

TIER Conventional Oil and Gas – October Webinar

Technology Innovation and
Emissions Reduction Regulation

Alberta Environment and Parks

October 29, 2020



Outline

- 1) Background
- 2) Update – Person responsible change
- 3) Streamlining Application Processing
- 4) December 1 2020 deadlines
- 5) Automatic aggregate reconciliations/ clean up
- 6) Final quantification methodology
- 7) Benchmark application and benchmark unit application process (January 15 deadline)
- 8) Next Steps and Important Dates

Background

Background: TIER Regulation

- The TIER Policy was introduced in fall 2019 and took full effect January 1, 2020. It regulates greenhouse gas emissions from Alberta's industrial facilities.
- Includes provisions to allow conventional oil and gas facilities to voluntarily enter the regulation allowing them to apply for an exemption from the federal fuel charge.
- In response to stakeholder feedback, an amendment was made to the TIER regulation in July 2020 to align the person responsible for a regulated conventional oil and gas facility more closely with the operator.
- Application period to modify person responsible for 2020 closed on September 18.
- Conventional oil and gas facilities may now also be added to aggregates at any point through the year.

Update: Person Responsible Change

Update: PR Change for 2020

- The deadline to apply for a change to the person responsible for the 2020 compliance year was September 18.
- AEP is continuing to review applications and debugging internal systems to complete the reconciliation.
- AEP is working closely with ECCC and CRA on process to confirm updates to exemption records and reissuance of exemption certificates.
- Stakeholders will be notified by AEP once provincial assessment process is complete.

Update: PR Change for 2021-onwards

- Changes that apply for 2021 will be made through the normal adjustment process for adding or removing facilities from an existing aggregate facility.
- The deadline to submit an application is the same as the deadline to make other adjustments to an aggregate for 2021: **December 1, 2020.**
 - Form will be detailed in next section.
- All new aggregate applications for 2020 (**November 1, 2020 deadline**) or 2021 (**December 1, 2020 deadline**) must follow amended person responsible definition:

Person Responsible Definition – Conventional Oil and Gas Facility

“...(hh) “person responsible” means, subject to subsection (2)(c),

(i) where the release of the specified gas occurs at a conventional oil and gas facility, the operator, if any, of the conventional oil and gas facility,

- EPEA approval holder, AER license holder or owner if no operator, as applicable.

December 1 2020 Deadlines

December 1 Deadlines

- Summary of key dates: Timeline graphic on TIER conventional oil and gas website.
- 1) Adding a facility to an existing aggregate for 2020 or 2021
 - **Aggregate Facility Change Form**
- 2) Application for new aggregate facility designation for 2021
 - **Conventional Oil and Gas Facility Aggregate Application Form**
- 3) Removing a facility from an existing aggregate for 2021
 - **Aggregate Facility Change Form**

December 1 Deadlines

- 4) Revoke/remove an entire aggregate from TIER for 2021.
 - **Letter request**

- 5) Request reconciliation/change to person responsible for conventional oil and gas facilities for 2021.
 - **Aggregate Facility Change Form**

- **Reminder:** The deadline for application for a new aggregate facility for 2020 is **November 1, 2020**.
 - **Conventional Oil and Gas Facility Aggregate Application Form**

Aggregate Facility Change Form

- Remove facilities from aggregate:

Amendment to Existing Aggregate - Remove Conventional Oil and Gas Facilities		
Enter the individual conventional oil and gas facilities to be removed from the aggregate in the table below. If any of the conventional oil & gas facilities has more than one Petrinex site, please use one row for each Petrinex site indicating the same Aggregate ID and TIER Facility ID in the corresponding columns.		
Aggregate ID (ex AG00)	TIER Facility ID (ex A1A1)	Petrinex Facility ID (ex ABBT0000001)

Navigation: Instructions | Submission | Section A1 - Add Facilities | **Section A1 - Remove Facilities** | Section A2 | Statements | SoC

Streamlining Applications Processing

Application For A New Aggregate Facility: Aggregate Application Form

A	B	C	D	E	F	G	H	I	J	K	L	M
Aggregation Name (ex my_company_agg1)	Conventional Oil and Gas Facility Name (ex south_west_clgy_gas_plant)	NAICS code (Select from dropdown)	Primary Eligible Product - NAPCS (Select from dropdown)	Petrinex Facility ID (ex ABBT0000001)	AER / Petrinex Reporting Facility Sub-Type	EPEA Approval Number (s) (ex. 11007-02-0)	SWIM GHGRP ID (ex G12345 blank if not applicable)	Conventional Oil and Gas Facility Latitude (decimal degrees ex 53.001)	Conventional Oil and Gas Facility Longitude (decimal degrees ex -110.005)	Boundary File name for Conventional Oil and Gas Facilities with Direct Emissions of 10 000 tonnes CO2e per year or more (kml or .kmz ex south_west_clgy_gas_plant.kmz)	Reporting Company is Person Responsible as:	

