educational sessions – and what a pleasure it will be to network in person again!

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 4 ROAD CHATS COMING SOON

In this episode, CEMA President Jennifer Stewart talks to Janet Silver, Senior Director Advocacy and Communications at Syntax Strategic, about Ottawa's new emissions plan and what to expect when Finance Minister Chrystia Freeland tables her budget on April 7. Tune in to hear about what the government is hoping to achieve with this emissions plan -- and what it means for stakeholders and consumers. **Coming soon.**

2022 CANADIAN FUEL MARKETING CONFERENCE

Montreal, Quebec
April 11 – 13, 2022

Don't miss the biggest networking event in the Canadian fuel marketing industry, with its exciting and informative line-up of topics and speakers, plus exhibitors offering great ideas and innovation.

For further information and to register click [here](#)

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.

NATIONAL POLICY UPDATES

A distributed analysis of federal carbon pricing under a healthy environment and a healthy economy

The Parliamentary Budget Officer released a report that provides a distributional analysis of federal carbon pricing under the Government's A Healthy Environment and a Healthy Economy (HEHE) plan. Under the HEHE climate plan, the federal carbon levy

is set to rise by \$15 per year from \$50 per tonne in 2022 until it reaches \$170 per tonne in 2030. When losses in economic efficiency are added to the fiscal impacts of federal carbon pricing, the net carbon cost increases for all households in Ontario, Manitoba, Saskatchewan and Alberta. Read more highlights and access the full report [here](#). Read an analysis in the Globe & Mail [here](#).

Industry group responds to Stellantis and other electric vehicle battery supply chain announcements

Several Canadian Battery Task Force members have made statements in response to the recent series of electric vehicle battery supply chain developments in Canada. That includes a [recent announcement](#) that Stellantis and LG Energy Solutions, together with the federal, Ontario and Windsor governments, will invest over \$5 billion in Canada's first large-scale battery manufacturing plant. The Canadian Battery Task Force is an industry-led initiative created to deliver advice to Canadian governments on how to develop a domestic battery supply chain. Read their statements [here](#). Read a Globe & Mail article on the announcement [here](#).

NDP-Liberal deal fuels cautious optimism for climate file

A new agreement between the federal NDP and the Liberal government promises political stability until 2025, which will be key for climate action despite its

overwhelming commitments, **political scientists say**. The agreement references climate actions that will be prioritized, including **just transition** legislation, the creation of a Clean Jobs Training Centre to support workers, home energy-efficiency programs, a phaseout of public financing for the **fossil fuel** sector and “measures to achieve significant emissions reductions by 2030 compared to 2005 levels.”

Government of Canada launches call to action targeting industrial decarbonization of high-emitting sectors

The Government of Canada has already earmarked \$8 billion through the NZA to support the decarbonization of domestic high emitters, to drive the green transformation of Canadian industry, and to help develop clean technologies and a Canadian battery ecosystem. Building on this, the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry, **announced a call to action** to industry leaders, inviting them to put forward their most ambitious projects to help Canada meet its climate goals. Through this call to action, the government and private sector will work together to identify projects that will support the decarbonization of key sectors of Canada’s economy.

How industrial strategy can secure Canada’s future in a net-zero world

Canadian **researchers call** for a strategic, cross-sectoral approach to industrial transition now, based on Canada’s strengths and an assessment of likely opportunities in the decarbonizing global economy. A recent report published by **Smart Prosperity Institute**, the **Pacific Institute for Climate Solutions (PICS)**, and **The Transition Accelerator** suggests that Canada needs to develop clean competitiveness roadmaps for key sectors that map out strategic approaches to meet emissions reductions targets and ensure Canadian competitiveness in the decarbonizing global economy.

Retraining workers will be essential for our net-zero goals

As Canada’s stated targets for **net-zero emissions by 2050** become more ambitious, policy-makers need to focus on preparing workers to meet the needs of a growing clean economy. Recent and forthcoming economic modelling suggests that Canada’s workforce lacks the skills to tackle the next phase of Canada’s transition to net zero. A forthcoming

report Jobs and Skills in the Transition to a Net-Zero Economy from the Smart Prosperity Institute (SPI), the Diversity Institute and Future Skills Centre (FSC) outlines three labour market scenarios in Canada’s transition, ranging from efforts through aggressive carbon capture to transitioning energy sources. Read more about the challenges related to the scale and pace of the transition **here**.

Experts push for aggressive decarbonization to reach net zero

This month, the **Public Policy Forum** and **McCarthy Tétrault LLP** released the **Leadership Blueprint**, an energy transition strategy to meet Canada’s climate goals. Built from two years of engagement with environmental, business and Indigenous stakeholders, the Blueprint concludes an aggressive decarbonization strategy is the most pragmatic route to net zero in the energy production sector. The report argues that aggressive decarbonization avoids the price shocks or energy shortages seen in places like Germany, where energy systems have been phased down before new ones are firmly established. While encouraging progress has been made on renewable technologies, the report notes they are not yet ready to provide dependable base power, nor do they have the energy intensity required for critical industries such as steelmaking. Read a summary **here**.

