



INTEGRATED
SUSTAINABILITY

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Regulatory Bulletin

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Oil & Gas Greenhouse Gas Emissions Cap

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Feature Report

Public bidding on critical mineral tenure rights is anticipated in the near future. Existing rock-hosted mineral permit holders should now have submitted their applications for the brine-hosted licenses within their designated permit areas, if they wish to apply.



Oil and Gas Greenhouse Gas Emissions Cap

On 7 December 2023, the Government of Canada [introduced](#) the [Regulatory Framework for an Oil and Gas Sector Greenhouse Gas Emissions Cap](#) (the Framework) and released the [Roadmap for the Decarbonization of Canada's Oil and Gas Sector](#) (The Roadmap) and a [2023 Progress Report on the 2030 Emission Reduction Plan](#) (Progress Report).

The Framework, in alignment with Canada's 2030 Emissions Reduction Plan (ERP), proposes to cap 2020 emissions at 35-38% below 2019 levels, with some compliance options to emit up to 20-23% of 2019 levels. The cap would apply to upstream oil and gas facilities including offshore and liquified natural gas (LNG) as well as production from oil sands, conventional oil, LNG, and natural gas production and processing. The Framework does allow for a cap-and-trade system, which the government plans to regulate under the *Canadian Environmental Protection Act*. The cap-and-trade system would allow facilities to buy carbon offset credits or contribute to a decarbonization fund for a limited volume of emissions that exceed the cap. The federal government is proposing this Framework to support the net-zero emissions by 2050 objectives, and although [opposed by the Government of Alberta](#), claims that the cap is designed to help the oil and gas sector to remain competitive in the global market.

The Roadmap outlines where Canada's emissions are coming from today, and a breakdown of activities and emission intensity and commitments from individual corporations and the Pathways Alliance. The Roadmap outlines actions to reduce oil and gas sector emissions including:

- Incentives
- Carbon Pricing and Regulations
- Global and domestic leadership

The Government also released a Progress Report on the 2030 ERP, which shows the progress made towards Canada's 2030 emissions targets and Canada's projected emissions trajectory. It should be noted that the trajectory (which reaches 40% below 2005 levels) requires additional actions and new measures to be implemented.



Federal Methane Regulations

On 4 December 2023, the Government of Canada [announced](#) new methane targets and released [Regulations Amending the Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds \(Upstream Oil and Gas Sector\)](#), referred to as draft methane regulations, which would reduce methane emissions by 75% by 2030, when compared to 2012 levels.

Both [Alberta](#) and [Saskatchewan](#) released responses to the draft regulation stating that it is unconstitutional, as the provinces have legislative jurisdiction on non-renewable resource production and greenhouse gas emissions from the oil and gas sector. Alberta calls the new targets unrealistic, and Saskatchewan claims they indirectly cause an additional production cap.

The draft methane regulation is open for 60-day consultation where the public and stakeholders can review and provide feedback from 16 December 2023 – 14 February 2023.

Canada at COP28

In December, the 28th Conference of the Parties (COP28) took place in Dubai, United Arab Emirates. During COP28, Canada made many [commitments](#) around emissions reduction and caps, nature and biodiversity protection, gender equality, and support for countries and vulnerable communities affected by climate change. The [agreement at COP28](#) is referred to as the beginning of the end of the fossil fuel era as the [Global Stocktake](#), which is considered the central outcome calls on Parties to proceed with, “Accelerating efforts towards the phase-down of unabated coal power, phasing out inefficient fossil fuel subsidies, and other measures that drive the transition away from fossil fuels in energy systems, in a just, orderly and equitable manner, with developed countries continuing to take the lead.”²

Bill C-61: *First Nations Clean Water Act*

[Bill C-61](#), the *First Nations Clean Water Act*, was proposed on 11 December 2023 to parliament. The goal of the bill is to recognize and affirm the inherent right of First Nations to self-government in relation to water, source water, drinking water, wastewater, and related infrastructure on, in, and under First Nations lands. The bill would establish rights-based regulatory pathways to protect water and source water adjacent to First Nations lands and support closing gaps in drinking water and wastewater services between First Nations and non-First Nations communities. More information regarding the bill is included in a [bulletin](#) from Indigenous Services Canada.

