

Clean Growth Infrastructure Royalty Program 2022 Request for Application

Oil and Gas Division Ministry of Energy, Mines and Low Carbon Innovation RFA Number: CGIRP-2022

2022 Key Dates:

RFA Open Date: March 8, 2022

RFA Closing Time: Applications must be received before 2:00 PM Pacific Time on

May 19, 2022

RFA Closing Location: All applications must only be submitted by email to the following email address

mngdinfrastructure@gov.bc.ca

Project Window: Project construction cannot begin until after the Request for Application (RFA) Closing

Time and the project must be completed by December 31, 2025.

Government Contact:

All enquiries related to this RFA must only be directed, in writing by email, to mngdinfrastructure@gov.bc.ca

Information obtained from any other source is not official and should not be relied upon. Enquiries and any responses will be recorded and may be distributed to all Applicants at the Province's option.

The deadline for submitting any and all questions related to this RFA to the Government Contact will be 10 business days before the Closing Time.

Nothing in this section or document or its attachments authorizes or should be construed as the authorization to conduct any oil and gas activities as defined under the Oil and Gas Activities Act or any other activities that may require permits or other authorizations under applicable law.

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2 Definitions and Administrative Requirements

1 Definitions

Throughout this Request for Application (RFA), the following definitions apply:

"All-season" means a road that will support vehicle and equipment weights associated with oil and gas activities performed outside of the traditional winter drilling season that typically runs from December 1st to March 31st. An all-season road will be open in adverse weather with reasonable maintenance; however, it may be affected by rain, snow or thaw and subject to seasonal weight restrictions;

"Applicant(s)" means a Producer(s) or Pipeline Company(ies) applying jointly with a Producer(s), that submits an application or applications in response to this RFA;

"Agreement" means a written agreement resulting from this RFA executed by the Province and Successful Applicant;

"Closing Time" means the closing time and date for this RFA as set out on the cover page of this RFA;

"Facility" means "facility" as defined in the Oil and Gas Activities Act, S.B.C. 2008, c. 36;

"Forest Service Road" means a road constructed and operated in accordance with Part 1 of the Forest Act, R.S.B.C. 1996, c. 157, and any amendments thereto;

"Government Contact" means the individual named as the contact person for the Province in the RFA;

"Greenhouse Gas" means "greenhouse gas" as defined in the Climate Change Accountability Act, S.B.C. 2007, c. 42;

"Ministry" means the Ministry of Energy, Mines and Low Carbon Innovation;

"must", or "mandatory" means a requirement that must be met in order for an application to receive consideration;

"Oil and Gas Activity" means "oil and gas activity" as defined in the Oil and Gas Activities Act, S.B.C. 2008, c. 36;

"Oil and Gas Road" means a road constructed and operated in accordance with section 1 of the Oil and Gas Road Regulation, B.C. Reg. 50/2021 (2021) and any amendments thereto;

"Producer" means "producer" as defined in the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, B.C. Reg. 239/2020 (2020);

"Pipeline" means "pipeline" as defined in the Oil and Gas Activities Act, S.B.C. 2008, c. 36;

"Pipeline Company" means "Pipeline Company" as defined in the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, B.C. Reg. 239/2020 (2020);

"Province" means Her Majesty the Queen in Right of the Province of British Columbia as represented by the Ministry of Energy, Mines and Low Carbon Innovation and includes the Ministry;

"Regulation" means the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, B.C. Reg. 239/2020 (2020) and any amendments thereto;

"Reporting Facility" means the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, B.C. Reg. 239/2020 (2020) and any amendments thereto;

"Royalty" means the portion of the resulting resource profits earned by a producer and paid to the Province;

"Successful Applicant" means a Producer(s) or a Pipeline Company(ies) applying jointly with a Producer(s) with whom the Ministry intends to enter into negotiations for an Agreement;

See Sections 4 and 5 for additional program requirements and definitions.

2. Term and Conditions

The following terms and conditions will apply to this Request for Application (RFA). Submission of an application in response to this RFA indicates acceptance of all the terms that follow and that are included in any addenda issued by the Province. Provisions in applications that contradict any of the terms of this RFA will be as if not written and do not exist.

3. Eligibility

Applications will only be accepted from Producer(s) or Pipeline Company(s) applying jointly with Producer(s) as defined in the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, B.C. Reg. 239/2020 (2020).

4. Changes to Applications

By submission of a clear and detailed written notice, an Applicant may amend or withdraw its application prior to the Closing Time. Applicants will not change the wording of their applications after closing and no words or comments will be added to the application unless requested by the Province for purposes of clarification.

5. Late Applications

Applications will be marked with their receipt time at the Closing Location. Late applications will not be accepted and will be returned to the Applicant unread.

6. Ownership of Applications

All applications submitted to the 2022 Clean Growth Infrastructure Royalty Program are under the custody and control of the Province and become the property of the Province and are subject to the provisions of the Freedom of Information and Protection of Privacy Act. The application(s) will be used to assess project(s) that may be eligible under the Program. For more information regarding this Program, refer to the Government Contact noted on page one.

7. Acceptance of Applications

- a) This RFA should not be construed as an agreement to purchase goods, services or construction. The Province is not bound to enter into an Agreement with any Applicant. Applications will be assessed in light of the stated review criteria. The Province will be under no obligation to receive further information, whether written or oral, from any Applicant.
- b) Neither acceptance of an application nor execution of an Agreement will constitute approval of any activity or development contemplated in any application that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation or by-law.

8. Evaluation of Applications

Evaluation of applications will be by a committee formed by the Province and may include employees and contractors of the Province. Applications will be checked against the mandatory criteria. Applications not meeting all the mandatory criteria will be rejected without further consideration. Applications that do meet the mandatory criteria will then be further evaluated and ranked.

9. Results Notification to Applicants

At the conclusion of the RFA process, all Applicants will be notified in writing. This notification will not constitute an Agreement.

10. Negotiation Delay

If an Agreement cannot be negotiated within thirty days of notification of a Successful Applicant, the Province may, at its sole discretion at any time thereafter, terminate negotiations with that Successful Applicant.

11. Applicants' Expenses

Applicants are solely responsible for their own expenses in preparing an application and for subsequent negotiations with the Province, if any. If the Province elects to reject all applications, the Province will not be liable to any Applicant for any claims, whether for costs or damages incurred by the Proponent in preparing the application, loss of anticipated profit in connection with any final Agreement, or any other matter whatsoever.

