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FEB 2026

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**GOVERNMENT POLICY
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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.

STAYING CONNECTED



CEMA CONNECTION 2026 EVENTS, PODCASTS, WEBINARS

2026 CANADIAN ENERGY MARKETING CONFERENCE – 80% SOLD OUT!

From April 20 to 22 in Montreal, we're bringing together top national voices in politics, trade, media, public opinion, and energy policy — including Vassy Kapelos, James Moore, Ben Mulroney, Chantal Hébert, Kate Harrison, Laura Kurkimaki, Megan Buttle, Ian Thompson, and senior policy leaders from CEMA's industry association partners. This conference features a timely, high-value agenda focused squarely on the issues shaping our sector and the country. If you're planning to attend, don't wait! [Buy your tickets today.](#)

CEMA ON SOCIAL MEDIA

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 & RESEARCH UPDATES

Canada explores protectionist biofuel policies, prompting industry pushback

Biofuel groups are urging Canadian regulators to move with caution amid an amendment process for the national **Clean Fuel Regulations**. Environment and Climate Change Canada solicited comments from September through January on the proposal, which floated methods of boosting support for biofuels produced domestically rather than abroad. Canada's Clean Fuel Regulations went into effect on July 1, 2023, requiring suppliers of petroleum fuels

to either increase their supply of alternative, less carbon-intensive fuels, or buy credits from producers of such fuels.

Canada's carbon plan will help oil patch in future, energy minister says

Canada's energy minister said the government's push to build carbon capture technology in the Alberta oil sands **ensures the industry is adapting** to change even as the U.S. reverses its environmental policies. "We're future-proofing our industry," Tim Hodgson said at an event in Calgary. "We're making sure we're not that country that gets billions of stranded assets because we didn't keep up with best-in-class technology." The Trump administration has aggressively pursued fossil fuel development while abandoning former President Joe Biden's signature climate policies.

WESTERN REGION

Clock ticking on Alberta-Ottawa carbon pricing deal as cracks begin to show

A key milestone in the Alberta-Ottawa memorandum of understanding is fast approaching, marking one of the first major tests of last fall's renewed relationship between the province and the federal government. Both hope to have an **agreement on industrial carbon pricing** by April 1, 2026. That deal could reveal Alberta's true appetite for cutting emissions, and exactly how much pressure Ottawa is prepared to apply. It's unclear if the April deadline will be met, however. Spokespeople for Alberta Premier Danielle Smith and the federal Environment Minister Julie Dabrusin both say negotiations are ongoing and more details will be shared in due course.

Enbridge won't lead or fund a West Coast pipeline venture, CEO says

Enbridge's CEO, Greg Ebel, has made it clear that the company is not prepared to shoulder the financial risks associated with constructing a new oil pipeline from Alberta to British Columbia, despite requests from the Alberta government for Enbridge's technical guidance. During a recent earnings call, Ebel stated that **Enbridge has no plans to lead or fund** a West Coast pipeline venture, emphasizing that neither investors nor infrastructure firms should be exposed to development risk in areas where there have been persistent regulatory hurdles.

B.C.'s Svante eyes Alberta as next big carbon capture market

When the federal government launched the Clean Technology Manufacturing investment tax credit (ITC), it was intended to incentivize Canadian clean tech, such as battery manufacturing. But CCS equipment manufacturers don't qualify for it. That could leave Svante at a disadvantage to conventional suppliers of carbon capture technology and equipment. Svante has been lobbying to have **CCS qualify for the tax credit**. Brendan Frank, vice-president of policy for the advocacy group Clean Prosperity, says, "It doesn't make sense to exclude the manufacturing of CCS equipment from those ITCs."

PRAIRIE REGION

Energy sector's interest in Churchill heating up: Kinew

Several companies, including at least one Canadian energy giant, are "kicking the tires" on a long-touted vision to export oil, gas, minerals, and agricultural products through Churchill, bringing the dream of **a trade corridor to the Hudson Bay coast** closer to reality, Premier Wab Kinew says. The details of Manitoba's conversations with these private sector players are under wraps; at the end of January, Kinew announced the province would sign a non-disclosure agreement with one of the interested parties.

