

August 6, 2014

House of Commons Standing Committee on Finance

Re: Pre-Budget Consultation, 2015 Federal Budget

Executive Summary

BIOX is a renewable energy company that has owned and operated a 67 million litre per year continuous flow biodiesel production facility in Hamilton, Ontario since 2007. BIOX has an innovative, proprietary and patented production process that is capable of producing the highest quality, renewable, clean burning and biodegradable biodiesel fuel utilizing a variety of feedstocks - from pure seed oils to animal fats to recovered vegetable oils with no change to the production process. BIOX's high quality biodiesel fuel meets North American (ASTM D-6751) quality standards.

In 2012, BIOX and Shell Canada partnered to build Canada's first project to link BIOX's biodiesel plant directly to Shell's Distribution Terminal in Hamilton, Ontario by pipeline, distributing petroleum distillate/biodiesel blends from all of its loading racks. The project was completed in August 2013 and is now in its second year of operation.

In our opinion, Canada's energy future should not be overly dependent on a single fuel source. Successfully diversifying our fuel mix with clean-burning, renewable fuels is essential if we are to meet our ongoing energy needs, protect our environment, and ensure Canada's economic prosperity long into the future.

BIOX's renewable diesel has been proven to reduce harmful greenhouse gases (GHGs) by up to 117% compared to fossil fuels and make meaningful reductions to hydrocarbon emissions and aromatic compounds - which are known carcinogens, as well as emissions of smog-forming particulates and carbon monoxide. The more biofuels we use in our fuel pool, the greater the environmental and health benefits will be. With the Committee's priorities in mind, BIOX submits the following recommendation to help increase the competitiveness of Canadian businesses through research, development, innovation and commercialization. Namely, bolstering Canada's bioeconomy and providing support for environmentally and economically sustainable activities such as the blending of biodiesel into the distillate supply, and creating valuable agricultural and fuel products.

Key Recommendation

- *Continued support for biofuels by gradually increasing the inclusion rate for biodiesel from 2% to 5% by 2020*

A limited federal mandate for 2% for bio-based diesel content exists today. This, however, should be increased gradually to 5% and beyond. BIOX is a voting member of the CGSB distillate fuel technical committee (responsible for setting diesel fuel standards in Canada) and is well aware of the technical implications of increasing biodiesel blend rates. BIOX believes that increasing the mandate well above 2% is entirely feasible for most parts of Canada. Existing and upcoming provincial mandates already recognize this opportunity.

There are no technical barriers to expanding inclusion requirements for renewable diesel from 2% to 5%, and doing so will encourage greater investment in Canada. At the same time, expanding renewable diesel use into other sectors such as marine, rail, mining, power engines, and oil sands expansion would make significant emissions reductions from otherwise extremely carbon intensive industries.

Implementation of this recommendation would provide support for Canadian agriculture, the entire food supply chain, and create proven environmental benefits for all Canadians.

BIOX welcomes the opportunity to discuss these recommendations further and provide supporting information to the House of Commons Standing Committee on Finance

Yours truly,



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