Canada to fund Westinghouse microreactor technology

The Canadian government **has announced** an investment of \$27.2 million in Westinghouse Electric Canada to support the development of the company’s eVinci microreactor technology. François-Philippe Champagne, Canada’s minister of Innovation, Science, and Industry, made the announcement on March 17 during a visit to the company’s Burlington, Ontario, facility. The investment is being made through the Strategic Innovation Fund’s Net Zero Accelerator initiative, a program designed to attract and support high-quality business investments that support Canada’s goal of net-zero emissions by 2050, according to a government news release.

Reimagining Canada’s role in global energy security: practical considerations for a low-carbon transition

A new paper by Jeff Kucharski and Heather Exner-Pirot at the MacDonald-Laurier Institute examines

how Canada's ability to emerge as a global energy provider has been restricted. They argue that Canada has the capacity to play a role in ensuring the energy transition occurs in a way that does not create unnecessary economic hardship, foment inequality and civil unrest, or threaten global energy security. Read the [Executive Summary](#) of the paper here.

New federal Clean Fuel Standard headed in the wrong direction

Researchers and cleantech industry leaders are saying that the Clean Fuel Standard should be a market driver for non-fossil fuels but, if adopted as written, it would act as a de facto subsidy for the fossil fuel sector. If the CFS is to deliver climate and cleantech investment successes, it needs higher ambition and tighter rules, they say. It should emulate similar successfully road-tested regulations in place around the world. They recommend two straightforward amendments that will achieve a successful fuel standard, which you can [read more about here](#).

Sky-high gas prices are pushing Canadians to consider electric vehicles

Sixty-one per cent of Canadians say rising gas prices and oil supply challenges have convinced them that it is time to buy an EV, [according to a recent KPMG survey](#), with 51 per cent of respondents saying they will never buy a gas-powered vehicle again. Joanna Kyriazis, program manager of clean transportation for Clean Energy Canada at Simon Fraser University, says EV drivers can insulate their wallets from geopolitically driven fossil fuel price swings such as what we're seeing as a result of the war in Ukraine. While the high price of EVs remains a concern for consumers, Kyriazis says that prices are likely to come down as manufacturing capacity grows. Read the story [here](#).

PROVINCIAL & TERRITORIAL POLICY TRENDS

Western Region

Opinion: Alberta's sunny little secret

According to Rystad Energy, a European analytics

firm, Alberta's renewable capacity was 0.1 gigawatt (GW) of solar in 2020 and is expected to [grow to 1.8GW by 2025](#). That's over 10 per cent of the roughly 16GW of total generating capacity installed today. Felix Tan, an analyst at Rystad Energy, forecasts that Alberta will have the largest combined total of utility-scale wind and solar capacity in the country by the middle of the decade.

B.C. investing in hydrogen energy solutions as it looks to the future

A [recent study](#) commissioned by the B.C. government, FortisBC, and BC Bioenergy Network explored the potential production of renewable and low-carbon gases using solely B.C. resources by 2030, and highlighted the importance of this to meet the greenhouse gas emission reduction targets. About 70 per cent of British Columbia's energy demand is met through natural gas and refined petroleum products like gasoline and diesel. The industrial sector in B.C. has the [highest demand](#) for energy, accounting for about 47 per cent of the demand, followed by transportation at 28 per cent. The province's electricity is 98 per cent clean or renewable, and while plans to electrify the province's energy supply are underway, it's not a practical option for the heavy-duty transportation or high-grade industrial heating sectors that depend on fossil fuels. For these sectors, the provincial government has been supporting B.C.-based companies interested in exploring hydrogen as a fuel alternative, with plans to expand the fuel source to the general market. Read the full story [here](#).

Alberta: hydrogen coming fast and here to stay, city officials say

A [report](#) into the potential for southeast Alberta to become a hydrogen production hub is due soon, but a council committee March 15 was apprised of a high-level overview of the rapidly advancing sector. The utility and infrastructure division heard a presentation from top administrators which was recently provided to a group of Alberta engineers and geophysicists on the subject of the region's potential. The report comes six months after the city of Medicine Hat announced a "hydrogen hub" strategy would be a pillar of their economic development strategy.

Central Canada

Ontario putting \$91M toward electric vehicle chargers at rest stops, parks

It's been three years since Ontario Premier Doug Ford scrapped electric vehicle rebates, stopped building provincially funded charging stations, and dropped a requirement for new homes to include wiring for potential EV chargers. Recently, he has been pitching Ontario as ideally positioned to produce electric vehicles, with his auto strategy aiming to build at least 400,000 electric vehicles and hybrids in the province by 2030, and establish a battery production facility. His **recent announcement of \$91M** towards installing electric vehicle chargers at highway rest stops, carpool parking lots, parks and hockey arenas is the first time the Progressive Conservative government has funded charging stations for electric vehicles.

