# **OOP FOI PREM:EX**

From: Van Loon, Krissy BCUC:EX Sent: Warch 31, 2020 2:18 PM

To: Robinson, Jon PREM:EX; Cuddy, Andrew EMPR:EX
Cc: Cheung, Leon BCUC:EX; Jarvis, Ian BCUC:EX

**Subject:** GasPricesBC.ca - Launch delay

## Good Afternoon Jon and Andrew,

To follow up on our conversation from last week, we were working on launching GasPricesBC.ca this morning, but unfortunately we encountered some technical issues. We are working on resolving these matters now, but I expect they will take a little while to fix. I will send you an update later this week with a plan for moving forward, including a new release date/time.

Apologies for any inconvenience this may cause on your end.

Thanks,.

# Krissy Van Loon

Manager, Communications

# **British Columbia Utilities Commission**

P: 604.660.4727 BC Toll Free: 1.800.663.1385 F: 604.660.2700

## bcuc.com

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# OOP FOI PREM:EX

From: Aaron, Sage PREM:EX

Sent: February 6, 2020 2:41 PM

To: Van Loon, Krissy BCUC:EX

Subject: RE: FPTA Messaging

Attachments: 2020-02-05 - Gasoline and Diesel Transparency Website QA - DRAFT - SA.docx

Hi Krissy,

Very small changes, all in the doc. Attached.

More to come on the latter...

Sage

778-678-0832

From: Aaron, Sage PREM:EX Sent: February 5, 2020 2:34 PM

To: 'Van Loon, Krissy'

Subject: RE: FPTA Messaging

Hi Krissy,

Thanks for the document, reviewing now. I'll let you know if I see any issues before Friday.

Regarding the Act administrator, let me do a little work on my end to catch up but I will get back to you on this by Friday as well.

Thanks very much for staying in touch.

Sage

778-678-0832

From: Van Loon, Krissy < Krissy. VanLoon@bcuc.com >

Sent: February 5, 2020 9:37 AM

To: Aaron, Sage PREM:EX < Sage. Aaron@gov.bc.ca>

Subject: FPTA Messaging

Importance: High

Hi Sage,

I hope you are doing well. I spoke to Jon last week and he suggested I touch base with you regarding our messaging for the FPTA. We have put together the attached key messages/Q&A document which we are planning to use as the basis of our website copy, as well as future documents to support our new website. I just wanted to make sure the messaging is consistent with what your office was planning to use (particularly the parts that speak about the purpose of the Act).

If you could let me know if you have any concerns before Friday, Feb 7, that would be really helpful.

Also, I was hoping at some point we could connect about your plans regarding the naming of the Act administrator, or any other external announcements that could relate to the Act and/or the BCUC. Again, just hoping to be prepared for anything that might be coming up. I will be working on my own response/launch plan as well.

Please let me know if you have any questions.

# Thanks!

# Krissy Van Loon

Manager, Communications

# **British Columbia Utilities Commission**

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# Gasoline and Diesel Transparency Website Draft as of February 5, 2020

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## Key Messages

- On Nov. 27, 2019, BC's <u>Fuel Price Transparency Act</u> (the Act), first introduced by Minister Bruce Ralston, received Royal Assent and became law. The Act requires companies to report certain information and data on their activities in the fuel (gasoline and diesel) market in BC.
- The BC Government is working with the BCUC to determine Tthe exact information required, and the frequency of reporting. is yet to be determined by the BC Government.
- In March 2020, the BC Government designated the British Columbia Utilities Commission (BCUC)
  as the Administrator of the Act. As Administrator, the BCUC is responsible for collecting data and
  information regarding gasoline and diesel fuel activities in BC in an effort to promote
  competitiveness, and public confidence in the competitiveness of that market.
- As a starting point, the BCUC has created a website, <a href="www.gaspricesbc.ca">www.gaspricesbc.ca</a>, to provide the public with more information about the factors that influence fuel prices in BC. Presently, the website features publicly available data and a series of dashboards which can be used to learn more about the production, distribution and retailing of gasoline and diesel fuel and view price information about these fuels in BC and other markets in Canada.
- Improvements and enhancements will be made to the site as more data is collected and as the BCUC learns more about what information the public would like to see on the site.
- The data on the <a href="www.gaspricesbc.ca">www.gaspricesbc.ca</a>may also be used to inform the BC government if policy changes are needed to address fuel competitiveness in BC.

How did we get here? (History)

1. Didn't the BC Government order the BCUC to look into fuel prices in BC?

Commented [VLK1]: Sage – is this accurate?

Commented [ASP2R1]: Yes.

