British Columbia
Low Carbon Regulations

“One-Two-Three Economic Knockout?”
### The Low Carbon Suite – ‘RLCFRR’

| **Carbon Tax on Fuels** | 2008 — $5/tonne  
2012 — $30/tonne  
Applies to 70% cent of total greenhouse gas emissions. |
|------------------------|---------------------------------------------------|
| **Renewable Fuel Standard** | 2010  
5% gasoline, 4% diesel |
| **Low Carbon Fuel Standard** | 2010 reporting  
July 1, 2013 into force  
10% by 2020* |
Carbon Tax – Select Fuel Types (2012)

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>C$ per L</th>
<th>US$ per gal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>0.067</td>
<td>0.237</td>
</tr>
<tr>
<td>Diesel</td>
<td>0.077</td>
<td>0.273</td>
</tr>
<tr>
<td>Jet Fuel</td>
<td>0.078</td>
<td>0.279</td>
</tr>
</tbody>
</table>
Results to Date

- RFS in force 01/2010 has functioned as ‘early compliance years’ LCFS
- RFS and LCFS have significantly reduced transportation emissions
- Infrastructure investments to blend low CI fuels
  - Biodiesel, ethanol, renewable diesel, LNG, hydrogen, e.charging
- LCFS has been delayed, and amended to provide further flexibility
RFS and LCFS are working to reduce carbon from transportation fuels (2010)
“Development of the technology and markets of the required compliance paths (i.e. very low carbon intensity biofuels, electric vehicles) are outside of members’ control.” (CFA)

“The LCFRR is complex and costly relative to other GHG reductions” (CFA)

“Regional LCFS programs increase the risk of restricting transportation fuel supplies (i.e., rationing), and of creating competitive disadvantage vs. neighboring jurisdictions” (Exxon)

“When exiting the market becomes the only compliance option there is a problem” (Shell)

Fear • Uncertainty • Doubt • Distraction
Provincial Consumer Price Index — All Items
2010-2013
BC Lowest Inflation Rate

Statistics Canada. Table 326-0020 - Consumer Price Index (CPI), 2011 basket, monthly (2002=100)
Provincial Consumer Price Index — GASOLINE 2010-2013

BC Below Average

Statistics Canada. Table 326-0020 - Consumer Price Index (CPI), 2011 basket, monthly (2002=100)
Lessons ‘from the road’

- Fuel prices show no discernable difference in provinces with LCFS, w/o LCFS
- Investments in lower carbon pathways – lag between infrastructure investments & realized GHG reductions
- Delay risks self-fulfilling outcomes
- Accuracy of claims need to be examined
- Resolve and clarity about intent are CRITICAL
Wholesale Diesel Racks –
2010 – 2013  BC No Discernable Variance