

# Site Rehabilitation Program



Application Information and Guidelines

Site Rehabilitation Program Application Information and Guidelines

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# Document Version Register

Version	Version Date	Description of Major Changes
1.0	May 1, 2020	First published version.
2.0	May 21, 2020	<p>Amendments:</p> <ul style="list-style-type: none"> <li>• Added a Landowner and Indigenous Community Site Nomination section.</li> <li>• Municipal tax paid benefit of 20 per cent moved to interim payment from initial payment as described in Awarding Grants and Payment section.</li> <li>• Removed guidance on sequencing of eligible combinations of work activity types allowed per asset and application</li> <li>• Added further guidance on Licensee Contract eligibility criteria in OFS Contract Guidance section.</li> <li>• Added guidance for Working Interest Participants.</li> </ul>
2.1	May 21, 2020	<ul style="list-style-type: none"> <li>• Clarified guidance for Working Interest Participants contracting with an OFS for closure of sites subject to Section 36 orders.</li> </ul>
3.0	July 17, 2020	<p>Amendments:</p> <ul style="list-style-type: none"> <li>• OFS contracts are now permitted to have “subject to receipt of grant funding” clauses and termination clauses. Updated in the OFS Contract Guidance section.</li> <li>• Clarified that receipt of previous SRP grant funding for the identical scope of work on the same site is considered ineligible site rehabilitation work.</li> <li>• Clarified that site rehabilitation work done after May 1, 2020 is eligible for future SRP application periods, as long as it meets eligibility requirements.</li> <li>• Updated the Invoice Reporting and Payment section.</li> <li>• Updated the Landowner and Indigenous Community Site Nomination section.</li> </ul>

Version	Version Date	Description of Major Changes
4.0	August 7, 2020	<ul style="list-style-type: none"> <li>• Updated the Invoice Reporting and Payment section to provide guidance on submitting an interim payment request.</li> <li>• Included a new section called Indigenous Company Criteria.</li> <li>• Clarified when abandonment and Phase 1 ESA applications can be submitted together.</li> </ul>
4.1	August 27, 2020	<ul style="list-style-type: none"> <li>• Included new information about how applicants will receive notification about the status of their grant application. By the end of September 2020, applicants will start receiving email notifications from the online SRP application system – the Electronic Transfer System – with the application review decision (whether approved or declined) for Period 3 and 4 applications.</li> <li>• Updated the Invoice Reporting and Payment section to refer to the newly created Invoice and Reporting Guidelines.</li> </ul>
5.0	November 24, 2020	<p>Amendments:</p> <ul style="list-style-type: none"> <li>• Removed the statement from the Grant Application Periods section about the Department assessing the Licensee’s current financial ability to fund 75, 50 or 0 per cent of closure work. Instead, the Supplemental Guidelines for each period will describe the funding level for that period.</li> <li>• Clarified that closure work on a site that has already received a reclamation certificate, and reclamation exempt sites are ineligible for program funding.</li> <li>• Removed the requirement that the Licensee and Contractor not share the same address. This is now permitted.</li> <li>• Clarified when a Licensee’s grant allocation balance (applicable to date in open grant periods 3 and 4) will be adjusted as work is approved or declined throughout the application process.</li> <li>• Added guidance on when a submitted application can be withdrawn by the applicant.</li> <li>• Added guidance on completing an SRP application – you will be asked to enter the grant amount requested per</li> </ul>

Version	Version Date	Description of Major Changes
		<p>infrastructure site ID and work activity; you can find the infrastructure site IDs, work activity type and associated approved grant amounts in Schedule A of your grant agreement.</p> <ul style="list-style-type: none"> <li>• Added guidance on how to apply for borrow and ecology pits.</li> <li>• Clarified that the Department must approve Master Service Agreement (MSA) templates if the applicant wants to only provide an MSA reference number in their oil field service contract; added Canadian Natural Resource Limited's MSA to the approved standard templates.</li> <li>• Added guidance about the Department sending out "remittance advice" summarizing grant payment amounts.</li> </ul>
5.1	February 10, 2021	<p>Amendments:</p> <ul style="list-style-type: none"> <li>• Included new guidance that starting in application period 5, the scope of work in the OFS contract must match the work details in your SRP grant application.</li> <li>• Added guidance that Contractors may contract with Working Interest Participants (WIP) for period 5 and 6 applications.</li> <li>• Clarified that a Licensee's, WIP's, First Nation's or Metis Settlement's allocation balance will also be adjusted when an application is withdrawn by a Contractor.</li> <li>• Added guidance on how to apply for an unlicensed pipeline.</li> <li>• Added guidance that applicants are encouraged to ensure that contracts with Licensees cover those costs for work done that exceeds the amount offered by an SRP grant.</li> <li>• Updated the email address for invoicing and grant payment inquiries to <a href="mailto:Energy.SRPGPP@gov.ab.ca">Energy.SRPGPP@gov.ab.ca</a></li> <li>• Updated the definition for the 'Number of Hours of Work Generated' performance measure.</li> <li>• Added a new performance measure for work funded by the Period 6 First Nations or Metis Settlements allocation.</li> <li>• Added a Working Interest Participant (WIP) definition.</li> </ul>

# Table of Contents

<b>Document Version Register .....</b>	<b>3</b>
<b>Note to Applicants .....</b>	<b>7</b>
<b>Introduction.....</b>	<b>7</b>
Principles.....	8
Program Details and Clarifications.....	9
Site Licensee Responsibilities.....	10
Grant Application Periods .....	11
<b>Program Eligibility Criteria .....</b>	<b>14</b>
Indigenous Company Criteria .....	19
<b>Landowner and Indigenous Community Site Nomination .....</b>	<b>20</b>
<b>Application and Approval Process .....</b>	<b>21</b>
Applying to the Program .....	22
OFS Contract Guidance.....	25
Application Review and Approval Process .....	27
Awarding Grants and Payment System .....	28
<b>Invoice Reporting and Payment.....</b>	<b>29</b>
<b>Compliance .....</b>	<b>29</b>
<b>Program Administration .....</b>	<b>30</b>
<b>Performance Measures and Reporting .....</b>	<b>30</b>
<b>Information and Requests for Clarification .....</b>	<b>31</b>
<b>Confidentiality.....</b>	<b>32</b>
<b>Freedom of Information and Protection of Privacy.....</b>	<b>32</b>
<b>Definitions .....</b>	<b>32</b>

# Note to Applicants

There are two sets of guidelines to read before you apply for a Site Rehabilitation Program (SRP) Grant. These are the Program Guidelines and they provide the overall rules and details of the SRP, across all grant application periods. For each grant application period, there is also a set of Supplemental Guidelines with the specific details and criteria of that particular period. Both must be thoroughly reviewed to prepare a successful grant application.