Alberta's Emissions Reduction and Energy Development Plan Announces \$31.3 Million for Nine Projects

On 6 December 2023, the Alberta Government [announced](#) funding for nine innovative projects to aid electricity and energy sectors in diversification, emissions reduction, and job creation. The \$31.3 million investment will go towards the installation of new battery storage systems and the production of carbon fibers from oil bitumen. The projects have the potential to reduce emissions by 280,000 tonnes each year, create 780 jobs, and introduce \$272 million into Alberta's gross domestic product by 2025.

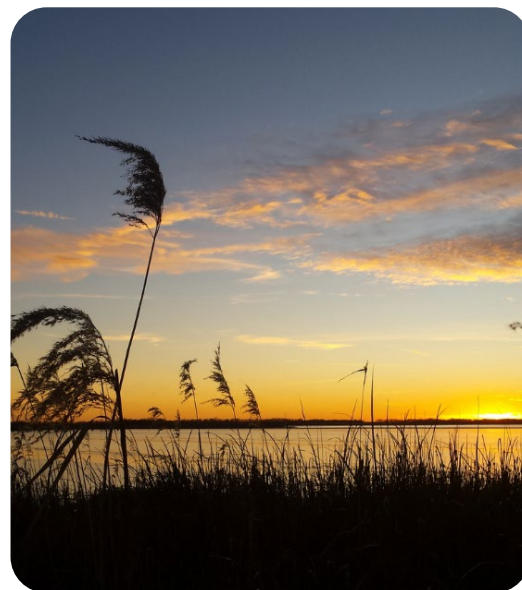
Changes to Survey Plan Requirements for *Public Lands Act* Dispositions

On 4 December 2023, Alberta Energy Regulator (AER) [announced](#) revisions made to the [Public Lands Administration Regulations \(PLAR\) Table A2: Alberta Energy Regulator \(AER\)](#); see [PLAR Table A2: AER PLAR Dispositions](#) by Alberta Forestry and Parks. The revision includes a new requirement for a survey plan with multiple dispositions to be replaced by either a sketch plan or the newly introduced "surveyor sketch" plan type.

2022 Energy Industry Water Use Performance Report

On 14 December 2023, the AER [published](#) the [2022 Alberta Energy Industry Water Use Performance](#) report detailing how water was allocated and used by the energy sector, such as oil sands mining, enhanced oil recovery, hydraulic fracturing, and in situ operations. Some findings from the report include:

- 7% of the total nonsaline water in the province was allocated to users including energy, forestry, agriculture, and municipal.
- Of that total allocation, 13% was for oil and gas extraction, and only 21% of the water allocated to oil and gas was actually used.
- 82% of the water used by the oil and gas industry is from recycled water.
- Nonsaline water use intensity has decreased by 21.6% since 2013.
- In 2022, oil sands mining used 17% more water while producing 66% more hydrocarbons when compared to 2013.



AEPA Releases Interim Directives: The Well Site Reduction Pilot and the Reclaiming Peatland Pilot

On 14 December 2023, the Alberta Government [introduced](#) the [Well Site Reduction Pilot](#) and the [Reclaiming Peatland Pilot](#). Along with the directives for these pilots, they released [information for landowners regarding the pilot for site reductions on well sites](#). Both pilots will launch in [early 2024](#), and once the pilots are completed, the Alberta Government will review the results prior to determining future proceedings. The Well Site Reduction Pilot will enable the AER to certify portions of a well site that meet government reclamation standards instead of waiting for the entire site to be reclaimed. This pilot is limited to 100 applications, and landowner consent is required for participation. The Reclaiming Peatland Pilot will provide a new support tool for well site operators to use when preparing a request to change peatlands into forested lands, which will improve site-specific considerations and logistics related to wells or access roads within peatlands.

In addition to these pilots, the Alberta Government is endorsing the Petroleum Technology Alliance of Canada's (PTAC) report on [variance justifications for weeds and problematic species on well sites and associated facilities on forested land](#). This report will allow operators to prepare requests for minor weed variances that contribute to less environmental impact and more cost-effective measures by clarifying when operators need to apply for reclamation certificates.

Acquiring and Maintaining a Geothermal Mineral Lease in Alberta

On 4 December 2023, Alberta Energy and Minerals (AEM) published the [Mineral Rights Information Bulletin 2023-02](#) (the bulletin) containing updates, requirements, and best practices to acquire and maintain geothermal resource tenure. A geothermal lease can be applied for in 3 stages: initial term (5 years), intermediate term (5 years), and continued term (indefinite). The bulletin includes application requirements and requirements for a geothermal assessment needed prior to the indefinite term. The bulletin also contains information on application procedures, eligibility, and transfers of a lease agreement.

