Canada zeroes in on firmer Clean Fuel Standard targets, steers for compromise

VANCOUVER, BRITISH COLUMBIA, CANADA, July 15, 2020 /EINPresswire.com/ -- Advanced Biofuels Canada (ABFC) released today its response to the June design update by Environment and Climate Change Canada (ECCC) for the proposed Clean Fuel Standard (CFS).

The update increases the 2030 target by 20% but provides an easing of 2022-2025 requirements. Together, the changes will increase cumulative liquid fuel emission reductions by 6% by 2030 relative to previously proposed obligations. ECCC provided data supporting the feasibility of higher targets, and also stated that they are “consistent with other low carbon fuel standard programs that set targets expecting innovations.” ECCC noted that easing near-term requirements “will give regulated parties more time to rely on credits banked from the current Renewable Fuel Regulations and [allow] additional time for new investments.”

ABFC’s comments support the updated approach to the liquid fuel class CFS regulations, and raises concerns about three major issues. ABFC’s Summary Brief for Policy Makers [link], calls on ECCC to:

1. Strictly adhere to the new timeline and proposed target and trajectory
2. Eliminate trade barriers and irritants to protect open markets for North American energy products
3. Balance the regulatory approach to ensure fair competition

“The fossil fuel sector has been pressing for weaker targets and more time to meet them, and ECCC has provided evidence that these stronger targets and the relaxed timeline are fully realistic,” said Ian Thomson, ABFC President. “We strongly support the new target and trajectory but note that it is only a modest first step; it’s clear that Canadians expect more on climate action.”

“Advanced biofuels alone can add 5 billion litres per year of new, very low carbon sustainable liquid fuel capacity by 2030. However, Canada’s fossil fuel suppliers will need ramp up investments to offer Canadians a greater range of low carbon fuel options. Under their current low carbon fuel standards (LCFS), both BC and California require 20% reductions in transport fuel carbon intensity by 2030; these regulations have far tougher design elements and started without the modern-era technologies and new commercial fuels in the market today. Actions taken by fuel suppliers in these comparable markets has demonstrated the clear feasibility and

affordability of Canada's 2030 liquid fuel CFS target."

ABFC's brief notes how the proposed CFS heavily favours the fossil sector, and how certain provisions are likely to create trade frictions in agriculture, forestry, and biofuels. "We're very concerned that this regulation is picking winners by providing fossil fuel companies with a whole range of options to generate compliance credits that simply do not exist in any other regulation in the world. Nor are CFS design elements fairly applied across all fuel platforms, putting advanced biofuels and other clean fuels at a significant disadvantage. The CFS design as proposed could invite retaliatory trade or regulatory measures that would undermine a decade of progress in developing markets for Canada's biofuels supply chain."

"The immediate focus must remain on the 2022 to 2030 CFS design and implementation. However, we cannot lose sight of longer-term impacts to de-carbonizing fuel systems," noted Ian Thomson. "Fossil fuel suppliers have joined the call to achieve net-zero emissions by 2050, and they know there is simply no way to achieve this commitment without starting now; the CFS is the signal to get to work. By focusing on near-term increased production and use of non-fossil clean fuels, we achieve two core objectives: (1) critical compliance credit supplies to limit impacts on fuel consumers; and (2) a platform on which to achieve net-zero by 2050. Delaying action is a non-starter; betting on future miracles is equally flawed. Using proven, existing clean fuels and technologies today opens the door for clean innovations tomorrow."

ABFC has previously detailed in Canada's Clean Fuel Strategy brief the clean jobs benefits from new advanced biofuels production capacity and its impact on Canada's farmers, foresters, and resource communities. A liquid fuel class design that follows international norms will be a clear driver for private sector investment in clean fuels and long-term, sustainable job growth for skilled workers. Leveraging Canada's agricultural and forestry resources and clean technology know-how will build economic resilience in our rural and resource communities, and reduce Canada's commodity market export risks. It is a proven approach that will ensure Canada meets its 2030 and 2050 emission reduction goals. "The CFS is the foundation for building a stronger, more resilient, and globally competitive Canadian clean energy economy. Let's do it right," concluded Ian Thomson.

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

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