

## Auto Propane Committee

September 19, 2019

2:30 PM ET

### **Members:**

Gary Froese (**Chair**), Plain Millstream  
Jim Bellwood, Highlands Propane  
Hugh Sutherland, Superior Propane  
Jack Patriarche, Strategic and Marketing Services  
Ryan Mclachlan, Slegers  
James Yeo, Diversco  
Rahual Nanda, Superior Propane

### **CPA Staff:**

Darren Cunningham  
Marcelline Riddell  
Jean-Francois Duguay

### **SUMMARY**

#### **1. Welcome and Acknowledgement of CPA Competition Law Compliance Statement**

The meeting was called to order at 2:32 PM ET.

The Chair, Gary Froese, welcomed all participants to the meeting and the CPA Competition Law Compliance Statement was acknowledged as read.

#### **2. Review of the Summary of the June 6, 2019**

The summary of the June 6, 2019 Auto Propane meetings was reviewed and accepted, as presented.

***Motion: To approve the summary of June 6, 2019***

***Moved by:*** Hugh Sutherland     ***Seconded by:*** Ryan Mclachlan

#### **3. Update of the Subcommittees**

The subcommittee were on a stall for the summer season but will now be back in action starting this fall. The next **Marketing** subcommittee call will be October 9, 2019 and the **Training and Regulatory** call will be the next day, October 10, 2019.

#### **4. Auto Propane Day – September 27, 2019**

Jean- Francois Duguay, updated the members on the upcoming Auto Propane Day, September 27, 2019.

**The event:** The World LPG Association (WLPGA) is creating another annual global awareness campaign to raise the profile of propane, similar to the very successful #LPGDay held in June.

The focus of this campaign is to promote auto propane/autogas and The Canadian Propane Association decided to join this campaign for the years to come. The main event will be held **on Friday, September 27, 2019.**

The CPA will once again put together social media materials for members to post on their social media platforms, which we will provide over the next couple of weeks.

The CPA also has printable promotional material that can be used for your event. Check out our auto propane section on our website.

## **5. Update on Western Canada**

Darren Cunningham provided brief updates on the revocation of the Alberta conversion fuel re-inspection interval amendment and on the BC Low Carbon Fuel Standard.

### **Alberta Conversion fuel system on motor vehicles re-inspection interval amendment**

As part of their red tape reduction, the Government of Alberta no longer requires re-inspections of vehicles running on propane every five years. Labels provided by the government demonstrating that the vehicle is powered by propane will still need to be affixed to the vehicle, they will no longer feature a re-inspection date. The labels are required under CSA B149.5-15 Installation code for propane fuel systems. The owner of the is now responsible for the maintenance and safe operation of their vehicle.

### **Low Carbon Fuels Standard**

The British Columbia Department of Energy, Mines and Petroleum Resources – Low Carbon Fuels Standard issued consultation papers on General Amendments, and Compliance Penalties in August. CPA and individual members submitted responses outlining their views of the consultation questions as they related to the propane industry. Our understanding of the reason for the consultation was to tighten up potential loopholes found within the LCFS, not to drastically change the 5-year old program.

As mentioned in previous reports the intent of the program is to replace gasoline and diesel on B.C. roadways with cleaner emitting fuels. The industry response by CPA supported that intent and offered suggestions to encourage the use of propane as a viable, widely available transportation fuel.

A point of contention we needed to demonstrate was the point of compliance where carbon credits in the program were generated. As written, the LCFS program would have placed a large compliance burden on retailers as they felt the only way to ensure propane at the retail level was being dispensed into a motor vehicle (thus replacing gas or diesel) with information provided by CPA and industry partners we argued that accountability could be established within the current system to clearly demonstrate transportation fuel as opposed to propane sold for other uses at the retail level. Our suggestion was that the program could instill flexibility based on reliable accountability processes that would allow the Part 3 supplier to accrue the credits and avoid undue red tape at the retail level.

We also made our views on carbon intensity (CI) number for propane once again; stating that up to 90% of propane sold in B.C. was natural gas based which should lower our CI number, and generate greater credits

when compared to gas or diesel. The program stated they would like to see real data on this percentage; we will continue to work with the LCFS on this.

The compliance penalty consultation asked if current penalties were adequate; currently, the program charges \$200 per debit, this penalty in effect forgives the debit position. Our suggestion was that the program should encourage participation in the carbon credit market, that some companies involved in multiple fuels are transitioning to lower carbon options and that transition moves with the fuel market as a whole. Propane companies that only supply propane should always be in a credit position; so, the compliance penalty almost never applies; but we suggested greater flexibility and a freer trading market for credits. Penalties should be allowed to be accrued for transitioning companies, and that they should be able to purchase credits throughout the year to ensure compliance. By allowing penalties to accrue our position was that future credits could offset debit positions. We further suggested that the penalty stay at the current level.

We expect to see some of the elements of the consultation papers integrated into the LCFS program in the next few months; CPA will continue to watch this file closely.

## 6. Update Atlantic Canada

### New Brunswick Propane School Buses

**EXPECTED OUTCOMES:** To expand the use of propane school buses in Atlantic Canada, beginning with the Province of New Brunswick and expanding throughout Atlantic Canada.

**BACKGROUND:**

The CPA believes that using propane as a fuel for school buses is a step in the right direction and is hopeful that many of the buses the New Brunswick government is planning to order for the future will be running on propane.

