



Energy and Natural Resources  
Regulatory Bulletin - Sep 2022.

# Mandatory ESG Reporting 2023/24

ESG disclosure regulations are coming.  
Find out how your organization could be  
impacted in the next 12/18 months

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# Welcome to the regulatory bulletin...

Published monthly for the last 4 years, the regulatory bulletin highlights the regulatory changes and updates within the energy and natural resource sectors in North America that the Integrated Sustainability team has been tracking over the past month.

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## Feature Report

Public companies in both Canada and the United States will need to adhere to the new ESG disclosure regulations as early as 2023, with required filings starting in 2024...





## Canada's Methane Strategy

On 23 September 2022, the Government of Canada released "[Faster and Further: Canada's Methane Strategy](#)". This strategy builds on Canada's existing commitments, including the 2030 Emissions Reduction Plan, with objective to reduce domestic methane emissions by more than 35% by 2030, compared to 2020 levels. The Government of Canada indicates that with this strategy they will:

"Implement measures across sectors of the economy, including oil and gas, to reduce the largest sources of methane emissions.

Strengthen the clean technology sector and provide tools to industry to achieve cost-effective methane emission reductions while creating good-paying jobs.

Advance scientific knowledge and technical capacity to improve methane detection, measurement, and reporting.

Meet international climate targets under the Paris Agreement and Global Methane Pledge; and

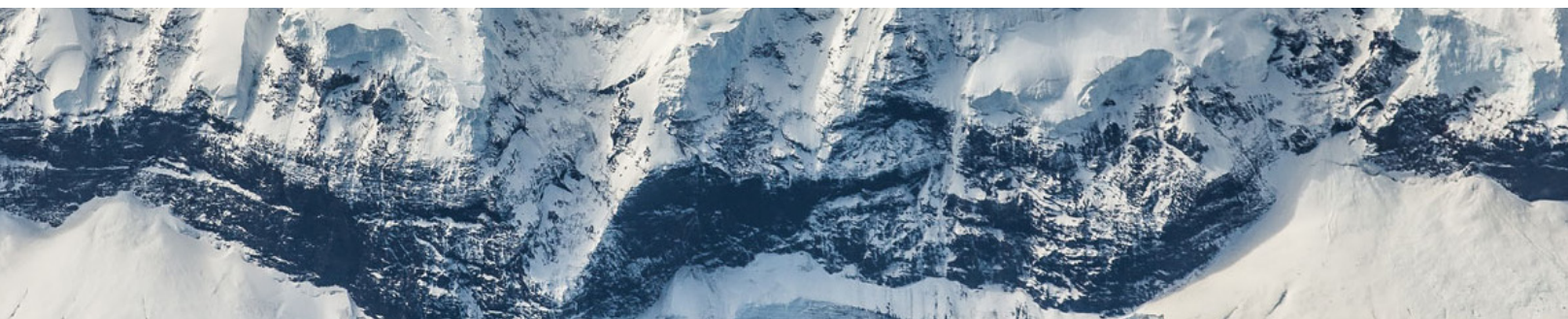
Solidify its global leadership and provide funding, tools, and best practices for other countries to achieve emissions reductions."

## Global Clean Energy Action Forum

From [September 21 to 23, 2022](#), Canada's Minister of Natural Resources Jonathan Wilkinson attended the [Global Clean Energy Forum](#) that focused on actions to deliver a low-cost, zero emissions energy opportunities. The Honourable Jonathan Wilkinson, states "Canada has the wealth of talent and resources to be the world's clean energy and technology supplier of choice as the world doubles down on ambitious climate action. By seizing opportunities like critical minerals, hydrogen, renewables and carbon capture, we can create sustainable jobs at home and reduce pollution around the world."

The Forum is intended to expediate the global energy transition through the merge of the 13th Clean Energy Ministerial and the 7th Mission Innovation Ministerial. During the Forum several initiatives were put forward to support a 'net-zero world' including:

- Allocating \$2 billion to the Major Economies Forum for the construction of commercial scale demonstration projects with the intent of achieving net-zero emissions by 2050.
- Agreement to participate in the Mission Innovation Net-Zero Industries Mission for the development of cost-competitive solutions. This includes key missions to prepare mission action plans, roadmaps for carbon dioxide removal, hydrogen and integrated biorefineries missions.
- Several other endorsements for global emissions reduction initiatives and committees.



