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

MESSAGE FROM THE PRESIDENT

JENNIFER STEWART

GOVERNMENT POLICY AND INDUSTRY UPDATES

ADVOCACY CORNER SECTOR NEWS UPDATES









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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,

I am looking forward to seeing many of you at the Glen Abbey Golf Club next month. Connecting as an industry and sharing time is always a meaningful and invaluable experience.

Our thoughts continue to be with our Members dealing with the aftermath of the wildfires in British Columbia and the Northwest Territories.

It has been a busy summer for our advocacy team behind the scenes; CEMA continues aggressively pursuing resolutions to issues affecting our industry. Whether it is EV charging station requirements, pay-at-the-pumps legislation, or fuel tax regulations, our team continues to be the leading advocacy voice for the sector with government decision-makers.

As we approach the end of the year, I'm proud of our advocacy efforts and the work done to strengthen our brand and reputation.

As always, we are here to support you. If you have any questions, don't hesitate to reach out. We're always happy to hear from our Members.

Sincerely,

Jennifer Stewart President and CEO Canadian Energy Marketers Association

STAYING CONNECTED

CEMA CONNECTION 2023 EVENTS, PODCASTS, WEBINARS

SEASON 3, EPISODE 7 ROAD CHATS NOW AVAILABLE

In this episode of Road Chats, we talk to Fred Ghatala, Director for Carbon and Sustainability for Advanced Biofuels Canada, about the seamless integration of the biofuels sector in the transport industry and how Canada can be a global leader in renewable fuel production.

Listen here.



CEMA GOLF CHALLENGE REGISTRATION DEADLINE IS SEPTEMBER IS

Registration closes in just a couple of weeks for the annual CEMA Golf Challenge presented by Waleco and Dover Fueling Solutions! Don't miss your chance to join us on the links **September 25, 2023** 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: <u>events@cemassociation.ca</u>.

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

Oil sands emissions did not rise in 2022 despite increased production: S&P Global

Production from Canada's oil sands is growing, but for the first time since S&P Global started estimating the data, last year production went up but **emissions did not**. Now oil sands emissions may be close to their peak, according to a new report. Total oil sands emissions were 81 megatonnes in 2022, nearly flat with 2021 despite a production increase of about 50,000 barrels per day, S&P Global reports. Meanwhile, so-called "emissions intensity" dropped to 67 kilograms of carbon dioxide per barrel, down from 68 kilograms in 2021.

Ottawa drops the hammer on four provinces reliant on fossil fuels

On Aug. 10, the Trudeau government **dropped a regulatory sledgehammer** on the four provinces that rely on fossil fuels (FF) to generate some of their electricity. Alberta (90 per cent FF), Saskatchewan (81 per cent FF), Nova Scotia (76 per cent FF), and New Brunswick (54 per cent FF) are in the crosshairs of Ottawa's new Clean Electricity Regulations (CER). Non-compliance with the demand they switch to some form of ultra-low greenhouse gas-producing electricity could lead to a duplicate carbon tax on emissions from electricity production.

Time to act: Prospects for EU-Canada cooperation on hydrogen

Despite attractive conditions, cooperation between the EU and Canada in the hydrogen sector is still very limited. With the exception of a few member states such as Germany and France, the EU is not really the focus of Canadian politics and business. **This article** in policymagazine.ca explains why closer collaboration between EU and Canadian industry and policymakers would benefit everyone and what challenges stand in the way.

PROVINCIAL & TERRITORIAL POLICY TRENDS

WESTERN REGION

Report: Pipeline incidents are down 40% over the last decade in Alberta

The Alberta Energy Regulator's annual "Pipeline Performance" report indicates an overall positive trend in pipeline incidents. Some of the highlights as summarized by BOE Report include:

- The number of pipeline incidents in Alberta decreased from 344 in 2021 to 325 in 2022, a 5.5 per cent decrease.
- About 88 per cent of incidents were rated as "low consequence," 10 per cent as "medium consequence," and only 2 per cent as "high consequence."
- About 65 per cent of pipeline incidents involved no release of fluids or releases of one cubic metre (about six barrels) or less.

