



ON OUR WAY:

AN UPDATE ON CFA'S
DRIVING TO 2050 VISION



Canadian Fuels
ASSOCIATION

Where We Started

Our Driving to 2050 vision

In the Fall of 2020, the Canadian Fuels Association (CFA) released Driving to 2050 – our vision for the future. As Canada's leading transportation fuels providers, our commitment is to continue to make significant contributions to a strong and resilient economy as well as meaningful reductions in greenhouse gas emissions (GHG). Through collaboration, we will deliver emissions reductions without compromising our ability to move people and goods across Canada and beyond. Together, we will build a future where Canada is a leader in the development of clean transportation energy choices – a future where those choices include reliable, cost-effective and low-carbon fuels.

A Nation on the Move

Canada's transportation fuels sector has played a critical role in our country's economic success for more than 150 years and we are committed to making a significant contribution, utilizing our existing expertise and infrastructure, to unlock Canada's low-carbon future while continuing to meet our customers' expectations on reliability and competitiveness.

We have met Canadians' evolving transportation-fuel needs and expectations for more than a century. Now, we are focused on finding solutions to reduce transportation GHG emissions using Canadian resources and innovation to support our country in creating a low-carbon economy.

Our Roadmap to a Low-Carbon Future

We believe that low-carbon fuels will be part of Canada's energy mix for generations to come. Our ultimate success will be measured by delivering results in four key areas and we are already demonstrating our commitment to leading the way on each one:

- Greenhouse gas reductions – CFA members have announced plans to reduce GHG emissions by more than 7 million tonnes.
- Capital Investment – More than \$5B of investment in low-carbon solutions has been announced so far.
- Job Creation – Up to 8,000 direct and indirect jobs will be created to develop and operate new low-carbon facilities and innovative technologies.
- Collaboration with our Stakeholders – More than ever before, we are partnering with Associations and organizations from across the transportation sector and beyond.

INNOVATION IN ACTION



Imperial – The largest renewable diesel manufacturing facility in Canada at Strathcona refinery means a billion litres of renewable diesel annually from locally sourced and grown feedstocks, helping reduce emissions by 3 million tonnes per year.



Shell – The proposed Polaris Carbon Capture Project at Shell's Scotford refinery would capture and store 750,000 tonnes of carbon per year and create up to 2,000 jobs.



Where We Are



We Are Driving Toward Future Success

Remarkable changes lie ahead. CFA members are rising to the challenge and will help Canada achieve its Net-Zero goals in three ways:

- 1. Leverage and adapt existing fuel infrastructure to drive emerging transportation energy systems and technologies.**
 - Transitioning to a low-carbon economy by 2050 will require significant adaptation of Canada's current fuel infrastructure to produce, blend and distribute low-carbon fuels at the scale necessary to meet Canadians' energy needs.
 - Investments in electric charging and hydrogen fuelling stations provide Canadian consumers with transportation energy options at some of our 12,000 retail sites across the country.
- 2. Increase the production and use of low-carbon fuels**
 - Achieving Net-Zero emissions while maintaining the reliability of the transportation system at maximum efficiency is important for Canadian consumers. The two key ingredients to expanding low-carbon fuels are manufacturing and supply/distribution expertise as well as access to essential feedstocks. Canada has an abundance of both.
 - Scaling up proven, Made-in-Canada, low-carbon fuels is the most affordable and reliable means of helping us reach these goals while creating thousands of jobs throughout the value chain.
- 3. Continue innovation at refineries**
 - Carbon capture, utilization and storage (CCUS) as well as refinery co-processing have the potential to unlock significant emissions reductions. These long-term investments require regulatory clarity and innovative policies to position Canada as a global leader in low-carbon fuels.



Parkland – Co-processing facilities at Parkland's Burnaby Refinery is on track to use up to 100 million litres of Canadian-sourced canola and tallow bio-feedstocks in 2021 and produce an environmental benefit that is equivalent to taking 80,000 passenger vehicles off of the road.



INNOVATION IN ACTION

Suncor – Edmonton refinery emissions will be reduced by 60% as a result of Suncor's investment in carbon capture and storage while expanding hydrogen production.