- Yes. On May 21, 2019, the BC government directed the BCUC to explore factors that
  may be influencing gasoline and diesel prices in BC since 2015 and to provide advice to
  the government on the price of wholesale and retail gasoline and diesel in BC.
- By <u>Order in Council No. 254</u>, the BC government outlined the scope and terms of reference for the Gasoline and Diesel Prices Inquiry.
- More information about the BCUC's Inquiry into fuel prices in BC is available at: https://www.bcuc.com/ApplicationView.aspx?ApplicationId=681.
- A video summarizing the key findings from the BCUC's Inquiry is available here: [add link to final video].

#### 2. What was the Gasoline and Diesel Prices Inquiry about?

- The BCUC conducted an independent, transparent and public process for the Inquiry into Gasoline and Diesel Prices in BC. Some of the items the BCUC explored are:
  - the differences, in refining and retail margins compared to other jurisdictions in Canada. Additionally, for retail, the pricing difference(s) between different regions in BC:
  - factors that contribute to both retail and wholesale price fluctuations such as access
    of refineries in BC to crude oil, the amount of fuel in storage, refinery usage and
    pipeline capacity, market size and demand, distribution methods and seasonal
    variations;
  - o how competition impacts pricing;
  - o what other jurisdictions are doing to enhance fuel price transparency; and
  - mechanisms the province could use to moderate gasoline and diesel price fluctuations and increases.
- A video summarizing the key findings from the BCUC's Inquiry is available here: [add link to final video].

## 3. What was the process for the BCUC Gasoline and Diesel Prices?

- The Panel considered evidence filed by 11 registered interveners, including all major companies that have refining, wholesaling, and retail business in BC, 70 letters of comment from the public and interested parties, and three reports prepared by two independent consultants.
- The process included four days of Oral Workshops where the Panel asked questions to Interveners and Interveners asked questions of the independent consultants.

# 4. What did the BCUC find during its Gas and Diesel Prices Inquiry?

- Following the comprehensive inquiry process, some of the Panel's key findings were:
  - There is a significant unexplained difference of at least 13 cents per litre in wholesale gasoline prices between Southern BC and the Seattle spot price, its Pacific Northwest cost comparator;
  - The wholesale market for gasoline in BC is not truly competitive with high market concentration levels, high barriers to entry, and their ability to influence prices. Retail market prices can also be controlled by five refiner-marketers;

- There is no evidence to suggest that there is collusion among the retail operators nor is there evidence of cartel behaviour; and
- Regulation could potentially reduce the wholesale and/or retail margins but may have unintended consequences. However, further investigation is required if such an approach is considered.
- [add video here]

#### 5. What was the Supplementary Report for?

- In its Final Report to the BC government, the BCUC recommended allowing Industry
  participants a 30-day period to comment on the report. The BC Government accepted
  the BCUC's recommendation and provided an additional 30 days for comments on the
  Final Report. The BCUC provided a Supplementary Report after the close of the
  comment period, summarizing the comments received.
- During the 30-day comment period, the Panel received submissions from five interveners and 41 letters of comment from the public.
- Based on the submissions received, the Panel concluded that there was no concrete
  evidence to definitively adjust the unexplained 13 cents per litre (cpl) difference that
  had been stated in the Report. The Panel's best estimate is that the unexplained
  difference could potentially range from 10 cpl to the originally reported 13 cpl.
- The market price for gasoline is set by the cost of supply sourced from the US Pacific
  Northwest, which makes up approximately 3-5 percent of the total gasoline required in
  BC. The Panel found that BC motorists are paying an additional margin in addition to the
  10 to 13 cpl unexplained difference because approximately 95 percent of the gasoline
  purchased is sourced at a lower cost.

#### 6. Was your Inquiry still relevant given that you couldn't look at taxes or government policy?

- Yes. We know a specific amount of the gasoline price is determined by taxes. That
  information is publicly available and accounts for a portion of the known difference in
  price between BC and other parts of Canada. The scope of the Inquiry explored the
  factors that were not already publicly known and that may be contributing to a price
  discrepancy.
- Our report concluded:
  - i. there is a significant unexplained difference of at least approximately 13 cents per litre in gasoline prices between Southern BC and the Seattle spot price, the closest local comparator and the price on which the wholesalers stated they based BC wholesale prices; and
  - ii. the wholesale market for gasoline in BC is not truly competitive but rather that it is controlled by five parties.
- A video summarizing the key findings from the BCUC's Inquiry is available here: [add link to final video].

# 7. Did you tell the BC government what to do with regards to regulation of fuel prices in BC?

We provided the BC government with options regarding possible regulation and its
possible unintended consequences. Ultimately, it is up to the government to determine
whether regulation is appropriate.

