



Paola Mellow
Executive Director
Low Carbon Fuels Division
Carbon Pricing Bureau
Environmental Protection Branch
Environment and Climate Change Canada
351 Saint-Joseph Boulevard
Gatineau, Quebec K1A 0H3
via email: ec.cfsncp.ec@canada.ca

Dear Ms. Mellow,

The Conservation Council of New Brunswick (CCNB) endorses submissions by the Pembina Institute, Ecology Action Centre and Climate Action Network Canada on the proposed Clean Fuel Standard Regulation as outlined in [Canada Gazette 1](#). CCNB's submission supplements these contributions with a focus on options to ensure successful compliance with the Clean Fuel Standard in New Brunswick, a rule primarily affecting Irving Oil, and via vehicles and home heating, householders.

The federal Government committed in December 2020 in its [Healthy Environment, Health Economy](#) climate plan to create a \$1.5 billion Low-Carbon and Zero-Emissions Fuels Fund. The Fund is to invest to increase the production and use of low-carbon fuels (e.g., hydrogen, biocrude, renewable natural gas and diesel, cellulosic ethanol) to support implementation of the clean fuels standard (and complement federal carbon pollution pricing, regulatory efforts and other federal programming). The fund is a critical compliance support mechanism.

Criteria for the Fund should also allow financial support for gas station retrofits if required to hold and sell liquid fuels with higher renewable content. CCNB understands that Irving Oil is arguing that retrofits of approximately \$200,000 per gas station are required to comply with the federal CFS. This could be an area of focus for funding (if this claim is legitimate) from the Low-Carbon and Zero-Emissions Fuels Fund. This support is particularly important for small business gas station operators.

CCNB is concerned about how the cost of compliance will affect households' heating and transportation costs. It is critical that regulators and program managers collaborate to ensure households receive support for off-oil (e.g., fuel switching, heat pumps), and off-gasoline options (electric and/or renewable fuels options) before the full cost of CFS compliance affects market prices.

Finally, Irving Oil insists that its only CFS compliance option is blending and that there is not enough indigenous supply of ethanol in our province/region. Irving can, however also comply with the CFS through investments in electric charging stations at all its gas stations. If Irving Oil cannot comply with the CFS standard through renewable fuels blending, it is even more important to ensure compliance through additional electric charging investments at its gas stations, as well as other in-refinery

improvements. This approach may also be preferable to launching large-scale biofuel production in a province where many stakeholders are concerned about the ecological and biodiversity effects of existing forestry practices. JDI, the forestry arm of the Irving family, already is exporting wood pellets to the UK's DAK plant and recently received an almost \$2-million boost from ACOA (see Appendix) through investment at the Port of Belledune to build a wood pellet storage facility.

As you likely know, Irving Oil, with support from the Premier and Energy Minister, recently petitioned the Energy Utilities Board (EUB) for a [fuels price increase](#) to compensate for lower demand during COVID-19. The EUB turned down the request because Irving Oil provided no evidence for its claims. The company now says it will pursue other means to secure its price increase, a move that could have long-term implications for the EUB, including weakening its authority.

It is imperative, given the power of Irving Oil, including its relationship with the Premier's office, that ECCC attend to more than just the regulation, but also how firms will comply. We need to ensure the Low-Carbon, Zero-Emissions Fuels Fund and the EnerGuide Retrofit Program supports all compliance options and protects consumers. Only through actions that stimulate update of non-oil heating options like heat pumps and electric vehicles at the household level, and retrofits of gas stations and installation of electric charging infrastructure at gas stations will we fully implement the CFS.

Sincerely,

A handwritten signature in blue ink that reads "Louise Comeau". The signature is written in a cursive style with a large initial 'L'.

Louise Comeau
Director Climate Change and Energy

Appendix
CANADA COAL TRANSITION INITIATIVE (CCTI + CCTI-IF)
APPROVED PROJECTS (as of November 16, 2020)

ATLANTIC CANADA OPPORTUNITIES AGENCY

REGION	PROJECT RECIPIENT	PROJECT	ACOA COMMITMENT	SUB PROGRAM
NB	Administration Portuaire de Belledune/Belledune Port Authority	Retain the service of consultants to produce a master development plan.	\$1,702,775	CCTI
NB	CBDC Chaleur Inc.	Establish a Glencore Smelter and Trevali closure diversification initiative	\$980,044	CCTI
NB	Compagnie d'Arrimage de Québec Ltée / Quebec Stevedoring Company Ltd	Build a new wood pellet warehouse at Terminal 3 of the Port of Belledune.	\$1,954,764	CCTI - IF
NS	Be Energy Holdings Inc.	Preliminary engineering work for the conversion of wood waste to renewable diesel	\$500,000	CCTI
NS	Cabot Manufacturing ULC	Upgrade and modernize existing wallboard facility.	\$1,500,000	CCTI
NS	Cape Breton Business Partnership Inc.	Develop and implement e-commerce support for main street businesses on Cape Breton	\$100,000	CCTI
NS	Cape Breton University	Enhance laboratory facilities and acquire equipment to support STEM related learning	\$900,000	CCTI
NS	Glace Bay Heritage Museum Society	Repair and replace the roof of the Glace Bay Heritage Museum	\$63,665	CCTI
NS	Ignite Labs Inc.	Establish a technology incubator serving Northeastern Nova Scotia	\$300,000	CCTI
NS	New Dawn Enterprises Limited	Develop an integrated community solar garden for transition to energy independence	\$979,200	CCTI
NS	Pan Cape Breton Food Hub Co-operative Ltd.	Upgrade a shared use local food processing facility	\$556,935	CCTI
NS	Phycus Biotechnologies Inc.	Advance technology to produce bio-based glycolic acid on a commercial scale	\$400,000	CCTI
NS	Port of Sydney Development Corporation	Upgrade infrastructure at Port of Sydney	\$231,628	CCTI

NS	ProtoCase Incorporated	Expansion and modernization of facilities to support continued high growth	\$1,300,000	CCTI
NS	Strait Area Chamber of Commerce	Develop and commence implementation of an Investment Ready Growth Strategy	\$105,125	CCTI
NS	The Verschuren Centre	Scale bioreactor technologies for commercial applications.	\$750,000	CCTI
NS	Village of Baddeck	Prepare engineering design documents for marine infrastructure revitalization in Baddeck	\$34,292	CCTI
ACOA TOTAL¹			\$12,358,428	

ACOA projects are listed in the Government of Canada, "Search Grants and Contributions", online:

https://search.open.canada.ca/en/gc/?_ga=2.190062059.1399618673.1591902581-1634297987.1591902581

