

December 12, 2022

Christine Hogan  
Deputy Minister of Environment and Climate Change  
200, boul. Sacré-Coeur  
Gatineau, Quebec K1A 0H3  
(via email: [christine.hogan@ec.gc.ca](mailto:christine.hogan@ec.gc.ca))

Dear Ms. Hogan:

**Re: Canada's proposed regulatory framework for reducing oil and gas methane emissions to achieve 2030 target**

The Canadian Association of Petroleum Producers (CAPP) is the trusted voice for companies, large and small, that explore for, develop, and produce natural gas and oil throughout Canada. CAPP's member companies produce about 80 per cent of Canada's natural gas and oil. CAPP's associate members provide a wide range of services that support the upstream oil and natural gas industry. Together CAPP's members and associate members are a solution-oriented partner to Canada and the world's needs for safe, secure, reliable, affordable, and responsibly produced energy, and an important part of a national industry with revenues from oil and natural gas production of about \$116 billion a year. CAPP supports industry efforts to continue to reduce upstream GHG emissions and play a role in support of Indigenous participation and prosperity. As a non-partisan organization, CAPP works with all governments and all parties to ensure that our industry is long-standing.

CAPP and its members appreciate the opportunity to comment on the "*Proposed regulatory framework for reducing oil and gas methane emissions to achieve 2030 target*" published on November 12, 2022 (proposed framework). We recognize methane emissions to be one of the highest potential greenhouse gas (GHG) abatement opportunities for our industry and we support taking actions that lead to further reductions of methane emissions. We are very interested in working with Environment and Climate Change Canada (ECCC) to identify opportunities to further reduce industry's methane emissions while ensuring the continued production of oil and natural gas resources to support energy security. Together we can achieve the Federal government's previously announced 2030 methane emissions targets.

Ambitious methane emission reductions will be critical to reaching Canada's GHG targets. Based on the National Inventory Report, the Canadian upstream oil and gas industry has succeeded in reducing its total methane emissions significantly since 2012, with a 43% reduction or 27.5Mt of

---

2100, 350 – 7 Avenue S.W.  
Calgary, Alberta  
Canada T2P 3N9  
Tel 403-267-1100  
Fax 403-261-4622

1820, 275 Slater Street  
Ottawa, Ontario  
Canada K1P 5H9  
Tel 613-288-2126  
Fax 613- 236-4280

1004, 235 Water Street  
St. John's, Newfoundland and Labrador  
Canada A1C 1B6  
Tel 709-724-4200  
Fax 709-724-4225

202, 1110 Government St.  
Victoria, British Columbia  
Canada V8W 1Y2  
Tel [778-265-3819](tel:778-265-3819)  
Fax 403-261-4622

CO<sub>2</sub>e per year, as of 2020.<sup>1</sup> This early action is an indication of the industry's commitment to responsible development and that we are prepared to go further.

As producers, minimizing methane emissions is in the best interest of our industry as it is the primary component of natural gas which is one of our key marketable products. The upstream oil and natural gas industry strives to conserve methane wherever possible. At the same time, current technology and operational limitations associated with health and safety mean that some methane emissions do occur as part of regular operations.

CAPP has reviewed the proposed framework. It is a high-level document and as such, it omits critical details including timing of requirements and their scope. As written, it describes an ambition and approach that may impair the safety of operations and is unachievable with current or anticipated technologies. Elements of the framework could result in significant shut-in of existing production and prevent development of resources where technologies cannot currently be feasibly deployed. In our assessment, we have identified certain requirements that, if implemented as written, would create significant health and safety risks for equipment, communities, and workers. Where compliance with requirements would create safety risks, or are technically infeasible, industry's only compliance option will be to shut down operations.

For example, the proposed framework states that "flaring would be prohibited at oil sites". Applying this requirement without exception or nuance would create major safety risks. A complete prohibition on all flaring at oil sites is unachievable by the modern upstream oil and gas industry. Flaring is the only way to safely manage and mitigate the large and unpredictable gas volumes associated with well completions and facility upset (emergency) conditions. Canada's oil industry cannot operate safely if pilot and emergency/upset flaring were to be prohibited. In addition, a clear definition of an oil site is required as the achievability of the proposed requirements will vary depending on the size and production of various facilities in the upstream oil and gas industry. Requirements may need to be scaled to ensure equity and achievability among operations.