### 8. What happened after the Inquiry?

- The BCUC submitted its Inquiry Report and Supplementary Report to the BC government. The reports provided insights into how the BC gasoline and diesel industry could improve its transparency by providing a common set of facts to the public regarding price setting mechanisms and how they impact prices consumers pay at the pumps.
- Regulation could potentially reduce the wholesale and/or retail margins to what is
  earned in comparable jurisdictions and reduce price volatility. However, given the
  potential risks of regulation, further investigation should be done to determine whether
  the benefits of such an approach would outweigh the risks.
- In response to the BCUC's reports on the Gasoline and Diesel Prices Inquiry, the BC government created the Fuel Price Transparency Act and designated the BCUC as the Administrator of the Act.

### Fuel Price Transparency Act

#### 1. What is the Fuel Price Transparency Act?

 Bill 42 – The Fuel Price Transparency Act (the Act) was introduced in the BC Legislature by Minister Bruce Ralston on Nov. 18, 2019. The Act requires companies in BC to report information and data on their activities in the gasoline and diesel fuel market in the province. Bill 42 received Royal Assent and became law on November 27, 2019.

#### 2. Who do the gas companies have to report to?

- Per Part 2, Section 3, of the Act, the BC government may designate the BCUC or a
  person to administer this Act and restrict or impose conditions on the exercise of
  powers, or the performance of duties, under this Act by the Administrator.
- The BCUC was named the Administrator of the Act on March X, 2020.

# 3. What sort of information will be collected?

- As outlined by the Act, a regular schedule of reporting on the gasoline and diesel market will be established. The fuel data that will be collected relates to processing, refining, storing, transporting, marketing, or supplying the reportable fuel.
- The Act also sets rules for audits and inspections to ensure that the data being reported is complete and accurate.

# 4. Will all the information submitted to the BCUC be made public?

- The BCUC will publish fuel pricing data if we are satisfied that protected information will
  not be disclosed, or that the public interest outweighs any potential harm of releasing
  the protected data (as per Section 9(2) of the Act).
- Protected information means information that reveals trade secrets, or commercial, financial, labour relations, scientific or technical information (as per Section 9(2) of the Act).

 The BCUC will take into regard the competitiveness of the market for reportable fuels and public confidence in the competitiveness of that market.

#### 5. Why was the BCUC named as the Administrator of the Fuel Price Transparency Act?

- The BC Government determined who the Administrator for the Act should be.
- The BCUC is an experienced economic regulator in the energy and utility sector and recently conducted the Gasoline and Diesel Price Inquiry and reported its findings to the BC government.

#### 6. How does the administration of the Fuel Price Act change the BCUC's mandate?

- The mandate of the BCUC will expand to include the responsibilities of administering the
  Act. This includes collecting data and information regarding gasoline and diesel fuel
  activities in BC to promote competitiveness of the market and public confidence in the
  competitiveness of that market.
- The BCUC will continue to follow its mandate; ensuring the public receives safe, reliable
  energy services and fair rates, by regulating BC's energy utilities, basic automobile
  insurance, intra-provincial pipelines, and the reliability of the electrical transmission
  grid.

## 7. What will the Fuel Price Transparency Act achieve?

The BC government states in their press release that, "[t]he release of information
under the FPTA will encourage the competitiveness of the market in British Columbia
and give the public confidence that the market is working fairly".

#### 8. What if you don't get the information you need from the companies?

 Part 4, Division 2, Section 12 of the Act lays out the Administrative Penalties that can be applied if the Act is not adhered to.

# 9. Can companies refuse to submit this information? Does the BCUC have the power to subpoena companies who don't participate?

 Part 4, Division 2, Section 12 of the Act lays out the Administrative Penalties that can be applied by the Administrator of the Act, if the Act is not adhered to.

How is the BCUC Involved?

## 1. What does the BCUC do?

- Under the Utilities Commission Act (UCA), the BCUC is an independent agency of the BC government that regulates:
  - o BC's energy utilities, including BC Hydro and FortisBC;

- o The Insurance Corporation of BC's Basic auto insurance;
- o intra-provincial pipelines; and
- o the reliability of the electrical transmission grid.
- We balance the interests of customers with the interests of the business we regulate under the *UCA*. BCUC carries out fair and transparent reviews of matters within its jurisdiction and considers public input where public interest is impacted.
- The BCUC is governed by the UCA and has specific responsibilities under the Administrative Tribunals Act and the Freedom of Information and Protection of Privacy Act. We consider all relevant legislation and regulations, as well as government policies and the business environment of regulated companies.
- In March 2020, the BCUC was also named as the Administrator of the Fuel Price Transparency Act.