Always read these Program Guidelines first. The program guidelines are improved often – you will find the amendment dates in the Document Version Register on pages 3 to 5. Applications received **after** the date of an amendment are governed by the newly amended version of these guidelines. Applications received before an amendment will be governed by the previous version that was in place at the time the application was submitted.

If you have any questions, please contact the Site Rehabilitation Program, Program Design Implementation and Monitoring Section:

Phone: 780-641-9083

Toll free: 1-833-680-9083

Email: [energy.srp@gov.ab.ca](mailto:energy.srp@gov.ab.ca)

## Introduction

The Site Rehabilitation Program (SRP) is administered by Alberta’s Department of Energy (the “Department”) and provides funding in the form of grant payments to the oil field services sector to abandon, and/or reclaim upstream oil and gas infrastructure. The program objectives are to increase employment in this sector while decreasing the environmental liability associated with oil and gas development.

## Principles

- The SRP will run from May 1, 2020 to March 31, 2022 with \$1 billion in total available grant funding, usually distributed in \$100 million increments through application periods with targeted priorities.
- The program is focused on abandonment and reclamation activities of upstream oil and gas wells, pipelines and associated facilities.
- All site rehabilitation work must be completed and invoiced before December 31, 2022.
- The SRP will provide grant funding to successful applicants in the oil field services sector (the “Contractor”) who have entered into, and comply with, an oil field service (OFS) contract with an oil and gas company (the “Licensee”), who has a business associate (BA) code with Alberta Energy.
- Grant payments are made directly from the Government of Alberta to the Contractor; Licensees are ineligible to receive grant payments.
- Each application period will have additional and separate Supplemental Guidelines describing its targeted priorities, application acceptance criteria, process and timelines. In the event of a conflict between the provisions of these guidelines and any supplemental guidelines for a particular program period, the provisions of the supplemental guidelines shall govern.
- Grant applications will be accepted for the duration of a particular program period, or until the program period is terminated by the Department.
- Because each application period has unique priorities, goals and objectives, applications from previous periods will not be carried forward to the next program period. New applications must be filled out for each program period, unless otherwise directed in Supplemental Guidelines.
- Successful applicants will be offered grant funding for site rehabilitation work up to a maximum level of funding determined by the Department for a specific service within the contracted amount.
- The Department has full discretion to determine applicant eligibility, approve applications, determine eligible funding, and decline incomplete or inaccurate applications.



## Program Details and Clarifications

- The program runs until March 31, 2022. This allows companies to apply for and stage closure work from abandonment to Phase 1 Environmental Site Assessment (ESA); to Phase 2 ESA; to remediation and reclamation.
  - Once abandonment and a Phase 1 ESA has been completed, you may apply for the next subsequent work activity. An application for the next planned work activity can only be submitted after the current work activity is complete. You can apply for the next stage of work during the same application period, or in subsequent application periods.

It is the responsibility of Licensees and Contractors to sequence all work, along with the related grant applications to complete that work, in a manner consistent with their project plans. Keep in mind that grant recipients can only submit **one** interim and **one** final payment request for each grant. Applicants accept all risks associated with the decline or approval of grant applications and payment requests. The Site Rehabilitation Program is not a substitute for project management processes typically required at a site for abandonment, remediation and reclamation work.

- Contractors that have OFS contracts with Licensees signed and executed on or after the program announcement date of April 24, 2020, may apply to government directly for grants for the contracted site rehabilitation work. A Master Service Agreement (MSA) may be dated prior to the SRP as long as the associated schedule, work order, or purchase order is signed and executed on or after the announcement date. Eligible work on the site(s) cannot commence prior to May 1, 2020.
- In application periods 3 and 4 requested grant amounts may be for all or part of the contracted amount of site rehabilitation work. Starting in application period 5, the scope of work in the OFS contract must match the work details in your SRP grant application. If the scope of work and costs for the work activities in the contract do not match the details and amounts in the application, the application will be declined. The application must specify the grant amount applied for or requested.

- Landowners, and First Nations and Metis Settlements may nominate inactive sites for cleanup under the SRP. For further guidance see [Landowner and Indigenous Community Site Nomination section](#).
- The Department may use information at its disposal, including the range of current costs for individual activities maintained by the Alberta Energy Regulator (AER) and Orphan Well Association (OWA), to determine whether the grant amount requested is reasonable.
  - If the OFS contract exceeds the determined value for an activity, the applicant may be offered a grant for a lesser amount.
- After a grant is awarded, no additional grant funds will be provided to that specific project in the event of cost overruns.
- Grant funds will not be issued for the same work at the same site that has previously been funded under the SRP.
- The government will pay the approved grant total in three instalments – first, interim and final. For further guidance see [Awarding Grants and Payment System section](#).

## Site Licensee Responsibilities

- Licensees are responsible for ensuring work at any SRP site is properly sequenced and carried out, meets all AER and regulatory requirements, and all other legal requirements, such as occupational health and safety laws, and public health orders.
- Licensees remain responsible for their regulatory, financial, and other legal obligations related to the site.

Complaints about the conduct of Licensees or their Contractors should be reported to the responsible authorities (such as the Alberta Energy Regulator or the Surface Rights Board) and will be investigated by these authorities.

**Licensees that are not meeting their regulatory, financial and other legal responsibilities may have their sites disqualified from being eligible for SRP grant funding.**

- Licensees are not permitted to charge administrative fees or commissions to Contractors in order for them to secure a work contract. Any such costs are ineligible for grant funding.
  - Costs to prepare contract bids, grant applications and contracts are also ineligible.
- Questions concerning mergers and acquisitions can be submitted to [Energy.SRP@gov.ab.ca](mailto:Energy.SRP@gov.ab.ca).

