Gasoline Report

a weekly summary

Ontario

FOR THE WEEK ENDING MARCH 5, 2018

- **Lower crude oil and domestic wholesale prices helped push down the Ontario retail price of regular unleaded gasoline by 1.1 cents, to 122.1 cents a litre.** Prices fell by 2.2 cents in London, 2.0 cents in North Bay, 1.8 cents in Ottawa, 1.7 cents in Toronto, and 0.1 cents in Sault Ste. Marie (to a four-month low). Prices rose by 6.7 cents in Windsor and 1.4 cents in Sudbury. Windsor had the lowest average price for the third straight week. The Ontario average retail diesel price increased by 0.5 cents from a two-month low to 123.3 cents. **The Canadian average retail regular unleaded gasoline price was unchanged at 124.3 cents.** Prices rose by 4.7 cents in Calgary (from a two-month low), 4.2 cents in Edmonton (from a two-month low), 4.0 cents in Charlottetown and Saint John, 3.7 cents in St. John's (from a two-month low), 2.5 cents in Halifax, and 0.5 cents in Montreal and Regina. Prices fell by 3.2 cents in Winnipeg, 2.4 cents in Toronto, 2.2 cents in Quebec City (from a six-month high), and 0.4 cents in Vancouver (from a 44-month high). The Canadian average retail diesel price increased by 0.3 cents to 124.8 cents.

- **Canada's 15 refineries produced 109 billion litres of road, jet, rail and marine fuels, heating oil, lubricants and petrochemicals in 2016, according to a Canadian Fuels Association (CFA) analysis of Statistics Canada data.** Canadian refined product demand in 2016 averaged 1.815 million barrels a day, while refining capacity was 1.884 million b/d. Canada, especially Quebec and Atlantic Canada, is a net product exporter with product exports of 25.1 billion litres exceeding product imports of 14.1 billion litres. The refining industry contributed $5.4 billion to Canadian gross domestic product in 2016 and made investment of $1.7 billion. It employed more than 117,000 people in retail (>82,000), distribution (>15,000) and refining (>19,000). The refining industry has reduced its CO_2 emissions by 15% since 1990 and its energy consumption by 22% since 2008, at a time when fuel quality standards have become increasingly stringent. CFA members have invested over $11 billion since 2000 to improve the environmental performance of their refineries and fuels, with $5 billion alone going to sharply reduce the sulphur content of gasoline and diesel (Canada's Refining Industry 2017 Sector Performance Report, http://www.canadianfuels.ca/website/media/PDF/Industry%20Reports%20and%20Presentations/Sector-Performance-Report-2017EN_Final.pdf).

- **Gas-to-liquids (GTL), coal-to-liquids (CTL) and biomass-to-liquids (BTL), collectively known as XTL fuels, are being driven in some cases by the desire to monetize stranded natural gas or coal reserves, while in others they are being driven by the demand for clean diesel and constrained clean diesel production capacity in key markets, according to Stratas Advisors.** To facilitate development, oil prices have to be rising or at least levelling out above historic ranges. Demand for low-sulphur and high-cetane diesel fuel is growing, while world crude oil feedstocks are becoming more sulphurous. Other drivers for GTL are the demand to reduce or eliminate natural gas flaring, optimize economics through integration with other gas development projects, and new technologies enabling the supply of high volumes of cheap shale gas to the market. BTL and WTL (waste-to-liquids) are disadvantaged relative to other processes by their complex feedstock and synthesis gas cleanup steps required for biomass processing. BTL requires low-cost biomass resources and end-product incentives, while WTL requires high garbage tipping fees, high electricity prices (processes like Fischer-Tropsch synthesis produce a lot of thermal energy), and incentives for renewable fuel production, says Stratas.

- **Quebec-based AddÉnergie plans to increase its electric vehicle (EV) charging network, Canada's largest, from 4,000 stations including 150 fast chargers, to 6,300 public and semi-public stations including 300 fast chargers by early 2019.** The increase is necessary to support the growth in sales of longer-range EVs. New cars will have double the level of autonomy they currently have, the firm will be doubling and tripling its fast-charging network, and there will be more intercity travel by long-range EVs. AddÉnergie installed 3,000 home chargers last year and plans to have 12,000 units in place by early 2019. The firm said that about 11,000 EVs were sold in Canada in 2016 and it expected this to increase to about 20,000 in 2017 (the actual number was 18,564, according to cleantech firm FleetCarma). Navigant Research says that annual sales of EV chargers in Canada will grow from about 10,000 this year to 80,000 in 2026. Canadian EV sales will grow by 29% annually to about 140,000 in 2026 (Canadian Press, *Waterloo Region Record*, *Toronto Sun*, JWN).

