

Canadian Biofuels Reach Major Milestones Despite Challenging Year for Producers: Biofuels in Canada 2025 Report

New data shows record growth in low carbon fuel use and emission reductions, while maintaining affordability for drivers.

VANCOUVER, CANADA, September 22, 2025 /EINPresswire.com/ -- Advanced Biofuels Canada (ABFC) today released the tenth annual Navius Research [Biofuels in Canada report](#), the national report on Canada's renewable and low-carbon fuel markets. Recognized as one of the most effective ways to reduce transportation greenhouse gas emissions, biofuels have reached record use in Canada.

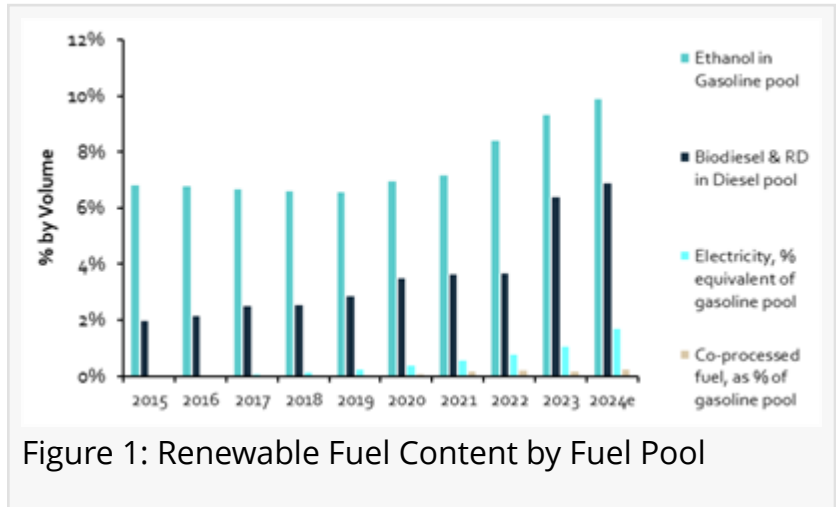


Figure 1: Renewable Fuel Content by Fuel Pool

The report provides a clear, data-driven picture of consumption, emissions reductions, policy impacts, and market trends at the federal and provincial levels. “Biofuels turn Canadian crops into economic growth, supporting farm families and rural economies, strengthening national energy security by diversifying Canada’s fuel supply, all while reducing greenhouse gas emissions,” said Fred Ghatala, President of Advanced Biofuels Canada.

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“The federal Clean Fuel Regulations (CFR), along with complementary provincial policies in all provinces (except

Atlantic Canada), have been central to reducing greenhouse gas emissions from gasoline and diesel use. This year’s results show policy leadership is translating into real-world impacts on economic growth, consumer choice, and affordability,” said Ghatala.

The report finds that renewable fuel content reached a record high in 2024, with ethanol nearing the key 10% blend level and biofuels in diesel tripling the federal target, reaching nearly 7% in

renewable content.

Other important 2025 findings include:

- In 2024, Biomass-Based Diesel (BBD)'s consumption rose 9% to almost 1.5 billion litres per year, while ethanol increased 6% to 4.2 billion litres per year.
- The average Carbon Intensity (CI) of biomass-based diesel fuels is 86% less than fossil diesel, and the CI of ethanol is 57% less than gasoline.
- Since 2010, the use of biofuels in Canada has reduced wholesale fuel costs by \$1.25 billion.
- In 2024, Canada achieved a greenhouse gas (GHG) reduction of 13.3 million tonnes of CO₂, more than double the impact recorded in 2020.
- In British Columbia, biomass-based diesel content was over 31% by volume in 2024 – the highest in Canada.
- In 2024, ethanol blending resulted in savings of 7.4 cents per litre in gasoline and biodiesel and renewable diesel added costs of 2.5 cents per litre in diesel.
- Biofuel blended in gasoline (e.g. ethanol) reduced wholesale costs by \$1.7 billion in 2024. Since 2010, ethanol has reduced wholesale gasoline costs by over \$13.2 billion.
- Biofuels blended with diesel fuel (renewable diesel and biodiesel) increased diesel wholesale costs by around \$870 million in 2024. Since 2010, biofuel in diesel has increased wholesale diesel costs by \$8.2 billion. When taken together, renewable fuel blending in gasoline and diesel fuels has resulted in wholesale cost savings for Canadians.
- Emission abatement benefits for ethanol improved sharply, with a 'negative' net cost of \$151 per tonne (compared to \$116 per tonne in 2023), while costs for diesel-based biofuels remained unchanged (\$257).
- Electricity consumption by light-duty vehicles rose 58% in 2024, following 41% growth in 2023, while EVs and PHEVs made up one in six of new light-duty vehicles.
- New in the 2025 report methodology: trade-flow data (CIMT) profiles domestic and import fuel use. Fuel volumes and CFR market data are used to estimate net annual credit supply, track the credit bank or deficit, and forecast the balance through 2025.

“Canadian producers faced a particularly challenging year due to U.S. government subsidies, which continue to influence the flow of renewable fuels across the border. Imports from the U.S. are the largest component of Canada’s renewable fuel trade, with imported volumes six to seven times greater than exports. More than 95% of Canada’s renewable fuel imports and 80% of exports are with the U.S., underscoring the importance of a stable and supportive domestic policy environment.

“Strong policy is essential to keep Canadian production viable, particularly since most jobs related to biofuel are found in remote and rural regions. Both federal and provincial governments have made important commitments in 2025, including the launch of the federal [Biofuels Incentive Program](#), which provides a per-litre subsidy for Canadian producers for up to 300 million litres per year. Provinces also took steps to support the sector: British Columbia increased its renewable fuel blend rate for diesel, and both B.C. and Ontario introduced “made-in-Canada” requirements for minimum blend rates. These measures strengthen demand for

domestic production and help ensure that Canadian facilities remain competitive.

“Canada’s fuel policies are working as designed. The federal Clean Fuel Regulations drove an 11% increase in low-carbon fuel use in 2024. In British Columbia, where the government recognizes the Low Carbon Fuel Standard as the most effective method of reducing greenhouse gas emissions in the province, biofuel use rose by 27%. Importantly, BC’s fuel regulations helped drive major capital investments in new biomass-based diesel production capacity that came online in 2024 and 2025 in Vancouver, Prince George, and Edmonton,” Ghatala added. “The report shows Canada has the opportunity to be a global leader in sustainable fuels. Growth in the sector will add resilience to our economy through diversification of supply chains and new trading relationships. We will be working directly with our federal and provincial governments to protect and grow Canada's biofuels sector.”

Advanced Biofuels Canada Association (ABFC) is the national industry voice for producers, distributors, and technology providers for advanced biofuels and renewable synthetic fuels. ABFC members produce a portfolio of liquid low-carbon fuels (including sustainable aviation fuel, or SAF), sustainable feedstocks, intermediary products, and produce/consume low carbon gaseous products, such as renewable natural gas (RNG) and low carbon hydrogen. Our members operate over 32 billion litres of low carbon fuel production capacity globally and are significant suppliers to renewable and low carbon fuel in Canada, and worldwide. For more information on Advanced Biofuels Canada and our members, visit www.advancedbiofuels.ca.

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