Ivy, ONroute and Canadian Tire make it easy to charge your next road trip

Electric vehicle (EV) drivers can now charge at 10 ONroute locations along Highways 401 and 400. Ivy Charging Network, ONroute and their partners, Canadian Tire Corporation (CTC) and the Ministry of Transportation (MTO) **announced the opening** of four Charge & Go EV fast-charging stations March 18.

Atlantic Canada

Move to renewable energy sources on target, N.S. bureaucrats say

Nova Scotia is on its way to supplying 80 per cent of the province's electricity needs with renewable energy by 2030, **a legislative committee was told March 22**. "Just a decade ago, 80 per cent of our electricity came from coal and heavy carbon fuels," Karen Gatien, deputy minister of the Natural Resources and Renewables Department, told the standing committee on natural resources and economic development. "By the end of the calendar year, this will have fallen to about 30 per cent." Gatien said meeting the commitment of 80 per cent renewables by 2030 will require continued collaboration with government's partners. She said the next two years will see the government invest nearly \$120 million in programs that reduce emissions and fight climate change.

Northern Canada

Researchers try packing down snow to preserve permafrost in N.W.T.

Alice Wilson, a permafrost scientist with the N.W.T. Geological Survey, is **leading an experiment** that compacts snow along the Inuvik-Tuktoyaktuk Highway. If it proves effective at keeping permafrost cold and more stable, she said the idea could be used to combat the effects of thawing permafrost on roads and infrastructure.

Yukon environment groups want more transparency about carbon emissions

Five local environmental groups are **urging the Yukon government** to be more accountable and transparent when it comes to greenhouse gas emissions. The groups – Canadian Parks and Wilderness Society (Yukon Chapter), Yukoners Concerned, Yukon Conservation Society, Raven Recycling and ForTheirFutureYukon – filed a petition that was read in the Legislative Assembly March 22 by NDP MLA Emily Tredger. The petition asks the territorial government to create a policy that forces "complete analysis of multi-phase GHG (greenhouse gas) emissions" to be conducted by qualified independent third parties on infrastructure and development projects worth more than \$500,000. The petition also calls for the results to be made public.

'At the mercy of the market': will oil price spikes have a lasting effect in N.W.T.?

In the Northwest Territories Legislative Assembly on March 11, Tu Nedhé-Wiilideh MLA Richard Edjericon **said communities need relief** from the territory's fuel tax and from inflation, which has reached its highest since 1991. He asked whether the Northwest Territories government would consider a pause on its fuel tax, in line with the Government of Alberta's announcement the previous week that it would **pause collection of 13 cents per litre** of provincial fuel tax by April 1.

Yukon government mapping all flood-prone areas, minister says

The Yukon government is mapping areas that were hit hard by record-setting floods last year, **according to officials**. Last summer, rapid snowmelt caused serious flooding, eventually spurring the territorial government

to declare a state of emergency for the Southern Lakes and Lake Laberge areas. Some Yukoners were forced from their homes and the Canadian military was posted in the territory for months to help shore up lakefront properties. Community Services Minister Richard Mostyn told reporters the territorial government has learned from the event, and mapping floodplains is an example of that.

GLOBAL RESEARCH TRENDS

Once the epicentre of the oilpatch, Texas now humming with wind and solar power

One year after the fatal failure of the Texas electric grid sparked a backlash against clean power, the growth of its renewable energy sector hasn't slowed down. Texas is already the top wind power producer in the United States and is on pace to **become** number 1 in solar electricity in a few years. Wind power now accounts for 21 per cent of the state's electricity production. Read more [here](#).

IEA sees Russia crisis accelerating transition to clean energy

The upheaval in oil and gas markets triggered by Russia's invasion of Ukraine could accelerate the world's transition away from fossil fuels, **says the International Energy Agency**. As Western nations look for ways to quickly wean themselves off Russian energy exports, and consumers' appetite for oil is impacted by surging prices, the IEA has cut its estimate for demand this year by about 1 million barrels a day. If this forecast holds, the world will once again fail to match the pre-pandemic record for annual average consumption of 100.4 million barrels a day set in 2019.

How electric freight is picking up speed around the world

Widespread electrification of road freight is within reach due to significant policy advancements supported by **Drive Electric** partners. The actions that are driving this shift to zero-emission freight include smart government policies, growing business leadership, and expanding regional and international coalitions dedicated to a cleaner

freight future. At the United Nations Climate Change Conference in October 2021, Drive Electric partner **Drive to Zero** kicked off a global Memorandum of Understanding to raise ambition to reach 100 per cent zero-emission medium- and heavy-duty sales between 2040 and 2050. By the end of 2021, the MOU had already helped more than a dozen countries and sub-national governments commit to a zero-emission future, accounting for 9 per cent of the global commercial sales of freight trucks. Read more [here](#).

