

MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Deputy Minister to the Premier, Lori Wanamaker, Cabinet Secretary and Head of the BC Public Service

ISSUE: British Columbia's Fuel Supply for the Lower Mainland and Vancouver Island

BACKGROUND:

With most major transportation modes and all major routes either interrupted or significantly constrained, ensuring a stabilized supply of transportation fuels to the Lower Mainland and Vancouver Island has become a top priority.

To ensure the fuel supply could be maintained for essential services, British Columbia (BC) issued the Fuel Prioritization Order (M451) on November 19, 2021, limiting general consumer fuel to 30 litres per fill and prioritizing access to fuel for essential vehicles.

The Trans Mountain Pipeline (TMPL) provides the majority of refined transportation fuels, either as finished product or as crude oil to be refined into transportation fuels, for the Lower Mainland and Vancouver Island. It has been down since November 14, 2021, and confirmed restart remains uncertain as assessment and remediation activities remain underway. While there have been no product releases, the pipe has been exposed in several locations and has sustained damage. Trans Mountain continues to work closely with CER to assess fitness for service and determine when and how it will be safe to resume operations. It is currently expected that the pipeline may start at significantly reduced pressure and capacity in the coming days, but there remains substantial uncertainty.

Rail operations have resumed on the CP line at reduced capacity. CN is working to restore service and is expected to restore service to its line in the coming days. s.13

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A number of atmospheric river systems have hit and continue to impact southwestern BC and are compounded by rising freezing levels. The risk of continued flooding and landslides throughout the southern part of BC, with a concentration in the southwest, remains through the weekend. All land based transport routes between the BC interior and the coast remain at risk.

DISCUSSION:

The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) has been working closely with manufacturers, transporters and retail distributors to understand and monitor the fuel supply situation.

Ethanol is an additive required to blend with refined gasoline to make it usable in contemporary cars. It is limited in how it can be transported (primarily by rail) and is increasingly a risk to supply stability.

There are currently 1368 retail gas stations in BC supplied by six major distributors. Below is a summary of the current status of fuel supply for the retail distributors and other relevant information. Note that supply forecasts are based on other suppliers maintaining supply to their retail outlets and current

experienced demand. If demand increases or distributors face outages, it is anticipated that there will be knock on effects to the forecast supplies of the other distributors.

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s.21 This is a comingled report and individual airlines may experience shortfalls sooner or later than others depending on their fuel strategy.

Marine bunker fuel supply is stable. s.13

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SUMMARY:

The fuel supply to the Lower Mainland and Vancouver Island is currently stable in general. There is enough fuel secured by distributors to ensure an adequate supply overall until Trans Mountain and rail lines are able to resume operations. EMLI will continue to monitor and support until the situation is fully resolved.

Rail companies have restarted and some fuel and essential additives have been transported into the Lower Mainland. Rail will continue to operate at a reduced capacity and competing priorities will be balanced in cooperation between provincial and federal agencies, rail companies and shipping customers. Transport of ethanol by rail to support fuel blending of refined gasoline products remains a priority.

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MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

**BRIEFING NOTE FOR INFORMATION
COMMERCIAL AND CONFIDENTIAL**

PREPARED FOR: Deputy Minister to the Premier, Lori Wanamaker, Cabinet Secretary and Head of the BC Public Service

ISSUE: British Columbia's Fuel Supply for the Lower Mainland and Vancouver Island

BACKGROUND:

The province is moving into a state of recovery following the recent weather events and subsequent flooding and landslides. While most major highway corridors remain constrained, rail and the Trans Mountain Pipeline (TMPL) have resumed operations and continue to build capacity as repairs are tested and assessed. Overall, fuel supply to southwest BC is moving toward stability through traditional modes of delivery.

To ensure the fuel supply could be maintained for essential services while pipeline operations were paused, British Columbia (BC) issued the Fuel Prioritization Order (M451) on November 19, 2021, limiting general consumer fuel to 30 litres per fill and prioritizing access to fuel for essential vehicles. BC amended the Renewable and Low Carbon Fuel Requirements Regulation to provide exemption opportunities to support distributors in maintaining stable fuel supplies to southwestern BC.

The TMPL provides the majority of refined transportation fuels, either as finished product or as crude oil to be refined into transportation fuels, for the Lower Mainland and Vancouver Island. It was down from November 14, 2021, and began a restart at reduced pressure on December 5, 2021. While there were no product releases, the pipe was exposed in several locations and has sustained damage. Trans Mountain continues to work closely with CER to ensure safe operations as they move through the phases of restart.

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Rail operations have resumed on both the CP and CN lines at reduced capacity. Fuel and essential fuel blending additives continue to be prioritized for transport and the fragility of the railway system overall is decreasing.

