



### Background Information

A Part 3 Agreement is an agreement between a Part 3 fuel supplier and the Director under the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* (the Act) to take actions that would have a reasonable possibility of reducing GHG emissions through the use of Part 3 fuels sooner than would occur without the agreed-upon action. Part 3 Agreements provide a mechanism for Part 3 fuel suppliers to generate credit in order to comply with B.C.'s low carbon fuel standard under the Renewable and Low Carbon Fuel Requirements Regulation (the Regulation).

Part 3 Agreements are performance-based and provide credit for the achievement of project milestones. When a project milestone is not fulfilled, the project may be cancelled and associated credits reallocated to other projects with Part 3 Agreements from the same compliance period. Part 3 Agreement credits are indistinguishable from other credits under the Regulation and, as such, may be used to meet compliance obligations or may be traded with other Part 3 fuel suppliers. For more information and a list of the Part 3 fuel suppliers currently recognized by the Ministry, please consult *Information Bulletin RLCF-013 – Validation and Transfer of Part 3 (Low Carbon Fuel) Credits*, available from our website at [www.gov.bc.ca/lowcarbonfuels](http://www.gov.bc.ca/lowcarbonfuels).

### Projects supported under Part 3 Agreements

In 2014, 130,000 credits were allocated to support four projects:

<u>Project</u>	<u>Part 3 fuel supplier</u>	<u>Status</u>
Retrofit of bulk fuel terminal to enable the supply of ethanol-blended gasoline to Vancouver Island (year 1)	Chevron Canada Limited	Complete
Upgrade of fuel loading arm to enable the transfer of ethanol from marine transport for blending and distribution	Suncor Energy Products Partnership	Complete
Scrap-It incentive for the replacement of an older fossil-fuel vehicle with an electric vehicle	<i>Confidential at the request of the fuel supplier</i>	Underway
Deployment of B100 biodiesel infrastructure	Consolidated Biofuels Ltd.	Cancelled

In 2015, 122,000 credits were allocated to support six projects:

<u>Project</u>	<u>Part 3 fuel supplier</u>	<u>Status</u>
Retrofit of bulk fuel terminal to enable the supply of ethanol-blended gasoline to Vancouver Island (year 2)	Chevron Canada Limited	Complete



<u>Project</u>	<u>Part 3 fuel supplier</u>	<u>Status</u>
Testing bio-oil for compatibility with refinery infrastructure to produce conventional gasoline and diesel with renewable content	Chevron Canada Limited	Complete
Development and deployment of new fuel technology to produce renewable diesel	<i>Confidential at the request of the fuel supplier</i>	Cancelled
Conversion of light duty gasoline vehicles to enable them to use propane as well as gasoline, and the supply of propane to the converted vehicles at bulk rates	Eco-Options Energy Cooperative	Underway
Construction and operation of hydrogen fuelling station	Hydrogen Technology & Energy Corporation	Underway

Many of these agreements include the Ministry’s intent to enter into further agreements to support multi-year projects until they are complete.

Part 3 Agreements by the numbers:

- The largest agreement is for 120,000 credits over 4 years.
- The smallest agreement is for 7,600 credits.
- The agreements award an average of 22,000 credits per year.

**Need more information?**

Please visit the Low Carbon Fuels website at [www.gov.bc.ca/lowcarbonfuels](http://www.gov.bc.ca/lowcarbonfuels) or email us at [lcfr@gov.bc.ca](mailto:lcfr@gov.bc.ca).

This information is for your convenience and guidance only, and does not replace or constitute legal advice. Exceptions to the above may apply in certain circumstances. It is recommended that parties who may be a Part 3 fuel supplier seek independent legal advice to confirm their status, legal obligations and opportunities. The *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* and Renewable and Low Carbon Fuel Requirements Regulation can be found on the internet at: [www.bclaws.ca](http://www.bclaws.ca).