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Public Affairs Report

April 2019

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Canadian Propane Association – Public Affairs Report – April 2019

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GOVERNMENT RELATIONS

NEW: Prince-Edward Island: New Lobby Registry

Please remember that Prince Edward Island's new Lobbyists Registration Act and online registry took effect April 1, 2019. Anyone paid to lobby the provincial government may now have an obligation to register and publicly disclose the details of their lobbying activities.

The two basic categories of lobbyists required to register are: Consultant lobbyists – individuals paid to lobby the government on behalf of a client; and in-house lobbyists – employees whose lobbying activity on behalf of their employer amount to at least 50 hours in a three-month period.

The new requirements, which include a registration fee and penalties for non-conformity, are consistent with other provinces in Canada.

1. MARKET DEVELOPMENT

1.1 Remote and Indigenous Communities

1.1.1 Updated – Federal: Indigenous Communities

ISSUE: Improve living conditions in Indigenous communities by switching from diesel and heating oil to low emission propane.

EXPECTED OUTCOMES: Develop and execute a strategy that will meet the needs of Indigenous communities and result in the development of partnerships with CPA members to replace diesel and heating oil with low-emission propane for home energy use. Pilot projects would be established to demonstrate the propane advantage in Indigenous communities.

BACKGROUND: Provinces and the Government of Canada are committed to reducing reliance on diesel fuel in Canada's remote, Northern and Indigenous communities. The objective is to move towards secure, affordable and clean energy to provide both environmental benefits and economic opportunities for these communities with the support of federal programming.

The CPA has determined that the best approach to ensure that propane is proactively considered when addressing the reduction of GHGs in Indigenous and remote communities is to develop a strategy wherein the CPA will connect directly with communities themselves.

The CPA is hopeful that the development of a community-oriented approach will result in expanding propane's footprint in Indigenous and remote communities. Many Indigenous communities are skeptical of the federal top-down approach to economic development. For the propane industry, establishing relationships and trust at the community level will be critical to the goal of expanding the footprint of propane in Indigenous and remote communities.

ACTIVITIES: Feb 26-28, 2019, the CPA members and staff participated in the Forward Summit held in Calgary. Attended by over 400 delegates, the Forward Summit was a national, cross-industry discussion aimed at driving meaningful change and strengthening relationships between Indigenous peoples and the business community.

The CPA participated in plenary panels and roundtable discussions that provided important insight and networking opportunities as CPA continues to develop its Indigenous outreach program.

Representatives of Superior Propane, Parkland Fuels as well as CPA's subsidiary, Emergency Response Assistance Canada, joined CPA staff in reaching out to dozens of important contacts.

April 1-3, 2019: Allan Murphy attended the First Nations National Land Governance and Economic Development Conference and Trade Show in Winnipeg. The event focused on how First Nations have been able to develop new trends in economic development with the *Framework Agreement on First Nation Land Management (Framework Agreement)*. Future partnerships with members of the propane industry and Indigenous communities will be as unique as the communities themselves. The conference provided excellent presentations covering topics such as Indigenous entrepreneurship. Leading the discussion was President of the Canadian Council of Aboriginal Business JP Gladu, who will also be speaking at the CPA Ontario Seminar in May.

May 8 – May 10, 2019, Robert Lavigne, CPA's Indigenous Advisor held a series of discussions in Thunder Bay with officials from the Major Projects Office, of Indigenous Service Canada, Hydro One Remote Communities Inc., Matawa First Nations Management and Aroland First Nations.

NEXT STEPS: The CPA will continue to identify Indigenous communities that would be good prospects for converting their communities from diesel to propane. Part of that identification process includes discussions with the First Nations Land Management Resource Centre, whose mandate includes supporting the development of model agreements for use between First Nations and other authorities and institutions, such as public utilities and private organizations.

1.1 Auto-propane

1.1.2 Updated – New-Brunswick: School buses and municipal fleets

ISSUE: Promote auto propane to municipalities and to the Atlantic School Buses Committee

EXPECTED OUTCOMES: Develop the auto-propane market

ACTIVITIES: The CPA continues to educate procurement officials about the advantages of propane school buses and to ensure that they are considered when school bus procurement decisions are being made in each of the Atlantic provinces.

Instead of ordering only a few auto propane buses, the province of New Brunswick ordered 16 school buses for 2019. At this time, Nova Scotia, PEI and Newfoundland are evaluating the success of NB and once complete, will recommend the purchase of propane school buses for the year 2020.

The school buses are scheduled to be delivered early summer and the fleet should be divided with half going to Fredericton and the other half to Saint John, NB. Some suppliers have been in contact with the Transportation Department and are in the process to set up the network.

At the municipal level, the City of Bathurst is currently testing two SUV's that were converted to propane. They are already considering adding more propane vehicles to their fleets by the end of 2019.

The CPA is discussing putting together a launching event when New Brunswick receives their school buses to support and promote moving to auto propane.

NEXT STEPS: Pursue ongoing communication with CAMET and one-on-one meetings with members of the committee are occurring.

1.1.3 Updated – Nova-Scotia: Municipal Fleets

ISSUE: Promote auto propane to the municipalities across Nova-Scotia

EXPECTED OUTCOMES: Develop the auto-propane market

ACTIVITIES: More contacts have been made with Halifax Regional Municipality (HRM) and the CPA is

engaged in conversations and meetings in the following weeks and months. Although there is strong interest for auto propane there is resistance to bring it to a higher level. The propane cardlock network, incentives and member involvement are some of the elements required to insure by-in from municipalities.

NEXT STEPS: Continue our discussion with key decision makers to increase the use of propane in facilities and the option of auto propane.

1.1.4 Success – Ontario: Drive Clean Motor Vehicle Testing Program

ISSUE: Redesigning Ontario's Drive Clean Motor Vehicle Emissions Testing Program.

EXPECTED OUTCOME: To ensure propane is considered a clean fuel and propane fleets are not subject to the testing program.

BACKGROUND: Among the Ontario government's priorities in redesigning the Drive Clean program is the more efficient use of public funds by targeting the biggest polluters on Ontario's roads. The changes will focus resources in a way that ensures the program continues to protect the province's air quality, which in turn, will benefit the health of all Ontarians.

ACTIVITIES: In October 2018, the CPA advocated for propane to be excluded from the testing program because of its low emissions. The CPA met with key government Ministers and staff in December and February to promote the benefits of low-emission propane vehicles in future provincial transportation policies and programs.

RESULT: In May, Ontario has cancelled the Drive Clean passenger vehicle program, saving taxpayers up to \$40 million a year. Effective April 1, 2019, drivers are no longer required to get Drive Clean emissions tests for their passenger vehicles.

Propane vehicles are exempted as the new program will focus on the biggest polluting vehicles such as diesel commercial transport trucks. See: <https://www.ontario.ca/page/mandatory-emissions-testing-for-older-heavy-duty-diesel-vehicles#section-1>

The redesigned program also exempts from mandatory emissions testing the following:

- light-duty vehicles (registered gross weight less than or equal to 4,500 kg)
- heavy-duty non-diesel vehicles
- electric and most hybrid electric vehicles
- vehicles that are plated "Historic" under the Highway Traffic Act
- kit cars
- motorcycles
- motorhomes

Although light-duty vehicles and heavy-duty non-diesel vehicles do not require an emissions test, they are still subject to the *Environmental Protection Act*.

This means that provincial officers — anywhere in Ontario — are authorized to stop and inspect vehicles if they believe:

- the vehicle is emitting excessive exhaust
- emission control equipment has been tampered with or removed

This redesigned program represents success for Ontario's auto propane sector as light and heavy-duty propane trucks are now exempt from mandatory emissions testing.

1.1.5 Updated – Ontario: Requirement to train to refill auto-propane vehicles

ISSUE: To fill a propane vehicle in Ontario, an individual is required to hold a propane plant operator (PPO) certificate or Record of Training (ROT) under the Fuel Industry Certificates Regulation (O.Reg.215/01)

EXPECTED OUTCOME: Level playing field with other fuels

BACKGROUND: The CPA is asking for the removal of regulatory barriers through the repeal of the Technical Standard and Safety Act, R.S.O, 2000 regulations requirement to train for refilling auto-propane vehicles

ACTIVITIES: On April 18, 2019, the Minister of Government and Consumer Services (MGCS) and the TSSA proposed an exemption for individuals who refuel propane-powered vehicles at cardlock/keylock facilities and private outlets from the requirement to hold a PPO certificate or ROT. The exemption requires that the authorization holder for the facility provides appropriate annual training and keeps a record of training.

The CPA received an advance copy of this proposed amendment in early April 2019.

After seeking clarification from the TSSA regarding the proposed training requirement and conferring with CPA PAC members, the CPA expressed support for the proposed change with the Ministry. In her letter to the Ministry, President & CEO Nathalie St-Pierre, noted that the CPA considers this amendment an initial step towards achieving regulatory parity for propane with other automotive fuels, essential for the growth of the auto propane industry.

On May 2, 2019 the CPA organized and hosted a demonstration event to showcase the new auto fill propane nozzle technology for TSSA staff at a propane yard in Whitby, Ontario. Over 30 members including eight TSSA staff attended and participated in filling a vehicle with the new technology. This demonstration event was informative and instructive and should help move regulators to revisit current regulations and move faster towards eliminating the training requirement for all.

NEXT STEPS: CPA will continue meeting with Ontario government officials to remove this regulatory barrier.

1.2 Market Retention

1.2.1 Updated – Federal: Enbridge Pipeline 5

ISSUE: Michigan Pipeline Safety Advisory Board reviewing the future of Line 5 under the Straits of Mackinac

EXPECTED OUTCOMES: Line 5 be maintained

BACKGROUND: Several organizations are calling for the decommissioning of Enbridge Pipeline 5, citing environmental reasons. Built in 1953, the Line 5 Straits of Mackinac Crossing has operated without incident for more than 60 years. It transports light crude oil and natural gas liquids that help to fuel quality of life for people in Michigan. This pipeline plays a vital role in the Canadian propane industry.

UPDATES: New Governor of Michigan Gretchen Whitmer campaigned in the November 2018 election on a pledge to remove Line 5 from the Straits, saying she would immediately begin the process of revoking the 1953 easement that allows Line 5 in the Straits. Once elected, she invoked an Executive Order to halt the tunnel plan that was negotiated between Enbridge and former Governor Rick Sydnor. However, she has not yet moved to revoke the easement.

She has since re-opened talks with Enbridge and has said that the tunnel remains an option but further public consultation is required in the name of “transparency”. She has stated her goal is to protect the Great lakes and get energy to Michigan’s Upper Peninsula.

ACTIVITIES: Monitoring: Allan Murphy recently met with NPGA Vice President and General Counsel Jeff Petrash and will stay in touch as the issue continues to develop.

NEXT STEPS: The CPA will continue to monitor this situation closely.

1.2.2 Updated – Manitoba: Access to propane in Churchill

ISSUE: Hudson Bay Railway (HBR) line severely damaged in Churchill, Manitoba preventing propane to be delivered

EXPECTED OUTCOMES: Ensure propane continues to be delivered to Churchill and remains available

BACKGROUND: The HBR is a critical piece of infrastructure that enables propane and other goods to be supplied to the northern Manitoba community. The rail line was severely damaged by extreme flooding during spring of 2017. The challenge for the residents of Churchill was to ensure that the community would have enough propane to heat their homes if the rail line was not repaired in time for winter.

ACTIVITIES: In early fall 2018, a more permanent solution was achieved with the Arctic Gateway Group LP concluding a transaction to purchase the rail line. With the close of the deal work to repair the rail line began immediately.

NEXT STEPS: The CPA will monitor the progress of the repairs to the rail line and service to the Churchill area.

1.2.3 Updated – Ontario: Natural Gas Expansion

ISSUE: Natural Gas Expansion

EXPECTED OUTCOMES: Limit, as much as possible, the expansion of natural gas with ratepayers’ funding

BACKGROUND: The Ontario government announced two of these natural gas expansion projects in the province: the first in Fenelon Falls on February 1, 2019 and the second in Chatham-Kent on March 11, 2019.

ACTIVITIES: The CPA remains deeply concerned with the new proposed legislation to allow for the expansion of natural gas, and continues to express these concerns to Ontario government Ministers, the Premier and other elected representatives and staff directly in face-to-face meetings and in frequent correspondence.

In February 2019, the CPA promoted a level playing field during the lobby efforts.

In March, the CPA chair, Dan Kelly and Jason Cooper (Dowler-Karn) and CPA staff Marcelline Riddell met with Ministry of Infrastructure (MOI) to discuss the natural gas expansion. Dan Kelly indicated that the propane sector’s concerns re natural gas expansion are 2-fold:

- a. Projects themselves – public funds subsidizing private business at expense of non-subsidized players;
- b. Messaging on announcements – data doesn’t hold up to scrutiny and that projected costs savings questionable: no recourse for customers who switch and cost savings unrealized.

These projects represent erosion of propane customer base, resulting in layoffs.

The CPA chair asked whether the industry can expect to see more of these projects announced.

MOI cabinet staff commented that this was the first they heard that the facts may be off on project benefits and will challenge staff on data veracity.

They also confirmed that there will be at least one more announcement due to prohibitive cancellation costs of projects accepted under the previous Liberal government.

