

FPT Act Monthly Newsletter

The British Columbia Utilities Commission (BCUC) is the administrator of British Columbia's (BC) **Fuel Price Transparency (FPT) Act**.

We are responsible for collecting and publishing information about the gasoline and diesel fuel market in BC, to promote competitiveness and public confidence in the competitiveness of the fuel market. This newsletter is compiled by BCUC staff each month to provide fuel consumers with a better understanding of the gasoline and diesel fuel market in BC. This first edition includes updates on fuel pricing and fuel margin changes over the last month, key information about the fuel supply chain in BC, and updates from the BCUC on our various activities.

Please visit GasPricesBC.ca for more information or to provide feedback to the BCUC.

August 2021 Market Recap¹

-  Retail Fuel prices for regular gasoline decreased slightly through August for BC. The decline in gasoline prices during the month of August were driven by declining crude prices despite increasing refining and retail margins², as seen in Figure 3.
-  Retail Fuel prices for diesel increased through August for BC, as seen in Figures 2 and 5. Rising prices were driven by increasing refining and retail margins despite a decrease in crude prices.
-  Retail Margins in BC for regular gasoline are on average 4 cents per litre (cpl) lower than Alberta and 2cpl higher than the Canadian average over the same period, as seen in Figure 3.
-  Although BC and Alberta share the same crude oil price, the Refining Margin for regular gasoline was on average 48% higher in BC than in Alberta (approximately 16 cpl) and 53% higher than the Canadian-average (approximately 17cpl) over the month of August 2021.

Figure 1 - BC Average Gas Price Month over Month (MoM), August 2021

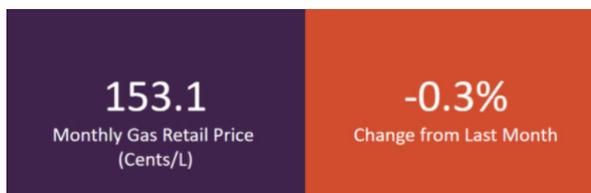
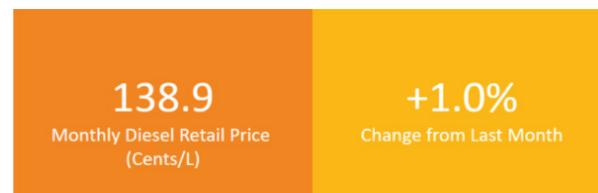


Figure 2 - BC Average Diesel Price Month over Month (MoM), August 2021



¹ Disclaimer: The fuel price data used in this newsletter is publicly available on The Kent Group Ltd. (Kent) website. Kent collects retail fuel pricing data at a set time each day in the morning.

² Retail Margin: The difference between the amount a retailer pays for gasoline and diesel and the amount the retailer charges its customers for gasoline and diesel, excluding taxes.

Refining Margin: The difference between the amount the refiner pays for crude oil and other components, and the amount the refiner charges its customers in the wholesale market for gasoline and diesel.



Figure 3 - Average Fuel Prices by Component for Regular Gasoline, July and August 2021

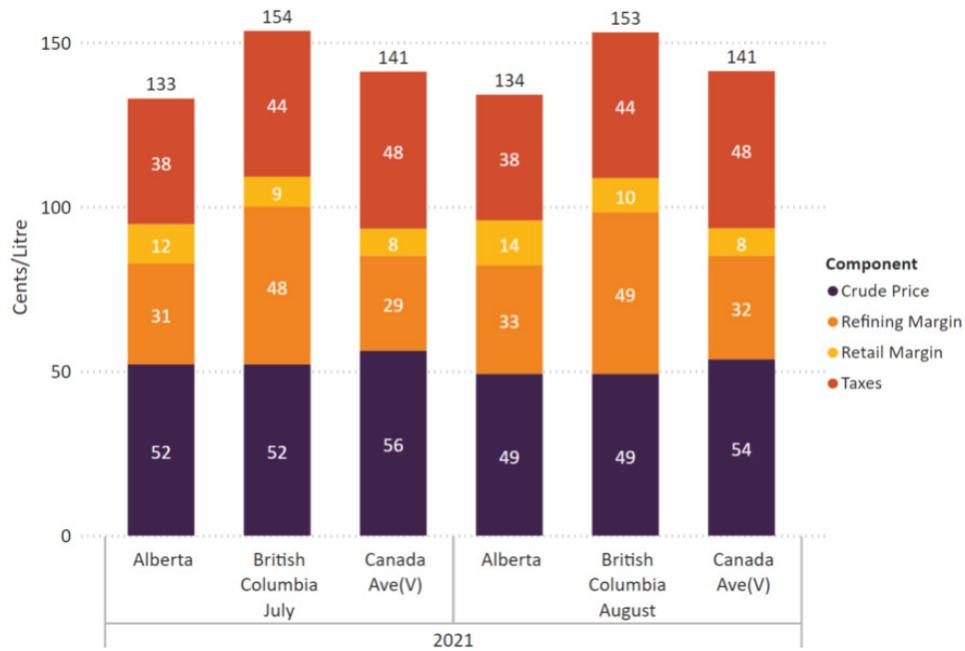


Figure 4 - BC Gas Prices Month over Month (MoM), August 2021

Component	Retail Price (inc tax)		Wholesale Price	
	Cents/L	MoM%	Cents/L	MoM%
Abbotsford	156.0	↓ -1.5%	103.8	↓ -2.7%
Canada Ave(V)	141.3	↑ +0.1%	85.2	→ +0.0%
Edmonton	132.3	↓ -0.5%	81.0	↓ -0.8%
Fort St. John	136.9	↑ +0.7%	92.9	↓ -0.7%
Kamloops	152.5	↑ +2.9%	95.1	↓ -0.7%
Kelowna	153.8	↑ +1.2%	95.1	↓ -0.7%
Prince George	143.1	↓ -0.6%	92.9	↓ -0.7%
Vancouver	165.9	↓ -1.9%	103.8	↓ -2.7%
Victoria	163.3	↓ -2.3%	105.4	↓ -2.7%
Average	149.4	-0.3%	95.0	-1.4%

