

CLEAN RESOURCES

ADVANCED HYDROCARBONS

CLEANER HYDROCARBON PRODUCTION

FUNDING DETAILS

Techno-Economic Feasibility Study of a Canadian Strategic Petroleum Reserve

In light of recurring issues of constrained take-away capacity for Alberta’s petroleum products and its significant detrimental impact on price realizations, this project will study the concept of a Canadian Strategic Petroleum Reserve (SPR) as a means to control provincial oil output. This strategy has been successfully deployed elsewhere but has received minimal attention in Canada. The study entails developing an understanding of the potential market impacts of implementing a SPR, as well as the feasibility of execution using salt caverns.



RECIPIENT:

C-FER



PARTNERS:

N/A



TOTAL BUDGET:

\$150,000



AI FUNDING:

\$90,000



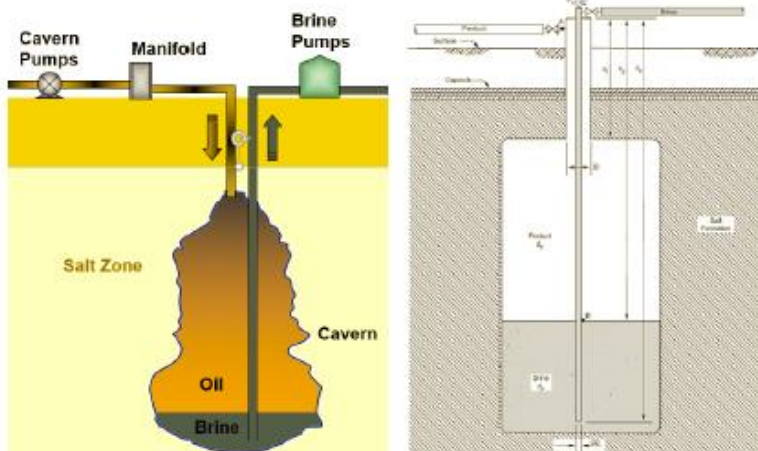
PROJECT DATES:

Jan 2019 – Mar 2019



PROJECT TRL:

Start: 2
End: 3



APPLICATION

This Whitepaper seeks to establish a basis for a Canadian Strategic Petroleum Reserve. Subject to technical feasibility and economic benefits, the concept would be further developed within Government (Provincial and Federal) in consultation with industry and other stakeholders to determine a potential path to sanction and execution.



ALBERTA INNOVATES CLEAN RESOURCES

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PROJECT GOALS

- Model impact of a SPR on Canadian oil markets and price realizations
- Examine the length of time needed to store the oil, and scenarios for purchasing vs selling
- Identify potential locations for SPR
- Assess options for salt cavern development
- Summarize findings and describe go-forward recommendations

BENEFITS TO ALBERTA

- Aligns with Alberta Research & Innovation Framework 2030 Target of “Increase Value & Market Access” for Alberta’s hydrocarbon resources
- Allows government to “balance” the system during market disruptions by purchasing oil when prices are low and selling when prices are high
- Adds a measure of stability to the market, incentivizing industry to develop resources
- Flexibility for government to purchase from non-integrated producers who are more impacted by low commodity prices



1 Publications

CURRENT STATUS

March 2020

The Study is complete. The Final Report will be released to the public after the Confidentiality Period concludes, in March 2021.