12. Limitation of Damages

Further to the preceding paragraph, the Applicant, by submitting an application, agrees that it will not claim damages, for whatever reason, relating to an Agreement, if any, or in respect of the Request for Applications process, in excess of an amount equivalent to the reasonable costs incurred by the Applicant in preparing its application and the Applicant, by submitting an application, waives any claim for loss of profits if no Agreement is made with the Applicant.

13. Currency and Taxes

Prices are to be submitted:

a) in Canadian dollars;

- b) inclusive of duty, where applicable; Free On Board destination, delivery charges included where applicable; and
- c) exclusive of Provincial Services Tax where applicable and any other applicable taxes, permits and fees.

14. Completeness of Applications

By submission of an application the Applicant warrants that all labour, materials and components necessary to design and construct the project described have been identified in its application or will be provided under an Agreement at no additional cost to the Province.

15. Partner Application

- a) If a partner application, parties must be clearly identified in the application. A partner application means a joint submission by Applicants having no formal corporate links.
- b) Applications from Producer(s) or Pipeline Company(ies) applying jointly with Producer(s) will be accepted.
- c) A partner application which current or past corporate or other interests may, in the Province's opinion, give rise to a conflict of interest in connection with the project or Program described in this RFA will not be permitted. If an Applicant is in doubt as to whether a proposed partner application gives rise to a conflict of interest, the Applicant should consult with the Government Contact Person listed on RFA cover page prior to submitting an application.

16. Agreement

Any Agreement will be substantially similar to the terms and conditions of the sample agreements (Producer or Producer Partnership) set out on the program website.

A successful project involving multiple parties will execute a single Project Agreement with the Ministry. No additional partners will be allowed to be added, nor other changes made, without written consent of all parties.

17. Liability for Errors

While the Province has used considerable efforts to ensure information in this RFA is accurate, the

information contained in this RFA is supplied solely as a guideline for Applicants. The information is not guaranteed or warranted to be accurate by the Province, nor is it necessarily comprehensive or exhaustive. Nothing in this RFA is intended to relieve Applicants from forming their own opinions and conclusions with respect to the matters addressed in this RFA.

18. Modification of RFA

The Province reserves the right to modify this RFA at any time at its sole discretion. This includes the right to cancel this RFA at any time prior to entering into any Agreement.

19. Use of RFA

Any portion of this document, or any information supplied by the Province in relation to this RFA may not be used or disclosed, for any purpose other than for the submission of applications.

20. No Lobbying

Applicants must not attempt to communicate directly or indirectly with any employee, contractor or representative of the Province, including the evaluation committee and any elected officials of the Province, or with members of the public or the media, about the application described in this RFA or otherwise in respect of the RFA, other than as expressly directed and permitted by the Province.

3 Clean Growth Infrastructure Royalty Program Overview

3.1 Introduction

The Regulatory and Infrastructure Branch, Oil and Gas Division, Ministry of Energy, Mines and Low Carbon Innovation ("Ministry") invites Applicants within the oil and gas industry to submit applications to compete for \$150 million in approved royalty deductions for the 2022 Clean Growth Infrastructure Royalty Program (the "CGIRP" or "Program").

An application may include a combination of both Growth and Sustainability project categories, but each application will only be evaluated under a single category, as specified by the Applicant. The Applicant may submit more than one application to the Program.

Applicants will be required to fund the entire cost of an approved Eligible Project and may receive up to 50 percent of the lessor of the estimated completion cost for the project or the amount actually spent to complete the Project, as approved by the Ministry.

3.2 Context

The Province of British Columbia (Province) has renewed its comprehensive CleanBC plan for climate action, clean energy and sustainable economic growth with the **CleanBC Roadmap to 2030**. The CGIRP directly supports competitiveness, bridging more responsible investment in the upstream oil and gas sector and supporting economic activity that is vital for both rural communities in northeast British Columbia and in British Columbia. The program targets reducing oil and gas sector greenhouse gas (GHG) emissions, fosters increased electrification using clean British Columbia electricity, and supports and grows jobs for British Columbians.

British Columbia's industries, including our natural gas sector, are making great strides in low carbon innovation, delivering some of the cleanest industrial products of their kind in the world. Keeping them competitive is both an economic and environmental imperative. British Columbia produces resources the world needs, and we can make them with a smaller carbon footprint than most of our competitors, helping to address the impacts of climate change worldwide.

The Province is working with First Nations in the northeast to develop an approach for new authorizations that manages cumulative effects and their impacts on Indigenous people's treaty rights in northeast British Columbia. Managing for cumulative effects is a high priority for the Province and the potential environment and social impacts of a potential project are considered in the CGIRP project evaluation process.

The Program is governed by the *Petroleum and Natural Gas Royalty and Freehold Tax Regulation, B.C.* Reg. 495/92 and any amendments thereto.

4 Program Requirements

4.1 Eligible Applicants

Applicants intending to undertake a project are eligible to make an application pursuant to Section 4 of the Regulation. Eligible Applicants include:

- Producer (single Applicant)
- Producers (joint Applicants)
- Pipeline Company, in a contractual arrangement with one or more producers

Evidence of a partnership or collaboration, such as a letter of support signed by the partner/pipeline company, must be provided as part of the application.

4.2 Eligible Projects

As per the Regulation, projects under the CGIRP fall within the following:

- "Construct or upgrade pipelines, bridges, roads, rails, or trails in British Columbia in support of petroleum or natural gas exploration or development in British Columbia, or
- Do one or more of the following in respect of an oil and gas activity in British Columbia:
 - i. avoid, reduce or sequester greenhouse gas emissions,
 - ii. avoid or reduce an adverse effect on water quality or quantity, or timing of water flow;
 - iii. avoid or reduce an adverse effect on the environment."

There are two categories of eligible projects in the 2022 CGIRP:

- 1. **Growth**, which includes projects related to:
 - a. Road infrastructure
 - b. Pipeline infrastructure
 - c. Value-add infrastructure
- 2. **Sustainability,** which includes projects related to:
 - a. Electrification infrastructure
 - b. Emissions reductions infrastructure

All projects are expected to be completed within 3 years of the signing of the Project Agreement, to a maximum completion date of December 31, 2025. The construction phase of the project cannot start before the RFA Closing Time.

Also refer to the sample Project Agreement for definitions in relation to the Project Agreement and Section 5 below for additional definitions of eligible projects.