They asked if the propane sector could propose a similar expansion program. We responded by committing to sharing some of the other Ministers' letters with them to provide context for the industry's policy priorities.

NEXT STEPS: The CPA will continue pushing for a level playing field and participate in the regulatory process to reduce the Ontario Energy Board's ability to change the rule to allow for more expansions.

1.2.4 Updated – Ontario: Toronto Bylaws

ISSUE: The City of Toronto enacted Zoning By-law No.569-2013 on May 9, 2013. The comprehensive zoning by-law includes a number of clauses that are problematic to the propane industry and its customers – including separations between propane storage facilities and other specific land uses, and storage capacities for vehicle fuelling stations. The CPA is a party to appeals to the Ontario Municipal Board on these issues.

EXPECTED OUTCOMES: That appropriate propane storage and handling facilities be allowed to operate within the City of Toronto, and that other municipal jurisdictions will not enact similar restrictions to those in place in Toronto.

BACKGROUND: The City is trying to establish a “road map” for moving the appeals forward. All by-law issues related to Employment Zones are not near the top of the proposed “road map” but it is not yet known if the City will be dealing with the outstanding by-law issues sequentially or if they are merely grouping the issues to allow issues to be dealt with according to the amount of activity and petitioning engaged in by the appellants.

UPDATES: It appears we are going to face great challenges mostly around storage of propane in quantities equal to or greater than 5,000 USWG (no matter whether in propane tanks, cylinders, fuel cells, vehicle fuel tanks) on property, they are considered a propane transfer, handling and storage facility use and are only permitted in the Employment Heavy Industrial Zone (EH).

ACTIVITIES: After reviewing the compiled list of By-law regulations, the CPA indicated it participate in the Local Planning Appeal Tribunal (LPAT) hearings of By-law 569-2013 with respect to “Vehicle Fuel Station” and “Propane” issue focused phases.

NEXT STEPS: The CPA will need to set up a committee of members to provide input and to establish a strategy. Lobbying the current government would be appropriate – this proposal makes no sense considering a number of factors. The CPA needs to get a coalition to work on this including retail stores who would not be able to sell propane, construction association, who would not be able to use propane, etc.

The complete list of regulations in By-law 569-2013 that address propane transfer, handling and storage facilities, related open storage and outside operations, as well as all regulations that impose propane related restrictions on vehicle fuel station uses are available upon request to members.

1.3 Other Market Development Opportunities

1.3.1 New – New-Brunswick: Pre-budget Submission for 2019-2020

ISSUE: Ensuring propane is included in government budgets and ensuing environmental programs.

EXPECTED OUTCOME: Increasing the use of propane in New-Brunswick.

ACTIVITIES: The CPA drafted pre-budget submissions for 2019-2020 that was presented to New Brunswick in February 2019. The CPA worked with Atlantic members to gather input on how the expanded use of propane would result in real choice for affordable and cleaner home heating fuel and lower transportation costs, while reducing GHGs. Submissions included three main asks of the government to:

- Commit to homeowners who wish to reduce energy costs and GHGs by switching from furnace oil to propane by providing a rebate program valued at \$1,500 per household beginning in the 2019-2020 fiscal year.
- Provide rebates of \$2,500 dollars toward the conversion of commercial and passenger fleet vehicles from diesel or gasoline to low-emission propane.
- Include propane as an energy option in government procurement programs that encompass such applications as residential, commercial, agricultural, industrial and transportation.

To promote these proposals, in February 2019, the CPA President & CEO Nathalie St-Pierre and Director of Government Relations, Québec and Atlantic Canada, Jean-François Duguay met with New-Brunswick. Environment and Local Government Minister Jeff Carr to discuss the game-changing advantages of propane and to ensure the inclusion of the CPA and the propane industry during future provincial policy and program development.

The Minister indicated seeing great opportunities for the propane industry in the province and is looking forward to working with the CPA and its members to include propane in future energy incentive programs.

The CPA also met with Wes McLean, Deputy Chief of Staff for Premier Higgs to discuss the role of propane for New-Brunswick.

NEXT STEPS: More discussions with the Environment Staff and Energy Efficiency NB Program will happen in the few weeks and months.

1.3.2 Success – Ontario: Lobby Day 2019

ISSUE: Lobby Day at Queen’s Park in Toronto, February 2019.

EXPECTED OUTCOMES: Raise awareness of propane’s economic and environmental advantages for the Ford government and propose viable regulatory and policy changes to reduce the sector’s red tape and regulatory burdens.

BACKGROUND: Materials were developed and meetings focused on specific policy asks such as:

1. Tax fairness for propane by eliminating the provincial gas tax of 4.3 cents/litre on propane
2. Real choice in affordable, clean energy via a \$2,500 switch off oil tax credit.
3. Lowering transportation fuel costs by establishing a propane conversion tax credit of up to \$5,000 to convert commercial and passenger vehicles to low emission propane.
4. Levelling the playing field by providing propane with the same advantages as LNG.

5. Cutting red tape by eliminating ROTs for filling propane vehicles under the Highway Traffic Act and exempting propane delivery from seasonal load restrictions.
6. Addressing the skills trades shortages by investing in trade schools and encouraging the promotion of skilled trades such as gas fitting.

ACTIVITIES: The CPA organized an agenda for the day comprising over 25 meetings with key Ministers and staff, observation of Question Period in the Legislative Assembly and luncheon reception. All participants were equipped with briefing materials on the issues and individuals involved. The CPA also sent follow-up with letters to all relevant Ministers.

NEXT STEPS: The CPA is communicating with staff on a number of these policy initiatives.

1.3.3 New – Ontario: First Budget of the new Ford Government

ISSUE: Ensuring propane is included in government budgets and ensuing environmental programs.

EXPECTED OUTCOMES: Increasing the use of propane in Ontario.

BACKGROUND: The first budget of the new Ontario government was tabled in April 2019, and Ontarians were being invited to present and/or file a written submission about what they believe are the priorities for Ontario to the finance committee or with individual MPPs. The Budget's backbone is an "Ontario Recovery Plan" to address the province's \$15 billion deficit and return the provincial finances to surplus by 2023-24 while beginning to reduce the net debt burden. There are no changes to corporate or personal income tax rates and any new spending is targeted at infrastructure, healthcare and public education.

The most relevant Budget measures for CPA members are:

1. Ontario Job Creation Investment Incentive: The Government will provide \$3.8 billion in capital cost write-offs in the coming years, targeted at manufacturing machinery and clean energy equipment. The incentive compliments capital cost allowance changes in the Federal Fall Economic Statement 2018. It promises to lower the marginal tax rate from 16.0 per cent to 12.6 per cent in 2019 to help Ontario businesses compete for business investment and jobs in the wake of US tax reform.
 - a. The incentive provides an increased first year Capital Cost Allowance (CCA) deduction on eligible depreciable property acquired after November 2018, and available for use before 2028, as follows:
 - i. A 100% CCA deduction – eligible manufacturing and processing and specified clean energy equipment are eligible for a 100% CCA deduction in the first year that it becomes available for use.
The Accelerated Investment Initiative (all) – other eligible depreciable capital property is generally eligible for a maximum first-year CCA deduction on the net additions to a CCA class that is 1.5 times the standard CCA deduction for that class, subject to a maximum of 100%.
These deductions will be phased out for property that becomes available for use after 2023 and before 2028.
2. Infrastructure: The Government is allocating \$14.7 billion in 2019/20 and \$144 billion over the next ten years to infrastructure, including funding for building and renovating hospitals and public schools, improving existing rail corridors in Southern Ontario, funding municipal light rail, and expanding the City of Toronto's subway and rapid rail systems.

The Budget also contains reaffirmed commitments to:

- Reform skills training and social assistance programs.

- Improve electricity programs and modernize the Ontario Energy Board.
- Northern development and expansion of the Ring of Fire through repeal of the Far North Act.
- Reduce regulatory and red tape burdens for Ontario businesses.

ACTIVITIES: Prior to the budget day, the CPA has put together a [Budget 2019 Toolkit](#) and encouraged members to take this opportunity to promote the propane industry. Included in the toolkit are an outline of the issues, templates for a press release to local media and a letter to the editor for your local newspaper. Members are encouraged to customize these to reflect their own business and priorities.

The CPA also developed a pre-Budget consultation submission focusing on the need for government action to give Ontarians in rural and remote communities real choice in affordable and clean home heating and transportation fuels. The submission also reiterated the CPA's recommendation for the government to repeal the 4.3 cents per litre tax on propane transportation fuel. In advance of the Budget, the CPA organized and executed a Lobby Day Event at Queen's Park involving over 25 members and meetings with key Ministers, staff and opposition representatives, where propane policy priorities and program changes were highlighted.

NEXT STEPS: The CPA will focus outreach efforts on the programs above and advocate for the inclusion of propane in these initiatives as they are developed.

1.3.4 New – Prince-Edward Island: The first minority government in provincial history

ISSUE: Ensuring propane is included in government budgets and ensuing environmental programs.

EXPECTED OUTCOMES: Increasing the use of propane in Prince-Edward Island.

BACKGROUND: Voters elected Dennis King's Progressive Conservatives as the first minority government in provincial history. The election also saw a breakthrough from the Green Party, now the Official Opposition, while the previously governing Liberals were left standing in third place.

The PC platform commits to almost \$15 million in tax cuts and \$51.9 million in new spending over the first year. Tax cuts include reducing the small business tax rate from 3.5 per cent to one per cent and an increase of the basic personal exemption to \$12,000.

The platform does not mention carbon taxation or carbon pricing, which new PC Leader Dennis King said he opposes. King has said he wants to work with Ottawa to find a made-in-P.E.I. solution.

The PC's have also pledged to spend \$1.8 million on home renovation and repair programs for seniors, people with disabilities and families.

ACTIVITIES: Given the new government, we will pursue with a formal pre-budget submission and with meetings in early June of 2019 to promote propane.

NEXT STEPS: The CPA will meet with newly elected PEI conservative government as soon as the cabinet is put together.

2. PUBLIC POLICIES

2.1 Federal

2.1.1 No changes – Clean Fuel Standard in Canada

ISSUE: Clean Fuel Standard (CFS) to reduce Canada’s GHG emissions through the increased use of lower carbon fuels and alternative technologies.

EXPECTED OUTCOMES: That propane be excluded from the carbon intensity scheme, with no imposition of targets and penalties, and that propane be used to generate credits and be an alternative to higher carbon intense fuels.

BACKGROUND: The government released the Design Paper in December 2018, confirming that propane is eligible for credit generation – a great win for the propane industry.

The Regulatory Design Paper noted, “Actions that generate credits, including fuel switching by end-users in the liquid stream: credits can be generated when some fuel users switch from a higher carbon intensity fuel to a lower carbon intensity fuel by changing or retrofitting combustion devices when a liquid transportation fuel is displaced by natural gas, **propane** or a non-carbon energy carrier (e.g., electricity, hydrogen) or when fuels are switched along the production chain of a fossil fuel.”

ACTIVITIES: While there have been a few meetings since December 2018, the government is focusing on releasing the regulation and has now reduced significantly its discussions on this issue.

NEXT STEPS: The Association will continue to update members accordingly on this important issue. The CPA will also be organizing a meeting of the Producers to discuss shared priorities and concerns about the gaseous stream stage of the CFS, which the CPA will present to ECCC.

2.1.2 Updated – Carbon Pricing Backstop

ISSUE: Federal Technical paper on carbon pricing

EXPECTED OUTCOMES: To ensure no undue administrative burden from the development of a backstop program and to ensure a level playing field for the propane industry.

BACKGROUND: In 2017, the Federal Government released a Technical Paper that outlined how the federal carbon tax will be implemented, including how the levy will be applied to fossil fuels, such as gasoline, diesel, and propane starting in 2018. The levy on emissions from industrial facilities started in January, 2019 and applies to facilities that emit more than 50 kilotons or more of greenhouse gases per year.

Provinces that already have a carbon tax, such as British Columbia and Alberta, or a cap and trade system like in Québec or plan to impose a carbon price through a cap and trade system, such as Nova Scotia, **are not** be affected. It is estimated that at \$20-per-tonne, the carbon tax in 2019 will result in a cost increase for example, of 4.42 cents a litre for gasoline, 3.91 cents per cubic metre for natural gas and **3.10 cents a litre for propane in each of the non-compliant provinces.**

- A. New federal fuel surcharge comes into effect in Ontario, Manitoba, Saskatchewan and New-Brunswick

On March 31, 2019, a new federal fuel surcharge came into effect in Ontario, Manitoba, Saskatchewan, and New-Brunswick (July 2019: Yukon and Nunavut). It is part of the federal carbon pollution pricing system and there are implications for CPA members.

The new surcharge will increase the price of fuel – including gasoline, light fuel oil (clear and coloured diesel), natural gas, propane and non-market natural gas. Companies selling in the above-mentioned provinces will have to pay the new fuel surcharge, which has to be added to fuel used for air, marine, rail and road use.

ACTIVITIES: The CPA issued a press released: No April Fool’s Joke: Federal carbon levy favours dirty fuels over low-emission propane.

B. Roundtable discussion on the impact of the federal carbon tax on Ontario’s agri-food industry

In March 2019, Ontario Premier Ford joined the Honourable Ernie Hardeman, Minister of Agriculture and Food and the Honourable Rod Phillips, Minister of the Environment, Conservation and Parks for a roundtable discussion on the impact of the federal carbon tax on Ontario’s agri-food industry with 25 sectoral representatives at an Oxford County farm.

