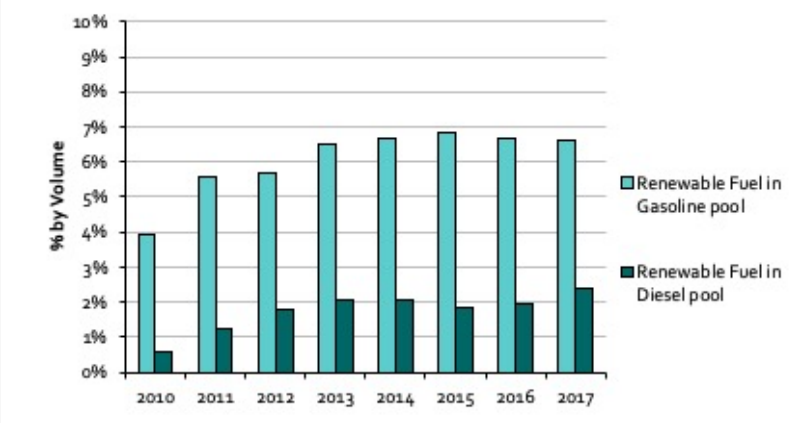
Annual ‘Biofuels in Canada’ 2019 report shows record reductions and effectiveness of Canada’s renewable fuel regulations

Advanced Biofuels Canada commissions fourth annual report, with expanded coverage of Canadian biofuel use, greenhouse gas reductions, and costs



Renewable Fuel Content by Fuel Pool

VANCOUVER, BRITISH COLUMBIA, CANADA, April 25, 2019 /EINPresswire.com/ -- Advanced Biofuels Canada (ABFC) announced the release of the Biofuels in Canada (BIC) 2019 report, which updates and expands upon previous reports by Navius Research.

“Canadian federal and provincial regulatory work to reduce transportation carbon emissions relies more than ever on robust, comprehensive biofuel data and analyses. This report, now in its fourth edition, has become an indispensable aid to the market and for policy makers. The results inform key climate action options, as Canada pursues even deeper greenhouse gas (GHG) reductions in the decade ahead,” said Ian Thomson, president of ABFC.

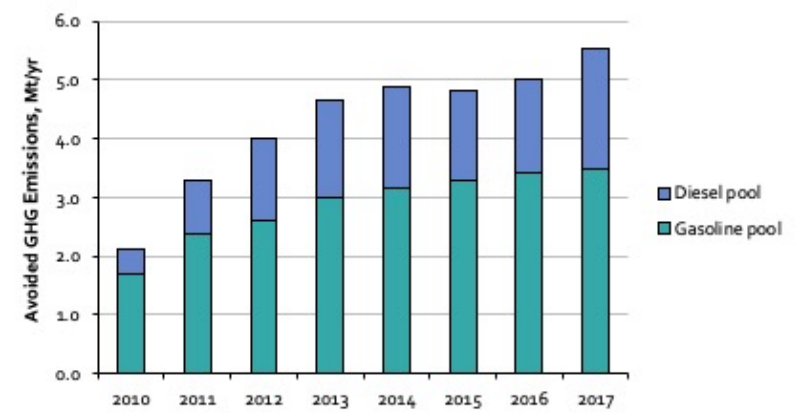
> “The carbon intensity of biofuels has dropped over 50% since 2010, and while 2017 delivered record greenhouse gas emission reductions, mandates have not added materially to consumer fuel prices.”
> *Ian Thomson , ABFC President*

“While use of biofuels has been relatively stable between 2013-2017, improvements in the lifecycle carbon intensity of biofuels have delivered record greenhouse gas emission reductions, with no material change to consumer fuel prices. The Navius analysis supports federal and provincial efforts to regulate GHG emissions in transport fuels and, based on observed prices, demonstrates that market-based measures such as BC’s LCFS can cost-effectively lead the transition to cleaner fuels. Increased use of clean fuels in Canada is key to meeting our Paris Agreement commitments – and advanced biofuels production will support our farming, forestry, and rural communities. As the world shifts to lower carbon sustainable fuels, Canada is well positioned to expand production of clean renewable fuels.”