4.3 Eligible Costs

The following are considered eligible costs under the CGIRP:

- (a) Project costs are incurred in the design and construction of the Growth Project or Sustainability Project as defined in the relevant Project Agreement, where
 - a. Design activities include: planning, engineering, land acquisition, applications, surveying/mapping, regulatory approval, off-site pre-fabrication activities; and
 - Construction activities include: mobilization, on-site construction/fabrication, equipment purchase/installation/retrofit/replacement/conversion, testing, commissioning and start-up, clean-up, demobilization, and final permitting.
- (b) Subject to 4.3(c) below, Eligible Project Costs must be between the Design Start Date and Construction Completion Date of a project as defined in Schedule A of the Project Agreement, and which are based on the project as described in the RFA Response Form.
- (c) Well site tie-in costs are eligible costs.

4.4 Ineligible Costs

The following are considered ineligible costs under the CGIRP:

- (a) maintenance costs;
- (b) goods and services tax (GST);
- (c) costs associated with maintaining compliance with regulations, including the Greenhouse Gas Emission Reporting Regulation, B.C. Reg. 249/2015 and any amendments thereto;
- (d) contingency allowances, administration costs, emergency spill response and/or recovery caused by or relating to the project, overhead, accounting, interest and the purchase of, and amortization and depreciation on, capital equipment that is not integral to the operation of the project;
- (e) costs associated with preparation and completion of an Emissions Reduction report; and
- (f) any activity that occurs before the Design Start Date or after the Project Completion Date.

4.5 Royalty Deduction

Approved projects are assigned a maximum royalty deduction based on the requested royalty deduction percentage of the estimated project cost provided in the project application. The eligible royalty deduction is then calculated using the equivalent percentage of either the estimated project cost or the final as-built cost, whatever is less. Companies can request up to 50% of the estimated capital investment cost of the project.

Royalty deductions are assigned to an approved project, not to a company, and the royalty deduction is not transferable between related or unrelated companies, persons or other entities.

4.5.1 Release of Approved Royalty Deduction

Approval of a CGIRP project as a result of this RFA does not result in an automatic royalty deduction being applied to the producer company's royalty payable account. Once all design and construction components of the project (or step of a project) are complete and all associated eligible costs and documentation has been completed, the producer is responsible for submitting a request for royalty deduction to the Ministry within six months of the completion date, as outlined in Schedule B of the project Agreement.

Once the request for release of the royalty deduction has been approved, the deduction will be released based on the following schedules:

- Growth Category after royalty deduction submission once revenue neutrality has been achieved.
- Sustainability Category in two equal deductions; 50% after the submission and acceptance of
 documentation relating to Design and Construction completion, and 50% after the submission
 and acceptance of an Emissions Reduction report (based on one year operation data after the
 project is fully implemented).

The Royalty Administrator will notify the producer company and the BC Ministry of Finance in writing of the released royalty deduction amount that can be deducted from oil and gas royalty payments due to the Province.

4.5.2 Revenue Neutrality

Projects approved under the Growth category are subject to a revenue neutrality requirement. As part of the project Agreement Schedule B documentation, a company must submit a list of natural gas and/or oil wells associated with the approved project. The royalty revenue generated by these wells is tracked on a monthly basis by the Ministry. Once the actual royalty revenues payable to the Province are greater than the project's eligible royalty deduction, a release will be made by the Royalty Administrator, subject to the project Agreement and the *Petroleum and Natural Gas Royalty and Freehold Production Tax* Regulation. Note, any previous royalty deduction releases associated with this project are also considered.

Depending on the amount of the company's monthly oil and gas royalty payable and market prices for oil, natural gas and natural gas by-products, it may take several months or over a year until the entire eligible royalty deduction has been released.

4.5.3 Audit Reviews

The Ministry has the discretion to access any CGIRP approved project site or company site with records relating to the project to conduct audit reviews with reasonable notice.

An audit review may be carried out on any completed project or completed step of a project under the CGIRP. It is typically conducted by a qualified third-party accounting firm contracted by the Ministry.

Based on the results of the audit, the Ministry reserves the right to reassess and adjust the royalty deduction entitlement if it is found that any of the claimed project costs are ineligible, or where unclaimed eligible costs are identified.

5 Eligible Project Definitions

5.1 Growth Category

5.1.1 Road Infrastructure

An "Eligible Road Project" means one of the following types of projects for which an application may be submitted in response to this RFA:

- (a) Construction of a new all-season road, or upgrade to an existing road, that will be eligible for permitting as an Oil and Gas Road, or;
- (b) Upgrade of an existing Forest Service Road or Mining Access Road to all-season standard provided legislative requirements are upheld, and that will be eligible for permitting.

5.1.2 Pipeline Infrastructure

An "Eligible Pipeline Project" means the following types of pipeline project(s) for which an application may be submitted in response to this RFA:

- (a) Construction of a pipeline as permitted by the BC Oil and Gas Commission or the Canada Energy Regulator;
- (b) Construction of a pipeline or pipeline-related facility that recycles and/or reuses water associated with upstream development, including responsible disposal, alternatives to disposal and water clean-up; and
- (c) Pipeline has the same meaning as provided in section 1 of the Oil and Gas Activities Act, S.B.C. 2008, c. 36.

5.1.3 Value-add Infrastructure

An "Eligible Value-add Project" means the following types of infrastructure projects for which an application may be submitted in response to this RFA:

- (a) Construction of a pipeline or facility as permitted by the BC Oil and Gas Commission or the Canada Energy Regulator that captures more value for BC natural gas;
- (b) Construction of a pipeline or facility as permitted by the BC Oil and Gas Commission or the Canada Energy Regulator that encourages development of value-added products and includes midstream facilities;
- (c) Uses emerging technology to create an improved product from upstream operations and/or improves marketability through use of emerging technology;

- (d) Pipeline has the same meaning as provided in section 1 of the Oil and Gas Activities Act, S.B.C. 2008, c. 36; and
- (e) Facility has the same meaning as provided in section 1 of the Oil and Gas Activities Act, S.B.C. 2008, c. 36.

5.2 Sustainability Category

5.2.1 Electrification Infrastructure

An "Eligible Electrification Project" means the following types of electrification projects for which an application may be submitted in response to this RFA:

- (a) Greenfield electrification of oil and gas equipment and/or facilities and associated infrastructure such as well pads, wellsite compressors and other equipment.
- (b) Retrofitting existing equipment and/or facilities and associated infrastructure for electrification.

5.2.2 Emissions Reductions Infrastructure

An "Eligible Emissions Reductions Project" means the following types of emissions reductions project(s) for which an application may be submitted in response to this RFA:

- (a) Retrofit, replacement, or conversion of equipment currently in operation in the upstream or midstream oil and gas industry that reduces or removes GHG emissions from vented and/or combustion sources.
- (b) Innovative design and implementation of new equipment that reduces or removes GHGs in the upstream or midstream oil and gas industry.

