

July 17, 2023

Prince Edward Island Regulatory and Appeals Commission
PO Box 577
Charlottetown, PE C1A 7L1

Via Email: PetrolInquiries@irac.pe.ca

Dear Commission staff

Our organization wishes to apply for Added Party Intervener status relative to PMC22-01, Petroleum Products Benchmark and Margin Review, with particular interest in a Cost of Carbon Adjustor mechanism in weekly retail fuel pricing.

We provide here our response to Rules 15, 16 or 17 of the Commission's *Rules of Practice and Procedure*.

(a) reasons for the application;

Advanced Biofuels Canada is a national trade association incorporated under the Alberta Societies Act. Its mandate is to advocate for increased use and production of advanced biofuels, which include a wide range of low carbon, intensity fuels, including renewable synthetic fuels.

Our members are located in all regions of Canada, including Atlantic Canada.

We provide stakeholders, including provincial and federal governments, with expert data and analysis regarding compatibility of low carbon fuels in existing fuel systems, costs to incorporate these fuels into gasoline, diesel, and jet fuel, and abatement costs under carbon-intensity moderated fuel regulations.

It is our understanding that the Island Regulatory and Appeals Commission is investigating the application of a cost of carbon adjustor mechanism in regulated fuel prices, comparable to approach is taken by New Brunswick, Nova Scotia, and Newfoundland and Labrador. We believe our organization can provide expert, informed perspective that may not have been available to other provinces' consideration of a pass-through mechanism.

(b) whether the applicant is seeking to be an Added Party Intervener or a Friend of the Commission Intervener;

We wish to apply for Added Party Intervener status.

(c) the name of the legislation under which the application is made;

Petroleum Products Acts Regulations

2. Applications shall be served on each party and filed with the Commission.

16. Application – Added Party Intervener

- (a) *the nature of the applicant's interest in the proceeding and a concise statement indicating why that interest is distinct from the parties and adversely affected by the decision of the Commission;*

We engage with federal and provincial governments to provide accurate data regarding low carbon intensity fuels. To the extent that IRAC may determine a cost to be passed through to consumers at retail as a result of implementation of the Clean Fuel Regulations (CFR), we perceive that this cost pass-through needs to be informed by the best available data.

We have examined the NBEUB carbon adjustment calculation which NSUARD and NLPUB, as well as NBEUB, have used in their determinations of an appropriate Cost of Carbon Adjustor. To the extent that IRAC intends to refer to this mechanism, we have specific expert information that does not appear to have been considered in use of the mechanism in other provinces. We note that NS and NL did not follow the NB approach, although specific variances have not been disclosed to the best of our knowledge.

Our organization's members include some of the world's largest low carbon intensity fuel producers, and has two decades of information and knowledge about the function of clean fuel markets, and, particularly relevant to the current investigation, a decade of experience working with the British Columbia government, which has had a comparable regulation to the Clean Fuel Regulations.

- (b) *the nature and scope of the applicant's intended participation;*

We anticipate providing IRAC with open-source data and analysis to inform both the manner in which fuel suppliers can meet their Clean Fuel Regulations obligations, and the costs associated with these options.

- (c) *the extent to which the intervention will add to the costs and complexity of the proceeding; and*

We expect that our intervention will add no cost or complexity to proceeding than those associated with other parties' participation.

- (d) *the facts that the applicant proposes to show in evidence at the proceeding.*

We intend to provide data relative to:

- CFR structure and credit market function (as needed)
- Fuel supplier conduct under other clean fuel regulations in other jurisdictions (to inform the assertion that renewable diesel fuels are the only practical compliance options for PEI's fuel supply)
- Projected and historical costs of CFR compliance

- Compatibility of fuel infrastructure (wholesale, retail) and lightduty and medium-heavyduty vehicle fleets with the range of available low carbon fuels options

2. The written submission shall be served on each party and filed with the Commission.

We consent to this requirement.

We look forward to any IRAC requests for additional information.

Respectfully submitted,



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