Premier Ford vowed that the Ontario government will do everything it can to fight the carbon tax, which he stated would increase the cost of everything in the province.

Minister Phillips said that Ontario has achieved a 22% reduction in GHGs to date and will reach the 30% target without cap and trade and carbon tax requirements.

ACTIVITIES: Representatives from farm groups, the Ontario Federation of Agriculture, Christian Farmers Federation, producer groups, greenhouse growers, hatcheries, sheep and pork producers, and **three** propane representatives, including Dan Kelly, Dowler Karn CFO and CPA Board Chair, Jason Cooper, Marketing Manager, Dowler Karn and Marcelline Riddell, Government Relations Director, CPA, highlighted the administrative and policy limitations of the tax, and the significant negative impact it will have on the propane industry and its ability to serve its agri-business clients.

Dan Kelly reiterated the propane industry’s concern about propane not being exempt from the tax, despite its green nature. Jason Cooper spoke about how poorly conceived the tax is and the impact on particular sectors and elements. For example, how to apply the tax to propane cylinders and how farmers and suppliers can’t pass the increased cost of goods on to customers as contract prices have been set years prior.

The OFA’s Keith Currie, with over 800,000 jobs in Ontario, said the carbon tax pits farmers versus farmers as some will come out paying less depending on how their operations are run.

This was a productive meeting and offered an opportunity to network and foster alliances with many propane customers and their representative associations, many of whom can add significant gravitas to this discussion and offer synergetic allegiances on other issues of mutual interest, such as seasonal load restrictions.

C. Manitoba: No PST on Carbon Tax

The province has introduced a measure that will shield Manitobans from an increase in the cost of their home-heating bills. Premier Brian Pallister announced that the Manitoba government will not apply the provincial sales tax (PST) to the federal government’s fuel charge applied under the Greenhouse Gas Pollution Pricing Act. The government is responding to the fact that the Goods and Services Tax (GST) will be charged on the federal fuel charge in Manitoba.

By charging the GST on top of the fuel charge, Manitobans are being taxed twice. The premier confirmed Manitoba will implement an exemption to ensure the PST will not apply to the fuel charge, saving Manitoba families and businesses an estimated \$3.6 million in 2019.

ACTIVITIES: The CPA is working with all affected jurisdictions to require the same exemption.

Furthermore, the CPA is also pushing the federal government to ensure that propane be exempt from the fuel charge for the agriculture sector (see below).

D. Exemption for farmers

Farmers are getting relief from the fuel charge for fuels used in tractors, trucks and other machinery. Fuel purchases eligible for exemption must be delivered and stored on the farm. Fuel must be used exclusively on the farm in eligible farm machinery. That means anything used for farming including farm trucks, tractors, stationary or portable engines, etc. Cars or equipment used to heat or cool a building do not qualify for the exemption. The Canada Revenue Agency website has the full listing of eligible machinery and vehicles.

Partial relief of the fuel charge (i.e., 80%) is applied to natural gas and propane that are exclusively for use in the operation of a commercial greenhouse for growing plants, including vegetables, fruits, bedding plants, cut flowers, ornamental plants, tree seedlings and medicinal plants. For relief to be applicable, all or substantially all of the greenhouse building must be used for the growing of plants.

Exemptions are extended, with conditions, to users of aviation fuels in the territories and power plants that generate electricity for remote communities.

The CPA believes the fuel tax exemption for farmers doesn't go far enough and is advocating for full exemption of propane.

ACTIVITIES: The CPA has met with the Environment Ministry on multiple occasions to discuss this file and will be meeting with Finance to indicate our extreme disappointment. We are asking that this mistake be fixed in the budget Bill that should pass late by mid-June. Farmers' associations are also doing the same.

The CPA has submitted comments to the Finance Ministry on two issues: The unfair treatment of propane, a critical energy source for the agricultural industry across Canada and the inclusion of propane as part of the relief for electrical generation in remote communities.

Some CPA members have participated in consultations on this issue to express the concern of the industry:

"Our members have been told all along that the federal government is committed to reduce GHG emissions which we think is a good idea. For the government to choose to exempt from the carbon tax the very fuels they say they want to see reduced and then refuse to allow the same exemption low-emission propane is quite disappointing. Our members will not accept this unfairness without a fight."
Dan Kelly, Board Chair, Canadian Propane Association.

Furthermore, Agricultural stakeholder groups such as the Canadian Federation of Agriculture (CFA), Keystone Agricultural Producers (Manitoba), the Agricultural Producers Association of Saskatchewan and the Agricultural Alliance of New Brunswick agree that the limited allowance for propane exemptions in agriculture applications do not go far enough. On its website the CFA noted, "All on-farm fuel use, including propane and natural gas for purposes beyond greenhouse heating, must be exempt from carbon pricing."

The CPA issued a call to action to members in April 2019 to ensure the industry's voice is heard. The CPA made the following recommendations:

- That the word "propane" be added to the GGPPA, which should henceforth read, "a registered distributor can generally deliver, without the fuel charge applying, gasoline, or light fuel oil (e.g., diesel) or propane to a farmer at a farm...".
- Modify Part 5 to remove the 80% limit determined for greenhouse.

- Expand by adding propane as an eligible fuel and remove the exclusivity for farm machinery and expand to: section 18 (Part 7) to include farming activities such as fuel used for heating hatcheries, barns, etc. as eligible farming activities under the act.
- That the word “propane” be added to the proposed regulatory refinement suggested by the Department of Finance. It should henceforth read, “Expanding the previously announced proposed fuel charge for remote power plant operators that generate electricity for remote communities to also include relief for marketable natural gas and propane.”
- Modify section (2) *qualifying power plant fuel* means a type of fuel that is light fuel oil or marketable natural gas OR PROPANE.

NEXT STEPS: The CPA will pursue its efforts to ensure propane is exempted. The CPA will be meeting with the Finance ministry in May.

2.1.3 New – Election 2019

ISSUE: To promote the propane advantage with federal political parties

EXPECTED OUTCOMES: That propane will be part of environmental/energy platforms of political parties in the 2019 federal election.

ACTIVITIES: The CPA continues to be frustrated by the current government’s indifference towards propane as an important energy fuel from an environmental and economic perspective. In the run up to the federal election in October, the CPA held meetings with the Official Opposition to discuss the importance of propane as an important element to the Conservative’s environmental platform.

In April 2019, the CPA met with Laura Smith, Senior Policy Advisor to Conservative Leader Andrew Scheer as well as Karina Rolland Scheer’s Manager of Stakeholder Relations. The meeting focused on the propane advantage, the frustration with the current government’s lack of consideration of propane and the expectation that propane would actively be considered by a Conservative government. Smith recommended that CPA meet with relevant critics to discuss the issue.

NEXT STEPS: The CPA will be meeting with Conservative Shadow cabinet members Shannon Stubbs (NRCan), Ed Fast (Environment) and Jamie Schmale (Deputy Shadow cabinet for NRCan and Shadow cabinet for Northern Ontario) beginning on May 8. The purpose of the meetings will be to discuss the propane advantage and to arrange further meetings to advance propane as part of the Conservative election platform. The CPA will also engage the Liberal Party. Hopefully propane will get a fresh look. If propane is part of the Conservative’s environment/energy strategy, the CPA may try to leverage this outcome with the Liberals. The CPA will also reach out the Greens and the NDP.

2.1 Provincial Cap & Trade, Carbon Tax and Green Plans

2.1.4 New – Alberta: Election and the end of the Alberta carbon tax

ISSUE: New Alberta Government under Jason Kenney and the United Conservative Party promises that Bill 1 will be the Carbon Tax Repeal Act.

OBJECTIVE: Make the case for propane as a vital part of the energy industry revitalisation.

BACKGROUND: The Kenney Conservatives won the election by stressing an end to the carbon tax, pipeline construction, and a return to prosperity. The objective is to jump-start the oil and gas industry

and return investment and tens of thousands of lost jobs to the Alberta economy. The new UCP government will be cancelling the carbon tax and programs funded by carbon tax; this will likely have the federal backstop carbon tax applied to Alberta but Premier Kenney is vowing to join provinces fighting this tax. The UCP government appears to be oil and gas friendly with knowledgeable new Energy Minister Sonya Savage and a capable Deputy Minister Grant Sprauge.

Government Activities: The UCP government will have a short spring session that will introduce legislation to meet most of the main planks of Jason Kenney's election platform; those that pertain to propane are listed:

- Bill 1: The Carbon Tax Repeal Act – to scrap Alberta's Carbon Tax.
- Bill 2: The Open for Business Act – giving Alberta workers more freedom, and balancing Alberta labour laws to allow for job creation.
- In the Budget (expected in Fall 2019) the introduction of the Job Creation Tax Cut – lowering business taxes on employers from 12% to 8% over the course of four years.
- The introduction of a Red Tape Reduction Action Plan – cutting government red tape by one-third, reducing costs, speeding up approvals.
- Affirming the current capital infrastructure projects list to continue as is, up to 2023, with a review for future projects.
- Premier-designate Kenney has proclaimed Bill 12 – the Preserving Canada's Economic Prosperity Act, passed by the former NDP government to shut down oil exports to British Columbia.

Other platform commitments to note that can impact the propane industry:

- An Energy Policy that will re-energize Alberta's oil and gas industry, speeding up approvals, unblocking natural gas shipments and supporting LNG exports.
- Investments in apprenticeships, the skilled trades and vocational education. Full details of this program will be unveiled in the first UCP budget but are reported to include:
 - Quadrupling the number of full-time apprentices from 1,567 to 6,000 by 2023 through \$6 million in annual funding.
 - Dedicate \$1 million for trades scholarships for 1,000 students who show potential in high school.
 - Appoint a Skills for Jobs Task Force to report to the government on how to reform education to expand opportunities.Work with other provinces to harmonize provincial mobility for tradespeople and apprentices.

Political Considerations:

- As energy, pipelines and the economy are paramount to the Kenney government, being involved and exerting a positive and constructive voice for propane early will be important for the industry to demonstrate value and be a part of the new energy policy.

NEXT STEPS: The CPA has good lines of contact to both the minister and deputy (in fact, Sprauge was a speaker at last year's Alberta Seminar) and will be reaching out to communicate with both.

- The CPA will also be reaching out to all newly elected and re-elected MLAs with a welcome letter and invitation to meet.
- The CPA will look to be active participants in the promised red tape/administrative burden exercise with the goal of streamlining regulatory burden in Alberta.

- The CPA will also be contributing to designing a new Alberta Energy Policy since the current platform is silent on propane. The goal will be to show the new government the value and export opportunities that exist in the propane sector.

2.1.5 No changes – British Columbia: The Climate Change Accountability Act

ISSUE: Bill 34 - Climate Change Accountability Act

EXPECTED OUTCOMES: Ensure propane is part of the alternative fuels

BACKGROUND: Bill 34 repeals the Greenhouse Gas Reductions Act (2008); the bill sets a 40% GHG emissions reduction objective by 2030 (from a 2007 benchmark) and a 60% reduction by 2040. It includes bi-annual climate change reports to the legislature; and grants the Minister the authority to implement industry-specific GHG reduction targets.

The CPA believes that Bill 34 could present opportunities for propane as an alternative auto fuel because of its strong distribution network, and the need to achieve the new GHG reduction objectives. The bill guides all provincial efforts in GHG reduction and the CPA is particularly interested in how the new GHG reduction targets will impact the Low Carbon Fuel Standard (LCFS). The LCFS will now take into consideration fugitive methane emissions which could impact other fuels competing with propane for market share in British Columbia. The CPA believes that if the government and the LCFS will allow greater latitude for low GHG emitting fuels – not just electric vehicles – propane could greatly assist in reducing GHG's in British Columbia.

NEXT STEPS: The CPA is following the regulations to be implemented with the Climate Change Accountability Act, including changes to the LCFS, home heating, exports and agriculture. The government has announced the Clean BC Plan which is the policy designed to meet with the targets in the Climate Change Accountability Act. The 2019 Budget includes \$902 Million in funding for initiatives under the Clean BC Plan.

2.1.6 No changes – British Columbia: Low Carbon Fuels Compliance Pathway Assessment

ISSUE: The Ministry of Energy, Mines, and Petroleum Resources requested comments on their Compliance Pathway Assessment discussion paper released December 2017 that is intended to be a baseline document of information to support the work of the ministry as it relates to their Low Carbon Fuel Standard (LCFS).

EXPECTED OUTCOME: To make a strong argument for propane as a viable alternative fuel option by providing updated input data and ensure all fuels are measured on a consistent baseline (particularly regarding sulphur levels).

BACKGROUND: This discussion paper is an evergreen document compiling information on various current and future fuel sources for motor vehicles. It is part of a three-year consultation cycle to “ensure that the BC Low Carbon Fuels Standard continues to be informed by the best available science”.

NEXT STEPS: The CPA, with the BC Committee will continue to work with the Low Carbon Fuels Standard to provide accurate information and make the case for auto propane as a viable alternative fuel for British Columbia. The LCFS is re-adjusting its focus following the announcement of the Clean BC plan in order to meet the new targets. Recently, the LCFS consulted industry on a potential adjustment to their Avoided Emissions Policy; the CPA participated with a submission. The CPA will continue to be involved with the LCFS and Clean BC plan initiatives to ensure propane is included as a viable alternative fuel.