Examples of eligible project types is provided in Table 6 in Appendix 2. Other projects that focus on reducing or removing GHG emissions in the upstream or midstream oil and gas industry may be considered; however, Applicants must discuss project types not listed in Section 5.2.2 with the Ministry prior to submission of their application.

6 Submission Requirements

6.1 Application Package

Note: All applications must only be submitted by email. No submissions will be accepted by hand delivery or courier.

One (1) electronic copy of all documents must be submitted. Electronic submissions with file attachments are to be emailed to - mngdinfrastructure@gov.bc.ca - by the RFA Closing Time.

Email size MUST NOT exceed 35 MB and files MUST NOT be sent in zip files. All submissions will receive an email confirmation that the submission has been received.

The ELECTRONIC files to submit are the following documents:

1	Cover Letter	pdf or word file
2	Supporting Letter (if applicable)	pdf or word file
3	Completed RFA Response Form, including original signed cover page	MS word file (provided)
4	Cost Estimate Table	MS excel file (provided)
5	Detailed Cost Breakdown Table	MS excel file or pdf
6	GHG Emissions Reductions Calculation (mandatory for Sustainability	MS excel file (provided)
	projects)	
7	Drilling and Production Tables (mandatory for Growth projects)	MS excel file (provided)
8	Project Map	pdf file
9	Shape Files	See shapefile
		requirements (Table 5,
		below)

IMPORTANT: The RFA Response Form must be fully completed, signed and submitted in the sequence and formats set out above to ensure full consideration is given during the Ministry's evaluation process.

Additional requirements for the application package are provided in Appendix 1. All application templates for the 2022 RFA are available on the Program website, as noted in Section 8.2.

6.2 Delivery of Applications

All applications must be received before 2:00 PM Pacific Time on May 19, 2022. Applications will only be accepted by ELECTRONIC submission to the following email address:

mngdinfrastructure@gov.bc.ca

Note: email byte size including all attachments must not exceed 35 MB and must not contain zip files. All submissions will receive an email confirmation that the submission has been received.

7 Application Evaluation

This section details the criteria against which applications will be evaluated and ranked. Applicants should ensure that they respond to all questions in the RFA *Response Form* in order to receive full consideration during the evaluation.

7.1 Step 1: Mandatory Criteria

Applications that do not meet the mandatory criteria outlined in Table 1, below, will be excluded from further consideration and will not proceed to the next stage of evaluation.

Table 1: Mandatory Criteria

1	Applications must be written in English			
2	Applications must be received by the Ministry by email by the specified Closing Time			
3	Applications must be submitted electronically			
4	Applications must be complete and submitted in the required format (as outlined in Section 6			
	and Appendix 1)			
5	Application must include an original signed page 1 of the RFA Response Form			
6	Construction must not start before the Closing Time			

7.2 Step 2: Confirmation of Eligible Project

Applications will be reviewed to confirm the project is eligible under the program requirements. If the application is an eligible project, it will continue to Step 3: Evaluation Criteria. Applications that do not meet eligibility criteria listed in Table 2, below, will be excluded from further consideration.

Table 2: Eligibility Criteria

1	Application is for an "Eligible Project" as defined in Section 5		
2	Application indicates the project will be complete by December 31, 2025		
3	Application has calculated GHG emissions as per the required quantification methodologies (if		
	applicable)		
4	Application does not include ineligible costs		
5	Applicant has a satisfactory record of making royalty payments to the Province		
6	Applicant is not requesting funding for a project/activity in order to maintain compliance with		
	existing regulations		
7	Applicant has disclosed any other source(s) of Provincial and/or Federal funding associated with		
	the project		
8	Sustainability category project application has an Emission Reduction Ratio (ERR) of less than 85.		

The Ministry will check each Applicant's record of royalty payments through the Ministry of Finance. The Ministry will reject applications from Producer Applicants that have, in the Ministry's sole opinion, an unsatisfactory record of making royalty payments to the Province.

7.3 Step 3: Evaluation Criteria

Eligible project applications will be assessed against the evaluation criteria listed in Table 3, below. The Ministry will evaluate and score applications based on the information submitted on the RFA *Response Form* and associated attachments.

Table 3: Evaluation Criteria

Evaluation Criteria	% Weight (Growth)	% Weight (Sustainability)	
Company Business Case	10%	10%	
Provincial Economic Impact	50%	10%	
Local Economic Benefits	10%	10%	
Emissions Reduction	10%	50%	
Cumulative Environmental Effect	10%	10%	
Social Impact	10%	10%	
TOTAL	100%	100%	

Company Business Case: The project will be evaluated based on the project scope and other factors including, but not limited to, identified risks and risk management strategies associated with the project, potential to stimulate industrial growth and activity in the surrounding area, impacts on operational efficiencies, and if the project uses emerging and/or world-leading technology.

Provincial Economic Impact: The project will be evaluated based on the economic benefit to the Province including, but not limited to, royalties generated, benefits to midstream and/or downstream markets, if the project creates new or develops existing products or uses for BC oil, natural gas or natural gas by-products, and/or impacts to supporting industry and associated markets.

Local Economic Benefit: The project will be evaluated on the impacts to the community/region including, but not limited to, local employment opportunities and job stability, community investment, short- and long-term community benefits, and impacts to local and regional land use plans and initiatives.

Emissions Reductions: The project will be evaluated on GHG emissions and emissions intensity reductions potential associated with the project including, but not limited to, project design, transportation considerations, emissions offset strategies, clean BC electricity considerations, and application of emissions reduction technology.

For projects submitted under the Sustainability category, applications will also be evaluated on the project's Emissions Reduction Ratio (ERR). Projects submitted under the Sustainability category that have an ERR of 85 or more are not eligible projects under this RFA. Refer to Appendix 3 for further detail on ERR methodology.

The ERR will be calculated by taking the sum of the Royalty Deduction requested in the application, and any additional provincial funding received, and dividing this by the project's estimated GHG emissions reductions. A higher point evaluation score will be assigned to projects that demonstrate a lower ERR. Please note:

• GHG emissions reductions should be estimated over a 10-year period from January 1, 2023, to December 31, 2032.

- GHG emissions reduction technology (emerging and world-leading) should be considered in any proposal.
- Applicant must disclose any additional sources of provincial or federal funding received or approved for the project.
- Projects submitted under the Sustainability category that have an ERR of 85 or more are not eligible projects under this RFA.

