NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. P.P. 29(2024)

| 1 | IN THE MATTER OF the Petroleum |
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| 2 | Products Act, SNL 2001, Chapter P-10.1 |
| 3 | and regulations thereunder; and |
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| 5 | IN THE MATTER OF an interim carbon |
| 6 | price adjustment included, pursuant to |
| 7 | Section 7 of the Petroleum Products |
| 8 | Regulations, in the maximum price of |
| 9 | gasoline motor fuels. |
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| 12 | WHEREAS pursuant to the Clean Fuel Regulations (Canada), the Government of Canada |
| 13 | directed carbon intensity reduction requirements in respect of a motor fuel that is produced in |
| 14 | Canada or imported into Canada beginning July 1, 2023; and |
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| 16 | WHEREAS in June 2023 the provincial Petroleum Products Regulations were amended to |
| 17 | require that the Board include a carbon price adjustment in the maximum price of motor fuels |
| 18 | to mitigate the costs incurred by wholesalers and retailers related to compliance with the Clean |
| 19 | Fuel Regulations (Canada); and |
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| 21 | WHEREAS in Order No. P.P. 78(2023) effective December 21, 2023 upon the winter resupply of |
| 22 | product in most zones in Labrador the Board implemented a carbon price adjustment of 3.74 |
| 23 | cents per litre for gasoline motor fuel and 4.17 cents per litre for diesel motor fuels for Zones |
| 24 | 10, 11, 11a, 11b, 12 and 14 on an interim basis until further order of the Board; and |
| 25 | |
| 26 | WHEREAS effective January 1, 2024 the Clean Fuel Regulations (Canada) required further |
| 27 | carbon-intensity reductions of 1.5 CO2e per megajoule of energy for gasoline and diesel motor |
| 28 | fuels; and |
| 29 | |
| 30 | WHEREAS based on recent information provided by suppliers operating in Zones 10, 11, 11a, |
| 31 | 11b, 12 and 14 with respect to spring resupply of petroleum products the Board is satisfied that |
| 32 | it is appropriate to adjust the interim carbon price adjustment for gasoline motor fuel in Zones |
| 33 | 10, 11, 11a, 11b, 12 and 14 on an interim basis; and |

WHEREAS based on information provided by suppliers, the Board has determined that the interim carbon price adjustment for gasoline motor fuel in Zones 10, 11, 11a, 11b, 12 and 14 should be 5.40 cents per litre, which is the same as that implemented in Order No. P.P. 2(2024) for all other areas of the province; and

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WHEREAS based on recent information provided by suppliers there has been no resupply of diesel motor fuel to the region and the Board has determined that it is not appropriate to change the carbon price adjustment currently in place for diesel motor fuel in Zones 10, 11, 11a, 11b, 12 and 14 at this time.

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IT IS THEREFORE ORDERED THAT:

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1. A carbon price adjustment of 5.40 cents per litre for gasoline motor fuel is approved, on an interim basis, effective June 27, 2024, for Zones 10, 11, 11a, 11b, 12 and 14, until further Order of the Board.

DATED at St. John's, Newfoundland and Labrador, this 26th day of June, 2024.

Dwanda Newman, LL.B.

ohn O'Brien, FCPA, FCA, CISA

Vice-Chair

Commissioner

Jo-Anne Galarneau

Executive Director and Board Secretary