

AGREEMENT ON THE EQUIVALENCY OF
FEDERAL AND SASKATCHEWAN REGULATIONS
RESPECTING THE RELEASE OF METHANE FROM THE OIL AND GAS SECTOR IN
SASKATCHEWAN, 2025

BETWEEN

**THE GOVERNMENT OF CANADA, represented by the Minister of the Environment,
hereinafter referred to as “Canada”,**

AND

**THE GOVERNMENT OF SASKATCHEWAN, represented by the Minister of Energy and
Resources, hereinafter referred to as “Saskatchewan”**

Collectively “the Parties”, and individually a “Party”

WHEREAS Canada and Saskatchewan support the reduction of greenhouse gas emissions, including methane emissions, in the oil and gas sector;

WHEREAS this Agreement relates to facilities in the oil and gas sector excluding federal works and undertakings;

WHEREAS Canada adopted under subsection 93(1) of the *Canadian Environmental Protection Act, 1999* (“CEPA”), S.C. 1999, c. 33 the *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)*, SOR 2018-66 (the “Federal Methane Regulations”) which were published in the *Canada Gazette*, Part II, Vol. 152, No. 1 on April 26, 2018;

WHEREAS the Federal Methane Regulations came into force on January 1, 2020, except sections 26, 27 and 37 to 41, which came into force on January 1, 2023;

WHEREAS *The Oil and Gas Conservation Act* (“OGCA”) confers, pursuant to sections 53.65 and 53.66, a right to residents to request investigations of alleged contraventions to environmental legislation in Saskatchewan including *The Oil and Gas Emissions Management Regulations* (“OGEMR”) designated as greenhouse gas regulations;

WHEREAS Saskatchewan enacted OGEMR, which came into force on February 15, 2024, and are made under OGCA;

WHEREAS section 17 of OGCA gives Saskatchewan the authority to make Minister’s Orders, which may take the form of directives, and which prevail over regulations in the event of a conflict;

WHEREAS the *Directive PNG036: Venting and Flaring Requirements* (“Directive PNG036”) came into force on March 8, 2024 by Minister’s Order MRO 31/24 made under subsection 17(1) of OGCA;

WHEREAS the *Directive PNG017: Measurement Requirements for Oil and Gas Operations* (“Directive PNG017”) came into force on August 15, 2022 by Minister’s Order 169/22 made under subsection 17(1) of OGCA;

WHEREAS under section 10 of CEPA, the federal Minister of the Environment, may agree in writing with a provincial government that there are in force, by or under the laws applicable to the jurisdiction of the provincial government, provisions that are equivalent to a regulation made notably under subsection 93(1) of CEPA and provisions that are similar to sections 17 to 20 of CEPA for the investigation of alleged offences under environmental legislation of that jurisdiction;

WHEREAS the Parties agree to enter into this Agreement recognizing that OGEMR, the Directive PNG036, all sections respecting measurement and procedures for the quantification of oil and gas volumes set out under the Directive PNG017, and all sections related to a resident’s right for investigation set out under OGCA and prohibitions, offences and penalties are provisions that meet the requirements of section 10 of CEPA and, upon signature of the agreement, the Governor in Council may, by order made under subsection 10(3), declare that the Federal Methane Regulations do not apply in an area under the jurisdiction of the province of Saskatchewan.

NOW, THEREFORE, the Parties agree:

1.0 DEFINITIONS

“CEPA” means the *Canadian Environmental Protection Act*, S.C. 1999, c. 33. r

“Federal Methane Regulations” means the *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* SOR 2018-66.

“OGCA” means *The Oil and Gas Conservation Act*, chapter O-2 of RSS, 1978.

“OGEMR” means *The Oil and Gas Emissions Management Regulations*.

“Directive PNG036” means relevant sections of the *Directive PNG036: Venting and Flaring Requirements*, adopted by Minister’s Order MRO 31/24. The relevant sections are sections 6, 8, 10 and 11.

“Directive PNG017” means relevant sections of measurement and procedures for the quantification of volumes related to methane emissions, set out under the *Directive PNG017*:

Measurement Requirements for Oil and Gas Operations, adopted by Minister's Order MRO 169/22. The relevant sections are sections 4, 6.5, 12.2 and 14.10.