ONTARIO AND QUEBEC

Quebec tables Bill 17 to regulate geological CO2 storage

The Quebec government has introduced legislation that would, for the first time, establish a **regulatory framework** for the geological sequestration of CO2 in the province. Bill 17, tabled by Minister Delegate for the Economy and Small and Medium Enterprises Samuel Poulin, aims to regulate the exploration and use of underground reservoirs, including for carbon storage. The bill represents a key step toward enabling carbon capture and sequestration (CCS) projects that have been awaiting regulatory clarity.

ATLANTIC REGION

Another setback hits N.L.'s once-touted wind-to-hydrogen industry

Newfoundland and Labrador's once highly touted wind-to-hydrogen industry was dealt another blow on February 19. The PC government has signalled that its patience has run out with some of the project proponents, stripping World Energy GH2, EverWind, and Toqlukuti'k Wind and Hydrogen of their Crown land reserves for **not paying their land reserve fees**. The government has extended the land reserve permits three times over the last three years to give the companies time to advance their projects, but Energy Minister Lloyd Parrott said the hydrogen green fuels market has not developed as many had expected.

Taxpayers federation calls on premier to fulfill tax relief promises in upcoming budget

The Canadian Taxpayers Federation is calling on Premier Tony Wakeham to live up to **tax relief promises** in the upcoming budget for Newfoundland and Labrador. The province is deep into budget deliberations now. The document is usually presented sometime in April. Devin Drover of the Canadian Taxpayers Federation is urging the premier to fulfill his promise to make the gas tax cut permanent. The cut was first introduced under the Liberals a few years ago and has been temporarily extended year after year. Drover says since its inception, the cut has saved the average family about \$1,000.

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.

Energy Alliances

Continuing his effort to expand and diversify Canada's trade relationships, Prime Minister Mark Carney and his cabinet are set to highlight Canadian industry abroad again this month.

Carney will travel to India, Australia, and Japan from the end of the month to early March. He will meet with Indian Prime Minister Narendra Modi, Australian Prime Minister Anthony Albanese, Japanese Prime Minister Sanae Takaichi, and business leaders during his visits. His aim is to expand partnerships in areas such as energy, technology, and critical minerals by identifying investment opportunities for Canada and creating new relationships between international and Canadian businesses across the nation.

This follows Energy Minister Tim Hodgson's recent visit to India, where he issued a Joint Statement on energy cooperation, signalling intent to expand trade and investment across both conventional and clean energy.

Hodgson has been on a marathon of energy-related trade missions. Last week he attended the International Energy Agency Ministerial Meeting in Paris, France, where he met with representatives from the European Union, New Zealand, Norway, Türkiye, and the United Kingdom and chaired a critical minerals dialogue with government and industry leaders to match French and European investors with Canadian mining investment opportunities. At the conference, Hodgson highlighted Canada's interest in renewable and

clean energy technologies, including carbon capture, utilization, and storage.

Hodgson was also in Poland last week, participating in meetings with business and government officials and discussing opportunities for new Canada–Poland energy trade and collaboration in areas such as liquefied natural gas, hydrogen, offshore wind, and grid modernization technologies.

Nation-Building Export Infrastructure

In the continued quest to bolster Canada's trade capacity, the Port of Churchill has taken centre stage this month as a project that may be in the national interest and worthy of fast-track approval.

The operator of the Port of Churchill and shipping company Fednav Ltd. have launched a study into what would be needed to allow year-round navigation from the facility on northern Manitoba's Hudson Bay coast, touted as a route that could supercharge Canada's energy trade. The study will examine the operational considerations of using icebreakers to extend the current four-month shipping season, given Hudson Bay's winter and spring ice coverage. It also looks at the possibility of a multibillion-dollar expansion of the port and the railway that serves it.

