



INTEGRATED  
SUSTAINABILITY

Energy and Natural Resources  
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# Draft Directive 77: Pipelines - Requirements and Reference Tools

Gain greater clarity, improved alignment with CSA standards,  
and improved ability to use temporary surface pipelines

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## Government of Canada: Capping Oil and Gas Emissions



On 18 July 2022, the Minister of Environment and Climate Change, Steven Guilbeault, and Minister of Natural Resources, Jonathan Wilkinson, opened consultations on a commitment for [capping and cutting emissions from the oil and gas sector](#). The discussion paper released outlines two options to establish the cap:

- A cap-and-trade system under the **Canadian Environmental Protection Act** that sets regulated limits on emissions from the sector; and
- Modifying the carbon pricing benchmark requirements for heavy emitters to create price-driven incentives to reduce emissions to levels corresponding to the cap.

The Government of Canada will be working with provinces and territories, Indigenous groups, the oil and gas sector, and other stakeholders to provide certainty for industry and Canadians, while remaining attuned to evolving energy security considerations, and maximizing opportunities for ongoing investment in the sector. The design of the oil and gas emissions cap is expected early next year. Interested parties are invited to submit responses to the discussion paper by 30 September 2022.

## The Canada Energy Regulator Contaminated Site Management Audits

The Canada Energy Regulator (CER) requires CER-regulated companies to develop and implement an [Onshore Pipeline Regulations \(SOR/99-294\) \(OPR\)](#) that enables hazard management, learning and continual improvement throughout an organization. Four companies were selected to be a part of the [CER's 2021/22 compliance audit program](#), which is focused on contaminant site management, to determine compliance with the OPR and review the effectiveness of associated processes and procedures.

Results of the audit reports are intended to promote learning and improvement across CER-regulated companies, which are provided on the [federal governments webpage](#). Under the Informational Advisory CER IA 2022-001, all CER-regulated companies are advised to review the deficiencies noted and confirm they do not exist in their own management system. Additionally, future audit programs will incorporate these learnings into its compliance and oversight activities.

## The Potential Role of Nuclear in Canadas Energy Future

Canada has long funded [nuclear energy research and development](#). New Brunswick and Ontario currently use nuclear energy to generate low emissions electricity. Today, four nuclear generating stations in Canada provide about 15% of the country's total generation. Resources, experience, and knowledge are available to continue using nuclear to help decarbonize the country's energy system. The role nuclear will play in Canada's energy transition will depend on public and policy support, continuing regulation of nuclear safety and waste, nuclear technology evolution, and cost competitiveness against other low- or zero-emission electricity generation technologies

Research and development on nuclear energy continues today across the country in laboratories such as Canadian Nuclear Laboratories in Ontario, Triumf in British Columbia, and Ontario Tech University. As Canada pushes towards a net-zero future, electricity demand is expected to rise substantially. There is potential for increased nuclear generation to meet this new demand.

## Feedback on Draft Directive 077: Pipelines – Requirements and Reference Tools

The Alberta Energy Regulator (AER) is seeking [feedback](#) on updates to [Directive 077: Pipelines – Requirements and Reference Tools](#). The proposed changes provide greater clarity, improved alignment with CSA standards, greater ability to use temporary surface pipelines, and cost savings. The following are the main proposed changes to the directive:

- Inclusion of comprehensive requirements for the use of temporary surface pipelines
- Revision of sections on the use of gaseous and non-fresh water as test mediums for pressure testing
- Deletion of redundant content or content no longer relevant
- Revised references to CSA standard Z662-19: Oil and gas pipeline systems
- Revised figures and interpretation of jurisdictional boundaries for piping
- New section on the commingling of oil effluent and gas production streams
- Updates to figures, tables, and forms

To provide feedback, complete the public comment form [here](#) and comments in other formats can be emailed to [D077Update2022@aer.ca](mailto:D077Update2022@aer.ca). Feedback will be accepted until 9 September 2022. All feedback received will be reviewed and may be used in finalizing the directive. The comments provided through this consultation will form part of the public record. AER may use the personal contact information provided to follow-up communication related to individual feedback.

## Supporting Innovation in Hydrogen Production

On 20 July 2022, the Government of Alberta (GOA) announced they would be accepting applications under the [Alberta Advancing Hydrogen – Competition 1 program](#). The program is funded under the Hydrogen Centre of Excellence, that received \$50 million in funding to support hydrogen-focused technologies in alignment with the [Alberta Hydrogen Roadmap](#). The program aids in establishing a path to a hydrogen economy and establish a policy framework and actions to achieve Alberta's ambitions in the emerging hydrogen economy. Under Competition 1, up to \$20 million is available over 24 months and funding requests can be up to, but not exceed, \$2 million. The GOA is seeking project proposals for hydrogen production, storage, transmission, end use, increased competitiveness, and economic diversification. Initial intake submissions are due 5 September, with full proposals of approved projects due 18 November 2022.

