

Oil Infrastructure Investment Program (OIIP)



Overview

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

OIIP is open to new or expanded oil, refined petroleum product, natural gas liquids, or carbon dioxide pipeline projects, including:

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

Natural gas pipelines, crude-by-rail infrastructure, and emulsion flow lines are **not** eligible under OIIP.

OIIP is open to applications until March 31, 2025.

Eligibility:

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

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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 oil and gas royalty payers under the contractual terms of their choosing. Also, OIIP encourages multi-company projects as costs can be incurred by a firm other than the principal applicant.
- OIIP has a project-specific awarded credit cap of \$40 million (i.e., a maximum of up to \$200 million in recognized eligible costs per 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.
- OIIP can be used alongside 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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Disclaimer: The information in this document is accurate as of November 2021; however, the Government of Saskatchewan accepts no liability for any actions taken as a result of the information contained herein.