

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.P. 45(2023)

1 **IN THE MATTER OF** the **Petroleum**
2 **Products Act**, SNL 2001, Chapter P-10.1
3 and regulations thereunder; and
4

5 **IN THE MATTER OF** Regulation 48/23
6 amending Section 7 of the **Petroleum**
7 **Products Regulations** to require the
8 Inclusion of a carbon price adjustment
9 in the maximum price of heating and
10 motor fuels.
11

12
13 **WHEREAS** pursuant to the Clean Fuel Regulations (Canada), the Government of Canada has
14 directed carbon intensity reduction requirements in respect of a motor fuel that is produced in
15 Canada or imported into Canada beginning July 1, 2023; and
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17 **WHEREAS** on June 21, 2023 Grant Thornton provided a report to the Board in relation to the
18 potential impact of the Clean Fuel Regulations (Canada) on maximum fuel prices and a potential
19 cost of carbon adjustor mechanism; and
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21 **WHEREAS** on June 23, 2023 Regulation 48/23 was published amending the **Petroleum Products**
22 **Regulations** to require that the Board include a carbon price adjustment in the maximum price
23 of heating and motor fuels to mitigate the costs incurred by wholesalers and retailers related to
24 compliance with the Clean Fuel Regulations (Canada); and
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26 **WHEREAS** the Board released the Grant Thornton report to industry stakeholders, the federal
27 government, the provincial government, and the public and invited comments and the filing of
28 additional information for the consideration of the Board; and
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30 **WHEREAS** the Board received comments from the Canadian Fuels Association and Environment
31 and Climate Change Canada; and
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33 **WHEREAS** the Board is satisfied that a carbon price adjustment for motor fuels should be
34 implemented on an interim basis for all areas of the province except Zones 10, 11, 11a, 11b, 12
35 and 14 until the completion of a further review by the Board; and

1 **WHEREAS** the Board has determined that the interim carbon price adjustment should be 0.00
2 cents per litre for Zones 10, 11, 11a, 11b, 12 and 14 where the spring/summer season resupply
3 was completed in June and maximum price adjustments are suspended until the fall/winter
4 resupply; and

5
6 **WHEREAS** the Board has determined that the interim carbon price adjustment should be 0.00
7 cents per litre for heating fuels on the basis that they are excluded from the carbon intensity
8 reduction requirements of the Clean Fuel Regulations (Canada) at this time; and

9
10 **WHEREAS** the Board has determined that the interim carbon price adjustment for motor fuels
11 should be based on the maximum credit price of \$300 for transfers through the compliance
12 credit clearing mechanism under the Clean Fuel Regulations (Canada), adjusted for inflation,
13 which is calculated to be 3.74 cents per litre for gasoline and 4.17 cents per litre for diesel.

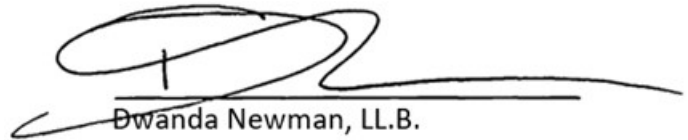
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15

16 **IT IS THEREFORE ORDERED THAT:**

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- 18 1. A carbon price adjustment of 3.74 cents per litre for gasoline and 4.17 cents per litre for
19 diesel is approved, on an interim basis, effective July 6, 2023, for all zones, except Zones 10,
20 11, 11a, 11b, 12 and 14, until further Order of the Board.

DATED at St. John’s, Newfoundland and Labrador, this 5th day of July, 2023.



Dwanda Newman, LL.B.

Vice-Chair



John O'Brien, FCPA, FCA, CISA

Commissioner



Cheryl Blundon

Board Secretary