Clean Growth Infrastructure Royalty Program
2020 RFA Questions and Answers

Question 1:
The RFA indicates that the project must be completed by December 31, 2023. What happens if the project originally targets a completion date before the end of 2023 but is delayed through unforeseen circumstances, such as regulatory permitting delays?

Answer 1:
Applications must have an intended completion date of December 31, 2023; however, the Ministry does realise that exceptional circumstances do arise, such as regulatory permitting delays, that are out of the proponent’s control. Proponents can apply for amendment(s) to their original agreement and these would be considered in light of each situation.

Question 2:
The last 3 years for emissions reduction projects (split across the 2019 CGIRP program (sustainability category) and the previous Clean Infrastructure Royalty Credit Program have been focused on electrification and emission reduction outcomes, but in the supporting information it's alluded to that water conservation could also become a focus area. Is there any indication for when the water conservation and other water-based projects might come into focus as a desired outcome of the program?

Answer 2:
Projects that focus on water conservation is one of the desired outcomes of the Program. Under the eligible pipeline infrastructure projects in the growth category, part b. specifically includes “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.”

Additionally, questions in the Request for Application response form encourages applicants to consider improved techniques for water resources as well as conservation or reduction of fresh water usage irrespective of the project category they are applying under.

Question 3:
Could you reiterate the definition of "producer", as you did on Slide 7 in the 2020 CGIRP webinar?

Answer 3:
As defined in the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation a "producer" means

   a) a holder of a location who markets or otherwise disposes of oil, natural gas or both, that has been produced by
      i. the holder of the location, or
      ii. a person authorized to do so by the holder of the location, and
b) a person authorized by a holder of a location to produce and market or otherwise dispose of, on the holder's behalf, oil, natural gas or both;

A producer is someone who pays oil and/or natural gas royalties. Refer to Question 11 to see why this is important.

**Question 4:**
Can you elaborate on value added projects?

**Answer 4:**
A value-add project would include projects that take raw products extracted from an oil and/or gas well and refines or creates new products to increase marketability of the extracted material(s). A detailed description of eligible value-add projects is provided in the RFA under section 5.1.3.

Examples of value-add projects could include, but are not limited to, pipelines or facility infrastructure for related products, such as natural gas enhanced liquids recovery, sulfur recovery units, deep cut plants, plastics, or methanol extraction or straddle plants that remove propane and ethane from the gas stream.

**Question 5:**
Is there a minimum length of road that will be considered for the application?

**Answer 5:**
No. The road could be any length.

**Question 6:**
What are the specific requirements of the third-party documentation required for greenhouse gas (GHG) emission reductions?

**Answer 6:**
A *Greenhouse Gas Emission Reduction Report Outline* has been provided by the Ministry and is available on the CGIRP website under *Royalty Deduction Submission*. The report submitted to the Ministry should follow the report outline provided.

A third-party verifier should be someone who is registered as accredited clients under Standards Council of Canada or as accredited bodies under American National Standards Institute. Refer to Question 10 for details on how to connect with these verifiers.
Question 7:
Has the program been fully subscribed in past?

Answer 7:
This is just the second year of the CGIRP program and yes, last year was fully subscribed.

Question 8:
Is there any overlap for CGIRP and CIIP (Clean BC Industry Fund) program this year?

Answer 8:
Yes, there is the potential for applying to both programs on the same project. Combining the two could allow for up to 75% of capital costs to be covered.

Question 9:
Would it be possible for you to email out a copy of this presentation?

Answer 9:
No; however, a copy of the presentation is posted on the RFA website under RFA Webinar.

Question 10
Would you have a list of possible vendors that could provide a third party “Emissions Reduction Report”?

Answer 10:
The list of third-party vendors can be found on the following website:

https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/reporting/verify

In the Links and Tools box on the right-hand side, there are two links that provide accredited bodies – Standards Council of Canada (SCC) and American National Standards Institute (ANSI).

Question 11
Why does the Program require a producer as an applicant?

Answer 11
When applying for the Program, the deductions that are requested as part of the agreement are not paid in cash. Instead, the deductions that relate to the eligible capital costs are returned in the form of royalty deductions, which can only be used by a producer.

The deductions are applied to royalties owing, or as deductions to future royalty payments.