360 CLOSURE COMMUNICATION

CC 23-01: AER UPDATES DIRECTIVE 001 – Requirements for Site-Specific Liability Assessments

Monday, July 10th, 2023

> **On July 4, 2023, the Alberta Energy Regulator (AER) released an update to Directive 001 – Requirements for Site-Specific Liability Assessments. These changes broaden the requirements for Site-Specific Liability Assessments on oil & gas well and facility sites.**

Background & Implications

Directive 001 sets out the requirements for Site Specific Liability Assessments (SSLA). A "liability assessment" is an assessment conducted by a licensee or approval holder to estimate the costs to suspend, abandon, remediate, and reclaim a site, as well as provide care and custody from shutdown of operations through to site reclamation.

New changes include a more prescriptive and inclusive definition of a SSLA and the obligations of the licensees. The Directive continues to use and reference the dated liability values presented in Directive 006 and Directive 011. Additionally, the changes clarify when a SSLA may be required on a potential problem site*. These requirements mirror the release reporting regulation but do not include any thresholds or guidelines, thus making any site with a reportable release subject to Directive 001. Conditions that may trigger a potential problem site include:

- Insufficient recovery of released substance
- Significant off-lease damage to soil, vegetation, or a water body
- Evidence or probable contamination to groundwater
- Extraordinary reclamation issues (not included in release reporting regulation)

Resources

The following regulations and resources referenced above are available for review:

- AER Bulletin 2023-27 - HERE
- AER Directive 001 - HERE
- AER Directive 006 - HERE
- AER Directive 011 - HERE

A potential problem site is a site expected by the AER to have abandonment or reclamation costs at least four times greater than the deemed liability normally calculated for a site of that type in that region of Alberta.