Cumulative Environmental Effects: The project is evaluated on the potential environmental impacts including, but not limited to, project footprint considerations, air and noise quality, effects on regional water resources, recycling and reuse, and impacts to sensitive ecosystems.

Social Impact: The project will be evaluated on the application of gender-based analysis plus (GBA+) principles, including the company's consideration of the effects of the different needs, priorities, interests, roles, and responsibilities of diverse groups of women and men including, but not limited to, Indigenous peoples, residents, and recreational users within the project area.

7.4 Step 4: Final Ranking and Selection

Project applications will be ranked together for both categories (Growth and Sustainability). Points awarded for each of the evaluation criteria will be indexed to 100% based on the weighting set out in Table 3 (above).

Applications will be approved in rank order until the available deductions have been allocated or remaining projects are ranked lower than the category minimum project score.

Note: The Province reserves the right to approve royalty deductions to only one, more than one, or no applications.

8 Further Information

8.1 Project Agreements

On approval of a project under the Program, the successful applicant will be required to enter into a project Agreement with the Province and to pay for all project costs up front.

The project Agreement sets out the requirements for an approved project. It is recommended that the appropriate project Agreement template be reviewed to ensure that all Applicants understand the requirements of the Program. The following sample project Agreement templates can be found on the CGIRP Website:

- (a) Producer Agreement (Growth or Sustainability)
- (b) Producer Partnership Agreement (Growth or Sustainability)

It is also recommended that the Applicant review the program's *Royalty Deduction Submission* webpage, accessed via the program website, which outlines the requirements for requesting a release of an approved royalty deduction.

8.2 Program Website

The RFA Response Form and templates, project Agreement templates, and other project information can be found on the CGIRP Program website:

https://www2.gov.bc.ca/gov/content/industry/natural-gas-oil/oil-gas-royalties/clean-growth-infrastructure-royalty-program

8.3 Enquiries

All enquiries related to this RFA must only be directed, in writing, to the following email address:

mngdinfrastructure@gov.bc.ca

Responses to questions received while the RFA is open will be posted to the Program Website. Note any and all questions must be received no later than 10 business days prior to the Closing Time.

Information obtained from any other source is not official and should not be relied upon. Enquiries and any responses will be recorded and may be distributed to all Applicants at the Province's option.

Appendix 1. Required Application Format

Additional information on documents required as part of the 2022 CGIRP application package is provided below. Templates for select documents are available on the program website.

Table 4: CGIRP Application Package Documents

Document	Description
Cover Letter	Provide cover letter (1 page maximum length) on company letterhead that includes a brief corporate overview of the Applicant company(ies) and signed by the company representative.
Supporting Letter(s) (if a partner application)	 For partner applications, please provide one letter signed by each partner (or individual letters from each) on company letterhead that agrees to the joint proposed project application. Each letter must have the exact percentage of the royalty deduction allocation between the Producers, and all relevant contact information. If applicable, please also provide a Letter of Agreement between the companies making an application to upgrade a road, and the operator of that road if they are different companies.
RFA Response Form (template provided)	This is the primary document used by the Ministry for evaluation and ranking of the project application.
Cost Estimate Table (template provided)	This table provides a breakdown of costs associated with each step of the project.
Detailed Cost Breakdown Table	A table of all estimated project costs, broken down by activity, equipment, labour, materials, etc.
Greenhouse Gas Emissions Calculations (mandatory for Sustainability projects)	Details the calculations and assumptions used to determine a project's estimated GHG emissions reductions. It should be possible for Application reviewers to recalculate the GHG emission reductions based on the information provided. When calculating the ERR, the Applicant must use the relevant Western Climate Initiative (WCI) quantification methodology as outlined in Appendix 3.

Document	Description
Drilling and Production Table (template provided, mandatory for Growth projects)	 This is used to forecast well production and royalties associated with the project. Note that well production cannot start before the RFA Closing Time, and all wells must be unique to the project. Instructions for completing the excel spreadsheet file are contained in the first worksheet of the file. Partner Applicants may confidentially and individually submit their own Drilling and Production Table directly to the Ministry, if desired.
Project Map	An 8.5x11 colour map that shows the location of the project in relation to existing infrastructure/equipment and communities in the area. Areas where proposed project activities will occur should be clearly identified on the map.
Shapefiles	ESRI shapefiles showing the proposed upgraded and/or new infrastructure. Mapping information must be prepared by a qualified GIS technician. Shapefiles will be accepted in either the UTM Zone 10 NAD83 or BC Environment Albers NAD83 projections. Information on type of projection utilized must be noted in the application. Polygon shapes are not accepted. An ESRI shapefile can be up to as many as seven different files. The most important files are: • Main file with extension (shp) • Index file (shx) • dBase table (dbf) – see example table below • Projection file (prj) Please use string/decimal requirements for naming conventions as per Table 5 below.
	Data submitted to the Ministry in support of the mapping information of this RFA Application is not required to meet the BC Oil and Gas Commission's ePASS submission requirements. Please see the background ESRI shapefile format from the Environmental Systems Research Institute website link for completing the mapping shapefile
	as required: www.esri.com/library/whitepapers/pdfs/shapefile.pdf

Table 5: Shapefile Requirements

PROPONENT	PROJECT	NEW_OR_ UPG	DESCRIPTION	PROJECT_TY	FILENO	H2S	DIAMETER
String 50	String 50	String 50	String 50	String 50	String 15	Decimal 3,1	Decimal 4,1
			Examp	ole:			
COMPANY NAME	PROJECT NAME (max 50 characters inc. spaces)	NEW or UPGRADE	PROJECT DESCRIPTION	PROJECT TYPE	NEB/OGC FILE NUMBER (IF APPLICABLE)	H2S CONTENT (%)	PIPE DIAMETER (mm)
Company ABC	Midway Connector	Upgrade	10 km upgrade to winter road	Road	12345	n/a	n/a
Company DEF	Midway Gathering System	New	9.3 km pipeline	Pipeline	23456	10.1	254 mm

Appendix 2. Application Considerations

A. Selecting a Suitable Project

The CGIRP is NOT intended to share costs of building infrastructure that has already been built or is under construction; or support the deployment of technologies that may be required to meet regulatory requirements, or in the case of "business as usual" retrofits. The following points should also be considered:

- All projects must be located within British Columbia;
- Leak detection and repair projects concerning fugitive emissions are not eligible; and
- There is no minimum GHG reduction required.

B Eligible Project Examples

The following table provides some examples of eligible infrastructure projects.