## Grant Application Periods

- Grant funds will be available – typically in \$100 million increments – through grant application periods that have targeted priorities, application acceptance criteria, and timelines.
- Some application periods may target contracts with Licensees that have the financial ability to pay for a percentage of the value of the OFS contract. In this case, Contractors may receive a percentage of the total value of the OFS contract through an SRP grant and the remainder from the Licensee.

SRP Application Acceptance Criteria			
Program Period	Description	OFS Contract Limit Amount	Proposed Timeline
<b>Period 1</b>	\$100 million funding increment.  Province-wide program applications were accepted towards zero-contribution contracts (i.e. government funding of 100 per cent of OFS contract value).	\$30,000	<b>Closed</b>  May 1 to 15, 2020
<b>Period 2</b>	<b>Section 36 Lands</b>  \$100 million funding increment.  Applications were limited to Section 36 lands (sites where government is paying compensation to landowners as required under Section 36 of the <i>Surface Rights</i>	No Limit	<b>Closed</b>  May 21 to June 18, 2020

SRP Application Acceptance Criteria			
Program Period	Description	OFS Contract Limit Amount	Proposed Timeline
	Act) for zero-contribution contracts (i.e. government funding of 100 per cent of OFS contract value)		
<b>Period 3</b>	<p><b>Licensee Funding Allocation</b></p> <p>\$100 million funding increment.</p> <p>Each Licensee determined by the Department of Energy to be an active oil and gas producer in Alberta will be allocated up to \$139,000 in funding for site closure work. Multiple Contractor applications (applications from multiple Contractors or multiple applications from one Contractor) are permitted. However, when the maximum allocation for the relevant Licensee is reached, Contractor applications reviewed after that date will be declined.</p>	No Limit	<p><b>Open</b></p> <p>July 17, 2020 to March 31, 2021</p>
<b>Period 4</b>	<p><b>Area-Based Closure Relief</b></p> <p>\$100 Million funding increment.</p> <p>Licensees with confirmed and proposed Area-Based Closure plans submitted to the AER for 2020, and which were subsequently cancelled due to the COVID-19 economic environment, will be allocated a specified amount based on their cancelled 2020 program. Individual grant applications from OFS contractors are eligible for 50 per cent of the contract value. If Indigenous OFS contractors are</p>	No Limit	<p><b>Open</b></p> <p>August 7, 2020 to March 31, 2021</p>

SRP Application Acceptance Criteria			
Program Period	Description	OFS Contract Limit Amount	Proposed Timeline
	hired by Licensees and meet the program's criteria, the grant can increase to 100 per cent of the contract value.		
<b>1B</b>	<p><b>Period 1 Application Reassessment</b></p> <p>Applications for abandonment work that were declined under the original criteria for Period 1 will be reassessed as outlined in the Period 1B Supplemental Guidelines.</p> <p>Only existing applications will be reassessed; no new applications will be accepted for this grant period.</p>	\$30,000	<b>Closed</b>
<b>Period 5</b>	<p><b>Licensee Funding Allocation</b></p> <p>\$300 million funding increment.</p> <p>Licensees with confirmed hydrocarbon production in 2019, and closure spending on eligible work activities in 2019 or 2020 will be allocated a specified grant amount based on total well licenses as of May 1, 2020. Individual grant applications from OFS contractors are eligible for up to 50 per cent of the contract value – the Licensee is responsible for paying the remaining amount of the contract. Grant funding can be increased to 100 per cent of the project value if the Licensee contracts with eligible Indigenous oil field service companies.</p>	No Limit	<p><b>Opens in 2021</b></p> <p>February 12, 2021 to March 31, 2022</p>

SRP Application Acceptance Criteria			
Program Period	Description	OFS Contract Limit Amount	Proposed Timeline
Period 6	<p><b>First Nations and Metis Settlements Allocation</b></p> <p>\$100 million funding increment.</p> <p>First Nations will be allocated \$85 million and Metis Settlements \$15 million for Licensees and Contractors to do eligible site rehabilitation work on upstream oil and gas wells, pipelines and associated facilities identified by the First Nation or Metis Settlement in their allocation.</p> <p>Individual grant applications from OFS contractors are eligible for up to 50 per cent of the contract value – the Licensee is responsible for paying the remaining amount of the contract. Grant funding can be increased to 100 per cent of the project value if the Licensee contracts with eligible Indigenous oil field service companies.</p>	No Limit	<p><b>Opens in 2021</b></p> <p>February 12, 2021 to March 31, 2022</p>
Future Periods TBD	SRP application acceptance criteria for future increments will be posted as it becomes available on the <a href="#">SRP website</a> .		N/A

## Program Eligibility Criteria

You must meet all of the eligibility criteria in order to qualify for and apply to the program. You will also need to meet the eligibility criteria for the particular grant period you are applying for. These can be found on the [SRP website](#).

## 1. Site Location and Status

- The site must be located in Alberta, and it must require abandonment of the infrastructure and/or reclamation.
- Eligible sites may be well sites, associated facility sites, and pipeline rights of way that are:
  - inactive and requiring abandonment
  - abandoned and requiring surface reclamation
  - requiring further remediation if already reclaimed, or if reclamation is underway
- The site must not be designated an orphan under the Orphan Well Program.

## 2. Energy Infrastructure

- The infrastructure eligible for site rehabilitation work includes upstream oil and gas wells, pipelines and associated facilities.
- Abandoned-in-place pipeline segments are eligible if the Licensee has received approval from the Alberta Energy Regulator (AER) to remove the specific segments.

## 3. Scope of Proposed Activities

The following activities are within the scope of eligible site rehabilitation work and align with the AER's Area Based Closure: Industry Reporting Submissions in OneStop:

- Well abandonment
  - Includes abandonment submission, re-entry and abandonment and removal of other surface infrastructure
- Facility Abandonment
- Pipeline Abandonment
- Environmental Site Assessments
  - Includes Phase 1 ESAs and Phase 2 ESAs
- Remediation

- Progressive Reclamation leading to Reclamation Certification

**Ineligible** site rehabilitation work includes:

- Suspension (wells and facilities) and discontinuation (pipelines) costs that are not part of abandonment and reclamation projects.
- Non-closure work on producing sites (e.g. spills remediation).
- Closure work done outside Alberta.
- Closure work on a site that has already received an SRP grant for that same work.
- Closure work on a site that has already received a reclamation certificate or reclamation exempt sites – those abandoned before regulatory closure requirements came into effect.
- Work already completed or in progress before the effective date of the grant program – May 1, 2020.

