



Alberta's Energy Regulator

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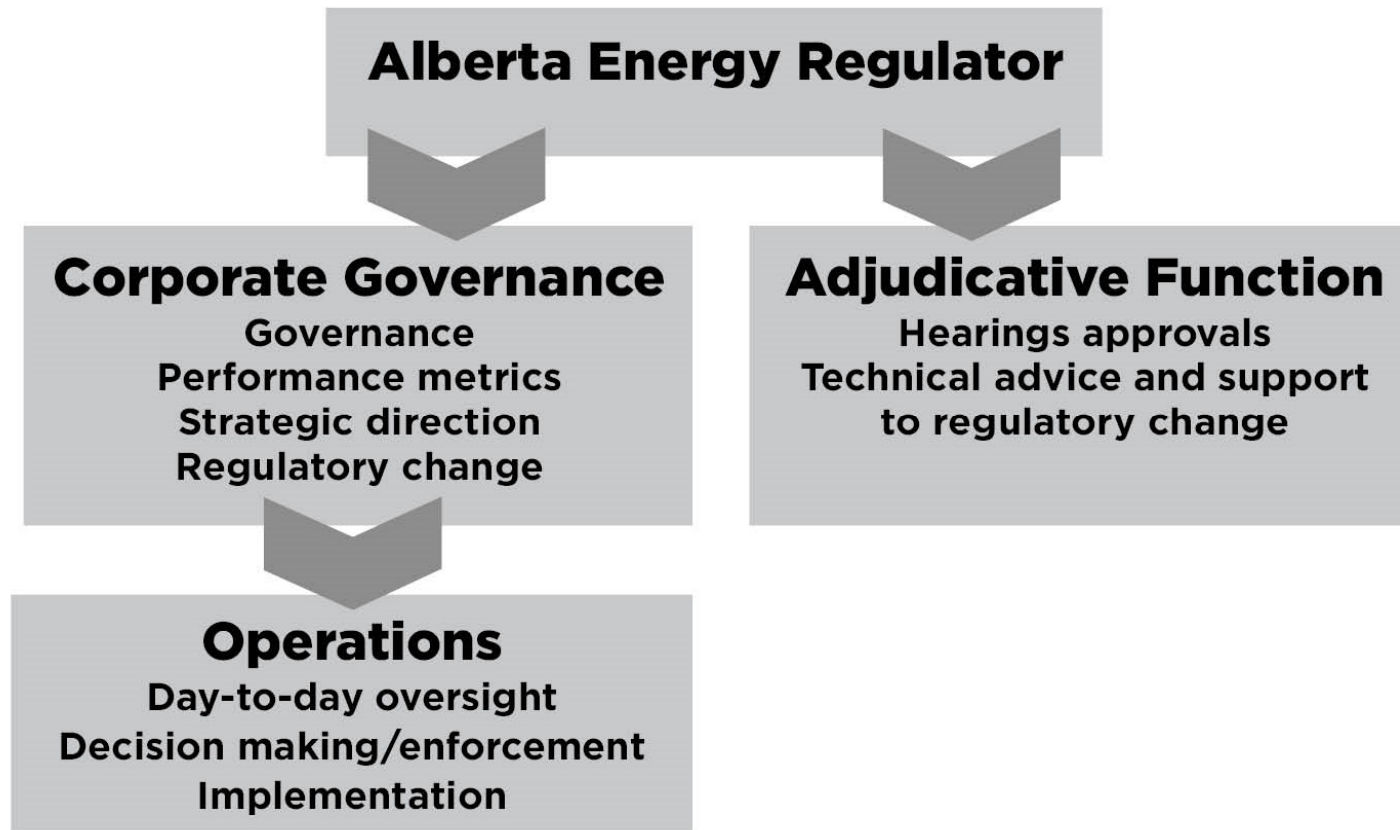
One Province. One Regulator

- › Government of Alberta created first regulator 76 years ago
- › Mandate has evolved over time
- › Responsibilities and functions have expanded
- › Alberta Energy Regulator: Alberta's single, full life-cycle regulator of energy development

