



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 Agreement credits are indistinguishable from other credits under the Regulation and, as such, may be used to meet compliance obligations or may be transferred to 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

The following table lists all of the projects supported under Part 3 Agreements, and identifies the supplier where the project is complete or does not reveal actions that may have a competitive impact. In some cases, there are multiple Part 3 fuel suppliers pursuing similar projects independently of one another; for simplicity, these independent projects are combined into a single row in the table below. Many of these agreements include the Ministry’s intent to enter into further agreements to support multi-year projects until they are complete.

<u>Project</u>	<u>Year(s)</u>	<u>Status</u>	<u>Part 3 fuel supplier(s)</u>
Infrastructure upgrades to enable the transfer of ethanol from marine transport for blending and distribution	2014	Complete	Suncor Energy Products Partnership
Deployment of B100 biodiesel infrastructure	2014	Cancelled	<i>Not Released</i>
Infrastructure upgrades to enable the supply of ethanol-blended gasoline to Vancouver Island	2014, 2015	Complete	Chevron Canada Limited
Scrap-It incentive for the replacement of an older internal combustion engine vehicle with an electric vehicle or a hydrogen fuel cell vehicle	2014, 2015, 2016, 2017	Underway	<i>Not Released</i>
Testing bio-oil for compatibility with refinery infrastructure to produce conventional gasoline and diesel with renewable content	2015	Complete	Chevron Canada Limited
Fuel switching: Use of renewable natural gas rather than conventional natural gas to manufacture petroleum gasoline and diesel	2015	Underway	<i>Not Released</i>



Development and deployment of new fuel technology to produce renewable diesel	2015	Cancelled	<i>Not Released</i>
Construction and operation of hydrogen fuelling infrastructure and the production of low carbon intensity hydrogen	2015, 2016, 2017	Underway	Hydrogen Technology & Energy Corporation
Testing and production of conventional gasoline and diesel with co-processed renewable content	2016, 2017	Underway	<i>Not Released</i>
Deployment of mid-level biodiesel blends (B20; two projects)	2016, 2017	Underway	<i>Not Released</i>
Deployment of mid-level ethanol blends (E15) at retail locations	2017	Underway	<i>Not Released</i>
Deployment of high-level ethanol blends (E85) at a retail location	2017	Underway	<i>Not Released</i>
Testing and supply of biodiesel blends in winter operability zones (three projects)	2017	Underway	<i>Not Released</i>

Credits awarded under Part 3 Agreements

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. The table below shows the amount of credits allocated through Part 3 Agreements in a given year, and the amount of credits awarded for the completion of project milestones in a given year. Many of the Part 3 Agreements support multi-year projects that award allocated credit for completion of designated milestones spanning multiple years.

<u>Year</u>	<u>Credits allocated to Part 3 Agreements</u>	<u>Credits awarded from Part 3 Agreements</u>
2014	129,950	-
2015	122,204	66,380
2016	145,806	166,618
2017	229,606	97,833

 <p>BRITISH COLUMBIA</p>	<p>Ministry of Energy, Mines and Petroleum Resources</p> <p><i>Issued: June 2016 Revised: May 2018</i></p>	<p>Renewable and Low Carbon Fuel Requirements Regulation</p> <p>Projects supported under Part 3 Agreements</p> <p>Information Bulletin RLCF-014</p>
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Need more information?

Please visit the Low Carbon Fuels website at 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. It is recommended that parties who may be a Part 3 Fuel Supplier review the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* and the Renewable and Low Carbon Fuel Requirements Regulation seek independent legal advice to confirm their status, legal obligations and opportunities. 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>.