## The Technology Innovation and Emission Reduction Funding

The Alberta government is investing \$750 million from [Technology Innovation and Emissions Reduction \(TIER\) fund](#). Carbon capture, utilization, and storage (CCUS) is an example of the technology the TIER fund is supporting. CCUS technology can capture, use, and store up to 90% of carbon dioxide emissions produced from the use of fossil fuels in industrial activities, preventing those emissions from entering the atmosphere. The TIER funding includes \$80 million for Alberta's new Industrial Energy Efficiency (IEE) and Carbon Capture Utilization and Storage Grant Program. This program offers funding is expected to help Alberta's industries reduce emissions, increase competitiveness, cut costs, and improve energy efficiency through technology and equipment upgrades. The deadline to apply is 30 October 2022.

- The IEE CCUS program is for improvements at facilities that are regulated, or eligible to be regulated, by the TIER regulation
- Successful applicants are eligible to receive up to 75 % of project costs, up to a maximum of \$20 million
- Deletion of redundant content or content no longer relevant
- There is no minimum or maximum total project cost eligibility requirement
- Existing projects are eligible; however, grant funding cannot be used toward retroactive project costs



## Changes to Management of Inspection Reports

The Province of British Columbia Oil and Gas Commission (Commission) is developing a new portal for managing industry compliance called the [Compliance Management Information System \(CM-IS\)](#). Permit holders can expect to see changes to how inspection reports are received from the Commission. Inspection reports currently communicated through the KERMIT online system will be issued through CM-IS. Permit holders will be required to log into CM-IS to manage and respond to non-compliances raised through an inspection. There will be no changes to other types of communication about compliance, such as orders and contravention decisions. The Commission will provide more information about the transition to CM-IS, training opportunities and updated documentation prior to the release. The next release of CM-IS, planned for November 2022, will add the capability to communicate inspection results and manage non-compliances associated with inspections.

## 2022 Energy and Mines Ministers Conference

The Minister of Energy, Mines and Low Carbon Innovation, Bruce Ralston is representing British Columbia at the [Energy and Mines Ministers' Conference \(EMMC\)](#). EMMC is an annual gathering of federal, provincial, and territorial ministers responsible for energy and mining portfolios. At these meetings, ministers discuss shared priorities for collaborative action to advance energy and mining development across the country. The Province of British Columbia is a participant of Natural Resources Canada (NRCan) Regional Energy and Resource Tables to help advance economic priorities in the natural resources sector and reduce carbon emissions.

## Largest First Nation Woodland Licence

The Government of British Columbia (GoBC) issued the [largest First Nations Woodland Licence \(FNWL\)](#) to Lheidli T'enneh First Nation that granted approximately 217,312 hectares (ha) of exclusive timber harvesting rights. The Lheidli T'enneh First Nation and the GoBC first entered discussions in 2021 regarding the economic and forest stewardship benefits for the Nation's territories east of Prince George, on both the north and south sides of the Highway 16 corridor. Since then, the GoBC has approved the new forest tenure opportunity agreement that will require a management plan that can incorporate a First Nations' asserted land- and resource-management interests, including protection of traditional-use practices. The Nation's management plan will also support initiative to increase moose populations, which is a traditional food source for their members, and will continue to work with local forest industries to achieve these objectives. Additional information on FNWL can be found on the [GoBC's webpage](#).

## Update on Wildfire Season and Latest Seasonal Outlook

The Province of British Columbia (B.C) is expecting a [transition to warmer and dryer conditions](#), signaling an increase in overall wildfire risk and fire danger ratings as the season progresses. As shown in the B.C Wildfire Service's latest seasonal outlook, current wildfire activity is minimal and concentrated in the northern half of the province, where recent rainfall has been minimal.