## New Edition of Manual 002: Drilling Waste Inspections

On 6 September 2022 Alberta Energy Regulator (AER) released a [new edition of Manual 002: Drilling Waste Inspections](#). The Manual is a reference document for industry for drilling waste inspections and a guide for their own compliance management systems. The following is the updates o Manual 002:

- Added or removed noncompliance statements to reflect the current edition of Directive 050: Drilling Waste Management
- Added or removed noncompliance statements to reflect other current AER requirements and energy
- Resource enactments (e.g. Directive 058: Oilfield Waste Management Requirements for the Upstream Petroleum Industry, *Oil and Gas Conservation Act*)
- Removed the low- and high-risk ratings to align with our Integrated Compliance Assurance
- Framework and Manual 013: Compliance and Enforcement Program
- Formatted the manual to meet our current publication standard

## Alberta Energy Regulator Seeks Feedback on New Requirements for Brine-Hosted Mineral Resource Development

The AER has opened a [public comment period](#) for the Draft Directive: Brine Hosted Mineral Resource Development (the Directive). The Directive outlines the requirements for developing brine-hosted mineral resources from initiation to closure. Ahead of the released of the final draft, Directive 056: Energy Development Applications and Schedules and Directive 089: Geothermal Resource Development have been amended to adequately address requirements specific to brine-hosted minerals. Comments received will be considered in finalizing the Directive and will be included under the public record. Feedback on the Directive can be submitted using the [AER's Public Comment Form](#) and emailed to [Minerals@aer.ca](mailto:Minerals@aer.ca) or sent via in-person mail, which is open until 31 October 2022.

## Correction: Alberta Tier 1 and 2 Guidelines - 2022 Revised Edition

Following the release of the 2022 edition of the [Alberta Tier 1 and 2 Soil and Groundwater Remediation Guidelines](#) [1] 29 August 2022, the Government of Alberta (GOA) released corrections to the update.

- Remediation Certificate applications that are prepared under the 2019 edition of the Alberta Tier 1 and 2 Guidelines will continue to be accepted until 1 January 2023.
- Reclamation Certificate applications that are prepared under the 2019 edition of the Alberta Tier 1 and 2 Guidelines that require no further remedial work and have obtained laboratory analytical data reports dates on or before 1 January 2023 will continue to be accepted until 1 January 2023. Applications accompanied by laboratory reports dated 1 January 2023 or later must be compliant with the 2022 guidelines.

Additional questions on the guidelines can be submitted to [Land.Management@gov.ab.ca](mailto:Land.Management@gov.ab.ca).

## Reducing Red Tape for Oil Service Rigs

Following the signing of the Memorandum of Understanding on 5 June 2019, Alberta obtained a [regulation exemption](#) from the Federal government to allow oil service rigs to move freely between Saskatchewan. Under the [Motor Vehicle Transport Act](#), vehicles and equipment can be moved freely between job sites across Alberta and Saskatchewan. Service rig convoys will no longer be required to complete daily logs or have a certified logging device with the understanding that robust safety checks are put in place, in addition to holding a valid permit and inspection forms.

# British Columbia

## Latest Suspensions of Water Diversions

Due to drought conditions, the British Columbia Oil and Gas Commission (Commission) has suspended all previously approved water diversions under Section 10 of the [Water Sustainability Act](#) for the rivers, streams, and lakes in the basins within the [Peace River, Liard River and Fraser River watersheds](#):

Peace River Watershed:

- Pine River (Sukunka River and Murray River)
- Kiskatinaw River
- Beatton River (Doig River, Osborne River, Blueberry River)
- Halfway River

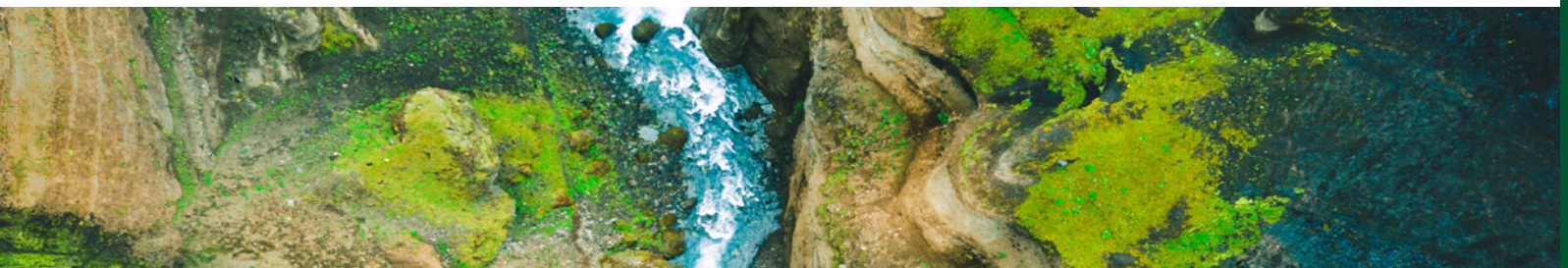
Liard River Watershed:

