

Fall 2021 Information Webinar

TIER - Conventional Oil and Gas

Sector Webinar

Alberta Environment and Parks
Environment and Climate Change Canada
Canadian Revenue Agency

November 10, 2021
9:00am – 11:00am MST



Alberta 

Introductions

Agenda

Part 1 – Fuel Charge Exemption Process

CRA

1. Fuel Charge – Background and Application
2. Emitter Registration
3. Application and Usage of Exemption Certificates

ECCC

1. Role of statements in fuel charge exemptions.
2. Notification requirements
3. Implications of TIER registration changes (due December 1) on statements/exemptions

- Questions – CRA and ECCC Presentation (10 minutes)

Part 2 – TIER Registration Reminders and Updates

AEP

1. Upcoming key dates and deadlines - TIER
2. Application Submission Important Considerations
3. Acquisitions and Insolvencies
4. Questions (10 minutes)

Part 3 – Questions (any content) – 15 min

Fuel charge exemption process

Upcoming Dates and Deadlines - TIER

Upcoming Dates and Deadlines - TIER

Registration Deadlines

December 1, 2021

- 1) Add facilities to an existing aggregate for 2021 compliance year
 - “Aggregate Facility Change Form”
 - 2) Remove facilities from an existing aggregate – effective Jan 1, 2022
 - “Aggregate Facility Change Form”
 - 3) Apply to revoke aggregate facility designation – effective Jan 1, 2022
 - Letter to director requesting revocation.
 - 4) Apply to designate a new aggregate facility for 2022
 - “Conventional Oil and Gas Facility Aggregate Application Form”
- All forms available on TIER Conventional Oil and Gas Website
 - Form submission: through ETS or aep.ghg@gov.ab.ca

Upcoming Dates and Deadlines - TIER

Benchmarking Deadlines

December 1, 2021

- **Submit data for a benchmark reference year for which third-party verified data has not been previously accepted by AEP** – Deadline to submit third-party verified Aggregate Benchmark Application Form.
- **If aggregate regulated for first time in the 2021 compliance year** – Deadline to submit a third-party verified Aggregate Benchmark Supporting Form with 2020 data before end of day December 1, 2021, unless the facility was not operating in 2020.
- Submitted data should cover the sites reporting 2021 compliance.
- All forms available on TIER Conventional Oil and Gas Website
- Form submission: aep.ghg@gov.ab.ca

Automatic Clean Up

The department will automatically remove sites from an aggregate for 2022 where:

- The prior person responsible is no longer the operator of record for the site at the end of 2021.
- No valid Petrinex ID has been provided for the site.

Generally additional sites can be added to the aggregate through the course of 2022 so where a valid Petrinex ID is available for site or the company again becomes the operator or record the sites can be re-added for 2022 if they are not already part of a different aggregate. Note that if sites should be added for 2022 by December 1, 2021 in order to ensure federal fuel charge exemption for the entirety of 2022 (notification and updated statement required from ECCC in addition to AEP registration).

Application Submission Important Considerations

Duty To Notify

Duty to notify as soon as practical:

(a) Change in the person responsible

(i) for the aggregate facility

(ii) for a conventional oil and gas facility

(b) If a conventional oil and gas facility has direct emissions of 100,000 CO₂e tonnes or more in a year

(c) if a conventional oil and gas facility is decommissioned.

<u>TECHNOLOGY INNOVATION EMISSIONS REDUCTION REGULATION</u>	
<u>NOTIFICATION FORM v1.1</u>	
Introduction	
This form is intended for the duty to notify the 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	
Instructions Submission Section A2 Section A2 Update CPR Decommission Over 100K Section C SoC	

Notification vs Amendment Application

- Notification Form serves the purpose of keeping certain aggregate facility related information up to date.
- Submitting a *TIER Notification Form* does not eliminate the requirement for submitting the *Aggregate Facility Change Form* for applying for the amendment to the aggregate.
- alberta.ca/conventional-oil-and-gas.aspx

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION REGULATION AGGREGATE FACILITY CHANGE FORM v1.2

Introduction

This form is intended to be used to request changes to an existing aggregate facility, under section 5 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 Aggregate Update for Person Responsible 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. .xlsx 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](#)

Electronic Signature

- All TIER aggregate related application and notification forms offer electronic signing with no requirement for a paid certificate service.
- Application/Notification file operations that remove the signature from the application/notification:
 - Saving the file after it has been signed
 - Modifying the file after it has been signed
 - Converting it to a format other than xlsx
- Application/Notification file operations that preserve the signature:
 - Copying file
 - Renaming the file
 - Attaching the file to an email
- If an alternative option of signing is preferred, submit the application in its native format together with the pdf copy of all pages of the application with the signature on the SoC section.

