

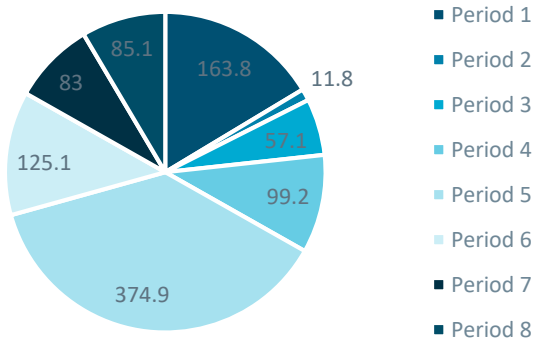
Site Rehabilitation Program

Summary of funding process

A Fair and Transparent Process

At the beginning and at various stages of the program, Alberta Energy engaged a Fairness Monitor to monitor the process of evaluations of applications, in order to support a fair, unbiased and effective process for evaluating applications and distributing funding. The Fairness Monitor found that fairness, openness, and transparency were at the forefront of Alberta Energy's design and implementation considerations. Alberta Energy carried these learnings throughout the program, as well as the ongoing valuable input from the Indigenous Roundtable and Industry Advisory Committee.

Approved Funds
as of May 15, 2022 (\$ million)



Timelines

Throughout the Site Rehabilitation Program (SRP), there was one goal: get Alberta's oil field service workers back on the jobsite. To do this, Alberta aimed to spend \$1 billion in federal funding without exceeding that limit. Alberta Energy set up two advisory groups to help achieve this objective: the Industry Advisory Committee and the Indigenous Roundtable. Entering late 2021, Alberta Energy took the following actions to help accelerate program spending and ensure the province received maximum benefit from the program.

1. November 2021

- Alberta submits a formal request to Canada for an extension to the SRP grant agreement timelines
- A program extension was not guaranteed and all program participants were advised to make every effort to spend allocations in accordance with original program deadlines.
- Minister Savage meets with the Industry Advisory Committee to discuss concerns about underspending.

2. December 2021

- Alberta Energy works with the Industry Advisory Committee and the Indigenous Roundtable on possible program changes that could provide incentives to accelerate program spending.
- Alberta Energy's preliminary analysis shows that the projected approved amount at the end of the program would be approximately \$700 million without further action.

3. January 2022

- In alignment with the federal funding agreement, consideration of input from the Fairness Monitor, and input from the Industry Advisory Committee and Indigenous Roundtable, program changes are announced:
 - Removal of work sequencing requirements;
 - Removal of cost benchmarks for Periods 4, 5, 7 and 8 to allow funding for larger projects;
 - Removal of grant agreement clause requiring work to commence within three months; and,
 - Increased licensee/community allocations for Period 5 (\$100 million) and Period 6 (\$33.33 million)

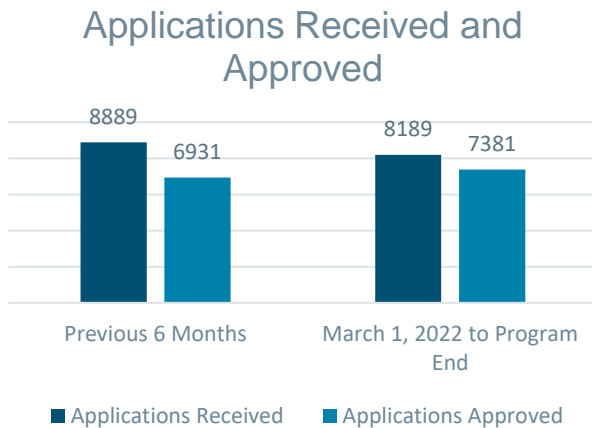
How were new allocation amounts determined?

The adjusted amounts were determined based on analysis of unused funds from early funding periods, and a projection of unused funds for all periods. Based on input from Indigenous communities and stakeholders, unused allocations were not clawed back, as projected program spending indicated that full expenditure of all existing allocations was unlikely. Some licensees who were able to finalize project work quickly could spend more than they would have originally, but those who did not quickly do so risked not having their full allocation available when the funding limit was reached.

4. February 2022

- Alberta Energy's internal analysis shows that based on approvals and applications to date, the projected approved amount at the end of the program would still fall well short of the full \$1 billion in available funding.

5. March 2022



- On March 30, the Government of Canada advises Alberta Energy that a 45-day extension will be granted to all major program dates. This means that all money must be committed by May 15, 2022 (extended from March 31, 2022) and all work must be completed and invoices submitted by February 14, 2023 (extended from December 31, 2022).
- Based on applications received, Alberta now projects that the full \$1 billion will be allocated. To ensure all applications already received are processed in time, the application deadline of March 31 is not extended.
- For Period 6, where allocation trackers were used, the March 31 deadline applied to receipt of the allocation tracker, and grant applications were accepted until May 2.

Final Reviews

- Throughout April and May, Alberta Energy reviewed applications received by the submission deadlines.
- All applications were reviewed in the order they were received with all funding committed by May 15, 2022, as required by the federal government agreement.
- Applications that fully complied with program guidelines were approved. Applications that were not completely aligned with guidelines were held until all reviews were completed with the intent that they could be revisited if funds were available.
- Once all reviews were completed, the \$1 billion target had been reached. As such, the applications that were not completely in alignment with program guidelines could not be revisited, and were declined.

How were minor application errors addressed?

Throughout the two year program, reviewers worked with program participants to help reach compliance with program guidelines. Often, this meant that applications with minor or administrative errors could be corrected and resubmitted. With the volume of applications received in the final month of the program, reviewers were primarily focused on reviewing each application in the order it was received. At the end of that process, the full \$1 billion had been committed and, as such, there was no opportunity to work with participants to correct minor errors. While ongoing invoicing may result in money being unused, the deadline for all committed funds in the federal funding agreement does not allow for Alberta Energy to accommodate revised submissions.

Accessing adjusted allocations

Some communities and licensees did not receive grants for the total amount of their adjusted allocation under Periods 5 and 6. The allocations served as maximums and applications were still required to be completed in accordance with program guidelines to access these allocations. As such, once the \$1 billion was allocated, some communities and licensees did not receive the full amount. No specific allocation was reduced based on funding availability.