Alberta earmarks \$45M for hydrogen technology innovation

Alberta's government **is providing \$45 million** to power new hydrogen technologies that will reduce emissions and create jobs. The new funding will drive cutting-edge and first-of-their-kind hydrogen technologies to be used in production, transmission and distribution, storage, and in industries like heavy-duty transportation, industrial heat, and chemicals. It will explore innovative technologies rather than what is currently commercially available.

Alberta government earns praise from taxpayers group for low gasoline tax

The Canadian Taxpayers Federation (CTF) is

applauding Alberta for the continued suspension of the provincial fuel tax that allows the province to have the lowest levy in the country. "Right now, Alberta is best in class," said Kris Sims, Alberta director for the CTF. "Alberta is paying the lowest gas taxes in all of Canada and that's for one simple reason — that's because Premier Danielle Smith has suspended the fuel tax, so we're saving 13 cents per litre of gasoline."

PRAIRIE REGION

NDP promises to temporarily tank gas tax if it forms next Manitoba government

NDP Leader Wab Kinew says his party will **eliminate the provincial gas tax** if it wins the Oct. 3 provincial election, and the cut will remain in place 'so long as inflation remains high.' Manitobans are currently charged 14 cents per litre in provincial fuel taxes. Other provinces have suspended gas taxes to make life more affordable for families, Kinew said Aug. 21 at an event in Winnipeg.

Taxpayers federation says Sask. and feds are collecting too much money at the gas pumps

Saskatchewan drivers are paying big bucks at the pumps because the **provincial and federal governments are guzzling too many tax dollars**, according to the Canadian Taxpayers Federation (CTF). CTF prairie director Gage Haubrich says he agrees with Premier Scott Moe's attacks on the federal carbon pricing plan — arguing it's too costly. But he also says that it's 'ludicrous' for the Saskatchewan government to complain about the carbon tax while also collecting fuel tax.

ONTARIO/QUEBEC REGION

Six in 10 Quebecers in favour of developing new pipelines, new poll reveals

A poll released on Aug. 21 reveals that 6 in 10 Quebecers believe that independent producers should be allowed to sell electricity directly to companies and are in favour of developing new pipelines for oil and gas to supply Europe and Asia. "The Quebec population is much more open to developing our energy resources than are its representatives at the National Assembly," stated MEI senior director of communications Renaud Brossard, in response to the survey's results.

NORTHERN REGION

Inuvialuit sign oil, gas co-management deal with NWT, Yukon, Ottawa

The federal government has agreed to "shared decision-making" with the Inuvialuit, NWT, and Yukon governments over Arctic offshore oil and gas. On Aug. 10, the governments said a new accord would ensure northerners "are the primary beneficiaries of economic activity from any oil and gas development in their regions." The current moratorium on offshore Arctic oil and gas licensing is due to expire at the end of December this year.

GLOBAL RESEARCH TRENDS

Fully implementing all Biden's climate plans still won't achieve Paris Agreement goals: Report

A recent report from Princeton University found that even if all of American President Joe Biden's climate plans are fully implemented (which is not a given), the country will still fail to achieve the goals of the 2015 Paris Agreement. The report, "Climate Progress and the 117th Congress," analyzes the climate and energy system impacts of legislation passed during this landmark session.

G20 poured more than \$1tn into fossil fuel subsidies despite COP26 pledges: Report

The G20 poured record levels of public money into fossil fuels last year despite having promised to reduce some of it, a report has found. The amount of public money flowing into coal, oil, and gas in 20 of the world's biggest economies reached a record \$1.4tn in 2022, according to the International Institute for Sustainable Development thinktank, even though world leaders agreed to phase out "inefficient" fossil fuel subsidies at the COP26 climate summit in Glasgow two years ago.

EVs unlikely to derail growth in renewable diesel demand

Government policies that promote the adoption of electric vehicles are unlikely to make a major dent in future demand for renewable diesel, says an author

of a recent report on the future of the renewable diesel market. Unlike biodiesel, renewable diesel can be directly substituted in diesel engines. Production capacity in the U.S. is projected to more than double from 2.6 billion gallons in 2022 to 5.4 billion gallons by the end of 2024.