In April 2018, the CPA organized a meeting between CANMET, a committee of transportation procurement officials representing governments from across Atlantic Canada, school bus supplier Blue Bird and Roush, a propane engine maker. Later in 2018 procurement officials from New Brunswick and Newfoundland and Labrador visited the Roush facility in Michigan. Subsequently, New Brunswick made the decision to purchase 16 propane school buses from the supplier IC Bus, (which likely came in with the lowest bid). The buses are based in Moncton.

**ACTIVITIES:** The CPA worked closely with staff at Superior Propane and Roland Gallant, Regional Service Coordinator at the New Brunswick Department of Transportation to make sure the transition went smoothly. The CPA also worked with Department of Transportation communication staff to coordinate media. As the holder of the propane contract, Superior conducted training sessions for bus drivers and mechanics. The buses will refuel at two Superior Propane facilities in the Greater Moncton area, one located in Moncton and one in Dieppe NB.

On August 30, 2019 the province of New Brunswick made the official launch of the 16 propane school buses in Moncton, NB as a pilot project. The propane buses are serving the Moncton region for the beginning of school where they will be split with half to the French district and the other half to the English district. This announcement follows the trend being seen across Canada with school districts adopting low-emission

propane buses for proven safety, reduced emissions and better savings. School bus operators like the Regina Catholic School division in Saskatchewan, Brandon School Division in Manitoba, the Southland School District in Alberta and Hammond Transportation in Ontario have made propane their fuel of choice to transport students.

The Canadian Propane Association has been working with the New-Brunswick government procurement team over the past few years, providing information about the advantages of propane-fuelled school buses and how they can be an ideal low-cost, low-emission solution for school boards.

**NEXT STEPS:** The CPA will continue monitoring the start of the school year season with the new school buses and will continue promoting for other propane school buses for the next order. This will only help for other province like PEI and Nova Scotia to include propane school buses in their fleets for the years to come. We are looking forward to continue our conversations with the committee responsible for ordering school buses.

### **Removal of Regulatory Barriers for Propane Vehicles in Atlantic Canada**

**EXPECTED OUTCOME:** Reduced administrative burden

**BACKGROUND:** Authorities having jurisdiction in the Atlantic provinces are looking at harmonizing safety regulations. The premiers are accelerating the process and are very serious to implement harmonized regulations by 2020. Consultation sessions are expected to start in the fall of 2019 and the CPA will be part of the consultations.

**ACTIVITIES:** Chief Inspector for NS Paul Fowler and Chief Inspector for NB Mike Davidson have asked the propane industry to submit regulatory change proposals or concerns to them. Some CPA members from Atlantic Canada have already started to make suggestions, which would help streamline inter-provincial trade and therefore, strengthen the economy.

**Removal of Regulatory Barriers for Propane Vehicles:** As part of this harmonization initiative, in August of 2019, the CPA submitted a letter to the Harmonization Committee in regards to training requirements at cardlock/keylock facilities, with the intent of eliminating the training requirements for persons refuelling propane vehicles. This was achieved in Ontario, and our goal is to continue this process in Atlantic Canada. The letter also suggests the approval of the adaptation of the Auto Propane Conversion and Inspection course – 200-11 of the CPA/PTI. This course is available in both official languages and ensures adequate training and quality of labour for auto propane conversion workers in Atlantic Canada.

**NEXT STEPS:** The CPA will attend the Harmonization Committee and will continue to consult with members on issues. Suggested regulatory changes and/or concerns with current regulations gathered from members will be sent to the appropriate authority having jurisdiction. The CPA will keep members informed as new information becomes available and will notify members as soon as public consultations commence.

## **7. Cross Country Check-Up**

### British Columbia:

Nothing to report

### Alberta:

Nothing to report

Saskatchewan and Manitoba:

Nothing to Report

Ontario:

Nothing to report

Quebec:

Comment from Hugh Sutherland:

- The province of Quebec doesn't have any Road Tax for Auto Propane vehicles and this help tremendously on promoting the Auto Propane sector.
- Also, it is very advantageous to look at OEM vehicles, like school buses for existing or future fleets.

Atlantic Canada:

Nothing to Report

**8. Next Meeting**

The next meeting of the Auto Propane committee will take place on November 28, 2019 at 2:30 PM ET.

**Other Business**

- PTI Application (100-2) for mobile phone or tablets: JF gave a small update to the group coming from Nathalie St-Pierre. PTI are working very hard on making possible the launch of this new application. The CPA have a meeting with TSSA on October 11, 2019 to discuss of the application and its advantages. If goes well PTI would like to get it started in Ontario and if successful, we will then try to launch it in other provinces.
  - The members are looking forward for this application and are anxious to have the PTI course available online soon.
- Auto Propane Fuelling Stations Locator: A reminder that you can go online to the NRCAN web site to add or update your Propane Stations. Just follow the following link:  
[https://www.nrcan.gc.ca/energy-efficiency/energy-efficiency-transportation-and-alternative-fuels/electric-charging-alternative-fuelling-stationslocator-map/20487#/find/nearest?fuel=LPG&lpg\\_secondary=true](https://www.nrcan.gc.ca/energy-efficiency/energy-efficiency-transportation-and-alternative-fuels/electric-charging-alternative-fuelling-stationslocator-map/20487#/find/nearest?fuel=LPG&lpg_secondary=true)

If you have questions or comments on this subject please contact Jean-Francois Duguay, Director, Government Relations for Atlantic Canada at [jeanfrancoisduguay@propane.ca](mailto:jeanfrancoisduguay@propane.ca)

**Adjournment**

The meeting was adjourned at 3:20 PM ET.

DRAFT