

Compliance with EPAP and GHG/methane regulations – why use a common third-party



EPAP and Emissions – The opportunity

EPAP Annual Audit and Filing (Directive 076)

EPAP/GHG opportunity:

A single third-party conducting EPAP audit and GHG verifications = lower cost, lower stress and improved efficiency

GHG Third-Party Verification

Total Regulated Emissions (fuel combustion)
+ Benchmark Volumes
(usually Production, could be receipts or dispositions)

Wondering how EPAP and GHG verifications are related?

- EPAP audit checks all volumes (fuel, production, receipts, etc.).
- GHG verification does the same (direct duplication of work) + verifies conversion of volumes to emissions intensity.
- Audit of any of the 14 EPAP Reporting areas, provides assurance over GHG source combustion and benchmark volumes.
- Conversely, any GHG verification provides assurance over almost every EPAP reporting area (as not just fuel, but also production volumes are checked).
- Both EPAP and GHG reviews require a “reasonable level of assurance” by Regulation – another common thread.

Different processes/third-parties handling?

- Lack of efficiency – auditing the same areas twice each year (equals unnecessary cost).
- Frustration – your Field and PA staff required to participate in similar risk-assessments and gather similar back for two different third-parties each year.
- Increased risk of noncompliance due to lack of coordination. Key work and findings “lost in translation”.

EPAP/Methane /D60 Opportunity:

Your EPAP provider is on top of key requirements to pass EPAP Theme 10 (FFV) – Annual methane filing and fugitive surveys

Annual Methane Report (D060)

