



**Canadian Fuels**  
**ASSOCIATION**  
**canadienne des carburants**

Ontario Division  
1000-275 Slater St.  
Ottawa, Ontario  
Canada K1P 5H9  
t. 613.232.3709  
canadianfuels.ca

December 13, 2024

Policy Coordination and Outreach Branch  
Ministry of Energy and Electrification  
77 Grenville Street,  
Toronto, ON  
M7A 2C1  
Email: [integratedenergyplan@ontario.ca](mailto:integratedenergyplan@ontario.ca)

**RE: ERO 019-9285 – Integrated Energy Resource Plan Consultation**

Thank you for the opportunity to participate in the consultations on the *Integrated Energy Resource Plan*.

The Canadian Fuels Association (CFA) represents the producers, distributors and marketers of transportation fuels<sup>1</sup>, including gasoline, ethanol, bio-based diesel, jet fuel as well specialty fuels and lubricants. Our sector represents 111,000 workers, 15 refineries, 10 biofuels production facilities, 75 fuel terminals, and supplies over 12,000 retail sites. Our members supply 95% of Canadians' transportation fuel, or 109B litres/year, and over 70% of biofuels made in Canada.

The fuels industry is a cornerstone of Ontario's energy and economic landscape. With five refineries and eight biofuels production facilities, the sector produces and distributes over 26 billion litres of fuel annually—equivalent to a staggering 68 million litres daily. This production sustains 42% of Ontario's energy supply mix, demonstrating the industry's critical role in powering transportation and supporting economic activity. In terms of Gross Domestic Product, the fuels sector ranks as the third most significant economic driver only after automotive and agriculture. In addition to its economic contributions, the industry generated \$11 billion in government revenue through fuel sales taxes in 2023, funding vital public services

---

<sup>1</sup> Canadian Fuels members: Braya Renewables, Cenovus Energy, Federated Co-operatives Limited., Greenenergy, Greenfield Global, Imperial Oil Limited, Irving Oil, North Atlantic, North West Redwater Partnership, Parkland Corporation, Petro-Canada Lubricants Inc., Shell Canada Products, Suncor Energy Products Partnership, Tidewater Midstream and Infrastructure Ltd. and Valero Energy Inc.

and infrastructure. The sector's capacity to meet energy demands while fueling provincial growth underscores its indispensable role in Ontario's prosperity.

***Liquid Transportation Fuels will underpin Canada's economy for decades to come:***

All international and domestic energy analysts and regulators forecast that liquid transportation fuels will play a key role in keeping goods and people moving through to 2050 and beyond. Canada's and Ontario's liquid transportation fuels sector, including refineries, distribution and marketing assets, is recognized as critical energy infrastructure. Ensuring a robust, competitive liquid fuels production and infrastructure will be key to an orderly and cost-effective transformation of our energy systems and maintaining Canada's energy security.

In good time and in times of crisis, Ontarians have been able to rely on a convenient, uninterrupted supply of fit for purpose transportation fuels to safely move people and goods. Ontario is home to many communities (urban, suburban, rural and remote) with diverse transportation needs, and any integrated energy plan should recognize that diversity. As we transition our energy systems, liquid fuels will continue to play a vital role in the energy mix, for internal combustion vehicles (light, medium, and heavy duty) as well as for hard to decarbonize sectors such as rail, aviation and marine.

Recent and ongoing geopolitical events have reinforced that reliable access to energy is not a given. Developing and scaling up other energy pathway technologies will take years and in some cases decades. A strong, competitive liquid fuels sector will be key to ensuring a reliable, affordable energy transition.

***All pathways will be needed to decarbonize transportation:***

In 2020, we released ***Driving to 2050***, our vision for Canada's transportation future which outlines the foundational contribution that our sector can make to Canada's low-carbon economy. You can find our most recent update to the report, ***Powering Progress*** in both [French](#) and [English](#) on our website.

Transportation emissions in Ontario account for 30% of all greenhouse gas emissions: Cleaner fuels such as ethanol, bio-based diesel, sustainable aviation fuel and hydrogen have the capacity to significantly reduce transportation sector greenhouse gas emissions by 2050. Maximizing these and all low-carbon opportunities will be instrumental to lowering emissions while ensuring a smooth transition for all Canadians by keeping energy affordable, maintaining a robust economy, and improving our quality of life.

Continued innovation and investment in low-carbon fuels are essential to help reduce transportation emissions today as electric technologies continue to advance. They will also remain important in the future especially in hard to electrify sectors such as heavy transport, marine and aviation.

By scaling up low-carbon fuels and other decarbonization projects such as Carbon Capture Utilization and Storage (CCUS), low carbon hydrogen, and renewable natural gas, as examples, Ontario can enhance its energy security, support economic growth, and create jobs across the fuel value chain.

***Ontario demand for biofuels is increasingly being met by U.S. imports:***

Renewable fuel mandates, such as the *Ontario Cleaner Transportation Fuels Regulation* for gasoline and diesel, as well as the federal *Clean Fuel Regulations*, will see demand for biofuels grow by billions of litres by 2030 but this demand is increasingly being met by U.S. biofuels imports. In 2023, demand for ethanol in Ontario was 1.4B litres, with just under 1B litres being produced in the province. As the province transitions to a 15% blend mandate in 2030, demand will grow to nearly 2B litres. With no future investments in production planned in the province, this will push import reliance to as much as 60%.

