

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

JUNE 2023

# connection

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## MESSAGE FROM THE PRESIDENT

JENNIFER STEWART

## GOVERNMENT POLICY AND INDUSTRY UPDATES

## ADVOCACY CORNER

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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,

It was a pleasure to see such broad attendance from our membership at the Calgary meeting this month, and we enjoyed some excellent insights from guest speaker Janet Brown.

A reminder that registration is open for the annual golf challenge at the Glen Abbey Golf Course in Oakville, Ontario. To learn more about the event, which takes place on September 25 this year, click [here](#).

The CEMA team continues to advocate for the interests of our Members in numerous ways, most notably in the areas of sensitivities with the introduction of the federal Clean Fuel Regulation, PCI compliance, and the prepayment-at-the-pumps bill in Ontario.

Other ongoing advocacy includes activities such as pushing for retail renewable infrastructure funding, working to ensure the emissions cap on the oil and gas sector does not apply to downstream retailers, and continuing to work with other associations in their advocacy efforts for Fuel Price Regulatory Review in Atlantic Canada.

As always, if you need support of any kind, please don't hesitate to reach out.

All the best,

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

# STAYING CONNECTED

CEMA CONNECTION  
2023 EVENTS, PODCASTS, WEBINARS

## SEASON 3, EPISODE 6 ROAD CHATS NOW AVAILABLE

In this episode of Road Chats, we talk to Brendan Jordan, VP of Transportation and Fuels at the Great Plains Institute in Minneapolis, about how to decarbonize the transportation sector through biofuels, hydrogen, and electrification – plus the importance of cross-border cooperation between Canada and the U.S. as we move to net-zero emissions.

Listen [here](#).



## CEMA GOLF CHALLENGE REGISTRATION OPEN!

September 25, 2023

Registration is now open for the annual CEMA Golf Challenge presented by Waleco and Dover Fueling Solutions! Join us on the links September 25 at Glen Abbey Golf Course in Oakville, Ontario for a day of golf and networking. For more information, including sponsorship opportunities, visit: <https://app.eventcaddy.com/events/cema-golf-challenge-2023> or email: [events@cemassociation.ca](mailto:events@cemassociation.ca).



## CEMA ON SOCIAL MEDIA

Follow CEMA on [LinkedIn](#) and [Twitter](#) 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 & RESEARCH UPDATES

### New federal fuel regulations are coming soon — here's what you can expect

On July 1, new federal regulations will take effect that look to gradually replace the most polluting automotive fuels with cleaner alternatives. The federal Conservatives and the Canadian Taxpayers

Federation have taken to calling those Clean Fuel Regulations "carbon tax 2.0" or "the second carbon tax." Premiers in Atlantic Canada, along with Saskatchewan Premier Scott Moe, have been urging Ottawa to postpone or reverse them. [This article](#) describes what Clean Fuel Regulations are and how they work.

### House environment committee tables report on fossil fuel subsidies

Before breaking for the summer, the House environment committee tabled its report on the study of fossil fuel subsidies. Among the committee's recommendations is for the government to take steps that will "eliminate subsidies and applicable public financing for the fossil fuel sector by the end of 2023." The committee also advised against any public investments in "energy infrastructure that is at risk of becoming a 'stranded asset' during the energy transition." You can read the full report [here](#).

Following the tabling of the report, the Conservative members of the committee issued a statement outlining their dissent, saying, "Instead of embracing the contributions made by the industry, the Liberal-NDP coalition is using a biased and flawed committee report to justify their ideological crusade against Canadian oil and gas."

### Canada's coming announcement on fossil fuel subsidies will be precedent setting

Canada **is expected to release** an assessment framework for fossil fuel subsidies in the coming weeks. It will be the first country to announce its criteria for deciding what counts as a fossil fuel subsidy, and which of these are considered inefficient and should therefore be scrapped. Environmental groups and other civil society organizations are calling on the government, as the first to announce its criteria, to set a robust precedent for other major economies to follow.

### Indigenous organizations show 'limited interest' in Ottawa's clean fuel fund

A fund designed to kick-start clean fuel projects has received "limited interest" from Indigenous organizations, a Canada's National Observer access-to-information request has found. Natural Resources Canada's Clean Energy Fund has allocated \$1.5 billion to expand clean fuels like hydrogen, renewable diesel and natural gas, and biofuels. Natural Resources Canada **has hit a roadblock on Indigenous participation** despite a \$250-million allocation of the larger fund for Indigenous-led projects.

