



canolacouncil
OF CANADA

December 16, 2013

Ms. Lisa Blackwell
Policy Advisor
Ministry of the Environment
Integrated Environmental Policy Division
Air Policy Instruments and Programs Design Branch
Ferguson Block, 10th Floor, 77 Wellesley Street West
Toronto, ON M7A 2T5

Re: EBR Registry Number: 012-0363 – Regulation Proposal Notice: Greener Diesel

Ms. Blackwell,

Thank you for the opportunity to comment on the proposed Greener Diesel Regulation, as currently posted on the Government of Ontario's Environmental Registry. As noted during the stakeholder consultation phase of regulatory development, the Canadian Canola Growers Association (CCGA) and the Canola Council of Canada (CCC) support Ontario's development of a renewable diesel mandate that includes performance standards regarding carbon emissions.

The specific questions posed on the registry are briefly addressed below.

1. The regulation, as proposed, can be expected to result in the lowering of GHG emissions from transportation fuel in the Province of Ontario. Renewable diesel products are commercially available across Canada and in the Ontario provincial market and have been proven to work under varying Canadian climactic conditions with existing diesel fleet engine technologies. Thus, the proposed requirements within this proposed regulation are appropriate.
2. Environmental protection is the primary policy goal of the proposed regulation. The increase of the 2% average blend in the first phase (April 1, 2014 – December 31, 2015) to 4% in the second phase (post January 1, 2016) is commended. To further improve measurable environmental effectiveness, it is recommended that the proposed regulation incorporate:
 - a) **Carbon reduction thresholds** – the use of a firm threshold (or standard) per litre of fuel as opposed to an average of the diesel pool will provide the greatest level of environmental benefit under this framework. While the proposed increase in carbon reduction from 50% in phase one to 70% in phase two is positive, using an average reduction will limit its benefits. An average approach effectively places a cap on the upper limit of GHG reductions achieved in a given compliance period,

thereby limiting the potential GHG reductions which would be achieved from an absolute carbon reduction threshold.

For instance, specifying that each litre of renewable diesel fuel will meet a minimum 50% reduction threshold in GHG reduction will ensure this regulation creates the demand for high-performance, low-carbon diesel fuels and delivers greater environmental benefits than use of an average. This will also work to avoid a situation where the mandate is fulfilled with product yielding a marginal environmental benefit, which does not meet the intended policy or program goals of Government.

b) Renewable biomass stipulations – It is recommended that Ontario include supply chain considerations (beyond the GHGenius output) to ensure that feedstock is sustainably produced (e.g. not destroying rainforests, etc.). Regulatory alignment with existing frameworks such as the United States Environmental Protection Agency (RFS2) would ensure this criterion is addressed. In a complex global system of feedstock supply, this will provide increased assurance to regulators and help to avoid potential negative exposure to issues related to the procurement of unsustainable global feedstock options.

3. The proposed regulation, with its two-phased approach, provides adequate flexibility to the industry to mobilize for compliance in the jurisdiction.
4. Adequate fuel quality assurance will be upheld through the requirement for Ontario fuels to meet the standard suite of industry fuel standards, as noted in the proposed regulation.
5. The use of GHGenius 4.03a is an appropriate tool to measure life-cycle environmental performance of greener diesel fuels under this proposed regulation. It is recommended that a formal process be established for future versions to be assessed for adoption under the regulation as they become available.

The proposed Greener Diesel Regulation can be expected to achieve the environmental benefits of reduced GHG emissions from the transportation sector and could be significantly strengthened if the elements to firm GHG reduction thresholds and renewable biomass stipulations are incorporated.

Ontario has shown leadership and innovative thinking in the development of this regulatory proposal, and the opportunity to participate in this process has been appreciated.

Sincerely,

Original signed by

Rick White
Canadian Canola Growers Association

Original signed by

Patti Miller
Canola Council of Canada