The North American fuel market is highly integrated, with Canada competing with the United States (U.S.) for investment. The U.S. has long offered federal and state tax incentives to attract biofuel production, which has put Canada at a disadvantage in attracting investment. This situation was exacerbated by the introduction of the Inflation Reduction Act (IRA) in 2023. Specifically, the U.S. Clean Fuel Production Tax Credit (PTC) is a direct operating subsidy on every gallon of low carbon fuel produced by U.S. companies and the PTC takes effect January 1, 2025. This means U.S. competitors can leverage IRA subsidies to gain access to Canadian feedstocks and fuel markets and out-compete our domestic biofuel producers. This has already put a chill on new investments in biofuels facilities and put existing operations, particularly ethanol facilities, at risk.

**Low carbon fuel production fosters strong economic opportunities:**

The expansion of biofuel production in Ontario brings significant economic and policy benefits. Transitioning from E5 to E10 blends contributed a \$650 million increase to the province's GDP, illustrating the sector's potential to drive economic growth. Biofuel production supports rural

resiliency by providing steady demand for agricultural outputs and fostering economic opportunities in rural communities. As a drop-in fuel, biofuels integrate seamlessly with existing infrastructure, reducing the need for costly modifications while accelerating adoption. The sector also aligns with northern development priorities, utilizing forest management byproducts to produce sustainable fuels and supporting economic activity in remote regions. Public opinion strongly supports this direction, with 83% of Canadians favoring investment in low-carbon fuels and 69% believing such investments will meaningfully impact the economy and energy security. These advantages underscore the vital role of biofuels in Ontario's sustainable energy future.

### **Recommendations:**

1. ***Ontario should implement a comprehensive, whole-of-government transportation fuels strategy.***

As we transition our energy systems, liquid fuels will continue to play a vital role in the energy mix, for internal combustion vehicles (light, medium, and heavy duty) as well as for hard to decarbonize sectors such as rail, aviation and marine.

To ensure a cohesive and forward-looking approach to the fuels industry, the Ministry of Energy and Electrification must lead the coordination of a comprehensive fuels policy across multiple ministries and departments. This includes collaborating with the Ministries of Environment, Transportation, Agriculture, Natural Resources, Forestry, Economic Development, and Rural Affairs. Such coordination is essential to balance economic growth with environmental sustainability, foster innovation in biofuels and low-carbon technologies, and support rural and northern communities that are integral to the sector. By fostering inter-ministerial cooperation, the Ministry can create a unified strategy that addresses energy needs, reduces emissions, and maximizes economic benefits for all Ontarians.

2. **That Ontario government should implement policies to promote the scaling up of Ontario-produced biofuels to the benefit of our economy and energy security.**

Financial supports would help Ontario biofuel producers regain a competitiveness edge over U.S. producers, stimulate investments in made-in-Ontario biofuel production and provide economic benefits across the entire supply chain. Because biofuels production facilities are generally close to bio-feedstocks - such as agriculture and forest residues - scaling up made-in-Ontario biofuel production would significantly benefit rural and remote communities and a wide variety of natural resource and clean technology sectors across the province

Without government incentives, investments in biofuels production, and Ontario-made feedstocks will continue to be drawn to the U.S. Our sector can leverage Ontario's bountiful bio-resources to grow our economy and promote rural resiliency by hedging crop markets, as we have seen in other parts of the country due to foreign tariffs.

Ontario has a tremendous opportunity to become a leader in the development and production of Sustainable Aviation Fuel (SAF). As home to Pearson Airport, one of the busiest airports in the world, the province is uniquely positioned to drive the adoption of SAF. By leveraging existing infrastructure, Ontario can capitalize on opportunities to lead ethanol-to-jet production from current ethanol facilities. This not only enhances the value of the province's ethanol industry but also aligns with global efforts to reduce aviation emissions, without costly modifications to aviation fleets. With growing demand for low-carbon aviation solutions, Ontario's leadership in SAF production can strengthen its economy, bolster its innovation ecosystem, and position the province as a key player in the transition to sustainable aviation.

Similarly, opportunities exist to produce and supply renewable diesel for Ontario's heavy duty trucking industry and marine vessels for the many ports situated along the Great Lakes, where recent investments have been announced to expand fuel tankage infrastructure.

### **3. Strengthen Federal-provincial coordination:**

Stacking climate policies, incentives, and programs will be crucial to supporting the ongoing role of Ontario-produced liquid fuels through the energy transition. Federal initiatives such as the Clean Hydrogen Investment Tax Credit and the CCUS tax credit provide important incentives to accelerate the industry. Ontario should build on these by developing complementary programs. The province should further look to programs that support the aviation and marine industries by partnering with Transport Canada as they look to create hubs for SAF and green marine innovation. These measures will ensure Ontario remains at the forefront of sustainable fuel development while supporting its broader economic and environmental goals.

In conclusion, liquid transportation fuels will play a key role in keeping goods and people moving through to 2050 and beyond. Ensuring a robust, competitive liquid fuels production and infrastructure will be key to an orderly and cost-effective transformation of our energy systems and maintaining Canada's energy security.

Scaling up low carbon fuel today, using proven technologies, is fundamental to an orderly and cost-effective energy transition. Producing these low carbon fuels in Canada brings both economic and energy security benefits. Low carbon projects will also yield significant economic

benefits through the fuel value chain – from feedstock suppliers to retailers – including tens of thousands of construction jobs and thousands more sustainable jobs to operate these new facilities.

CFA thanks you again for this opportunity to provide feedback and we look forward to any opportunity and future opportunities to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Tresise', with a stylized flourish at the end.

Landon Tresise  
Director, Government and Stakeholder Relations  
Canadian Fuels Association  
[landontresise@canadianfuels.ca](mailto:landontresise@canadianfuels.ca)