2.1.7 No changes – British-Columbia: Clean BC plan

ISSUE: In December 2018, the Government of British Columbia released its Clean BC plan aimed at reducing climate pollution, while creating more jobs and economic opportunities for people, businesses and communities.

EXPECTED OUTCOMES: Maximize opportunities for members

BACKGROUND: The Clean BC Plan is the action plan to meet the CCAA targets; the government says its plan will reduce GHG emissions by 18.9Mt or 75% of its 2030 target. The remaining 25% required to meet the 2030 GHG reduction target will be announced through initiatives yet to be announced.

The plan is intended to shift homes, vehicles, industry and businesses in British Columbia away from fossil fuels to low-carbon fuels, and increase the energy efficiency of homes businesses, and the transportation sector. The Clean BC Plan received \$902 Million over three years in the 2019 Budget; of that amount \$223 Million is designated for an enhanced Climate Action Tax Credit for low income families; \$299 Million to contingency funding for projects under development; leaving \$354 Million remaining for operating funds and \$26 Million for capital expenditures.

NEXT STEPS: The CPA has evaluated the Clean BC plan, has identified some early opportunities and challenges and has sent letters to Minister of Education Rob Fleming to meet on the School Bus Acquisition Program; and Michelle Mungall, Minister of Energy on the Energy Rebate Program. We intend to position propane as a highly efficient, low GHG emitting fuel that can reduce carbon pollution;

The CPA is looking at the opportunity of a Lobby Day for Ministers and MLAs in Victoria. CPA continues to research and evaluate Clean BC Programs to identify opportunities for the propane industry; and will update members as more details on programs as they are shared.

2.1.8 No changes – Manitoba: Climate Change and Green Plan

ISSUE: Manitoba's Climate and Green Plan, a made-in-Manitoba response to the federal carbon tax.

EXPECTED OUTCOME: To convey the importance of propane to the agriculture sector in Manitoba

BACKGROUND: Originally, the Climate and Green Plan included a carbon tax that would have seen propane exempted in many industrial sectors including agriculture. In the fall of 2018, the Manitoba government removed the carbon tax and joined a group of provinces in a court challenge against the federal carbon tax. Manitoba, Saskatchewan, Ontario, and New Brunswick have had the federal backstop carbon tax applied since April 1, 2019. Manitoba introduced a Climate and Green Plan to respond to the Federal Government's request and to ensure a low carbon and prosperous Manitoba economy. This included a \$25 per tonne carbon levy to come into effect in 2018.

ACTIVITIES: The Manitoba government announced in mid-summer 2018 that they would be going forward with the Climate and Green Plan except their carbon tax, making the province non-compliant with the federal requirement which triggered the federal carbon tax backstop on the province. Premier Brian Pallister has indicated he will follow Ontario in support of the legal challenge initiated by the Saskatchewan government to define the rights of the provinces in areas of natural resources and taxation.

NEXT STEPS: The CPA continues its dialogue with the Manitoba government and with agriculture sector stakeholders to push the federal government on an exemption for propane.

2.1.9 Updated – Nova-Scotia: Cap and Trade

ISSUE: Cap and Trade Program

EXPECTED OUTCOMES: Promote propane as a viable, immediate, low cost solution to help the province reduce greenhouse gas emissions.

BACKGROUND: The province is introducing a cap and trade scheme in 2018 that allows it to continue building a system that reduces GHGs. The agreement also allows Nova Scotia to continue operating its coal-fired plants at some capacity beyond 2030, when the federal government hopes to have nearly all coal plants closed. The province indicated it will develop its cap and trade program in a way that builds on its current approach in the electricity sector. It says it will also be developed to be fair and flexible while minimizing impacts to Nova Scotians and enabling opportunities for sustainable economic growth.

ACTIVITIES: In 2019, the deadline for submitting greenhouse gas emissions reports and verification statements are:

- June 1, 2019 – report for 2018
- September 1, 2019 – verification for 2018

Starting in 2020, greenhouse gas emissions reports and verification statements/reports will be due on May 1.

- May 1, 2020 – report and verification for 2019
- May 1, 2021 – report and verification for 2020
- May 1, 2022 – report and verification for 2021
- May 1, 2023 – report and verification for 2022

Registration

Participating companies must register for the cap-and-trade program in the Compliance Instrument Tracking System Service (CITSS) by March 31, 2019.

NEXT STEPS: The CPA will continue monitoring the implementation in Nova-Scotia.

2.1.10 Closed – Ontario: End of Cap and Trade

ISSUE: Bill 4 Cap and Trade Cancellation Act, 2018

EXPECTED OUTCOMES: Ensure that the Ontario propane industry is treated fairly in the winding down of the cap and trade program.

BACKGROUND: In July 2018, Minister of the Environment, Conservation and Parks Rod Phillips announced details of legislation that will formally end the cap-and-trade carbon tax era in Ontario. According to the government, eliminating carbon taxes will save the average family \$260 per year and help reduce gas prices by 10 cents per litre.

ACTIVITIES: On October 15, CPA Board Chair Dan Kelly and CPA President & CEO Nathalie St-Pierre presented the propane industry's recommendations on *Bill 4, Cap and Trade Cancellation Act, 2018* to the Ontario Standing Committee on General Government.

The [CPA submission](#) highlighted repercussions that the cancellation of the Cap and Trade Program has had on CPA members and proposed recommendations for consideration by the Ministry of Environment, Conservation and Parks. CPA recommendations included:

- Full inclusion and participation of the propane industry in the development of the new climate change plan and environmental policies.

- Fair and adequate compensation of the propane industry in respect of the cap and trade instruments.
- Targets be based on actual CO₂ emissions, based on current Canadian data to support policy decision or programs.
- A predictable and minimal administrative burden mechanism to set and monitor targets.
- Appoint the CPA to the advisory panel to provide a market-based perspective on policy development.

On October 31, Bill 4 received Royal Assent. The Bill sets out the *Cap and Trade Cancellation Act, 2018*, which repeals the *Climate Change Mitigation and Low-carbon Economy Act, 2016* and provides for various matters related to the wind down of the Cap and Trade Program.

Under the *Cap and Trade Cancellation Act, 2018*, the government is required to establish targets for reducing the amount of greenhouse gas emissions in Ontario. The minister of environment, conservation and parks is required to prepare a climate change plan and progress reports in respect of the plan. On November 29, 2018, Minister Phillips released the Made-in-Ontario Environment Plan (see next item)

NEXT STEPS: None required.

2.1.11 Updated – Ontario: Made in Ontario Environment Plan

ISSUE: Ontario Government releases Made in Ontario Environment Plan after conducting significant stakeholder consultations.

OBJECTIVE: For propane to be a fundamental part of the Made in Ontario Environment Plan.

BACKGROUND: The Ontario government cancelled the former government's environment agenda and sought recommendations in the design of a new plan to address Ontario's environment challenges and to ensure the Federal Backstop scheme would not be imposed to Ontario. The government released its new Made in Ontario Environment plan on November 29, 2018. The plan did not meet with the Federal's requirements and imposed the carbon tax. The Ford government is battling this issue in court.

On terms of the Environment plan, the CPA has been advocating the following:

- To work with government to reduce the propane fuel tax on a sliding scale as discussed with the Chief of Staff to the Minister on February 20, 2019 and outlined in a follow-up letter to the Minister dated March 21, 2019. Specifically, the letter stated that “. while we understand that repealing the fuel tax on propane is a substantive ask, we propose a graduated annual incremental decrease to eliminate the tax and align in with natural gas and other clean automotive fuels, to effect elimination over three years.”
- To require the government to contribute to grant programs to help expand the use of propane. Ensure members are aware of, and apply to, the Ontario Carbon Trust and other government environmental programs.
- To assert propane's advantages as a vital infrastructure power source during severe weather events. The CPA was recently asked (May 2019) to share its flood preparedness and mitigation measures with the Technical Standards and Safety Authority indicating a new level of credibility for the association with regulators in this realm.
- To continue to advocate for expansion of auto-propane among fleet users, with a focus on school buses. This effort includes educating regulators and legislators on technological advancements made in refuelling propane vehicles. The CPA will continue to demonstrate the

simplicity and safety of new auto-propane refuelling nozzles as it did in Ontario on May 2, 2019.

NEXT STEPS: The CPA will continue meeting with government to promote these issues.

3. BUSINESS OPERATIONS

3.1 All Provinces

3.1.1 No changes – Hours of Service Regulations

ISSUE: Propane delivery has bottlenecked due to a recent period of extreme cold weather combined with treacherous driving conditions and trains running with smaller loads causing backlogs.

EXPECTED OUTCOME: Create a prearranged permit or waiver condition accepted within the National Safety Code and provincial regulations to allow for an extension of hours of service during periods of extreme weather.

BACKGROUND: In the United States, the National Propane Gas Association created a solution whereby the U.S. enacted a system to exempt drivers in periods of emergency from the hours of service provisions in certain states. They have most recently used this waiver in January following the effects of Winter Storm Frankie, with thirty-nine states participating.

NEXT STEPS: The CPA will continue to collaborate and discuss the issue with the federal and provincial governments, maintaining good collaboration and open communications with the goal of a national exemption standard by winter 2019-20.

3.1.2 Updated – Source of Ignition (Smart meters, heat pump, etc.)

ISSUE: Installation of a source of ignition beside an existing propane installation in Canada

EXPECTED OUTCOME: Find practical solutions to this issue and ensure that regulatory requirements are properly enforced and that propane companies do not bear the cost.

BACKGROUND: Regulatory requirements stipulate that a source of ignition is required to be at no less than 10 ft (3 m) from a propane installation. When propane installations are in place before the installation of a source of ignition (e.g., smart meter, heat pumps), from the CPA's perspective, the introduction of this new equipment requires that the utilities/companies install at no less than 10 ft (3m) from a propane installation or that they support all the costs associated to moving propane installations. Unfortunately, that is not always the case.

ACTIVITIES: In Ontario, the issue was discussed at a February 2019 meeting of the TSSA's Propane Advisory Council (PAC). The Ministry of Government and Consumer Services is gathering data on the size and scope of the issue in the province and potential effective remedies will be considered once the data is available.

Nova Scotia is not installing Smart Meters at this point but the CPA is following in case there is any development. The same applies for any source of ignition, such as heat pumps.

New-Brunswick Power (NBPower) has always considered the standard meter as a source of ignition. As such, the minimum distance of 10ft (3 m) has been followed by propane businesses for new installations in the province of New Brunswick for a long time. However, with the arrival of heat pumps, the New Brunswick CPA members strongly insist that when propane installations are in place **before** the installation of a source of ignition (e.g. smart meters, heat pumps etc.) the utilities/installation

companies must install the devices no less than 10 ft (3 m) from an existing propane installation. If it's found that they failed to do so, they must be obligated to support all the costs associated to moving the source of ignition or the propane installation.

NEXT STEPS: The CPA will continue engaging the various provinces to ensure they safeguard members' rights and will continue to share information with members to use in case of violations by electric installers.

3.2 Manitoba

3.2.1 Updated – Office of the Fire Commissioner

ISSUE: Lack of communication and transparency from the Office of the Fire Commissioner of Manitoba to our member companies resulting in slow approvals, and incurred costs.

EXPECTED OUTCOMES: Ministerial awareness and an indication that the government will work with the propane industry in Manitoba to ensure resolution to outstanding issues and the implementation of a constructive go-forward process. Eliminate systemic regulatory bias against the propane industry in Manitoba.

BACKGROUND: CPA members have had tremendous difficulty in obtaining information on appeals, clarifications on regulations, approvals and other requests into the Office of the Fire Commissioner (OFC), details vital to their businesses to ensure appropriate service to their customers. Manitoba members can experience month-long waits for replies. For years, they have raised their concerns with Fire Commissioner Dave Schaefer and with then Assistant Deputy Minister Dave Dyson; to date, nothing has changed with regard to how matters are dealt with between the companies, the inspectors and the OFC. Propane customers are often left to decide if working with propane may prove to be too difficult, then they must move to higher cost, less environmentally friendly fuels for expediency because their businesses cannot wait. This is a regulatory bias that not only hurts the propane industry, but many other businesses in Manitoba that depend on propane. In early spring 2018 the Manitoba Propane Committee directed CPA to take their issues with the OFC to the Minister responsible, the Honorable Blaine Pedersen.

ACTIVITIES:

- There have been five meetings of the MPC-OFC Working Group to discuss issues of concern to both sides and finding resolution, identifying solutions or need for additional information.
- The OFC and MPC have created a process to oversee issues important to the industry in a co-operative manner.

NEXT STEPS:

- The working group has been established with accountable terms of reference to ensure that issues are addressed equitably.
- Continue the dialogue with Minister Pedersen's office.

3.3 Ontario

3.3.1 Updated – Seasonal Load Restrictions

ISSUE: Ontario load restriction periods limit truck capacities on certain roads during the spring months.

EXPECTED OUTCOMES: To ensure that propane, as an essential fuel, be exempted from restrictions on its delivery, like the exemptions that cover vehicles transporting milk, waste, etc. and that seasonal load

restrictions are fairly enforced by municipalities.

