

	<p>Ministry of Energy and Mines</p> <p><i>Issued: January 2011</i> <i>Revised: February 2017</i></p>	<p>Renewable and Low Carbon Fuel Requirements Regulation</p> <p>Exemption Reports</p> <p>Information Bulletin RLCF-005</p>
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Background

Less than five (5) percent of the fuel supplied in British Columbia is provided by those who supply less than 75 million litres of Part 2 fuels per year. These small suppliers may apply to be exempted from Part 2 (renewable fuel) and/or Part 3 (low carbon fuel) requirements under the Renewable and Low Carbon Fuel Requirements Regulation (Regulation).

Beginning in the 2017 compliance period, the 75 million litre exemption threshold applies to the total volume of Part 2 fuels supplied by a given fuel supplier and its “affiliates”, as defined in section 1 (1) of the *Business Corporations Act*. Affiliated companies who collectively supply more than 75 million litres of Part 2 fuels will no longer qualify for the small supplier exemption. Affiliated companies may continue to submit compliance reports as separate fuel suppliers under the Regulation.

Exemption from Part 2 renewable fuel requirements

Suppliers of Part 2 fuels may apply to be exempted from renewable fuel requirements if they supply less than 75 million litres of Part 2 fuels (gasoline and diesel class) in a given compliance period. Exemptions from Part 2 requirements will not be approved if the Part 2 fuel supplier notionally transferred fuel or was designated as a Part 2 fuel supplier during the compliance period.

A person who sells all of its Part 2 fuels under the agreements described in section 6 of the Regulation and section 4 of the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* (Act) is not a Part 2 fuel supplier, and is not required to apply for exemption from Part 2 requirements.

Exemption from Part 3 low carbon fuel requirements

Suppliers of Part 2 fuels may also apply to be exempted from low carbon fuel requirements if they supply less than 75 million litres of Part 2 fuels (gasoline and diesel class) in a given compliance period. Part 3 fuel suppliers who do not supply any Part 2 fuels may not apply for exemption. Exemptions from Part 3 requirements will not be approved if the fuel supplier transferred or acquired debits, had credits validated, entered into a Part 3 Agreement or was designated as a Part 3 fuel supplier in the compliance period.

Suppliers of Part 3 fuels who transfer or acquire credits during a compliance period may still apply to be exempted from Part 3 requirements at the end of the same compliance period. This provides small suppliers with the ability to engage in credit trading, such as by selling credits that were earned in a previous compliance period, or buying credits as they prepare to grow their business beyond the 75 million litre threshold. For more information on credit trading, see *Information Bulletin RLCF-013 Validation and Transfer of Credits*.

A person who sells all of its Part 3 fuels under Exclusion Agreements is not a Part 3 fuel supplier, and is not required to apply for exemption from Part 3 requirements. Such a person must still submit an “Exclusion Report”; see *Information Bulletin RLCF-015 Exclusion Agreements and Reports*.

Applying for exemption

Suppliers of Part 2 fuels may apply for the exemptions described above by submitting an “Exemption Report” (formerly the “Short Form Compliance Report”) by March 31 following the compliance period. Suppliers who submit an Exemption Report do not need to submit a Compliance Report. An Exemption Report form is available on the Low Carbon Fuels Branch web site at gov.bc.ca/lowcarbonfuels.

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Need more information?

Please see the Renewable and Low Carbon Fuel website at www.gov.bc.ca/lowcarbonfuels or email us at lcfr@gov.bc.ca

This information is for your convenience and guidance only, and does not replace or constitute legal advice. The *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* and the Renewable and Low Carbon Fuel Requirements Regulation can be found on the internet at: <http://www.bclaws.ca>.