A geothermal lease application is required for stand-alone operation below the base of groundwater protection. An application is for a maximum size of 9 sections and can be for specified zones or surface to basement. AEM acknowledges in the bulletin there may be times of overlapping tenure interest with existing geothermal and mineral agreement holders, and these leases will be considered case-by-case.



AER Releases the Upstream Industry Emissions Report for 2022

On November 2023, the AER [published](#) the 2022 Upstream Petroleum Industry Report that includes fuel, flare, vent, and fugitive emissions information. Some key findings in the report include:

- Alberta reduced methane emissions by 45% from 2014 levels
- Crude oil production increased by 10.4% (totaling 28.2 106 m³)
- Gas production expanded by 11.0% (totaling 112 800 106 m³)
- Crude bitumen production increased by 1.8% (totaling 192.4 106 m³)
- Petrinex fuel use grew by 1.4% (totaling 28.71 106 m³)
- Petrinex flaring increased by 8.6% (totaling 1281.2 106 m³)
- Solution gas flaring increased by 9.2% (totaling 641.99 106 m³)
- Petrinex venting decreased by 4.7% (totaling 353.6 106 m³)
- Gas venting decreased by 4.8% (totaling 130.2 106 m³)
- Fugitive emissions from equipment use decreased by 19.0% (totaling 40.36 106 m³)

Updates to Contaminated Sites Policy Framework

On 1 December 2023, the Alberta Government revised the [Contaminated Site Policy Framework](#). This revision includes updates to reflect newer policy guidelines that were not available in 2014, such as:

- Alberta Tier 1 Soil and Groundwater Remediation Guidelines (2022)
- Alberta Tier 2 Soil and Groundwater Remediation Guidelines (2022)
- Environmental Site Assessment Standard (2016)
- Exposure Control Guide (Government of Alberta (2016)
- Risk Management Plan Guide (2017)
- Guidance for Site-specific Risk Basements in Alberta (2022)
- Guidance for Selecting Toxicity Reference Values for Alberta Tier 1 and Tier 2 Soil and Groundwater Remediation Guidelines (2017)
- A Protocol for the Derivation of Groundwater Quality Guidelines for Use at Contaminated Sites (CCME, 2015)
- A Protocol for the Derivation of Soil Vapour Quality Guidelines for Human Exposures via Inhalation of Vapours (CCME 2014)

The Remediation Regulation (2022) is now included as an important piece of legislation within the Contaminated Sites Policy Framework.

New Pilot Environmental Flow Needs Policy for Three Water Management Basins

As previously discussed for the Blueberry River First Nations Implementation Agreement, a new [pilot water management policy](#) and [Pilot Water Application Tool](#) (PWAT) have been developed for British Columbia (BC) by the province, Blueberry River First Nation (BRFN), BC Energy Regulator (BCER), and Ministry of Water, Land, and Resource Stewardship. The new policies apply to the Blueberry River, Upper Beatton River, and Lower Sikanni Chief River and are intended to provide an updated approach to allocate water for Section 9 and 10 licences. The update will not affect current Environmental Flow Need (EFN) thresholds but will utilize a more transparent and rigorous process to protect treaty rights and environmentally sensitive systems. The EFN framework for water allocation will occur in three phases:

- Interim phase: Applications submitted between April 1 to November 27, 2023 will be assessed using the Interim EFN Approach.
- Pilot phase: Applications received from November 28, 2023 until the end of 2024.
- Permanent phase: Will be implemented after pilot phase results are reviewed in conjunction with recommended adjustments to the policy and the PWAT.

Further information can be found [here](#).



Fish-Friendly Flood Infrastructure Development

On 14 December 2023, the Minister of Fisheries, Oceans, and the Canadian Coast Guard and the BC Minister of Water, Land, and Resource Stewardship announced that \$86,119,340 for 58 projects receiving funding under the second phase of the [British Columbia Salmon Restoration and Innovation Fund](#) (BCSRIF). The projects that were announced are jointly funded through Canada's Pacific Salmon Strategy Initiative (PSSI) and the Province of BC. The recipients that were selected through BCSRIF's second application intake will focus on important conservation projects that restore salmon ecosystems while providing sustainable, resilient, and prosperous fisheries.