**TECHNOLOGY INNOVATION EMISSIONS REDUCTION REGULATION
2020 MULTISITE AGGREGATION APPLICATION v1.4**

Introduction

This form is intended for the application for multiple conventional oil and gas facilities with a common person responsible to be designated as an aggregate facility, under section 5(1) of the Regulation. Please refer to the Alberta Environment and Parks website (alberta.ca/technology-innovation-emissions-reduction-system.aspx) for more information regarding overall program requirements.

Legal Authority

This form is prescribed by the Director under 23(4) of the Technology Innovation Emissions Reduction Regulation.

Application Completion Instructions

1. Enable macros and use the tabs below to navigate through the sections of this form.
2. More information about certain fields can be found in the form of pop-up comments. To view comments, hover the cursor over each cell with a comment or select the appropriate option in the menus to display all comments.
3. Complete all applicable sections of this form. For questions please consult the multi-site opt in fact sheet at alberta.ca. Remaining questions can be submitted to AEP.GHG@gov.ab.ca.
4. Follow the instruction [here](#) to create a .kml or .kmz boundary file for each individual conventional oil and gas facility with direct emissions of 10 000 tonnes CO2e or more per year. This may include sections of public roadway that divide the facility.
5. Review and check all calculations and entered values for errors.
6. Submit the application electronically (i.e. .xism file) through the Electronic Transfer System [here](#) under the TIERR menu item. Hard copy submissions of the application will not be accepted.
7. Ensure that the Statement of Certification has been signed by the designated Certifying Official. To do so ask the Certifying Official to open the workbook and double click on the X in the signature box on the SoC tab of the workbook. Make sure this is the last step before submitting the workbook as any further modifications to the workbook will require it to be signed again.
8. The department will be in contact with the facility should there be any questions related to the application submission.

Note: Under Section 31 of the Technology Innovation and Emissions Reduction Regulation, if the facility is designated as an aggregate facility you will be required to retain a copy of this application together with the records and information on which the application was based for at least 7 years after the year in which the application was made.

Application Submission Instructions

Submit electronic applications to: [ETS](#)

- “Conventional Oil and Gas Facility” – When including two or more sites: adjacent, integrated operation, same person responsible
- “Petrinex Facility ID” – Not reporting at ABWI well level
- Latitude/Longitude coordinates falling within the shape file defined in the .kmz file
- Modification of the form template not advisable and may cause the application to be rejected.
- New versions of the form periodically published at <https://www.alberta.ca/conventional-oil-and-gas.aspx>
- Selecting “Operator of Record” for Person Responsible if applicable
- Electronic signature – Very last step in creating the application
 - Saving the application after putting the signature will remove the signature from the file!

Making Changes to An Existing Aggregate: Aggregate Facility Change Form

Amendment to Existing Aggregate - Add Conventional Oil and Gas Facilities											
Aggregate ID (ex AG00)	Conventional Oil and Gas Facility Name (ex south_west_cfgy_gas_plant)	NAICS code (Select from dropdown)	Primary Eligible Product - NAPCS (Select from dropdown)	Petrinex Facility ID (ex ABBT0000001)	AER / Petrinex Reporting Facility Sub-Type	EPEA Approval Number (s) (ex 11007-02-0)	SWIM GHGRP ID (ex G12345 blank if not applicable)	Conventional Oil and Gas Facility Latitude (decimal degrees ex 53.001)	Conventional Oil and Gas Facility Longitude (decimal degrees ex -110.005)	Boundary File name for Conventional Oil and Gas Facilities with Direct Emissions of 10 000 tonnes CO2e per year or more (.kml or .kmz ex south_west_cfgy_gas_plant.kmz)	Reporting Company is Person Responsible as:

**TECHNOLOGY INNOVATION EMISSIONS REDUCTION REGULATION
AGGREGATION FACILITY CHANGE FORM v1.1**

Introduction

This form is intended for the application for multiple conventional oil and gas facilities with a common person responsible to be designated as an aggregate facility, under section 5(1) of the Regulation. Please refer to the Alberta Environment and Parks website (alberta.ca/technology-innovation-emissions-reduction-system.aspx) for more information regarding overall program requirements.

Legal Authority

This form is prescribed by the Director under 23(4) of the Technology Innovation Emissions Reduction Regulation.

