

July 20, 2025

Stephanie McGill

Climate Change and Partnerships Branch
Minister of the Environment, Conservation and Parks
40 St. Clair Ave. West, 14th Floor
Toronto, Ontario M4V 1M2

Via email: Stephanie.McGill@ontario.ca

Re: ERO# 025-0669 Cleaner Transportation Fuels: Proposed Domestic Renewable Content Requirement for Diesel Fuel.

Parkland thanks the Ministry of the Environment, Conservation and Parks for the opportunity to comment on the proposed Domestic Renewable Content Requirement for Diesel Fuel regulations. As a global leader in the production, blending and distribution of renewable fuels, we wish to submit feedback for consideration as part of the Government of Ontario's ongoing consultations.

Parkland is Canada's largest independent supplier and marketer of fuel, and a leading convenience store operator across North America. Every day, we serve over one million customers through our nationally recognized and locally relevant consumer brands; including Chevron, ON the RUN, M&M Food Market, Ultramar, Pioneer, Fas Gas, and many others. Parkland's locations span over 2,000 sites across Canada, with approximately 600 of these sites located in Ontario.

Parkland's purpose is to Power Journeys and Energize Communities. We serve essential needs in our communities, providing our customers with the energy they depend on to get around while helping them achieve their goals of lowering their environmental impacts.

Parkland supports domestic biofuels production and sales. However, we have concerns about the current supply and availability of Canadian production that will be difficult to meet if a renewable fuel volume mandate specific to Canadian production is mandated.

Our concerns regarding the proposed regulations are outlined below:

Domestic bio-diesel fuel shortage

Bio-diesel is typically lower cost than renewable diesel so suppliers will preferentially opt to meet the 3% regulation through domestic bio-diesel supply.

This proposed regulation would redirect products flows, pulling Canadian bio-diesel content from other provinces. In turn, those provinces would need to import more bio-diesel from the U.S., merely shifting bio-diesel demand from province to province, while maintaining similar demand levels for U.S. producers.

Added costs due to transporting Renewable Diesel from Western Canada

To meet the seasonal fuel quality standards Parkland can only incorporate biodiesel into its pool at best for six months of the year. Compliance would then need to be met for the other months of the year by incorporating a domestic supply of HDRD. Most if not all the HDRD comes from production facilities in Western Canada and there would be significant logistical challenges to move that supply to Ontario.

Transporting hydrogenation-derived renewable diesel (HDRD) or bio-diesel from production facilities in Alberta and British Columbia to Ontario would create transportation challenges and added cost. Thus, if renewable diesel is used, it would make diesel fuel more expensive for Ontario consumers.

Challenges with compliance pathways

Currently, Parkland imports blended product from other provinces that contains U.S. produced bio-diesel and renewable diesel. This will create compliance and supply logistics complications with the made in Canada renewable mandate. For Parkland to meet a domestic renewable requirement for Ontario placed diesel, a drastic shift in our operations and current supply model would need to occur. This removes flexibility for fuel suppliers to meet customer demand in Ontario and would disrupt the current supply chain model, adding further cost and transportation challenges.

Concern if Domestic Requirement is Extended to Ethanol

If a domestic mandate for ethanol is or becomes a consideration by the Ministry, Parkland offers the following feedback and concerns in advance. There would be significant security to the supply of gasoline due to substantial differences between the quality and operational requirements of FAME/RD blending in diesel versus ethanol blending in gasoline.

Domestic ethanol supply limitations or disruptions would risk Parkland's ability to meet customer demand, compliance and more importantly the 87 road octane specifications if a blend rate of 10% minimum cannot be sustained.

Parkland appreciates the opportunity to contribute to the development of a regulatory framework that advances Ontario's renewable fuel objectives. We strongly encourage the government to support domestic production without undermining competitiveness, market flexibility, and affordability. We remain committed to working collaboratively with the province to achieve shared goals around energy security, emissions reduction, and economic competitiveness. We look forward to continued dialogue on this important file.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeremy van Loon".

Jeremy van Loon

Director, Government, Policy and Sustainability

Parkland Corporation