

MOVING FORWARD TOGETHER:

2022 UPDATE ON CFA'S
DRIVING TO 2050 VISION

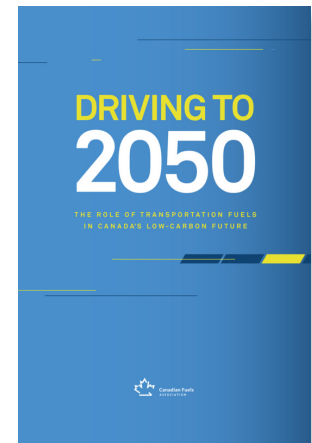


Canadian Fuels
ASSOCIATION



Our Driving to 2050 vision

In the Fall of 2020, the Canadian Fuels Association (CFA) released **Driving to 2050** – our vision for the future. As Canada’s leading transportation fuels providers, our commitment is to continue to make significant contributions to a strong and resilient economy as well as meaningful reductions in greenhouse gas (GHG) emissions. Through collaboration, we will deliver emissions reductions without compromising our ability to move people and goods across Canada and beyond. Together, we will build a future where Canada is a leader in the development of clean transportation energy choices – a future where those choices include reliable, cost-effective and low-carbon fuels.



Canada’s transportation fuels sector has played a critical role in our country’s economic success for more than 150 years and we are committed to making a significant contribution, utilizing our existing expertise and infrastructure, to unlock Canada’s low-carbon future while continuing to meet our customers’ expectations on reliability and competitiveness. We have met Canadians’ evolving transportation-fuel needs and expectations for more than a century. Now, we are focused on finding solutions to reduce transportation GHG emissions using Canadian resources and innovation to support our country in creating a low-carbon economy.

A Stable Policy Environment Supports our Shared Goals

The Canadian Fuels Association is collaborating with governments, innovators and policy makers to lower carbon emissions in the transportation fuels sector.

Canada’s newly-released Clean Fuel Regulations (CFR) are a bold step towards the low-carbon transportation sector and CFA and its members have supported this regulation since it was first conceived in 2016. These regulations will help drive investment in low-carbon technologies and infrastructure to significantly reduce Canada’s transportation sector emissions in support of our shared climate goals.

The CFR, together with the right incentives, will help unlock Canada’s full potential as a clean fuel producer. The CFR will drive up demand for clean fuels at a time when Canada is already reliant on imports, particularly from the U.S.

We are working with the federal government to accelerate Made-in-Canada production and infrastructure with tax incentives that are competitive with the U.S. This would keep the economic benefits through the fuel supply chain right here in Canada. It would also increase our energy security during this period of global uncertainty by diminishing Canada’s reliance on imports.

Collaboration is the Key to the Future

Partnerships are critical to reducing emissions in Canada's transportation sector. We continue to work with partners and stakeholders from across our value chain to deliver 'system wide' solutions that support Canada's climate goals. Here are some of the ways that Canadian Fuels Association members are collaborating to achieve a low-carbon future:

Soaring to New Heights with Sustainable Aviation Fuels

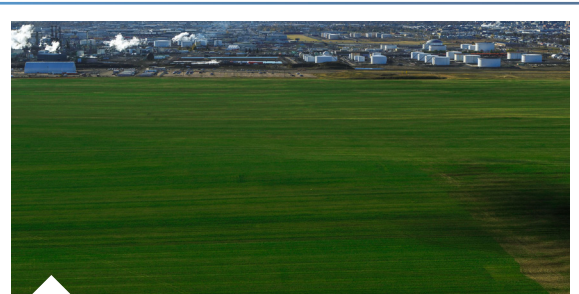
Sustainable Aviation Fuels (SAF) will play a critical role in reducing emissions from the aviation sector in the future. The CFA is proud to be member of the Canadian Council for Sustainable Aviation Fuels (C-SAF) and to promote the development of a SAF industry in Canada. This national SAF ecosystem also includes airlines, airports, fuel suppliers, technology providers, feedstock producers, aerospace manufacturers, academia, finance and government.

In May 2022, CFA and its members took part in the BC SMART/C-SAF: BIOJET/SAF PROGRESS AND PROJECTIONS WORKSHOP at UBC that highlighted the need for national policies and programs to accelerate SAF production and use. C-SAF is currently developing a Roadmap for Canadian SAF production that will leverage, adapt and invest in Canadian infrastructure and feedstocks to accelerate this technology.



