Gasoline Report

a weekly summary

Ontario

FOR THE WEEK ENDING APRIL 23, 2018

- **The Ontario retail price of regular unleaded gasoline increased by 0.6 cents to 134.7 cents a litre, the highest since July 2014.** Prices rose by 6.6 cents in Sault Ste. Marie (to a 43-month high), 3.4 cents in Thunder Bay (to a 43-month high), 1.1 cents in London (to a 45-month high), and less than a cent in Sudbury (to a 43-month high), Toronto (to a 46-month high), and Windsor (to a 44-month high), Prices fell by 4.1 cents in North Bay (from a 43-month high) and 0.6 cents in Ottawa (from a 45-month high. The average Northern Ontario price was lower than the Southern price for the second straight week. The Ontario average retail diesel price increased by 0.2 cents to 123.7 cents. **The Canadian average retail regular unleaded gasoline price increased by 3.1 cents to 138.2 cents, the highest since July 2014.** Prices rose by 8.8 cents in Montreal (to a 46-month high), 8.4 cents in Regina (to a 43-month high), 3.0 cents in Vancouver (to a record high), 2.9 cents in Saint John (to a 42-month high), 2.0 cents in St. John's (to a seven-month high) and Winnipeg (to a 44-month high), 1.6 cents in Halifax, 1.4 cents in Toronto (to a 46-month high), and 0.5 cents in Calgary (to a 59-month high). Prices fell by 1.6 cents in Quebec City (from a 43-month high) and 0.1 cents in Edmonton (from a 46-month high). The Canadian average retail diesel price increased by 0.5 cents to 126.6 cents.

- **U.S. gasoline consumption grew by only 0.04% from 142.4 billion gallons in 2007, the year that the Renewable Fuel Standard was expanded (RFS2), to 143 billion gallons in 2017, but ethanol consumption soared by 109% from 6.9 billion gallons to 14.4 billion gallons, says the Renewable Fuels Association (RFA).** This boosted the ethanol content of finished gasoline from 4.8% to 10.1%. The number of retail stations selling E85 (gasoline containing up to 85% ethanol) and other flex fuels increased from 1,208 in 2007 to 4,077 in 2017, and the number of flex-fuel vehicles on the road jumped from 6.7 million to 24.5 million. There were no E15 retail stations in 2007 but by 2017 there were 1,215, spread over 29 states. E15 is approved by the U.S. Environmental Protection Agency for use in vehicles manufactured after the 2000 model year, which account for 91% of the vehicles on the road in the U.S. Although vehicles miles travelled in the U.S. grew by 7% from 2007 to 2017, GHG emissions from transportation declined by 7%. GHG emissions avoided by the use of ethanol nearly quadrupled from 2007 to 2017, and GHG emissions per mile travelled dropped by 13%. Corn is the major feedstock for ethanol manufacture in the U.S. Production of corn in the U.S. grew by 12% from 2007 to 2017 while corn acres planted fell by 3%, boosting average corn yields by 16%. Nitrogen, phosphate and potash fertilizer use per bushel of corn fell by 8%, 13% and 15%, respectively, from 2007 to 2017, and 2017 corn prices were 24% lower than in 2007, says RFA.

- **Removing world fossil fuel subsidies, worth hundreds of billions of dollars annually, would slow growth in CO_2 emissions by only 1-5% by 2030, regardless of whether oil prices are high or low, says the International Institute for Applied Systems Analysis.** The net effect would be a fall in CO_2 emissions of 0.5-2.0 billion tonnes annually, which is less than the Paris commitments of 4-8 billion tonnes – and, even these would not keep global warming from exceeding 2^oC. There are two main reasons why removing subsidies would have only a small impact on emissions. First, these subsidies generally apply only to oil, natural gas and electricity; in some cases, their removal would also cause a shift to more carbon-intensive coal. Second, subsidy rates per unit of energy are not high enough to make a significant impact on world energy demand. Removing subsidies would not increase renewable fuel use significantly, because it is generally cheaper to reduce energy demand than to replace subsidized fuels with renewables. The largest impact of removing subsidies would occur in oil and gas-exporting regions such as Russia, Latin America, Middle East and Africa, where the emissions impact would equal or exceed their climate pledges, said the study (*Nature*, http://www.nature.com/articles/nature25467, Green Car Congress).

