
First Session, Forty-third Parliament
3 Charles III, 2025
Legislative Assembly of British Columbia

BILL M 201

**LOW CARBON FUELS
AMENDMENT ACT, 2025**

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Explanatory Notes

CLAUSE 1: ***[Low Carbon Fuels Act, section 13]***

- requires the reduction of the amount of compliance units issued in relation to eligible renewable fuel imported into British Columbia that has been the subject of financial incentives in a jurisdiction outside of British Columbia;
- authorizes the director to issue compliance units in an unreduced amount in certain circumstances;
- defines the term “financial incentives” for the purposes of subsection (6) and sections 28 (6) and 30 (p).

CLAUSE 2: ***[Low Carbon Fuels Act, section 28]*** requires compliance reports to include information on the type and amount of all financial incentives received in a jurisdiction outside of British Columbia in respect of eligible renewable fuel that has been imported into British Columbia.

BILL M 201 – 2025

LOW CARBON FUELS AMENDMENT ACT, 2025

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

1 *Section 13 of the Low Carbon Fuels Act, S.B.C. 2022, c. 21, is amended by adding the following subsections:*

- (6) If the fuel is eligible renewable fuel imported into British Columbia, the compliance units to be issued under subsection (2) must be reduced by an amount equivalent to the total value of all financial incentives received by the person, or an affiliate of the person, in relation to the fuel from a government, municipality or other public body, or prescribed entity, in a jurisdiction outside of British Columbia.
- (7) Despite subsection (6), if the fuel is eligible renewable fuel that is not available in British Columbia to meet demand, the director may in the director's discretion issue compliance units under subsection (2) in an unreduced amount.
- (8) For the purposes of subsection (6) and sections 28 (6) and 30 (p), “**financial incentives**” means
 - (a) a production credit,
 - (b) a tax exemption, deduction, refund or credit, or
 - (c) a grant, subsidy or other form of assistance.

2 *Section 28 (5) is repealed and the following substituted:*

- (5) Subject to subsection (6), a report under this section must
 - (a) be prepared in accordance with, and contain the information required by, the regulations of the minister, and
 - (b) if required by the regulations of the minister, be verified in accordance with those regulations.
- (6) A report under this section must contain a listing of the type and amount of all financial incentives received in respect of the fuel if
 - (a) the fuel is eligible renewable fuel that has been imported into British Columbia, and
 - (b) the person, or an affiliate of the person, has received financial incentives from a government, municipality or other public body, or prescribed entity, in a jurisdiction outside of British Columbia in respect of the fuel.

CLAUSE 3: *[Low Carbon Fuels Act, section 30]* requires the director to set out in a notice of assessment the amount by which the compliance units to be issued under section 13 (2) are to be reduced.

3 *Section 30 (1) is amended by adding the following paragraph:*

- (p) the amount equivalent to the total value of all financial incentives received by the person, or an affiliate of the person, in relation to eligible renewable fuel from a government, municipality or other public body, or prescribed entity, in a jurisdiction outside of British Columbia by which the compliance units to be issued under section 13 (2) are to be reduced.

Commencement

- 4 This Act comes into force on the date of Royal Assent.**