This was the second Churchill-related study to be announced in as many days. On February 19, the federal government, its Major Projects Office, the Manitoba government, and the Arctic Gateway Group (AGG) kicked off a market-sounding study to gather industry input into the project, known as Churchill Plus. AGG, owned by 29 First Nations and local governments in Manitoba and Nunavut, is already working to modernize the port and railway and is in talks with commodity producers and prospective customers. The study will complement that work, consulting with about 70 executives in mining, energy, potash, grain, and northern resupply. The research will help shape how an expansion could influence future import and export strategies, according to the federal government, which will lead the effort.

Cuba Crisis Continues

Canada announced February 23 that it is working on an aid package for Cuba as the country endures blackouts and severe fuel shortages worsened by a

U.S. oil embargo. Cuba is facing an increasingly dire energy crisis that has worsened in recent weeks after oil shipments from Venezuela, its main oil supplier, were halted in January. Mexico, another major supplier, also suspended oil shipments under U.S. pressure. Because Cuba produces only 40 per cent of the fuel it needs, it remains highly vulnerable to external supply disruptions. While strong allies like Russia and China have condemned the U.S. measures, their support has remained largely symbolic thus far.

Energy Moves in the B.C. Budget

British Columbia recently unveiled its budget, forecasting that the natural gas industry will play a larger role as the top driver of provincial resource revenue while warning of tough times in the forestry sector, a former economic powerhouse. B.C. natural gas is already being piped to the LNG Canada export terminal on the traditional territory of the Haisla Nation in Kitimat. LNG Canada began LNG exports from the Kitimat facility to Asia last June.

B.C. Premier David Eby has thrown the provincial government's support behind LNG while opposing a new oil pipeline to the northwest coast from Alberta. Energy projects in the province have not been without pushback, with Indigenous hereditary chiefs of the nearby Gitanyow Nation opposing the Ksi Lisims LNG project and the associated Prince Rupert Gas Transmission pipeline.



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.

INTERNATIONAL

[SAUDI ARABIA'S NEW U.S. LNG DEAL MARKS A STUNNING GEOPOLITICAL REVERSAL](#)

Saudi Aramco's 20-year deal to receive one million tonnes of LNG per year from a U.S. supplier marks a major geopolitical shift. LNG has become a central tool of energy statecraft, and locking in long-term U.S. supply underscores Riyadh's strategic repositioning while reinforcing America's status as the world's top oil and LNG producer.

[US TO WEST'S ENERGY WATCHDOG: SCRAP NET ZERO FOCUS OR WE'LL QUIT](#)

On February 19, U.S. Energy Secretary Chris Wright gave the International Energy Agency a one-year deadline to scrap its support of goals to reduce energy emissions to net zero or risk losing the United States as a member. European countries played down the threat at the agency's biennial meeting and restated their commitment to pursuing cleaner fuel.

HYDROGEN PRODUCTION: GERMANY UNVEILS 6-BILLION PLAN AND FAST-TRACK LAW

The German government has unveiled a €6-billion funding package for 2026 to supercharge green hydrogen production, back carbon capture projects, and beef up hydrogen infrastructure across the country. It also introduced the Hydrogen Acceleration Act to slice through red tape and fast-track everything from electrolyzers to pipelines.

DIESEL ISN'T DEAD: STELLANTIS REVERSES COURSE IN EUROPE

Stellantis is bringing back diesel versions of some of its models in Europe to better compete against Chinese rivals. While Stellantis had previously signalled a shift away from diesel, the company is now backtracking on its previous electrification commitments amid slower-than-expected EV sales in Europe and softened emission rules.

PLUG-IN HYBRIDS USE THREE TIMES MORE FUEL THAN MANUFACTURERS CLAIM, ANALYSIS FINDS

Plug-in hybrid electric cars (PHEVs) use much more fuel on the road than officially stated by their manufacturers, a large-scale analysis of wireless data from a million vehicles of this type has shown. The Fraunhofer Institute's study found that, while most hybrids are said to use one to two litres of fuel per 100 km, they actually need six litres on average.

U.S.

AUTHORITIES BREAK UP MULTI-STATE DIESEL THEFT NETWORKS

Alleged multistate diesel fuel thieves have been arrested in two criminal rings: one that purportedly used cloned credit cards to buy \$3.4 million in fuel for resale, and the other involving hacking into truck stop pumps. This after significant thefts of diesel fuel, with large quantities of stolen fuel offloaded for resale in elaborate criminal operations.