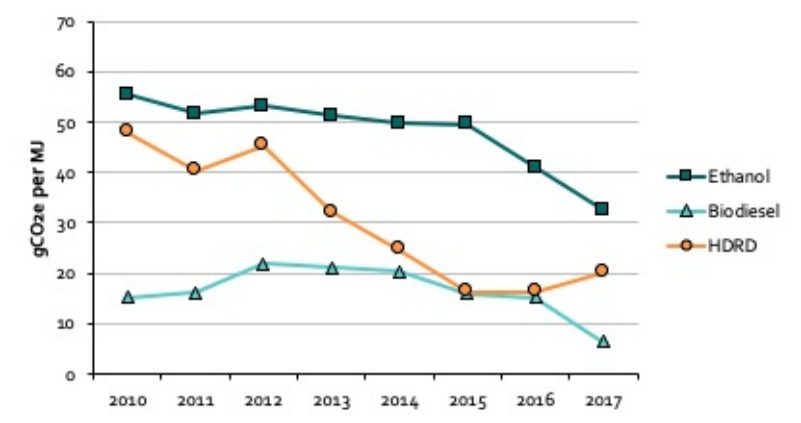
The 2019 report’s open-source database catalogs 2010-2017 biofuel blending rates, biofuel types, and feedstocks utilized at the provincial level, with aggregated Canadian results. GHG reductions are assessed annually by fuel type, with estimates of biofuels impact on consumer fuel expenditures, GHG abatement costs, and an updated analysis of taxation policies’ impact on biofuel costs.

Amongst the study’s highlights:
•Annual avoided lifecycle GHG emissions resulting from biofuel consumption reached a record

5.5 million tonnes in 2017
•Ethanol use in gasoline was 3,047 million liters in 2017 (6% of the gasoline pool). Renewable content used in the diesel pool was 702 million litres (2% of diesel fuel)
•Using actual fuel market prices, biofuel consumption reduced fuel expenditures in Canada by 0.42% from 2010 to 2017, relative to a counterfactual scenario of no biofuel blending
•The biofuels cost impact is equivalent to an average $22/year savings for an average gasoline consumer (i.e. car/pickup) or an additional cost of $253/year for an archetypal diesel user (i.e. freight truck), adding 0.65% to overall diesel fuel costs
•Biofuels abatement costs were negative $312/t (i.e. a savings) in the gasoline pool and $138/t in the diesel pool, before consideration of external benefits (reduced pollution, health care costs, etc.)



Canada renewable fuels LCA GHG reductions 2010-2017



British Columbia LCFS - biofuel LCA improvements 2010-2017

Data in the report that assess the British Columbia LCFS show that market-based mechanisms also drive innovation in biofuels. In the 2010-2017 period, biofuel producers reduced the carbon intensity of ethanol used in BC by 41%, biodiesel by 51%, and HDRD by 58%. These innovations are consistent with the emergence in BC of a visible and functioning compliance credit market, which has contributed also to the cost effectiveness of the overall regulation.

New analyses in the report also highlight the disproportionate tax burden on biofuels, when compared to petroleum fuels (gasoline, diesel) or other clean fuels. Volumetric fuel taxes (e.g., excise, carbon) on biofuels have increased fuel costs for consumers and created windfall tax revenues for governments of over $1.5 billion since 2010. “Governments’ policies to reduce fossil fuel use are increasingly being undermined by an antiquated fuel tax design structure in Canada,” said Thomson. “Aligning fuel taxation policies with climate goals is long overdue. Non-fossil content in fuels is only going to increase. The 2019 report makes the impact of these perverse costs, and the need for reform, even more clear.”

The full report and data tables are available at Navius Research publications.

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