ACTIVITIES: The CPA has been working to raise and resolve this issue with the former and current governments. Following the election of the new PC Government, on October 16, the CPA met with senior officials from the Minister of Transportation's office (former PC Minister Yakubuski) to discuss the propane industry's issues linked to the Highway Traffic Act, R.S.O., 1990 (load restrictions).

The CPA also met with cabinet staff and have prepared, with members, a formal proposal that recommends that the government create a "global" exemption that can be applied to fuel delivery businesses and that covers all Ontario roads.

The CPA chair and staff also met with Nicholas Cunha, policy advisor for the Ministry of Transportation (MTO). After explaining the issue, they agreed that this is clearly an essential service and is life saving for rural communities and businesses. They identified the need for regulatory reform and said he would contact the Deputy Minister's office ASAP to see what could be done in the short term. MTO asked about our contact with the Ministry of Municipal Affairs and the degree of regional support for proposed change. The CPA indicated that there was lots of support at various levels but roadblocks remain at road manager level. The CPA followed with formal letters explaining that these changes can be achieved through these actions:

- Modify 122.2: *(a) no two axle tank-truck or three axle tank truck, while used exclusively for the transportation of liquid or gaseous heating fuel, shall be operated upon any designated highway where the weight upon an axle exceeds 7,500 kilograms.* OR
- Modify the exemptions set under 122.4 by adding clause: *(f) vehicles used exclusively for the transportation of liquid or gaseous heating fuel to meet heating demand.*

Justification: Heating propane fuel delivery is an essential service: In the winter and spring, propane is an essential service for consumers such as hospitals, police stations, schools, retirement homes, residences, businesses and farms. Without it, they cannot heat their air and water, and farmers are not able to heat their livestock barns or greenhouses. This restriction puts the comfort and safety of Ontarians at risk. To mitigate impacts on roads, it is important to note that propane delivery is infrequent to individual customers, preventing travel on the same road many times in one day, which is the main reason to restrict loads. As well, propane delivery vehicles have a diminishing load over the course of a day, with their weight reduced after each delivery.

Several members have also reached out to their MPPs to convey the message.

NEXT STEPS: The CPA will continue to advance resolution of this issue with the Minister of Transportation, his staff and Association of Municipalities of Ontario (AMO) infrastructure advisors

3.3.2 New – Barn Ventilation Compliance Measures Effective July 1, 2019

ISSUE: TSSA is asking propane fuel suppliers to inspect and advise customers that non-compliance with unvented propane barn heaters in some Ontario agricultural facilities will lead to a termination of fuel supply.

EXPECTED OUTCOME: To indicate to TSSA, in a well-documented letter, that propane suppliers are NOT responsible or required by law (as inspectors issuing compliance order) to carry these 'compliance measures'.

BACKGROUND: in 2018, the TSSA's Risk Reduction Group (RRG) discussed the issue of barn ventilation with unvented propane barn heaters in some Ontario agricultural facilities. In an effort to ensure compliance with the requirements outlined below, the TSSA is asking propane fuel suppliers to advise

customers that non-compliance with these requirements will lead to a termination of fuel supply.

Livestock ventilation systems with propane and natural gas appliances have to meet the Natural Gas and propane Installation Code CSA-B149.1.

The most recent amendment to the Gaseous Fuels Code Adoption Document became effective July 2017. This regulation has been revised as of July 2017 and producers must ensure that their barns have the required verification posted.

Specifically, code requirements are:

7.37 Unvented heaters installed inside a building housing livestock or poultry

7.37.1

Unvented heaters installed inside a building housing livestock or poultry shall comply with the following requirements:

- a) infrared heaters of unvented type interlocked with ventilation system shall comply with clause 7.23.1;
- b) portable infrared heaters not interlocked with ventilation system shall comply with clause 7.23.2;
- c) infrared or other heaters of unvented type not interlocked with ventilation system shall comply with clause 7.37.2;
- d) infrared or other heaters of vented type discharging flue gases inside the barn shall comply with clause 8.24.5.

7.37.2

Heaters of unvented type not interlocked with ventilation system shall be:

- a) exempt from clauses 7.23.1, 7.23.2 and 8.24.5;
- b) protected against physical damage;
- c) provided with mechanical or natural *ventilation* when the heaters are operating at a volume sufficient to maintain a minimum of 300cfm/100,000Btuh;
- d) located in a space where the maximum input of the appliances does not exceed 20 BTU/h/ft³ (0.2 kW/m³) of the space in which the appliance is located;
- e) provided with combustion and ventilation air compatible with item (c);
- f) not be installed in a pedestrian exit passageway or stairway within 8 ft (2.5 m) measured horizontally from an exit door; and
- g) provided with clearance from combustible material as certified and indicated on the appliance;
- h) Items (c) and (d) shall be verified by calculations, completed by a PEO licence holder, and the calculations prominently displayed in the entrance area to each building housing livestock or poultry.

7.37.3

On moveable heaters, hoses used to connect the heaters to the fuel supply shall be installed so that the hose does not come into contact with the heater's exterior surfaces.

7.37.4

Heaters installed prior to October 1, 2014 shall comply with section 7.37 as follows:

- a) by July 1, 2019 when total building area housing livestock or poultry on the premise is over 25,000 square feet;
- b) by July 1, 2021 when total building area housing livestock or poultry on the premise is up to and including 25,000 square feet;

Heaters installed prior to October 1, 2014 are not required to comply with clauses 7.23.1, 7.23.2 and 8.24.5 and their predecessor clauses in prior codes relating to interlocking with the ventilation system or approval for indoor venting.

NEXT STEPS: The CPA will reach out to members to better understand the impacts and implications. The CPA will also review the regulations and the Code to determine the responsible stakeholders to carry these compliance measures as it appears that only inspectors have the authority to inspect and sanction. Ultimately, the CPA will make representation to TSSA on this issue.

3.4 Saskatchewan

3.4.1 On hold by government – Direct Sellers Act

ISSUE: In the late fall, the Government of Saskatchewan, as part of its review of the Direct Sellers Act (2013), issued a call for submissions on the Act. Currently, the Act lists propane as one of its exempt industries. The review indicated that propane could be removed from the exemption.

EXPECTED OUTCOME: Preserve the exemption of propane in the Saskatchewan Direct Sellers Act.

BACKGROUND: The Act is designed to protect Saskatchewan citizens from unscrupulous sales tactics on the doorstep. There has not been a complaint filed under this Act in relation to the propane industry to date. The review of the Act does specifically ask about the exemptions. If there are any substantive recommendations, they will be presented later in 2018.

NEXT STEPS: The Saskatchewan Justice department has advised that the review of the Direct Sellers Act is on hold indefinitely; they will advise when the review is to resume.

3.4.2 Updated – Gas Fitters Course

ISSUE: Saskatchewan does not have a suitable gas fitters training course in the province; member-companies must send apprentices to be trained out of province to the British Columbia Institute of Technology in Vancouver at great cost.

EXPECTED OUTCOME: Members require a certified training course in the province that meets their needs. As this issue evolved the need for gas fitters to be recognized as a trade in Saskatchewan was also identified. The CPA greatly supports this process.

BACKGROUND: With recognized gas fitter courses in Alberta, British Columbia, and Manitoba, a suitable gas fitters' course for Saskatchewan is needed, along with gas fitters to be recognized as a trade in Saskatchewan and an appropriate training program.

Gas fitting as a trade is not recognized in Saskatchewan. The ministry of government relations currently has regulatory changes before the government to have gas fitting recognized. The Saskatchewan Apprentice and Trade Certification Commission claim that the plumbing and pipe fitters program offered at the Saskatchewan Institute for Applied Science and Technology is sufficient training but the propane industry does not share that belief as the curriculum has a single gas course. Currently, the propane industry trains employees outside the province who challenge the provincial test to obtain a gas fitters license.

ACTIVITIES: The CPA inquired about the availability of appropriate courses in the province with the Saskatchewan government, but they only identified a pipefitter course at Saskatchewan Polytechnic, which is insufficient for the needs of the industry.

The CPA has had phone meetings with the Saskatchewan Apprenticeship and Trade Certification

Commission and with Saskatchewan Advanced Education and Career Training and has discussed the issue with the office of the Minister of Immigration and Careers Training to bring it to their attention.

The CPA also discussed with stakeholders on how the trade can be recognized and a potential process to bring appropriate training to Saskatchewan.

At a November Saskatchewan Committee meeting, Gary Gerling of the Ministry of Government Relations, Gas and Electric Licensing, presented proposed amendments to streamline gas fitter licenses in the province, an important step in having the trade recognized provincially.

NEXT STEPS: The CPA will continue to put this issue with the Saskatchewan government to stress the industry needs, including:

- Coordinating information, and recognizing the resources and approaches to re-engage with the Saskatchewan government on this issue.
- Following the gas fitter license regulatory amendments process and offering our support on this effort.
- Sending letters to the Ministers of Immigration and Career Training, and Advanced Education outlining the need to recognize the trade and create a suitable program in province.
- Drafting letters for Saskatchewan members to send to their local MLAs to apply pressure on the government to create the need for recognition and a program.
- Determining a role for the Propane Training Institute in the education of gas fitters in Saskatchewan.

3.5 Western Canada

3.5.1 Closed – Harvest 2018

ISSUE: High demand on propane supply for grain dryers exceeding the industry's distribution capacity.

EXPECTED OUTCOMES: To identify solutions for long-term remediation.

BACKGROUND: Last fall it was an extremely wet harvest in Alberta, Manitoba and Saskatchewan, making it a serious challenge for farmers to get their crops off for harvest. The wet harvest resulted in greater demand on propane supply for grain dryers so that grain crops would be suitable for sale.

This significant increase in demand meant companies were working the maximum allowable hours on the road delivering and refilling product. In Saskatchewan, north of Saskatoon was extremely wet; demand at times exceeded the industry's distribution capacity. A period of good weather eventually alleviated the problem across the prairies.

ACTIVITIES: The CPA remains in contact with agriculture groups and governments in each province to assure them member companies were working hard to ensure farmers had the propane they needed to keep their grain dryers running.

In discussions with governments on hours of service regulations and the potential for temporary exemptions, the CPA identified that implementing such exemptions would require the declaration of an agricultural emergency in each province.

NEXT STEPS: The CPA will continue its discussion with farmers associations to discuss possible solutions.

REGULATORY AFFAIRS & SAFETY

1. FEDERAL REGULATIONS

1.1 Transport Canada

1.1.1 No changes – Safe Transfer of Propane in Federal Facilities

ISSUE: Requirements for the transfer of propane are not consistently applied in Canada, particularly in federal facilities.

EXPECTED OUTCOMES: Support the review and promote appropriate regulatory requirements for the safe transfer of propane from rail to truck on federal facilities.

BACKGROUND: In the CPA's view, safety requirements should be consistently applied to different types of transfers, which is not currently the case between federal and provincial facilities. Provincially regulated facilities require extensive approvals and regular inspections. Federally regulated facilities do not require the same level of safety. For example, the following are key requirements that are contained in the CSA B149.2 – Propane storage and handling code but not in the *Transportation of Dangerous Goods Regulations*:

- Defined setbacks and clearances
- Electrical equipment classification
- Specific safety protection on transfer systems (e.g., shear point)
- Fencing and barrier protection (e.g., posts, guardrails, barriers)

A recommendation was made to, and rejected by, Transport Canada, as it was deemed outside of their jurisdiction. Given the CSA B149.2 Technical Committee and the Interprovincial Gas Advisory Council also deemed they did not have jurisdiction, the question of who has jurisdiction needs to be answered, and then the requirements harmonized.

ACTIVITIES: The CPA forwarded two letters on this matter as well as a document providing a detailed comparison of the requirements in the CSA B149.2 Code versus the requirements in the *Transportation of Dangerous Goods Regulations*. This information was provided to the Chair of the Standing Committee on Transport, Infrastructure and Communities in May 2014, as a follow-up action to the CPA's appearance on the subject of transportation of dangerous goods by rail.

In November 2017, the CPA also sent a letter to the chair of the National Public Safety Advisory Committee (NPSAC).

In May 2018, the chair of NPSAC sent a letter to Transport Canada and a response was received in July.

On October 30, the CPA met with the chair of NPSAC and the chair of the Interprovincial Gas Advisory Council (IGAC). All present agreed that the letter from Transport Canada did not present a solution. The chair of NPSAC committed to reply to Transport Canada and suggested that a meeting between all parties be scheduled to discuss and clarify the requirements.

The issue is scheduled to be discussed in the next few weeks.

NEXT STEPS: Continue the dialogue and follow up with a strategy, if required, to ensure appropriate measures are adopted for the safe transfer of propane from rail to truck on federal facilities.

1.1.2 Updated – Transport Canada Consultation on Part 6 (Training) of the TDG Regulations

ISSUE: Current provisions of Part 6 are largely administrative in nature, where a valid certificate does not guarantee that a holder has the knowledge and skills to adequately perform their job functions.

EXPECTED OUTCOMES: Prevent an unnecessary administrative and financial burden on members and their employees.

BACKGROUND: Transport Canada is working to implement a *Competency Based Training and Assessment (CBTA)* requirement in Part 6 of the TDG Regulations. The CBTA standard is being developed by the Canadian General Standards Board (CGSB) with input from the regulated community. The standard will:

- Identify specific functions (classifying, handling, transporting) and describe the specific tasks that need to be done for each function; and
- Describe the observable outcomes for each task and the criteria used to judge whether the required level of performance has been achieved for the observable outcome.