Similarly, the framework proposes monthly leak detection and repair inspections for all sites, including single wells. This is an inventory of over 150,000 locations, many of which are very remote. This volume of sites, combined with the time consuming procedures for ECCC approved

---

<sup>1</sup> Based Canada's 2022 National Inventory Report to the Intergovernmental Panel on Climate Change and a global warming potential of 28. Analysis combines methane emissions associated with "oil and gas extraction as a stationary combustion source" and "oil and natural gas fugitive sources". Available at [https://data.ec.gc.ca/data/substances/monitor/canada-s-official-greenhouse-gas-inventory/A-IPCC-Sector/EN\\_GHG\\_IPCC\\_Canada.xlsx](https://data.ec.gc.ca/data/substances/monitor/canada-s-official-greenhouse-gas-inventory/A-IPCC-Sector/EN_GHG_IPCC_Canada.xlsx)

inspections, such as EPA Method 21 and optical gas imaging cameras, creates a significant winter risk for worker safety. Industry implements alternative emissions detection technologies to identify major emissions sources more quickly and safely than traditional leak detection methods; however, the proposed framework does not currently allow these safer and more effective technologies to be used.

In addition to those mentioned above, we see significant potential technical and safety challenges associated with the following framework proposals:

- Hydrocarbon gas conservation and destruction efficiencies;
- The prohibition on flaring;
- Conservation requirements for operations with emissions exceeding 5m<sup>3</sup>/day;
- The prohibition on emissions from pneumatics;
- Facility inspection frequency and repair timelines; and
- Compressor engine exhaust standards.

In light of these concerns, we believe it is imperative that industry has further opportunity to discuss these proposed requirements with ECCC. We see high value in establishing a series of working sessions to better understand government's intent with the proposed regulatory framework and discuss the approach in detail for all proposed regulatory amendments. Opportunities exist for further methane emissions reductions, especially for new development, and we believe ECCC shares our fundamental principle that regulatory requirements should be technically achievable, appropriately targeted at emissions sources, and safe.

Industry would like to work quickly to establish regulatory certainty as we approach 2030 targets. At the same time, we also want to ensure there is adequate opportunity for industry consultation on the important details underlying the proposed regulatory framework in advance of draft regulations. It will also be important to ensure that any proposed changes to existing requirements that impact offshore operations must be reflected in the Frontier and Offshore Regulatory Renewal Initiative Framework Regulations. We therefore **ask ECCC to establish a formal working group to unite subject matter experts and to identify opportunities and limitations for methane emissions abatement, with work starting in January 2023.**

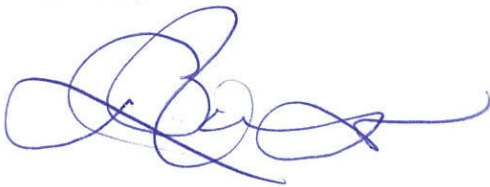
A component of this working group should be a discussion on how Canada can implement a performance-based regulatory approach. An approach focused on emissions outcomes, rather than equipment-level emissions limits, will enable continued resource extraction from existing and future sites while achieving emissions targets. CAPP and its members appreciate ECCC's continued recognition of the value of this type of regulatory approach. Performance-based approaches are the best way to provide flexibility for diverse operating regions and enable tailored solutions for

operational differences among companies. We encourage ECCC's continued pursuit of an opt-in provision to a performance-based approach as referenced in the proposed framework.

Minimizing methane emissions remains one of the best opportunities for industry to reduce its overall GHG emissions and CAPP members believe there is a path forward for our industry to support Canada's 2030 methane targets. We look forward to continued engagement with ECCC in the new year to explore a safe, flexible and efficient approach to drive innovation in technology and develop practices that address the most material emission sources first. Working together we can lower methane emissions.

If you have any questions regarding these comments, the proposed working group, or our position on methane emissions abatement in general please contact [don.mccrimmon@capp.ca](mailto:don.mccrimmon@capp.ca).

Sincerely,



Lisa A. Baiton, MBA, ICD.D  
President & Chief Executive Officer

Cc

Paul Halucha, Associate Deputy Minister, Environment and Climate Change Canada  
John Moffet, Assistant Deputy Minister, Environment and Climate Change Canada  
Mark Cauchi, Director General, Environment and Climate Change Canada