#### **4. Contractor Location**

- The Contractor must be based in Alberta, with registration, an office and operations in Alberta.

#### **5. Contractor Capacity**

- The Contractor must meet all qualifications (skills, experience, capability, health and safety requirements, and all other legal requirements) to perform the site rehabilitation work to the satisfaction of the Licensee. The SRP is not responsible for any loss or damage arising from work done by a Contractor funded by a grant.

#### **6. Licensee Contract** (for further guidance see [OFS Contract Guidance](#))

- The OFS contract required for an SRP grant application must be fully-executed by the parties, with the only remaining performance the provision of the contracted services by the Contractor.
- The Licensee and Contractor cannot share the same director(s), or be related as subsidiaries or affiliates of a holding (parent) company within an SRP application.
  - The Department will decline such applications upon review.



- Indigenous contractors related to or affiliated with Indigenous licensees under the same First Nation or Metis Settlement may be eligible for funding, subject to review.
- The OFS contract **must include a contract start and end date**, the scope of services, value of the contract – including cost breakdown by asset and work activity – and schedule for completion of work, including milestones and deliverables. **You must also include a targeted work start and end date.**
  - If an end date is not stated in the OFS contract, an end date of December 31, 2022 should be entered in the application form. In either case, all SRP work must be completed and invoiced by December 31, 2022.
- If the OFS contract is not with the Licensee or operator, then authorization is required by the Licensee as part of the SRP grant application.
- For Periods 5 and 6, Working Interest Participants (WIP) who are responsible for closure of sites subject to orders issued by the AER, or have a major working interest in a defunct Licensee’s site, may contract with oil field services Contractors who then apply to the SRP. If the Contractors apply for and receive funding under the SRP, the WIP will not be eligible to file a Working Interest Claim (WIC) to the AER for that same work on the same site. For greater clarity, this includes sites where the AER has ordered a WIP to conduct work over a defunct or insolvent Licensee site, or where a WIP is conducting work on its own licensed site and seeks reimbursement from the OWA for its defunct or insolvent WIP’s proportional share of that work. If the WIP was issued an AER abandonment or reclamation order, it must be attached to the OFS contract in one file as part of the SRP grant application. Any active WIC files with the AER are not eligible for an SRP grant.

## 7. Timing of Site Rehabilitation Work

- The OFS contract submitted as part of the SRP grant application must be dated on or after the SRP announcement date of April 24, 2020. A Master Service Agreement (MSA) may be dated prior to the SRP, provided the associated schedule, work order, or purchase order is signed and executed on or after the announcement date.
- It is recommended that you only start the site rehabilitation work described in your contract once the Department has approved your application for grant

funding, and the grant agreement is signed by both the Contractor and the Department.

- Site rehabilitation work done on or after May 1, 2020 that is done without SRP funding may be eligible for a retroactive grant under future SRP application periods, if the work meets the acceptance criteria of that future period.

## **8. Timing of Application Submission and Licensee Allocation Balance**

- If your application is declined for a particular application period, you may reapply in subsequent application periods for the same work – as long as the contract meets all requirements for that subsequent period.
  - Ensure that you confirm approval from the Licensee prior to re-applying in a subsequent period with the same application and OFS contract that was previously declined.
- In some application periods (periods 3, 4, and 5), eligible Licensees are allocated a maximum amount of grant funding. As Contractors submit applications for closure work related to that Licensee's Business Associate identification number (BA ID), the Licensee's allocation balance will be adjusted accordingly. For period 5 applications, if a Contractor indicates that the OFS contract is with a WIP when submitting an application, the WIP's allocation balance will be adjusted accordingly. The allocation balance in the online SRP application system (ETS) will be adjusted at the following stages in the application process:
  - when an application is submitted to the Department
  - when an application is withdrawn
  - if an SRP agreement is signed by both the Contractor and the Department for less than the requested amount
  - if an application is declined upon application review
  - if the grant agreement is declined by the Contractor
  - if the final grant request and payment is for less than what was initially approved in the grant agreement.
- In application period 6, First Nations and Metis Settlements with eligible sites on-reserve or on-settlement will receive an allocation for closure work on, or near,

their communities. Licensees with wells on the reserve or settlement will be able to access the allocation if the First Nation or Metis Settlement agrees and includes the Licensee, eligible sites, and Licensee's proposed Contractors on the community allocation tracker submitted to the Department. As Contractors submit applications for closure work the allocation balance will be adjusted accordingly. The allocation balance will be adjusted at the following stages in the application workflow:

- when an application is submitted to the Department
- when an application is withdrawn
- if an application is declined upon application review
- if the grant agreement is declined by the Contractor
- if the final grant request and payment is for less than what was initially approved in the grant agreement.

**Important:**

**Licensees that have sites which may be eligible in application period 5 or future periods, and that are associated with First Nations and Metis Settlements allocations in application period 6, cannot be the subject of any applications in period 5 or future application periods unless a First Nation and Metis Settlement on which the Licensee has wells have provided an allocation tracker to the Department. For examples, see Applicant Eligibility to Access Licensee Allocations in *Site Rehabilitation Program Supplemental Information and Guidelines – Application Period 6*.**

## Indigenous Company Criteria

Applicants can declare themselves as either an Indigenous company or as a prime contractor hiring Indigenous sub-contractors, when completing their grant applications. In order to be considered an Indigenous company/employer, for the purposes of the SRP, the following criteria must be met.

If the applicant is an OFS company, they must meet one of the four following criteria to be considered an Indigenous company under the SRP:

1. At least 50 per cent or more of the company is Indigenous-owned (sole proprietor, community-owned, or shareholders), and 50 per cent or more of the employees carrying out the work are Indigenous
2. At least 50 per cent or more of the company's board of directors or executive officers are Indigenous, and 50 per cent or more of the employees carrying out the work are Indigenous
3. The company is registered in [Indigenous Services Canada's Indigenous Business Directory](#). (Source: [aadnc-aandc.gc.ca/eng](http://aadnc-aandc.gc.ca/eng))
4. The company is a [Certified Aboriginal Business](#) with the Canadian Council for Aboriginal Business. (Source: [ccab.com/membership/certified-aboriginal-business-cab/](http://ccab.com/membership/certified-aboriginal-business-cab/))

If the applicant is a non-Indigenous prime contractor, they must meet the following criteria to be considered an Indigenous applicant:

- All (100 per cent) of the sub-contractors working on all of the sites in the application are Indigenous, as described above.

