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APRIL 2025

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**GOVERNMENT POLICY
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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.

STAYING CONNECTED

CEMA CONNECTION 2025 EVENTS, PODCASTS, WEBINARS

CEMA GOLF CHALLENGE SAVE THE DATE: September 22, 2025

Mark your calendar and plan to join us at the annual CEMA Golf Challenge at Glen Abbey Golf Club in Oakville, Ontario on **September 22, 2025!**

Registration and sponsorship details are coming soon.

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New Canadian oil and gas pipelines a \$38-billion opportunity, says Montreal Economic Institute

Building pipeline export capacity from west to east would benefit Canadians by diversifying trade, **says the Montreal Economic Institute (MEI)**. In a recent **report**, MEI found that if the proposed Energy East and Gazoduc/GNL Quebec projects had been built, Canada would have been able to export \$38 billion worth of oil and gas to non-U.S. destinations last year. "Based on the 2024 export numbers, this would have been equivalent to as much as 27.7 per cent of Canada's oil and 15 per cent of natural gas," said MEI senior policy analyst Gabriel Giguère.

WESTERN REGION

B.C. regulator monitoring fuel prices following carbon tax removal

Gas companies are under the microscope in B.C. to ensure savings from the carbon tax cut are being passed on to consumers. The BC Utilities Commission (BCUC) says it wants clarity. "The BCUC will be **monitoring the province's retail fuel market** to examine whether fuel companies are passing on savings from the removal of British Columbia's carbon tax to customers," the regulator said in a release. "The BCUC will collect data and information from retail stations under the Fuel Price Transparency Act to provide clarity on how quickly fuel prices reflect the removal throughout BC's larger and smaller retail markets."

Alberta to spend \$3 million turning forestry waste into clean hydrogen fuel

Alberta's government is spending \$3 million from its TIER (Technology Innovation and Emissions Reduction) fund to support a **new hydrogen project** that hopes to create jobs, attract investment, and cut emissions by transforming forestry waste into clean fuel. The money will go to Calgary-based Hydrogen Naturally through Emissions Reduction Alberta. The company is developing technology to convert woodchips, sawdust, and other organic forestry waste into hydrogen for industrial and transportation use.

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

National Bank CEO says next prime minister must scrap emissions cap and energy assessment rules

National Bank of Canada chief executive officer Laurent Ferreira said before the election the next prime minister should **overhaul the federal emissions cap** and the impact assessment on energy and natural resource projects. As Canada grapples with the threat of a recession and U.S. President Donald Trump wages a trade war, Ferreira said the country's biggest risk is complacency in failing to address "excessive regulation and oversight." During the bank's annual shareholder meeting in Calgary April 24, he also urged the federal government to expedite the development of energy infrastructure.

Smith says hydrogen could be Alberta's next trillion-dollar industry

Alberta's next resource bonanza will be in the **fast-emerging hydrogen market**. According to Premier Danielle Smith, the opportunity is essentially endless and is quite likely to become Alberta's — and Canada's — next trillion-dollar industry. In an exclusive interview from South Korea, Smith extolled the virtues of the emerging hydrogen economy and Alberta's unique opportunity to become a world leader thanks to a combination of geography, geology, and technical know-how.

PRAIRIE REGION

Manitoba approves 44% natural gas rate hike effective May 1

The Public Utilities Board (PUB) **has approved Centra Gas Manitoba Inc.'s request** to increase the natural gas commodity rate for customers across the province. Effective May 1, 2025, the rate will rise from \$0.0667 per cubic metre (m³) to \$0.0961/m³. In addition, a Commodity Cost Balancing Deferral rate rider of \$0.0098/m³ will also take effect, bringing the total approved increase to just over 44 per cent. This decision comes as Centra faces higher projected costs for acquiring natural gas over the coming year. The increase reflects market-driven factors, including diminished storage reserves in North America following a colder-than-average winter and heightened demand for liquefied natural gas exports.

ONTARIO AND QUEBEC

Trump threats revive push for pipelines. Is Quebec on board?

U.S. President Donald Trump's tariffs and threats to Canadian sovereignty have breathed new life into talk of national energy projects, including in Quebec. The Quebec government is **now signalling a new openness** to projects like Energy East, which would have carried more than a million barrels of oil a day from Alberta and Saskatchewan across the country to Saint John, N.B. The province has said it's open to a natural gas pipeline to the Saguenay region, north of Quebec City, where it would be liquefied and shipped overseas. That project was scrapped in 2021 due to environmental concerns and strong public opposition.