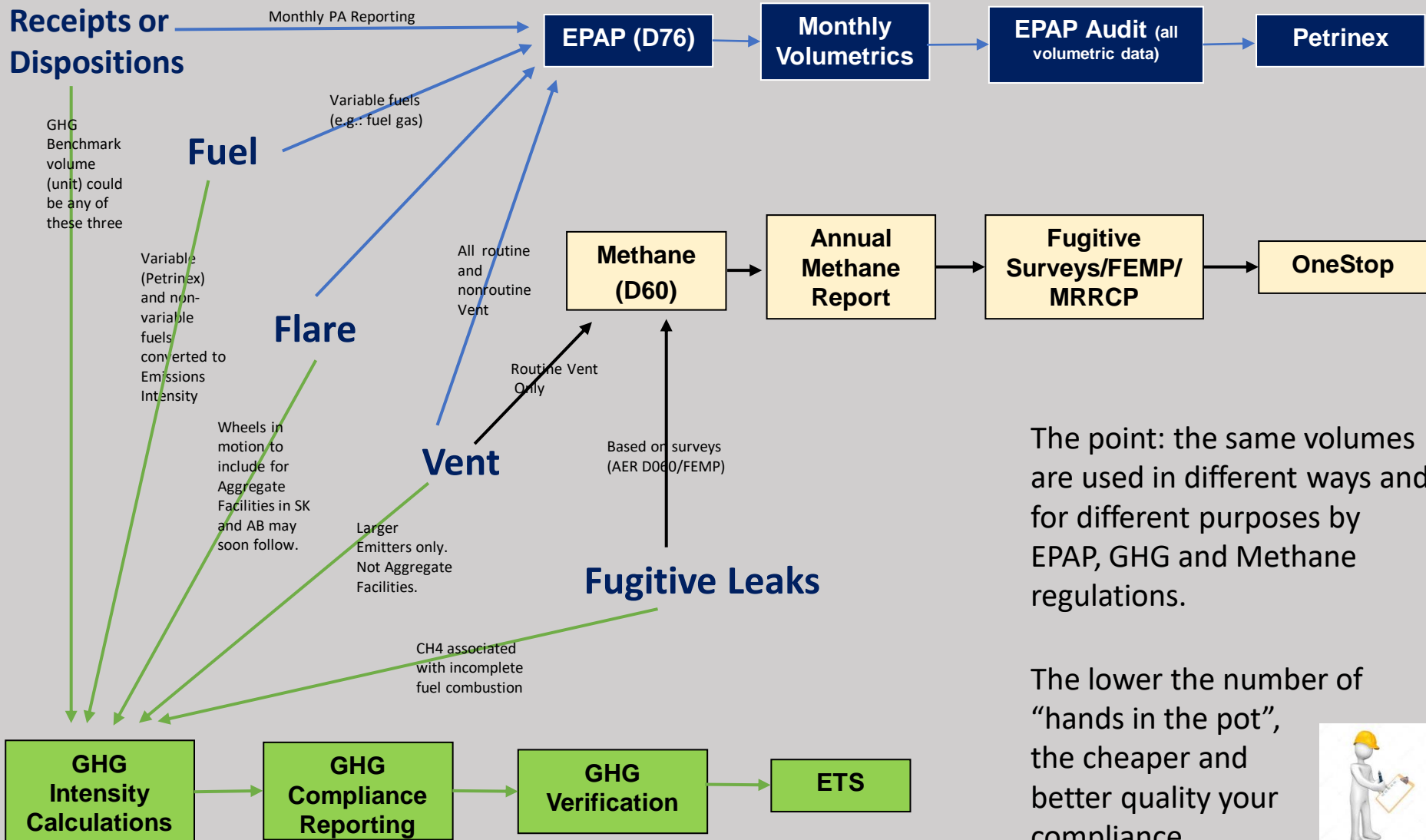
FEMP/Fugitive Surveys

Estimated Vent

Methane is not a significant contributor to GHG emissions. However, Larger Emitters are required to include vent in GHG calculations

EPAP/Emissions connection by volume type

Production, Receipts or Dispositions



The point: the same volumes are used in different ways and for different purposes by EPAP, GHG and Methane regulations.

The lower the number of “hands in the pot”, the cheaper and better quality your compliance



EPAP and GHG reviews – avoid duplication

TASK	Required for EPAP?	Required for GHG verifications?	Effort hour savings	Approx. Cost Savings
Process Risk Assessment	Identify high-risk processes for audit/testing	Identify same high-risk processes for testing emissions and benchmark volumes	8-10	\$1250
Facility Risk Assessment	Select facilities for EPAP audit	Select facilities for GHG review	12-16	\$1995
EPAP list of process/controls	Core requirement	Relied upon heavily by GHG verifiers, as all calculations are based almost entirely on Petrinex accuracy	16-24	\$2995
EPAP Test Procedures/ Scripts	Core requirement	Verifiers can use EPAP controls/audit findings to support their conclusions	16-24	\$2995
Physical gathering of audit backup	If EC is involved with your GHG verification, we CAN use the verification backup to serve as PA backup for EPAP.	Vice-versa, if we handle your EPAP, we can relay the backup over to the GHG verifiers.	24-32 (very approximate) Please see note to the right.	It is not efficient for Field and PA staff to be gathering similar backup twice every year for different facilities and providing the same data to two different auditors.
Remediation Plan	Core EPAP requirement (improvement needs)	Most of it can be re-used in GHG verification report	4-8	\$995

Key take-away: Your EPAP and your annual GHG verifications can draw data from each other, resulting in reduced cost of compliance, improved efficiency and importantly, reduced stress for field and PA staff.

Real-life Examples – why one auditor makes sense

- In evaluating EPAP Theme 4 – Sampling and Analysis, we found that for 2 locations, D017-required required quarterly gas analysis was being completed. On investigation, it was determined that each location uses “multiple fuel gas streams” (different fuel gas compositions, sourced from different reservoirs). This requires a more in-depth TIER quantification approach.
 - Field Staff were aware of the multiple streams, but not the GHG quantification consultant.
 - We advised the Quantifier, who adjusted their quantification accordingly. If the EPAP-related awareness had not been passed along, the single-analysis methods would have been used, and a material misstatement would have resulted on TIER reporting.
- While compiling methane One-Stop reporting (AMR) for a client, we noticed their field staff had entered to a log, all facility pneumatic vent correctly as “vent” and not “fuel”– required by D060. On inquiry with the Production Accountant, we determined that not all volumes were reported as “vent”, causing Petrinex vent to be lower than One Stop.
 - Their (former) EPAP auditor had not detected this discrepancy and reported “Fuel/Flare/Vent” as “Acceptable” for EPAP for the Declaration submitted in the prior year (the AMR reporting year).
 - We worked with the PA to correct the issue, and now doing both (EPAP and AMR), can easily determine at any time, whether Petrinex (EPAP) and One Stop (AMR) are “dancing in tune” with each other.

Compliance. Simplified.



Contact us:

ali@enercontrols.ca or
587-703-1625 (cell)

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