We Are Leading the Way

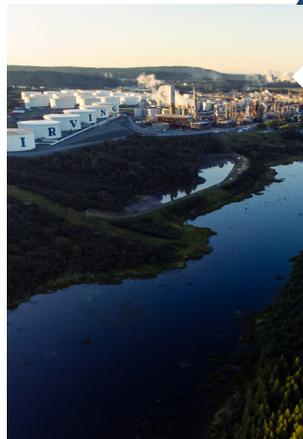
The future is now. Since launching Driving to 2050, our members have announced or initiated strategic investments in Canada's existing refineries, fuel terminals and retail sites that will unlock significant reductions in transportation-related emissions, while ensuring that Canadian citizens and businesses continue to have access to reliable transportation energy throughout the system.

Our members have made substantial commitments to building a low-carbon economy and have demonstrated our ability to play a leading role.

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|  <p>Announcement of new facilities and low-carbon initiatives that will require ~\$5 billion of investment in Canada</p> |  <p>Working with the biofuels, agriculture and forestry sectors to utilize new technologies, policies and feedstocks that will increase low-carbon fuel production in Canada</p> |  <p>Emissions reductions that are equivalent to removing 3.5 million cars off of Canadian roadways and provide a significant contribution to Canada's commitments under the Paris Agreement</p> |  <p>The creation of more than 8,000 direct and indirect employment opportunities across Canada</p> |
|  <p>Extensive feedback and technical expertise provided to the development and implementation of clean fuel policy, including the federal Clean Fuel Regulations and BC's Low Carbon Fuel Standard</p> |  <p>Collaboration with international working groups and Associations in order to explore best practices for the transportation sector being developed and implemented in other countries</p> |  <p>Creating opportunities for dialogue on critical issues with industry leaders through our <i>'Fuel for Thought'</i> speaker series and engaging our stakeholders through enhanced communication channels</p> |  <p>The Canadian Fuels Association is a founding member of the Canadian Transportation Alliance and a strong supporter of the Clean Resource Innovation Network (CRIN)</p> |



Federated Co-op – FCL is committing to reducing greenhouse gas emissions by 40 per cent below 2015 levels by 2030, and to achieving net-zero by 2050. A recently announced operating agreement with Whitecap Resources, that will sequester 500,000 tonnes of carbon dioxide equivalent annually, is an initiative contributing to this goal.



INNOVATION IN ACTION

Irving – Through a partnership with TC Energy, Irving Oil will pursue the development of a series of energy projects focused on decarbonizing current assets and deploying emerging technologies to reduce overall emissions.



We Are Driving Toward Canada's Net-Zero Goals

The Canadian Fuels Association supports the Government of Canada's goal of achieving Net-Zero emissions by 2050.

Driving to 2050 is aligned with the Government's Net-Zero plans and provides tangible examples of opportunities for our sector to continue playing a leading role in the mobility of people and goods for generations to come. We believe that a 'technology-neutral' approach that includes all alternatives will foster a wider spectrum of innovation that allows consumers and markets to determine the optimal paths for Canada's critical GHG reductions.

Effective Policy will Put Canada in the Driver's Seat

A stable and predictable regulatory environment drives private sector investment and helps accelerate change. There are a number of ways that the government can support our shared goals around emission reductions as well as a strong, resilient economy:

- Develop and implement a National Transportation strategy with all governments and transportation sector stakeholders collaborating on system-wide solutions that consider all applications and alternatives.
- Coordinate and leverage federal and provincial policies and programs to maximize emissions reductions.
- Design incentives for large-scale investments in low-carbon solutions and emerging technologies while considering practical implementation timelines and incentives offered in other jurisdictions such as the U.S.

INNOVATION IN ACTION



NorthWest Redwater – Carbon capture facilities at NWR's Sturgeon Refinery have been operating for more than a year and have successfully and safely captured more than 1.5 million tonnes of CO₂.



Tidewater – Development of a 150 million litre per year renewable diesel facility has broken ground at the Prince George Refinery. The refinery also started co-processing renewable feedstock in 2021.

