

Request for Proposals

Developing Net Zero Pathways for Canada's Offshore Oil and Gas Industry

In association with the Oil and Gas Corporation of Newfoundland and Labrador



RFP Release Date: August 12, 2021
Proposal Due Date: September 3, 2021

Notice:

Pending Funding Approval

The work associated with this RFP is contingent on the approval of funding.

Objective:

The objective of this project is to develop pathways for Canada's offshore oil and gas industry to achieve net zero (or better) greenhouse gas emissions by 2050, as committed to by Canada and Newfoundland and Labrador, in a manner that achieves maximum economic growth and diversification for local industry.

Background:

As Canada's offshore oil and gas industry begins its journey towards net zero by 2050, there is significant research, analysis, strategy development, and execution that must take place. This project will provide Canada's offshore oil and gas industry decision-makers and stakeholders with insight to inform their decisions related to the pursuit of net zero by 2050 for current and future developments.

In 2020 substantial efforts were undertaken by a variety of industry stakeholders to identify potential greenhouse gas (GHG) emissions reductions initiatives, and programming that is taking place in 2021-22 is likely to uncover more. The breadth and scope of possible avenues to achieve GHG emissions reductions within the industry makes it challenging for decision-makers to make strategic choices around resourcing and investments.

This project will consider all of the options based on ease of implementation, GHG emissions reductions achieved, costs, and local economic development potential towards proposing stage-gated pathways to the pursuit of net zero by 2050.

The project will include engagement with project operators, regulatory agencies, policy developers, and the industry supply chain to fill in known information gaps, to identify where more research and development is required in the short, medium, and long terms, and to create a greater awareness of the local opportunities associated with the pursuit of net zero.

The primary purpose of the project is to substantially increase the capacity of Canada's offshore oil and gas stakeholders to take deliberate, strategic, and concrete steps towards the reduction of GHG emissions in a manner that achieves maximum economic growth and diversification for local industry. The results will be made openly available as to inform public discourse on these important subjects.

The project partners – the Newfoundland and Labrador Environmental Industry Association (NEIA), the Newfoundland and Labrador Oil and Gas Industries Association (Noia), and the Oil and Gas Corporation of Newfoundland and Labrador (OilCo) – are requesting proposals from qualified organizations to develop net zero pathways for Canada's offshore oil and gas industry.

Scope of Work

The project partners are open to proponent recommendations with respect to how net zero pathways for Canada's offshore oil and gas industry can be developed, but anticipate that the work would include the following activities:

1. *Synthesizing GHG Emissions Reduction Options*

Engagement will be undertaken with offshore oil and gas stakeholders (e.g. operators, regulatory agencies, policy developers, the supply chain, and supporting organizations) to synthesize known possible approaches to GHG emissions reductions, including recently funded initiatives through federal, provincial, and third-party agencies. This work will be supplemented by an environmental scan to identify new or emerging solutions not yet considered. A detailed listing will be compiled of the options available to decision-makers in support of Canada's offshore oil and gas industry's pursuit of net zero.

2. *Evaluating GHG Emissions Reduction Options*

Based on the information acquired in scope 1, potential GHG emissions reduction initiatives will be evaluated to understand how each would 'fit' into a net zero pathway. Each initiative will be evaluated according to criteria including: GHG emissions reductions achieved; capital and operating costs; cost per tonne of GHG reduced; carbon pricing costs avoided; and value to the local economy. The successful bidder will be provided with an existing methodology and tool to use for the environmental and financial modelling of specific initiatives, but will be expected to supplement these results with insight on local/regional/national economic impacts.

3. *Developing Net Zero Pathways*

Based on the evaluations process in scope 2, a series of pathways (or 'scenarios') for Canada's offshore oil and gas industry to pursue net zero by 2050 will be developed, including the associated technologies, costs, timelines, economics (direct and indirect impacts), and GHG emissions reduction profiles with each. Each pathway should include quantified offshore scenarios for existing and future projects to achieve net zero emissions, or in the case of large-scale carbon capture, utilization and storage (CCUS) projects offshore, may result in negative emissions profiles which can assist the Province as a whole in achieving net zero targets. Road-mapping will outline where decisions need to be made between approaches, who these decisions need to be made by, what commonalities exist amongst different approaches, and what the most attractive solutions are from the perspective of the environment and the economy.

