

EMISSIONS MANAGEMENT AND CLIMATE RESILIENCE ACT

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

COMPLIANCE ORDER NO. CO-EMCRA-41000

Insch Commodity Ltd.
600, 816 7 Ave SW
Calgary, Alberta
T2P 1A1

WHEREAS on July 12, 2022, the director designated a group of conventional oil and gas facilities as an aggregate facility (“AG3X: ICL TIER Aggregate Facility”) under section 5(3) of the *Technology Innovation and Emissions Reduction Regulation* (the “Regulation”);

WHEREAS AG3X: ICL TIER Aggregate Facility is an “aggregate facility” under section 1(1)(b) of the Regulation;

WHEREAS 2022 was the first year for which AG3X: ICL TIER Aggregate Facility was designated as an aggregate facility under section 5(3) of the Regulation;

WHEREAS Insch Commodity Ltd. (“Insch Commodity”) is the “person responsible” for AG3X: ICL TIER Aggregate Facility under section 1(2)(c)(i) of the Regulation;

WHEREAS Insch Commodity submitted a compliance report (“Compliance Report”) to Alberta Environment and Protected Area (“EPA”) for AG3X: ICL TIER Aggregate Facility for the 2022 compliance year on June 30, 2023, under section 15(2) of the Regulation;

WHEREAS AG3X: ICL TIER Aggregate Facility allowable emissions for 2022 was 259 tonnes, expressed on a CO₂e basis, under section 10(1) of the Regulation;

WHEREAS the Compliance Report indicated AG3X: ICL TIER Aggregate Facility net emissions for 2022 was 914 tonnes, expressed on a CO₂e basis, which exceeded AG3X: ICL TIER Aggregate Facility allowable emissions for 2022 by 655 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 EPA on August 15, 2023, the Manager of Insch Commodity Ltd. confirmed that the 2022 TIER fund payment was not made;

WHEREAS in the meeting on August 15, 2023, EPA has set the deadline for Insch Commodity Ltd. to make the outstanding 2022 TIER compliance payment by August 21, 2023;

WHEREAS in the meeting on August 15, 2023, the Manager of Insch Commodity Ltd. had committed to make the outstanding TIER payment by the set deadline and had confirmed the same in the email on August 16, 2023;

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 62/2022 – Technology Innovation and Emissions Reduction Fund Credit Amount Order, a person responsible must contribute \$50.00 to the Fund to obtain one fund credit for the year 2022;

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

WHEREAS the total cost for Insch Commodity Ltd. to purchase 655 fund credits prior to June 30, 2023, at a rate of \$50.00 per fund credit for 2022 would have been \$32,750.00;

WHEREAS the deadline in section 15(2) of the Regulation to submit a compliance report for 2022 was June 30, 2023;

WHEREAS as of July 17, 2023, Insch Commodity Ltd. has yet to submit the payment for the remaining 655 fund credits in the amount of \$32,750.00 for AG3X as required under section 12(2) of the Regulation;

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

AND WHEREAS the Director is of the opinion that AG3X 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:

Insch Commodity Ltd. shall pay the Government of Alberta \$32,750.00 by August 21, 2023, to be paid into the Technology Innovation and Emissions Reduction Fund.

DATED at the City of Calgary, in the Province of Alberta, this 17 day of August 2023.

Christina Winarski
Director, Conventional Oil and Gas & Cost Containment
Climate Regulation and Carbon Markets

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.