The image shows a 'Statement of Certification' form and a 'Sign' dialog box. The form has a blue header 'Statement of Certification' and a sub-header 'Associated TIERR Multisite Aggregation Application'. It contains a text field for 'Reporting Company Legal Name'. Below this is a section titled 'Signature of Certifying Official' with a text area containing a signature 'X' and the text 'Certifying Official'. There are also fields for 'First Name', 'Last Name', 'Position/Title', and 'E-mail'. The 'Sign' dialog box is overlaid on the right, with a yellow header 'Sign' and a blue bar containing the text 'See additional information about what you are signing...'. The dialog contains a warning message: 'Before signing this document, verify that the content you are signing is correct.' Below this is a text field for the signature, a 'Select Image...' button, and a 'Details...' button. At the bottom, there are 'Sign' and 'Cancel' buttons.

Acquisitions and Mergers: TIER Implications

Acquisitions and Mergers, Companies

Company A acquires/merges with Company B

- Notify AEP: Section 25 (2)(a) - duty to notify director/AEP of change in person responsible for a whole aggregate or individual facility within an aggregate.
 - “TIER Notification Form” on TIER COG website.
- Reporting duty under TIER stays with original firms for year of merger/acquisition, but AEP will accommodate the new company reporting on behalf of acquired or merged person responsible.
- For subsequent years, either request to take on the aggregate as the new operator of record **OR** explicitly merge it with your existing aggregate(s). Merging will typically require re-benchmarking.

Acquisitions, Insolvencies and Bankruptcies

Company B is no longer in business, assets acquired by Company A (including aggregate[s])

- Notify the AEP: Section 25 (2)(a) - duty to notify director/AEP of change in person responsible for a whole aggregate or individual facility within an aggregate.
 - “TIER Notification Form” on TIER COG website.
- For the first compliance year, maintain acquired aggregate(s) and existing composition (including assigned benchmark and benchmark unit). New person responsible is responsible for reporting and true up obligation for the entire compliance year in which the aggregate is acquired (January 1 – December 31) and future years.
- For future years, Company A may keep this as a separate aggregate **OR** elect to combine acquired aggregate(s) with existing TIER aggregate using “add facility” process and the “Aggregate Facility Change Form” in the year of acquisition.

Acquisitions, COG assets

Company A purchases aggregate assets from Company B

- Notify the AEP: Section 25 (2)(a) - duty to notify director/AEP of change in person responsible for a whole aggregate or individual facility within an aggregate.
 - “TIER Notification Form” on TIER COG website.
- Individual facilities registered within an aggregate, acquired within a compliance year, remain part of that aggregate for the full compliance year (person responsible on Jan 1 is person responsible for entire compliance year). Company B is still expected to report on the aggregate as it was on January 1.
- In future years, Company A reports on the assets, the assets may be kept as a separate aggregate **OR** added to another existing aggregate.
 - “Aggregate Facility Change Form” (December 1 deadline to remove facility from aggregate for following compliance year).

Acquisitions and Mergers, Re-benchmarking

- AEP will evaluate combined or divided aggregates for re-benchmarking.
 - Typically, significant aggregate changes lead to GHG-intensity shifts and re-benchmarking.
- Part 2 Section 7(6) of the TIER regulation allows the director to adjust an FSB that is no longer accurate.
- AEP will follow internal standards and consider company input in forming the new FSB, including aspects like annual data and preferred units.
- In any given year, the person responsible for an aggregate may apply for a new benchmark or a benchmark review by September 1st of the year for which the benchmark would apply.

ECCC and CRA Links

ECCE and CRA Links

- Contact ECCE:
ptintegrationpt@ec.gc.ca
- Information Material:
 - [Fuel charge - Canada.ca](#)
 - [Fuel charge technical information - Canada.ca](#)
 - [FCN5 Emitters Under the Greenhouse Gas Pollution Pricing Act - Canada.ca](#)

Questions

aep.ghg@gov.ab.ca