

	Ministry of Energy and Mines <i>Issued: June 2016</i> <i>Updated: February 2017</i>	Renewable and Low Carbon Fuel Requirements Regulation Projects supported under Part 3 Agreements Information Bulletin RLCF-014
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Background

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* 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 credits in order to comply with B.C.'s low carbon fuel requirements under the Renewable and Low Carbon Fuel Requirements Regulation (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, see *Information Bulletin RLCF-013 – Validation and Transfer of Part 3 (Low Carbon Fuel) Credits*.

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>	Complete
Deployment of B100 biodiesel infrastructure	Consolidated Biofuels Ltd.	Cancelled

In 2015, about 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
Testing bio-oil for compatibility with refinery infrastructure to produce conventional gasoline and diesel with renewable content	Chevron Canada Limited	Complete
Use of renewable natural gas rather than conventional natural gas to manufacture petroleum gasoline and diesel	Chevron Canada Limited	Underway
Development and deployment of new fuel technology to produce renewable diesel	<i>Confidential at the request of the fuel supplier</i>	Cancelled

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<u>Project</u>	<u>Part 3 fuel supplier</u>	<u>Status</u>
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	Eco-Options Energy Cooperative	Underway
Construction and operation of hydrogen fuelling station (year 1)	Hydrogen Technology & Energy Corporation	Underway

In 2016, the Ministry reserved 30,000 of 161,000 credits from the Part 3 Agreement program for projects to expand the supply of mid- and high-level biofuel blends at retail locations across the province. A portion of the 30,000 credits was allocated to one project:

<u>Project</u>	<u>Part 3 fuel supplier</u>	<u>Status</u>
Mid-level biodiesel blends	Chevron Canada Limited	Underway

The Ministry also considered projects proposed by fuel suppliers. About 131,000 credits were allocated to support three projects:

<u>Project</u>	<u>Part 3 fuel supplier</u>	<u>Status</u>
Testing and production of conventional gasoline and diesel with co-processed renewable content	Chevron Canada Limited	Underway
Renewal and expansion of Scrap-It incentive for the replacement of an older fossil-fuel vehicle with an electric vehicle or hydrogen fuel cell vehicle	<i>Confidential at the request of the fuel supplier</i>	Underway
Construction and operation of hydrogen fuelling station (year 2), and development of a network of hydrogen fuelling stations	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.

Need more information?

Please visit the Low Carbon Fuels 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 Renewable and Low Carbon Fuel Requirements Regulation can be found on the internet at: www.bclaws.ca.