

Canada's Clean Fuel Standard takes important step forward with regulatory design paper

Detailed design intentions include ~11% carbon intensity reduction for liquid fuels by 2030, addressing 75% of the 30 MT overall GHG reduction target



Advanced Biofuels Canada
Biocarburants avancés Canada

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/EINPresswire.com/ -- In a significant development for the clean fuels sector, Environment and Climate Change Canada released today the Regulatory Design Paper reflecting a year of intensive consultation on the national Clean Fuel Standard (CFS). The CFS will be implemented in 2022 for the liquid fuel stream, and in 2023 for gaseous and solid fuel streams, with 30 MT of annual reductions from all streams by 2030.



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Ian Thomson

The CFS design includes the following key elements.

- Liquid fuels – of which transportation consumes 80% – will shoulder 23 MT of the 30 MT CFS total, with reductions to come from clean fuels such as biofuels, electric vehicles, renewable natural gas and hydrogen
- Reductions will also come from refinery improvement and upstream projects under protocols to be developed
- Cross-steam credit utilization, early period credit generation, and carry-forward of unmet credit obligations

are amongst the additional compliance flexibilities for obligated parties

- A compliance credit market system to support clean fuel credit generation, trading, and regulatory compliance
- Canada's Renewable Fuel Regulations' volumetric mandate will be incorporated into the CFS at existing levels (5% in gasoline, 2% in diesel)
- Indirect land use changes will not have a carbon intensity factor, but measures will be adopted to protect against adverse environmental impacts

Advanced Biofuels Canada released the following comment by President Ian Thomson. “Our federal government has kept the promise that this would be a modern, flexible regulation using a proven, cost effective approach. Many stakeholders said that transportation was the logical place to find the majority of reductions, and the CFS design follows that recommendation. The design addresses a number of concerns expressed by fossil fuel producers, with a range of compliance options. The consultations made clear that the reductions can be met with proven technologies currently operating at commercial scale around the world. The CFS design sends a compelling signal to the global clean fuels and investment sectors that Canada is prepared to widely deploy these technologies in the decade ahead.”

“Further, expanding use of clean fuels gives consumers more choice at the pump and creates economic benefits both in cities and rural communities across Canada. Our abundant, sustainable resources can produce low carbon, advanced biofuels from agricultural and forest biomass and a variety of diverse waste streams.”

To complement the CFS, Advanced Biofuels Canada and other advocates have called for the

federal government to work with industry to develop a Clean Fuels Plan to ensure that the economic benefits of the CFS are realized in Canada. A multi-year initiative would support domestic production and distribution of low carbon fuels and put Canada on the path for continued reductions after 2030. Alignment of carbon pricing and fuel taxation with the CFS objectives would be a core element of this plan.

Thomson added, "In the heated debate about how best to move to a much lower carbon economy, what is often missed is that BC, California, and others have been on this path for almost a decade, expanding their economies while using low carbon fuels with negligible impact on fuel costs. These regulations work; they're smart because they increase market competition and, with improved clean fuel and clean vehicle options, consumers are the winners."

Advanced Biofuels Canada/Biocarburants avancés Canada is the national voice for producers, distributors, and technology developers of advanced biofuels. Our members are the global leaders in commercial biofuel production and technology development, with 13 billion litres of worldwide capacity and rapidly expanding investments in Canada to meet new low carbon fuel demand. Since 2005, ABFC has provided provincial and federal leadership on effective biofuels policies that expand clean energy options, achieve measurable climate action results, and stimulate new clean growth investments. For information on Advanced Biofuels Canada and our members, visit www.advancedbiofuels.ca.

The clean fuel standards regulatory framework can be accessed at:
<http://www.advancedbiofuelscanada.ca/cfsregdesignpaper>

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