



Will Canada's CFS do the job?

Realizing the potential for Low Carbon Intensity Fuels in Canada.

Ottawa
November 9, 2022
Ian Thomson



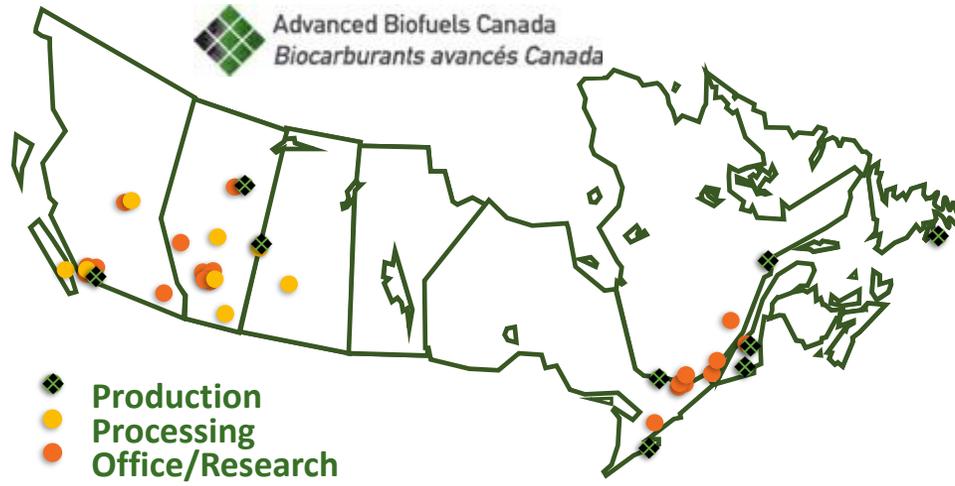
Advanced Biofuels Canada
Biocarburants avancés Canada



Net Zero Clean Fuels
A Profile of Advanced Biofuels in Canada



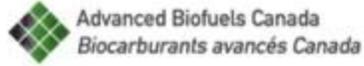
Members




 Advanced Biofuels Canada
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Resources



Go to...

Canadian Transportation Fuels Dashboard

Visualize Canadian Biofuels Data

REGULATIONS | CHARTS | BIOFUELS | FEEDSTOCK

Provincial Regulations Map

+ Federal Data



advancedbiofuels.ca/resources/canadian-transportation-fuels-dashboard/



NET-ZERO CLEAN FUELS TODAY

netzerocleanfuels.ca

ABFC Members Map



advancedbiofuels.ca/abfc-members/member-map/

Biofuels in Canada 2022

Tracking biofuel consumption, feedstocks and avoided greenhouse gas emissions

October 27th, 2022

Navius Research Inc.
PO Box 48300 Bentall,
Vancouver BC V7X 1A1

<https://www.naviusresearch.com/publications/2022-biofuels-in-canada/>



Do we need LCIF?

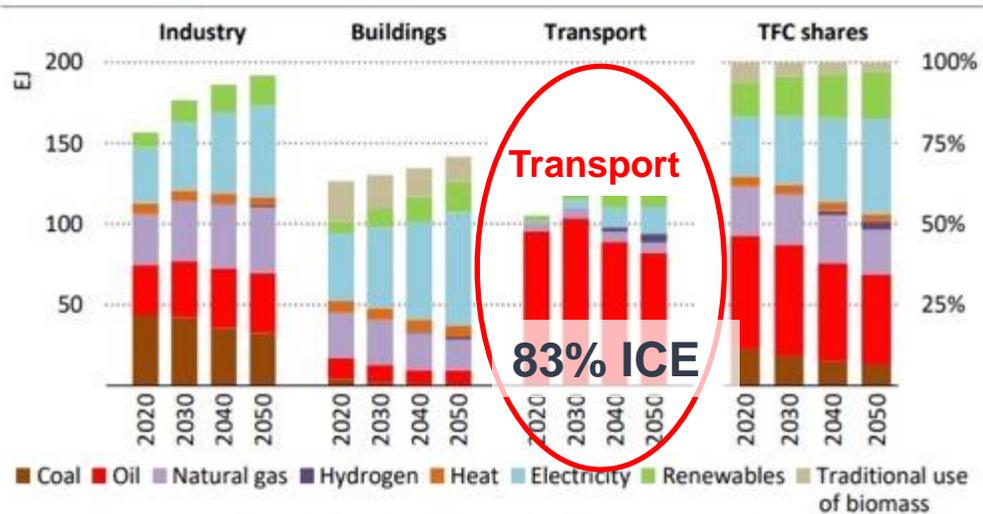
ICE market share will remain high to 2050

