

June 16, 2021

Luce Asselin
Associate Deputy Minister for Energy
Ministry of Energy and Natural Resources
5700, 4e Avenue Ouest, bureau A-407
Quebec, QC
G1H 6R1

Via email – luce.asselin@mern.gouv.qc.ca

Re: Consultation on Draft Regulations – *Petroleum Products Act*, Regulation respecting the integration of low-carbon intensity fuel content into gasoline and diesel fuel

Dear Madame Asselin,

Canadian Canola Growers Association (CCGA) and Canola Council of Canada (CCC) support the development and implementation of a low carbon fuel regulation in the province of Quebec, as proposed in the draft regulation published on May 12, 2021.¹ Renewable fuels standards and low-carbon fuel regulations are proven, effective policy tools to reduce carbon emission from transportation fuels and strengthened regulations may support regional economic development. Canola oil is a readily available, high-quality feedstock used in the production of biofuels, primarily in Canada, the United States and European Union.

The CCGA represents 43,000 canola farmers nationwide and the CCC represents the full canola value chain that includes seed developers, producers, processors, and exporters of canola. Canola is a very important cash crop for farmers and the national economy, supporting 207,000 jobs and producing over \$29 billion in economic activity. It is estimated that the canola industry produces over \$1 billion in annual economic activity in Quebec, largely driven through oilseed processing at the largest processing plant in Eastern Canada at Becancour, export activities at grain terminals in the St. Lawrence Ports (Quebec, Baie Comeau, Montreal and Trois Rivieres) and canola production on Quebec farms.

The canola industry has been supportive of strengthened biofuels policies (specifically related to diesel fuel) in Canada and provincial jurisdictions for two decades. With this proposed regulation, Quebec is poised to be at the forefront of provincial leadership on reducing emissions from diesel fuel and this will work towards the *Green Economy Plan 2030* policy goal of reducing petroleum product usage by 40% and increasing bioenergy production by 50%. Additionally, the proposed regulation is relatively uncomplicated in its design and straightforward in its approach to carbon reduction measurement. This clarity of regulatory approach allows for market-based decision making by fuel distributors (and their biofuel supply chains and feedstock providers) as to the most effective options for meeting their obligations.

¹ Gazette Officielle du Quebec, May 12, 2021, Vol. 153, No. 19, p. 1405.

The proposed schedule related to the incrementally increasing volumetric inclusion requirement,² coupled with the average low-carbon intensity reduction requirement,³ from 2023-2030 is an effective approach to producing tangible GHG reductions, while providing flexibility for distributors to go above the minimum requirements to generate credits.

The proposed use of GHGenius 4.03c as the regulatory tool to determine life cycle carbon intensity of fuels is appropriate. From our experience it is methodologically sound and is understood by stakeholders and obligated parties (distributors) in the biofuel and conventional fuel supply chains. This also aligns with the use of this carbon intensity measurement tool in other jurisdictions (e.g. British Columbia, Alberta and Ontario) which will provide a level of regulatory alignment and continuity for fuel distributors that operate across multiple provinces in Canada.

Thank you for the opportunity to comment on this proposed regulation. The Canadian canola industry supports your government's implementation of this policy as it is a tangible, proven and measurable way to:

- Decrease the environmental footprint from heavy-duty diesel vehicles with immediate GHG reductions with an incentive for fuel distributors to go beyond the minimum volumetric and carbon intensity requirements (e.g. to generate credits);
- Diversify the market for farmers by creating new domestic demand for crops; and
- Increase the investment and job creation in Quebec's agricultural and biofuel processing sector resulting from a progressive approach that provides improved regulatory stability for market participants.

This proposed regulation will be demonstrably positive for the environment, farmers and the economy and we support your demonstration of provincial leadership on this file.

Sincerely,

Original signed by

Rick White
President & CEO
Canadian Canola Growers Association

Original signed by

Jim Everson
President
Canola Council of Canada

² Ibid, Chapter II – Integration Standards, Section 3.

³ Gazette Officielle du Quebec, May 12, 2021, Vol. 153, No. 19, p. 1410. Draft Order, *Measurement methods and tools for the purposes of the Regulation respecting the integration of low-carbon-intensity fuel content into gasoline and diesel fuel*. Division II – Calculation Method, Section 3.