2.0 EQUIVALENCY

- 2.1 The Parties agree that sections 53.65 and 53.66 of OGCA, which apply to OGEMR, are similar to sections 17-20 of the CEPA and confer a right to require an investigation of alleged contraventions of environmental legislation in Saskatchewan, whereby an application may be made by a resident of Saskatchewan upon which the applicable minister is required to investigate necessary matters to determine facts related to the alleged offence and to report to the applicant on the progress of the investigation and the action, if any, taken or proposed to be taken.
- 2.2 The Parties agree that, for the purpose of section 10 of the CEPA, OGEMR, the Directive PNG036 and the Directive PNG017 create legally binding obligations, with sanctions and penalty mechanisms in place to ensure compliance with their requirements, and their implementation results in an equivalent methane emissions reduction (in CO₂e) as would the Federal Methane Regulations, taking notably the following factors into account:
- a) Canada has assessed, using the same methodology, the expected methane emission reductions (in CO₂e) of Saskatchewan's provisions, namely OGEMR, the Directive PNG036 and the Directive PNG017, and of the federal provisions, namely the Federal Methane Regulations. The departmental reference case, as published in Canada's GHG and Air Pollutant Projections: 2022, was used as the baseline for the purpose of comparing the emissions reductions resulting from the application of the Saskatchewan and the federal provisions. The modeled assessment demonstrates equivalent expected methane emission reductions (in CO₂e) of the provincial and the federal provisions during the period of January 1, 2025 to December 31, 2029;
 - b) Saskatchewan agrees that the approval of applications made under section 14 of OGEMR of "Qualifying Conservation Projects" will not result in a reduction of the expected methane emission reductions, otherwise required under OGEMR, evaluated on a yearly basis, from the day of coming into force of the agreement until December 31, 2029;
 - c) Canada takes note of the emission factors established on June 9, 2022 by Minister's Order MRO 135/22 made under subsections 7(3) and (4) of OGEMR for the purpose of converting gas volumes to tonnes of greenhouse gas emissions under OGEMR;
 - d) Saskatchewan's reductions of methane emissions (in CO₂e) will be achieved through the implementation of the requirements under OGEMR, the Directive PNG036 and the Directive PNG017, notably:

- i. limits on greenhouse gas emissions, including methane, required of business associates under OGEMR;
- ii. limits on volumes of gas resulting from venting applicable to oil wells and oil facilities under the Directive PNG036;
- iii. restrictions on venting during well completions under the Directive PNG036;
- iv. leak detection and repair requirements (LDAR) set out under the Directive PNG036;
- v. restrictions on gas driven pneumatic devices set out under the Directive PNG036.

3.0 INFORMATION-SHARING

3.1 The Parties will share information with each other respecting the administration of this Agreement.

3.2 On an annual basis, no later than December 31st, Saskatchewan will provide the following to Canada for the previous calendar year. Information made public by Saskatchewan on its website is considered a form of information sharing that may satisfy the following requirements.

- a) a list of facilities and the facility level emissions data used to calculate excess emissions;
- b) a list of business associates, as defined in OGEMR, who exceeded their annual emissions limit and the amount of their respective excess emissions;
- c) a list of business associates, as defined in OGEMR, whose application of a “Qualifying Conservation Project” was approved, including the approved project proposals with “projected emission reductions” assessed by Saskatchewan for the project and calculation of a deferred penalty;
- d) a list of facilities by licensee that exceeded the venting limit set out under section 6 of the Directive PNG036;
- e) a list of facilities required to comply with requirements for leak detection and repair under section 8 of the Directive PNG036;
- f) the number of well completions reported that were subject to section 10 of the Directive PNG036;
- g) upon request from Canada, a list of compliance verification activities and enforcement measures, including information respecting inspections by facility or well, the associated non-compliance events and the penalties applied with respect to compliance with

requirements under OGEMR, relevant sections of the Directive PNG017, relevant sections of the Directive PNG036 and all matters referred to in paragraph 2.2 (d) of this Agreement;

- h) upon request from Canada, a copy of orders issued, amended or renewed, under OGCA, concerning contraventions to OGEMR, relevant sections of the Directive PNG036 and relevant sections of the Directive PNG017;
- i) a list of all oil and gas facilities and information for each facility including:
 - i. Facility identification number, geographic area, primary production type and facility sub-type;
 - ii. Licensee or business associate identification;
 - iii. Oil production volume;
 - iv. Gas production, flare, vent, fuel, receipt and delivery volumes;
 - v. Paper battery well-level information including well completion, and well-level information from items i) to iv).

3.3 Saskatchewan will publish on its website an annual report under OGEMR, which will include actual and potential emissions for oil facilities in Saskatchewan.

3.4 Saskatchewan will provide written notice and rationale to Canada of any proposed amendments to the emission factors adopted by Minister's Order MRO 135/22 and a notice of their implementation.

3.5 Canada will provide advance written notice to Saskatchewan of any proposed amendments to the Federal Methane Regulations and written notice of any final amendments.

3.6 Saskatchewan will provide advance written notice to Canada of any proposed amendments to sections 53.65 and 53.66 of OGCA, the OGEMR, relevant sections of the Directive PNG036 and relevant sections of the Directive PNG017 and written notice of final amendments.

3.7 Saskatchewan will provide Canada with copies of any Minister's Orders issued, amended, or renewed under OGCA adopting amendments to relevant sections of the Directive PNG036 and relevant sections the Directive PNG017.

3.8 Notices and information shared under this Agreement are provided to the official identified by each Party and may be provided electronically.

3.9 This Agreement will be reviewed on an annual basis and may be reviewed periodically at the request of either Party, respecting any matter relevant to this agreement.

3.10 The Parties note that Canada published draft amendments to the Federal Methane Regulations in the *Canada Gazette*, Part I, on December 16, 2023, prior to the signing of this agreement.

