



FOR IMMEDIATE RELEASE

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REALITY CHECK: BENEFITS OF BIODIESEL AND THE 2% RENEWABLE FUELS STANDARD

Ottawa: The 2% federal renewable fuels standard for biodiesel set to come into force on July 1, 2011 will create new jobs, clean the air, and benefit farmers and drivers alike. The Canadian Trucker's Alliance (CTA) is unfortunately misleading Canadians on this milestone achievement in diversifying our fuel supply.

Here are the facts on biodiesel in Canada:

The Biodiesel Mandate Benefits Canadians

After literally years of study and examination, the biodiesel RFS was the subject of a thorough Regulatory Impact Assessment Statement (RIAS) by the Government of Canada.

This analysis concluded that the RFS could and should proceed based on the overall benefits to Canadians. This analysis, it is important to note, included and considered arguments put forward by a wide variety of stakeholders – including the CTA.

<http://gazette.gc.ca/rp-pr/p1/2011/2011-02-26/html/reg3-eng.html>

The Biodiesel RFS Mandate Will Not Increase Costs for Consumers

The CTA argues that the RFS will create 'runaway costs' for consumers. Yet they offer no reason, rationale or evidence upon which to base this claim.

In fact, the federal government's RIAS concluded, *"...it is estimated that the average price increase for the biodiesel blend over the 25-year period would be about one third of a cent per litre, an amount likely to be unnoticeable in comparison with the usual day-to-day price fluctuations experienced in the diesel fuel."*

In addition, the CRFA commissioned independent experts in regulatory cost-benefit analysis to review the RIAS. These experts expect consumers to receive significant cost savings from biodiesel over the next 25 years. Among other key factors is the fact that over the 25 year period, the production costs of biodiesel are expected to be lower than diesel prices.

The Biodiesel RFS Mandate Represents a Net Public Benefit

The CTA suggests that the biodiesel RFS will generate a net cost to the public.

However, leading regulatory economists who have reviewed the RIAS assert that, with the correction of some flawed data and assumptions, the true cost-benefit calculation shows that there will be an overall benefit of \$1.66 billion over 25 years.

The Biodiesel RFS Brings Tangible Environmental Benefits

The biodiesel RFS generates significant environmental benefits in terms of lower greenhouse gas emissions (GHGs) and improved air quality. Third-party studies have shown that biodiesel lowers GHGs by 90 to 99 % as compared to petroleum diesel, depending on the feedstock used.

In fact, the RIAS concludes, *“Over a 25-year period, the proposed Amendments would result in a cumulative reduction of 23.6 megatonnes (Mt) of carbon dioxide equivalent (CO₂e) in GHG emissions (or an average incremental reduction of about 1 Mt CO₂e per year).*

The RIAS estimates the value of this benefit to Canadians to generate between \$495 and \$870 million – a significant return to the public.

Biodiesel Has Been Proven To Work Well in All Engines

The CTA repeats the old and often-disproved suggestion that biodiesel is hard on some brands of motor vehicle engines. This has been shown to be untrue.

The Manitoba Hydro Long Term Storage and Use of Biodiesel in Fleets National Renewable Diesel Demonstration Initiative (NRDDI) made the following statement:

“The data actually shows better fuel system maintenance performance at the biodiesel site than the other sites”.

http://www.hydro.mb.ca/environment/emerging_energy/bioenergy_biodiesel.shtml

The Alberta Renewable Diesel Demonstration (ARDD) made the following statement:

“None of the fleets reported any need to change their maintenance schedules or to make any unscheduled fuel filter changes. The ARDD did not encounter any loss of service events.”

<http://climatechangecentral.com/projects/transportation/archived/alberta-renewable-diesel-demonstration>

The “Biodiesel Integration Strategy Pilot (BISP) Report on Operability of Fleet vehicles using a Biodiesel Blend in a Canadian Winter (December 14, 2008 – March 14, 2009)” made the following statements:

1. “There were no engine performance or maintenance issues related to the use of biodiesel blends during the study period.
2. Based on the above analysis the JK Trucking fleet integrating B10 caused no mechanical or performance related concerns.
3. The JK Trucking fleet operated from December 14, 2008 to March 14, 2009 and experienced no change in operation while employing a B10 blend.”

<http://www.biofleet.net/resources>

Founded in 1984, the Canadian Renewable Fuels Association (CRFA) is a non-profit organization with a mission to promote the use of renewable fuels for transportation through consumer awareness and government liaison activities.

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