4. *Implementation Mechanisms*

Beyond the evaluation of technologies that can contribute to emissions reductions, recommendations will be made regarding how net zero pathways can be supported. Ensuring that the pursuit of net zero achieves not just environmental objectives but also maximizes the economic growth, diversification, and innovation opportunities that can be associated with it will require deliberate and strategic action by stakeholders and decision-makers. Guidance will be provided to regulatory agencies and policy developers on the mechanisms that can be deployed to achieve net zero in the industry.

5. *Stakeholder Engagement*

Key industry stakeholders and decision-makers will be consulted on the feasible pathways developed for the industry to meet net zero by 2050. This will include operators, regulatory agencies, policy developers, the supply chain, and supporting organizations. This will also include relevant organizational structures such as the *Energy Transition Working Group* of the Oil and Gas Industry Recovery Task Force Implementation Committee. Presentations will be made to stakeholders in both individual and group settings. Feedback will be acquired which will be used to refine feasible pathways.

6. *Final Report*

Feedback received through stakeholder engagement will be incorporated into a final report. The final report will include recommendations related to maximizing the local economic development opportunities that were identified throughout the scope of work. This report will be made publicly available and be accompanied by a knowledge mobilization strategy. NEIA and Noia communications channels will be leveraged to support knowledge mobilization (e.g. media, webinars, presentations at events, social media, etc.)

Note that the intent of this project is not to articulate a definitive singular path to net zero; much will change in 30 years towards 2050, and there are many unknowns.

The objective of this project is to identify the most promising emissions reduction pathways (based on ease of implementation, emissions reduction potential, costs, and local economic development potential) in order to inform strategy, investments, and supply chain interventions by industry decision-makers and stakeholders.

The resulting strategy must thus be a living document. As decisions are made, or as new information becomes available, stakeholders will adjust the deliverable as required; thus the net zero pathways will be narrowed and become more definitive over time.

Deliverables and Timing

The project deliverables should match the scope of work as outlined above or as defined by the proponent.

It is anticipated the project will commence in October of 2021 (date to be determined pending funding approval) with a final report to be delivered February 28, 2022.

The payment schedule will be negotiated with the successful proponent.

Evaluation Criteria

Submissions will be evaluated according to the following criteria:

- Knowledge and experience in relation to the work: demonstrated ability to meet expectations based on completion of similar projects and/or quality of previous works

- Understanding of the scope and objectives of the project: demonstrated comprehension of/adherence to the RFP
- Proposed approach/workplan and schedule
- Knowledge of and experience working with or within Newfoundland and Labrador's offshore oil and gas industry
- Price - value of work proposed versus identified costs

Proposal Submissions

The contracting organization for this RFP is NEIA. A single electronic document is sufficient. The proposal should be no longer than four (4) pages, and be concisely worded with clearly described objectives, methods, timelines, and outcomes. The proposal must acknowledge and fully accept the terms and conditions as laid out in this RFP.

The proposal should feature appendices, including (1) a brief description of the respondent's company and its relevant experience with similar projects, and (2) a description of the relevant work experience of the staff assigned to this project.

The partners are asking proponents to provide their own cost estimates for this project. Price is just one of the criteria that will be used in the evaluation of received proposals. Submissions should include detailed budgets that align with the proposed methodology, project components, and timelines.

The electronic copy of submissions should be in DOC and/or PDF format, and sent to Kieran Hanley, NEIA's Executive Director, via email at kieran@neia.org no later than **September 3, 2021**. Questions from interested applicants can be directed to the same address

Terms and Conditions

- All proposals received will be considered strictly confidential;
- The lowest cost, or any proposal, will not necessarily be accepted;
- Proposed costs must be represented in Canadian dollars;
- Applicants must be a company or organization of legal entities validly incorporated or registered in Canada, with work being undertaken in Canada;
- No payment will be made for the preparation and submission of proposals for this project;
- No fee will be made on the cost of work incurred to remedy errors or omissions for which the consultant is responsible; and
- NEIA reserves the right to meet with all, or any, of the applicants during the proposal evaluation stage to clarify information in the submissions and seek additional detail which may be used in the evaluation.