

Federal Renewable Fuels Regulations: *Blending Operations*

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.



Blending Operations

Persons who own a blend of renewable fuel and petroleum fuel upon its blending

What is a blending facility?

A blending facility is a facility where petroleum fuel is blended with renewable fuel. Besides fixed facilities, it may include a fleet of mobile facilities, such as cargo tankers, railway cars, boats and marine vessels. A facility where blending takes place and that is part of or adjacent to a petroleum refinery is normally considered to be part of that refinery, rather than be considered as a “blending facility” for purposes of the *Renewable Fuels Regulations* (the “Regulations”).

What do the Regulations require of blenders of fuel?

A person who only blends renewable fuel with petroleum fuel is not subject to the Regulations¹ unless they elect to become a participant in the trading system by notifying Environment and Climate Change Canada. In this case, additional requirements apply (see related factsheet *Federal Renewable Fuels Regulations: Overview*).

Can a blender of fuel participate in the trading system?

Yes, a person who blends renewable fuel with petroleum fuel may elect to become an elective participant in the trading system (see section 11 of the Regulations).

I am a fuel blender and have registered as an elective participant under the Regulations. How do I make records and report on my mobile blending facilities?

The blending of renewable fuels with petroleum fuels can, and does, occur in railway cars, trucks, boats and other mobile “facilities” of this nature. In these instances, the Regulations require records to be made for the fleet of mobile facilities. Reporting for fleets must be done according to the province in which blending occurs.

I am a fuel blender and have registered as an elective participant under the Regulations. I wish to create compliance units for my blending operations. How do I do this and what are my requirements? Can I trade the units I create?

Any trading system participant who owns a blend of renewable fuel and petroleum fuel on its blending may create compliance units under section 13 of the Regulations. The creation of a compliance unit is only confirmed upon the making of a record of its creation. Additionally, as an elective participant, you are not allowed to receive compliance units in trade; as a result, you may only transfer your compliance units in trade to a primary supplier.

¹ You would be subject to other provisions in the Regulations if, in addition to being a blender, you are also a producer or importer of gasoline, diesel fuel and/or heating oil, a producer or importer of renewable fuel or a seller of fuel for export.



Is a written agreement required if I wish to create compliance units by blending?

A written agreement is required when more than one participant under these Regulations owns the “blended fuel on its blending”; in other words, when a participant wishes to create compliance units with another participant and each participant owns a portion of the blended fuel.

The agreement must designate the single owner of the compliance units that will be created by this blending. To ensure its validity, the agreement should also:

- Be dated and signed by the authorized officials of all the participants involved in the agreement;
- Specify the period for which the agreement is valid; and
- At the discretion of the parties, provide further details (such as who owns which fuel, who will blend them, where and at which blending rate, etc.).

If the implicated parties do not enter into such an agreement, no compliance units can be created.

Who owns the compliance units that are created by blending renewable fuel with petroleum fuel?

Compliance units may be created by the owner of the blended fuel upon its blending (that is, the fuel that is created from the blending of a renewable fuel and a petroleum fuel). If there is more than one participant owning the blended fuel on its blending, no compliance units are created unless there is a written agreement between these owners, designating one of them as the creator of the compliance units (see section 12 of the Regulations). Without such an agreement, no compliance units can be created.

I would like to create compliance units by blending. What do I need to know?

If you are a participant under these Regulations, you may create compliance units without a written agreement provided you are the single owner of the blended fuel on its blending.

If you are not a participant under these Regulations, or if you do not own the blended fuel on its blending, you may not create compliance units with this blend.

If you wish to create compliance units with another party and both parties own the blended fuel on its blending, it may be possible to create compliance units. The requirements will vary depending on the participation status of each party, as shown in the examples below.

(a) I am an elective participant under these Regulations. Another party and I both own the blended fuel on its blending:

The other party involved in the blending is:	Is a written agreement necessary?	Can compliance units be created?	Who owns the compliance units that are created?
A primary supplier	Yes. An agreement is required when two participants both own the blended fuel on its blending.	Yes. Units may be created.	The single participant who is designated in the agreement (you or the primary supplier).
Another elective participant	Yes. An agreement is required when two participants both own the blended fuel on its blending.	Yes. Units may be created.	The single participant who is designated in the agreement (you or the other elective participant).
A person who is not a participant under these Regulations*	No. An agreement is only required between parties who are participants under these Regulations.	Yes. But only you may create the units (as the participant), provided that you own the blended fuel on its blending.	You (as the participant).

(b) I am not a participant under these Regulations. Another party and I both own the blended fuel on its blending:

The other party involved in the blending is:	Is a written agreement necessary?	Can compliance units be created?	Who owns the compliance units that are created?
A primary supplier	No. An agreement is only required between parties who are participants under these Regulations.	Yes. However, only the primary supplier may create the units, provided that this person owns the blended fuel on its blending.	The primary supplier.
An elective participant	No. An agreement is only required between parties who are participants under these Regulations.	Yes. However, only the elective participant may create the units, provided that this person owns the blended fuel on its blending.	The elective participant.
A person who is not a participant under these Regulations*	No. An agreement is only required between parties who are participants under these Regulations.	No. No units may be created with this blend, as neither party are participants under these Regulations.	No one.

*The following persons are not participants under these Regulations unless they elect to become one or opt-in (not inclusive):

- A fuel producer or importer that only produces or imports small volumes (below the 400 m³ threshold);
- A fuel producer or importer that only produces or imports fuels for excluded uses under subsection 6(4) of these Regulations;
- A fuel supplier that distributes fuels in Canada that were produced or imported by a primary supplier; or
- A person who offers blending services.

HOW TO STAY INFORMED?

The full text of the *Renewable Fuels Regulations* and related factsheets as well as Questions and Answers document are available at: <https://www.canada.ca/en/environment-climate-change/services/managing-pollution/energy-production/fuel-regulations/renewable>

- *Federal Renewable Fuels Regulations: Overview*
- *Federal Renewable Fuels Regulations: Primary Suppliers*
- *Federal Renewable Fuels Regulations: Sellers of Fuel for Export*
- *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*
- *Federal Renewable Fuels Regulations: Excluded-Volumes-Only Suppliers*

Questions and inquiries can be directed to Environment and Climate Change Canada's Public Inquiry Centre (**Tel.:** 1-800-668-6767) or Environment and Climate Change Canada's Regulatory Implementation and Operations Section (**Email:** ec.carburants-fuels.ec@canada.ca).



DID YOU KNOW?

There are a number of other federal fuel regulations that you must comply 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: <https://www.canada.ca/en/environment-climate-change/services/managing-pollution/energy-production/fuel-regulations>.

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