These criteria were developed with the SRP Indigenous Roundtable, a working group of Indigenous companies and communities.

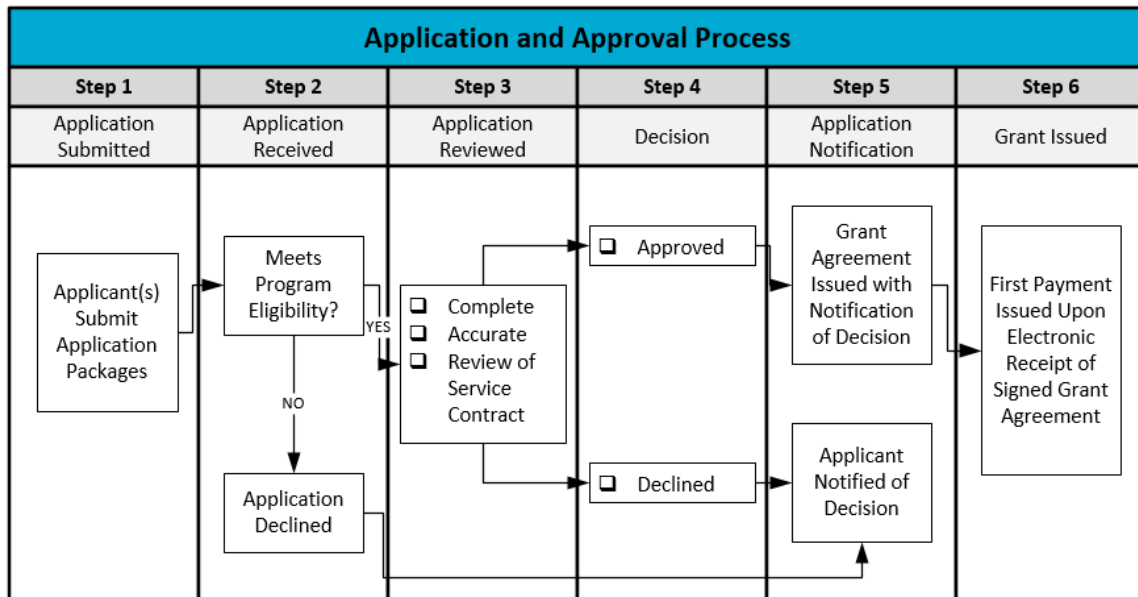
Applications and grants may be audited for compliance with the Indigenous company criteria. Any false or misleading information provided in connection with an application may result in the applicant and the Licensee being disqualified from further participation in the Site Rehabilitation Program.

## Landowner and Indigenous Community Site Nomination

- The following groups may nominate inactive site(s) for SRP funding and closure by Contractors:
  - private landowners
  - First Nations on reserve

- Metis settlements
- Each group has specific instructions to nominate a site, which can be found on: [alberta.ca/landowner-and-indigenous-community-site-nomination.aspx](http://alberta.ca/landowner-and-indigenous-community-site-nomination.aspx)
- The Government of Alberta has posted a list of nominated sites and an interactive map on [alberta.ca/landowner-and-indigenous-community-site-nomination.aspx](http://alberta.ca/landowner-and-indigenous-community-site-nomination.aspx) for Contractors to view, allowing them to negotiate with a Licensee for a contract to do closure activities on the site, and apply for an SRP grant to do the work.
- Contractors can identify whether a site they are applying for has been nominated as part of the application process.
- The Government of Alberta will not be part of any negotiations or other activity between the parties (site nominator, Contractor, Licensee).
- The Government of Alberta may verify site nominations with registries and other sources, before posting on the website.
- Nominating a site does not guarantee that work will be completed or that an SRP grant will be awarded; the regular SRP grant application process applies.

## Application and Approval Process



## Applying to the Program

- Step by step details on how to apply to the SRP can be found on <https://www.alberta.ca/site-rehabilitation-program-apply-for-a-grant.aspx>

Screen shots of the online application are provided in each set of Supplemental Guidelines so applicants can plan ahead and prepare what they need to include in their application before starting the application process.

- Before applying, review these Program Guidelines and the Supplemental Guidelines for the application period you want to apply for to ensure you meet all eligibility criteria.
- Applicants that already have an [Electronic Transfer System](#) (ETS) Site Rehabilitation Program user account should login to their ETS account to fill out an SRP application. Applicants that do not already have an ETS account will have to register [here](#) (<https://ets.energy.gov.ab.ca/logon.aspx?ReturnUrl=%2fets>) first before being routed to the SRP grant application.
- The SRP grant application must be completed accurately, and in its entirety, to be considered for the program. Deficient applications will be declined and applicants will be required to reapply.
  - Make sure that your SRP application is accurate and complete upon submission - once an SRP grant application is submitted, you can only withdraw it until the Department begins their review of the application. Once its review has begun, it cannot be withdrawn.
- The Licensee's Business Associate identification number (BA ID) must be entered on the application form. Their allocation balance will decline as applications are submitted. If the OFS contract is with a Licensee that is a WIP funding the closure work, the BA ID of the WIP must be entered and their allocation balance will decline when the application is submitted.
- Licensees must plan the required closure work for each site and ensure that the associated applications submitted by their Contractors are submitted and approved

separately, in the appropriate sequence. An application for the next planned work activity can be submitted after the current work activity is complete. A single application for all closure work on one inactive site – from suspension to final remediation and reclamation – will not be accepted.

