

Advanced Biofuels Canada releases policy brief and recommendations to grow Canada's biofuel sector

Clean fuel fiscal measures will support \$10-15 billion in new investment and reduce the cost of clean fuels for Canadian consumers

VANCOUVER, CANADA, November 2, 2023 /EINPresswire.com/ -- Advanced Biofuels Canada (ABFC) released today its [fiscal recommendations](#) to attract \$10-15 billion of new clean fuel capital investments to build new Canadian clean fuel production capacity and infrastructure by 2030.

ABFC's 'Clean Fuels Strategy' report profiles fiscal measures that will assure that Canadian-based clean fuel production remains competitive in the global market and, specifically, position the sector to compete against US-based producers subsidized by the measures in the US Inflation Reduction Act (IRA).

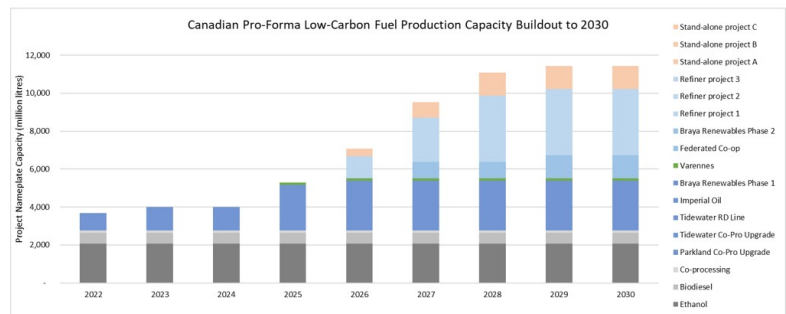
Ian Thomson, President, emphasized that, "Canada needs a complete climate action strategy to ensure that the conventional transportation has access to affordable, made-in-Canada clean fuels. Our recommendations complement policies to transition to electric and clean hydrogen mobility, with fiscal measures directed at non-ZEV transport in hard-to-decarbonize sectors, such as long-haul trucking, aviation, marine, and rail. These sectors are rapidly adopting low-carbon-intensity fuels (LCIF), such as renewable diesel (RD) and sustainable aviation fuel (SAF). Total Canadian LCIF capacity is sufficient to meet about 75% of current market demand but, without new capital investment, this will shrink to less than 50% by 2030 and increase our reliance on imported clean fuels."

Thomson noted, "Canada has an abundant supply of sustainable clean fuel feedstocks, such as canola and soybean oil, animal fats, crop and forestry biomass residues, and wastes, to support domestic production capacity expansion to meet 2030 demand for LCIF. New clean fuel refining

Canadian Impacts	2023	2030
Clean fuel investment		\$10 – 15 billion (2023-2030)
Clean fuel production capacity	4 billion litres/year	9.0 – 11.4 billion litres/year
Direct + Indirect GDP	\$694 million	\$4.1 – 5.1 billion (annual)
Direct + Indirect Employment	3,500	17,600 – 24,700
Avoided Greenhouse Gases (GHG)	5.8 Mt	14.6 – 18.7 Mt (annual)

Clean Fuel Growth Impacts by 2030

Pro-Forma Low-Carbon-Intensity Fuel (LCIF) Production Capacity in Canada to 2030 (ABFC - High Case)



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Ian Thomson, ABFC President

capacity is under construction or approaching final investment decisions; production in Canada is poised to double or triple in the next five years."

The ABFC analysis primarily focuses on expanding the production and use of RD and SAF; however, the fiscal measures will support the full range of clean fuel feedstocks, technologies, and clean fuel types, including renewable methanol, renewable gasoline, and bio-based low-carbon hydrogen. Turner Mason & Company provided engineering services to support the detailed modelling of RD and SAF production facilities to analyze the feasibility of

Canadian capital investments across a range of fiscal measures.

Navius Research conducted an independent analysis of the economic and greenhouse gas (GHG) impacts related to ABFC's estimated LCIF capacity build-out and production estimates that result from the proposed clean fuel fiscal policies. The results are summarized in the attached table.

The Navius evaluation estimated the cost of expanding eligibility to the federal Clean Technology Manufacturing Investment Tax Credit to clean fuel investments would be \$1.55 – 2.88 billion over 2024-2030. Further, implementing measures that would directly address the US IRA subsidies that will be paid to US-based biofuel producers would require an estimated \$4.77 – 6.46 billion over 2025-2030.

Thomson reflected on the Navius modelling results, "Essentially, with \$8-10 billion in focused fiscal policies, Canada's clean fuel sector will more than double current capacity, add 20,000 clean energy jobs, and return \$5 billion every year in economic activity. These are smart investments with very strong payback – they transition our energy, agriculture, forestry, and clean technology sectors to be leaders in the low carbon economy of tomorrow.

And, in terms of climate action, these policies ensure that Canada will meet its 2030 and 2050 commitments with made-in-Canada clean fuels. Canada needs to catch up: the US, EU, and Asian markets are actively building out new clean fuel capacity, it's time to secure our place in the clean fuel race."

In addition to new policies for clean fuel developers and operators, the report also proposes measures that would directly reduce the cost of clean fuels for Canadian consumers. Thomson continued, "We have long advocated for the removal of the carbon tax on clean fuels. Navius Research's new [Biofuels in Canada 2023 report](#) stated that, '...[carbon taxes on low-carbon fuels alone] would have consumers pay an additional \$1.5 billion per year in 2030.' We are also calling on federal and provincial governments to reform excise taxation of transportation fuels – the current system is not keeping up with the pace of change in transportation. Eliminating the

carbon tax and fairly applying transport fuel taxes on all LCIF products would significantly reduce fuel costs for all Canadians.”

The ABFC Clean Fuels Strategy report was developed to support the biofuels consultation mandated in the federal budget in March 2023. Thomson noted, “Natural Resources Canada and Finance Canada led an effective and focused review of the biofuels sector over the spring and summer. The consultation affirmed the private sector capital investment potential and identified competitive gaps, primarily between Canadian projects and US-based competitors. Discussions this fall moved to evaluate alternatives aligned with those identified in our report; overall, we’re encouraged by the progress. The Canadian clean fuels sector is looking to the fall economic statement and budget 2024 to define and implement new measures that support growth – there is no room for delay.”

The ABFC Clean Fuels Strategy report and companion reports are available [here](#).

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 of these functional, scalable fuels, with over 36 billion litres of installed annual capacity worldwide. Our members include Canada’s leading advanced biofuels producers and technology innovators which 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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