



## Methane Emissions Reduction Initiative Eligibility Criteria

Oil & Gas Facility Owners as well as Program Allies (“PAs”) operating within the Province of Alberta (“Applicants”) are eligible to apply for Methane Emissions Reduction (“MER”) Initiative incentives based on the criteria defined below.

Two (2) types of incentives available under the Initiative.

1. **MER Baseline Opportunity Assessment (BOA) and Leak Detection and Repair (LDAR) Studies** provide incentives to Program Allies (PAs) to: 1) complete a BOA & LDAR study data capture template (Appendix A) for detailed inventory count, 2) conduct leak detection and repair (LDAR). Leak detection and repair is mandatory and best effort must be made to repair all leaks identified or reasonable explanation of why repairs cannot occur for sites where leaks identified should be provided, 3) complete a BOA & LDAR summary report (Appendix B) including emissions summary of each facility surveyed. To be eligible for BOA LDAR Studies incentives, all applications must be pre-approved. Offset eligible projects (per Alberta Quantification Protocol) under the Carbon Competitive Incentive regulation that are identified in the BOA and LDAR Studies are not precluded from being registered to generate offsets. Please see MER Initiative Terms and Conditions at [www.encyalberta.ca/customersolutions/methane/](http://www.encyalberta.ca/customersolutions/methane/) for additional information.
2. **MER Direct to Capital (DTC) Applications which consist of two components with the following incentives:**
  - **MER Direct to Capital Studies (DTC Studies)** provide incentives to PA’s or Facility Owners to identify and quantify MER eligible capital projects that reduce methane emissions and associated CO<sub>2</sub>e. To be eligible for DTC Studies incentives, all applications must be pre-approved. Potential capital projects that are registered to generate offsets (per approved Alberta Quantification Protocols) under Carbon Competitiveness Incentive Regulation are not eligible for DTC Studies participation. Please see MER Initiative Terms and Conditions at [www.encyalberta.ca/customersolutions/methane/](http://www.encyalberta.ca/customersolutions/methane/) for additional information.
  - **MER Direct to Capital Projects (DTC Projects)** provide incentives to Facility Owners that implement capital-based projects that reduce methane emissions and associated CO<sub>2</sub>e. To be eligible for DTC Projects incentives, all applicants must complete **MER DTC Studies component first**. Potential capital projects that are registered to generate offsets (per approved Alberta Quantification Protocols) under Carbon Competitiveness Incentive Regulation are not eligible for DTC Projects participation. Please see MER Initiative Terms and Conditions at [www.encyalberta.ca/customersolutions/methane/](http://www.encyalberta.ca/customersolutions/methane/) for additional information.

Information regarding incentives for MER BOA and LDAR Studies and MER DTC Applications are summarized on the EEA website [www.encyalberta.ca/customersolutions/methane/](http://www.encyalberta.ca/customersolutions/methane/).

Eligibility criteria:

- Facility Owner production for all facilities operating within the Province of Alberta cannot exceed 40,000 BOE per day.

Specifically, to participate in MER Initiative, each participating facility:

- Is not classified as a Large Final Emitter (LFEs)-or opted into the Carbon Competitiveness Incentive Regulation.



- For BOA and LDAR Studies and DTC Applications participation, must be defined as one of the following facility types: 1) Single Well Site, 2) Multi-Well Site, 3) Battery Site 4) Gathering Site or 5) Processing Plant.

Additional eligibility requirements include:

- Multiple facilities may be aggregated by Applicants including Program Allies and Facility Owners and submitted for pre-approval as a single application but the per facility requirements identified above, must be met.
- Facility Owners with multiple facilities are eligible for total MER Initiative incentives of \$250,000 per year (inclusive of BOA and LDAR Studies and DTC Applications incentives).
- Facility Owners eligible under MER Initiative with consideration to participate in the Custom Energy Solutions (CES) Program, should note that incentives for the combined total of BOA and LDAR Studies, DTC Applications (DTC Studies and DTC Projects) and Custom Energy Solutions (CES) Program for individual facilities with over 10,000 tonnes of annual GHG emissions are eligible for incentives up to \$1 million per year (inclusive of MER and CES activities) and parent facilities implementing projects in multiple facilities are eligible for incentives up to \$2 million per year (inclusive of MER and CES activities). Facilities with less than 10,000 tonnes are eligible for incentives up to \$250,000 per year for individual facilities and \$500,000 per year (inclusive of MER and CES activities) for parent facilities. Incentives for BOA and LDAR studies can only be used through the Methane Emission Reduction (MER) Initiative while DTC Applications can use incentives from the Custom Energy Solutions (CES) Program.
- All BOA and LDAR Studies must be completed, including documentation of all LDAR implementation along with submission of BOA templates and summary reports within 30 days of BOA pre-approval.
- Final DTC Projects application must be submitted within 30 days of DTC Projects application pre-approval.
- MER incented BOA and LDAR Studies, DTC Applications must focus exclusively on the identification and implementation of methane emission reduction opportunities. Projects resulting in the identification and implementation of energy reduction opportunities will be incented separately through Custom Energy Solutions (CES).

Please email us at [methanereduction@efficiencyalberta.ca](mailto:methanereduction@efficiencyalberta.ca) or call 403-800-8947 to talk about your facility and methane abatement opportunities.

---

<sup>1</sup> A Large Final Emitter (LFE) means facilities that are subject to the Carbon Competitiveness Incentive Regulation (formerly the Specified Gas Emitters Regulation). This applies to facilities that have emitted more than 100,000 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) in 2003 or any subsequent year.