Application Completion Instructions

- Enable macros and use the tabs below to navigate through the sections of this form.
- More information about certain fields can be found in the form of pop-up comments. To view comments, hover the cursor over each cell with a comment or select the appropriate option in the menus to display all comments.
- Complete all applicable sections of this form. For questions please consult the Aggregate Update for Person Responsible fact sheet at alberta.ca. Remaining questions can be submitted to AEP.GHG@gov.ab.ca.
- Follow the instruction [here](#) to create a .kml or .kmz boundary file for each individual conventional oil and gas facility with direct emissions of 10 000 tonnes CO2e or more per year. This may include sections of public roadway that ~~include~~ the facility.
- Review and check all calculations and entered values for errors.
- Submit the application electronically (i.e. .xlsx file) through the Electronic Transfer System [here](#) under the TIERR menu item. Hard copy submissions of the application will not be accepted. Applications must be received no later than September 18, 2020.
- Ensure that the Statement of Certification has been signed by the designated Certifying Official. To do so ask the Certifying Official to open the workbook and double click on the X in the signature box on the SoC tab of the workbook. Make sure this is the last step before submitting the workbook as any further modifications to the workbook will require it to be re-certified.
- The department will be in contact with the facility should there be any questions related to the application submission.

Note: Under Section 31 of the Technology Innovation and Emissions Reduction Regulation, if the facility is designated as an aggregate facility you will be required to retain a copy of this application together with the records and information on which the application was based for at least 7 years after the year in which the application was made.

Application Submission Instructions

Submit electronic applications to: [ETS](#)

Amendment to Existing Aggregate - Remove Conventional Oil and Gas Facilities		
Aggregate ID (ex AG00)	TIER Facility ID (ex A1A1)	Petrinex Facility ID (ex ABBT0000001)

- The form enables making the following requests to an existing aggregate:
 - Adding a conventional oil and gas facility to the aggregate
 - Adding a Petrinex facility Id to a Conv. Oil and gas facility
 - Removing a Conv. Oil and gas facility from the aggregate
- “Aggregate ID” – One of the IDs provided in the original Confirmation of Regulation under TIER letter
- The points raised for the Aggregate Application Form applicable to this form too.

Notifying About Changes Pertaining An Aggregate: *TIER Notification Form*

A	B	C	D	E	F	G
Facility Listing						
<input checked="" type="checkbox"/> Check only if the change in person responsible applies to ALL the conventional oil and gas facilities that belong to the aggregate. If this is the case, you are not required to provide a list of the facilities						
If only a number of the conventional oil and gas facilities that belong to the aggregate had a change in person responsible. Please provide the information of those facilities in the fields below						
TIER_AggregationName	TIER_AggregationID	TIER_FacilityName	TIER_FACILITYID	Petstnex ID (ex ABBT0000000)		

- Duty to notify the Director as soon as practicable
 - Change in person responsible for an aggregate
 - Change in person responsible for a Conv. O&G facility
 - Conv. O&G facility exceeding 100,000 tCO2e
 - Decommissioning of a Conv. O&G facility
- *Section A2* – person responsible prior to the change
- *Section A2 Update* – person responsible after the change
- Need to be followed by an application if intending to:
 - Add facilities to an existing aggregate
 - Remove facilities from an existing aggregate
 - Create a new aggregate
- Removals or new aggregates will be effective for the next calendar year.

TECHNOLOGY INNOVATION EMISSIONS REDUCTION REGULATION NOTIFICATION FORM v1.0
Introduction
This form is intended for the duty to notify director, under section 25 of the Regulation.
Legal Authority
The requirements described above are administered under the authority of the Technology Innovation Emissions Reduction Regulation.
Completion Instructions
<ol style="list-style-type: none"> 1. Enable macros and use the tabs below to navigate through the sections of this form. 2. More information about certain fields can be found in the form of pop-up comments. To view comments, hover the cursor over each cell with a comment or select the appropriate option in the menus to display all comments. 3. Complete all applicable sections of this form. Questions can be submitted to AEP.GHG@gov.ab.ca. 4. Review and check all entered values for errors. 5. Ensure that the Statement of Certification has been signed by the designated Certifying Official. To do so ask the Certifying Official to open the workbook and double click on the X in the signature box on the SoC tab of the workbook. Make sure this is the last step before submitting the workbook as any further modifications to the workbook will require it to be signed again. 6. The department will be in contact with the facility should there be any questions related to the submission.
Notification Submission Instructions
Submit electronic documents to: AEP.GHG@gov.ab.ca

Automatic aggregate reconciliations/clean up

Reconciliations and Clean-ups

- AEP will complete an assessment of all aggregate facilities at the end of 2020 to:
 - 1) Complete transition to the new definition of PR**
 - Facilities in aggregates registered to an organization that does not match new PR definition for the facility, and for which no PR change request has been submitted, will be automatically removed from the aggregate and TIER.
 - Reminder, for 2020 only: previous definition of PR may apply to facilities in aggregates if no change was requested to update PR for 2020.
 - 2) Remove non-operational facilities**
 - Individual facilities with no petrinex ID will be removed.