ACTIVITIES: The CPA submitted comments in March 2019 to continue pushing for a standard that will prevent unnecessary administrative and financial burden to members.

NEXT STEPS: The CPA will continue to actively participate in consultations and to promote the interest of the propane industry and update members when new information is available.

1.1.3 Updated – Transport Canada Standard TP 14877

ISSUE: Transport Canada published an updated standard.

EXPECTED OUTCOME: Member awareness

BACKGROUND: The standard covers large means of containment used in the handling, offering for transport and transport of dangerous goods by rail.

Highlights of the updated standard include:

- Improved usability by incorporating external technical requirements, such as those in Protective Direction 34, 37 and 38.
- Updated dangerous goods list to align with the 19th edition of the UN Model Regulations. Adjusted special provisions to reflect updated transportation requirements for sulphuric acid (UN1831) and hydrogen peroxide (UN2014 / UN2015).
- Updated technical requirements for Class 3, Flammable Liquids and the new tank car specification known as TC 117.
- Improved harmonization between tank car requirements in Canada and the U.S., including tank car approvals, tank car design requirements and a new mechanism to secure One Time Movement Approvals (OTMA) – Category 2.
- Updated material of construction requirements for tank cars, including the addition of stainless steel, normalized steel for dangerous goods classified as a toxic inhalation hazard (TIH) and improved thickness requirements for new tank car construction.

The 2018 standard will come into force on the day the regulatory amendment *Regulations Amending the Transportation of Dangerous Goods Regulations (Containers for Transport of Dangerous Goods by*

Rail) is published in the *Canada Gazette*, Part II.

ACTIVITIES: The CPA was a member of the consultative committee charged with updating the standard. The CPA informed members about the publication of the new standard. The CPA also informed members that Transport Canada has signed an agreement with the Canadian General Standards Board (CGSB) to return the TP 14877 standard to a National Standards of Canada under the CGSB (CAN/CGSB-43.147).

Updates: it appears that Transport Canada requires, under section 61, to load all rail cars to a Summer Ullage table. If a car is loaded to a winter ullage and if the car cannot be shipped directly to the customer's yard due to capacity issues at the yard then the interpretation of the regulation indicates that the car in question is now going to storage (even if it is only for one day) and when going to storage, the requirement is that the car must be loaded to summer ullage. That means the cars must always load light by about 30 – 40 barrels

Section 61. For liquefied petroleum gas and anhydrous ammonia loaded in tank cars, during the winter months of November through March, the following winter reference temperatures may be used if:

- a. the tank car is shipped directly to a consumer for unloading and not stored in transit;
- b. the offeror of the tank car informs each customer that winter reference temperatures were used at the time that the tank car was filled;
- c. the tank car is unloaded as soon as possible after the month of March in order to retain the specified outage and to prevent a release of dangerous goods which might occur due to the tank car becoming liquid full at higher temperatures; and
- d. the winter reference temperatures are:
 - i. 38°C (100°F) for a non-insulated tank car;
 - ii. 32°C (90°F) for a tank car having a thermal protection system incorporating a metal jacket that provides at 15.6°C (60°F) an overall thermal conductance less than or equal to 10.2 kJ/h·m² ·°C (0.50 Btu/h·ft² ·°F); or
 - iii. 29°C (85°F) for an insulated tank car when the overall thermal conductance is equal to or less than the minimum required of a Class 105 or 120.

Source: <https://www.tc.gc.ca/media/documents/tdg-eng/TP14877E.pdf> page 132

NEXT STEPS: The CPA will discuss with members next steps and will engage discussions with Transport Canada on this issue to clarify requirements.

1.1.4 New – Consultation on international harmonization updates to the TDG Regulations

ISSUE: Transport Canada is currently consulting on proposed amendments to the Transportation of Dangerous Goods Regulations (TDGR).

EXPECTED OUTCOME: Ensure consistency between the different modes of transport; facilitate international trade of dangerous goods; and reduce regulatory burden on consignors and carriers who deal with dangerous goods in Canada.

BACKGROUND: Transport Canada regularly updates the Canadian regulations to harmonize, where possible, on the following:

- *United Nations Model Regulations on the Transport of Dangerous Goods* (UN Recommendations)
- *International Civil Aviation Organization Technical Instructions* (ICAO TI)
- *International Maritime Dangerous Goods Code* (IMDG Code)
- *Title 49 of the Code of Federal Regulations of the United States* (49 CFR), under the Regulatory Cooperation Council work plan

Highlights of the proposed amendments

- Reducing regulatory barriers on cross-border trade with the United States by:
 - allowing U.S. placards when dangerous goods are reshipped by road or rail in Canada;
 - adopting the U.S. exemption for pressurized tanks used in water pump systems; and
 - introducing requirements to mark means of containment that carry non-odourized liquefied petroleum gases.
- Reducing the compliance burden on industry by:
 - allowing the display of reduced size labels on a cylinder such as “banana labels”; and
 - allowing the transportation of UN3175, SOLIDS CONTAINING FLAMMABLE LIQUID, N.O.S. using flexible intermediate bulk containers 13H3 and 13H4.
- Referencing the 2018 version of [Transport Canada Standard TP 14850E](#) for small containers, which:
 - updates packing instructions to align with the 20th edition of the UN Recommendations; and
 - allows the use of non-standardized containers that exceed 450 litres in volume to transport batteries.
- Improving the communication of dangerous good hazards by:
 - requiring the display of the marine pollutant or lithium battery marks on overpacks; and
 - requiring the display of orientation arrows for liquid dangerous goods.

The amendments proposed are meant to align with the most recent changes in the UN Recommendations (20th Revised Edition), ICAO TI (2019-2020) and IMDG Code (2018).

The 21st Revised Edition of the UN Recommendations will be published in the spring or summer of 2019. Therefore, TC will include further proposals that take into account changes in this edition when the proposed amendment is pre-published in the *Canada Gazette*, Part I.

NEXT STEPS: To identify relevant issues and submit comments on behalf of members.

1.1.5 New – Transport Canada consultations on new fees for the TDG registration program

ISSUE: Over the next few years, Transport Canada is introducing new fees, modernizing existing fees and streamlining fees for some services across Transport Canada.

EXPECTED OUTCOME: Fees for the propane industry remain affordable and manageable

BACKGROUND: Transport Canada is undertaking an agenda to modernize its programs. Some services have been provided to individuals and industry free of charge, while others have not updated their fees in over 20 years and do not reflect what it costs the department to deliver those services.

In October, Transport Canada initiated consultation on the potential introduction of new fees for its TDG Means of Containment Facilities Registration Program.

ACTIVITIES: The CPA informed members of the consultation period, shared consultations documents, and encouraged members to provide feedback.

NEXT STEPS: Proposed regulations are expected to be published in Part I of the *Canada Gazette* in early 2020. The CPA will continue to participate in consultations, to promote the interest of the propane industry and update members when new information is available.

1.1.6 Updated – Equivalency Certificates

ISSUE: On behalf of its members, the CPA holds 6 Equivalency Certificates

EXPECTED OUTCOME: CPA members abide by the rules governing these equivalency certificates and they continue to be recognized by Transport Canada

BACKGROUND: When issued, equivalency certificates are normally valid for a period of two years. Application for their renewal must be submitted to Transport Canada 3 months before they expire.

ACTIVITIES: Equivalency Certificate SU 11248 Updated

Transport Canada has made administrative updates, with no changes to the clauses on Equivalency Certificate SU 11248 (Ren. 5). The previous Equivalency Certificate is hereby revoked and superseded by the new Equivalency Certificate, which is available on the CPA website.

Equivalency Certificate SU 11248 (Ren. 5) authorizes the members of the Canadian Propane Association to transport propane cylinders without having to display the dangerous goods safety marks required for small means of containment. The barbecue type cylinders or those used in recreational vehicle (for which the capacity in propane or liquefied petroleum gas is less than or equal to 30 liters) are collected at corner stores, service stations, grocery stores or hardware stores and are transported to the member of the Canadian Propane Association's facility to be inspected, requalified, refilled, recycled, and/or disposed.

NEXT STEPS: Continue to remind members that the terms and conditions of each Equivalency Certificate must be adhered to at all times.

1.1.7 Updated – Electronic Logging Devices

ISSUE: Transport Canada proposes to mandate the use of electronic logging devices.

EXPECTED OUTCOME: Prevent an unnecessary administrative and financial burden on members and their employees.

BACKGROUND: Non-compliance with hours of service requirements by a motor carrier or driver can significantly increase crash risk. The proposed amendments would, in alignment with the U.S. requirements, mandate the use of electronic logging devices (ELDs) by drivers who are currently maintaining a daily log and establish more specific requirements for supporting documents (e.g., bill of lading) that must be kept by the driver and motor carrier. The proposed amendment would also incorporate, by reference, a technical standard to establish minimum performance and design specifications for ELDs.

UPDATE: Implementation: Motor carriers and drivers would have two years to prepare for the implementation of ELDs. Motor carriers would need that time to select, acquire and install the ELDs, test the devices and train their drivers on how to use them. For those drivers who would be using an ERD immediately before the ELD amendments come into force, an additional two-year transitional period has been included in the Regulations. During this transitional period, drivers and motor carriers would

be exempt from having to comply with the new ELD provisions. After the two-year transitional period, full compliance with the proposed amendments would be required (<http://gazette.gc.ca/rp-pr/p1/2017/2017-12-16/html/reg5-eng.html>).

NEXT STEPS: The CPA will continue to monitor for publication in Part II of the *Canada Gazette*.

1.1.8 Updated – Client Identification Database

ISSUE: Transport Canada plans to implement a Transportation of Dangerous Goods Client Identification Database (TDG CID).

EXPECTED OUTCOME: Improve oversight of the transportation of dangerous goods in Canada and support better risk management.

BACKGROUND: TDG CID is being developed to address recommendations from the Office of the Auditor General and Transportation Safety Board to improve knowledge and awareness of its transportation of dangerous goods stakeholder base.

UPDATE: The CPA is participating in consultations and keeping members informed.

Implementation: Implementing this database will require changes to the *TDG Act* and its regulations. Following this, we expect to launch the database via an online platform in 2020 or 2021.

NEXT STEPS: The CPA will continue to participate in consultations and to promote the interest of the propane industry and update members when new information is available.

1.1.9 Closed – 2018 Editions of CSA B339, CSA B340, CSA B341 and CSA B342

ISSUE: Effective December 31, 2018, new editions of the standards will be in force.

EXPECTED OUTCOME: Member awareness and compliance

BACKGROUND: New editions of the following standards were published in June:

- **CSA B339** - *Cylinders, spheres, and tubes for the transportation of dangerous goods*
- **CSA B340** - *Selection and use of cylinders, spheres, tubes, and other containers for the transportation of dangerous goods, Class 2*
- **CSA B341** - *UN pressure receptacles and multiple-element gas containers for the transport of dangerous goods*
- **CSA B342** - *Selection and use of UN pressure receptacles and multiple-element gas containers for the transport of dangerous goods, Class 2*

ACTIVITIES: The CPA informed members of the publication and provided a list of the most notable changes.

NEXT STEPS: To maximize awareness, the CPA will continue to include the information in the Regulatory Affairs newsletter and speak to it during national and regional committee meetings.

1.1.10 Updated – Safety Standard CSA B625

ISSUE: In November, the CSA has released the draft of the update to safety standard CSA B625, Portable tanks for the transport of dangerous goods for a 60-day consultation period.

EXPECTED OUTCOME: Member awareness

BACKGROUND: Safety standard CSA B625 sets out the requirements for UN portable tank design and

manufacture and the requirements for UN, IM and IMO portable tank selection, use, inspection, testing and repair. The standard also prescribes registration requirements by Transport Canada of facilities, design reviewers and independent inspectors for conducting the activities within the scope of the standard.

ACTIVITIES: The CPA informed members of the publication and provided highlights of the draft standard. The CPA informed members that the standard was reaffirmed.

NEXT STEPS: Report on the changes.

1.1.11 Updated – Emergency Response Assistance Plan/TDG Regulations

ISSUE: Regulations amending the TDG Regulations' Emergency Response Assistance Plan published in Part I of the *Canada Gazette*.

EXPECTED OUTCOME: Member awareness

BACKGROUND: The TDG Act requires any person importing, offering for transport, handling or transporting certain higher risk dangerous goods (e.g. propane) in the quantities or concentrations specified in the TDG Regulations, to have an emergency response assistance plan.

In a 2016 report, the TDG Emergency Response Task Force made 40 recommendations on ways to improve emergency response assistance to incidents involving flammable liquids transported by rail. The report identified several issues with the existing ERAP program and provided 10 recommendations to improve the ERAP program grouped under three themes: clarifying ERAP implementation, coordinating multiple plans and ensuring effective monitoring.

ACTIVITIES: The CPA informed members and provided a summary of the changes.

NEXT STEPS: None Required.

1.1.12 No changes – Canadian Transportation Agency (CTA) Rail Transportation

ISSUE: Consultations on rail-related regulations and guidance materials

EXPECTED OUTCOME: Regulatory modernization

BACKGROUND: The CTA wants to ensure that the rail-related regulations and guidance materials are relevant, clear and up-to-date.