U.S. researchers advance ethanol fuel cell technology

Researchers at the University of Central Florida have set a new power density record for ethanol fuel cells and claim the technology now rivals fossil fuels and electric car batteries. UCF NanoScience Technology Center associate professor Yang Yang and his team have developed new catalysts to make direct ethanol fuel cells last longer and boost their power density to a record level. Read the full article here.

Renewable gas sector eyes growing US transport market

The renewable natural gas (RNG) industry is gearing up for an expected growth spurt in demand starting next year as heavy duty vehicle fleets look to switch their engines over from diesel to natural gas. The increase will be driven largely by the anticipated rollout of Cummins' new 15-liter natural gas engine, the type favoured by commercial long-haul fleets, as well as by federal and state policies that encourage the adoption of lower-carbon fuels.



Chats

Presented by: Z NATIONAL ENERGY

SEASON 3, EPISODE 7

Fred Ghatala Director of Carbon and Sustainability Advanced Biofuels Canada

LISTEN NOW

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



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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.

The Cabinet Party

We start with the most substantive change to the federal cabinet since Justin Trudeau and the Liberal Party formed the federal government following the 2015 election. For CEMA, not much has changed. But that does not mean the lack of change is not impactful.

Jonathan Wilkinson, previously the Minister of Natural Resources, added "Energy" to his title. While this is a small tweak, it was in part a nod to the energy sector and its importance in achieving Canada's future clean economy plans. And while the focus will remain on net zero energy projects (the Minister also recently promoted a "Director of Net Zero Energy" within his office), including hydrogen development, the Minister himself has been on record noting that biofuels will play an important role in Canada's energy transition and net zero ambitions.

By leaving Steven Guilbeault as Minister of Environment and Climate Change, the Prime Minister sent a clear signal that he intends to continue driving this wedge issue with Pierre Poilievre in the leadup to the next election. This is particularly important for the Liberals given their current polling woes. In the immediate leadup to the cabinet shuffle, Abacus Data published a poll that found the Conservatives 10 points up on the Liberals. The upshot the Liberals will hope for is that, given the importance of the environment to voters, the absence of a clear plan will keep them from supporting the Conservatives.

Finally, as the federal cabinet retreat in Charlottetown drew to a close, Prime Minister Trudeau was pressed to comment on the potential sale of the Trans-Mountain Pipeline. Trudeau's response should spark intrigue in Canada's energy sector.

Most notably, Trudeau celebrated that several private and Indigenous groups have come forward with their interest to purchase and operate the Trans-Mountain Pipeline. However, he went even further to note that, despite Canada's plans to invest in the energy and economy of the future, getting Canada's cleaner resources to foreign markets is a critical component to Canadian (and global) climate action given the opportunity to displace dirtier forms of fuel. To the best of our recollection, this was Trudeau's strongest verbal support for Canada's energy sector to date.

Energy (in)Efficiency

At the end of July, Environment Minister Steven Guilbeault released the Inefficient Fossil Fuel Subsidies Government of Canada Self-Review Assessment Framework and the Inefficient Fossil Fuel Subsidies Government of Canada Guidelines to reduce federal expenditures on fossil fuel subsidies. Subsidies will be considered inefficient unless they meet one or more of the following six criteria: enable significant net greenhouse gas emissions reductions; support clean energy, clean technology, or renewable energy; provide essential energy service to a remote community; provide short-term support for emergency response; support Indigenous economic participation in fossil fuel activities; support abated production processes, such as carbon capture, utilization, and storage (CCUS); or have a credible plan to achieve net-zero emissions by 2030. Clean energy investments moving forward will continue to include projects that reduce the carbon intensity of traditional fuels, such as biodiesel and biofuel projects.

Wrapping Up

As we write this, the federal cabinet is wrapping up its summer retreat in Charlottetown, where Ministers plotted out the government's strategic priorities and legislative priorities for the upcoming year. At the top of Ministers' minds is the affordability crisis, and in particular the compounding issues of a housing supply shortage and increasing housing costs.

When the House of Commons returns on Monday, Sept. 18, Ministers will be expected to pick things up from where they left off as a summer prorogation has been taken off the table. The government's legislative and policy priorities will include tabling legislation to advance national pharmacare, unveiling a new infrastructure program that gets housing built, and bringing forward a Fall Economic Statement that addresses Canadians' affordability concerns.