Two paths to net-zero 2050 transport

1. ICE + zero/negative carbon fuels
2. ZEV with zero carbon electricity/H2

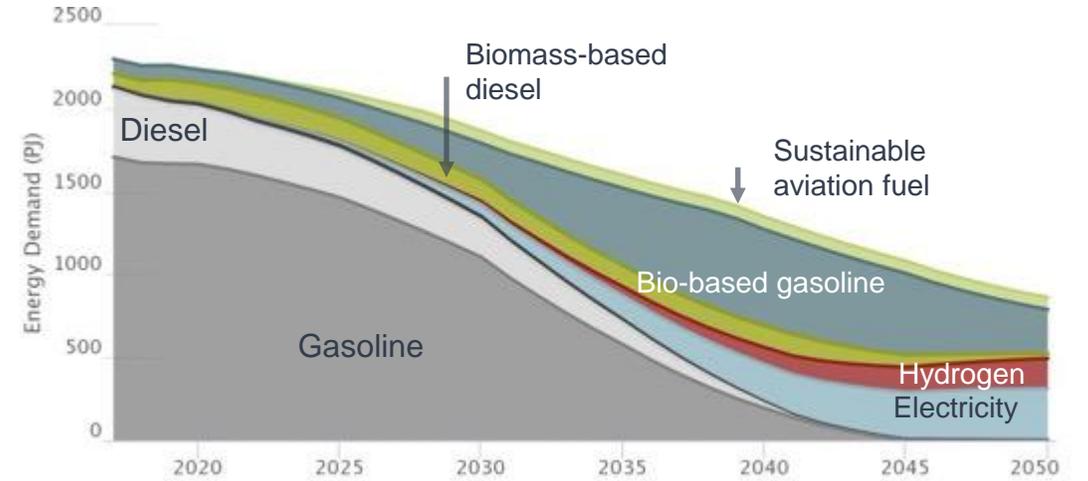
International Energy Agency (2021)

