

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

BETWEEN

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

AND

**THE GOVERNMENT OF BRITISH COLUMBIA, represented by the Minister of Energy
and Climate Solutions, hereinafter referred to as “British Columbia”**

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

WHEREAS Canada and British Columbia (“the Parties”) 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 amendments to the *Drilling and Production Regulation*, B.C. Reg. 282/2010 (“DPR”) made under the *Energy Resource Activities Act*, S.B.C. 2008, c. 36, (“ERAA”), came into force on January 1, 2020;

WHEREAS under section 10 of CEPA, the government of Canada as represented by the 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 (the "Agreement") recognizing that the certain provisions of the ERAA, the DPR and those of the Federal Methane Regulations meet the requirements of section 10 of CEPA, and the Governor in Council may, by order under subsection 10(3), declare that the Federal Methane Regulations do not apply in an area under the jurisdiction of the province of British Columbia.

NOW, THEREFORE, the Parties agree:

1.0 DEFINITIONS

"CEPA" means the *Canadian Environmental Protection Act*, S.C. 1999, c. 33, as amended.

"DPR" means the *Drilling and Production Regulation*, B.C. Reg. 282/2010, as amended.

"Federal Methane Regulations" means *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* S.O.R 2018-66, as amended.

"ERAA" means the *Energy Resource Activities Act*, S.B.C. 2008, c. 36, as amended.

2.0 EQUIVALENCY

2.1 The Parties agree that sections 61.1 to 61.4 of the ERAA are similar to sections 17-20 of CEPA and that sections 41.1, 52.02, 52.03, 52.04, 52.05 and 52.06 of the DPR are equivalent to the provisions of the Federal Methane Regulations within the meaning of section 10 of the CEPA taking into account notably that:

(a) the relevant provisions of the DPR and the Federal Methane Regulations meet an equivalent outcome in terms of reduction of emissions of methane (in CO₂e);

(b) the equivalency of outcome between implementation of the DPR and of the Federal Methane Regulations, has been modelled by Environment and Climate Change Canada using the departmental reference case as published in Canada's GHG and Air Pollutant Projections: 2018¹ using the same methodology and data;

(c) the modeled results demonstrate that the DPR will result in methane emission reductions (in CO₂e) that meet or exceed the expected impact in terms of methane emission reductions (in CO₂e) of the Federal Methane Regulations for the time period of January 1, 2025 until December 31, 2029;

(d) the reduction of methane emissions (in CO₂e) will be achieved through the

¹ <https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/projections-2018.html>

implementation under the DPR of the following requirements which have force of law, notably:

- i. Leak detection, requirements by facility type as well as timely inspections and equipment repair;
- ii. Restrictions and limits on natural gas venting from oil and gas facilities;
- iii. Prohibition of venting of natural gas from pneumatic controllers for new facilities;
- iv. Use of low-bleed pneumatic equipment or prohibition of venting of natural gas at certain pneumatics at existing installations;
- v. Restrictions on the use of pneumatic pumps using natural gas;
- vi. Inspection and maintenance requirements for seal and packing systems at centrifugal and reciprocating compressors;
- vii. Additional provisions for glycol dehydrators and compressor starts; and

(e) Sections 61.1 to 61.4 of the ERAA are provisions establishing a right to require investigations of alleged offences, similar to sections 17 to 20 of the CEPA. Under the ERAA an application may be made by a resident to the British Columbia Energy Regulator, upon which the British Columbia Energy Regulator will be required to make an investigation related to the alleged offence and report to the applicant outlining the progress of the investigation and the action, if any, that is or will be taken.

3.0 INFORMATION-SHARING

3.1 The Parties will share information with each other respecting the administration of this Agreement including the effective application of the sanction and enforcement regime to ensure compliance with the DPR requirements.

3.2 On an annual basis, no later than December 31st, British Columbia will provide or cause to be published on a publicly accessible website the following information to Canada for the previous calendar year.

- a) the number of existing facilities and wells that are subject to the DPR and, as of January 1st of the year data is being submitted for, the number of new facility and well permits issued in the preceding year and the number of closures of facilities and wells, with all information disaggregated by well type and facility classification (as specified in the DPR), and other types of facilities;

- b) information assessing the implementation and effectiveness of the DPR in reducing methane emissions (in CO₂e), including the methodology, analysis undertaken and results of calculations of emission reductions; and
- c) a summary of compliance verification activities and enforcement or sanctions measures applied to facilities and wells, segregated by well type and facility classification, including the number of inspections, verifications other than inspections, equipment repairs completed to comply with the DPR requirements, the number and type of non-compliance events and the orders, penalties and convictions.

3.3 British Columbia will, to the extent available, provide or cause to be published on a publicly accessible website a summary of results associated with sections 41.1, 52.02, 52.03, 52.04, 52.05 and 52.06 of DPR, including reported and modelled methane emissions for oil and gas facilities in British Columbia.

3.4 Canada will provide written notice to British Columbia of any proposed and actual amendments to the Federal Methane Regulations.

3.5 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.

3.6 British Columbia will provide written notice to Canada of proposed amendments to sections 61.1. to 61.4 of the ERAA and sections 41.1, 52.02, 52.03, 52.04, 52.05 and 52.06 of the DPR, along with any amendments or modification of standards or guidelines that are incorporated by reference into the relevant provisions of the DPR.

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

3.8 The Parties agree to meet on an annual basis, the date to be determined by both Parties annually, but no later than November 30th of each year, to discuss progress on activities related to methane emissions from the oil and gas sector:

- i. British Columbia will provide a summary of compliance verification activities undertaken related to sections 41.1, 52.02, 52.03, 52.04, 52.05 and 52.06 of DPR;
- ii. British Columbia will provide a summary of enforcement measures undertaken related to sections 41.1, 52.02, 52.03, 52.04, 52.05 and 52.06 of DPR;
- iii. British Columbia will provide a summary of activities relevant to oil and gas methane emissions measurement which are associated with studies funded or supported by British Columbia, such as but not limited to aerial measurements of oil and gas facility methane emissions;
- iv. Similarly, Canada will provide a summary of activities relevant to oil and gas methane emissions measurement which are 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, a plan to respond to new findings will be established where agreed to by the Parties.

4.0 ENTRY INTO FORCE AND TERMINATION

4.1 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 and published in the *Canada Gazette*, Part II, declaring that the provisions of the Federal Methane Regulations do not apply in an area under the jurisdiction of the province of British Columbia.

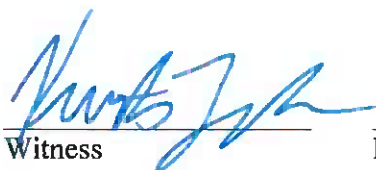
4.2 This Agreement terminates five (5) years after the date of its coming into force or may be terminated earlier by either Party giving the other at least three (3) months written notice.

4.3 This Agreement will be reviewed annually.

4.4 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 British Columbia. This reassessment would consider relevant amendments to the DPR. 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.

5.0 AMENDMENT

5.1 The Parties may amend this Agreement by the mutual written consent of the Parties.



Witness


JAN 28 2025

Date

HIS MAJESTY THE KING IN RIGHT OF
CANADA



HON. STEVEN GUILBEAULT
Minister of the Environment



Witness

December 18, 2024

Date

HIS MAJESTY THE KING IN
RIGHT OF BRITISH COLUMBIA



HON. ADRIAN DIX
Minister of Energy and Climate Solutions