#### 2. What is the BCUC's role in the Act?

- The BCUC is the Administrator of the Fuel Price Transparency Act. As the Administrator, we will:
  - o Promote the competitiveness of the market for reportable fuels,
  - o Promote public confidence in the competitiveness of that market,
  - Administer provisions of the Act in accordance with any general or special directions of the minister, and
  - o Report to the minister as the minister requires.
- The BCUC has created a website to publish the data received from companies on the market conditions that are involved with setting fuel prices in BC.

#### 3. Is the BCUC going to regulate fuel prices in BC?

As the Administrator of the Act, the BCUC will collect and regularly publish data on the
market conditions that are involved with setting fuel prices in BC. The duties of the
Administrator, as set out in the Act, do not involve regulating fuel prices in BC.

### 4. If the BCUC can't do anything about fuel prices in BC, then what purpose are they serving?

The purpose of the Act and the BCUC's role is to improve transparency with respect to
fuel pricing in BC. The BCUC's new website will be a resource to provide more
information to the public about factors that could be influencing fuel prices over time.

## Fuel Price Transparency Website

## 1. Why does this website exist?

 As the Administrator of the Act, the BCUC created this website to provide the public with more information about what factors are influencing fuel prices in BC. Commented [NK3]: Insert link

 The data on the website will also inform the BC government if policy changes need to be made in order to address fuel competitiveness in BC.

#### 2. What information will be on this website?

- The current Gas Prices BC website is in its first phase with more changes and improvements to come. In Phase One, we have:
  - gathered publicly available data on the make up of gas prices in BC, as well as information about how gas prices have changed through time, and how gas prices in one city compare to other cities across BC, Canada, and the USA.
  - This website organizes and displays that data in a series of dashboards and graphics to help the public learn more about the components influencing fuel prices in BC.
- We are collecting feedback from the public on the information you would like to see added to this site in the future.
- We will be making changes and improvements to the website over time, and we expect
  to increase the amount of data available on this site as data submissions are made by
  companies.

#### 3. Will all the information submitted to the BCUC be made public?

- The BCUC will publish fuel pricing data if we are satisfied that protected information will
  not be disclosed, or that the public interest outweighs any potential harm of releasing
  the protected data (as per Section 9(2) of the Act).
- The BCUC will take into regard the competitiveness of the market for reportable fuels and public confidence in the competitiveness of that market.

## 4. Where are you getting this data from?

- The price data presented on our current website is sourced from The Kent Group Ltd. and Oil Price Information Service (OPIS). The general information concerning the fuel market was gathered from the BCUC report on gasoline and diesel prices.
- Eventually, data posted on the website will also include data that has been collected by the BCUC from companies, pursuant to the Fuel Price Transparency Act.

# 5. Who is the audience for this website?

- The Fuel Prices BC website will be available to anyone who has an interest in understanding how gas prices in BC are set, particularly the general public.
- We intend to publish analysis based on the information received, or as required by the Minister under the Act.

# 6. What makes this website different from Gas Buddy or other information sites about gas prices?

www.gaspricesbc.ca is different from existing sites; it provides historical information about
the components that influence gas prices in British Columbia. It includes details about fuel
pricing and also focuses on the trends and factors that influence fuel prices over time. It is

Commented [NK4]: Include link or URL.

focussed on British Columbian pricing and the factors that make it unique compared to other jurisdictions in Canada and the Pacific Northwest.

At this stage, we are using data from publicly available sources. We will continue to update
the website's content with companies reported data, where possible, as part of the Act.

# 7. Who is funding the website? How much did the website cost?

 We don't have that number yet. The website costs will be paid for by the BC government.

### 8. How often will the website be updated?

The Fuel Prices BC website will be updated regularly as new data becomes available. Improvements and additions will be made as we collect feedback from the public and additional data as ordered by the Act.

#### 9. Where can I find this website?

 You can visit the Fuel Prices BC website directly at <u>www.FuelPricesBC.ca</u>, or visit bcuc.com/fuelpricesBC.

### 10. What other websites will give me information about BC gas prices?

- There are a number of sites that provide information about fuel prices in Canada and North America. They include the following:
  - <u>CER-REC.gc.ca</u> Canadian Energy Regulator
  - NRCAN.gc.ca Natural Resources Canada
  - <u>KentGroupLTD.com</u> Kent Group
  - OPISnet.com Oil Price Information Service
  - CompetitionBureau.gc.ca -Competition Bureau Canada
  - <u>EIA.gov</u> US Energy Information Administration
  - Statsan.gc.ca Statistics Canada
  - CAA.ca Canadian Automobile Association
  - Ontario.ca Government of Ontario

Talk to me about fuel prices

#### 1. What is fuel?

 For the purpose of this website, the term "fuel" refers to fuel for road motor vehicles and includes diesel and all grades of gasoline.