- **A new Shanghai fuel cell electric truck operator plans to deploy 500 fuel cell trucks this year, the world's largest such deployment, says Ballard Power Systems of Burnaby, British Columbia.** Ballard supplied its FCvelocity-9SSL proton exchange membrane fuel cell stacks. The trucks will be used mostly for intra-city deliveries. Vehicle integrator Shanghai Reinventing Fire Technology says China represents an attractive market opportunity for fuel cell electric trucks, especially where user requirements favour long range, heavy payloads, and fast refuelling. Shanghai, the city, plans to produce 3,000 fuel cell electric vehicles annually by 2020. There are currently two hydrogen stations in Shanghai, with two more planned for the first half of 2018; the goal for 2020 is 5-10 hydrogen stations (Green Car Congress).

Retail Prices

Regular Unleaded Gasoline
(Canadian Cents/Litre)

Ontario	**Apr 16**	**Apr 23**	**+/-**
Ottawa	134.1	133.5	-0.6
Toronto West	135.0	136.0	1.0
Toronto East	134.8	135.4	0.6
Windsor	129.0	129.1	0.1
London	132.6	133.7	1.1
Sudbury	132.7	133.6	0.9
Sault Ste. Marie	127.8	134.4	6.6
Thunder Bay	135.1	138.5	3.4
North Bay	130.7	126.6	-4.1
Timmins	137.2	137.2	0.0
Ontario Average	*134.1*	*134.7*	*0.6*

Canada	**Apr 17**	**Apr 24**	**+/-**
St. John's, Nfld	129.6	131.6	2.0
Charlottetown	125.4	125.4	0.0
Halifax	123.4	125.0	1.6
Saint John, N.B.	121.0	123.9	2.9
Quebec City	136.3	134.7	-1.6
Montreal	136.1	144.9	8.8
Toronto	135.1	136.5	1.4
Winnipeg	123.9	125.9	2.0
Regina	112.5	120.9	8.4
Edmonton	125.5	125.4	-0.1
Calgary	128.7	129.2	0.5
Vancouver	154.5	157.5	3.0
Canada Average	*135.1*	*138.2*	*3.1*

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.¢)**
Apr 13	83.50	66.81	16.69	79.38
Apr 20	83.75	69.08	14.67	78.57