### Ottawa needs extensive regulatory changes to meet climate goals: Alberta business council

Ottawa is **getting a warning** from veteran proponents of Western Canadian energy projects that it needs to make sweeping changes to speed up its regulatory processes if it hopes to build the infrastructure needed to meet national climate commitments and compete in a low-carbon economy. This according to a report titled Future Unbuilt, released on June 15 by the Business Council of Alberta. You can download the report and/or executive summary [here](#).

### Enserva says Canada will play crucial role to meet demand for conventional and emerging renewable energy

According to Enserva's 2023 **State of the Industry report**, the 2023 outlook for the Canadian oil and gas industry is encouraging: global energy demand is strong, oil and gas prices are favourable, inflation and labour shortages are on the decline, and capital

investment is on the rise. In addition, the industry is aptly positioned to take advantage of opportunities to participate in the evolving global energy mix.

### Examining global LNG markets in 2035

Removal of policy and regulatory impediments could see Canada become the world's fifth-largest LNG producer and exporter, according to a **Canadian Energy Centre** report. It says that after years of regulatory stagnation and conflicted pipeline construction, Canada has yet to deliver a single LNG shipment, while competitors ramp up production to meet soaring global demand. However, there remains a very strong business case for Canadian LNG, particularly LNG exports into growing Asia-Pacific markets.

### Natural gas industry urges Ottawa to obtain emission credits for LNG exports

A newly formed coalition backed by Canada's natural gas industry is **urging the federal government** to obtain emission credits for exporting the fuel in liquid form. Energy for a Secure Future is pressing for global collaboration to create a system of credits that would recognize reductions to greenhouse-gas emissions across political borders. The coalition, which launched in February, released a new report on June 19 titled Canada's LNG Opportunity.

## PROVINCIAL & TERRITORIAL POLICY TRENDS

### WESTERN REGION

#### Alberta's fuel tax relief extended to Dec. 31

Albertans will enjoy cheaper fuel costs for a little while longer, Premier Danielle Smith confirmed on June 19. Smith, along with her cabinet members, **voted to extend the fuel tax** pause through the remainder of the year. In a news release, Smith said the move fulfils a campaign promise she made. The United Conservative government first announced a 13-cent-per-litre savings on fuel on April 1, 2022.



## PRAIRIE REGION

### Reducing emissions for the long haul

Three years ago, Ottawa and Manitoba jointly announced the Efficient Trucking Program, which provides rebates to trucking organizations who've retrofitted vehicles to reduce greenhouse gas emissions. Intakes for the program ended early last year. But on May 26, politicians **announced the program's revival** with a near-\$7-million public sector boost. Successful applicants are reimbursed up to 50 per cent of their retrofitting costs through the program.

## ONTARIO/QUEBEC REGION

### U.S. Grains Council focuses on E15 during mission to Toronto

Ontario's E15 standard is currently in the process of being phased in, with a goal of 11 per cent ethanol being utilized in 2025, 13 per cent in 2028, and 15 per cent being reached in 2030. In May, the **U.S. Grains Council's ethanol team traveled to Toronto** with the goal of proactively addressing any opposition to the standard while discussing implementation techniques, retail integration, and regulatory harmonization to ensure the successful E15 rollout.

## ATLANTIC CANADA

### N.L. still considering Bay du Nord equity stake following project delay, says energy minister

Newfoundland and Labrador's Energy Minister says the postponement of the Bay du Nord megaproject doesn't mean the opportunity for the province to purchase a direct stake in it has passed. On June 14, Energy Minister Andrew Parsons said while he and the province were surprised by the postponement announced by Norwegian oil giant Equinor, they **haven't dismissed purchasing the 10 per cent equity stake.**

### Two carbon-related price increases hitting N.B. pumps in July

New Brunswick's Energy and Utilities Board **has confirmed** retail gasoline and diesel prices will have an estimated eight cents per litre added to them after July 1 to pay for new federal Clean Fuel Regulations

that take effect on Canada Day. The amounts are in addition to carbon-tax increases of 3.26 cents per litre on gasoline, and 3.97 cents on diesel, that are also taking effect the same week in New Brunswick.

