

**NEWFOUNDLAND AND LABRADOR  
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

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**INFORMATION BULLETIN**

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**June 29, 2023**

**Re: July 1, 2023 Carbon Tax Change Implications for Newfoundland and Labrador**

The Board is providing some additional information to clarify the implications of carbon tax changes for the province. The Board notes that the current carbon tax amounts, as outlined in the provincial **Revenue Administration Act**, which apply for motor fuels are being repealed and essentially replaced with the Federal Fuel Charge rates under Schedule 2, Table 5 of the federal **Greenhouse Gas Pollution Pricing Act**. As heating fuels are not currently subject to current carbon taxes, the pricing implications for heating fuels are much more significant than for gasoline and diesel motor fuels. The table below provides a comparison for the province of Newfoundland and Labrador of the current carbon tax rates, the Federal Fuel Charge rates to be applicable to petroleum products effective July 1, 2023, and the net change.

<b>Carbon Tax Change Implications for Newfoundland and Labrador Effective July 1, 2023</b>			
<b>Type of Regulated Product</b>	<b>Current Carbon Tax <i>Effective May 1, 2022; repealed effective June 30, 2023</i> (cents per litre)</b>	<b>Federal Fuel Charge Rate <i>Effective from July 1, 2023 to March 31, 2024</i> (cents per litre)</b>	<b>Net Change (excluding HST) (cents per litre)</b>
<b>Gasoline Motor Fuel (All Grades)</b>	11.05	14.31	3.26
<b>Diesel Motor Fuel</b>	13.41	17.38	3.97
<b>Furnace Oil Heating Fuel</b>	N/A	17.38	17.38
<b>Stove Oil Heating Fuel</b>	N/A	17.38	17.38
<b>Propane Heating Fuel</b>	N/A	10.06	10.06

The Board-established maximum prices for all heating fuels are published exclusive of all taxation and HST is applied at the point of sale by heating fuel companies. The Federal Fuel Charge rate for heating fuels will be treated the same. As a result, effective July 1, 2023 the maximum prices for heating fuels will continue to be exclusive of applicable taxes and the Federal Fuel Charge rate and HST will be applied at the point of sale by heating fuel companies.

For clarity the Board is currently reviewing the impact on the cost of supply for motor fuels in the province associated with the Clean Fuel Regulations which also come into effect on July 1, 2023. Recent provincial regulatory changes to the **Petroleum Products Act Regulations** require that the Board establish a carbon price adjustment to mitigate the costs incurred for wholesalers and retailers as a result of a primary supplier's requirement to comply with the Clean Fuel Regulations. The Board expects that there may be changes to maximum prices for motor fuels with the next regularly scheduled adjustment on July 6 to address these changes. As the Clean Fuel Regulations do not apply to heating fuels there would be no changes for maximum prices for heating fuels.

More information about petroleum products pricing can be found on the Board's website [here](#) or by contacting the Board by email, [ito@pub.nl.ca](mailto:ito@pub.nl.ca) or telephone, 1-866-782-0006.