3.11 The Parties recognize that their respective confidentiality provisions and access to information and privacy legislation will apply to all information received under this Agreement.

3.12 The Parties agree to share a description of the methodology used in the modelling assessment, including data and assumptions.

3.13 The Parties agree to meet on an annual basis, the date to be determined by both Parties annually, but no later than October 31st of each year, to discuss progress on activities related to methane emissions from the oil and gas sector:

- i. Saskatchewan will provide a summary of compliance verification activities undertaken related to sections 53.65 and 53.66 of OGCA, the OGEMR, relevant sections of the Directive PNG036 and relevant sections of the Directive PNG017;
- ii. Saskatchewan will provide a summary of enforcement measures undertaken related to sections 53.65 and 53.66 of OGCA, the OGEMR, relevant sections of the Directive PNG036 and relevant sections of the Directive PNG017;
- iii. Saskatchewan will provide a summary of any relevant oil and gas methane measurement activities associated with studies funded or supported by Saskatchewan, such as but not limited to aerial measurements of oil and gas facility methane emissions;
- iv. Similarly, Canada will provide a summary of any relevant oil and gas methane measurement activities associated with studies funded or supported by Canada;
- v. Either Party may propose additional items to be included on the agenda for discussion, such as the publication of relevant academic studies. These items will be discussed by the Parties and, where relevant, an action plan to respond to new findings will be established.

4.0 AMENDMENTS

4.1 The Parties may amend this Agreement by the mutual written consent of the Parties and pursuant to the requirements set out under section 10 of CEPA.

5.0 INTERPRETATION

5.1 The Parties acknowledge that this Agreement is without prejudice to the conclusion of other future agreements between the Parties respecting greenhouse gas emissions, including methane, in the oil and gas sector.

5.2 The Parties agree that this Agreement is without prejudice to the position of either Party regarding legislative jurisdiction in relation to the application of sections 91, 92, 92a of the *Constitution Act, 1867*, including but not limited to, jurisdiction over the development, conservation and management of non-renewable natural resources in the province.

6.0 ENTRY INTO FORCE AND TERMINATION

6.1 This agreement is entered into upon signature of the Parties and comes into force on the date of the registration of an order made under subsection 10(3) of the CEPA declaring that the provisions of the Federal Methane Regulations do not apply in an area under the jurisdiction of

the province of Saskatchewan.

6.2 This Agreement terminates on December 31, 2029, or may be terminated earlier by either Party giving the other at least three (3) months written notice.

6.3 Following the publication of final amendments to the Federal Methane Regulations in the Canada Gazette, Part II, Canada will undertake a reassessment of the determination of equivalency between the federal and provincial regimes, with input from Saskatchewan. In the event that this reassessment shows ongoing equivalent outcomes, it may form the basis of a renewed agreement and associated order. In the event that this reassessment does not show equivalent outcomes between the federal and provincial regimes, Canada will provide three months' notice of termination, and this Agreement will terminate on December 31, 2026. This date reflects a key coming into force date set out in the draft amendments to the Federal Methane Regulations, as published in December 2023.

HIS MAJESTY THE KING IN RIGHT OF
CANADA

DEC 03 2024
Date


HON. STEVEN GUILBEAULT
Minister of the Environment

HIS MAJESTY THE KING IN
RIGHT OF SASKATCHEWAN

Date

HON. COLLEEN YOUNG
Minister of Energy and Resources

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WHEREAS under section 10 of CEPA, the federal Minister of the Environment, may agree in writing with a provincial government that there are in force, by or under the laws applicable to the jurisdiction of the provincial government, provisions that are equivalent to a regulation made notably under subsection 93(1) of CEPA and provisions that are similar to sections 17 to 20 of CEPA for the investigation of alleged offences under environmental legislation of that jurisdiction;

WHEREAS the Parties agree to enter into this Agreement recognizing that OGEMR, the Directive PNG036, all sections respecting measurement and procedures for the quantification of oil and gas volumes set out under the Directive PNG017, and all sections related to a resident’s right for investigation set out under OGCA and prohibitions, offences and penalties are provisions that meet the requirements of section 10 of CEPA and, upon signature of the agreement, the Governor in Council may, by order made under subsection 10(3), declare that the Federal Methane Regulations do not apply in an area under the jurisdiction of the province of Saskatchewan.

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requirements under OGEMR, relevant sections of the Directive PNG017, relevant sections of the Directive PNG036 and all matters referred to in paragraph 2.2 (d) of this Agreement;

- h) upon request from Canada, a copy of orders issued, amended or renewed, under OGCA, concerning contraventions to OGEMR, relevant sections of the Directive PNG036 and relevant sections of the Directive PNG017;
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 - i. Facility identification number, geographic area, primary production type and facility sub-type;
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HIS MAJESTY THE KING IN RIGHT OF
CANADA

Date

HON. STEVEN GUILBEAULT
Minister of the Environment

HIS MAJESTY THE KING IN
RIGHT OF SASKATCHEWAN

November 27, 2024

Date

Colleen L. Young

HON. COLLEEN YOUNG
Minister of Energy and Resources