Figure 5 - BC Diesel Prices Month over Month (MoM), August 2021

Component	Retail Price (inc tax)		Wholesale Price	
	Cents/L	MoM%	Cents/L	MoM%
Abbotsford	139.7	↑ +1.6%	93.5	↑ +0.7%
Canada Ave(V)	132.1	↑ +0.7%	80.3	↓ -0.8%
Edmonton	122.6	↑ +0.2%	77.2	↓ -0.5%
Fort St. John	129.4	↑ +0.1%	88.5	↓ -0.4%
Kamloops	131.9	↓ -0.2%	87.4	↓ -0.3%
Kelowna	134.7	↑ +1.0%	87.4	↓ -0.3%
Prince George	136.6	↑ +0.3%	88.5	↓ -0.4%
Vancouver	153.0	↑ +2.0%	93.5	↑ +0.7%
Victoria	146.8	↑ +2.1%	95.1	↑ +0.6%
Average	136.3	+0.9%	88.0	-0.1%

FPT Act Updates

Parkland Corporation - Request for Advance Ruling on Confidentiality for FPT Act Reporting Submissions

-  The BCUC held two workshops on August 5 and 12, 2021, with participation from parties in the fuel industry along with public interest groups. Transcripts of the workshops are available on the Proceeding page of bcuc.com.
-  The proceeding is currently moving into the argument phase, with Final Argument due on September 24, 2021 and Reply Argument due on October 5, 2021.
-  We invite the public to participate in the proceeding by submitting Letters of Comment online at bcuc.com.

FPT Act Regulation

-  The FPT Regulations requires fuel importers, wholesalers, terminal owners/operators, and those who supply fuel to retail dealers to submit regular reports to the BCUC.
-  The BCUC has been gathering data since October 2020, and is currently receiving reports from 49 companies. Disclosure of the gathered data will be determined after the conclusion of the Parkland Corporation Confidentiality proceeding listed above. For more information, please visit our [FPT Regulations](#) page.

Special Direction – Retail Pilot

-  Since November 2020, the BCUC have been collecting fuel data from a random sample of retail stations in BC as part of a retail data collection pilot (Retail Pilot) issued through the [Special Direction](#) by the BC government. The BCUC is currently receiving reports from 87 retail stations.
-  For more information, please visit the Retail Pilot page on GasPricesBC.ca.

New Fuel Price Data Collection Project for Select Cities

-  The BCUC initiated a new data collection project for twelve cities in BC. This project builds on the BCUC's observations from our first data collection initiative and is in response to public questions regarding fuel pricing behaviours in the selected cities. The project will collect data from June 1, 2021 to December 31, 2021.
-  The data is being published through a series of dashboards on GasPricesBC.ca to illustrate fuel price behaviours in the selected cities.

August Monthly International Recap

The International Energy Agency reports that the summer months saw global oil demand surge, month-on-month, in June by 3.8 million barrels per day as there was an increase in North America and Europe mobility. However, as the COVID-19 Delta variant impacted more countries, demand growth fell at the end of July.

The Organization of the Petroleum Exporting Countries (OPEC) signed a new deal last month to eliminate their remaining production restrictions for their members. This eradication of production restrictions and higher output from producers outside the alliance has alleviated the potential for a near-term supply shortage. As the global crude output increases, a surge in Delta variant COVID-19 cases has forced countries to impose more restrictions, slowing demand and projected growth for the remainder of 2021.



Quick Facts



In 2018, BC's total Refined Petroleum Products demand was 31.3 million litres (ML/) per day

- 64% of demand was road-use fuels (13.5 ML/day of gasoline and 6.5 ML/day of diesel)³



BC refineries have a combined crude processing capacity of 10.6 ML/day of refined product:

- Parkland Refinery in Burnaby at 8.7 ML/day
- Tidewater Refinery in Prince George at 1.9 ML/day



Trans Mountain Pipeline, a corporation owned by the federal government, transported 49.6 ML/day of crude and refined products in 2020 from Edmonton, Alberta⁵

- 37.2 ML/day in crude oil exports to Washington State refineries and through the Westridge Marine Terminal in Burnaby
- 12.4 ML/day in crude oil delivery for the Burnaby Parkland refinery and refined products into the Kamloops and Burnaby Terminals



In 2019, BC received roughly 2,445,559 metric tons of fuel oils and crude products (roughly 8 ML/day depending on product density) from neighbouring prairie provinces via rail, with approximately 94% coming from Alberta⁴



According to the Canada Energy Regulator, less than 10% of BC's gasoline is imported via ship or barge from the U.S. Pacific Northwest⁶

³ British Columbia Utilities Commission Inquiry into Gasoline and Diesel Prices in British Columbia Final Report, pg. 33
⁴ StatsCan Transport Information
⁵ Trans Mountain - Product Destination
⁶ CER BC Energy Profile

Educational Monthly Minute

Getting Fuel to BC

This supply-chain map provides a high-level overview of the fuel market in BC. It shows where fuel is produced and refined (in locations such as Alberta and the US Pacific Northwest), the ways it can be transported through our province, as well as BC's terminal and refinery sites. This map illustrates the components involved before fuel reaches you at a BC gas station. For more information about BC's fuel supply chain visit the [Getting It To You](#) page on our website.

