

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

MEDIA RELEASE

Thursday, July 6, 2023

Weekly Adjustment of Maximum Prices of Regulated Petroleum Products
Gasoline and Diesel Motor Fuels Adjustments Related to the Federal Clean Fuel Regulations

Effective 12:01 a.m. Thursday, July 6, 2023, the Public Utilities Board set maximum prices for regulated petroleum products in all areas of the province, except where maximum price adjustments have been suspended.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by up to 6.6 cents per litre (cpl);
- diesel motor fuel on the Island will increase by up to 4.5 cpl;
- diesel motor fuel in Zones 13 and 13a will increase by 4.7 cpl;
- furnace oil heating fuel will decrease by 0.33 cpl;
- stove oil heating fuel on the Island will decrease by 0.33 cpl;
- stove oil heating fuel in Zones 13 and 13a will increase by 0.03 cpl; and,
- propane heating fuel will decrease by 0.6 cpl.

These maximum prices reflect the change in the average benchmark price of the products over the current pricing period and, for gasoline and diesel motor fuels, they also reflect the implementation of a Carbon Price Adjustment discussed below. More information about how maximum prices are set, including a full breakdown by pricing zone, can be found on the Board's website [here](#). More information about the federal Clean Fuel Regulations can be found [here](#).

Adjustments Related to the Federal Clean Fuel Regulations

Pursuant to the federal Clean Fuel Regulations, the Government of Canada has directed carbon intensity reduction requirements in respect to gasoline and diesel motor fuels produced or imported into Canada effective July 1, 2023. The carbon intensity reduction requirements do not apply to heating fuels.

On June 23, 2023 the **Petroleum Products Regulations** in Newfoundland and Labrador were amended to require that the Board include a Carbon Price Adjustment in maximum prices for motor fuels and heating fuels to mitigate the costs incurred for wholesalers and retailers associated with the federal Clean Fuel Regulations. The Board advised stakeholders and the public that its consultant Grant Thornton had provided a report, Review of Clean Fuel Regulations, and invited comments for the Board's consideration.

Effective with this price adjustment the Board has implemented a Carbon Price Adjustment in its calculation of maximum prices for gasoline and diesel motor fuels, on an interim basis, to reflect additional costs for suppliers associated with the carbon intensity reduction requirements of the federal Clean Fuel Regulations. There will be no Carbon Price Adjustment for heating fuels as the carbon intensity reduction requirements of the federal Clean Fuel Regulations do not apply to heating fuels at this time.

The Board has determined that the Carbon Price Adjustment for motor fuels should be based on the maximum credit price of \$300 for transfers through the compliance credit clearing mechanism under the federal Clean Fuel Regulations, adjusted for inflation. The Board has set the Carbon Price Adjustment at 3.74 cents per litre for gasoline motor fuel and 4.17 cents per litre for diesel motor fuel for all zones other than Zones 10, 11, 11a, 11b, 12 and 14. With the exception of propane heating fuel, there will be no maximum price adjustments in Zones 10, 11, 11a, 11b, 12 and 14 where a suspension of maximum price adjustments is in effect for the spring and summer season.

The Carbon Price Adjustments are being made on an interim basis and the Board will shortly begin a review to determine whether there should be additional changes with respect to these adjustments before they are finalized. The Board expects that changes may be appropriate as market conditions continue to develop under the new federal Clean Fuel Regulations and more information becomes available.

A breakdown of the Carbon Price Adjustment changes are provided in the table below:

Carbon Price Adjustment Changes Effective 12:01 a.m., Thursday, July 6, 2023	
Type of Petroleum Product	Carbon Price Adjustment (cpl)
Gasoline Motor Fuels (Most Zones)	+3.74
Diesel Motor Fuels (Most Zones)	+4.17
Gasoline Motor Fuels (Zones 10, 11, 11a, 11b, 12 and 14)	0.00
Diesel Motor Fuels (Zones 10, 11, 11a, 11b, 12 and 14)	0.00
Furnace Oil Heating Fuels (All Zones)	0.00
Stove Oil Heating Fuels (All Zones)	0.00
Propane Heating Fuels (All Zones)	0.00

While the Board's next regularly scheduled price adjustment is on Thursday, July 13, 2023 the Board continues to monitor the daily benchmark prices for motor fuels and heating fuels using the prescribed sources set out in the Petroleum Products Regulations and will adjust maximum prices outside the scheduled adjustment if circumstances warrant.

- 30 -

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