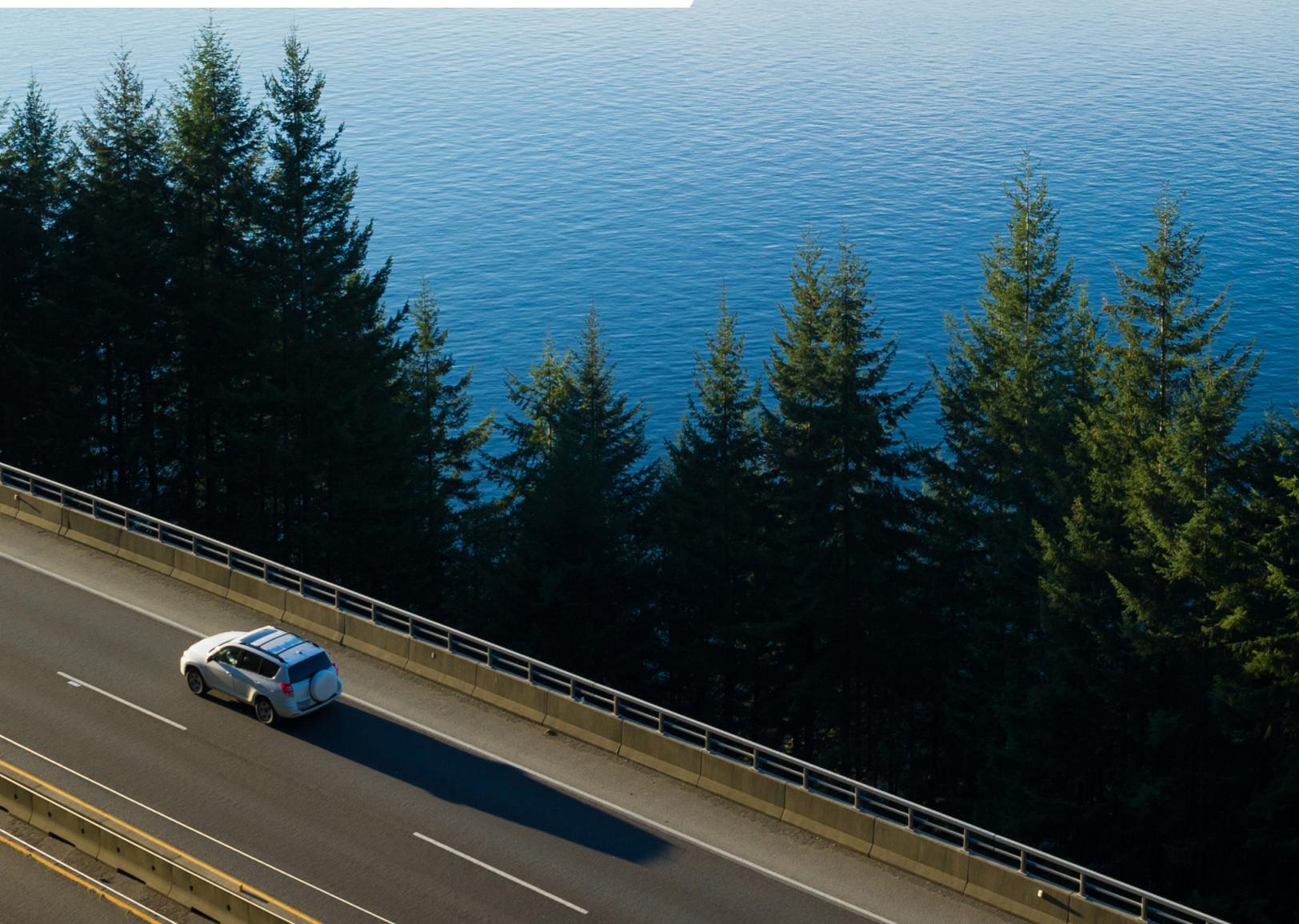




Where We Are Going

Moving Forward Together

We see a future where Canadians achieve significant transportation GHG emission reductions without compromising the ability to move people and goods. We see a future where Canada is a leader in the development of clean transportation-energy choices. A future where those choices include reliable, affordable low-carbon liquid fuels. Let's drive there together.



We represent Canada's transportation fuels industry.

Our sector contributes over \$8 billion to Canada's GDP each year and employs more than 117,000 Canadians at 15 oil refineries, 78 fuel distribution terminals and 12,000 retail and commercial sites. The association helps its members meet government environmental policy objectives and the expectations of Canadians without compromising our country's access to a secure, reliable and competitively priced fuel supply.

We are recognized internationally as a trusted source of industry information and technical expertise, and have worked collaboratively and productively with governments and other sectors for decades.



Canadian Fuels
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