



Alberta Roadbuilders &
Heavy Construction Association

NOTICE OF ADDENDUM

Date: May 4, 2026

To: Municipal Road Infrastructure Owners
Private Sector Infrastructure Owners
Public and Private Agencies Referencing the ARHCA Equipment Rental Rates Guide

From: Ron Glen, CEO, Alberta Roadbuilders and Heavy Construction Association (ARHCA)

Re: Fuel Cost Recovery Surcharge – Addendum to 2026 Rate Guide

In 2022 the Russian invasion of Ukraine launched in February of that year caused oil markets to spike and raised fuel prices worldwide. Fuel costs exceeded contractors' ability to absorb these costs. Like other industries such as transportation, a portion of these excess costs had to be passed along to consumers.

Once again, foreign wars are having an impact on North American prices for fuel. The ARHCA Rental Rates Guide, published every year, is a trusted source of information for both infrastructure owners and contractors as to reasonable per-hour base prices (inclusive of a contractor's cost of ownership and operating costs) for thousands of models and makes of heavy equipment used in road construction, maintenance, underground works, and other industries such as forestry.

This year, the elimination of the Carbon Tax on diesel was considered in setting the 2026 rates in the published book. However, the war on Iran that began on February 28, 2026, has created dramatic volatility in daily energy prices. Our review of current analyst estimations finds consensus that WTI oil prices will spike and average \$90 per barrel through the summer and then begin to fall in the last quarter. These estimates are predicated on a conclusion of hostilities and the reopening of the Strait of Hormuz to oil exports.

The ARHCA is issuing an addendum to the 2026 Rental Rates Guide to include a Fuel Cost Recovery Surcharge, using the approach developed in 2022, that balances reasonable application with simplicity of administration by correlating fuel consumption with average net horsepower.

Surcharge Calculation Methodology

The benchmark price for diesel consisting of the posted rack rate plus applicable taxes, less the off-road rebate used in the 2026 Rate Guide was \$1.32/litre and reflects the elimination of the Carbon Tax. The surcharge rates are based on a fuel cost of \$1.82/litre. As seen in the attached table, for equipment with engines of less than 150 net horsepower, the surcharge is \$7.75 per hour. The surcharge rate increases in step increments of 150 hp up to the largest machines which have over 1100 hp. Equipment engine power is easily confirmed by manufacturers and third-party sources found online. The category surcharge is added to the specific equipment rental rate for the specific manufacturer and model listed in the Rate Guide.

Subject to Change

This notice is provided to establish some certainty for owners and contractors as we start the construction and wildfire season. ARHCA will continue to monitor the situation and, if necessary, provide further guidance in case prices rise or drop significantly to a sustainable level.

Contractors recognize that all organizations are facing cost pressures and appreciate the cooperation and sharing in risk of all partners to deliver projects as best we can.

Thank you,



Ron Glen, CEO

ARHCA

CC: ARHCA Board of Directors



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Cost-Recovery Fuel Surcharge 2026

ARHCA is issuing this addendum to the 2026 Rental Rate Guide for a fuel surcharge to be added to the hourly rates as per the table below. To establish a new rate for a piece of equipment, please use the existing rental rate as published in the 2026 Rental Rates Guide and add the surcharge based upon the NET horsepower of the equipment being used. The net horsepower is available on the sites below using the manufacturer and the model number of the unit:

Constructionequipmentguide.com

Ritchiespecs.com

Lectura-specs.com

Fuel Cost Recovery Surcharge for 2026 - Effective May 4, 2026 *Includes applicable taxes

Net Horsepower Rating

0-150 HP	\$7.75
151-300 HP	\$16.75
301-450 HP	\$25.50
451-600 HP	\$32.75
601-750 HP	\$44.00
751-900 HP	\$62.25
901-1050 HP	\$72.50
1051-1200 HP	\$83.50



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