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August 5, 2021

**VIA ELECTRONIC DDS**

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83862/523

British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Attention: Patrick Wruck  
Commission Secretary

**RE: Parkland Corporation Request for Advance Ruling on Confidentiality for Fuel Price  
Transparency Act (“FPTA”) Reporting Submissions (“Proceeding”)  
Intervener Written Submission**

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Dear Mr. Wruck:

We act on behalf of Suncor Energy Inc. (“Suncor”) in respect of the above noted British Columbia Utilities Commission (“Commission”) Proceeding. Enclosed please find the PowerPoint presentation presented by Suncor at Workshop No. 1 hosted by the Commission on August 5, 2021.

Should you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

Terri-Lee Oleniuk

Encl.

cc. Chris Hustwick, Director, Downstream Legal Affairs Canada, Suncor Energy



# Framework for the Determination of Confidentiality and the Treatment of Protected Information Collected Pursuant to the FPT Act

## *Workshop Illustrative Examples*

August 5<sup>th</sup>, 2021



### **#3 - The specific harm to Responsible Persons and/or the competitiveness of the market for reportable fuels that would result from the BCUC publishing certain Fuel Data**

*“Retail gasoline and diesel sales volume information is critical to understanding the profitability and competitiveness of individual retail sites. Location specific information (even on an annualized basis) is commercially sensitive in that it could allow competitors to identify and take action against potentially vulnerable locations in local markets and/or selectively and aggressively target the acquisition of very valuable dealer relationships.”<sup>1</sup>*

<sup>1</sup> Exhibit C1-5 Letter dated June 15, 2021 – Suncor Submission on BCUC Framework Draft No. 2



**Example 1:** with the support of an example or illustration, please explain how publication of the shipment volume and shipment date Fuel Data would permit a detailed estimate of the throughput volume at a specific retail location.

### Special Direction - Retail Purchasers Report Data Fields:

- BCUC Station ID
  - Retail Station Name
  - Retail Station Address
- 
- Identifies the Unique Location
- Fuel Type / Grade
  - Shipment Date
  - Shipment Volume
- 
- Identifies the location's throughput (for each product) from one delivery date to the next, allowing a calculation of site throughput over very specific periods of time, and the tracking of throughput changes over time periods with precision

Shipment Dates & Volumes also provide an indication of the cost competitiveness of fuel supply for specific locations:

- B-Train Truck: 55,000 Litre average delivery
  - Tri-Axle Truck: 40,000 Litre average
- 
- B-Train Deliveries could be ~\$0.015 /L less costly versus Tri-Axle Deliveries



**Example 1:** with the support of an example or illustration, please explain how publication of the shipment volume and shipment date Fuel Data would permit a detailed estimate of the throughput volume at a specific retail location.

### Special Direction - Retail Purchasers Report Data Fields:

- BCUC Station ID
- Retail Station Name
- Retail Station Address
- Fuel Type / Grade
- **Shipment Date**
- **Shipment Volume**



Identifies the Unique Location



Even if the shipment volume is designated “Confidential Protected Information” as proposed in Exhibit A-9, the limited variability of volume per fuel shipment date allows a calculation of site throughput and changes in site throughput to a high degree of accuracy

- B-Train Truck: 55,000 Litre average delivery
- Tri-Axle Truck: 40,000 Litre average delivery



## **Related Data Fields of Concern:**

- Retail Station Survey – 2019 Total Gasoline Sales Volume (Litres)
- Retail Station Survey – 2019 Total Diesel Sales Volume (Litres)



**Example 2:** with the support of an example or illustration, please explain the harm that would result from publication of a Responsible Person's supply relationships or customer list.