Retail Prices

Regular Unleaded Gasoline
(Canadian Cents/Litre)

Ontario	**Feb 26**	**Mar 5**	**+/-**
Ottawa	122.8	121.0	-1.8
Toronto West	124.9	123.3	-1.6
Toronto East	124.2	122.4	-1.8
Windsor	108.2	114.9	6.7
London	124.8	122.6	-2.2
Sudbury	120.3	121.7	1.4
Sault Ste. Marie	123.9	123.8	-0.1
Thunder Bay	122.5	122.5	0.0
North Bay	120.5	118.5	-2.0
Timmins	129.0	129.0	0.0
Ontario Average	*123.2*	*122.1*	*-1.1*

Canada	**Feb 27**	**Mar 6**	**+/-**
St. John's, Nfld	116.9	120.6	3.7
Charlottetown	112.8	116.8	4.0
Halifax	111.2	113.7	2.5
Saint John, N.B.	109.9	113.9	4.0
Quebec City	124.9	122.7	-2.2
Montreal	130.3	130.8	0.5
Toronto	125.5	123.1	-2.4
Winnipeg	105.6	102.4	-3.2
Regina	103.5	104.0	0.5
Edmonton	99.2	103.4	4.2
Calgary	106.4	111.1	4.7
Vancouver	148.7	148.3	-0.4
Canada Average	*124.3*	*124.3*	*0.0*

Source: Ministry of Energy; Kent Group Ltd.

Rack & Spot Prices

Regular Unleaded Gasoline
(Canadian Cents/Litre, Ex-Tax)

Date	**Toronto Rack**	**New York Spot Barge**	**Differ-ential**	**Exchange (U.S.¢)**
Feb 23	73.40	60.05	13.35	78.94
Mar 2	72.30	59.76	12.54	77.57

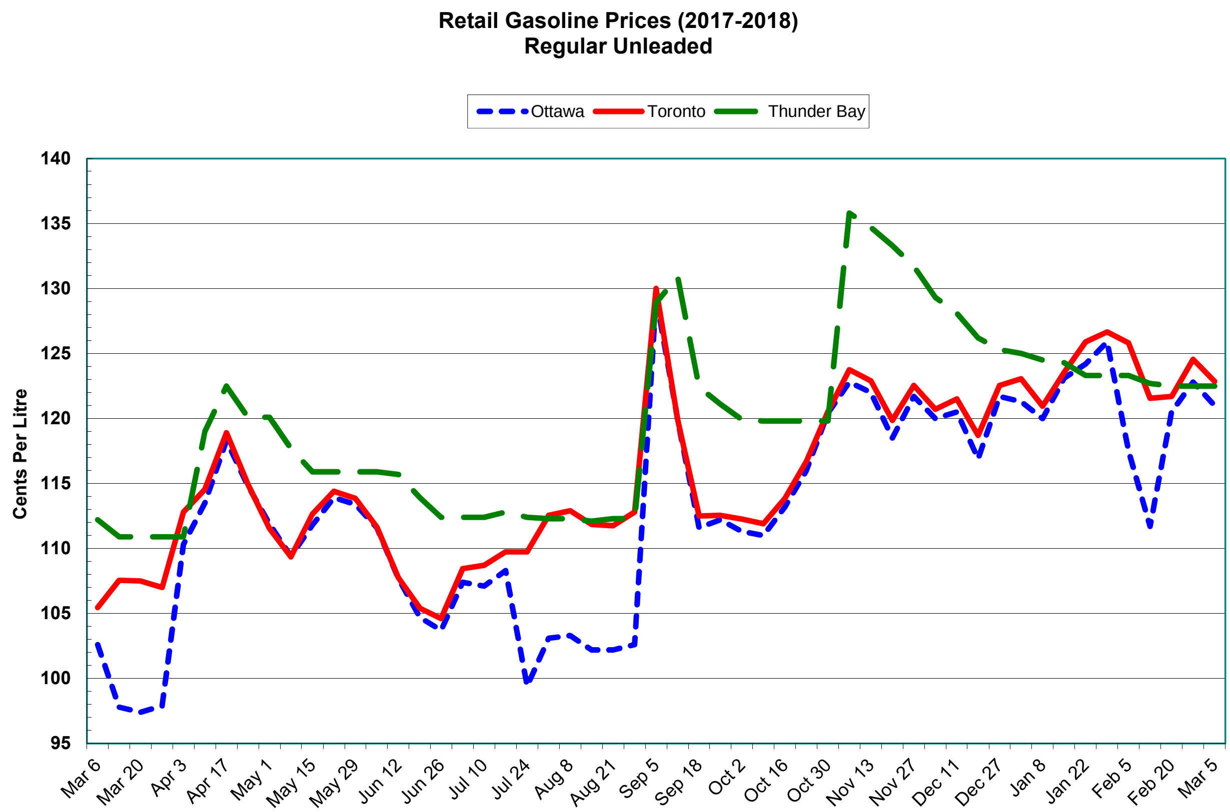
Source: Bloomberg Oil Buyer's Guide; Oil Price Information Service; Bank of Canada