# 2. Glossary of Terms

**Commented [VLK5]:** Link to feedback form on the new site

- Fuel Diesel and all grades of gasoline for road use.
- Crude Oil the main input in gasoline, crude oil is naturally occurring, unrefined petroleum and a type of fossil fuel.
- Wholesale Price the price gas station owners or retailers pay for gasoline. This price references a rack price that is set by the wholesaler plus or minus a market factor.
- Retail Price the price customers pay for gasoline at the gas stations.
- Rack price the price at which wholesalers sell gasoline to their various customers, including distributors and retailers. The posted price at terminals where refiners deliver refined petroleum product to retailers. Rack prices are generally based on prices set at the refinery gate or loading rack which are commonly referred to as "rack prices." Each company sets its own rack price.
- Retail Margin the difference between the amount a retailer pays for gas and diesel and the amount the retailer charges its customers for gas and diesel, excluding taxes.
- Refining Margin the difference between the amount a refiner pays for crude oil and other components and the amount the refiner charges its wholesale customers for gas and diesel.

#### 3. Fuel Taxes on Gasoline

- The following is a list of taxes paid on a litre of gas in BC:
  - Provincial motor fuel tax (Metro Vancouver) 1.75 cents
  - Provincial motor fuel tax (everywhere else in B.C.) 7.75 cents
  - o B.C.'s carbon tax 8.89 cents
  - o The B.C. Transportation Finance Authority tax 6.75 cents
  - o TransLink tax (Metro Vancouver) —18.5 cents
  - o Transit tax (Victoria) 5.5 cents
  - o Federal excise tax 10 cents
  - Goods and Services Tax 5%
- 4. Snapshot of the market
- 5. Where does the gasoline and diesel sold in BC come from? (map / supply chain image)
- 6. What makes up the cost of gas in BC? (Pie chart)
- 7. Why are gas prices in BC higher than the rest of Canada?

**Commented [NK6]:** This will be answered once we have a better sense of what is displayed on the website.

Public / Stakeholder Involvement

1. Can I sign up for updates?

- The website does not have a signup feature for updates; however, we will update the information regularly as data becomes available.
- If you would like to have a subscription option added to this page, please let us know by requesting this in a Feedback form or contacting the BCUC. You can contact the BCUC by email, phone or mail.
- To stay up to date with other BCUC tasks, such as a specific proceeding, visit the "Get Involved" page on bcuc.com to sign up as an Interested Party and receive email notifications on all non-confidential evidence presented in the proceeding.

### 2. Can I provide feedback?

 Yes. The BCUC wants to hear from you. If you have a question about how gas prices are set in BC, the factors that influence gas prices, or information you found on the Gas Prices BC website, please submit it by filling out the feedback form. You can also contact the BCUC by email, phone or mail.

#### 3. I have questions that are not addressed here, how can I get answers?

- If the website's Frequently Asked Questions page has not answered your question, please submit it to the BCUC by filling out the feedback form.
- The BCUC will reply to your question either directly via the contact information you
  provided, or by adding your question to the Frequently Asked Questions page.

#### 4. I believe an error or inaccuracy has been made on the website, how do I report it?

 To report an error or inaccuracy that has been made on the website, please fill out the feedback form with details on the error, including the section of the website it can be found.

#### 5. How will commercial sensitive information be handled?

- Confidential information will be treated in accordance with the <u>BCUC's Rules of Practice</u> and <u>Procedure (Rules)</u> and as outlined by the Fuel Price Transparency Act.
- A company or person engaged in reporting to the BCUC can request any information in a
  document be kept confidential. The request should follow the procedure outlined in
  Part IV of the Rules briefly describing the nature of the information in the document and
  the reasons for the request for confidentiality to the administrator. In determining
  whether protected information may be published, the administrator will take into
  account the considerations outlined in Section 9(2) of the Act and Rule 20 of the Rules.

## 6. How often do companies need to submit information?

The frequency of reporting has not yet been determined. We will announce this
information as soon as it is available.