*"... domestic supply relationships and sources of imported products are highly competitive for both suppliers and purchasers. If published, Suncor's competitors inside and outside of the province could discern Suncor's sources of product supply and logistical arrangements and take advantage of the disclosure of this information to undermine Suncor's competitive position in these markets. This is both harmful to Suncor and contrary to the aims of the FPT Act, as it would undermine Suncor's ability to operate competitively in BC and elsewhere.*

*Suncor's sources of supply (outside of the importation of its own production facilities in Alberta) are highly sensitive from a commercial perspective. Suncor's competitiveness in BC is highly reliant on Suncor's ability to establish and maintain reliable and cost-effective sources of supply, be they domestic, US based, or international."*<sup>1</sup>

<sup>1</sup> Exhibit C1-5 Letter dated June 15, 2021 – Suncor Submission on BCUC Framework Draft No. 2



**Example 2:** with the support of an example or illustration, please explain the harm that would result from publication of a Responsible Person's supply relationships or customer list.

Customer Lists:

- Suncor developed its customer and supply relationships over a long period of time with considerable effort and expense
- To protect these valuable relationships, Suncor has processes and systems in place to help the protect the confidentiality of its customer list
- For example, Suncor's supply contracts and its purchase contracts typically include confidentiality provisions to protect both the supplier and purchaser



**Example 2:** with the support of an example or illustration, please explain the harm that would result from publication of a Responsible Person's supply relationships or customer list.

*“... in times of planned or unplanned supply shortages, Suncor’s ability to call and rely upon established third party supply relationships materially improves its ability to maintain retail gasoline sales versus having to temporarily cease retail operations.*

*For these reasons, Suncor allocates significant time and resources to establishing and maintaining these supply relationships, and to keeping them confidential. Confidentiality is crucial to protecting Suncor’s competitive position, in BC and elsewhere. Otherwise, Suncor’s competitors could be alerted to periods of time or specific situations where Suncor has to rely on more costly sources of supply and may not be cost competitive in specific markets. Supply disruption situations can result in the need to source costly fuel supply from as far away as refineries in Eastern Canada, the US Gulf Coast, and international sources.*

*Making these sources of supply publicly available could harm competitive positions in the market by alerting competitors to competitive supply advantages and disadvantages, which they could in turn exploit and ultimately increase the cost of fuel paid by retail customers.”<sup>1</sup>*

<sup>1</sup> Exhibit C1-5 Letter dated June 15, 2021 – Suncor Submission on BCUC Framework Draft No. 2



## BC Low Carbon Fuel Standard (LCFS) - related Fuel Data fields

*“Suncor reiterates its earlier submissions that LCFS-related Fuel Data contains commercially sensitive information and that its disclosure could result in significant commercial harm from competitors seeking market share or counterparties in contractual negotiations. Moreover, publication of this data does not serve the public interest as it, as currently formulated, presents an incomplete picture of LCFS compliance costs for Suncor.”<sup>1</sup>*

<sup>1</sup> Exhibit C1-5 Letter dated June 15, 2021 – Suncor Submission on BCUC Framework Draft No. 2



## **Examples: *commercial harm from competitors seeking market share or counterparties in contractual negotiations***

- If a seller of credits gains access to Suncor's credit purchase price from recent, prior transactions, Suncor forfeits negotiating power with that seller. The seller will expect Suncor's past price as an absolute minimum. Suncor's costs could rise and Suncor will try to pass those increased costs on to the market to recover that incremental expense.
- Similarly, if a seller of bio-fuels or renewable fuels gains access to our credit purchase price in prior transactions, Suncor forfeits negotiating power with that seller as they will be able to calculate Suncor's alternative cost structure. Once again, Suncor's costs could rise and Suncor will try to pass those increased costs on to the market to recover that incremental expense.
- The costs of BC LCFS compliance have risen dramatically in the past 5 years and are projected to rise even more significantly through 2030. A competitor gaining access to Suncor's credit purchase price in prior transactions would have immediate insight into Suncor's cost of compliance. As the cost of compliance is such significant factor in the cost of product supply, knowledge of the relative competitiveness in this area could allow competitors to take competitive action:
  - Raise market prices with a much lower risk of competitive pricing response from Suncor due to a higher cost to serve the market
  - price aggressively over the short-term, forcing Suncor's exit from that market, resulting in a less competitive, higher priced market over the longer term



## BC Low Carbon Fuel Standard (LCFS) - related Fuel Data fields

Suncor reiterates its request that:

- the BCUC consult with the BC Low Carbon Fuels Branch, to ensure its analysis, conclusions and reporting in this area are accurate, fully representative of the range in costs of LCFS compliance, and protective of highly sensitive, competitive information; and
- all Fuel Data required to be submitted in the BC Monthly LCFS Credit Report be marked as confidential Protected Information.