- Tributaries to the Muskwa River, Fort Nelson River, and Sikanni Chief River (but does not include the Muskwa, Fort Nelson, and Sikanni Chief Rivers)

Fraser River Watershed:

- Coquihalla River
- Hunter Creek
- Wahleach Creek

The water stored in dugouts or dams and the main channel of the Peace River or Dinosaur Lake does not apply to the diversion suspension. The Commission will still review new applications or request to use approvals on a site-specific basis and has requested additional information be submitted including limited volumes realistic for operational needs, current flow conditions at point(s) of diversion, and bathymetry for lakes.



## Well Test Data Submission Requirements

Following a review of [Diagnostic Fracture Injection Tests \(DFITs\)](#) or 'mini fracs', the Commission is reminding operators to ensure their reports align with the requirements of Section 73(3) of the [Drilling and Production Regulation](#). Based on the results of the assessment which revealed inconsistent report quality and unsubmitted reports, the Commission highlighted a couple of items for operators to consider when submitting well test data:

- DFIT reports must be submitted to the OGC within 60 days of completion
- DFIT submissions must include one PAS file and one or more PDF file of the following:
  - » A plot of the entire test
  - » Log-log diagnostic plot with pressure derivative
  - » G-Function plot
  - » Pre-closure analysis methodology of geomechanical results, including closure pressure and closure time
  - » After closure analysis methodology
  - » Summary regarding the analyst's confidence level regarding the results

## Well Test Data Submission Requirements

The [2021 Oil and Gas Reserves and Production report](#) reviews the British Columbia's oil and gas production and remaining recoverable reserves. The report also qualifies the development and future capability of unconventional resources as a long-term source of natural gas for the province. Some highlights from the 2021 report include:

- DFIT reports must be submitted to the OGC within 60 days of completion
- Average reserves per new well continues to rise due to technology changes, enabling drilling to replace and increase production with fewer new locations.
- Information on hydraulic fracturing and deep disposal activities, which support gas production.
- Gas plants providing increased processing capacity for development, with connection to the electric grid for lower emissions.
- A summary of the hundreds of gas and oil pools moved to depleted status following review, assisting the identification of target reservoirs for carbon capture use, also highlighted.
- Oil production and reserves continues to decline, due to limited new oil focused activity





# Feature Report

## ESG Reporting Requirements

Both Canada and the United States have pending climate disclosure regulations that may impact how your company tracks and reports on climate related activities. Many public companies will need to adhere to the new regulations as early as 2023, with required filings starting in 2024. Both proposed rules closely align with the **Task Force on Climate-related Financial Disclosures (TCFD)**. Key aspects of TCFD include disclosure of an organization's climate-related risks and opportunities and related governance, strategy, and financial implications, in addition to disclosing greenhouse gas emissions.

Environmental, social, and governance (ESG) requirements around the world have witnessed mass adoption, with ESG reporting rules already in existence in the EU, Hong Kong, Japan, New Zealand, Singapore, Switzerland and the UK. To further standardize reporting, the IFRS Foundation formed the **International Sustainability Standards Board (ISSB)** which has released two proposed standards—one on climate and one on general sustainability-related disclosures. Once finalized, the standards will provide a global baseline of sustainability-related disclosures that incorporate guidance from the TCFD, **Sustainability Accounting Standards Board (SASB)**, and ISSB.

If your feeling overwhelmed by the evolving ESG requirements, or would like to get ahead of the regulations, contact our ESG Manager, Julie Cook, for a free consultation at [Julie.Cook@IntegratedSustainability.ca](mailto:Julie.Cook@IntegratedSustainability.ca).

## Environmental Social Governance Support Services

ESG Materiality & Benchmarking  
ESG Reporting Service  
Climate Change Consulting  
Social Inclusivity Studies  
Corporate Governance Consulting



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