## GLOBAL RESEARCH TRENDS

### Renewable transition still lagging in fuel, heating sectors, research shows

The share of renewable energy in global power generation hit 30 per cent last year after record growth in solar, but **little progress has been made** when it comes to decarbonizing the heat and fuel sectors, according to a research report published on June 13. Though heating and fuel account for more than three-quarters of global energy use, both remain heavily dependent on fossil fuels, with renewable sources accounting for just 3.6 per cent and 9.2 per cent respectively, the Paris-based



# road chats

Presented by:

**NATIONAL ENERGY EQUIPMENT INC.**

Get to know leading companies and influencers from Canada's energy and convenience sector in the monthly podcast Road Chats.

## SEASON 3, EPISODE 6

### Brendan Jordan

Vice President of Transportation and Fuels, Great Plains Institute

**LISTEN NOW**





# ADVOCACY CORNER

Featured in the newsletter on a monthly basis, Advocacy Corner provides insight into federal and provincial political activity of importance to our Members. Read on to find out what decisions are being made, what's on the horizon, and what it all means for our sector.

## Biofuel Bonanza

We start with the federal government's consultations on the future of biofuels and their importance to Canada's net-zero commitments, which CEMA has had the privilege to participate in.

The objective of the ongoing consultations, promised in Budget 2023, is to inform the development of Natural Resources Canada's funding submissions for the 2023 Fall Economic Statement and the 2024 Federal Budget.

While departmental officials approached recent facilitated sessions primarily with a view to addressing supply-side issues with respect to biofuels and tailoring an appropriate response to the U.S. Inflation Reduction Act, stakeholders agreed that the federal government must also address the downstream distribution and retail of biofuels to create a viable market to accept the low-carbon fuels. For the government, this is critical to ensuring that consumers have their choice of clean-energy alternatives to fuel their internal combustion vehicles for decades to come.

For our part, CEMA has lobbied the government for a Renewable Energy Infrastructure Fund to support the capital costs of replacing aging tanks, pumps, and hanging equipment to ensure that they can withstand higher blends of biofuels. So far, the department has been receptive to our request.

## Energy Transition

Both at Committee and in the House, this month brought us advancements on the idea of a 'clean and just energy transition.'

To begin, the Standing Committee on Natural Resources tabled its report *Creating a Fair and Equitable Canadian Energy Transformation*. The report contained nothing new from the progressive parties (it continues calls for a clear plan and targets to achieve net zero, which the government has been proposing). However, it does recognize the emissions-reduction achievements of Canada's oil and gas producers, and the importance of low-carbon and renewable fuels to Canada's energy mix both now and in the future.

The report also calls out ways to mitigate the negative impact of global energy and economic transitions on Canada's energy sector and the communities it supports. For example, the report would seek to support local production opportunities and domestic supply chains in the clean tech sector, ensure that coal workers are transitioned into the new economy, and create a duty on funding recipients of net-zero investments to ensure domestic job creation with good wages.

In the House, Natural Resources Minister Jonathan Wilkinson tabled Bill C-50, the Canadian Sustainable Jobs Act. The minister claims the Bill will establish an accountability, transparency, and engagement framework to facilitate and promote economic growth, the creation of sustainable jobs, and support for workers and communities in Canada in the shift to a net-zero economy.

Minister Wilkinson also tabled Bill C-49, the Offshore Renewable Energy Management Act. The Bill would amend the structure (and name) of the Offshore Petroleum Boards in Newfoundland and Nova Scotia to officially establish them as the regulating bodies for offshore renewable energy projects. The Bill would also make it possible to create regulations prohibiting the commencement or continuation of petroleum

resource or renewable energy activities with respect to any portion of the offshore area that has been or may be identified as an area for environmental or wildlife conservation or protection.

## Wrapping Up

As we write this, MPs are wrapping up their work for the session and preparing for the summer barbecue circuit. And while the government would have liked a bit of legislative smooth sailing to offset the chaos it's been dealing with outside of the Commons, the Opposition has made sure to not let that be the case.

Still, the government was able to advance its priority bills including Bill C-47, the Budget Implementation Act, and Bill C-35, the Child Care Act, and more controversial bills such as Bill C-18, the Online News Act, and its firearms Act (C-21).

With the House now in recess for summer, the rumour mill will ramp up around the question of whether the Prime Minister will prorogue the House or shuffle his Cabinet before the next session. With close confidant Anna Gainey and the son of the late Hon. Jim Carr, Ben Carr, now safely elected in by-elections held in Notre-Dame-de-Grâce – Westmount and Winnipeg South, respectively, the Prime Minister has a timely opportunity to replace underperforming Ministers (such as Marco Mendicino) or those who do not intend to run in the next election with new Ministers who enjoy his confidence and trust.

