Methane Emissions Carbon Credits

Instrument Gas to Instrument Air

The emission reductions from pneumatic devices offer potential for upstream oil and gas producers to generate carbon offsets before regulatory restrictions are enacted. Converting gas-driven pneumatic devices to operate on compressed air eliminates methane venting and can generate a revenue stream from offsets within the Alberta compliance carbon market under the Technology Innovation and Emissions Reduction (TIER) Regulation.

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.

Eligible Devices

Pneumatic Instruments	Pneumatic Pumps
Includes pneumatic controllers, switches, transducers, and positioners.	Includes methanol and pneumatic pumps but does not include energy exchange pumps.

Eligibility

The eligibility requirements are primarily related to Directive 060 (D060) requirements for flaring, incinerating, and venting at all upstream petroleum industry wells and facilities in Alberta. To evaluate project eligibility, we need to assess the following criteria:

- The date of installation of the Instrument Air system.
- The date of installation of the pneumatic instruments and pumps converted to Instrument Air.
- The presence of air metering.
- The facility TIER status (Large Final Emitter, Opt-in, Aggregate, Non-Regulated).
- The "baseline condition" is natural gas venting to the atmosphere.

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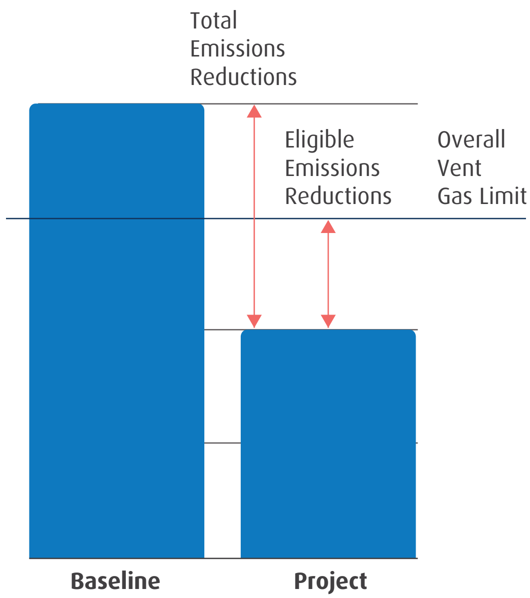
While venting from pneumatics is regulated by D060, operators can use Instrument Air systems as a part of the site's D060 compliance strategy and still be eligible for credits. Instrument Air systems can reduce venting below a site's applicable vent gas limit (such as Defined Vent Gas limit or Overall Vent Gas limit) and the vented gas that's below the Overall Vent Gas limit can be eligible for carbon offsets as illustrated below:



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 or **carbonsales@bmo.com** today.

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