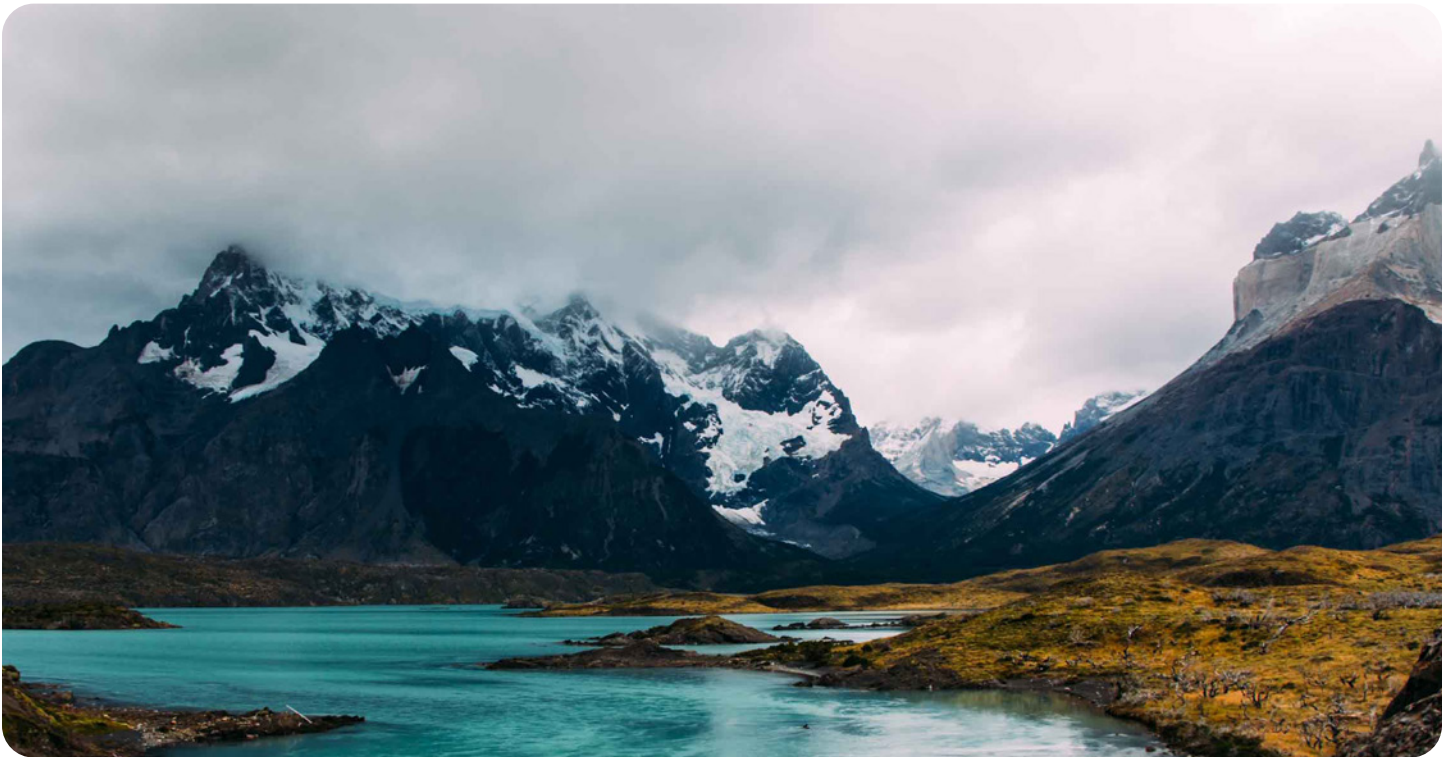
To help protect British Columbians from wildfires, applications are open for \$25 million for community projects that reduce the risk of wildfires. The province is providing the funding to the Forest Enhancement Society of BC (FESBC) to support community projects that reduce wildfire risk and enhance wildlife habitat, greenhouse gas reduction, forest recreation and ecological resiliency.

# Did You Know?

## Water Use Reporting

Water Act license applications such as Temporary Diversion License (TDL) issued via [Water Act Temporary Diversion Licence Electronic Review System \(WATERS\)](#) require water use reporting. As part of licence condition, Water Use Reporting System (WURS) is used to gather, process, and manage water use, water level and chemical analysis data. Integrated Sustainability is working with clients to bring their TDLs and Term License into compliance by meeting reporting requirements.

For more information on water user reporting or assistance with your project, please contact Jamie Peters, Regulatory Manager, at [Jamie.Peters@integratedsustainability.ca](mailto:Jamie.Peters@integratedsustainability.ca)



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*Integrated Sustainability acknowledges that our Vancouver Office is located on the unceded territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and Selilwítlh (Tsleil-Waututh) Nations.*

*Furthermore, we also acknowledge that our Calgary Office is located on the traditional territories of the Blackfoot Confederacy (Siksika, Kainai, Piikani), the Tsuut'ina, the Îyâxe Nakoda Nations, the Métis Nation (Region 3), and all people who make their homes in the Treaty 7 region of Southern Alberta. We thank all these peoples for having cared for these lands and waters since time out of mind.*