The SEC wants companies to disclose how climate change is affecting them

Every year, public companies in the U.S. are required to provide investors and regulators with detailed data about their financial performance and the risks they face. Soon, they may also have to disclose information about how they are dealing with climate change. The U.S. Securities and Exchange Commission on March 21 formally proposed new rules that would for the first time require businesses to report their greenhouse gas emissions, along with details of how climate change is affecting their businesses. Read more [here](#).

IPCC scientists to examine carbon removal in key report

UN scientists are **set to release** a study on April 4 that will examine the technology to remove CO₂ from the atmosphere. This new study will be the third of three important reports from the IPCC issued over the past eight months. The previous two have looked at the causes and impacts of climate change, but this one will focus on mitigating the impact of warming gases emitted from human activities with a focus on types of carbon removal technologies. Read a summary of what is expected in the IPCC's report [here](#).

OPEC chief, African ministers defend oil and gas investments

The OPEC chief and ministers from major African oil-producing countries defended investments in fossil fuels **during an energy conference in Nigeria**, saying Africa's development needs were being overlooked in the global drive towards decarbonisation. Africa accounts for less than 3 per cent of global carbon emissions while some 600 million Africans have no access to electricity, they said, arguing that

investments in the continent's natural resources should go forward.

AfricaGoGreen Fund receives over \$30 million investments

The African Development Bank and the Bank's Sustainable Energy Fund for Africa (SEFA) have approved a combined-equity investment of \$20 million in the **AfricaGoGreen Fund**, a debt fund established to promote private investments in energy-efficient technologies and business models, with the objective of decarbonising African economies and accelerating the energy transition. These new investments come on top of an \$11.5-million equity contribution approved by the **Nordic Development Fund** (NDF) in December 2021.

Banks in Asia are 'falling short' on decarbonization efforts, study suggests

According to a **new study** by Asia Research & Engagement (ERA) that reviewed 32 banks throughout East and Southeast Asia, none had made any clear commitments or adequate implementation plans to meet the goals of the Paris climate agreement. The banks have been quick to launch green financial products, but they have lagged when it comes to cleaning up their existing products and carrying out policies required to divert capital away from carbon-intensive industries, the study said. Of the 32 banks in major economies like China, Japan, South Korea, Singapore and Indonesia, only nine had long-term net-zero commitments for the emissions they finance, while only 13 had policies prohibiting the financing of new coal-fired power.

Study: Australia has the power to drastically lower emissions in the Asia-Pacific region

Australia could drastically lower carbon emissions in the Asia-Pacific region by exporting zero-carbon commodities, **according to new research** at the Australian National University (ANU). Head of the Arndt-Corden Department of Economics, Crawford School of Public Policy at ANU, Paul Burke said the research quantified the energy, land and water requirements of a zero-carbon export model for Australia. Professor Burke, who is also lead author of the study, said Australia could reduce

the Asia-Pacific region's greenhouse gas emissions by about 8.6 per cent if the current level of key commodity exports, such as thermal coal, liquefied natural gas, iron ore, bauxite and alumina, were replaced by green alternatives. He said to do so would require about two per cent of Australia's land area for solar and wind farms.

Towards climate-neutral industry in the EU

In early March, the School of Transnational Governance's (STG) Climate Team **convened with a range of stakeholders** at the European University Institute's (EUI) Badia Fiesolana to explore how industry in the EU can move towards a carbon-neutral future. The starting point of the discussions was climate-neutral materials, which are essential for achieving EU and global climate targets. Moreover, the use of climate-neutral materials technologies represents an economic opportunity for European industry as it provides access to a growing market for green steel, chemicals and cement. During the two-day event, participants identified tools to support the large-scale deployment of new climate-neutral materials.



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, as Canada's 44th Parliament continues.

COALITIONS ARE SO 2008

Justin Trudeau has been busy solidifying his hold on governing, and perhaps on his own party.

Indeed, Trudeau and NDP Leader Jagmeet Singh sent shockwaves through the Ottawa bubble by announcing Delivering for Canadians Now, A Supply and Confidence Agreement. From a practical perspective, the supply and confidence agreement offers a level of stability and predictability to the government, which is good for stakeholders, who can now plan accordingly for the next three years.

From a political perspective, the Liberals and NDP may have a difficult time winning the war on semantics, as the Conservatives will continue to condemn this as 'backroom socialism' and an 'NDP-Liberal Coalition Majority,' and they'll make millions in grassroots donations doing so.

What Do We Know of the Deal?

It will be up to the Liberals to take demonstrable action on the policy priorities outlined in the deal to keep the support of the NDP, who will also have a guiding hand in setting the government agenda over the next three years, through guaranteed:

- quarterly meetings of the party leaders;
- regular meetings of the respective House leaders and party whips; and
- monthly meetings of an oversight group to be comprised of staff and politicians from both parties.

The key detail here is the oversight group which will discuss overall progress, upcoming issues, and "other possible shared priorities," making NDP leadership more important in federal lobbying endeavours as they will have increased influence in government planning.

