

May 11, 2020

Luce Asselin  
Associate Deputy Minister for Energy  
Ministry of Energy and Natural Resources  
5700, 4e Avenue Ouest, bureau A-407  
Quebec, QC  
G1H 6R1

Via email – [luce.asselin@mern.gouv.qc.ca](mailto:luce.asselin@mern.gouv.qc.ca)

**Re: Consultation on Draft Regulations – *Petroleum Products Act*, Regulation respecting the minimum volume of renewable fuel in gasoline and diesel fuel**

Dear Madame Asselin,

The Canadian Canola Growers Association (CCGA) and the Canola Council of Canada (CCC) reiterate our support for the development and implementation of a biofuel mandate in the province of Quebec, as proposed in the draft regulation published on October 2, 2019 and as discussed with your departmental officials on April 7, 2020. Provincial biofuel mandates are a proven, effective policy tool to reduce carbon emissions from transportation fuels and support regional economic development, especially in agriculture and value-added processing.

The CCGA represents 43,000 canola growers nationwide and the CCC represents all segments of the canola industry in Canada; growers, seed developers, seed exporters and processors who turn canola seed into canola oil and meal. Canola is a very important cash crop for producers and the national economy, supporting 250,000 jobs and producing over \$26 billion in economic activity.

It is estimated that the canola industry produces over \$1 billion in annual economic activity in Quebec. This is largely driven through oilseed processing at the largest processing plant in Eastern Canada at Becancour and export activities at grain terminals in the St. Lawrence Ports (Quebec, Baie Comeau, Montreal and Trois Rivieres) and canola production on Quebec farms. The facility in Becancour processes canola and soybeans grown by Quebec farmers into value-added products for food, animal feed and biofuels. The oil derived from canola and soybeans is among the lowest low-carbon feedstock used in biofuel production, with greenhouse gas emissions up to 90 % lower than conventional fossil fuels.

In discussion with departmental officials, it is our understanding that the timelines for the introduction of the biofuel requirement in diesel fuel, for a variety of reasons, will be lengthened. The original proposal (October 2019) suggested a move from 2% to 4% between 2021 to 2024. It is currently understood (April 2020) that the Department is considering a move from 1% to 4% between 2021 to 2027.

**We recommend that the Province proceed with the original proposal to mandate the blending of renewable content in diesel fuel from 2% to 4% over the period of 2021 to 2024. We recommend that the Province consider going a step further, mandating 5% in 2025.**

There should be no insurmountable barriers for obligated parties to place this renewable fuel into the Quebec market at such modest blend rates. This shorter compliance schedule, will provide a clearer and more immediate signal for low carbon fuel demand and, ultimately, significantly lessen tailpipe and GHG

emissions from the transportation sector. Additionally, it will provide a clear market signal that encourages build-out of related infrastructure, supports value added investments in provincial biofuel production and oilseed processing, creating new jobs and marketing opportunities for Quebec farmers.

In discussion with departmental officials, it is our understanding that the basic regulatory structure of the Ontario *Greener Diesel Regulation* is being examined. This structure could be strengthened to ensure that intended GHG reductions and environmental and economic outcomes of the policy are achieved.

**We recommend that the Quebec regulation contain a carbon performance threshold of at least 50% for diesel fuel.**

The 50% carbon intensity reduction threshold requirement, measured against standard fossil diesel fuels, needs to be applied on each litre of renewable diesel to assure quantifiable GHG reductions are achieved. As previously noted, to ensure consistency across the country, full life-cycle carbon intensity should be determined by use of the existing regulatory tool GHGenius. This performance threshold is easily met through the use of domestically produced agricultural products (e.g. canola, soy) and other feedstock sources (e.g. fats and yellow grease). This has the additional benefit of supporting the use of domestic feedstock in regulatory compliance.

We look forward to the publication of the draft regulation in late 2020 and further interaction with your Department to enact the first Renewable Fuel Standard in Quebec.

Sincerely,

*original signed by*

Rick White  
President and CEO  
Canadian Canola Growers Association

*original signed by*

Jim Everson  
President  
Canola Council of Canada

CC:

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