Agriculture: Fuels Down on the Farm

Canada's world-class agriculture sector along, with our refining expertise and infrastructure, provides our country with a unique opportunity to become a leader in low-carbon fuels. CFA continues to collaborate with national agriculture organizations like the Canadian Oilseed Processors Association (COPA) on a number of low-carbon solutions including the co-processing of oilseed feedstocks such as canola as well as renewable diesel. By leveraging our collective value chains, we are taking a Team Canada approach to tackling climate change.



Federated Co-operative Limited (FCL) has formed a joint venture partnership with AGT Foods to build a canola crushing facility that will provide 50% of the feedstock for FCL's new renewable diesel plant.



Imperial announced a long-term contract with Air Products to supply low-carbon hydrogen for Imperial's proposed renewable diesel complex at its Strathcona refinery.



Shell Ventures 2020 Investment, will help FORGE build a first-of-its kind commercial-scale, advanced biofuels production plant in Sombra, Ontario. The annual production capacity of the Sombra plant will be 8 million gallons of renewable (low-carbon) fuels. FORGE's technology creates renewable fuels that are cheaper to produce than conventional renewable diesel and are "drop-in" ready, meaning they require no specialized blending infrastructure.



Parkland, with support from the Government of British Columbia, announced plans to expand co-processing activities and build British Columbia's largest renewable diesel complex.

Leveraging our Hydrogen Expertise

CFA members have decades of experience producing and using hydrogen and we are using this expertise to support Canada's Hydrogen Strategy. Hydrogen is another example of the opportunity to leverage and adapt Canada's existing fuels infrastructure to meet our climate change goals. CFA and its members are working as part of the hydrogen 'hubs' that support the collaboration of stakeholders across many existing value chains. Collaboration within these hubs will also help to identify potential funding programs, long-term policies, and business models that will support growing the hydrogen economy.



Irving Oil plans to expand its hydrogen capacity at its Saint John refinery, with the goal of offering hydrogen fuelling infrastructure in Atlantic Canada, making the company the first to introduce hydrogen to the regional market. In formalizing an agreement to purchase a hydrogen electrolyzer from Plug Power, Irving Oil will be the first oil refinery in Canada, and one of the first in North America, to make such an investment in this type of clean energy solution.



Suncor Energy's Burrard products terminal in Port Moody, B.C., is the site of a future pilot facility that will produce clean hydrogen using methane pyrolysis. The project is a joint effort between Suncor, FortisBC Energy Inc. and Hazer Group Limited.

Other Collaborations and Partnerships

More than ever before, we are partnering with Associations and organizations from across the transportation sector and beyond.



CFA was a supporter and participant in the international Clean Energy Action Forum.



CFA collaborated with Dr. Joule Bergerson for her research on life cycle assessment modelling for fuels and its use in investment decisions around energy systems.



Partnered with Natural Resources Canada workshop on 'Clean Fuels of the Future'.



CFA Parliamentary Fuels Forum brings Parliamentarians together to discuss the state and future of the fuels sector.



Member of the Canadian Transportation Alliance and a strong supporter of the Clean Resource Innovation Network (CRIN).



'Fuel for Thought' Speakers Series: Conversations on the Future of Canada's Transportation Fuels Sector with energy leaders.

Our RoadMap to the Future

As the supplier of 95% of Canada's transportation fuels, our industry will play a critical role in maintaining a strong, resilient economy while driving down emissions in support of Canada's climate goals.

Since releasing our Driving to 2050 vision two years ago, CFA members have announced low-carbon solutions resulting in...

EMISSION REDUCTIONS



CFA members have announced plans to reduce GHG emissions by more than **10 MILLION TONNES.**

CAPITAL INVESTMENT



MORE THAN \$8B OF INVESTMENT in low-carbon solutions has been announced so far.

JOB CREATION



OVER 10,000 DIRECT AND INDIRECT JOBS will be created to develop and operate new low-carbon facilities and innovative technologies.



About the Canadian Fuels Association

We represent Canada's transportation fuels industry.

Our sector contributes over \$9 billion to Canada's GDP each year and employs more than 111,000 Canadians at 15 oil refineries, 75 fuel distribution terminals and 12,000 retail and commercial sites. The association helps its members meet government environmental policy objectives and the expectations of Canadians without compromising our country's access to a secure, reliable and competitively priced fuel supply. We are recognized internationally as a trusted source of industry information and technical expertise, and have worked collaboratively and productively with governments and other sectors for decades.



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