

Clean Growth Infrastructure Royalty Program

2019 RFA Questions and Answers

Question 1:

Regarding slide 22 contained in the Program RFA webinar presentation on the Program website, the company business case evaluation includes if the proposed project uses emerging technology. Are commercially proven technologies or novel technologies scored higher?

Answer 1:

Novel technologies would score higher.

Question 2:

Does the government anticipate the offer of this program again in 2020?

Answer 2: The Province has not determined whether the program will or will not be offered in 2020.

Question 3:

What class of cost estimate accuracy is required for the application?

Answer 3:

In the RFA Response templates to fill out, applicants are asked for estimated costs as specified in the templates.

Question 4:

As a midstream company, how does the royalty deduction apply exactly? Does the royalty deduction flow to the producers in partnership?

Answer 4: Yes, under the program only a Producer can use a royalty deduction but we do allow for pipeline companies to partner with a producer or producers, be part of an agreement, and be part of a project. Pipeline companies and producer or producers may have their own commercial agreement concerning the costs and benefits for their application project, which the Province is not part of.

Question 5:

With respect to the Revenue Neutrality component of releasing royalty credits for Growth projects, how does this differ from the past process for the Infrastructure Royalty Credit Program (if at all)?

Answer 5: It is exactly the same in terms of the process of revenue neutrality as was the case in the 2018 Infrastructure Royalty Credit Program. Nothing has changed.

Question 6:

Can we use the program with other incentives, Offsets, etc.?

Answer 6: There is always the potential to have several programs in play for any of these projects. However, we just require that any funding you are receiving from any other provincial government program whether that is offsets or some other program that the provincial government is offering, that that be acknowledged within your application. It is definitely allowable. For the GHG reduction projects on the sustainability side there is a calculation that is required. In that calculation you would need to include other funding sources as well.

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Question 7:

Section 5.2.1, page 11 identifies projects must be greenfield, but 5.2.1(b), page 12 allows retrofitting. Confirm retrofits are eligible?

Answer 7: Yes, both greenfield and retrofits electrification projects are eligible.

Question 8:

Section 5.2.2, page 12: (a) references GHG emissions, but the paragraph below references methane. Confirm projects are ranked on GHG emissions reduction, not just methane?

Answer 8: Projects are ranked on GHG emissions reduction (including methane, carbon dioxide, and nitrous oxide).

Question 9:

Appendix 3, page 24: Confirm the GHG Emission Reduction Report is due for the second half of the royalty credit to be released (i.e., one year after the Project is completed)?

Answer 9: The GHG Emission Reduction Report is due for the second half of the royalty credit to be released.

Question 10:

Consider providing an example of the Emissions Reduction Ratio calculation. Webinar showed \$ royalty credit requested / tonnes GHG reduced between Jan. 1, 2020 and Dec. 31, 2029.

Answer 10: For example: Project A:

- Estimated Greenhouse Gas emissions reduction: X (Jan. 1, 2020—Dec. 31, 2029, in tonnes CO₂e)
- Royalty deduction requested amount: \$Y
- Other provincial funding received: \$Z

$$\text{Emission Reduction Ratio}(ERR) = \frac{Y + Z}{X} (\$/\text{tonnes } CO_2e)$$