One of the projects that is receiving funding includes the [Resilient Waters project](#). The goal of this project is to restore connections to more than 1,500 kilometers of wild salmon habitat in the Fraser Valley. The project focuses on replacing 156 dated flood-control structures (pump stations, food boxes, and dikes) while advancing best practices in fish-friendly flood infrastructure to protect communities. The project will also focus on the creation of 7.5 hectares of high-quality juvenile coho and chinook rearing habitat within an existing wildlife management area, a research project reviewing the effects on pumps on salmon, and a post-restoration monitoring program to assess the success of sites that has had the flood infrastructure updated for fish passage.

BCER Clarifying Venting Information Requirements

The BCER has [announced](#) that while the Drilling and Production Regulation (Sections 52.03 to 52.06) permit holders are required to maintain records of venting volumes and other relevant information from uncontrolled storage tanks, compressor seals, pneumatic devices, and pneumatic pumps, the submission of 2023 data is only required during compliance audits. Permit holders selected for audits will be notified in spring 2024.

Matching Existing Fluid Analysis to Formations

As of 10 December 2023, the BCER [announced](#) it completed a project to provide existing gas, hydrocarbon liquids, oil, and water analyses to recognized formations in an online data centre. The available records will provide energy companies with information of what fluids are present in subsurface area formations that will be helpful for resource extraction, storage, and disposal potential and safety.

Government Investing in Emissions Reduction Technology

On 5 December 2023, the Government of Saskatchewan announced the launch of a new [Saskatchewan Technology Fund](#) that will allow industry-driven projects that reduce, sequester, or capture emissions to access the \$25 million fund. The bulletin stated that the fund is a flexible compliance option of regulated emitters under the provinces Output-Based Performance Standards (OBPS) Program and the Prairie Resilience climate change strategy. The fund will be administered by Innovation Saskatchewan and through a competitive, multi-stage application process, regulated emitters under the provincial OBPS Program can apply to the fund to assist financing the adoption of technologies that reduce emissions intensity.

New Global Institute for Energy, Mines, and Society

On 6 December 2023, the Government of Saskatchewan [announced](#) that the University of Saskatchewan, Saskatchewan Polytechnic, and the University of Regina established a partnership through a Memorandum of Understanding (MOU) for the advancement of the mining and energy sector. The MOU establishes a collaboration framework in an institution named the Global Institute for Energy, Mines, and Society (GIEMS) that will focus on research, innovation, development, and training. Through GIEMS, the post-secondary institutions hope to advance research and innovation in mining and energy.

Government Passes Carbon Tax Fairness for Families Act

The Legislative Assembly of Saskatchewan unanimously passed the [SaskEnergy \(Carbon Tax Fairness for Families\) Amendment Act](#) on 4 December 2023. The bill amends the *SaskEnergy Act* to designate the Crown as the sole registered distributor of natural gas in Saskatchewan and invests all powers, rights, authorities, responsibilities, and obligations for the purposes of Part 1 of the *Greenhouse Gas Pollution Pricing Act* by the Government of Canada to the Government of Saskatchewan. This would provide the minister with the sole decision-making authority regarding payment of any charge, tax, levy, remittance, or any other payment required by Part 1 of the *Greenhouse Gas Pollution Pricing Act*. This move is in conjunction with Premier Scott Moe's announcement that as of 1 January 2024, the province will stop the collection of the federal carbon tax and remove it from SaskEnergy bills.



Government Amends Legislation to Support Clean Electricity Transition

On 4 December 2023, the Government of Saskatchewan [announced](#) that they amended the [Management and Reduction of Greenhouse Gases Act](#) to permit the addition of clean energy to the province's electricity system. The revision will redirect energy sector compliance payments towards ongoing developments and future investments such as a small modular reactor and projects that reduce and/or capture emissions. The change will support the province to achieve a clean-energy electricity grid by 2050.

Featured Report

Critical Mineral Tenure

It is anticipated that rights for critical mineral tenure will soon become available for public bidding. Those rights that are currently undisposed should be available soon and existing rock-hosted mineral permit holders should now have submitted their applications, if applying, for the brine-hosted licenses in their permit areas. For more information, Integrated Sustainability recently [published an article](#) regarding Alberta's Oilfield Brine Mineral Rights regarding regulatory changes. Stay tuned for more developments on this, and to learn more about [critical minerals or extract lithium from oilfield brines](#), please reach out to [Adam Leece](#), Manager of Decarbonization and ESG.

