

Methane Emissions Carbon Credits

Vent Gas Reduction



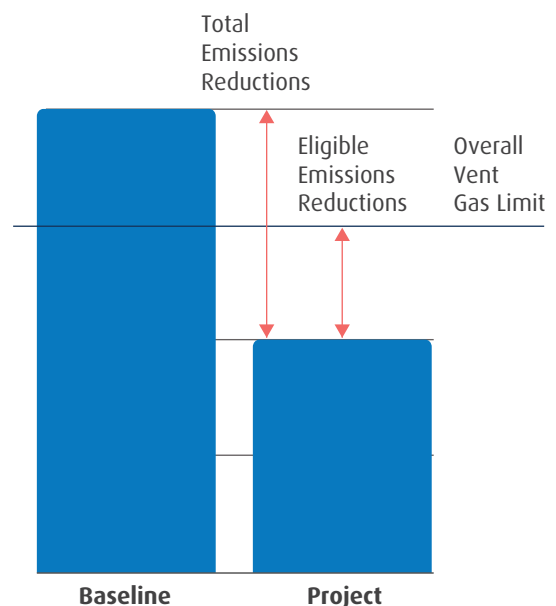
The Vent Gas Reduction (VGR) Protocol enables upstream oil and gas producers to generate carbon credits within the Alberta compliance market by reducing emissions from vented sources. Vented emissions from tanks continue to be one of the largest sources of emission in upstream oil and gas in Alberta, and the VGR Protocol provides an incentivization solution with carbon credits.

As one of the largest developers of compliance-grade credits in Canada, we'll help guide you through the complex landscape of getting started, eligibility, funding, project development, and credit generation.

Eligibility

The eligibility requirements are primarily related to Directive 060 requirements. Metered projects installed after January 1, 2020, where previously vented gas is captured and either conserved or destroyed to reduce emissions, are eligible to generate carbon credits.

- The “baseline condition” is gas venting to the atmosphere
- Flaring is not an eligible baseline condition; re-routing gas that was previously flared is not eligible
- Eligible vent gas sources include most non-pneumatic venting sources: tanks, compressor seals, dehydrators, casings
- The volume of vented gas that is captured must be metered, and that metered volume is considered to be the volume of methane that would otherwise be vented directly to the atmosphere
- The vented gas that is eligible for carbon credits is only gas below the Overall Vent Gas Limit set out in Directive 060, as illustrated.



Project Types

Vent Gas Conservation (Category 1)	Vent Gas Destruction (Category 2)
• Injection into a sales gas pipeline • Stationary fuel combustion • On-site use for heat generation, and • On-site use for power generation For projects beginning after January 1, 2023, the standard crediting period is 10 years	• Incineration/enclosed combustion, and • Tie-in to existing flare (new flaring projects are not eligible) Crediting period ends September 30, 2025

Credit Development Flow with BMO

- 1. Identify Sites** – intake of sites with emissions reductions projects planned/occurring
- 2. Assess Eligibility** – ensuring the project is eligible to create offsets
- 3. Opportunity Assessment** – understanding the potential revenues and costs
- 4. Inventory & Evidence Gathering** – ensuring sufficient baseline data
- 5. Project Listing** – government approval for the project to be registered
- 6. Ongoing Monitoring** – monthly data submission, which can become automated
- 7. Project Verification & Reporting** – third party verification and subsequent reporting
- 8. Credit Serialization** – monetization of credits and transaction of credits/funds

Ready to get started or
want to learn more?



Reach out to your BMO
Representative today.



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