Quebec moves to ditch floor price on gasoline, make retail market more competitive

Quebec plans to **remove the floor price on gasoline** and other fuels, Economy Minister Christine Fréchette announced in a news release April 14. "Our goal ... is to improve competition so that Quebecers pay less for their gas," Fréchette said in the release, adding that the move will also help protect the economy and consumers. A floor price is the lowest legal price that can be paid in a market for goods and services. In Quebec, the floor price for gas was written into Quebec's Petroleum Products Act and was introduced in the 1990s. It was intended to prevent larger players in the gas market from undercutting smaller players.

'It's got to be done or we don't survive': plans for oil pipeline across northern Ontario getting 2nd look

A decade ago, there was a plan to convert the TransCanada natural gas pipeline that crosses northern Ontario to carry crude oil from Alberta instead. There was **strong local opposition**, especially in northern cities and towns where the oil pipeline would cross their source of drinking water. The plan, known as Energy East, was abandoned in 2017. But now some see it as a way to be more economically independent from the United States.

Quebec should use oil from Alberta, not the U.S., Carney says

Mark Carney says he **wants Quebecers to use oil from Alberta** rather than the United States — but a new pipeline would require Quebec's blessing. "Quebec uses 350,000 on average barrels of oil a day, 70 per cent of which comes from the U.S.," the Liberal leader told a press conference in Victoria, B.C. "There is a big advantage to Canada to push that out, use our own oil, use the resources from that for other things, including protecting our environments (and) our social programs." However, "we will only do that in the case where we have the support of First Nations (and) we have the support of all the provinces, obviously including Quebec in the example that I gave."

ATLANTIC REGION

Crude awakening

Oil has become Newfoundland's leading commodity, and the sector is looking to Ottawa to eliminate carbon emissions caps to see it continue to grow. This Globe and Mail feature story **outlines the concerns** Newfoundland and Labrador offshore oil sector pioneer Rob Strong and Energy NL CEO Charlene Johnson have about Mark Carney's plans for the sector. Strong worries that having the Liberals remain in power will result in a continued slowdown in offshore oil development that could move his province backward to the bad old days when Newfoundland was dependent on federal transfer payments to get by.

Other provinces should follow Nova Scotia's lead on hydraulic fracturing

In a surprising turn, the Houston government in Nova Scotia recently **lifted provincial bans** on the production of uranium and the use of hydraulic fracturing (a.k.a. fracking) to produce oil and gas in the province. According to Premier Tim Houston, in light of the "economic challenges we face right now as a country and as a province, it's time to pull every lever that we have. We're rich in resources and we can develop them safely, so it's time to have that discussion and move forward." He added that as "projects come forward, there will be extensive reviews, consultation. The process will be followed. Having just a blanket ban—that's lazy policy."

NORTHERN REGION

The numbers are in on this season's massive N.W.T. winter fuel resupply

The N.W.T. government **shipped more than 9.6 million litres of fuel** up winter roads to eight communities this past winter, in part to make up for the lack of barge shipments last year. The territorial government typically sends fuel to six communities, but added Fort Good Hope and Tulita to its roster this time. Those two communities would usually get fuel barged in, but low water levels meant barges were cancelled. In a news release April 23, Infrastructure Minister Vince McKay called the resupply "one of the most complex operations we've undertaken in recent memory."

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.

Liberals win fourth term in an election marked by close contests

Monday's federal election turned out to be a two-way race between the Liberals and Conservatives. Prime Minister Mark Carney has won what looks at the time of writing to be another Liberal minority government, while the Conservatives finished second despite increasing their seat count and garnering their highest vote share since 1988. Pierre Poilievre lost his long-held seat in Carleton but has no plans to step down as leader.

In the face of Donald Trump's tariff threats and talk of making Canada the 51st state, the Bloc Québécois lost as many as 10 seats, almost entirely to the Liberals, while the collapse of the NDP resulted in gains for both the Liberals and Conservatives.

So, what can Members expect from this government, assuming it is a minority government when all is said and done?

1. **Collaboration with Quebec.** Given the Liberals' strong representation in Quebec and the Bloc's 23 seats in Parliament, Carney will need to consider the province's interests to grow his minority government to a majority and fend off the rise of Quebec separatism.