Commented [VLK7]: Add link

Commented [VLK8]: Add link

Commented [VLK9]: Add link

Commented [VLK10]: Add link

Date: February 11, 2020

CLIFF: 109395

# MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

# BRIEFING NOTE FOR INFORMATION

**PREPARED FOR:** Honourable Bruce Ralston, Minister of Energy, Mines and Petroleum

Resources

**ISSUE:** Update on Implementation of *Fuel Price Transparency Act* 

## **BACKGROUND:**

The *Fuel Price Transparency Act* (the Act) was passed as Bill 42 during the fall 2019 legislative session and is not yet in force. The Act is structured to require submission of information on the gasoline and diesel market to an Administrator. The Administrator can be a government Ministry, the BC Utilities Commission (BCUC), or another body. During the legislative debates on Bill 42 the BCUC was identified as government's preferred Administrator.

The Administrator of the Act will have the authority to publish the information that it collects along with relevant analysis. This authority to publish information extends to commercially sensitive information where the Administrator believes that the harm to private business interests is outweighed by the potential benefits to the competitiveness of the fuel market or public confidence in the competitiveness of the market. There are two key decisions that will affect the information that is published under the Act. Government can pass a regulation requiring companies to submit specific information on a particular schedule to the Administrator. The Administrator then must determine what is ultimately published.

# **DISCUSSION:**

The Ministry of Energy Mines and Petroleum Resources (EMPR) has been working with the BCUC to prepare for implementation of the Act since its passage.

s.12; s.13; s.17

s.12; s.13; s.17

Bringing the Act into force and naming the BCUC as Administrator is the first step in a process that is expected to take a number of months.

An Intentions Paper is being drafted and engagement process is being planned to seek input from industry and the public on what information should be collected under the Act. EMPR and the BCUC have been collaborating on this work. s.13

s.13

The responses gathered in through the intentions paper and public engagement process will inform development of a regulation later in the year to spell out the specifics of what industry will have to report and when. s.13

s.13

s.13

Given the substantial public interest that is expected on the topic of gasoline and diesel prices, the BCUC is working to develop an online information portal that can be launched shortly after they are named as Administrator of the Act. The portal would set out a range of information on the fuel market in BC (similar to the background material presented in the final report on the 2019 inquiry into the fuel market), along with publicly available data and information on the fuel market (for example posted prices at the wholesale rack). This portal and the data available on it would be expanded as further regulations on the Act are passed and more data becomes available to the BCUC. The launch of the portal is currently planned for April 1, 2020.

s.13

## **SUMMARY:**

Work is underway to bring the *Fuel Price Transparency Act* into force and to name the BCUC as Administrator. This will be followed up by a public engagement process on what information should be collected under the Act and the launch of a BCUC information portal on the fuel

industry – both planned to be underway by April 1. The full framework envisioned under the Act will take longer to implement and should be in place by the late summer/early fall.

**DRAFTED BY:**Geoff Turner, ED

APPROVED BY:

Julie Chace, A/ADM√

Dave Nikolejsin, DM√



# Information Bulletin

For Immediate Release [release number] [Date]

Ministry of Energy, Mines and Petroleum Resources

# **Fuel Price Transparency Act comes into force**

VICTORIA – A key step in the implementation of the *Fuel Price Transparency Act* (FPTA) has been taken, bringing the <sup>s.13</sup> into force and <sup>s.13</sup> the BC Utilities Commission (BCUC)<sup>s.13</sup>

The FPTA s.13 require companies to submit information to the BCUC about the fuel market in BC. The FPTA also gives the BCUC power to make special requests for information outside of the regular reporting schedule. Information that could be collected includes refined fuel imports and exports, fuel volumes at refineries and terminals, as well as wholesale and retail prices.

s.13

The s.13 found a lack of competition and substantial markups in the province's gasoline market, including a 10- to 13-cent-per-litre premium being charged to drivers and s.13 British Columbians an extra \$490 million every year.

The FPTA will make companies publicly accountable for unexplained markups and cost increases and produce a common set of facts to help government properly evaluate other policy measures to bring fairness <sup>s.13</sup> at the pump.

Government will now engage with the BCUC <sup>s.13</sup> implementation of the FPTA with work underway to determine the type and frequency of the information to be collected.

## Learn More:

Learn more about the FPTA: https://news.gov.bc.ca/releases/2019JTT0048-002219

# **Media Contacts:**

Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

# OOP FOI PREM:EX

From: Cuddy, Andrew EMPR:EX Sent: March 3, 2020 4:34 PM

To: Aaron, Sage PREM:EX; Robinson, Jon PREM:EX
Cc: Howlett, Tim GCPE:EX; Smith, Jimmy GCPE:EX

**Subject:** RE: FPTA Messaging

I also checked with Cap Ops about when the OIC would be posted publicly. s.12; s.13; s.17 s.13

From: Cuddy, Andrew EMPR:EX Sent: March 3, 2020 3:38 PM

**To:** Aaron, Sage PREM:EX; Robinson, Jon PREM:EX **Cc:** Howlett, Tim GCPE:EX; Smith, Jimmy GCPE:EX

Subject: RE: FPTA Messaging

Attached is IB that GCPE has drafted re: naming the BCUC as administrator.

