

Advanced Biofuels Canada comments on BC fuel price inquiry, LCFS impact

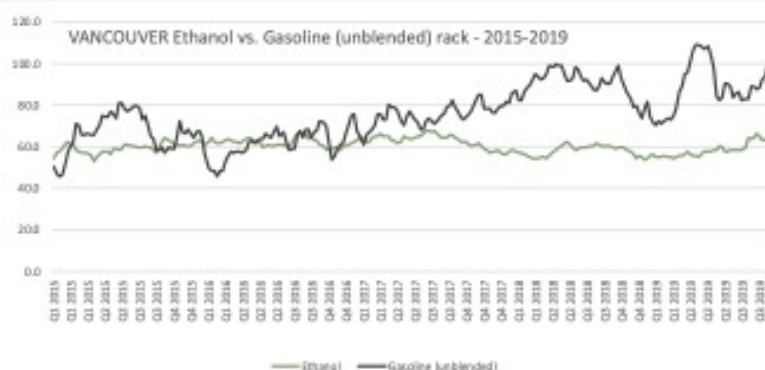
Factsheet addresses key findings and corrects commentary

VANCOUVER, BRITISH COLUMBIA, CANADA, December 10, 2019 /EINPresswire.com/ -- [Advanced Biofuels Canada](#) (ABFC) has released a [factsheet](#) to summarize the outcomes of the BC Utility Commission inquiry into high fuel prices in BC, and to address inaccurate commentary about fuel regulatory costs in the province.

The Panel of three commissioners released a Final Report (August 30th, 2019), and a Supplemental Report (November 12th, 2019) which considered Intervenor feedback on the Final Report. All non-confidential information for this Inquiry is on the [BC Utility Commission website](#).



Advanced Biofuels Canada
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Vancouver - Ethanol vs Gasoline wholesale prices

“The reports provide deep insight into the function of BC and Canadian fuel markets”, said Ian Thomson, ABFC President. “The commissioners confirmed that BC’s citizens pay a large price premium when a small number of refiners have sole-supplier rights to the majority of BC gas stations, and when significant barriers to entry face new wholesale suppliers. Alternative fuel suppliers have long known that this market power denies motorists access to less expensive, low-carbon fuels; this report spells out how, and defines the significant cost to our economy.”

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Ian Thomson, ABFC President

Relative to gasoline prices and market concentration, the Inquiry concluded that:

- the BC wholesale market is oligopolistic, and barriers to entry are significant
- wholesale suppliers have the ability to exercise market

power, and the “strongest indication that it is exercised lies in the fact that there remains a 10-13 cents per litre unexplained differential”

- the cost of excessive gasoline prices to British Columbians is a minimum of \$490 million per year

The Panel also assessed the impact of regulatory factors, such as the BC low carbon fuel standard.

- the report assigned a cost impact for the BC low carbon fuel standard (LCFS) at the top end of its expert consultant’s estimate of between zero to 4 cents per litre

- the unexplained 10—13 cents per litre differential is in addition to the assigned regulatory costs
- a number of refiners ('Oil Companies') submitted confidential information and had in-camera oral sessions with commissioners; the panel nonetheless concluded that "there is no concrete evidence to support a definitive adjustment to the unexplained 13 cents per litre difference" and that additional data were "inconclusive or contradicting."

ABFC's experience with the LCFS prompted Thomson to state that, "BC is not unique from a regulatory point of view, it does not have boutique fuels, and it has amongst the lowest ethanol content of North American jurisdictions. Opinions that BC regulations account for the 'unexplained differential' are not only contradicted by report data, they are also not supported by public or confidential submissions from the refiners. The refiner with arguably the most global experience amongst the Intervenors confirmed the Panel's cost estimate."

Advanced Biofuels Canada/ Biocarburants avancés Canada is the national voice for producers, distributors, and technology developers of advanced biofuels. Our members are global leaders in commercial production of advanced biofuels, with over 14 billion litres of installed annual capacity worldwide. Our members include Canada's leading advanced biofuels producers and technology innovators and are actively developing new clean liquid fuels production and distribution assets and operations in Canada. For information on Advanced Biofuels Canada and our members, visit: www.advancedbiofuels.ca.

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