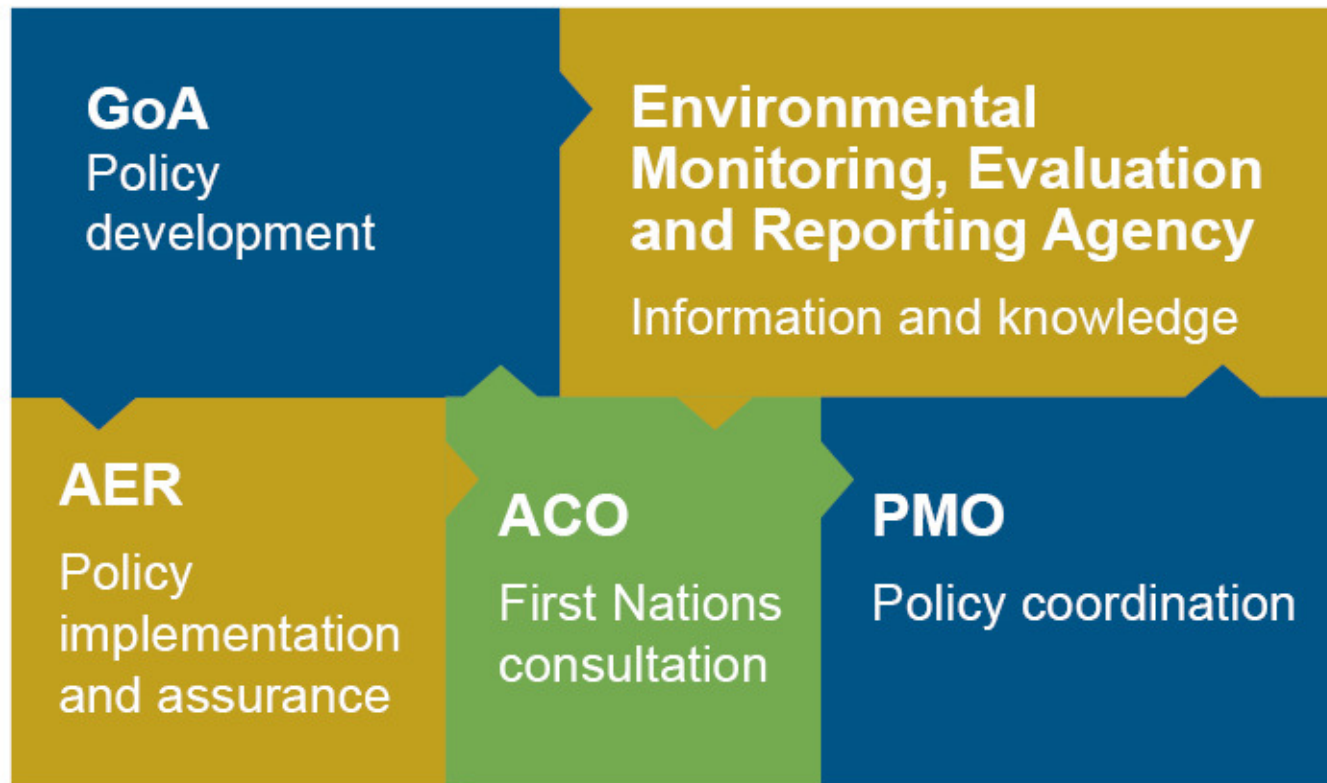
AER Mandate

- » *The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.*

Governance



Integrated Resource Management System



THE AER REGULATES:

MORE
THAN
50

thermal/enhanced
in situ projects

9

oil sands
mines

5

bitumen
upgraders

4

coal processing
plants



11

producing
coal mines

OVER 200 AND 16

primary/enhanced
recovery projects
(in situ)

experimental
projects



OVER 415 000

kilometres of pipelines

782

gas processing plants



OVER 180 000

operating natural gas and oil wells

MORE THAN 29 000 AND CLOSE TO 21 000

oil facilities

gas facilities

Building the AER

- › December 2012
 - › REDA

- › June 17, 2013
 - › the AER launched

- › December 1, 2013
 - › *Public Lands Act*
 - › *Mines and Minerals Act (Part 8)*

- › April 1, 2014
 - › *Environmental Protection and Enhancement Act*
 - › *Water Act*



AER VISION AND STRATEGIC PRIORITIES

AER Vision

» *The Alberta Energy Regulator is recognized as best-in-class, ensuring the safe, environmentally responsible development of energy resources for the benefit of all Albertans.*



AER Strategic Priorities

- › **Protective** – public safety, cumulative environmental impacts
 - › Play based regulation, air emissions, IRMS

- › **Effective** – resource conservation, infrastructure liability management
 - › Aging infrastructure, reservoir containment, pipeline integrity

- › **Efficient** – efficient processes and requirements
 - › Continuous improvement, regulatory simplification

- › **Credible** – confidence and trust in regulatory system
 - › Best in class, performance monitoring & reporting

Play Based Regulation

- 》 **Responding to intensity, duration, and scale of development:**
 - 》 Organize risks by play, integrate surface & subsurface
 - 》 Regulatory response proportional to risk
 - 》 Holistic planned approach to development
 - 》 Integrated/bundled authorizations
 - 》 Performance/outcome based
 - 》 Increase planning & collaboration amongst companies & community stakeholders





Operator Play Based Project Plans Include:

- **Water Management**
 - Play or project level plan
- **Surface infrastructure development**
 - Minimize footprint, linear disturbances, trucking, noise, emissions, etc
- **Sub-surface reservoir management**
 - Resource recovery, minimize flaring, ER potential, reserves assessment
- **Stakeholder engagement**
 - Local community, business leaders, local authorities
- **Lifecycle wellbore Integrity**
- **Fit with overarching land use and watershed plans**

Play Based Regulation Outcomes

- › Managing cumulative effects
- › Improving efficiencies
- › Meeting subsurface requirements
- › Minimizing spread of surface infrastructure
- › Conserving and managing water
- › Sharing and collaborating with stakeholders
- › Aligning with GOA policies



Participation at AER Hearings



Directly and Adversely Affected Test

- › The AER reviews every statement of concern
- › Each statement of concern is unique; therefore, specifics are considered
- › Treaty and traditional use activities are considered for First Nations and Metis
- › Determinations of direct and adverse affects may result in hearings

CNRL Kirby Expansion Project

- » Hearing canceled by the AER because
 - » no specific traditional use activities or sites near the project identified by First Nations SOC filers
 - » OSEC SOC filed on behalf of trapline holder who later confirmed support of the application, and
 - » generic concerns that relate to government policy

Commitment to Transparency

- › On line oil and gas incident reporting
- › Posting public notices of applications and decisions online
- › Inviting statements of concern
- › Live streaming audio from public hearings
- › Social media expansion
- › Extensive meetings with Albertans and others
- › Annual Report to Albertans in June





**Leading the next era
in energy regulation.**

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