From: Cuddy, Andrew EMPR:EX Sent: March 3, 2020 1:09 PM

**To:** Aaron, Sage PREM:EX < Sage.Aaron@gov.bc.ca >; Robinson, Jon PREM:EX < Jon.Robinson@gov.bc.ca > Cc: Howlett, Tim GCPE:EX < Tim.Howlett@gov.bc.ca >; Smith, Jimmy GCPE:EX < Jimmy.Smith@gov.bc.ca >

Subject: RE: FPTA Messaging

The BCUC is well aware the OIC to name them the administrator is coming s.13

s.13

s.13

From: Aaron, Sage PREM:EX < Sage. Aaron@gov.bc.ca >

Sent: March 3, 2020 11:13 AM

To: Robinson, Jon PREM:EX <Jon.Robinson@gov.bc.ca>; Cuddy, Andrew EMPR:EX <Andrew.Cuddy@gov.bc.ca>

Cc: Howlett, Tim GCPE:EX <Tim.Howlett@gov.bc.ca>; Smith, Jimmy GCPE:EX <Jimmy.Smith@gov.bc.ca>

Subject: RE: FPTA Messaging

Quick jog back to the short term - I still need to get back to Krissy with some sense of timing on the OIC and announcement.

1. s.12; s.13; s.17

2.

Sage

778-678-0832

From: Robinson, Jon PREM:EX < Jon.Robinson@gov.bc.ca>

Sent: March 3, 2020 10:07 AM

To: Cuddy, Andrew EMPR:EX < Andrew.Cuddy@gov.bc.ca >

Cc: Howlett, Tim GCPE:EX <Tim.Howlett@gov.bc.ca>; Aaron, Sage PREM:EX <Sage.Aaron@gov.bc.ca>; Smith, Jimmy

GCPE:EX < Jimmy.Smith@gov.bc.ca >

Subject: Re: FPTA Messaging

s.13

Sent from my iPhone

On Mar 3, 2020, at 8:17 AM, Cuddy, Andrew EMPR:EX < Andrew.Cuddy@gov.bc.ca > wrote:

Yes - was thinking the same.

Sent from my iPhone

On Mar 3, 2020, at 6:27 AM, Howlett, Tim GCPE:EX <Tim.Howlett@gov.bc.ca> wrote:

s.13

Gas prices will start to rise again in the coming months. \$.13 s.13

From: Cuddy, Andrew EMPR:EX < Andrew.Cuddy@gov.bc.ca >

Sent: March 2, 2020 6:52 PM

To: Aaron, Sage PREM:EX < Sage.Aaron@gov.bc.ca >; Howlett, Tim GCPE:EX

<Tim.Howlett@gov.bc.ca>

Cc: Robinson, Jon PREM:EX < Jon.Robinson@gov.bc.ca >; Smith, Jimmy GCPE:EX

<<u>Jimmy.Smith@gov.bc.ca</u>>
Subject: RE: FPTA Messaging

Also attached is BN with more details on ministry's current timeline for implementation of the FPTA. If any flags, please let me know as Minister is getting briefed tomorrow at 1:30pm.

From: Cuddy, Andrew EMPR:EX Sent: March 2, 2020 12:17 PM

To: Aaron, Sage PREM:EX < Sage. Aaron@gov.bc.ca >; Howlett, Tim GCPE:EX

<<u>Tim.Howlett@gov.bc.ca</u>> **Subject:** RE: FPTA Messaging

Cabinet will be reviewing OIC on March 4<sup>th</sup> to bring the FPTA into force and name the BCUC as administrator. s.12; s.13; s.17

s.12: s.13: s.17

From: Aaron, Sage PREM:EX <Sage.Aaron@gov.bc.ca>

**Sent:** March 2, 2020 12:00 PM

To: Howlett, Tim GCPE:EX < Tim. Howlett@gov.bc.ca >; Cuddy, Andrew EMPR:EX

<<u>Andrew.Cuddy@gov.bc.ca</u>> **Subject:** FW: FPTA Messaging

Hey Tim & Andrew,

Is there anything either of you can tell me about the below inquiry from Krissy?

