



Press release

Application of New Fuel Charges (Carbon Tax) and Clean Fuel Costs to Gasoline and Diesel Oil Prices

On July 1, 2023, the following federally mandated changes will come into effect in Nova Scotia:

- Fuel charges made under the Greenhouse Gas Pollution Pricing Act (Canada) and
- Clean Fuel Regulations made under the Canadian Environmental Protection Act (Canada).

The Greenhouse Gas Pollution Pricing Act (Canada) creates a surcharge for carbon emissions. This is sometimes referred to as a “carbon tax”. The rate for the charge is set by the federal government and will be adjusted annually. The charge will be added to the price of both gasoline and diesel oil. The amount to be added on July 1, 2023, as a fuel charge is 14.31 cents per litre for gasoline and 17.38 cents per litre for diesel oil.

The Clean Fuel Regulations (Canada) require suppliers to reduce the carbon intensity of gasoline and diesel oil. There are different ways that can be done, however, there is a cost of taking action. That cost will be applied at the wholesaler level in Nova Scotia for regulated gasoline and diesel oil beginning on July 7, 2023 – which is the first regular price setting after the regulations apply. At that time 3.74 cents per litre for gasoline and 4.17 cents per litre for diesel oil will be added. The rates for clean fuel charges – referred to as the “clean fuel adjustor” -- were set based on evidence provided at a recent public hearing on wholesale margins (see matter M10853).

The Board will issue the usual weekly price schedule for gasoline and diesel oil to be effective at midnight on Thursday night. This week there will also be a new price schedule to be effective at midnight on Friday night. This second schedule will include only the new fuel charges (carbon tax). The clean fuels adjustor will not be added until the next regular weekly pricing.

Background information:

- Fuel charge act: [Greenhouse Gas Pollution Pricing Act \(Canada\) \(justice.gc.ca\)](https://www.justice.gc.ca/eng/1525/1525.html) and [How carbon pricing works - Canada.ca](https://www.justice.gc.ca/eng/1525/1525.html)
- Clean Fuel Regulations: [Clean Fuel Regulations \(Canada\) \(justice.gc.ca\)](https://www.justice.gc.ca/eng/1525/1525.html) and [Clean Fuel Regulations - Canada.ca](https://www.justice.gc.ca/eng/1525/1525.html)

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