



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: Small-Volume Suppliers



Small-Volume Suppliers

Persons who produce or import, combined, less than 400 m³ of gasoline and less than 400 m³ of diesel fuel and heating oil and/or less than 400 m³ of renewable fuel

Is a small-volume 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, if their volume is below the threshold (see threshold volume, below) and 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 they are below the threshold:

- to make records, under section 29 of the Regulations, for each batch of fuel produced and imported (type of fuel, the volume of fuel, where the fuel was produced or into which province it was imported, and the 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, and
- to measure volumes in accordance with section 4 of the Regulations.

What is the threshold volume for primary suppliers?

The threshold for small-volume primary supplier importers and producers in a given year¹ is 400 m³ of gasoline and 400 m³ of diesel fuel and heating distillate oil. These are combined thresholds for production plus importation with no exemptions or exclusions. For example, a person who imports less than 400 m³ of gasoline per year but produces more than 400 m³ of gasoline per year (even if they do not produce or import diesel fuel or heating distillate oil) would be required to comply in full with the Regulations in respect of the renewable fuel requirements.

¹ The period over which the threshold value is to be determined is a "year," which is defined to be a period of 12 consecutive months. Each compliance period, other than the first one, is a single calendar year (i.e., January to December). If a person exceeds the threshold of 400 m³ during any 12 consecutive-month periods during that first compliance period, they must comply with the Regulations in full.

The threshold of 400 m³ per year is explicitly set out in subsection 140(3) of the *Canadian Environmental Protection Act, 1999*. It cannot be changed by any regulations made under that Act.

As a small-volume producer or importer of renewable fuel, what obligations do I have?

Producers and importers of less than 400 m³ a year of renewable fuel (who do not opt-in under section 3 of the Regulations) are not required to keep specific records or submit registration or annual reports under section 34 of the Regulations. However, they must have supporting documentation to demonstrate that they produced or imported less than the threshold volume.

When is an auditor's report required by a small-volume supplier?

An auditor's report would be required by any producer or importer of renewable fuel in volume greater than 400 m³ who is not exempt under subsection 28(3) of the Regulations, or by any primary supplier who is not a small-volume primary supplier and is not an excluded-volumes-only primary supplier under subsection 2(3) (see "Excluded-Volumes-Only Suppliers" factsheet).

Why do most of the requirements of the Regulations not apply to small-volume producers and importers?

The Regulations have extensive recordkeeping, reporting and auditing requirements to ensure the robustness and enforceability of the Regulations in general and of the system of tradable compliance units. Imposing these full requirements would be a considerable burden to small-volume importers and producers.

If a person produces or imports less than 400 m³ of fuel in a year, but in previous years had exceeded that threshold, does the exemption apply to them during that low-volume 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 a small-volume 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).

If a person is an elective participant, and will soon start to import gasoline, diesel fuel or heating distillate oil and thereby become a primary supplier, does the person have to register as a primary supplier under section 9 of the Regulations?

Yes, once the person starts to import, he or she is a primary supplier and no longer an elective participant. All the information in Schedule 1 of the Regulations must be submitted to Environment Canada, pursuant to section 9, at least one day before producing or importing the 400th m³ of gasoline, or the 400th m³ of diesel fuel and heating distillate oil. If the information

that was previously submitted under Schedule 2 has not changed, there is no need to resubmit that portion of the required registration information.

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: Biodiesel Suppliers*
- *Federal Renewable Fuels Regulations: Excluded-Volumes-Only 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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Aussi disponible en français

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