Cabinet shuffles are important to stakeholders in all sectors because they determine the decision-making approach that will be taken by the government on certain files. For CEMA, though Minister Guilbeault has softened his tone considerably as it relates to the energy sector, there are no guarantees that he will remain in the position as Prime Minister Trudeau attempts to position the Liberal party as a pragmatic government in contrast to Pierre Poilievre and the Conservatives.



# 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

### EXPECT A SECOND BATTLE ON THE COMBUSTION ENGINE, EU LAWMAKER SAYS

European Union lawmaker Jens Gieseke said he regrets the 2035 ban on the sale of new fossil-fueled cars and will fight for a “technology open” approach for a similar regulation on trucks and buses when negotiations take place later this year.

### TOYOTA SHAREHOLDERS REJECT PROPOSAL DEMANDING BETTER PERFORMANCE ON CLIMATE CHANGE

At an annual general meeting on June 14, Toyota shareholders rejected a proposal to do better on fighting climate change. The proposal accused the company of lobbying to weaken efforts by governments around the world to phase out the internal combustion engine.

### SHELL UNDER FIRE FOR DOUBLING DOWN ON OIL AND GAS

Institutional investors in Europe are disappointed with Shell’s new strategy to continue investing in oil and gas production and selectively pour capital into renewable energy solutions, to the point of some investors considering removing it from their portfolios.

### OIL EASES ON UNCERTAIN DEMAND, MARKET EYES US INVENTORY DATA

Oil futures dipped on June 22 amid demand fears after the Federal Reserve chairman hinted at further interest rate hikes, while traders awaited official U.S. inventory data following an industry report that showed an unexpected draw in crude stocks.

### EU ETHANOL HITS NEW RECORD FOR GHG REDUCTION

Production and use of renewable ethanol in the EU reduced greenhouse-gas emissions by an average of 78.4 per cent compared to fossil fuels in 2022, according to newly certified data. It was the 11th consecutive year in which EU renewable ethanol increased its GHG-reduction score.

## UNITED STATES

### U.S. TO BOOST BIOFUEL MANDATES OVER NEXT 3 YEARS, BUT NOT FOR ETHANOL

The Biden administration plans to increase the amount of biofuels that oil refiners must blend into the nation’s fuel mix over the next three years, but the plan includes lower mandates for corn-based ethanol than it had initially proposed.

### US INDUSTRY CALLS FOR GOVERNMENT TO BOOST RENEWABLE FUELS SUPPORT

Key representatives from the US biofuel industry have warned that the national government’s focus on electrification is leaving little to no room for renewable fuels, illustrated by lower-than-expected renewable volume obligations for the next three years.

### ANALYSIS: GM COULD REAP BILLIONS BY BUILDING COMBUSTION TRUCKS AND SUVs THROUGH 2035

General Motors has signaled in a series of recent announcements on plant retoolings that it plans to keep its largest and most profitable combustion trucks and SUVs in production longer than expected – another 10 to 12 years, according to analysts and suppliers.

### MONTANA KIDS’ CLIMATE CASE SET TO MAKE HISTORY

The first youth-led climate case to go to trial in the U.S. starts next week in Helena, Montana. Plaintiffs are accusing state officials of violating their right to a stable climate by rubber-stamping coal, oil, and gas projects. The case could influence U.S. policy by bolstering climate fights elsewhere.

### FUEL RETAILERS FILE COMMENT WITH EPA IN FAVOUR OF RENEWABLE DIESEL, BIODIESEL

American diesel fuel retailers are urging the Environmental Protection Agency to revise its proposed greenhouse gas standards for heavy-duty trucks and adopt a market-oriented, technology-neutral approach to transportation decarbonization instead of focusing on electrification.

### SOUTH DAKOTA, NEBRASKA PAUSE HOURS-OF-SERVICE MANDATES

Regional diesel and gasoline shortages prompted the governors of Nebraska and South Dakota to issue emergency executive orders temporarily waiving federal hours-of-service mandates for fuel haulers.

### NINETEEN STATES SUE EPA OVER CALIFORNIA HEAVY TRUCK PHASEOUT

Iowa is leading 19 states in a lawsuit against the U.S. Environmental Protection Agency for backing California’s future ban on heavy diesel vehicles in a purported attempt to regulate traditional trucking “out of existence through mandating net-zero emissions standards.”

