

Methane Reduction Funding Opportunities for Upstream Producers

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Summary (All headings should be Arial 12pt bold)

West Lake Energy Corp is an intermediate privately held Calgary-based oil and natural gas producer with development and exploration in western Canada. West Lake's operations are focused in the Provost medium oil region, the Lloydminster heavy oil region, and the Brazeau area of West Central Alberta. With operations that span across Alberta and Saskatchewan, West Lake's carbon intensity is quite high per barrel of oil extracted. However, West Lake is dedicated to strong environmental, social and governance practices, including methane mitigation strategies that meet and exceed AER compliance standards. This presentation will point out multiple funding avenues that are available for projects focused on methane reduction within the upstream oil and gas sector.

Not only are these opportunities plentiful, but they are often easier to access than one would expect. These funding programs are a great way for operators to access government grants for projects that are on the cusp of being economic and can help in meeting our internal ESG targets. Additionally, these opportunities are often under-subscribed, improving access to the available funds for operators just like you. Finally, we will talk about how to stay up to date on funding programs and tips and tricks to start these green initiatives in your own company.

Theory / Method / Workflow

Methane emission reductions from the upstream oil and gas industry must be reduced in order to achieve our global and national climate goals. There are many funding programs which West Lake has pursued to reduce their flare and vent volumes in 2021 . Several of these will be discussed such as Carbon Connect Internationals Methane Technology Implementation Program (MTIP), National Resources Canada Emission Reduction Fund (ERF) and Carbon Connect International Baseline and Reduction Opportunity Assessment Program (BROA). Along with this, we will briefly discuss smaller clean-tech programs such as CRIN and Canada's Clean Growth Hub.

Results, Observations, Conclusions

In 2021, West Lake Energy had received grants of over \$1.3MM for projects that have reduced emissions of over 60,000 tCO₂ annually. This is the equivalent over taking 12,500 cars off the road each year. We will chat about the projects in some detail, including category types, funding allocations and eligibility. The projects discussed will include flare gas conservation, pneumatic device high to low bleed conversions, combustor installations for vent gas, Instrument gas to

instrument air, solution gas gathering & tie-in as well as annual FEMP survey grants. The key to knowing where to start would be to pinpoint who to chat with within your organization. From there, one can begin filling up a potential project list in alignment with facilities, production, and operational importance. Talking to the full asset team can help you understand their priorities and how decisions are being made.

Oftentimes, gas conservation projects are not considered due to poor economics, lack of development in area, change of strategy etc. With the recent surge in gas pricing and a large focus on sustainable energy development, the opportunity to receive grants for emission reduction projects are plentiful and this space is only going to grow in the years to come. Methane mitigation in the oil and gas industry is of utmost importance and there are financial incentives along the way.

Acknowledgements

We would like to thank the Alberta and Canadian governments for continuing to show up and support emission reduction projects and technology. I would also like to thank companies like Carbon Connect International, Radicle, Modern West and Northshore for helping us realize these emission reductions and helping us develop projects from application to execution.

References

Natural Resources Canada- list of Federal Funding, Grants and Incentive Programs
<https://www.nrcan.gc.ca/energy/funding/4943>

Government of Canada Clean Growth HUB
<http://www.ic.gc.ca/eic/site/099.nsf/eng/home#p1>

Carbon Connect International
https://www.carbonconnectinternational.com/?gclid=Cj0KCQiAubmPBhCyARIsAJWNpiP1kF5wYF72I_vZsPc-oC1s21t2102sD3oWPK1SgFcCFrJpMNUQDEwaAreSEALw_wcB

Clean Resource Innovation Network
<https://cleanresourceinnovation.com/>

Emission Reduction Fund- Onshore Program
<https://www.nrcan.gc.ca/science-and-data/funding-partnerships/funding-opportunities/current-funding-opportunities/emissions-reduction-fund/onshore-program-emissions-reduction-fund/23050>