Table 6: Eligible Project Examples

Eligible Project Type	Example		
Pipelines	Oil, gas and water pipelines and associated installations and facilities associated with the piping.		
Road	New all-season roads or all-season upgrades to existing oil and gas roads, all-season upgrades to forest service roads used for oil and gas activity, all-season upgrades to mining roads used for oil and gas activity.		
Value-add	Pipelines or facility infrastructure for related products, such as NGL enhanced liquids recovery, sulphur recover units, deep cut plants, plastics, or methanol. Extraction or straddle plants that remove propane and ethane from the gas stream prior to export.		
Emissions Reductions (Vented)	Conversion of low bleed pneumatic instruments to zero methane emitted devices, such as air-driven pneumatic controllers, mechanical controllers, electronic controllers. Conversion to a compressed air system operated by electricity rather than gas to supply pneumatic power to process control devices. Chemical injection pumps and circulation pumps are converted to electric or solar powered pumps or are 'right-sized' for appropriate use. Capture of vented gas from process control instrumentation and pumps for combustion in a flare or incinerator, if the destruction of this vented gas is not required by applicable gas conservation directives (such as the BC Oil and Gas Commission's Flaring and Venting Reduction Guideline). Installation of a vapour recovery unit (VRU) on a storage tank and directing of recovered vapours to a productive use (fuel gas, compressor suction, gas lift, etc.).		

Eligible Project Type	Example
Emissions Reductions (Combustion)	Installation of an exhaust heat recovery unit for compressor stack to reduce the process heat consumption and further reduce the fuel gas usage and associated combustion CO ₂ . Hydrogen fuelling stations for medium and heavy-duty vehicles.
Electrification	Installation of new electric-power equipment or retrofitting existing equipment/facilities to use electricity supplied by an integrated grid or on-site isolated grid, including new utility lines, electric drive compressors, equipment upgrades, electric charging stations for medium and heavy-duty vehicles.

B Common Submission Errors

The Ministry encourages Applicants to review these issues prior to submission to ensure their applications are complete. Common errors from previous CGIRP programs include:

- Document(s) missing from application package
- Legal company name not provided
- RFA Response Form cover page is not signed by authorized company representative
- Unanswered or vague responses to question in the RFA Response Form (answer each section to the best of your ability, provide justification – "N/A" should not be used)
- Missing well information
- Use of improper units (mixing Imperial and metric volumes, etc.)
- Incorrect calculation of estimated project cost and/or requested royalty deduction
- Incorrect calculation of estimated GHG emissions reductions
- The GHG calculations lack detail to be replicated by reviewers
- Inclusion of wells previously assigned to a project approved under a former Infrastructure Royalty Credit Program
- Shapefiles missing, string length too long, templates not used

Appendix 3. Greenhouse Gas Emissions Quantification Methodology

Applicants are required to use relevant Western Climate Initiative (WCI) quantification methods to calculate estimated greenhouse gas (GHG) emissions reductions for eligible electrification infrastructure and eligible emissions infrastructure projects. Emissions reductions should be calculated in tonnes of carbon dioxide equivalent (tonnes CO₂e).

Sustainability project applications must include a detailed description of the project, GHG project boundaries, and a process block flow diagram for the project. Project boundaries should be established to include any emission source directly or indirectly affected by the implementation of the project.

Information provided by an Applicant must match the equipment and associated information reported by Producers under the Greenhouse Gas Emission Reporting Regulation (if applicable).

Western Climate Initiative (WCI) Quantification

All emissions estimates must be calculated using the most current version of the *Western Climate Initiative Final Essential Requirements of Mandatory Reporting - amended for Canadian Harmonization* as published on the Ministry of Environment and Climate Change Strategy's website: https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/reporting/quantify.

To date, the relevant Western Climate Initiative (WCI) quantification methods (WCI.363 and others) are:

- **2012**: Final Essential Requirements for Mandatory Reporting Amended for Canadian Harmonization
- **2013**: WCI Essential Requirements for Mandatory Reporting 2013 Addendum to Canadian Harmonization Version

When using the WCI equations, please note the following:

- Both methane (CH_4) and carbon dioxide (CO_2) emissions should be estimated where real values are unavailable. Nitrous oxide (N_2O) emissions should also be estimated for project-related emissions from flaring.
 - Quantification of CO₂ emissions must use WCI.23(b), (c) or (e), and, if applicable, WCI.23(f).
 - Quantification of CH₄ and N₂O emissions must use WCI.24
- The referenced equations will provide estimates of volumetric emissions. To determine CO_2 and CH_4 emission rates and to estimate the mass-based rate of GHG emissions from a volumetric rate, use Eqn 360-41 and Eqn 360-42, respectively.
- The Global Warming Potential for CH₄ is 25 and for N₂O is 298, as listed in the Schedule of the *Carbon Neutral Government Regulation*.
- Emission factors and relevant coefficients for various devices are provided in the WCI documents (Tables 360-5 and 360-6). Methane regulation requirements found at the following

URL must be taken into account:

https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/282 2010#section52.05

- The Western Climate Initiative (WCI) defines low-bleed devices as those "which continuously bleed at a rate equal to or less than 0.17 m3/hr".
- For electricity supply:
 - Integrated grid is an electrical distribution system that is operated by BC Hydro.
 - Isolated grid is an electrical distribution system with on-site generated electricity using natural gas.
 - The emission intensity factors for grid connected entities should use the most recently published factors.
 - More information on electricity emission intensity factors: https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/reporting/quantify/electricity
 - Emission Factor for on-site renewable electricity is zero (e.g., solar power).
- For pneumatic devises, it is assumed a gas analysis has been conducted to determine the constituents of the natural gas stream currently used. If not known, this should be based on historical operating data or operating data of other operators in the same region.

How to Calculate a Project's GHG Emissions Reductions

For each piece of equipment subject to installation, retrofit, replacement, or conversion in a proposed project, estimates for greenhouse gas (GHG) emissions reductions must be calculated as follows:

$$Emissions_{Reduction} = Emissions_{BAU} - Emissions_{Post-Project}$$

Where Emissions_{BAU} represents the existing business as usual (BAU) emissions scenario for the equipment and Emissions_{Post-Project} represents the emissions scenario for the equipment after the implementation of the proposed project.

The BAU scenario represents what would occur if the proposed project is not implemented. The Emissions_{BAU} scenario must be calculated using the appropriate equations listed in WCI and the 10-year period from January 1, 2023 to December 31, 2032, using the appropriate emissions factors and operating conditions for the existing equipment noted in the Application. Applicants should assume the existing emission scenario for all years is the same if operations are consistent. Baseline emission estimates should include any applicable provincial or federal regulations (e.g., methane regulation, including all pending regulatory requirements, which will come into force) requiring implementation of the project.

