

November 5th, 2024



Proposed Revisions to Liability Directives

Industry Roundtable

PRESENTED BY:

Graeme Hawkins & Bryce Watson

360 Engineering & Environmental Consulting Ltd.

Introductions



Graeme Hawkins

Manager of Asset Retirement Obligations



Bryce Watson

Chief Regulatory & Compliance Officer

Public Comment Period

The next phase of the AER's Liability Management Framework

Directives for Public Comment

Directive 001 Requirements for Site-Specific Liability Assessments	Directive 011 Estimated Liability	Directive 068 Security Deposits	Directive 088 Licensee Life-Cycle Management
<ul style="list-style-type: none">• Outlines what is required as part of an SSLA• Describes how to submit SSLA	<ul style="list-style-type: none">• Defines estimated liability• Outlines methods for estimating liability• Defines when SSLA is required• Includes regional estimate values• Describes how to reduce liability• Clarifies liability information availability• Use of estimated liability including orphan fund	<ul style="list-style-type: none">• OGCR security requirements from other Directives (applications for oilfield waste landfills, transfer applications)• Transitional security requirements• Forms of security• Use of Security• Use of Interest Accrued for Security	<ul style="list-style-type: none">• Requirements for liability programs:<ul style="list-style-type: none">• holistic assessment,• licensee management,• inventory reduction,• transfers• Clarifies availability of information resulting from programs



History of the Liability Management Framework



Why Consultation Feedback is Important

Feedback for today's discussion is due this Friday, November 8th



Providing feedback during public consultation and notice periods to the Alberta Energy Regulator (AER) is essential for the industry, as it ensures that regulatory decisions are informed by practical insights and real-world impacts.

Industry input allows the AER to understand the operational, financial, and environmental consequences of proposed regulations, helping to balance economic and environmental priorities. By highlighting potential challenges, costs, and unintended outcomes, the industry can help shape policies that are realistic, effective, and supportive of sustainable development.

This collaborative approach fosters transparency and helps create regulations that align with both public interest and the industry's capacity to implement changes effectively.



Directive 001

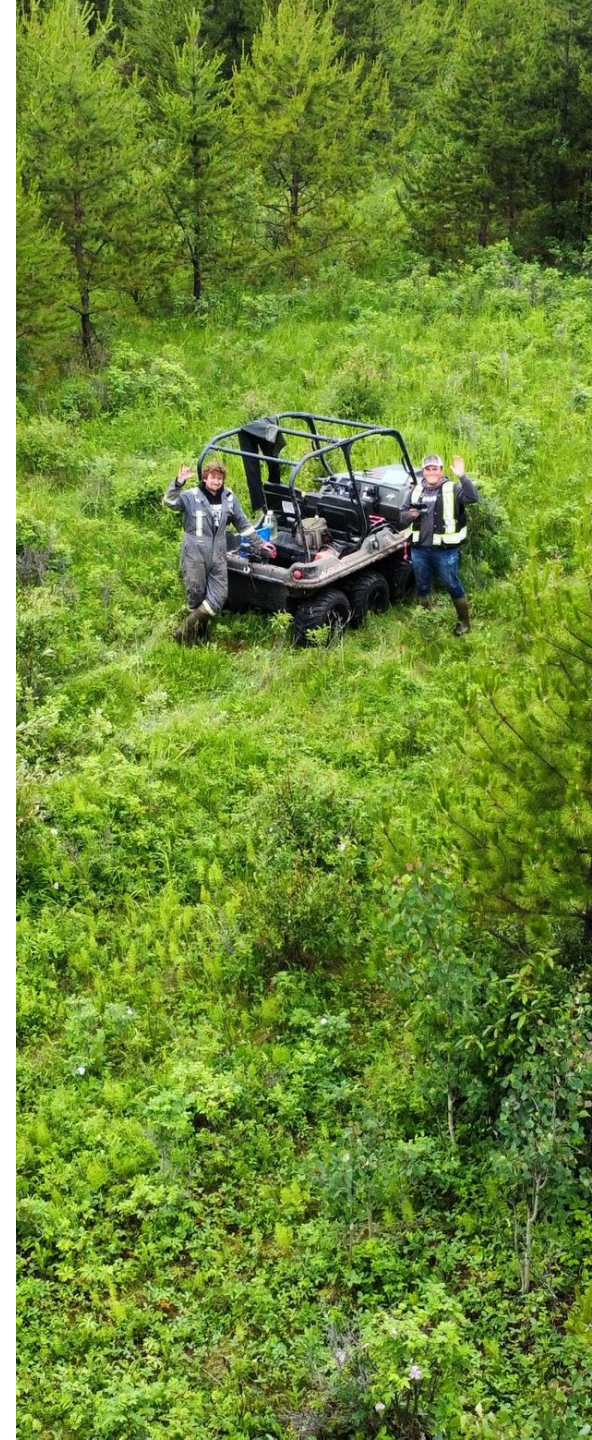
Requirements for Site-Specific Liability Assessment

