

# Advanced Biofuels Canada releases groundbreaking Clean Fuels Report Card

*Inaugural report targets provincial leaders, laggards, and unintended consequences of incorrect carbon pricing & antiquated fuel taxation in clean fuel markets*

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[/EINPresswire.com/](https://EINPresswire.com/) -- Advanced Biofuels Canada (ABFC) released today a new [report card](#) intended to create a complete picture of biofuels' use

impacts in Canada. The report card demonstrates which provinces are leading on emissions reductions in transportation (ON, BC, AB) and how poorly designed fuel taxation systems are raising fuel costs for fuel consumers. The report reinforces the importance of biofuels and other non-fossil clean fuels in achieving Canada's 2030 and 2050 emission reduction goals.



Report Card cover page

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*Ian Thomson, ABFC President*

“Renewable and low carbon fuel policies were adopted provincially, starting in 2005, but information about their costs and emissions impacts has been hard to come by,” stated Ian Thomson, President of Advanced Biofuels Canada. “This report card helps policy makers better understand the role of different types of fuel regulations, and alerts them to disconnects between climate policy objectives and the application of both carbon taxes and motor fuel taxes on biofuels use.”

The report's interactive data convey key results to visualize

comparative greenhouse gas reductions (absolute and per vehicle), biofuel blending levels, fuel costs and savings, biofuel capacity (existing, under development), and the impact of carbon and fuel taxes on clean fuel use.

“This new online tool – backed by the datasets from the annual [Biofuels in Canada 2022 report](#) from Navius Research – pairs very well with the definitive and detailed ‘map’ of Canadian policies

in the [Canadian Transportation Fuels Dashboard](#).”

A sampling of metrics from the Report Card:

- Ontario has the highest cumulative absolute GHG reductions 2010-2020 (17.8Mt), while Saskatchewan and British Columbia had the largest per-vehicle emissions reductions for light duty and medium/heavy duty vehicles, respectively
- Between 2014-2020 BC's Low Carbon Fuel Standard (LCFS) put the province far ahead in GHG reduction gains, delivering an impressive 99.9% improvement since 2014 (first full year of LCFS requirement)
- Ethanol blending significantly improved fuel affordability over 2010-2020
  - o Ontario's motorists saved the most in absolute terms (\$2.03 billion)
  - o Manitoba drivers saved the most per litre at \$0.012/L on average, with ON at \$0.011/L and SK at \$0.009/L
- Biofuel blending in British Columbia added \$0.0251/L to wholesale diesel costs (2010-2020), but BC's dysfunctional carbon tax and a volumetric fuel tax penalty added a further 32% to that cost (\$0.01/L or \$328M over the period)
- Without fuel tax penalties on clean fuels (due to improper application of the carbon tax and volumetric fuel taxation), ON drivers would have saved 53% more (\$0.006/L or \$1.075 billion over 2010-2020) to the \$2.03 billion already saved from blending ethanol into gasoline in the period
- In 2021 alone, we estimate that Canadians were overcharged fuel taxes of \$445 million on the basis of taxing fuels based on volume instead of their energetic content; over 2010-2020 the total tax penalty on clean fuels was \$2.58 billion
- Were Canada to match the higher biofuel blending levels in the US, Canada would eliminate an additional 3.31Mt of GHG reductions every year

“Canada's carbon fuel charge is not compliant with international carbon accounting rules and arbitrarily taxes low-carbon biofuels at the same rates as high-carbon gasoline and diesel. Compounding this problem, federal and provincial fuel taxes are based on volume, but many emerging fuels have lower energy/volumes than fossil fuels, with Canadians paying more to travel the same distance using clean fuels. This 'tax penalty' will grow every year unless Canadian governments reform fuel taxation to align with climate policies and tax fairness principles. High fuel costs are harming many Canadian households; governments can help by eliminating the carbon and fuel tax penalties on low carbon intensity fuels, almost \$4.2 billion since 2010.”

“This report provides several critical insights relative to biofuels' role in a low-carbon future. Firstly, low carbon fuel standards are powerful tools. BC has approximately 1/3rd of Ontario's vehicle registrations and population, yet in 2020, biofuels in the BC LCFS reduced GHG emissions by almost 9/10ths of Ontario's absolute 2020 GHG reductions associated with biofuels use. Secondly, carbon pricing design applied to biofuels is exacerbating high fuel costs and needs immediate fixing. Navius estimates that carbon taxes on biofuels will artificially increase fuel costs for Canadian consumers by \$1.4 billion every year by 2030. In terms of climate ambition, Canada is foregoing 3.31Mt of GHG reductions every year (biofuels currently reduced 5.8Mt in

2020) simply because our relatively weaker renewable fuel policies lag those in the US. Lastly, taxing low carbon fuels on a volume basis is working against our climate action targets and hurting clean fuel consumers.”

“Canada is already seeing billions of dollars invested in advanced biofuels production in the past two years, and more projects are under development. The clean fuel transition is creating valuable clean tech jobs across the country, adding value and building resilience in Canada’s energy, agriculture, forestry and waste management sectors. Continuing to strengthen low carbon and renewable fuel standards is key to Canada’s climate targets, but we need to align fuel tax signals to realize the full benefits from use of these fuels.”

Advanced Biofuels Canada/ Biocarburants avancés Canada is the national voice for producers, distributors, and technology developers of advanced biofuels and renewable synthetic fuels. Our members are global leaders in commercial production, with over 23 billion litres of installed annual capacity worldwide. Our members include Canada’s leading advanced biofuels producers and technology innovators, leading service providers, and clean liquid fuels distributors.

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