The completion of a project under the CGIRP represents a change from BAU scenario. The Emissions_{Post-Project} scenario must be calculated using the appropriate equations listed in WCI and the 10-year period from January 1, 2023 to December 31, 2032, using the appropriate emissions factors and operating conditions for the new equipment installed. Any significant foreseeable increases in

emissions elsewhere in the facility/operation as a result of the project is considered and discounted from the total GHG emissions reduced.

- The emissions reductions calculations should assume that all design and construction components of the project are complete at the end of year 3. Therefore, the emissions reductions for years 1 to 3 (January 1, 2023 to December 31, 2025) are calculated based on the planned project completion date.
- Emissions reductions estimates for years 4-10 (January 1, 2026 to December 31, 2032) must be based on the new equipment installed as part of the approved CGIRP project.

Table 7 lists relevant equations for certain source types listed in WCI.363 that should be used for calculating the Emissions_{BAU} and Emissions_{Post-Project} scenarios. If the equipment type is not listed in the WCI quantification methods, an alternative quantification method may be proposed with a detailed justification and must be approved by the Province. The emission estimates should be possible for Application reviewers to recalculate the GHG emission reductions based on the information provided. The Province reserves the right to correct GHG emission reduction estimates included in an Application, where the Province determines a correction is appropriate to ensure consistency with quantification methods.

GHG Emissions Reduction Report

The successful Applicant must apply for release of an approved royalty deduction by submitting all required documents noted in Schedule B of the Project Agreement. For Sustainability category projects, a GHG Emissions Reduction Report is required. If the Applicant wishes to include costs associated with the Emissions Reduction report, this should be included within Project Construction dates. An outline for the Emissions Reduction report is provided on the program website.

In general, the GHG Emission Reduction report should calculate the Emissions_{Post-Project}, and the overall projects Emissions_{Reductions} associated with completion of the project. The report must also include a Verification Statement by a qualified third party verification body¹, that states that the assertions in the GHG Emissions Reduction Report are materially correct and are a fair and accurate representation of the project's total attributable emissions reductions for a given period, and that the GHG Emissions Reduction Report was prepared and the emissions reported in it were quantified in accordance with the WCI methodology.

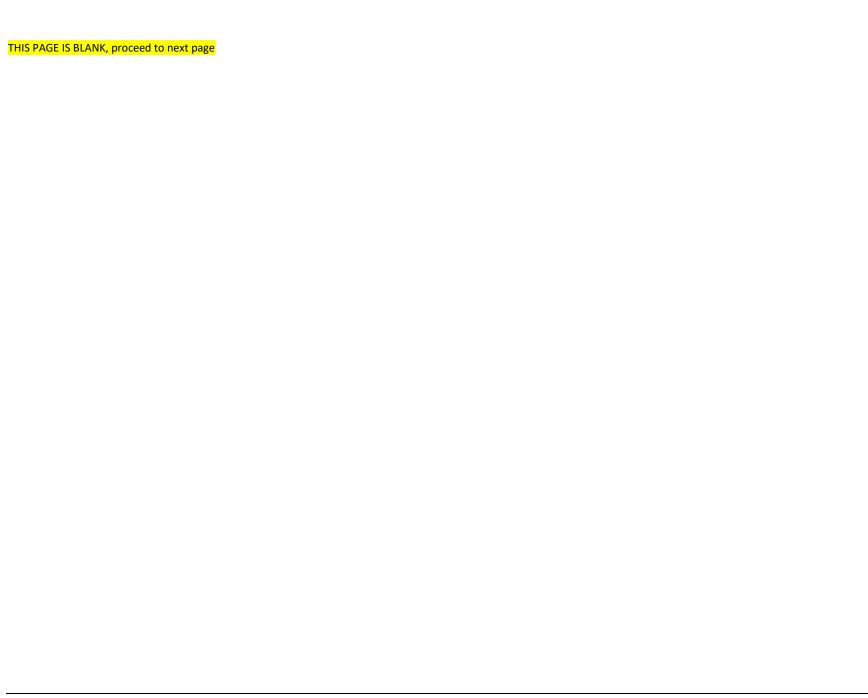
¹ The requirements for a "verification body" are defined in section 26(1) of British Columbia's Greenhouse Gas Emission Reporting Regulation.

Table 7: WCI Reference Equations

Project Type	BAU Scenario	WCI Equation - Emissions _{BAU}	WCI Equation - Emissions _{Post-Project}
Low bleed-to- zero methane emitted instrument conversions	Emissions estimated for a set of low- bleed pneumatic devices based on compliance with the methane regulation and historical operating characteristics,	Eqn 360-1 (for metered devices) Eqn 360-2, 360-2a, 360-5, 360-5a (for unmetered devices)	N/A
Pump system conversions	Emissions estimated for a set of pneumatic pumps based on historical operating characteristic	Eqn 360-1 (for metered devices) Eqn 360-3, 360-3a, 360-3b (for unmetered devices)	Eqn 360-3, 360-3a, 360-3b (for unmetered devices)
Vent gas capture	Emissions estimated for a generic set of pneumatic devices that vent gas, based on historical operating characteristics	Eqn 360-1 (for metered devices) Eqn 360-2, 360-2a, 360-3, 360-3a, 360-3b, 360-5, 360-5a or others that may be applicable (for unmetered devices)	Eqn 360-27, 360-28, 360-29, 360-30 (for vent capture projects sent to a flare, or if emissions are sent to an incinerator). For other uses of uses of the vented gas (such as general combustion), use Eqn 20-1, 20-1a, 20-2
Instrument gas to instrument air conversions	Emissions estimated for a set of gas- powered control devices based on historical operating characteristics	Eqn 360-1 (for metered devices) Eqn 360-2, 360-2a, 360-3, 360-3a, 360-3b, 360-5, 360-5a or others that may be applicable (for unmetered devices)	See Eqn below
Electrification	Emissions estimated for a simulated set of equipment based on historical operating characteristics by the Applicant or other operators in the same region	Eqn 360-1 (for metered devices) Eqn 360-3, 360-3a, 360-3b (for unmetered devices)	Eqn 360-3, 360-3a, 360-3b (for unmetered devices) See Eqn below (for greenfield electrification projects)

For instrument gas to instrument air projects: $Emissions_{Post-Project} = \sum (EC_i \times EF_{Elec} \times Managed \ Air_i) \div \sum Total \ Managed \ Air_i,$ For greenfield electrification projects: $Emissions_{Post-Project} = \sum (EC_i \times EF_{Elec}), \text{ where }$

Variable	Description	Measurement Method
ECi	Electricity consumed by the air management system, or by the electric-driven wellsite equipment (KWh)	Direct measurement or use of manufacturer specifications.
EF _{Elec}	Emission Factor for electricity generation (kg CO ₂ e/kWh) https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/reporting/quantify/electricity	Site specific emission factor based on gas composition analysis. If composition not available, use the the established emission factor for Producer Consumption.
Managed Airi	The amount of air used in the system for related control systems and in engine starters (m ³)	Direct measurement or use of manufacturer specifications.
Total Managed Airi	The total amount of air being managed by the system (m³)	Direct measurement or use of manufacturer specifications.



