



To: Ministry of Finance
From: Canadian Propane Association
Date: December 8, 2025

RE: 2026 Pre-Budget Submission to the Government of Alberta: Advancing Energy Equity and Reducing Barriers for Alberta’s Propane Sector

The Canadian Propane Association (CPA) represents more than 400 companies across Canada, including producers, wholesale marketers, transporters, retailers, and manufacturers of appliances, cylinders, and equipment. Propane is produced, transported, and distributed across Alberta, and our sector plays a central role in supporting reliable, affordable, and lower-emission energy for households, businesses, and industries throughout the province.

As Alberta prepares its 2026 Budget, the CPA urges the Government of Alberta to adopt policies that advance energy equity, reduce barriers to market access, and strengthen Alberta’s ability to compete both within Canada and globally. Propane is a crucial part of the province’s energy system: it supports rural and off-grid communities, powers farms and industrial operations, fuels municipal and commercial fleets, and provides a practical decarbonization pathway that does not compromise reliability or affordability.

Propane is consistently recognized by Canadians as a preferred alternative energy choice. Alberta—home to robust natural gas production and world-class energy infrastructure—is uniquely positioned to grow its leadership in both conventional and renewable propane. Alberta’s strong production base and increasing demand from domestic and international markets highlight the importance of ensuring efficient regulations, competitive tax structures, and continued support for value-added production and exports.

The CPA’s recommendations below focus on strengthening Alberta’s competitiveness while ensuring Albertans continue to have access to affordable, reliable, and cleaner energy options.

Support the Growth of Auto Propane and Lower-Emission Transportation

Auto propane is a proven, lower-emission transportation fuel widely adopted by school districts, municipalities, and private fleets across North America. Propane vehicles start reliably in extreme cold, require minimal infrastructure investment compared to charging systems, and offer a cost-effective decarbonization option for medium- and heavy-duty fleets.

As Alberta continues to pursue emissions reductions while maintaining affordability for industry and municipalities, auto propane presents an immediate, scalable solution.

Recommendation:

Modernize the Motor Fuel Tax to remove the levy on auto propane, ensuring this proven lower-emission fuel remains competitive with gasoline and diesel. This change would support Alberta fleet operators, school boards, rural municipalities, and private businesses transitioning to cleaner transportation options.



Enable the Development of Renewable Propane in Alberta

While conventional propane is already a lower-carbon option, **renewable propane**—available internationally—can reduce lifecycle emissions by up to 85% and is fully compatible with existing methods of storage, transport, and use. Alberta has significant potential to lead Canada in renewable propane production due to its established infrastructure, feedstocks, and innovation capacity. Renewable propane provides a cost-effective pathway to decarbonize hard-to-electrify sectors such as transportation, agriculture, construction, and remote operations without expensive retrofits.

Recommendation:

Establish a provincial production incentive or tax credit to support early investment in renewable propane. This will strengthen Alberta's innovation ecosystem, expand clean fuel availability, and enhance competitiveness in emerging global markets.

Strengthen Alberta's Position in the Global Propane Market

Alberta is a major contributor to Canada's growing propane export markets. Continued investment in transportation corridors, rail infrastructure, and regulatory efficiency will allow Alberta to meet rising international demand while maintaining secure and stable supplies for Canadian consumers. Propane exports create jobs, drive investment, and expand Alberta's role as a supplier of affordable, lower-emission fuels to global partners seeking alternatives to higher-emission energy sources.

Recommendation:

Continue strengthening export readiness through infrastructure investment, corridor development, and regulatory alignment that allows Alberta to remain a leader in supplying clean, reliable energy to the world.

Reducing Red Tape and Interprovincial Trade Barriers: Federal Regulatory Priorities Benefiting Alberta

Canada's propane sector is governed by a mix of federal, provincial, and territorial requirements. Differences between jurisdictions create inefficiencies that raise costs, slow construction and maintenance projects, and hinder the mobility of skilled workers. Alberta—home to one of the country's most important propane production and distribution hubs—has a strong interest in reducing these barriers.

The CPA recommends that Alberta champion and support the following national policy reforms, which will improve interprovincial trade, reduce regulatory duplication, and strengthen the competitiveness of Alberta's energy sector.

- **Recognize Gas Fitter Qualifications Across Provinces**

Recommendation: Support implementation of a national recognition system for licensed gas fitters, eliminating redundant relicensing requirements.

- **Mandate Provincial Alignment with the CSA Code**

Recommendation: Encourage provincial and federal partners to require full adoption of the CSA Code without deviations, reducing confusion and compliance risk.

- **Harmonize Canadian Registration Number (CRN) Requirements**

Recommendation: Use existing CRN requirements without duplicative provincial inspections to streamline equipment approvals.

- **Streamline Permitting for Propane Installations**



Recommendation: Consolidate permits into a single application, reducing processing times and administrative burden.

- **Create National Licensing for Propane Workers**

Recommendation: Recognize national training certificates across provinces, eliminating redundant licensing without compromising safety.

Conclusion

As Alberta continues to transform and modernize its energy system, propane remains a reliable, affordable, and lower-emission energy source that supports households, businesses, and industries across the province. Implementing the recommendations above will promote energy equity, strengthen Alberta's competitiveness, and ensure that both conventional and renewable propane continue to contribute to Alberta's prosperity.

The CPA and its members stand ready to collaborate with the Government of Alberta to advance shared goals of affordability, reliability, innovation, and growth. We look forward to discussing the submission with you at your earliest opportunity.

Sincerely,

A handwritten signature in black ink that reads "K Kachur".

Katie Kachur
Vice President, Government Relations, West
Canadian Propane Association