



NOTE: 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: Excluded-Volumes-Only Suppliers



Excluded-Volumes-Only Suppliers

Persons who produce or import only gasoline, diesel fuel and/or heating oil that is excluded under subsection 6(4) of the Regulations

Is an excluded-volumes-only producer or importer of gasoline, diesel fuel and heating oil considered to be a primary supplier under these regulations?

Yes, the Regulations do apply as per a primary supplier; however, under subsection 2(3), if they do not opt-in under section 3 of the Regulations, they are exempted from many, but not all, requirements. The following requirements do still apply in order to verify that the primary supplier produced or imported only applicable special-use fuel:

- to make records, under section 29 of the Regulations, for each batch of fuel produced and imported (type of fuel, volume of fuel, where fuel was produced or into which province it was imported, and date of production or importation)
- to keep these records and supporting documentation in Canada for five years, pursuant to section 38 of the Regulations
- to make these records as soon as feasible (but no later than 15 days after the information becomes available), under section 37 of the Regulations
- to measure volumes in accordance with section 4 of the Regulations, and
- to have a record that establishes that the fuels were indeed sold for, or delivered for, the specified use

What fuels can be excluded?

These regulations apply to gasoline, diesel fuel and heating distillate oil; other petroleum fuels are not covered. In addition, as detailed under subsection 6(4) of the Regulations, certain special-use fuels may be excluded from a person's volumetric pool of fuel that he or she produced and imported. These are fuels for use:

- in aircraft
- in competition vehicles
- in scientific research
- as feedstock in the production of chemicals (other than fuels) in a chemical manufacturing facility

- in the North (Yukon, the Northwest Territories, Nunavut and Quebec on or north of 60°N)
- in Newfoundland and Labrador
- in the case of diesel fuel and heating distillate oil:
 - in military combat equipment
 - represented as kerosene and sold for or delivered for use in unvented space heaters, wick-fed illuminating lamps, or flue-connected stoves and heaters
 - until December 31, 2012, used in Nova Scotia, New Brunswick, Prince Edward Island and Quebec on or south of 60°N

Fuel for export, or fuel in transit through Canada from a place outside Canada to another place outside Canada, may also be excluded from a person's pool.

Under what circumstances is the auditor's report not required for an excluded-volumes-only supplier?

To be excluded from having to submit an auditor's report, such a person must produce and/or import only specialty-use fuels (of any volume) and, if a producer or importer of renewable fuels, must either produce and/or import less than 400 m³ of renewable fuel or be excluded under subsection 28(3) of the Regulations by demonstrating that no compliance units were created from renewable fuel that the person produced or imported during the compliance period.

Why do most of the regulations not apply to producers or importers of only special-use fuels?

The majority of the requirements do not apply to a primary supplier who only imports and/or produces special-use fuels (e.g., fuel for use in aviation and competition vehicles, diesel fuel, and heating distillate oil for use in military combat equipment, fuel for export). Consequently, extensive recordkeeping and reporting requirements are not warranted.

If a person produces or imports only specialty-use fuels in a year, but in previous years had produced or imported gasoline, diesel fuel and/or heating oil that is not excluded, does the exemption apply to the person during that exempted-volume-only year?

Yes, the exemptions apply on a year-to-year basis.

Is there an exclusion for fuel imported in the fuel tank of a vehicle?

Yes, subsection 2(5) provides that the Regulations do not apply in respect of a fuel that is imported in a fuel tank that supplies the engine of a conveyance that is used for transportation by water, land or air.

Can an excluded-volumes-only producer or importer opt-in to become an elective participant?

Yes, under section 3 of the Regulations a primary supplier (or a producer or importer of renewable fuel) can opt-in by sending a written notice to the Minister requesting that these regulations are to apply to them. These regulations so apply as of a day that is specified in the notice, which day must be at least one day after the day on which the notice is sent. The opt-in notice must contain the information set out in Schedule 1 (or 6, as the case may be). The primary supplier (or the producer or importer, as the case may be) may rescind an opt-in notice by fulfilling the requirements described in paragraphs 11(3)(a) to (c).

Where can I find more information?

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

HOW TO STAY INFORMED?

Environment Canada has the following information, available at:

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 Fuels 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*
- *Federal Renewable Fuels Regulations: Small-Volume Suppliers*
- *Federal Renewable Fuels Regulations: Biodiesel Suppliers*
- *Questions and Answers on the Federal Renewable Fuels Regulations*

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

Tel.: 1-800-668-6767

Fax: 819-994-1412

or

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

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 phosphorus)
- *Benzene in Gasoline Regulations*
- *Sulphur in Gasoline Regulations*
- *Sulphur in Diesel Fuel Regulations*
- *Contaminated Fuel Regulations*
- *Gasoline and Gasoline Blend Dispensing Flow Rate Regulations*
- *Regulations Prescribing Circumstances for Granting Waivers Pursuant to Section 147 of the Act*

For more information, refer to:

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



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