

# Oil Infrastructure Investment Program (OIP)



## Overview

The *Oil Infrastructure Investment Incentive (OIIIP)* offers transferable royalty/freehold production tax credits for qualified projects at a rate of 20 per cent of eligible program costs. OIIIP recognizes all costs necessary to construct and bring an approved project into service.

The OIIIP is open to new or expanded:

- transmission pipelines.
- feeder pipelines (including trunk and branch pipeline systems).
- pipeline terminals.
- Enabling infrastructure investments, that is directly linked and dedicated to an eligible project and is required to bring that project into service, may also be considered as eligible.

Natural gas pipelines, crude-by-rail infrastructure, and emulsion flow lines are **not** eligible for the OIIIP.

The OIIIP is open to applications until March 31, 2025.

## Eligibility:

1. **Must** directly increase pipeline capacity in Saskatchewan.
2. **Must** include at least \$10 million in eligible project costs.
3. **Must not** be operational prior to an OIIIP application being submitted.
4. **Must not** be redundant service.

## Program Highlights

- The credits are fully transferable which gives non-producers/non-royalty payers an opportunity to benefit from the program, because they have the ability to transfer credits to royalty payers under the contractual terms of their choosing. Also, OIIIP encourages multi-company projects as costs can be incurred by a firm other than the principal applicant.
- OIIIP has a project-specific royalty credit cap of \$40 million (i.e. a maximum of up to \$200 million in recognized eligible costs per project project).
- Credits can be claimed at a rate of 20% of total credits in the first calendar year of operations, 30% in the second calendar year, and 50% in the third calendar year.
- OIIIP can be used in conjunction with other incentive and grant programs available in Saskatchewan.
- Costs incurred from January 1, 2018, onward may be recognized as eligible.

## For more information, contact:

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