The seven priority policy areas that will guide the agreement include:

1. delivering a better healthcare system;
2. making life more affordable;
3. tackling the climate crisis and creating good paying jobs;
4. creating a better deal for workers;
5. continuing the path to Indigenous reconciliation;
6. establishing a fairer tax system; and
7. making democracy work for people.

Specific to climate and energy, the Liberals have promised to achieve significant emissions reductions by 2030 and identify ways to accelerate the trajectory to achieve net-zero emissions no later than 2050; bring forward “Just Transition” legislation; and develop a phase-out plan for public financing of the fossil fuel sector.

Knives Out

The Conservative leadership race continues to fill out – former Liberal-turned-Conservative MP Leonna Alleslev is expected to officially join Pierre Poilievre, Jean Charest, Patrick Brown, Leslyn Lewis, Marc Dalton, Roman Barber, and Scott Aitchison in officially seeking the leadership – but the story remains how nasty the race has been. From the get-go, the candidates have attacked each other on everything from the niqab ban, to their conservative-ness, to the carbon tax.

Speaking of the carbon tax, Patrick Brown has come out publicly to reverse his previous (Ontario) Conservative Leadership position in support of the carbon tax, blaming that episode on an overly zealous advisor, while Jean Charest has reiterated his support for the carbon tax (though he assures that under his leadership, a carbon tax would not discriminate against rural Canadians or be a wealth transfer tax).

Energy Production and the Carbon Tax

The Parliamentary Budget Officer posted its new report, ***A Distributional Analysis of Federal Carbon Pricing Under a Healthy Environment and a Healthy Economy***, the key takeaway being that most households in jurisdictions with the backstop – Ontario, Manitoba, Saskatchewan and Alberta – will see a net loss resulting from federal carbon pricing by 2030.

Meanwhile, MPs have been busy debating and rejecting an Opposition Motion to offer tax relief to consumers on the price of gasoline (Conservative) and may yet debate another that would create a new Crown Corporation to accelerate the energy transition (NDP). Conservative MP Ben Lobb’s Private Member’s Bill to create an exemption from the carbon tax for natural gas and propane used for farming purposes was debated at second reading.

Minister of Natural Resources Jonathan Wilkinson met with his international counterparts in Europe, discussing ideas for how Canada can help Europe deal with a short-term oil and gas crunch, but a lack of export terminals for oil and gas could complicate those ambitions. Nonetheless, Wilkinson is adamant that Canadian production of oil and natural gas will increase by 200,000 and 100,00 barrels per day, respectively, by the end of the year.

Geopolitics and the Federal Budget

We would be remiss not to mention the Russian invasion of Ukraine. Canadians have been watching coverage of the invasion intently, and they’ve been swift in offering support to the people of Ukraine – both financial and otherwise. The government, too, has stepped up with support, including through the provision of armaments, financial aid, humanitarian aid, and special immigration measures. We stand with Ukrainians and encourage all others to do what they can, whether that’s chipping in to the **Red Cross**, **UNHCR**, or **Canada-Ukraine Foundation’s** donation-matching campaigns.

Here at home, rising inflation, supply chain disruptions, and global instability have put increased pressure on the federal budget, which government sources are assuring will be prudent in its approach to new spending, but the Russia-Ukraine war has led many senior cabinet ministers and Trudeau himself, suggesting big-ticket spending for the Department of Defence on budget day.

We anticipate the federal budget will be tabled on April 5 or 6, allowing the government to capitalize on a two-week break in the House of Commons to promote and sell their plans to Canadians, but recent events may force the government to wait until late April to table its budget.

Whatever comes of it, we should have the budget details next time.

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

CANADA, U.K., U.S. MUST CUT OIL AND GAS 76% BY 2030 TO KEEP 1.5 DEGREES ALIVE, NEW ANALYSIS FINDS

Canada is one of 19 oil and gas-producing countries that must reduce production by three-quarters this decade and phase it out completely by 2034 to keep a 1.5°C climate future within sight, while allowing less wealthy, more fossil-dependent economies more time to catch up, according to a new [analysis](#) released this week.

GULF WIDENS BETWEEN FOSSIL FUELS, TRANSITION TO RENEWABLE ENERGY

The current energy crisis – marked by high oil, gasoline and natural gas prices – underscores the urgency of moving away from fossil fuel dependency while at the same time highlighting just how important fossil fuels still are to energy security and the global economy.

RENEWABLE FUELS CAN REPLACE UP TO 70% OF RUSSIAN CRUDE OIL IMPORTS BY 2030: eFUEL ALLIANCE

How can the European energy dilemma of high energy import dependency from Russia on the one hand and ambitious climate targets on the other be overcome in the current crisis? What role do hydrogen and renewable fuels play in this? In a [detailed paper](#), the eFuel Alliance has outlined possible solutions.

GERMAN FINANCE MINISTER OPEN TO NEW OIL, GAS DRILLING IN NORTH SEA

Germany should rethink its ban on allowing new drilling for oil and gas in the North Sea as it tries to reduce its dependence on Russian energy due to the invasion of Ukraine, Finance Minister Christian Lindner said on March 13.

