



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2023-06-21

Mr. Mike Hammoud
Convenience Industry Council of Canada

Dear Mr. Hammoud:

Re: Clean Fuel Regulations - Enclosing Grant Thornton's Report - June 2023

Attached you will find a copy of Grant Thornton's June 2023 report on the potential costs for suppliers in Newfoundland and Labrador associated with the federal Clean Fuel Regulations which become effective for motor fuels on July 1, 2023.

Maximum prices for motor fuels are established by the Board in accordance with the **Petroleum Products Act** and the regulations thereunder. As this legislation does not authorize the Board to include the additional supply costs which may be associated with the Clean Fuel Regulations, changes to the regulations would be required before the Board could consider the use of a mechanism to address the potential impact of the Clean Fuel Regulations in the regulated price of motor fuels.

If changes are introduced to the **Petroleum Products Act Regulations** to allow the Board to reflect the costs associated with the federal Clean Fuel Regulations, the June 2023 Grant Thornton report would be considered by the Board in its determinations. The Board would also consider any other comments and/or information that may be filed by suppliers, government representatives and the public. It is anticipated that any changes that are made by the Board would be effective July 6, 2023, the first regular adjustment after the implementation of the Clean Fuel Regulations. In addition, it is likely that these changes would be made an interim basis with a review of the circumstances in the months that follow before a final determination is made.

Considering the July 1, 2023 implementation date for the Clean Fuel Regulations it is imperative that any additional information and comments be filed as soon as possible for the consideration of the Board. As a result, the Board sets 3:00 p.m., Wednesday, June 28, 2023 as the deadline for the submission of comments and/or information related to the Grant Thornton report and the impact of additional supply costs which may be associated with the Clean Fuel Regulations in the regulated price of motor fuels.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,


Cheryl Blundon
Board Secretary

Enclosure