Figure 1.13 Total final consumption in the APC

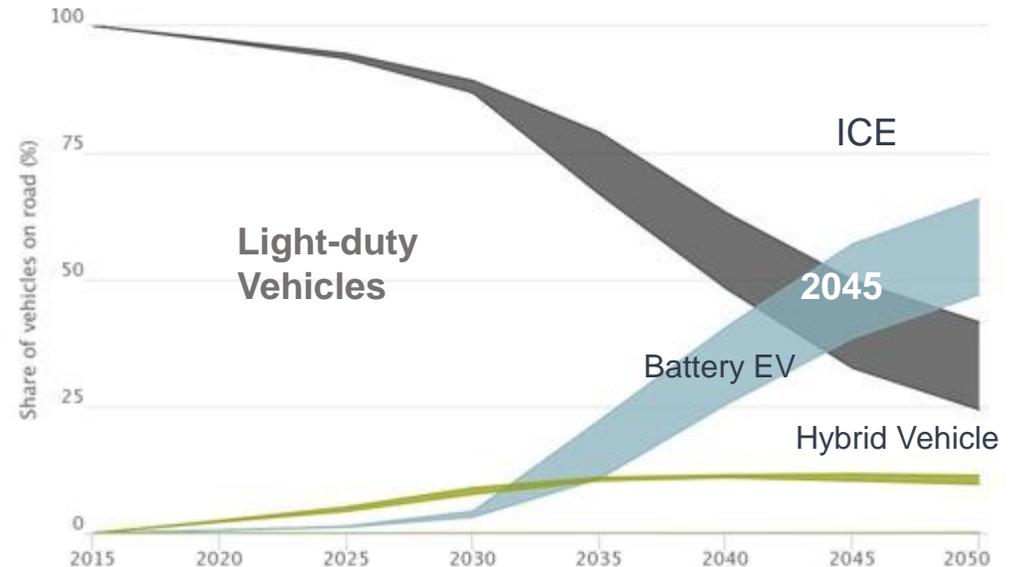


2050 Total final energy in Transportation IEA. All rights reserved.

California EPA



Canadian Climate Institute (2020)





Design objective: robust credit market

“The importance of a robust credit market is reflected in the updated benchmark stringency criteria for pricing systems in Canada for the 2023-2030 period. Under the updated benchmark, **all systems must create a strong incentive to cut emissions by sending a clear price signal across all emissions, including in credit markets.** More specifically, output-based pricing systems must be designed to **ensure there is net demand for credits; that is, the total compliance obligation must exceed the total credits available.**”

[Review of the OBPS Regulations: Consultation paper \(December 2021\)](#)



Canada's Clean Fuel Regulations

Wins

❖ Establishes

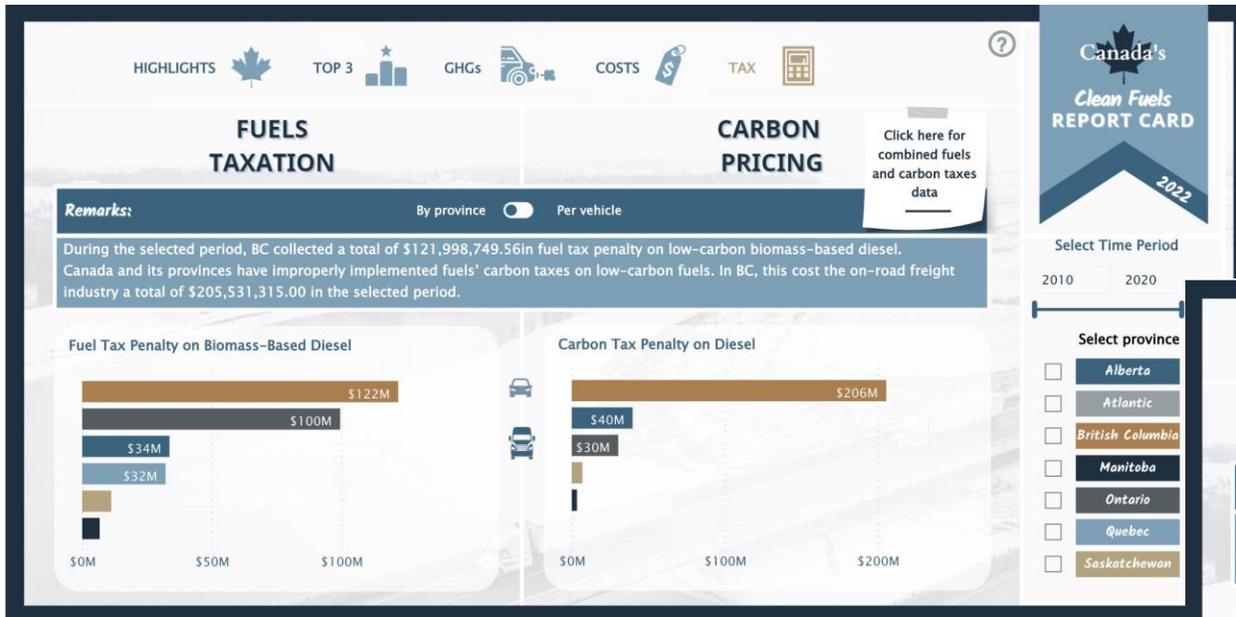
- Vastly improved credit market platform vis-à-vis Renewable Fuel Regulation
- Platform for post-2030 tightening
- Credible sustainability criteria for biofuels feedstocks
- Incenting refining sector uptake on advanced biofuels, EV, H2, RNG...