2. **Medium-term political stability.** With the public craving stability in the face of American threats, the other parties are unlikely to trigger another election before 2027. Also, with the NDP and Bloc financially incapable of fighting another election, Carney governs with a de facto majority.
3. **Senate irrelevance.** With a minority government, and the likelihood that Pierre Poilievre's popularity will continue to rise, expect Liberal-appointed senators to play little role in altering or blocking Mark Carney's legislative agenda.
4. **Progressive policy appeal.** Much of the Conservative electoral success, especially in Ontario, results from a more moderate, progressive policy appeal in the final two weeks of the election, including a platform which did not mention controversial policies like defunding the CBC. With a minority government and a strong base of support among Conservative members, expect Pierre Poilievre to continue this progressive, moderate policy approach.

Throughout the campaign and during the debates, Prime Minister Carney promised a "clean new energy era" for Canada with an emphasis on autonomy from American energy. He said he would create a Major Federal Project Office focused on fast-tracking approvals to develop natural resources and strengthen Canada's industrial economy by making project decisions within two years, rather than five. However, he does not plan to repeal Bill C-69 and has said he will implement a "one project, one approval" process to avoid duplication in process assessments.

All federal party leaders agreed on one thing: the necessity of a strong economy that can stand firm and sovereign in the face of threats from U.S. President Donald Trump. Of course, it remains to be seen if Carney's approach will achieve this result.

The Trade War Continues

President Donald Trump continues to disrupt the global trade system, having issued sweeping global tariffs on April 2, exempting Canada and Mexico. Under this new batch of tariffs, the existing tariffs on select Canadian industries such as energy and automobiles are still in effect. Despite the global

tariffs being put on a 90-day pause shortly after, the move caused a massive stock market downturn, which has not fully recouped from the pause spike. While issuing the major global pause for other countries, Trump increased tariffs on China to 104 percent and did not alter existing tariffs with Canada and Mexico.

The firm opposition from the United States has sparked China's interest in developing stronger connections with other trading partners, with Chinese refiners importing record amounts of crude oil from Canada. This comes after they reduced their purchasing of American oil by 90 per cent.

Provinces Focus on Energy

Energy issues are not just top of mind for federal leaders — provincial leadership has been outspoken on the issue as well. Alberta Premier Danielle Smith has opposed Carney's plan to continue the emissions cap of the former Liberal administration. Smith and Carney also battled in the media over jokes he made about her stance on energy while campaigning in British Columbia. Smith said Carney does not respect "strong Conservative women."

Smith spent the week of April 17-25 on a trade trip to Japan and South Korea, with the stated purpose of growing Alberta's energy, agriculture, and other markets in Asia. In 2024, Japan was Alberta's third-largest trading partner, and bilateral trade between Alberta and South Korea totalled about \$1.5 billion.

In Quebec, discussions are ongoing about allowing natural gas and/or oil pipelines across the province. Earlier projects in the province were scrapped due to environmental concerns and strong public opposition. In the meantime, the Quebec government is moving to remove the floor price on gasoline and other fuels to improve competition.



CEMA Golf Challenge

SAVE THE DATE

September 22, 2025
Glen Abbey Golf Club
(Oakville, ON)



Registration and sponsorship
details coming soon!

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

[OPEC+ TENSIONS WITH KAZAKHSTAN ESCALATE, SENDING OIL PRICES LOWER](#)

OPEC+'s audacious bid to punish its oil-quota cheats prompted a renewed plunge in crude on April 23, as growing tensions with Kazakhstan stoked fears of an escalating price war. Oil markets have been jittery since early April, when the producers' group led by Saudi Arabia stunned traders by accelerating the revival in its output.

[OIL PRICES MAY DECLINE FURTHER AS CHINA'S GROWTH SLOWS, IEA CHIEF SAYS](#)

Oil prices may decline further this year as new production swells and demand remains capped by China's faltering growth, the head of the International Energy Agency said. While crude futures have recovered over the past two weeks to trade near \$68 a barrel, they remain roughly 9 per cent below levels traded before U.S. tariffs were announced.

GOLDMAN SACHS CUTS OIL PRICE OUTLOOK ONCE AGAIN

Goldman Sachs has reduced its outlook for oil prices for the third time since the start of April, now expecting Brent crude to average \$63 this year and \$58 in 2026. The bank sees WTI at an average of \$59 per barrel this year, falling to \$55 in 2026, Reuters reported.

CHINA HITS OIL OUTPUT RECORD

Oil production in the world's largest importer of the commodity hit an all-time high of 4.6 million barrels daily. China is taking "Drill, baby, drill" to heart, but it will not cease to be a major importer of crude anytime soon.

U.S.