Reconciliations and Clean-ups

- 3) **Remove well IDs** – Individual wells will be removed understanding that the associated batteries have been/can be added.
- Listed certifying and reporting officials for registered aggregates to which the changes may apply will be notified by the department of any changes resulting from the “clean-up” process.
 - Individual facilities which may be removed from an aggregate as a result of the process will be eligible to be added to an existing aggregate facility, if they are operational, for the 2021 or another future compliance year.

Final Aggregate Quantification Methodology (AQM Chapter 15)

Final QM and Stakeholder Feedback

- Final quantification methodology will be published on the TIER website (Chapter 15).
- Draft QM was published for stakeholder comment in May 2020.
- Officially received 35 comments from 9 unique submissions
 - 2 editorial comments
 - 12 overarching
 - 21 technical comments
- Comments and AEP's responses will be posted on the TIER website.

Changes in response to feedback

1. A COG with any level of facility emissions may use any method prescribed in Chapter 15.
2. If a COG chooses to use gas analysis for emissions quantification (Methods 15-6 and 15-7), quarterly sampling is required.
3. Definition of stationary fuel combustion emissions is updated to include emissions from drilling and completion activities and exclude flaring emissions from pilot gas.
4. A COG may apply different technology-based emission factors within a year to reflect technologies present at the COG to recognize emissions reductions.
5. A COG with facility emissions equal to or greater than 10,000 tonnes of CO₂e must continue to ensure that ECCC requirements for GHGRP reporting are met.

Aggregate Facility Benchmark and Benchmark Unit Applications

Aggregate Facility Benchmarking Process

- Two Benchmarking Paths for the 2020 Compliance Year:
 1. Utilize a facility-specific benchmark (FSB) based on a 2019 baseline year
 - Requires third party verification of emissions and production (likely needed to begin in late 2020 to meet application deadline).
 - May be beneficial for aggregates who have made efficiency improvements in 2020
 2. Utilize a FSB based on a 2020 baseline year
 - Does not require an FSB application or third party verification.
 - Compliance obligation effectively 10 per cent of annual emissions.

Aggregate Facility Benchmarking Process

- Path 1 Process (2019 baseline):
 - Benchmark application is due on January 15, 2021.
 - Includes selection of benchmark unit
 - Verification of 2019 emissions and production
- Path 2 Process (2020 baseline):
 - Benchmark unit requests are due on January 15, 2021
 - Benchmark guidance and process provided as part of benchmark unit confirmation and notification.
- If a benchmark unit application is not received, whether using path 1 or 2, a benchmark unit will be selected on the operator's behalf.
 - AEP recommends careful consideration before choosing not to apply for a benchmark unit.

Aggregate Facility Benchmarking Process

- Benchmark units selections are required to follow the process outline in the Quantification methodology
 - Three predetermined options – Option 1
 - Benchmark unit from algorithm – Option 2
 - Request an alternative benchmark unit – Option 3
- AEP has not finalized the final benchmarking period for aggregate facilities
 - The department is actively working on providing guidance for the 2021 and later compliance years

Benchmark Forms and Tools

- Aggregate Facility Specific Benchmark Application Form
- Aggregate Facility Benchmark Unit Request Form
- Aggregate Benchmark Unit Option 2 Support Tool Workbook

Next Steps and Important Dates

Next Steps and Important Dates

- Summary of key dates: Timeline graphic on [TIER conventional oil and gas website](#).
- Consider whether to create a new aggregate, or modify existing aggregates based on December 1 change deadlines.
- Consider desired benchmark approach for 2020.

Continued Implementation

- 1) Baseline approach post-2020 is currently under consideration. Finalization: Q1 or Q2 2021.
- 2) High performance benchmarks – under consideration for 2021 compliance year utilization.

Next Steps and Important Dates

Compliance Workshop

- AEP will be hosting a stakeholder workshop in early 2021 to assist and support with 2020 compliance reporting.
- Email notification to subscription list once date is final (make sure to subscribe on the TIER conventional website if interested)
- 2020 compliance deadline: June 30, 2021.
- Contact: AEP.GHG@gov.ab.ca