NORWAY PLANS TO EXPAND ARCTIC OIL AND GAS DRILLING IN NEW LICENSING ROUND

Norway will offer new licenses to drill for oil and gas in its oceans, including previously unexplored acreage in the Arctic, the government said on March 17, welcome news to Western nations keen to reduce their dependence on Russia.

BRUNEI HOPES TO BOOST OIL AND GAS PRODUCTION AFTER NEW DISCOVERY

Brunei plans to boost production of oil and gas following the discovery of 42 million barrels of oil equivalent last year, according to energy minister Mat Suny bin Mohd Hussein. The country is banking on new finds to reverse an expected decline in upstream output.

FINLAND TO POWER TRANSPORT FUEL FROM MANURE, OTHER BY-PRODUCTS

Finnish dairy producer Valio and energy company St1 are launching a biogas plant to produce renewable transport fuel in an effort to find new energy sources and improve the country's self-sufficiency. The first plant will start production in 2026, with seven to 10 more coming by 2030.

INDIA TO KICK-START MAKING FLEX-FUEL VEHICLES WITHIN 6 MONTHS

India's Minister for Roads and Highways stated at a recent event that automobile companies will start manufacturing flex-fuel variants within six months. Flexible fuel is an alternative fuel that combines regular gasoline and methanol or ethanol.

U.S. AUTOMAKER FORD DOUBLES DOWN ON ELECTRIC PUSH IN EUROPE

U.S. car maker Ford on March 14 unveiled plans for seven new electric models in Europe, a battery-assembly site in Germany and a nickel cell manufacturing joint venture in Turkey as part of a major electric vehicle push on the continent.

HUAWEI'S NEXT-GEN EV CHARGING TECHNOLOGY CAN ADD 200 KM IN 5 MINUTES: EXECUTIVE

Huawei is planning to introduce an in-car battery system with fast-charging capabilities that can add up to 200 kilometres of range to an electric vehicle in five minutes, according to Wang Chao, a business leader at the company. It is expected to debut in the next few years.

CHINA SETS GREEN HYDROGEN TARGET FOR 2025, EYES WIDESPREAD USE

China's top economic planner on March 23 announced a target to produce up to 200,000 tonnes per year of carbon-free green hydrogen by 2025 while envisioning a more widespread industry over the longer term. China aims to have about 50,000 hydrogen-fuelled vehicles by 2025.

AUSTRALIAN RESEARCHERS CLAIM 'GIANT LEAP' TO PRODUCE AFFORDABLE RENEWABLE HYDROGEN

Hysata, a company using technology developed at the University of Wollongong, Australia, said its patented capillary-fed electrolysis cells achieve 95 per cent efficiency as compared to the 75 per cent efficiency achieved by current technology.

UNITED STATES

U.S. DRILLERS ADD OIL AND GAS RIGS FOR NINTH TIME IN 10 WEEKS

U.S. energy firms added oil and natural gas rigs for the ninth time in 10 weeks after Russia's invasion of Ukraine drove crude prices to their highest since 2008. The oil and gas rig count, an early indicator of future output, rose 13 to 663 in the week to March 11, its highest since April 2020.

PETROLEUM AND NATURAL GAS ARE THE MOST-USED FUELS IN THE UNITED STATES THROUGH 2050

The U.S. Energy Information Administration's **Annual Energy Outlook 2022** projects that U.S. energy consumption will grow through 2050, primarily driven by population and economic growth. In this case, which reflects only current laws and regulations, renewable energy is the fastest-growing energy source through 2050, and petroleum remains the largest share of energy consumption throughout that period.

RENEWABLE DIESEL TO OUTSTRIP SUPPLY OF BIODIESEL IN US

The US Energy Information Administration projects that renewable diesel supply will increase to 130,000 barrels per day (b/d) in 2022 and 145,000 b/d in 2050, reflecting a significant increase in renewable diesel production capacity. Renewable diesel is chemically indistinguishable from petroleum diesel, meaning that it meets specifications for use in existing infrastructure and diesel engines and is not subject to any blending limitations.

JPMORGAN CEO: U.S. ENERGY INDUSTRY NEEDS 'MARSHALL PLAN'

The U.S. oil and gas industry needs a "Marshall plan" to boost gas production, according to the chief executive of JP Morgan, Jamie Dimon. The recommendation comes as the federal government demonstrates confidence that U.S. oil companies will increase output by the end of the year. For this to happen, judging by Dimon's words, the administration will need to provide the energy industry with more support.

VOLVO AND CHARGEPOINT WILL BUILD EV CHARGING STATIONS AT STARBUCKS IN 5 STATES

Volvo is teaming up with ChargePoint to build a network of EV chargers at Starbucks locations across five US states. The companies plan on installing 15 DC fast charging stations at Starbucks along a 1,350-mile route that stretches from Seattle to Denver. Each station will feature four plugs for a total of 60 chargers.