- To apply for the following work on the same site, separate applications must be submitted for each of the following work activities, in the following sequence:
  - abandonment, or
    - abandonment **and** a Phase 1 Environmental Site Assessment (ESA) **if** the Phase 1 ESA will be conducted at the time of abandonment or immediately afterwards
  - Phase 1 ESA
  - Phase 2 ESA
  - remediation
  - reclamation
- In the SRP grant application you must identify the infrastructure type (well, pipeline segment, facility) and work activity (abandonment, phase 1 ESA, phase 2 ESA, remediation, or reclamation) that is being applied for.
  - You will be asked to enter the grant amount requested for each infrastructure site ID and work activity.
  - To enter a facility into the application form, you will need to enter the facility ID, which can be found listed on [Petrinex](https://www.petrinex.ca/Pages/default.aspx) – Canada’s Petroleum Information Network: <https://www.petrinex.ca/Pages/default.aspx>. This also known as the facility licence number.
    - Each facility licence must be entered starting with an “F-”. For example, F-0001234 or F-1234.
  - If you cannot enter a facility licence into the SRP application for facilities such as single and multi-well batteries, you may enter the associated well ID instead.
  - Some facilities may not be listed on Petrinex, and in these cases, the Licensee should contact the AER to link the unlicensed facility to an appropriate licensed facility so that Contractors can successfully enter the facility they are applying for.

- Pipeline licence and line/segment numbers are required for all work activities on pipelines.
- Remote sumps, borrow pits, and ecology pits must be entered with one of the well IDs associated with the remote sump, borrow pit, or ecology pit.
- An unlicensed pipeline directly associated with a licensed pipeline is eligible for funding, with submission of a survey or map clearly indicating the location of the unlicensed and licensed pipelines. All pipelines must have the same work activity, such as abandonment.
- In application periods 3 and 4, requested grant amounts may be for all or part of the contracted amount of site rehabilitation work. Starting in application period 5, the scope of work in the OFS contract must match the assets and work activities in the SRP grant application. If the scope of work and costs for the work activities in the contract do not match the details and amounts in the application, the application will be declined. The applicant must specify the amount of grant applied for or requested.
- Grant applications must include a JPEG or PDF of the contract signed by the Licensee or their agent and the applicant conducting the site rehabilitation work.
  - You can only upload one document into the system, so please make sure to combine your documents into one PDF or JPEG.
- Agents acting on behalf of the Licensee must provide documentation indicating the Licensee's consent.

NOTE: Funds in grant application Periods 3, 4 and 5 are allocated to each Licensee. Grant funds cannot be transferred within the SRP application system. This is because the Licensee's BA ID must be entered into the online application to allow the system to match the BA ID for each well, facility and pipeline to the licence data. If the BA ID does not match the licence data, the system will not allow you to submit the application.

- If the contract submitted with the application is between a Contractor and a sub-Contractor, Licensee consent is required and must be attached to the OFS contract and uploaded as one document to the ETS application portal.



- OFS companies acting as prime Contractors for closure projects are permitted to apply for grants, and are responsible for timely payment of their sub-Contractors for the work completed to date prior to receiving their interim and final grant instalments.
  - Applicants must provide the company names of any sub-Contractors in their OFS contract uploaded with the application if there are any other than the company making the application doing the work.
- If the Licensee has paid (i.e. no balance owing) the municipal taxes on all the applied-for site(s) for the 2019 or 2020 tax year, a receipt(s) from the municipality must be provided to obtain the additional 20 per cent on the interim grant instalment. If a municipality does not issue receipt(s), other evidence can be provided, such as electronic transfer confirmation matching the amount in a notice of assessment/remittance sheet from the municipality.
- For removal of abandoned-in-place pipelines, the Licensee must apply to the AER and receive approval before applying for a grant. The SRP grant application must include the AER's approval document.

## OFS Contract Guidance

The format of the OFS contract is the responsibility of the Licensee and the Contractor. The SRP is not a substitute for normal industry practice and project management. Applicants are encouraged to ensure that contracts with Licensees cover those costs for work done that exceed the amount offered by an SRP grant. SRP funding is meant to encourage accelerations of site abandonment and reclamation work and is not meant to be the only source of funding for work completion. The OFS contract must always contain the following information:

- The contract schedule must specify in writing the projected start and end dates for the work. These must take place between May 1, 2020 and December 31, 2022. This is so that the Department can ensure that funds are paid as soon as work is completed.
- The contract must also include the term during which the contract is effective – this means that the Contract must specify the date on which the parties agreed to start working together and, if applicable, an end date to the contractual relationship. These dates are the contract term and do not need to match the start and end dates for the contracted work (as described above).
- The contract must be signed by both the Licensee and Contractor. If the contract is not with the Licensee, then evidence of authorization by the Licensee for the work must be shown in the contract or another supporting document, uploaded with the application.

- The Contractor must be the applicant, and the Contractor’s corporate information in the grant application must match the OFS contract.
- The contract must include the site location(s) and/or well event(s) where work is occurring, and the corresponding work activity types (e.g. abandonment Phase 1 ESA, Phase 2 ESA, remediation, reclamation). Note that, as discussed in the [Applying to the Program](#) section, a separate application will likely be necessary for each stage of work. Please plan sequential work and application submissions with your Licensee.
- A clear scope of eligible work, as set out in these and Supplemental Guidelines, must be included in the contract, along with a detailed description of all proposed work activities, a cost breakdown by asset and work activity, and a project schedule with estimated timelines for completion of milestone activities and deliverables.
  - Weather or seasonal delays are permitted so long as work is completed and invoiced by December 31, 2022.
- The schedule of costs must provide a total cost for the scope of work being applied for in the grant application; providing only a rate schedule will not be accepted.
- The contract must contain a dollar value for the site rehabilitation services, even if the consideration for the contract is not paid in cash.
- The contract must be fully executed and capable of immediate action, except for the following exceptions:
  - Contracts that are “subject-to receiving grant funding”, or that refer to potential grant funding or payments made by the Government of Alberta are eligible.
  - Contracts that have termination clauses shorter than the minimum 30-day notice period to terminate are eligible.
  - Contracts containing language such as “applying on behalf of” are strongly discouraged because the SRP program prohibits applicants from applying on another’s behalf. However, some industry forms may include language that “work will be done on behalf of the Licensee”, and contracts like this are eligible, subject to the interpretation of the Department.
- Apart from these exceptions, the only remaining performance should be the provision of the contracted services by the Contractor.