## Example:

- BC Ministry of Energy, Mines and Low Carbon Innovation publishes credit market activity reports on a monthly and quarterly basis which outline the number of credits sold, the number of transactions, as well as the min, avg, and max price.
- It does not disclose the names of parties involved in the transactions for the very reasons Suncor has noted.

|                                                                                   |                                                                                             |                                                                                                              |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
|  | <b>Ministry of Energy, Mines and Low Carbon Innovation</b><br><i>Issued: August 3, 2021</i> | Renewable and Low Carbon Fuel Requirements Regulation<br><br><b>Monthly Credit Market Report – July 2021</b> |
|                                                                                   |                                                                                             |                                                                                                              |

### Credit Transfer Activity

Under the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act*, Part 3 fuel suppliers may purchase validated credits in order to achieve compliance with the low carbon fuel requirements. For more information regarding credit transfers please consult *Information Bulletin RLCF-013 – Validation and Transfer of Credits* at [gov.bc.ca/lowcarbonfuels](http://gov.bc.ca/lowcarbonfuels).

The tables below provide a summary of the low carbon fuel credit market, excluding credit transfers reported with zero or near-zero price.

#### Current Month <sup>1</sup>

| Time Period | Transfers (number) | Total Volume (credits) | Average Price (\$ per credit) | Minimum Price (\$ per credit) | Maximum Price (\$ per credit) |
|-------------|--------------------|------------------------|-------------------------------|-------------------------------|-------------------------------|
| Jul 2021    | 6                  | 22,529                 | \$467.49                      | \$425.00                      | \$495.00                      |

<sup>1</sup> No transfers were reported with zero or near-zero price

#### Previous Three Months

| Time Period | Transfers (number) | Total Volume (credits) | Average Price (\$ per credit) | Minimum Price (\$ per credit) | Maximum Price (\$ per credit) |
|-------------|--------------------|------------------------|-------------------------------|-------------------------------|-------------------------------|
| Jun 2021    | 15                 | 39,810                 | \$425.50                      | \$345.00                      | \$493.50                      |
| May 2021    | 3                  | 3,900                  | \$375.00                      | \$345.00                      | \$430.00                      |
| Apr 2021    | 1                  | 1,000                  | \$425.00                      | \$425.00                      | \$425.00                      |

#### Historical Credit Transfers

| Time Period <sup>2</sup> | Transfers (number) | Total Volume (credits) | Average Price (\$ per credit) | Minimum Price (\$ per credit) | Maximum Price (\$ per credit) |
|--------------------------|--------------------|------------------------|-------------------------------|-------------------------------|-------------------------------|
| Q2 2021                  | 19                 | 44,710                 | \$421.09                      | \$345.00                      | \$493.50                      |
| Q1 2021                  | 30                 | 214,263                | \$410.73                      | \$85.00                       | \$457.00                      |
| Q4 2020                  | 13                 | 24,265                 | \$320.65                      | \$147.50                      | \$385.20                      |
| Q3 2020                  | 2                  | 6,762                  | \$337.50                      | \$335.00                      | \$340.00                      |
| CY 2020                  | 32                 | 102,890                | \$250.44                      | \$32.50                       | \$385.20                      |
| CY 2019                  | 35                 | 263,512                | \$269.33                      | \$32.93                       | \$324.08                      |
| CY 2018                  | 48                 | 435,221                | \$193.44                      | \$55.00                       | \$210.50                      |
| CY 2017                  | 31                 | 240,164                | \$164.30                      | \$60.00                       | \$185.00                      |
| CY 2016                  | 15                 | 198,705                | \$170.93                      | \$100.00                      | \$190.00                      |
| CY 2015                  | 2                  | 14,354                 | \$169.95                      | \$20.00                       | \$170.00                      |

<sup>2</sup> Q: quarter; CY: compliance year



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**THANK YOU**