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 MARKET TO TIGHTEN MODESTLY IN LATE 2023

Production cuts announced by Saudi Arabia and its OPEC+ allies are expected to tighten the global petroleum market moderately over the remainder of 2023 and into the first quarter of 2024.

UK BIOMASS STRATEGY 'HIGHLY SUPPORTIVE' OF BIOMASS, BECCS

The UK's new Biomass Strategy outlines the potential extraordinary role which biomass can play across the economy in power, heating, and transport, including a priority role for bioenergy carbon capture and storage (BECCS).

AUSTRALIA LNG STRIKES WOULD NEED TO LAST OVER A MONTH TO SPIKE PRICES, ANALYSTS SAY

Threatened strikes by workers at Australian liquefied natural gas (LNG) providers would need to last more than a month to significantly push up global prices, analysts say. High LNG storage levels in Asia and Europe rule out the likelihood of major price increases if short-term strikes materialize.

UNITED STATES

MONTANA YOUTH VICTORY COULD SPUR MOMENTUM ON OTHER CLIMATE CASES

A landmark court decision that Montana is violating its youngest residents' rights to a clean and healthful climate could have legal repercussions well beyond that state. On Aug. 14, Judge Kathy Seeley struck down two laws that bar state agencies from considering the climate effects of fossil fuel projects.

APPEALS COURT STRIKES DOWN UTAH OIL RAILROAD APPROVAL

A U.S. Appeals Court on Aug. 19 sided with environmentalists and struck down a critical approval for a railroad project that would have allowed oil businesses in eastern Utah to significantly expand fossil fuel production and exports.

HOUSE COMMITTEE APPROVES INTERNAL COMBUSTION ENGINES BILL

A panel in the American House recently approved a bill that would block efforts meant to prevent the sale of internal combustion engines. The Preserving Choice in Vehicle Purchases Act, sponsored by Rep. John Joyce (R-Pa.), was backed by the Energy and Commerce Committee on July 27.

ORIGIN MATERIALS AND METHANOL PRODUCER PROMAN TO EXPLORE BIOFUELS PRODUCTION

Origin Materials and Proman, one of the world's largest producers of methanol, Aug. 9 announced a strategic partnership centred on low-carbon biofuel production utilizing Origin's technology platform and Proman's worldwide fuels capabilities and expertise.

CANADA

CANADA STEPS UP PACE OF OIL PRODUCTION GROWTH, SEEN RISING 8% IN TWO YEARS

A busy oil sands maintenance season and early summer wildfires put a dent in Canadian crude production in the second quarter, but oil companies are ramping up growth over the next two years and will add nearly 8 per cent to Canada's total output, analysts estimate.

TRANS MOUNTAIN SAYS BRITISH COLUMBIA FIRES POSE NO RISK TO ITS OPERATIONS

Canadian oil pipeline system operator Trans Mountain said on Aug. 20 that the British Columbia wildfires posed no risk to its pipeline operations or its expansion project. Trans Mountain said underground pipelines are buried a few feet below the surface and are protected from the fire by the soil and constant movement of liquid moving through them.

TRANS MOUNTAIN PIPELINE PROJECT RUNS INTO FRESH CONSTRUCTION-RELATED HURDLE

In a regulatory filing, Trans Mountain Corp. said it has run into engineering difficulties related to the drilling of a tunnel in B.C. and wants to alter the route slightly for a 1.3-kilometre stretch of pipe, as well as the construction method.

GLOBAL ENERGY LEADERS TO CONVERGE IN CALGARY FOR THE 24TH WORLD PETROLEUM CONGRESS

The 24th World Petroleum Congress takes place in Calgary, Alberta from Sept. 17–21, 2023. Government leaders, decision makers, and innovators from around the world will attend the Congress to take part in important conversations that will help define realistic and workable paths to a net-zero future.

B.C.-BASED CARBON ENGINEERING BEING BOUGHT BY OCCIDENTAL FOR US\$I.I BILLION

Occidental Petroleum Corp. has signed a deal to buy Squamish, B.C.-based Carbon Engineering Ltd. for US\$1.1 billion. Occidental has been working with Carbon Engineering on its direct air capture technology, which is used to capture carbon dioxide from the atmosphere.