Misses

- Upstream reductions dilute non-fossil signal; unnecessary, belongs in Oil & Gas Sector cap
- Delayed 2023-2026 stringency; unnecessary, locks in fossil projects
- Non-fuel crediting (asphalt, NGLs, sulphur = > 30% barrel)
- Reporting – 2025 first real data on debits, credits

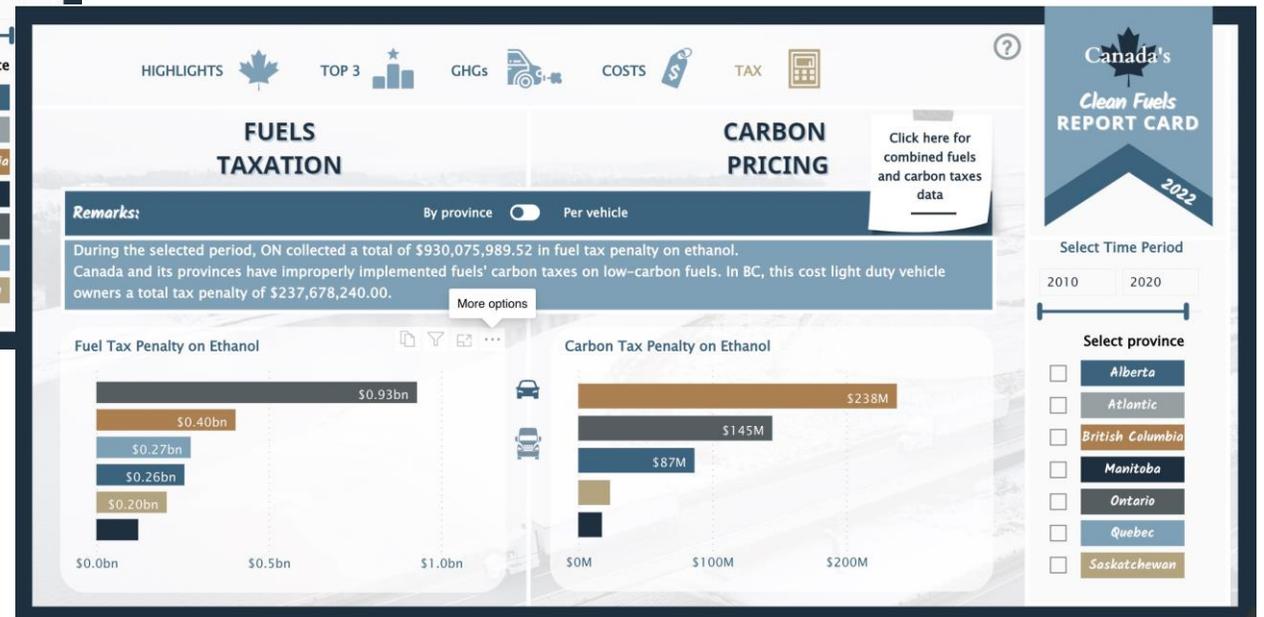