DISCUSSION:

The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) has been working closely with manufacturers, transporters and retail distributors to understand and monitor the fuel supply situation.

Ethanol is an additive required to blend with refined gasoline to make it usable in contemporary cars. It is limited in how it can be transported (primarily by rail) and, though it is a risk to supply stability, the increasing confidence in the rail system has reduced that risk substantially.

There are currently 1368 retail gas stations in BC supplied by six major distributors. Below is a summary of the current status of fuel supply for the retail distributors over the coming weeks if the TMPL remains operational and there are no further disruptions to other modes of transporting fuel and essential additives.

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This is a comingled report and individual airlines may experience shortfalls sooner or later than others depending on their fuel strategy.

Marine bunker fuel supply is stable. There are two distributors. s.21

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opted to take advantage of the exemption provision amended into the Renewable and Low Carbon Fuel Requirements Regulation.

SUMMARY:

The fuel supply to the Lower Mainland and Vancouver Island is currently stable in general. There is enough fuel secured by distributors to ensure an adequate supply overall through the remainder of 2021 as recovery continues in BC and critical infrastructure returns to more normal operations. EMLI will continue to monitor and support as required through this phase.

Rail companies have restarted and capacity continues to increase. Railways continue to prioritize fuel and essential additives.

Trans Mountain has commenced a phased restart without incident. It will continue to proceed cautiously and be monitored closely, but anticipates a near normal return to service in the coming days. The Fuel Prioritization Order will support a stable fuel supply during the phased restart, s.13

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PREPARED FOR: Deputy Minister to the Premier, Lori Wanamaker, Cabinet Secretary and Head of the BC Public Service

ISSUE: British Columbia's Fuel Supply for the Lower Mainland and Vancouver Island

BACKGROUND:

The province has moved into a state of recovery following the November 2021 weather events and subsequent flooding and landslides. While most major highway corridors remain partially constrained, rail and the Trans Mountain Pipeline (TMPL) have resumed operations and continue to build capacity as repairs are tested and assessed. Overall, fuel supply to southwest BC is moving toward stability through traditional modes of delivery.

To ensure the fuel supply could be maintained for essential services while pipeline operations were paused, British Columbia (BC) issued the Fuel Prioritization Order (M451) on November 19, 2021, limiting general consumer fuel to 30 litres per fill and prioritizing access to fuel for essential vehicles. This order expired on December 14, 2021. BC amended the Renewable and Low Carbon Fuel Requirements Regulation to provide exemption opportunities to support distributors in maintaining stable fuel supplies to southwestern BC.

The Trans Mountain Pipeline (TMPL) provides the majority of refined transportation fuels, either as finished product or as crude oil to be refined into transportation fuels, for the Lower Mainland and Vancouver Island. It was proactively shut in on November 14, 2021, and it remained shut in until December 5, 2021, when it was restarted at reduced pressure. While there were no product releases, the pipe was exposed in several locations and has sustained damage. Trans Mountain continues to work closely with CER to ensure safe operations as they move through the phases of restart. The pipeline is projected to remain at reduced pressure and approximately 75% of usual capacity while repairs and remediation on pipeline exposures are completed over the next month or so.

Rail operations have resumed on both the CP and CN lines at reduced capacity. Fuel and essential fuel blending additives continue to be prioritized for transport and the fragility of the railway system overall is decreasing.

DISCUSSION:

The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) has been working closely with manufacturers, transporters and retail distributors to understand and monitor the fuel supply situation.

Ethanol is an additive required to blend with refined gasoline to make it usable in contemporary cars. It is limited in how it can be transported (primarily by rail) and, though it is a risk to supply stability, the increasing confidence in the rail system continues to reduce that risk.

Propane for domestic household use was flagged as a potential issue by the Canadian Propane Association. Concerns were not with overall supply per se, but with prioritization of transport on s.21 to Vancouver Island. Transport Canada has connected with s.21 and companies are reporting that supply has stabilized.

There are currently 1368 retail gas stations in BC supplied by six major distributors. Below is a summary of the current status of fuel supply for the retail distributors over the coming weeks if the TMPL remains operational and there are no further disruptions to other modes of transporting fuel and essential additives.

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YVR is not reporting any concerns with fuel supply.

Supply of marine bunker fuel remains stable.

SUMMARY:

The fuel supply to the Lower Mainland and Vancouver Island is currently stable in general. There is enough fuel secured by distributors to ensure an adequate supply overall through the remainder of 2021 as recovery continues in BC and critical infrastructure returns to more normal operations. EMLI will continue to monitor and support as required through this phase.

Rail companies have restarted and capacity continues to increase. Railways continue to prioritize fuel and essential additives.

The TMPL has restarted safely. It is currently operating at reduced pressure and approximately 75% capacity. It will remain at this level until all required repairs and remediating can be completed in early 2022.

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