TRUMP EMERGENCY ORDER ACCELERATES OIL AND GAS PERMITTING

The Trump administration has shortened the approval procedure for new oil and gas projects to just 28 days — at most — from several years under the national energy emergency that the White House declared earlier this year. These actions have drawn criticism and are expected to face legal challenges regarding compliance with established regulatory processes.

GOVERNORS, SENATORS ASK EPA TO BACK BIOFUEL INDUSTRY

Four governors and 10 U.S. senators are urging the U.S. Environmental Protection Agency to get behind the American biofuel industry by establishing robust future Renewable Fuels Standards. They are asking for a 2026 Renewable Volume Obligation of no less than 15 billion gallons for conventional ethanol and 5.25 billion gallons for biomass-based diesel.

E15 SALES SET A NEW RECORD IN 2024

U.S. sales of E15, a blend of 15 per cent ethanol and 85 per cent gasoline, reached a record 1.24 billion gallons in 2024, an increase of 11 per cent over 2023. The increase was primarily due to continued growth in the number of retail stations

offering E15. On average over the course of 2024, nearly 3,500 stations offered E15 in the U.S., compared to just over 3,000 in 2022.

CANADA

CARNEY VOWS TO GOVERN FOR ALL CANADIANS AFTER WINNING ELECTION UPENDED BY TRUMP

Mark Carney achieved what seemed like an impossible feat just a few months ago, leading the Liberals to another victory after an election that was shaped by U.S. President Donald Trump's trade war and threats of annexation. At 4 a.m. Tuesday, the CBC Decision Desk was projecting a fourth Liberal term — a rarity in Canadian politics — but said it was too close to tell whether it will be majority or minority government.

CHINA PIVOTS FROM U.S. TO CANADA FOR MORE OIL AS TRADE WAR WORSENS

Chinese refiners are importing record amounts of Canadian crude after slashing purchases of American oil by roughly 90 per cent amid escalating trade tensions. The shift in North American crude flows to China — the world's biggest crude importer — is yet another example of the economic and strategic disruptions engendered by U.S. President Donald Trump's moves to reshape global trade relations.

LONG-TERM U.S. TARIFFS COULD DEVASTATE CANADA'S ENERGY SECTOR, DELOITTE WARNS

U.S. tariffs could lead to a 6.8 per cent drop in output across Canada's oil, gas, and mining sectors over the next five years, a new report has found. Released April 23, Deloitte Canada's latest price forecast attempted to gauge the impact trade uncertainties would have on Canada's energy, oil, and gas sector — and this dramatic decline would likely hit Canada's economy hard.

PRAIRIE REGION

FIRST NATIONS IN MANITOBA PUSHING FOR LNG EXPORTS FROM HUDSON'S BAY

Since 1931, a small deepwater port has operated at Churchill, Manitoba, primarily shipping grain but more recently expanding handling of critical minerals and fertilizers. A group of 11 First Nations in Manitoba plans to build an additional industrial terminal nearby at Port Nelson to ship liquefied natural gas to Europe and potash to Brazil.

ONTARIO AND QUEBEC

FILGO AND HYDROLUX PARTNER TO DECARBONIZE HEAVY TRANSPORT IN QUEBEC

Filgo, a Quebec leader in energy transportation and distribution, and Hydrolux, a pioneer in the development of green hydrogen service stations for heavy-duty transportation, announce the signing of a memorandum of understanding formalizing a strategic collaboration focused on the decarbonization of transportation and regional economic development.

ATLANTIC CANADA

N.L.'S WIND-HYDROGEN HYPE IS ON FUMES, BUT THIS PLACENTIA BAY PROJECT IS FORGING AHEAD

The company that imports and distributes most of the fuels consumed in Newfoundland and Labrador, and once owned the province's only oil refinery, says it's forging ahead with a unique approach to delivering clean energy to Europe. North Atlantic Refining Limited is proposing to develop what it's calling a green energy hub at the Port of Come By Chance in Placentia Bay.

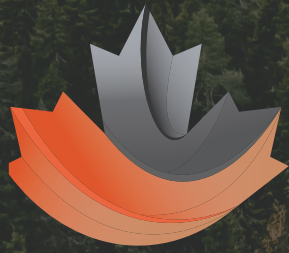
NORTHERN REGION

HIGH ARCTIC PLANNING AREA INCLUDED IN LATEST U.S. OFFSHORE OIL AND GAS LEASE PLAN

With energy security continuing to be a key issue in the U.S., the Trump administration is moving forward with plans to expand offshore oil and gas drilling, including in the Arctic, in an effort to boost the country's energy independence. A new offshore area off the coast of Alaska has been added to the existing Outer Continental Shelf Program.



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