U.S. GOV'T ONE STEP CLOSER TO EXPANDING OIL AND GAS LEASES IN ANWR

The U.S. Bureau of Land Management has issued a call for nominations and comments in its next step toward expanding oil and gas leasing in Alaska's Arctic National Wildlife Refuge. The Canadian Parks and Wilderness Society (CPAWS) Yukon and Vuntut Gwitchin First Nation are both denouncing this "very aggressive" move.

TRUMP LAUDS JAPAN'S PLEDGE TO INVEST \$36 BILLION IN U.S. OIL, GAS, AND CRITICAL MINERAL PROJECTS

U.S. President Donald Trump has welcomed Japan's pledge to invest nearly \$36 billion in oil, gas, and critical mineral projects in Texas, Ohio, and Georgia. This follows a landmark trade deal between the two countries, one in which Tokyo pledged to invest \$550 billion in American-based projects and Trump cut tariffs on most Japanese imports to 15 per cent.

CANADA

CANADA'S OIL SANDS BRACE FOR POTENTIAL MEGA MERGER WAVE

Canada's oil patch is ripe for a mega merger, analysts say, after a bumper year for deals has left relatively few smaller targets available. A recent decline in oil prices, combined with the prospect that export pipeline capacity out of Canada will once again become scarce, is encouraging companies to focus on buying other oil and gas producers rather than expanding production from their own well sites.

WESTERN REGION

KITSAULT ENERGY PITCHES DUAL CRUDE, GAS PIPELINE TO B.C. WEST COAST EXPORT HUB

Kitsault Energy has outlined plans for a proposed dual-energy pipeline corridor from Dawson Creek, British Columbia, to Observatory Inlet, aimed at

establishing a new West Coast export hub for Canadian energy and potash producers. The proposal includes construction of two pipelines, one for natural gas and one for crude oil.

PEMBINA GREENLIGHTS TWO PIPELINE PROJECTS IN ALBERTA, B.C.

Pembina Pipeline Corp. says it has decided to proceed with two pipeline expansion projects in British Columbia and Alberta. A new 95-km pipeline will ship natural gas liquids between Birch and Taylor, B.C., and a new pipeline will connect Taylor to a pump station in Gordondale, Alta. Pembina says the expansions are set to come into service next year.

PRAIRIE REGION

SASKATCHEWAN'S PLACE IN CANADA'S ENERGY SUPERPOWER AMBITION

By any measure, Canada is already a global energy heavyweight. As the fourth-largest oil producer and fifth-largest natural gas producer in the world, our nation can become the world's next energy superpower — with Saskatchewan as a critical contributor to Canada's secure, reliable, and exportable energy supply.

MAX POWER RAMPS UP NEXT PHASE FOR LAWSON NATURAL HYDROGEN DISCOVERY

MAX Power is fast-tracking commercial evaluation of its Lawson natural hydrogen discovery near Central Butte, Saskatchewan. A 3D seismic survey, lab analyses, and AI-assisted targeting will guide drilling and resource estimates as MAX Power courts potential industrial hydrogen off-takers.

ONTARIO AND QUEBEC

STELLANTIS CANADA CEO SAYS SALE OF ONTARIO BATTERY PLANT WAS DUE TO POOR EV DEMAND

Stellantis NV sold its stake in Canada's first battery gigafactory in Windsor, Ont., for a token amount of \$100 because it overestimated the pace of electric vehicle adoption here, says the head of its Canadian division. He said EVs account for a tiny percentage of Stellantis' sales in Canada, describing it as a single-digit number.

ATLANTIC REGION

COMPANIES TRUMPET RURAL NEWFOUNDLAND LNG PLANS

Executives from a South Korean shipbuilding company signed a pact in St. John's, N.L., recently to pursue a liquefied natural gas operation in Fermeuse, N.L., but the town's mayor, Jerome Kenny, says nobody has bothered to call him. "There was a news release.... But we haven't received any information from that company," Kenny said.





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featured, please reach out to Jake Enwright at
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