VW'S ELECTRIFY AMERICA UNVEILS NEW 'HUMAN-CENTERED' EV CHARGING STATIONS

Electrify America, the electric vehicle charging company that's a subsidiary of Volkswagen, announced plans to install new "human-centered" charging stations in several cities in California and New York, complete with solar panel awnings and a lounge-like waiting area. The new multi-charger stations will be installed throughout 2022 and 2023.

USPS DOUBLES EV SHARE OF FUTURE DELIVERY FLEET TO 10,019 VEHICLES

The US Postal Service has placed its initial order for 50,000 units of the Next Generation Delivery Vehicle made by Oshkosh Defense in a deal that's worth \$2.98 billion. A minimum of 10,019 vehicles (roughly 20%) of the first order will be battery electric vehicles, double the earlier targeted EV fleet.

NEXT HYDROGEN SIGNS AGREEMENT TO PROPOSE A US NORTHEAST HYDROGEN HUB

Next Hydrogen Corporation has signed a memorandum of understanding with the New York State Energy Research and Development Authority and 40 hydrogen ecosystem partners to work together to advance a vision that enables a long-term sustainable clean hydrogen industry in the Northeast region. This includes developing a proposal to become a regional clean hydrogen hub.

CANADA

CP RAIL SHUTDOWN RAISES CONCERNS FOR ALREADY CONSTRAINED CANADIAN OIL AND GAS INDUSTRY

Canada's oil and natural gas producers are closely monitoring an ongoing shutdown of railway operations that began Sunday, March 20, voicing unease that any prolonged work stoppage could limit Canada's ability to get more oil to market.

CANADA TO BOOST ENERGY EXPORTS TO U.S. TO AID IN SUPPLY CRISIS TRIGGERED BY RUSSIA'S WAR IN UKRAINE

By the end of 2022, Canadian producers will be positioned to export an extra 200,000 barrels a day of oil to the U.S., Natural Resources Minister Jonathan Wilkinson said on March 24. The increase is intended to free up oil and gas supplies in the U.S. so it can in turn reroute fuel to the European Union, which relies on Russia for roughly one third of the oil it consumes.

RENEWABLE DIESEL SECTOR FACES A WALL

The renewable diesel industry has a looming feedstock problem, says an analyst. The Energy Information Administration is forecasting 11 to 19 billion litres of renewable diesel capacity in the United States by 2024, up from 3.8 billion litres today. Unfortunately, that won't provide nearly enough feedstock to meet the new source of demand for fats and oils.

CANADIAN COALITION FORMS TO NAVIGATE THE "ROAD TO 2035"

Three Canadian automotive industry associations have formed a coalition to launch a new campaign initiative, the Road to 2035, to help Canadians understand what it will take to meet its national zero-emissions vehicle (ZEVs) sales targets. The group's agenda focuses on the investments and regulations needed to reach 50 per cent ZEV sales by 2030 and 100 per cent by 2035.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS CALLS ON GOVERNMENT TO FREEZE CARBON TAX

The price of fuel has become the biggest cost concern for 64 per cent of small businesses, according to the latest Canadian Federation of Independent Business (CFIB) Business Barometer. CFIB is calling on the federal government to freeze the carbon tax, which is set to increase on April 1, to avoid exacerbating the situation at a time when many small businesses can't absorb any more cost increases.

POLESTAR BEGINS DELIVERIES OF LOWER-PRICE, SINGLE-MOTOR POLESTAR 2 IN CANADA

At \$49,900, Polestar's newest offering is ineligible for the current federal rebate, but with an estimated range of about 430 kilometres, it is cheaper, goes farther and has the same standard features as the high-performance dual-motor model.

THE HYDROGEN STREAM: NEW FUEL CELL ELECTRIC VEHICLE FROM CANADA

Vancouver-based zero-emission vehicle company **First Hydrogen** says it will start testing its first demonstrator fuel cell electric vehicle (FCEV) in June and is on track begin selling it in September, 2022.

WESTERN REGION

FEDERAL LIBERAL-NDP ALLIANCE RECEIVES WARY RECEPTION IN ALBERTA'S ENERGY SECTOR

While news of an alliance between Justin Trudeau's Liberal government and the New Democratic Party has riled political partisans, the move has largely been greeted with a wary shrug in Canada's oil and gas sector, where proponents say they're looking for stability and certainty when it comes to energy policy.

AMID GLOBAL ENERGY CRISIS, LABOUR SHORTAGE CONSTRAINS GROWTH OF CANADIAN OILPATCH

Labour shortages in Canada's oil and gas industry could curb its ability to quickly step in to fill a gap in supply left in the wake of U.S. sanctions against Russia, industry insiders say. The sector has been struggling with a lack of workers since last year.

ROAM TRANSIT, PARKS CANADA FUNDING AGREEMENT TO PURCHASE ELECTRIC BUSES

A five-year agreement between Bow Valley Regional Transit Services Commission, which operates Roam Transit, and Parks Canada will allow the transit provider to purchase electric buses in a move to reduce personal car use in Banff National Park.