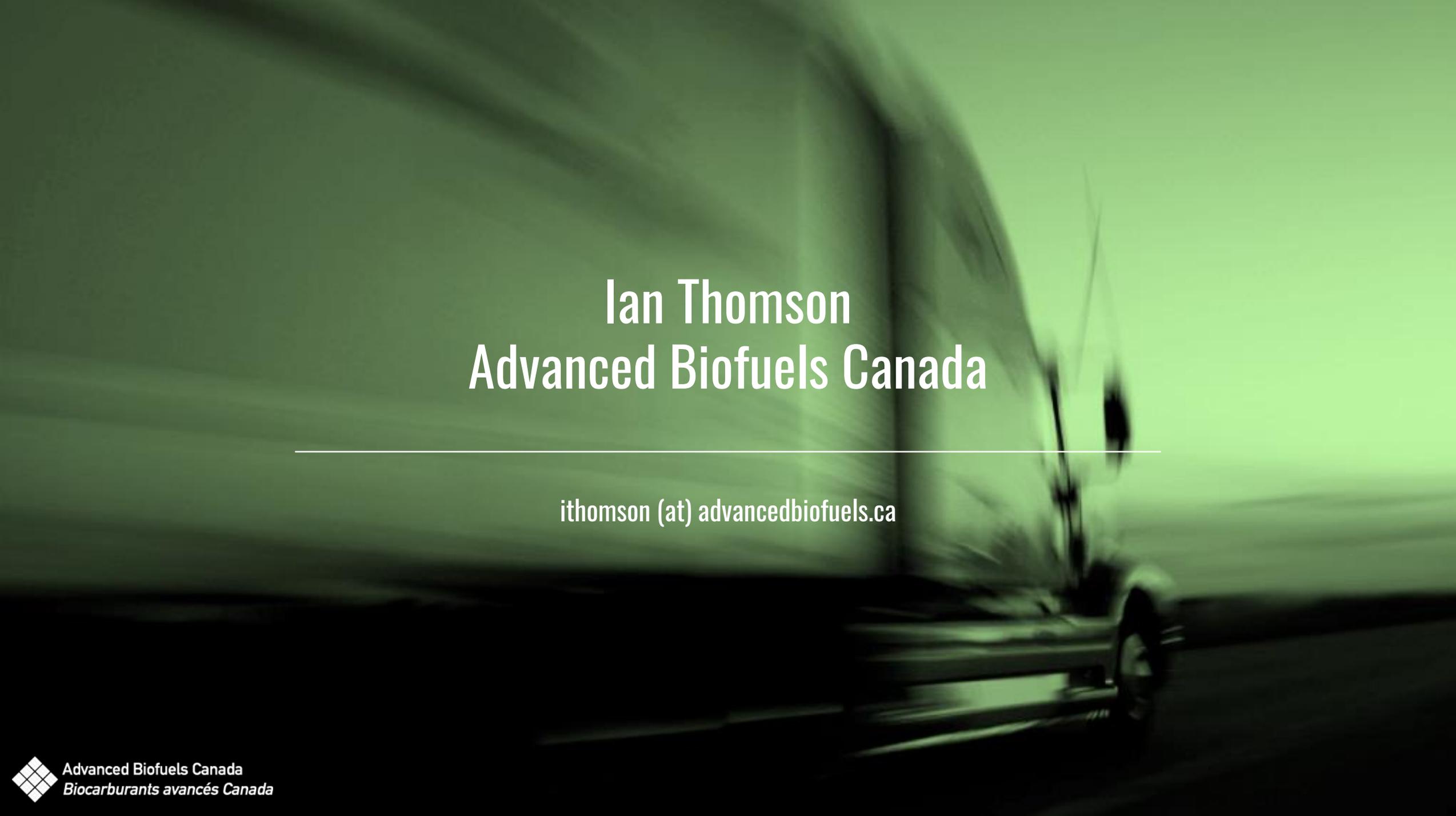
Penalizing Clean Fuels: Canada's Fuel Taxes



The Cdn gasoline **carbon tax penalty** 2010-2020 was **\$510.5 million**; diesel was **\$286.8 million**.

The Cdn gasoline **volumetric fuel tax penalty** 2010 - 2020 was **\$2.19 billion**; diesel was **\$305.5 million**.





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