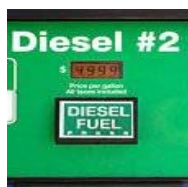




NOTE: The information below is for compliance promotional purposes only and is not a substitute for the Renewable Fuels Regulations, nor does it offer any legal interpretation of these Regulations. For requirements under the Regulations, refer to the actual Regulations. In the event of discrepancies between this document and the Renewable Fuels Regulations, the Regulations prevail.

Federal Renewable Fuels Regulations: Distillate-only Primary Suppliers



**Distillate-only
Primary supplier**

**Persons who
produce or import
only diesel fuel or
heating distillate
oil**

Who is a “primary supplier”?

Under the *Renewable Fuels Regulations*, a primary supplier is anyone who produces or imports gasoline¹, diesel fuel², or heating distillate oil³.

What is the renewable fuel content requirement for diesel fuel and heating distillate oil?

While the Regulations include provisions for 2% renewable content requirement in diesel fuel and heating distillate oil, they are not yet in force. The Government intends to implement the 2% requirement through a future amendment to the Regulations, subject to technical feasibility.

Why don't the Regulations specify the start date for the requirement for 2% renewable content in diesel fuel and heating distillate oil?

The requirement for renewable content in diesel fuel and heating oil will not be put in place until the technical feasibility of renewable diesel under the range of Canadian conditions has been demonstrated. Natural Resources Canada has assessed the technical feasibility through their National Renewable Diesel Demonstration Initiative (NRDDI). Results are expected to be released in the fall of 2010. The coming-into-force date of this requirement will be added by way of an amendment to the Regulations, upon successful demonstration of technical feasibility.

I only produce or import diesel fuel or heating distillate oil and will not create or receive any compliance units. What are my requirements under the Regulations prior to the 2% renewable content requirement coming into force?

Although the 2% requirement for diesel fuel and heating distillate oil is not yet in force, you are still subject to the registration, reporting and recordkeeping requirements for primary suppliers (see related factsheet *“Federal Renewable Fuels Regulations: Overview”*). However, you are not required to submit a trading system participant annual report (Schedule 5), an auditor's report (Schedule 3) nor maintain a compliance unit account book until the 2% requirement comes into force.

¹ Refer to Regulations for full definition of “gasoline” which includes sub-octane blendstocks (or unfinished gasoline)

² Refer to Regulations for full definition of “diesel fuel” which may include diesel-like blendstocks

³ Refer to Regulations for full definition of “heating distillate oil”

I only produce or import diesel fuel or heating distillate oil and wish to create compliance units in advance of the 2% renewable content requirement coming into force. How can I do this and what are my requirements?

As of December 15, 2010 you may create and/or acquire compliance units in accordance with the regulations. See related factsheet *"Federal Renewable Fuels Regulations: Overview"* for your requirements, including requirements to submit a trading system participant annual report (Schedule 5), and auditor's report (Schedule 3) and maintain a compliance unit account book.

I only produce or import small volumes of diesel fuel or distillate heating oil. Will I be required to have renewable fuel content under these Regulations once the 2% requirement is in force?

If you produce and/or import less than 400m³ (400,000 litres) of fuel in a year⁴ you are exempted from the renewable fuel content requirement and associated reporting requirements under section 2 for that period. You are still subject to some specific record-keeping requirements in sections 29, 37 and 38 and volume measurement requirements in section 4.

However, if, as a small producer or importer, you wish to participate in the trading system, you may choose to do so by opting into the Regulations under section 3 and would then be subject to the Regulations in full.

Where can I find more information?

For more general information on the Regulations, the trading system, important dates and reporting deadlines, see related fact sheet entitled *"Federal Renewable Fuels Regulations: Overview."*

DID YOU KNOW?

There are a number of other federal fuel regulations that must be complied with, if applicable, namely:

- *Fuels Information Regulations, No. 1* [sulphur and additives reporting],
- *Gasoline Regulations* [lead and phosphorous],
- *Benzene in Gasoline Regulations*,
- *Sulphur in Gasoline Regulations*,
- *Sulphur in Diesel Fuel Regulations*,
- *Contaminated Fuels Regulations*,
- *Gasoline and Gasoline Blend Dispensing Flow Rate Regulations*.

For more information refer to:

<http://www.ec.gc.ca/energie-energy/default.asp?lang=En&n=EE068DA8-1>

HOW TO STAY INFORMED?

Environment Canada also has the following information which is available at:

<http://www.ec.gc.ca/energie-energy/default.asp?lang=En&n=0AA71ED2-1>

- *Renewable Fuels Regulations* (full text of Regulations)
- *Federal Renewable Fuels Regulations: Overview*
- *Federal Renewable Fuel Regulations: Primary Suppliers*
- *Federal Renewable Fuels Regulations: Sellers of Fuel for Export*
- *Federal Renewable Fuels Regulations: Blending Operations*
- *Federal Renewable Fuels Regulations: Renewable Fuel Producers and Importers*
- *Federal Renewable Fuels Regulations: High-Renewable-Content and Neat Renewable Fuels*
- *Questions and Answers on the Renewable Fuel Regulations*

Further questions and inquiries can be directed to Environment Canada's Inquiry Centre at:

Tel.: 1-800-668-6767

Fax: 819-994-1412

or

Email: fuels-carburants@ec.gc.ca (Environment Canada's Fuels Program)

⁴ Except for the first compliance period where it is any 12-month period.



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Issued also in French under title:

Règlement fédéral sur les carburants renouvelables : les fournisseurs principaux fournissant exclusivement du distillat.

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Environment Canada

Inquiry Centre

351 St. Joseph Boulevard

Place Vincent Massey, 8th Floor

Gatineau QC K1A 0H3

Telephone: 1-800-668-6767 (in Canada only) or 819-997-2800

Fax: 819-994-1412

TTY: 819-994-0736

Email: enviroinfo@ec.gc.ca