Thanks,

Sage

778-678-0832

From: Van Loon, Krissy < Krissy. Van Loon@bcuc.com >

Sent: March 2, 2020 11:39 AM

**To:** Aaron, Sage PREM:EX < <u>Sage.Aaron@gov.bc.ca</u>> **Cc:** Robinson, Jon PREM:EX < Jon.Robinson@gov.bc.ca>

Subject: RE: FPTA Messaging

Hi Sage,

I just wanted to check in regarding an announcement to see if you had any updates regarding the date(s)? Also wondering if your shop has given any thought to how you would announce an Administrator? Please let me know if you have any information you can share.

Thanks,

## Krissy Van Loon

Manager, Communications

## **British Columbia Utilities Commission**

P: 604.660.4727 BC Toll Free: 1.800.663.1385 F: 604.660.2700

bcuc.com

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From: Van Loon, Krissy < Krissy. Van Loon@bcuc.com>

**Sent:** February 5, 2020 9:37 AM

To: Aaron, Sage PREM:EX < Sage. Aaron@gov.bc.ca >

**Subject:** FPTA Messaging

Importance: High

Hi Sage,

I hope you are doing well. I spoke to Jon last week and he suggested I touch base with you regarding our messaging for the FPTA. We have put together the attached key messages/Q&A document which we are planning to use as the basis of our website copy, as well as future documents to support our new website. I just wanted to make sure the messaging is consistent with what your office was planning to use (particularly the parts that speak about the purpose of the Act).

If you could let me know if you have any concerns before Friday, Feb 7, that would be really helpful.

Also, I was hoping at some point we could connect about your plans regarding the naming of the Act administrator, or any other external announcements that could relate to the Act and/or the BCUC. Again, just hoping to be prepared for anything that might be coming up. I will be working on my own response/launch plan as well.

Please let me know if you have any questions.

Thanks!

Krissy Van Loon

Manager, Communications

**British Columbia Utilities Commission P:** 604.660.4727 **BC Toll Free:** 1.800.663.1385 **F:** 604.660.2700 **bcuc.com** 

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# OOP FOI PREM:EX

From: Dewar, Bob PREM:EX

Sent: March 25, 2020 2:05 PM

To: Robinson, Jon PREM:EX

Cc: Meggs, Geoff PREM:EX; Hockin, Amber PREM:EX; Aaron, Sage PREM:EX; Howlett, Tim GCPE:EX;

Smith, Jimmy GCPE:EX; Farmer, Leila GCPE:EX; Smith, George PREM:EX; Cuddy, Andrew EMPR:EX;

Poorooshasb, Nammi GCPE:EX; Evans, Donna GCPE:EX

**Subject:** Re: update on gas prices / BCUC website

Gas is 68.9 today in Winnipeg. BC is getting gouged.

Sent from my iPhone

On Mar 25, 2020, at 4:00 PM, Robinson, Jon PREM:EX wrote:

## Hello folks.

I wanted to give a quick update on the BCUC gas price inquiry and the website they are launching after being named administrator of our new Fuel Price Transparency Act.

Andrew Cuddy and I received a walk through of the website from BCUC earlier today. The website will go live on March 31 at 9am. It will be a soft launch accompanied with a news release. Sage, please advise if there is a conflict with this and I can let BCUC know. They can adjust as necessary.

The website is very well put together and will prove to be a great communications tool for the FPTA and our message on gas prices IMO.

## Quick overview:

Title page: Gas Prices BC – "this website provides information about the factors that influence gasoline prices in BC"

# Pages:

- BC Fuel info information and definitions on supply chains, wholesale/retail, blending, etc
- Supply Chain map map that shows how fuel gets to you in BC. Working on animated site
- Price factors this is the main part of the website. Includes a map that allows for users to
  compare fuel prices in BC to other cities in province and across Canada; shows factors that are
  included in the price (refining margin; retail margin; crude price; taxes); shows how fuel prices
  have changed in BC since 2016; can chart price differences between cities over time; daily
  trends in fuel prices by city
  - Once FPTA regs come into force and more information becomes available, there will be more detail available about what factors are influencing price
- FAQ section info about inquiry, about FPTA, about BCUC's role, etc
- Includes video about the Inquiry, 13 cent unexplained cost, and FPTA
- Get in Touch page allows public to ask questions

Finally, let me say that BCUC considered not launching because of COVID but decided to go ahead. Even at the reduced fuel costs we are seeing now, BC still pays significantly more than rest of Canada and the issues identified in the inquiry remain valid.

# Jon Robinson, Director of Policy

Office of the Premier | Government of BC 501 Belleville St, Victoria, BC V8V 2L8 | 250-893-4538