SUNCOR HAS BEEN TOO FOCUSED ON ENERGY TRANSITION, MUST GET BACK TO FUNDAMENTALS: CEO

The man hired to turn around the flagging fortunes of Suncor Energy Inc. said Aug. 15 he believes the company has been too focused in recent years on the energy transition and must get back to an oilcentred business strategy.

NATURAL GAS-FUELED VOLVO TRUCKS SET FOR NORTH AMERICAN TESTS

The first testing of natural gas-fueled European Volvo Group Class 8 trucks on North American roads is set to begin by the end of September, and more imports could be on the way. The tests are part of a pilot project in Alberta, run by industrial gas and chemicals giant Linde.

PRAIRIE REGION

FIRST NATIONS COALITION SEEKING PIPELINE TO MOVE ALBERTA HYDROGEN TO MANITOBA

A new coalition of First Nations is coming together with the goal of building a pipeline to move Alberta hydrogen to tidewater in Manitoba. The Wáwátéwák Corridor is planned to run between Churchill, Manitoba and northern Alberta.

ONTARIO / QUÉBEC REGION

FORD, SK TO BUILD BATTERY PLANT IN QUEBEC

Ford Motor Co. is joining with battery-component makers SK On Co. and EcoPro BM Co. to build a cathode active material plant in Quebec worth more than \$1.2 billion. The Canadian and Quebec governments are providing loans of \$644 million for the facility in Becancour, which will create at least 345 jobs and serve Ford's factories in Canada and the U.S.

MOOO-VE OVER GAS GUZZLERS: THIS ONTARIO RECYCLING TRUCK RUNS ON COW POOP

For the last year, Sean Smith has been driving a recycling truck featuring a Holstein cow's behind, emblazoned with the words, "Powered by 100 per cent renewable gas from cow manure." The truck is carbon negative, because it is using emissions from manure that would normally be emitted.

QUEBEC ENERGY MINISTER WANTS FEWER CARS ON THE ROADS

Quebecers need to drive a lot less if the province is to hit its net-zero targets, energy minister Pierre Fitzgibbon told media. Earlier he had said that the number of cars in Quebec needs to halve, for both gas-powered and electric vehicles.

ATLANTIC REGION

EQUINOR HIRES DRILL RIG TO KEEP LOOKING FOR OIL OFF NEWFOUNDLAND'S EAST COAST

Norwegian energy giant Equinor said the Hercules semi-submersible will begin exploring next year in the Flemish Pass Basin, about 500 kilometres east of St. John's. The company said in May it was pausing plans to develop the Bay du Nord offshore oil project in the same area.

GUILBEAULT DEFENDS CANADA'S CLIMATE PROGRESS AS EQUINOR PLANS MORE DRILLING OFF N.L.

The federal environment minister expressed no concern over plans by a Norwegian energy company to drill for more oil off the coast of Newfoundland. The world will still be using oil in a carbon-neutral world, though far less than today, Steven Guilbeault told reporters on Aug. 16.

WORLD ENERGY GH2 TAKES IMPORTANT STEP IN LEADING THE GLOBAL GREEN HYDROGEN RACE

World Energy GH2 Inc. announced Aug. 22 it has submitted an Environmental Impact Statement for Project Nujio'qonik, which is planned to be constructed on the west coast of Newfoundland and Labrador. One of the world's first wind-to-greenhydrogen projects at scale, it will see production come online starting in 2025.

Thanks to our Members for working so hard to fuel Canada. Canada's Energy Marketers: Essential. Reliable. Ethical.





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Secure Payment with Gasboy

Gasboy's Islander PRIME is now available for EMV payment.

- New Islander Prime and Island Card Reader (ICR) PRIME available with factory installed EMV option, including hybrid card reader, encrypted pin pad and contactless payment.
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- KMD Ontario (905) 565-7344

CEMA Golf Challenge





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

GLEN ABBEY GOLF CLUB OAKVILLE, ONTARIO

Deadline to register is September 15

PRESENTED BY





For event details and to register visit CEMA Golf Challenge

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