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

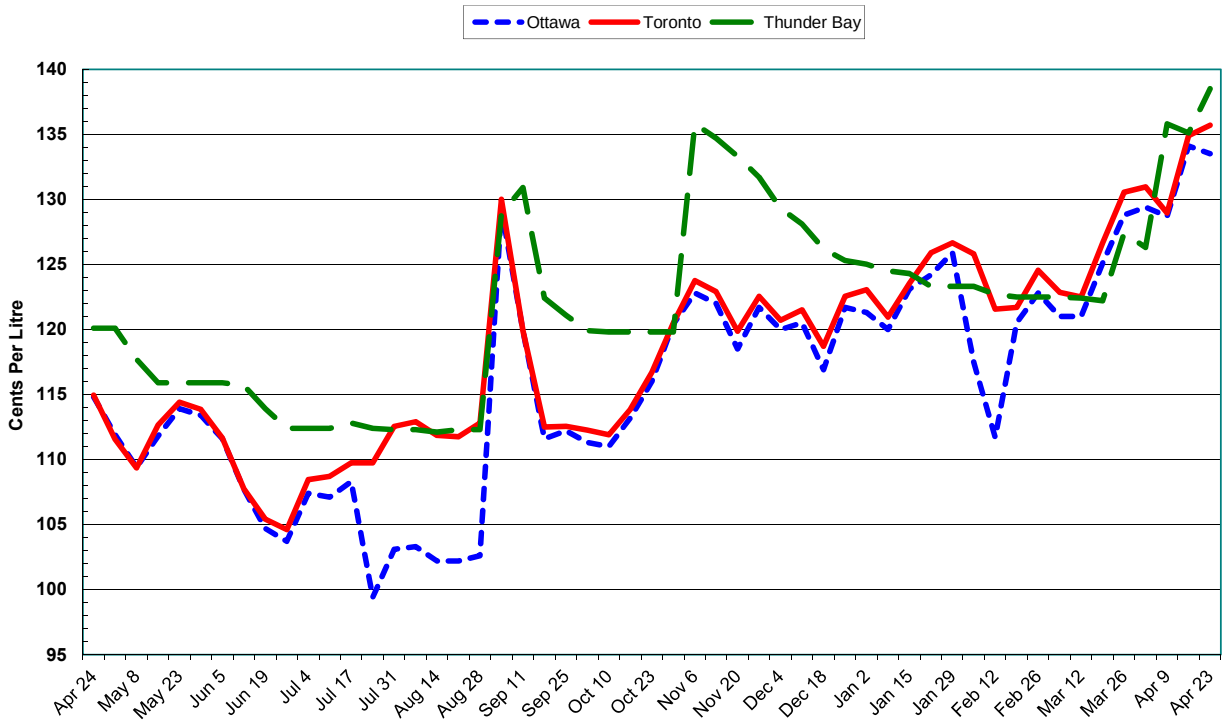
Futures Prices

Petroleum Futures Prices

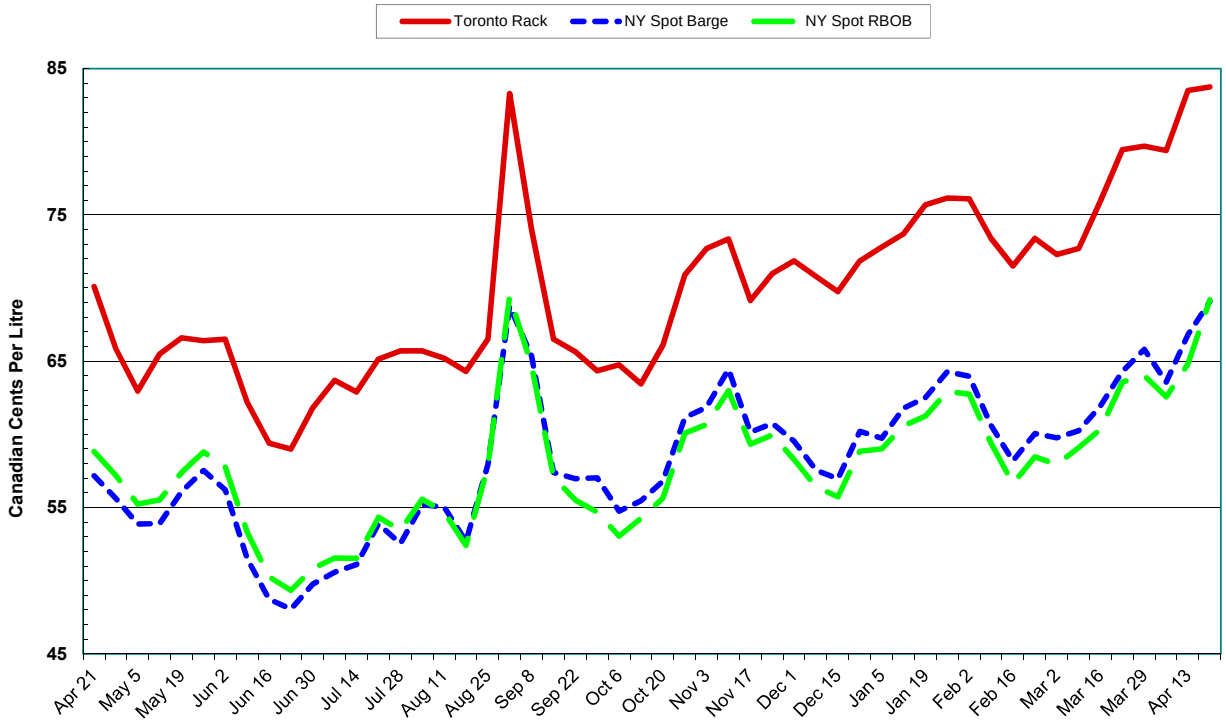
Date	**WTI Crude (NY) (US$/bbl)**	**Reg.Unleaded RBOB (NY) (US¢/USgal)**	**Crack Spread (US$/bbl)**
Apr 13	67.39	206.54	19.36
Apr 20	68.38	209.59	19.65

Source: CME Group (NYMEX)

Retail Gasoline Prices (2017-2018)
Regular Unleaded



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



Petroleum Futures Prices (2017-2018)