

EMISSIONS MANAGEMENT AND CLIMATE RESILIENCE ACT

BEING SA 2003 CHAPTER E-7.8 (the “Act”)

COMPLIANCE ORDER NO. CO-EMCRA-38779

Razor Energy Corp.
800-500 5th Ave SW
Calgary AB, T2P 3L5

WHEREAS on January 28, 2020, the director designated a group of conventional oil and gas facilities as an aggregate facility (“AG76: Razor Energy Corp.”) under section 5(3) of the *Technology Innovation and Emissions Reduction Regulation* (the “Regulation”);

WHEREAS AG76: Razor Energy Corp. is an "aggregate facility" under section 1(1)(b) of the Regulation;

WHEREAS 2020 was the first year for which AG76: Razor Energy Corp. was designated as an aggregate facility under section 5(3) of the Regulation;

WHEREAS Razor Energy Corp. (“Razor”) is the “person responsible” for AG76: Razor under section 1(2)(c)(i) of the Regulation;

WHEREAS Razor submitted a compliance report ("Compliance Report") to Alberta Environment and Parks ("AEP") for AG76: Razor for the 2021 compliance year on June 30, 2022 under section 15(2) of the Regulation;

WHEREAS AG76: Razor’s allowable emissions for 2021 was 22,212 tonnes, expressed on a CO₂e basis, under section 10(1) of the Regulation;

WHEREAS the Compliance Report indicated AG76: Razor’s net emissions for 2021 was 24,619 tonnes, expressed on a CO₂e basis, which exceeded AG76: Razor’s allowable emissions for 2021 by 2,407 tonnes of CO₂e;

WHEREAS under section 12(2) of the Regulation, the person responsible for an aggregate facility shall comply with the requirement that the net emissions for the aggregate facility for a year shall not exceed the allowable emissions for the aggregate facility for the year;

WHEREAS in a meeting with AEP on October 5th, 2022, the Chief Finance Officer of Razor stated that it is their intention to pay their portion however, require a payment schedule for three installments in October, November and December.

WHEREAS on October 5th, 2022, the AEP agreed to Razor’s request for a payment schedule through a compliance order;

WHEREAS section 10(1) of the Act establishes the Technology Innovation and Emissions Reduction Fund (“Fund”);

WHEREAS the Minister may, by order, establish the amount of money that a person responsible must contribute to the Fund to obtain one fund credit;

WHEREAS under Ministerial Order 87/2021 – Technology Innovation and Emissions Reduction Fund Credit Amount Order, a person responsible must contribute \$40.00 to the Fund to obtain one fund credit for the year 2021;

WHEREAS one fund credit represents one CO₂e tonne, under section 21(3) of the Regulation;

WHEREAS the total cost for Razor to purchase 2,407 fund credits prior to June 30, 2022 at a rate of \$40.00 per fund credit for 2021 would have been \$96,280.00;

WHEREAS Christina Winarski, Director of Conventional Oil and Gas & Cost Containment, Climate Regulation and Carbon Markets (the “Director”) Branch has been designated as director for the purposes of issuing compliance orders under the Act;

AND WHEREAS the Director is of the opinion that Razor has contravened section 12(2) of the Regulation;

THEREFORE, I, Christina Winarski, Director, pursuant to sections 29 and 30 of the *Emissions Management and Climate Resilience Act*, DO HEREBY ORDER THAT:

1. Razor Energy Corp. shall pay the Government of Alberta \$96,280.00 by December 31, 2022, to be paid into the Technology Innovation and Emissions Reduction Fund.

DATED at the City of Calgary, in the Province of Alberta, this 19th day of October 2022.

Christina Winarski
Director, Conventional Oil and Gas & Cost Containment
Climate Implementation and Compliance

Section 42 of the *Emissions Management and Climate Resilience Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 42 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011- 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Take notice that this compliance order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this or any other provincial or federal legislation.