



## ALBERTA'S "ENERGY SUPERBOARD"

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The Government of Alberta is in the process of re-vamping its regulatory framework developing a single regulatory body. This body will encompass responsibilities that are currently divided between Alberta Environment ("AENV"), Alberta Sustainable Resources Development ("SRD"), and the Energy Resources Conservation Board ("ERCB"). Effectively the Government of Alberta is looking to create an "Energy Superboard" that will oversee energy projects from the approval process through to the end of a project's life.

Functions will include project approval, compliance monitoring, enforcement, decommissioning, reclamation and remediation activities. In addition, the Energy Superboard will regulate all air, water, land, mine and facility authorizations. The Superboard will not be responsible for mineral tenure (the regulation of which will remain with the Department of Energy) nor will it assume the role of the Surface Rights Board, which will remain a separate entity to address the rights and concerns of landowners.

The Energy Superboard is ostensibly being developed to provide a clear, consistent and streamlined regulatory process for energy projects in Alberta. Its objective is to have an efficient and effective regulatory process that will encourage continued investment in Alberta's oil, gas, coal, and oilsands resources, while preserving landowner rights and environmental stewardship. The Energy Superboard will be established as a corporation so to keep the Energy Superboard distanced from the government and to ensure that decisions are made independently. It is proposed that the board of the corporate entity will be appointed by the Alberta Cabinet. It is also proposed that it will have annual reporting requirements to promote accountability, enable continuous system improvement, and ensure performance of the mandates of the Minister of Environment and Minister of Sustainable Resource Development.

A major benefit of the "merger" is that the authorization process will involve one application to one regulator. Currently, many projects require submitting separate applications to multiple regulatory bodies. This process is inefficient as it often involves duplication of information, increased costs, and uncertainty in the authorization process. Moreover, the Energy Superboard will not simply be a frontage for regulators where one application is submitted by the proponent and then chopped up and sent out to several regulators to deal with the application piecemeal. Rather, the Superboard will be the sole regulator and will review applications in their entirety. This approach aims to improve efficiency, offer greater predictability, and enable industry, landowners, and other interested parties to better navigate the regulatory process.

The Energy Superboard will also be tasked with overseeing environmental management, public health and safety, and resource conservation associated with energy projects. This reflects the Government of Alberta's move to a "cumulative effects" approach for managing land and environmental resources. Compliance monitoring and enforcement regimes implemented by the Energy Superboard are intended to provide an integrated and more efficient system, as compared to



the current system in which several regulatory bodies are responsible for discrete compliance and enforcement requirements.

Finally, the Energy Superboard will regulate decommissioning, reclamation and remediation activities occurring at the end of a project's life. These regulatory duties will include: issuing Reclamation Certificates (currently issued by AENV and SRD), suspension and abandonment of wells and facilities (currently administered by the ERCB), and administration of the Mine Financial Security Program (currently administered by AENV).

A point of interest is how new initiatives, such as carbon capture and storage ("CCS"), will be incorporated into the overall energy regulatory framework, and the Energy Superboard in particular. Alberta legislation was recently amended to promote the development of CCS projects in the Province. Placing responsibility for regulating CCS operations with the Energy Superboard is consistent with the notion of a comprehensive integrated energy regulatory framework.

The next, and perhaps most crucial, step in developing the Energy Superboard is creating the legislation that will establish the single regulator and define its scope of responsibilities, and the processes it will follow. The Government of Alberta has indicated that draft legislation is likely to be presented sometime in 2012, after stakeholder consultations and public comments regarding the proposed Superboard. How the feedback will be incorporated into the development of the Energy Superboard remains to be seen.

That said, it remains to be seen whether the regulatory responsibility for CCS and other new initiatives will be given to the Energy Superboard.