- The contract must be stand-alone and contain all schedules, terms and conditions (i.e. it should not refer to any missing document for terms and conditions or for a clear understanding of the scope of work).
  - A Master Service Agreement (MSA) must be attached to and referenced in the grant application apart from the following exception:
    - If the contract you are using is an existing standard template approved by the Department, such as a Canadian Association of Oilwell Drilling Contractors or Canadian Association of Petroleum Producers Master Well Service Agreement, or Canadian Natural Resource Limited MSA, the MSA itself does not have to be provided. However, the MSA reference number must be stated in the annex or schedule of your contract. If there is no reference number, or if in the opinion of the Department the scope of work being applied for is unclear upon review, the application will be declined.
- If a Master Service Agreement is submitted, additional scope details must be included in a separate document, such as an authorization for work or a purchase order attached to an MSA, and must be in alignment with the specific site rehabilitation work in the application form, and eligible for an SRP grant.
  - An MSA may be dated prior to May 1, 2020, provided the associated schedule, work order, or purchase order is signed and executed on or after the program announcement date of April 24, 2020.

## Application Review and Approval Process

- Application information is assessed to ensure it is complete and accurate, including review of the OFS contract uploaded as part of the SRP grant application.
  - If price and job scope identified in the SRP grant application and OFS contract do not match the Department's assessment of value using AER and OWA data for similar work activity, the grant amount may be reduced by an amount equivalent to the difference.
- The Department then reviews applications and previously allocated grant funding according to well/facility/pipeline ID, Licensee BA ID and work activity type, to ensure that grant funding for the same scope of work on a site is not duplicated.

- Once the application review is complete, you will be notified whether your application has been approved or declined. If approved, you will also be notified of your approved grant amount.
  - Applicants will receive an automatic email notification through the online SRP application system – or the [Electronic Transfer System](#) (ETS) - of the status of your grant application (whether approved or declined).
    - If the application is approved, the email will instruct you to login to your ETS Site Rehabilitation Program User Account to review, sign, and upload the SRP grant agreement to ETS. Schedule A in your grant agreement will show the infrastructure site IDs, work activity type, and associated grant amounts approved by the Department.
    - If the application is declined, the email will notify you that your grant application has been declined.
    - Applicants can decline to sign the grant agreement if the project will not be proceeding.
- The first payment will be issued within 30 business days upon electronic receipt of the signed SRP grant agreement.

## Awarding Grants and Payment System

- Three grant payments will be disbursed according to the following structure:
  - **First Grant Payment** – will equal 10 per cent of the total grant amount and be disbursed upon approval of the SRP grant application and electronic receipt of the signed SRP Grant Agreement.
  - **Interim Payment – Municipal Taxes Paid:** If the Licensee’s tax account for the 2019 or 2020 tax year is paid in full for the project site(s), the interim payment to the Contractor will equal up to an additional 70 per cent of the total grant amount upon the Contractor completing an Interim Installment Invoice Report.
  - **Interim Payment – Municipal Taxes Unpaid:** If the Licensee has municipal taxes in arrears for the project site(s), the interim payment to the Contractor will equal up to an additional 50 percent of the total grant amount, upon the Contractor completing an Interim Installment Invoice Report.

- **Final Grant Payment** - balance of grant amount will be disbursed upon the Contractor completing a Final Invoice Report.
- Payments will be made to grant recipients by electronic funds transfer (EFT) to the recipient's bank account, or by cheque issued by the Department, whichever is agreed upon by the recipient and the Department. The grant recipient must complete an Application for EFT Direct Deposit form when they sign and return their first grant agreement to receive payment by EFT. Only one EFT Direct Deposit Form is required per company if receiving multiple grants. If the grant recipient changes banking information after the first grant payment, the Application for EFT Direct Deposit Form is available on [alberta.ca/site-rehabilitation-program-apply-for-a-grant.aspx](https://www.alberta.ca/site-rehabilitation-program-apply-for-a-grant.aspx) and can be submitted to [Energy.SRPGPP@gov.ab.ca](mailto:Energy.SRPGPP@gov.ab.ca) for processing.
  - The Department sends out a “remittance advice” notification summarizing grant payment amounts made to grant recipients. Either these are sent by email, using the email address on the EFT Direct Deposit Form, or by mail to the company's address if the Department issued a cheque or an email address is not available. Please consider providing an accounts payable email address to [Energy.SRPGPP@gov.ab.ca](mailto:Energy.SRPGPP@gov.ab.ca) if you would like to receive the remittance advice notification electronically.
- Grant recipients should ensure that their contact information is accurate and current in order to receive payment.
- All grant payments are subject to the terms and conditions of the SRP Grant Agreement.

## Invoice Reporting and Payment

Follow the instructions on <https://www.alberta.ca/site-rehabilitation-program-grant-invoicing-and-payment.aspx> to submit invoicing and payment requests for interim and final grant payments.

## Compliance

- Failure to meet the terms and conditions of the SRP Grant Agreement may affect the level of grant support provided, may lead to termination of the agreement, or impact eligibility to apply for future grants under the SRP.
- The Department may terminate an SRP Grant Agreement if it is not satisfied with the recipient's performance under the terms of the agreement.

- In the event of non-compliance, the Department has full discretion in accepting *force majeure*, including circumstances that the Department considers unforeseeable and beyond the recipient's control that do not relate to financing, the economy and markets.

## Program Administration

- The program is administered by the Department of Energy.
- The Government of Alberta reserves the right to amend the SRP Guidelines, as required.
- Receipt of funding for closure work is subject to the terms and conditions of a SRP Grant Agreement with the Government of Alberta, issued in accordance with the [Energy Grants Regulation](#).
- Applicants or their authorized agents must complete the SRP grant application and supply any documents which are required in accordance with the timelines set out in the SRP Grant Agreement, or as requested by the Department.
- Successful grant recipients are responsible for submitting reports as required under their SRP Grant Agreement. The Department is not responsible for reviewing and notifying the grant recipient prior to the reporting deadline of any incomplete or missing form(s).
- All grants may be subject to a provincial audit.
- Any information obtained under an SRP Grant Agreement will be subject to the provisions of the FOIP Act.
- Program results will be published and updated at least annually. Applicant name (company), Licensee, grant amount, facility location, and aggregate data on payment and performance measures may be published.