As part of its consultation with stakeholders, the CTA shared a discussion paper on regulatory modernization for rail transportation that focused on the following key issues:

- Amendments to the *Railway Interswitching Regulations*;
- Administrative monetary penalties;
- Insurance filing for freight rail operations;
- Insurance requirements for passenger rail operations and railway construction; and
- Guidance materials on shipper remedies and recovery of costs related to a railway fire.

ACTIVITIES: The CPA informed members.

NEXT STEPS: Monitor for future consultations.

1.1.13 New – Federal Motor Carrier Safety Administration (FMCSA) Regulatory Guidance

ISSUE: Transportation of Dangerous Goods (TDG) Directorate is requesting comments on regulatory guidance that should be repealed, replaced or modified.

EXPECTED OUTCOME: Provide comments to support CPA members.

BACKGROUND: Transportation of Dangerous Goods (TDG) Directorate is requesting comments on regulatory guidance that should be repealed, replaced or modified on behalf of the Commercial Vehicle Safety Alliance (CVSA) and the Office of the Secretary of Transportation at the U.S. Department of Transportation (DOT).

EXPECTED OUTCOME: Regulatory reduction when appropriate.

NEXT STEPS: The CPA will monitor the feedback provided and will ensure the review of the report.

2. ENERGY REGULATIONS

2.1 No changes – Regulations Amending the Energy Efficiency Regulations

ISSUE: Proposed regulations were published in Part 1 of the Canada Gazette in October.

EXPECTED OUTCOME: Improve the energy efficiency of 12 heating and ventilation product categories

BACKGROUND: The proposed amendments would introduce or update minimum energy performance standards, testing standards, and reporting requirements. The amendment would affect residential and commercial product categories, four of which are currently regulated federally.

Specifically, the amendment is designed to:

- introduce minimum energy performance standards, labelling and reporting requirements for seven new product categories;
- introduce more stringent minimum energy performance standards and/or update testing standards for four currently regulated product categories; and
- introduce labelling and reporting requirements for one new product category.

This amendment affects residential and commercial space heating, fireplaces, and other similar applications. According to the government, it is expected to increase the administrative costs by \$72,161 in annualized average administrative costs to affected businesses. It would also impact 10 small Canadian manufacturers of affected products. The majority of these are not expected to face incremental costs, as they already manufacture compliant products and are demonstrating compliance with similar requirements in other jurisdictions. Small manufacturers that are expected to assume incremental costs have been engaged in consultations, but have not raised any compliance issues associated with the size of their company.

ACTIVITIES: The CPA informed members of the consultation period, shared consultations documents, and encouraged members to provide feedback.

NEXT STEPS: Monitor for publication in Part II of the Canada Gazette and update members when new information is available.

3. OTHER

3.1 Updated – Certification for Direct-Fired Vaporizers

ISSUE: In August, the only Canadian certification document (ULC/ORD C1349) for direct-fired vaporizers was set to expire and be withdrawn.

EXPECTED OUTCOME: Ensure authorities having jurisdiction accept UL listed vaporizers

BACKGROUND: Direct-fired vaporizers have been in use in Canada for decades, long before ULC/ORD C1349 was issued, and represent a very important market segment requirement for propane companies and installations where they must be used in order to provide the vaporization capacity required to meet the propane energy demand downstream.

The CSA ORD which was established and implemented in 2013 was set to expire and be withdrawn in August 2018. This would have prevented vaporizer manufacturers from applying the UL mark to their product and thus potentially preventing the use of direct fired vaporizers that have been used for generations in Canada. In 2013, ULC/ORD C1349 (Guide for the investigation of LP-GAS Vaporizers) was issued. This was the first instance of a document which was used by the approval agencies to test and certify vaporizer products for the Canadian market. In addition to compliance with this standard, current direct-fired vaporizers comply with the USA version of the standard, UL 1349.

In July 2018, the UL ORD was resurrected for another 5-year period until 2023.

Any outstanding issues with industry, standards and AHJ's surrounding the requirement to vent relief valves away for a source of ignition in both the CSA B149.1 and ULC1349-ORD is still being addressed by the CSA B149 committee, according to an update provided by Floyd Running at the CPA's March 7, 2019 Regulatory Affairs Meeting.

ACTIVITIES: The CPA had discussions with Kirsten Bellar (Algas-SDI International), Floyd Running (Diversco), and Richard Charbonneau (Budget Propane and Chair of CSA B149.2). A docket proposing that the US version of the standard, UL 1349, and the UL marking on the vaporizers be adopted for use in the Canadian market was submitted to the CSA B149.2 Technical Committee by Algas-SDI International.

NEXT STEP: Await the decision from the CSA B149.2 Technical Committee. If the proposed change is approved, lobby authorities having jurisdiction to accept UL listed vaporizers.

3.2 No changes – External PRV Options

ISSUE: Change wording to CSA B51 for PRVs

EXPECTED OUTCOMES: Ensure external PRV options are available to members

BACKGROUND: The CPA is working with valve manufactures to identify external PRV options. The intent is to have a valve that can be easily changed onsite. Having this type of valve in the marketplace would facilitate compliance with PRV servicing requirements found in Clause 12 of the CSA B51-14 Code.

ACTIVITIES: In April 2017, the CPA sent an interpretation request to the CSA B51 Technical Committee to determine if a check valve, as proposed by RegO Products, is considered an isolation valve. The consensus was that the valve would be an isolation valve and therefore could not be installed in ASME tanks without a change to the CSA B51 Code.

On July 5 and August 15, 2017, the CPA, represented by Mélanie Levac and Floyd Running, and RegO Products, represented by Ray Kazakewich, presented to the Clause 12 Sub-Committee of the CSA B51 Technical Committee. The purpose of the meetings was to introduce RegO Products' check valve and to provide answers to questions raised by members of the sub-committee.

The CPA continues to advocate for a change in the CSA B51 Code. In February, the CPA submitted a docket to the CSA B51 Technical Committee. The CPA, Diversco and RegO also attended a meeting of the Clause 12 Sub-Committee to discuss the docket and the check valve.

NEXT STEPS: The CPA will continue to work on this file with the objective to have this new technology approved for use in Canada.

3.3 Updated – Canadian Registration Number (CRN) Consortium

ISSUE: The complexities of the CRN process have a detrimental effect on industry and consumers alike and act as an impediment to innovation and the availability of safer and more efficient products in the Canadian marketplace.

EXPECTED OUTCOMES: Simplification of the CRN process

BACKGROUND: The CRN Cross Industry Consortium presents a unified voice of industry sectors affected by the CRN process, specifically, sectors that are involved in the manufacture, distribution and application of pressurized equipment. The Consortium seeks outcomes that will lead to the simplification of the CRN process and as a result will encourage innovation, increase economic activity and ultimately serve Canadian consumers with safer, more efficient and environmentally friendly products.

ACTIVITIES: In July 2017, the Canadian Registration Number (CRN) Industry Consortium (a group comprised of the CPA and 12 other industry members) published a white paper on the current CRN system identifying the registration process as an inter-provincial and cross-border trade barrier. The group recommended improvements to the process to facilitate the trade of pressure equipment through the mutual recognition of jurisdictions' regulatory requirements and administrative processes related to the issuance of a CRN.

At a recent Standards Council of Canada meeting in 2019, the mutual recognition proposal was endorsed by all jurisdictions except Alberta. However, the agreement will not come into effect until the provinces sign the agreement, which should be completed by mid-May 2019. The agreement as well as the full details of the harmonized CRN system will be posted on the Standards Council of Canada website at the end of May.

NEXT STEPS: The CPA will continue to participate in the Consortium and inform members of new developments. The CPA will continue working with all provincial governments/authorities to ensure ministerial agreement.

3.4 Updated – CSA B51

ISSUE: A new edition of the CSA B51 Code – Boiler, pressure vessel, and pressure piping code is expected to be published in early 2019.

EXPECTED OUTCOME: Member awareness

BACKGROUND: As part of the standards development process, in July, the CSA posted the draft of the CSA B51 Code for public review and comment on its website.

ACTIVITIES: The CPA informed members and provided a summary of the changes of interest to the propane industry. The CPA informed members of the adoption of the Code.

NEXT STEPS: None required.

4. PROVINCIAL REGULATIONS

4.1 Atlantic Canada:

4.1.1 Updated – Regulatory Harmonization

ISSUE: Atlantic provinces considering harmonizing their regulations

EXPECTED OUTCOME: Reduced administrative burden

BACKGROUND: Authorities having jurisdiction in the Atlantic provinces are looking at harmonizing safety regulations. Even if it still at the preliminary stage, the Premiers are accelerating the process and are very serious to implement harmonized regulations by 2020. Consultation sessions are expected to start in early 2019.

ACTIVITIES: Paul Fowler, Chief Inspector for NS and Mike Davidson, Chief Inspector for NB 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.

On January 23, 2019, the council of the Atlantic Premiers met to discuss economic growth and regulatory cooperation in Prince Edward Island. Of key interest to the propane industry was the discussion on regulatory alignment aimed at promoting regulatory efficiency within Atlantic Canada.

The regional authorities having jurisdiction (AHJ) are working towards regulatory and policy alignment of the technical safety trades. Alignment would yield benefits as freer movement of highly skilled employees, which would help streamline inter-provincial trade and therefore, strengthen the economy.

NEXT STEPS: The CPA will continue to monitor this initiative and participate in consultations. 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.

5.1 British-Columbia:

5.1.1 Updated – Propane Filling Plants and Container Refilling Centres

ISSUE: In December, Technical Safety BC issued a draft update of their directive on Propane Filling Plants and Container Refilling Centres to re-define how and where a propane refilling centre can be located.

EXPECTED OUTCOME: Submit a position to TSBC for the B.C. propane industry that does not put our members at a competitive disadvantage.

BACKGROUND: The proposed definitions of a *Container Refill Center* (CRC) and *Propane Filling Plant* (PFP) in the directive concern the industry as they would replace the four classifications of locations in revision 02 (2014) with two much broader classes making expansion of propane distribution networks apparently much more restrictive.

The details section in the directive has now set a focus primarily on high population density areas and is silent on all others when planning and locating new Container Refill Centers and Propane Filling Plants. The directive is silent on current CRC and PFP sites – the CPA must clarify if these sites are considered approved sites by TSBC as the directive is focused only new construction.

ACTIVITIES: The CPA submitted an 8-page submission demonstrating that the *Propane Filling Plants and Container Refilling Centres* directive is not a fair market-based approach. Pursuing this course of action

will put many propane companies in the province at a competitive disadvantage that will increase costs, create tremendous administrative burden, and act as a disincentive to expand an already robust distribution network from future growth.

- The directive will require our members pay excessive up-front costs and incur a tremendous administrative burden before they are able to recover their investments and build out their distribution networks.
- We have asked that TSBC confirm if the perceived regulatory bias against propane in populated areas is equal to gas or diesel; as the directive as written will impede expansion of a low emission fuel choice that is a significant tool in reducing greenhouse gases.
- The new directive is more subjective as the two classifications Refill Centre or Filling Plant appear to limit future expansion locations; and add costs to propane companies wanting to build new sites.
- The details section in the directive has now set a focus primarily on high population density areas and is silent on all others when planning and locating new Container Refill Centers and Propane Filling Plants.
- Definitions of a Container Refill Center (CRC) and Propane Filling Plant (PFP) in the directive concern the industry as they replace the four classifications of locations in revision 02 (2014) with two much broader classes making expansion of propane distribution networks apparently much more restrictive.
- The directive is silent on current CRC and PFP sites, we would like to clarify that these sites are considered approved sites by Technical Safety B.C. as the directive is focused only new construction.
- With this directive any company wishing to develop a new site that provides propane will have to secure municipal approvals (with business license and zoning); regional fire authority approval (with population density); a TSBC design registration; a second population density assessment by a professional engineer registered with the Association of Professional Engineers and Geoscientists of B.C.; a propane dispenser installation permit – all prior to construction.
- The company will then need to submit a safety risk assessment and safety management plan if in a highly populated area (without a final definition of an HPCA); a remote dispenser permit; accreditation by Standards Council of Canada for the equipment; a boiler, pressure vessel permit; and an appropriate operating permit. This puts propane companies at a competitive disadvantage when considering to provide propane at sites.
- There is no mechanism in place to adjudicate if the two required population assessments happen to differ.
- There is no mention of current sites providing propane; if they have to make adjustments to comply or can they be grandfathered.
- The effect of the revised directive would be to move propane companies away from populated areas; even though gas and diesel stations would not be compelled to move.
- The site specifications for propane are inhibitive to future construction of propane filling stations in populated areas.

NEXT STEPS: Follow up with TSBC to pursue an in-depth dialogue on the draft directive.

5.1.2 New – Changes to class B Gas fitter training programs

ISSUE: Technical Safety BC (TSBC) has developed a new syllabus for the class B gas fitter certificate of qualification exam to reflect technological advancements in equipment, and the program revisions resulting from the Industry Training Authority's (ITA) review of the class B gas fitter program.

EXPECTED OUTCOME: Inform members and trainers

BACKGROUND: Training providers wanting to deliver a program for ITA's new two-level class B gas fitter apprenticeship must have it recognized by a provincial safety manager (as per [directive D-GA-2018-02](#)) by submitting all required documents for review by the provincial safety manager at least six weeks prior to the proposed training date.