Appendix 4. Frequently Asked Questions

The following general questions and responses have been provided to Applicants under previous CGIRP years and may be relevant under the current CGIRP RFA.

More detailed questions with answers from the 2021 CGIRP and any new questions received during the 2022 CGIRP RFA with answers, have been and will continue to be posted respectively, to the CGIRP Program Website, see RFA document

1b RFA 2022 Questions and Answers. Check back frequently.

Applications

Q. Are submissions required to be completed in the format provided for an application to be considered?

A. Yes.

Q. Are there any other ways some of the components of the required RFA application materials can be submitted to the Ministry for a joint application?

A. Yes. As part of the RFA Application, the Drilling and Production Table must be completed by the Producer(s). If it is not submitted with the completed RFA package, this Table may be submitted confidentially and directly to the Ministry by the Producer or each of the Producers, separate from the overall RFA application submitted.

The application cover letter should indicate if this Table(s) will be sent separately to the Ministry. The Ministry will then use this Table(s), along with the rest of the complete RFA application package, to evaluate the proposed project.

Q. Will the information provided in the RFA be held confidential from the public?

A. The Ministry realizes that companies are submitting confidential information in their applications and the confidentially of these applications is a priority. The public has the right to request records held by public bodies under the Freedom of Information and Protection of Privacy Act. However, section 21 of the Act (Disclosure Harmful to Business Interests of a Third Party) is a mandatory exemption to the public's right to access information. It protects information which, if disclosed, would harm a third party's business interests.

Act: https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/96165 00

Q. Would the cost of drilling a water disposal well be allowed under an application?

A. No.

- **Q.** Is it possible to submit applications for projects that were completed or where any construction work was started before the RFA closing date?
- A. No.
- **Q.** If a project is being built 2/3 in BC and 1/3 in Alberta, would the project costs and related royalty deduction cover only the portion located in BC?
- A. Yes, only the portion of the project located in BC would be eligible.
- **Q.** Does the Province have a preference for awarding royalty deductions to small capital projects over large capital projects?
- A. No.
- **Q.** We have been in discussion with another company with a possibility of a partnership/joint effort. However, we still don't have a commercial arrangement, but this could be reached soon. If our project is awarded a royalty deduction and a partnership agreement is arranged afterwards, is there an issue with amending the approval to add a partner?
- **A.** In the event the project is approved, the Ministry will allow for changes such as adjustments to the royalty deduction allocation between the respective producers. Please note that no change will be allowed to the total maximum royalty deduction amount of an approved project.
- **Q.** What is required or defined as the "Legal Name of Applicant?
- **A.** Please use the company name that is registered in British Columbia, including the partnership name, if applicable. This is also the name that will be used to confirm that you have a royalty payor code as an oil and gas royalty payor with the British Columbia Ministry of Finance.

Royalty Deductions

- **Q.** In a joint application with two or more producers, or one or more producers and a pipeline partner, how will the royalty deduction be split between producers and who decides?
- **A.** The Province has no involvement in the decision of the percentage split of the requested deduction between the Producers. This information is specified by the Applicant(s) when responding to the RFA.
- **Q.** Does the amount of the royalty deduction requested affect the ranking process?
- **A.** Yes, this has a direct effect on the ranking process. The amount of royalty deduction requested is considered as part of the Evaluation Criteria.

Q. Can we apply for a royalty deduction that is less than 50 percent of the eligible costs?

A. Yes. It could be a good strategy to apply for a lower percentage of the eligible costs, as a lower royalty deduction amount will improve a project's royalty return to the Crown and possibly raise its relative ranking position.

Q. Are Pipeline companies eligible to receive royalty deductions under the CGIRP?

A. Pipeline companies can only apply jointly with one or more Producer(s); however, Pipeline companies cannot receive royalty deductions as they do not pay royalties. A Pipeline company applying jointly with a Producer(s) must privately determine the royalty deduction allocation that the Producer(s) are requesting.

Projects

Q. Can a Pipeline Company take responsibility for the performance of the Project Agreement for a project approved under the CGIRP?

A. Yes, a pipeline company can take responsibility for the performance of a Project Agreement to which they are a party. This includes including taking responsibility for coordinating and providing all documentation under Schedule B of the Project Agreement. However, the Producer(s) is required to provide the completed Well Information table (as per Schedule B of the Project Agreement) when an approved project is completed. This can be submitted with the other required royalty deduction request documents or can be provided by the Producer(s) separately to the Ministry.

Q. Are compressor stations or dehydration facilities eligible construction costs for a pipeline project?

A. Yes, the definition of "eligible project costs" in the RFA document includes "costs incurred in the construction of the pipeline or road project" as defined in the Project Agreement. Eligible facilities, i.e., compressor stations, dehydrators, and other properties associated with the building of a new pipeline can be included in the application.

Q. Is there a diameter limit for pipeline projects?

A. No.

Q. Instead of loading in each and every well for the application, could we roll up the wells each year rather than individually in the Drilling and Production Table?

A. No. The determination of the timing of the drilling and production of wells associated with the project is a significant part of the Ministry's evaluation and selection process.

- **Q.** Where can you find third party verification bodies for reporting GHG emissions?
- **A.** The BC Climate Action Secretariat website for the GHG Reporting Regulation provides a link to the Standards Council of Canada and the American National Standards Institute which list accredited verification bodies.
- **Q.** What type of mapping information does the Ministry require?
- **A.** You are required to provide mapping information to identify the location of all the major components of your project. This includes road locations, main intersections, bridge locations, pipeline location, major tie-in points, and proposed facilities.
- **Q**. Are carbon capture and storage projects eligible to be applied for under this program?
- A. Yes if all other Program criteria are met.