BC HYDRO ADDS NEW ELECTRIC VEHICLE CHARGING STATIONS IN NORTHERN B.C.

BC Hydro has added new electric vehicle fast-charging stations in sites in northern B.C. with units now operational in Houston, Fraser Lake, and New Hazelton. Each site includes two 50 kilowatt charging units and can add 50 kilometres of driving to an average electric vehicle in about 10 minutes.

PRAIRIE REGION

NUMEROUS CHALLENGES MAY HINDER OIL AND GAS PRODUCTION IN SASKATCHEWAN

Saskatchewan Minister of Energy and Resources Bronwyn Eyre said the province is unlikely to see big benefits from the current massive spike in gas prices. She noted that increased production is not instant and said that clear federal support for the sector is needed to see a significant growth in Saskatchewan's oil and gas production.

MANITOBA MUST JOLT ELECTRIC VEHICLE SALES, CUT EMISSIONS SIGNIFICANTLY TO HIT NET ZERO: CONSULTANT

Manitoba needs to turn passenger vehicles electric and significantly reduce greenhouse gas emissions if the province wants to achieve net-zero emissions by 2050, an environmental firm says. Dunsky Energy and Climate Advisors was hired to devise a new energy policy framework for the province.

FEDERAL CARBON-PRICE REBATES TO RISE MORE THAN EXPECTED IN ONTARIO AND MANITOBA

The value of carbon-price rebate cheques from the federal government will jump more than 66 per cent in Ontario and Manitoba this year, to make up for too-small rebates the last two years.

SASK. TO PROPOSE TAKEOVER OF FEDERAL CARBON TAX REVENUE, ADMINISTRATION

The Government of Saskatchewan revealed plans for a proposal to take over administration and revenue from federal carbon pricing as part of its 2022-23 budget, released March 23. Premier Scott Moe said with provincial control, the government would be able to “reward those industries that are making investments in actual emissions reduction” like energy, mining and agriculture.

ONTARIO / QUÉBEC REGION

CANADA GETS FIRST LARGE-SCALE DOMESTIC EV BATTERY MANUFACTURING FACILITY

LG Energy Solution and automaker Stellantis N.V. are teaming up to create a joint venture in Canada. The joint venture will see a total investment of over \$5 billion in a facility to manufacture batteries for EVs in Windsor, Ontario. The battery facility, to be operational by 2025, will supply Stellantis plants in Windsor and across North America.

HONDA TO SPEND \$1.4B ON EV UPGRADE IN ONTARIO

Honda Canada Inc. said March 16 that it would invest about \$1.4 billion over six years to produce an electric hybrid version of its CR-V compact SUV at its plant in Alliston, Ontario. The investment will be supplemented by more than \$263 million from the federal and provincial governments.

TORONTO-BASED GLOBAL FLEET MANAGER LAUNCHES EV TRANSITION STRATEGY FOR COMMERCIAL CLIENTS

Element Fleet Management of Toronto, which describes itself as the world’s largest pure play fleet management firm, recently unveiled a new end-to-end service offering designed to help its thousands of customers transition to battery electric over the next decade.

ATLANTIC REGION

INSIDE THE GOVERNMENT’S DECISION TO WEAKEN OVERSIGHT OF NEWFOUNDLAND OIL AND GAS EXPLORATION

The Impact Assessment Act was meant to strengthen Canada’s federal environmental reviews. But court documents show how industry-friendly politicians and departments used it to push the province’s offshore development goals forward.

GAS PRICE SPIKES CREATE CARBON-TAX TURMOIL FOR POLITICIANS

Soaring gas prices are scrambling the politics of carbon taxes in New Brunswick. A federal Conservative MP who campaigned against Justin Trudeau’s pricing plan now says it’s the least-bad option for softening the blow to consumer pocketbooks while a litre of unleaded gas hovers around \$1.70.

P.E.I. GOVERNMENT TABLES CARBON PRICING PLAN AS DEADLINE LOOMS

P.E.I.’s carbon pricing bill was finally tabled in the legislature Thursday, March 24. The proposed levies on fossil fuels will mean an increase of about four cents per litre at the pumps for Islanders. P.E.I. is already a year behind in implementing federal carbon pricing.

NORTHERN REGION

YUKON INVESTS MILLIONS IN EV INFRASTRUCTURE, EXPANDS ZEV INCENTIVES IN LATEST BUDGET

More EV chargers, new funding for a zero-emission vehicle incentive program that includes snowmobiles, motorcycles and e-bikes, and electrical grid upgrades all feature prominently in Yukon’s 2022-2023 budget.



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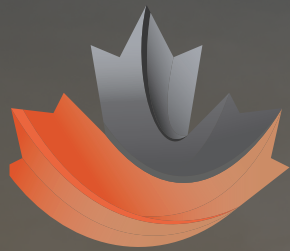
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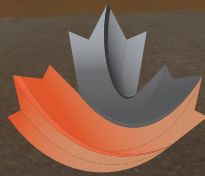
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