[Information Bulletin: Training Provider Program Recognition for Class B Apprenticeship Training Programs.](#)

NEXT STEPS: None required.

5.1.3 New – TSBC updates directive pertaining to certification marks on gas appliances

ISSUE: Technical Safety BC (TSBC) has updated its directive pertaining to the certification marks permitted on gas appliances as one or more of the approved marks have been updated.

EXPECTED OUTCOME: Member awareness.

BACKGROUND: Under section 31 (1) of the Gas Safety Regulation, gas appliances must not be installed in BC unless they bear either a certification mark of an approved certification agency or an approval mark issued by TSBC under section 10 of the *Safety Standards Act*. This directive specifies the certification/approval marks that are acceptable in B.C.

To view the certification marks recognized in B.C., read TSBC's updated [Directive: Approved certification marks for gas appliances.](#)

NEXT STEPS: None required.

6.1 Manitoba:

6.1.1 New – Mandatory entry-level commercial truck driver training

ISSUE: As part of its commitment to public safety, the Province of Manitoba announced it will be instituting mandatory entry-level training for commercial truck drivers starting September 1, 2019.

EXPECTED OUTCOME: Members awareness.

BACKGROUND: The driver training program will put Manitoba drivers on par with Alberta and Saskatchewan as it will include 121.5 hours of training. Currently, there is no mandatory truck driver training in the province.

The new mandatory measure is designed to ensure a greater degree of public safety on Manitoba highways. The province has stated there will be a one-year deferral of the training requirement for the agriculture sector to determine an appropriate phase-in strategy and mitigate effects of the new regulation on the 2019 harvest season.

NEXT STEP: None required.

7.1 New-Brunswick:

7.1.1 Updated – Training Requirements for Card Lock Facilities

ISSUE: To fill a propane vehicle at a card lock facility in New Brunswick, a person is required to have a PPO-02 Propane Plant License.

EXPECTED OUTCOME: Level playing field with other fuels.

BACKGROUND: The province of New Brunswick is exploring a regulatory change that would facilitate a card lock type license allowing a propane vehicle owner to self-fill 24/7 at a card lock facility. The province was seeking input from the propane industry to determine if this regulatory change is supported and to receive specifics on what requirements would be appropriate.

ACTIVITIES: The CPA and the Chair of the Atlantic Committee met with Mike Davidson, Manager of the Gas Inspection Program. Davidson acknowledged receiving CPA's letter and sharing it with the Boiler and Pressure Vessel Safety Advisory Committee. As a result of a Boiler committee meeting held in April, training requirements were discussed and are currently under revision. More details are anticipated to be available late May.

NEXT STEPS: Monitor and continue discussions and inform members.

8.1 Nova-Scotia:

8.1.1 No changes – Installation Code for propane fuel systems on motor vehicles

ISSUE: Implementation of regulations for auto propane in the province of Nova Scotia.

EXPECTED OUTCOMES: Proper regulations for auto propane in the province of Nova Scotia.

BACKGROUND: Since March 8, 2018 the province of Nova Scotia has adopted the CSA B19.5-15 Code, Installations code for propane fuel systems and containers on motor vehicles.

ACTIVITIES: The department of Fuel Safety is currently looking into all regulation changes for 2020, including the implementation of propane fuel systems on motor vehicles. Public consultation and meetings with stakeholders are to take place in late 2019.

NEXT STEPS: Seek provincial recognition of training courses, especially the 100-2: Filling Auto Propane Tanks. Continue the dialogue with the provincial regulator, including the development of regulations.

8.1.2 No changes – Technical Safety Advisory Board

ISSUE: The province of Nova Scotia is in the process of reinstating the Technical Safety Advisory Board that was in place in the past.

EXPECTED OUTCOMES: Reinstating the Technical Safety Advisory

BACKGROUND: The purpose of the Advisory Board is to advise the Minister of Labour and Advanced Education on major system-wide initiatives, concerns or problems identified by the minister or his department for the Advisory Board's consideration. These may include, but are not limited to: safety; certification and training of persons involved in regulated work; incident prevention; matters arising from non-profit organizations with mandates related to the Technical Safety Act; the issuance, expiry, suspension and revocation of licenses, registrations, permits or certifications; and any other matter as determined by the minister.

ACTIVITIES: We are currently waiting for the official nomination.

NEXT STEPS: We believe this participation will go a long way to providing more knowledge to the Board on propane activities. The CPA and Nova Scotia members will work with the Advisory Board to help on providing the Board more feedback from the industry.

9.1 Ontario:

9.1.1 New – Municipal Hazardous and Special Waste Program

ISSUE: Stewardship Ontario (SO) is winding up the Municipal Hazardous and Special Waste (MHSW) program effective December 31, 2020 as per direction of the Minister of the Environment and Climate Change issued April 2018. SO sought input from the propane industry on decisions regarding surplus program funds, Orange Drop assets and next steps.

EXPECTED OUTCOMES: Provide input into outstanding program issues and have them reflected in next steps of program wind up.

BACKGROUND: Stewardship Ontario must submit a Wind-Up Plan (WUP) to the Resources Productivity and Recovery Authority (RPRA or “the Authority”) by June 30, 2019. Wind-Up Plan implementation will begin when the Authority approves the plan, no later than December 31, 2019. Upon wind up, materials collected under the MHSW Program will be managed according to individual producer responsibility frameworks under the Resource Recovery and Circular Economy Act, 2016 (RRCEA).

RPRA is a new body to enforce new individual producer responsibility frameworks, which oversees existing waste diversion program until wound up. It also approves WUPs and oversees implementation, develops and operates a registry for producers responsible for materials under the Act and compiles waste recovery reports. It may also charge registration fees. RPRA also conducts compliance and enforcement activities, but does not replace Stewardship Ontario, or collect money from stewards to pay service providers, or pay incentives.

There are no proposed changes to service provider incentive rates and processes during windup, until December 31, 2020. It will remain under SO as no Individual Stewardship Plan (ISP) in place.

SO sought the CPA’s input into two windup issues: use of existing surplus funds; and whether to continue the use of the Orange Drop brand. After member consultation and meeting with SO and Authority representatives, the CPA recommended supporting an option which would see surplus funds be used to offset/delay program costs for a limited period of time for pressurized container stewards. The CPA also recommended eliminating SO’s Orange Drop program.

NEXT STEPS: The CPA is drafting a plan to be submitted to members to develop and operate an Ontario program as required by law. and then a voluntary nationwide program for propane cylinders.

9.1.2 Updated – TSSA Open Data Directive

ISSUE: Impact of the Ontario’s Open Data Directive on publishing government data online for public access.

EXPECTED OUTCOMES: Protect members’ commercial information

BACKGROUND: As part of the government’s open data directive, the TSSA proposed posting Risk and Safety Management Plan (RSMP) documents on their website. Industry expressed significant concern that the information contained in these plans is commercially confidential and therefore unsuitable for posting publicly in their entirety.

Industry has negotiated with the TSSA about the impact of Ontario’s Open Data Directive, which relates to publishing government data online for public access. A proposal was made to publish Risk and Safety Management Plans (RSMP) documents, but industry is pushing back on this due to commercial and privacy concerns.

On May 3, 2019, the TSSA posted the following on their website:

- Since 2008, Ontario Regulation 211/01 has required RSMPs for all Ontario propane facilities that are a retail outlet, filling plant, cardlock/keylock, private outlet or container refill centre. A best practice in propane safety, RSMPs reflect our commitment to emergency prevention and preparedness, information sharing and data analysis.
- RSMPs capture key information about propane facilities according to the size of the facility. Level 1 propane transfer facilities are smaller scale sites, while Level 2 RSMPs capture information about larger propane transfer facilities.

PLEASE NOTE THAT PROPRIETARY INFORMATION HAS BEEN REDACTED FROM THESE DOCUMENTS BEFORE POSTING THEM ONLINE.

Although not perfect, the CPA considers that the above statement provides some commercial and privacy protection to CPA's member as it is safeguarding most of their business information.

NEXT STEPS: The CPA will continue to monitor this issue.

9.1.3 New – TSSA Consultation - G2 - Piping and Tubing Installations

ISSUE: The Technical Standards and Safety Authority (TSSA) is seeking feedback on its [draft Advisory: G2 - Piping and Tubing Installations](#).

EXPECTED OUTCOME: Inform members

BACKGROUND: The advisory does not revise or introduce any new requirements. Instead, it clarifies the scope of work that may be carried out by G2 certificate holders.

NEXT STEP: None required

9.1.4 New – TSSA Consultation - Propane Orders Reassessment Report

ISSUE: The TSSA provided industry stakeholders with a revised Propane Orders Reassessment Report in May 2019 for review and comment.

EXPECTED OUTCOME: Provide credible input that supports risks reduction and to continue to have industry input into the TSSA's orders assessment and reassessment process to support current practices and the advancement of the industry in Ontario.

BACKGROUND: As part of its ongoing review and reassessment of orders issued under the Fuels Safety Act, regulations related to propane under the Act and CSA codes 14.1 and 149.2, the TSSA recently circulated a report to RRG members containing reassessments to 24 orders (based on issue frequency and risk). As a result of this exercise 11 of the 24 areas identified had their risk scores adjusted downward. The TSSA is seeking industry input into these reassessment determinations which will be reflected in revised inspection schedules.

ACTIVITIES: The CPA will facilitate industry input into TSSA initiatives such as reassessment reports by hosting discussions with members and by circulating relevant documents to Ontario members and providing their input to the regulator.

NEXT STEPS: Discuss with Risk Reduction Group (RRG) members and circulate the report to CPA Ontario members to provide input to the TSSA.

10.1 Québec

10.1.1 New – Understanding QC mandatory GHG emission reporting requirements

ISSUE: As fuel distributors, some CPA member companies may be required to report their greenhouse gas (GHG) emissions under the provincial [Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere](#) (RRMRCECA).

EXPECTED OUTCOMES: Inform members.

BACKGROUND: The Québec government informed the CPA that Any business that has produced more than 200 litres of fuels between January 1 and December 31, 2018, and that is the first in Québec to perform one of the following fuel-related activities, is considered an emitter under the RRRMRCECA:

- The sale or trading, by a person or municipality, of fuels that are refined, manufactured, mixed, prepared or distilled in Québec by the same person or municipality;
- The sale or trading of fuel in Québec that comes from outside Québec;
- Importing fuel into Québec;
- The distribution of natural gas in Québec.

Fuel contained in a fuel tank installed as standard equipment to supply a vehicle's engine, or fuel in a 1-litre or smaller sealed container, is not targeted by this regulation.

With Ontario's withdrawal from the carbon market, some of the propane suppliers may have modified their contracts. Special attention should therefore be paid to these contracts in order to establish whether or not activities are subject to compliance with the RRRMRCECA.

Companies that are required to report their emissions are also subject to the [Regulation respecting a cap-and-trade system for greenhouse gas emission allowances](#). For this purpose and in accordance with section 6.6 of the RRRMRCECA, this declaration must be verified by a third party.

Information required to produce GHG emissions reports can be found on Québec's environment ministry website in a section specifically for fuel distributors: http://www.environnement.gouv.qc.ca/air/declar_contaminants/carburant-combustibles/declaration.htm (in French).

For more information on the cap-and-trade system, visit the [Carbon Market website](#) (in French).

NEXT STEPS: None required.

11.1 CSA Codes Open for Public Review

ISSUE: New editions of CSA Codes, which are expected to be published in 2020, are currently being developed.

EXPECTED OUTCOME: Submission of comments.

BACKGROUND: As part of the standards development process, the CSA has posted the draft codes for public review and comment on its website.

B149.1-20 – Natural gas and propane installation code

Contact: shannon.corcoran@csagroup.org

Closed: February 19, 2019

A copy of the draft code can be viewed [here](#).

B149.2-20 – Propane storage and handling code

Contact: shannon.corcoran@csagroup.org

Closed: February 11, 2019

A copy of the draft code can be viewed [here](#).

B149.3-20 – Code for the field approval of fuel-related components on appliances and equipment

Contact: shannon.corcoran@csagroup.org

Closed: March 4, 2019

A copy of the code can be viewed [here](#).

B149.5-20 – Installation code for propane fuel systems and tanks on motor vehicles

Contact: Bridget.Bringman@csagroup.org

Closed: March 4, 2019

A copy of the code can be viewed [here](#).

B620-14 – Highway tanks and TC portable tanks for the transportation of dangerous goods

Contact: ron.meyers@csagroup.org

Close date: June 11, 2019

A copy of the draft code can be viewed [here](#).

B621-14 – Selection and use of highway tanks, TC portable tanks, and other large containers for the transportation of dangerous goods, Classes 3, 4, 5, 6.1, 8, and 9 (New Edition)

Contact: ron.meyers@csagroup.org

Close date: June 11, 2019

A copy of the draft code can be viewed [here](#).

B622-14 – Selection and use of highway tanks, TC portable tanks, and ton containers for the transportation of dangerous goods, Class 2 (New Edition)

Contact: ron.meyers@csagroup.org

Close date: June 11, 2019

A copy of the draft code can be viewed [here](#).

Please note that members will be required to set up an account to review and provide comments.

NEXT STEPS: The CPA will monitor and inform members.



Canadian
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Association

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