## Performance Measures and Reporting

The following performance measures and indicators will be used to monitor program performance and report on results:

- **Number of Hours of Work Generated** – hours of work for the entire project or job, to be submitted on invoice reports under the SRP Grant Agreement
- **Number of Sites with a Phase 1 Environmental Site Assessment Completed** – sites that were assessed for the potential for contamination

- **Number of Sites with a Phase 2 Environmental Site Assessment Completed** – sites that were sampled for soil and/or groundwater contamination
- **Number of Sites with Remediation Completed** – sites that were contaminated and have been remediated
- **Number of Sites with Reclamation Completed** – sites that have completed the reclamation process but are not reclamation certified
- **Number of Section 36 Sites with Reclamation Completed** – number of sites subject to the *Surface Rights Act*, section 36 orders, that have completed the reclamation process and are reclamation certified
- **Number of Well Abandonments Completed** – well abandonment/decommissioning completed including cut and cap and regulatory submissions
- **Number of Facility Abandonments Completed** – facility abandonment/decommissioning completed
- **Number of Pipeline Abandonments Completed** – pipeline segment abandonment/decommissioning completed including regulatory submissions
- **Number of Indigenous employees and sub-contractors from the communities where the SRP-funded work is located (Period 6).**
- Nominated sites performance measures and indicators are under development.

## Information and Requests for Clarification

- The Department will post program information, including updates or amendments to the SRP Guidelines on [alberta.ca/site-rehabilitation-program.aspx](http://alberta.ca/site-rehabilitation-program.aspx).
- Requests for clarification and questions concerning the program can be submitted to:

### **Site Rehabilitation Program (SRP)**

Program Design Implementation and Monitoring Section

Phone: 780-641-9083

Toll free: 1-833-680-9083

Email Address: [Energy.SRP@gov.ab.ca](mailto:Energy.SRP@gov.ab.ca)

Alberta Energy, 9945 108 St NW, Edmonton, AB T5K 2G6

## Confidentiality

- All information and communications related to an SRP application package are confidential, and shall be maintained in confidence and kept secure by the Department.
- Information may be shared within departments of the Government of Alberta, the AER, with cabinet, the Government of Canada and others supporting the program (e.g. third party consultants if involved in the evaluation process under confidentiality agreements).
- The amounts paid to the Contractor will be publicly disclosed on the Government's [Grant Payments Disclosure website](#).

## Freedom of Information and Protection of Privacy

- Notwithstanding the confidentiality of the information, the provisions of the *Freedom of Information and Protection of Privacy (FOIP) Act* are applicable to all information submitted through the application process and may be subject to an access request under the FOIP Act.
- In the event of a request for access under FOIP, the Department will observe the provisions of that Act governing harm to business interests related to commercial or financial information provided in confidence, including the requirement that prior to disclosure the third party will be provided with notice and an opportunity to object to disclosure of any confidential information.

## Definitions

**Abandonment** (well or facility) means the permanent dismantlement of a well or facility in the manner prescribed by the regulations or rules and includes any measures required to ensure that the well or facility is left in a permanently safe and secure condition.



**Abandonment** (pipeline) means the permanent deactivation of a pipeline or part of a pipeline in the manner prescribed by the rules, whether or not the pipeline or part of the pipeline is removed.

**Battery** means a system or arrangement of tanks or other surface equipment receiving the effluents of one or more wells prior to delivery to market or other disposition, and may include equipment or devices for separating the effluents into oil, gas or water and for measurement.

**Facility** for the purposes of the SRP, means any building, structure, installation, equipment or appurtenance over which the Alberta Energy Regulator has jurisdiction that is connected to or associated with the recovery, development, production, handling, or disposal of hydrocarbon-based resource and includes gas and oil batteries, single or multi-well; compressor stations, except those that are part of an oil or gas transmission pipeline; and custom treating facilities.

**Full-Time Equivalent (FTE)** is calculated by converting the total hours reported for all periods to an annual average and dividing the result by 2000 (average hours worked in a year).

**Inactive well** means

- A) Critical sour wells (perforated or not) that have not reported any type of volumetric activity (production, injection, or disposal) for six consecutive months
- B) All other wells that have not reported any type of volumetric activity (production, injection, or disposal) for 12 consecutive months

**Licensee** means the holder of a licence according to the records of the Regulator and includes a trustee or receiver-manager of property of a licensee.

**Professional Regulatory Organization** means a Professional Regulatory Organization approved by the Director of Alberta Environment and Parks, and in accordance with the [Professional Sign-Off Policy](#).

**Oilfield Services Sector** for the purposes of the SRP, means companies that abandon wells and pipelines, decommission facilities, conduct Phase 1 environmental site assessments, Phase 2 environmental site assessments, remediation, reclamation, and reclamation site assessments.

**Orphan** means a well, pipeline, or facility that does not have any legally responsible and/or financially able party to conduct abandonment, reclamation, and remediation responsibilities, and deemed an Orphan by the AER.

**Pipeline** for the purposes of the SRP, means oil and gas pipelines other than transmission lines.

**Reclamation** means any or all of the following:

- (i) the removal of equipment or buildings or other structures or appurtenances;
- (ii) the decontamination of buildings or other structures or other appurtenances, or land or water;
- (iii) the stabilization, contouring, maintenance, conditioning or reconstruction of the surface of land; and
- (iv) any other procedure, operation or requirement specified in the regulations.

**Reclamation Certificate** means a reclamation certificate issued under Part 6 of the *Environmental Protection and Enhancement Act*.

**Reclamation Certified:** Sites that have been assessed for contamination, remediated if contamination was present, and reclaimed to meet the regulatory standards and received a reclamation certificate.

**Remediation** means reducing, removing or destroying substances in soil, water or groundwater through the application of physical, chemical or biological processes.

**Section 36 lands** means lands that have oil and gas sites where government is paying compensation to landowners as required under section 36 of the *Surface Rights Act*. Section 36 of the *Surface Rights Act* provides for the Surface Rights Board to direct the Minister of Environment and Parks to pay compensation if a Licensee has defaulted on payments.

**Suspension** for the purposes of the SRP, means the temporary cessation of operations at a well or facility in the manner prescribed by the regulations, rules, or directives and includes any measures required to ensure that the well or facility is left in a safe and secure condition.

**Working Interest Participant** means a person who owns a beneficial or legally undivided share in a well or facility under agreements that pertain to the ownership of that well or facility.