



PRIME MINISTER • PREMIER MINISTRE

JUL 14 2021

Dear Premier:

Thank you for your letter of April 13, 2021, on behalf of the Council of Atlantic Premiers, regarding the Clean Fuel Standard.

The Government of Canada recognizes the significant efforts Atlantic governments are making to address climate change. I commend the ambitious climate change targets of Prince Edward Island and Newfoundland and Labrador, Nova Scotia's investments in new Green Fund programs and Infrastructure projects, as well as your government's investments in Small Modular Reactors. All of this is in addition to our collective efforts in advancing the Atlantic Loop. The federal government will continue working with provincial governments to achieve shared goals.

While Atlantic Canada is steadily reducing its reliance on home heating oil by replacing these systems with heat pumps, with funding support from federal programs, I recognize that the Clean Fuel Standard will still have impacts on the region. The Government of Canada is committed to continuing to work with partners and stakeholders on this regulation, as highlighted through the detailed consultations and adjustments that have been made to the draft regulation as it has advanced. I understand that you have had conversations with Ministers Wilkinson and O'Regan on this issue. As they have emphasized, we take this matter seriously and are looking at ways to work with New Brunswick and the other Atlantic

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Provinces to mitigate these impacts by leveraging some of the programs and investments outlined in the Government's strengthened climate plan, together with existing and possible new provincial initiatives. The Government of Canada will continue to engage in discussions with Atlantic Provinces on a number of fronts related to climate change and the strengthened climate plan.

Funding through Budget 2021 will help ensure the Clean Fuel Standard is implemented in a way that creates new economic opportunities for Canada's biofuel producers, including farmers and foresters, who are part of the diverse supply chain for low-carbon fuels. In particular, the Government of Canada is working to establish a \$1.5 billion Clean Fuels Fund to support the production and distribution of low-carbon and zero-emission fuels across Canada and is providing \$8 billion to the Net Zero Accelerator to support projects that will help reduce domestic greenhouse gas emissions. Budget 2021 also proposes to provide \$4.4 billion to the Canada Mortgage and Housing Corporation to help homeowners complete deep home retrofits through interest-free loans worth up to \$40,000. This funding builds on previously announced measures via the Canada Infrastructure Bank and the Investing in Canada Infrastructure Program's Green Infrastructure Stream to support Canadian businesses as we work to meet our shared climate objectives.

I encourage you and your Atlantic colleagues to continue to work with Minister Wilkinson and Minister O'Regan in discussing the path forward for the Clean Fuel Standard, considering opportunities to support a green economic recovery, and making collective progress on the Atlantic Loop. This collaboration is key as we continue to navigate the challenges of the COVID-19 pandemic.

I am forwarding, for their information, a copy of our exchange of correspondence to Iain Rankin, Premier of Nova Scotia; Dennis King, Premier of Prince Edward Island; Andrew Furey, Premier of Newfoundland and Labrador; Dominic LeBlanc, President of the Queen's Privy Council and Minister of Intergovernmental Affairs; Jonathan Wilkinson, Minister of Environment and Climate Change; and Seamus O'Regan, Minister of Natural Resources.

Sincerely,