## CANADA

### CANADIAN OIL PRODUCTION COULD PEAK AS EARLY AS 2026 IN NET-ZERO FUTURE, ENERGY REGULATOR SAYS

Canada’s national energy regulator has looked at how oil and gas production will change in a net-zero world, where countries hit their climate goals — and it shows a future without much demand for Canadian fossil fuels.

### CROSS-COUNTRY COALITION PUSHING FOR NEW CONVERSATION ON ENERGY FUTURE

Canada needs to stop “twisting itself in knots” about its energy export capacity, says the chair of a coalition of Canadian business and community leaders called Energy for a Secure Future, particularly when it comes to liquefied natural gas, which can help deliver a secure energy future for the world.



## WESTERN REGION

### CANADA'S FIRST RENEWABLE DIESEL REFINERY HAS BEEN BUILT IN PRINCE GEORGE, B.C.

The province of B.C. says construction has been completed on a stand-alone renewable diesel refinery in British Columbia, the first of its kind in Canada. Officials were in Prince George to celebrate the milestone for the \$380-million facility run by Tidewater Renewables.

### ENBRIDGE ORDERED TO PAY BAD RIVER BAND, MOVE WISCONSIN PIPELINE

Calgary-based Enbridge Inc. must pay an Indigenous band in Wisconsin more than US\$5 million in Line 5 profits and relocate the controversial cross-border pipeline within the next three years, a U.S. judge says.

### AT THE HEART OF CANADA'S RUSH TOWARDS LIQUIFIED NATURAL GAS, KITIMAT, B.C., IS POISED TO BOOM

The Future Energy Park in Calgary – a flagship project from Alberta's Green Impact Partners – plans to marry mission with money to create North America's largest carbon-negative renewable natural gas and ethanol project.

## PRAIRIE REGION

### \$900-MILLION RENEWABLE DIESEL PLANT TO BE BUILT IN LLOYDMINSTER, SASK.

Saskatchewan's Covenant Energy will spend over \$900 million building a refinery to produce renewable diesel and jet fuel from canola in Lloydminster. Construction is to begin in 2024, and production will come on stream in 2026.

### THE WORLD COMES TO SASKATCHEWAN TO DISCUSS CARBON CAPTURE INTERNATIONAL STANDARDS

Global carbon capture industry representatives came to Saskatchewan June 5-9 to work on international standards around carbon capture, transportation, and storage at the International Organization for Standardization Technical Committee 265 Plenary Meeting.

## ONTARIO / QUÉBEC REGION

### FIRST HYDROGEN PURSUES QUEBEC'S INTEGRATION BY JOINING HYDROGÈNE QUÉBEC

First Hydrogen Corp. has joined Hydrogène Québec as a founding member, joining Hyundai, Toyota, HTEC, Air Liquide, Messer, Cummins, Harnois Énergies, and Groupe Filgo-Sonic. The move is intended to increase the company's footprint within the emerging hydrogen industry in the province.

### HYUNDAI CANADA DELIVERS NEXO FLEET TO QUEBEC'S CHARBONE HYDROGEN

Hyundai Canada has delivered three NEXO hydrogen vehicles to Charbone Hydrogen in Quebec. Charbone plans to use the vehicles to showcase the potential of hydrogen-powered mobility in Montreal, emphasizing the alternative fuel's viability, even in winter conditions.

### DISTILLERY DEVELOPS DAIRY-TO-FUEL PROCESS

Dairy Distillery in Almonte, known for vodka distilled from milk byproduct, has partnered with a U.S. dairy producer who will use the eastern Ontario company's process to produce eight million litres of ethanol fuel that is better for the environment than conventional transportation fuel.

## ATLANTIC REGION

### IF N.L. APPROVES MULTIPLE HYDROGEN PROJECTS, WILL THERE BE ENOUGH WORKERS TO BUILD THEM?

A lot of questions remain about the feasibility of Newfoundland and Labrador's tidal wave of green hydrogen proposals, but there's one quandary that stands above the rest for the companies bidding to start these massive projects: who will build the things if the province approves multiple projects at the same time?



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We want to share the successes of our Members. If you want to feature your company's recent achievements, updates, or simply want to be featured, please reach out to Jennifer Stewart at [jstewart@cemassociation.ca](mailto:jstewart@cemassociation.ca)



**Jennifer Stewart**, President and CEO  
[jstewart@cemassociation.ca](mailto:jstewart@cemassociation.ca) | Phone: 613.470.8555

[WWW.CEMASSOCIATION.CA](http://WWW.CEMASSOCIATION.CA)