Futures Prices

Petroleum Futures Prices

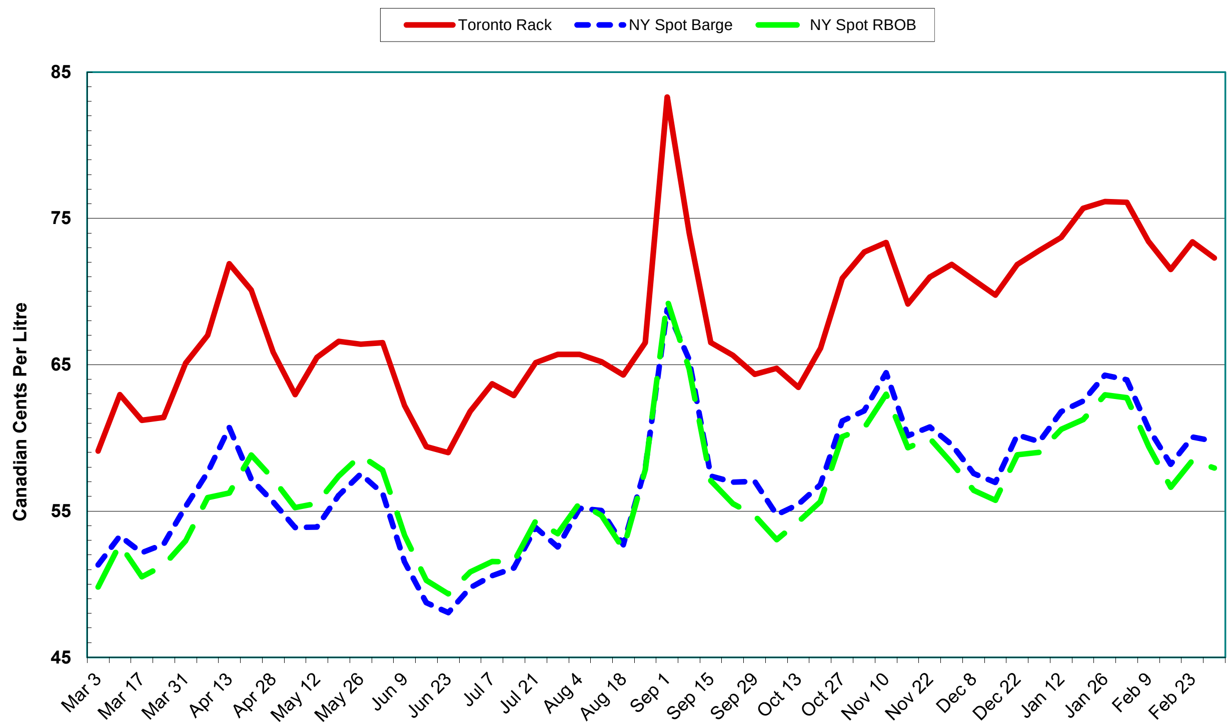
Date	**WTI Crude (NY) (US$/bbl)**	**Reg.Unleaded RBOB (NY) (US¢/USgal)**	**Crack Spread (US$/bbl)**
Feb 23	63.55	180.85	12.41
Mar 2	61.25	190.14	18.61

Source: CME Group (NYMEX)



Retail Gasoline Prices (2017-2018)
Regular Unleaded
Ottawa
Toronto
Thunder Bay
Cents Per Litre
140
135
130
125
120
115
110
105
100
95
Mar 6
Mar 20
Apr 3
Apr 17
May 1
May 15
May 29
Jun 12
Jun 26
Jul 10
Jul 24
Aug 8
Aug 21
Sep 5
Sep 18
Oct 2
Oct 16
Oct 30
Nov 13
Nov 27
Dec 11
Dec 27
Jan 8
Jan 22
Feb 5
Feb 20
Mar 5

Toronto Rack/NY Spot Barge/NY Spot RBOB (2017-2018)
Regular Unleaded



Petroleum Futures Prices (2017-2018)