Moved

- Methods for estimating liability → **to Directive 011**
- When an SSLA is required or updated → **to Directive 011**
- Cost estimates for an oilfield landfill must align with the standards of Directive 058 for remediation and reclamation → **from OGCR**

Removed

- References to LMR/LLR/LFP/OWL programs
- References to Deemed Liabilities → **replaced with estimated liabilities**
- Requirement for large facility licenses to provide the AER with an updated SSLA meeting Canadian Institute of Chartered Accountant (CICA) standards → **All SSLAs to meet requirements of D001**
- Problem Site language → **language removed, concept maintained and re-located to Directive 011**



Directive 011

Estimated Liability

Moved

- Define & calculate liability → **from Directive 006, Directive 024 & Directive 075**
- Orphan Fund calculation clarity → **from Directive 006, Directive 024 & Directive 075**
- Conditional Adjustment to Reclamation Liability (CARL) → **from Directive 088 & Manual 023**
- SSLA requirements for when an SSLA is required or updated → **from Directive 001**
- Regional Abandonment and Reclamation Cost Maps → **from Directive 006**

Removed

- References to LMR, including monthly LMR runs
- References to LLR, LFP & OWL programs
- Deemed Assets & Asset Parameters → **gap filled with corporate financials and crossover**
- References to Deemed Liabilities → **replaced with estimated liabilities**
- Ability to Choose Liability Estimate Method
- LLR Well Abandonment Costs



Directive 068

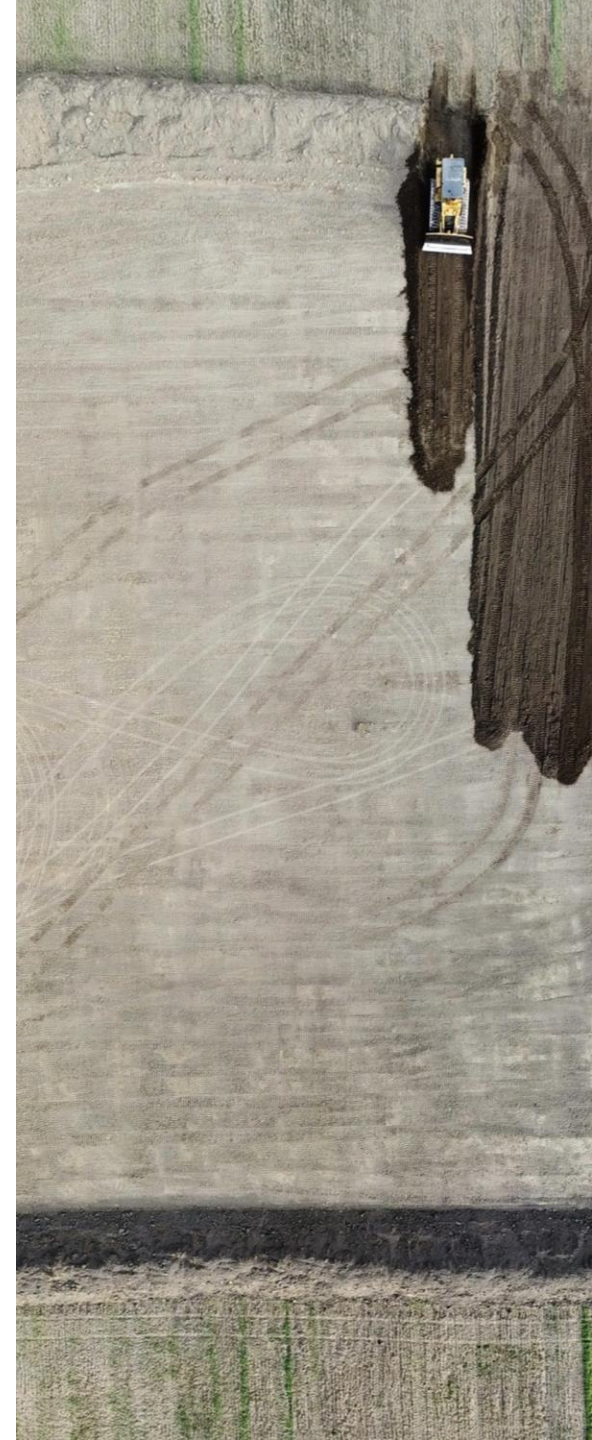
Security Deposits

Moved

- Security in Lieu of Closure Quotas → **from Directive 088**
- Transfer security → **from Directive 088**
- Oilfield waste management security → **from OGCR & Directive 075**
- Security for landfill is total amount (100%) set out in SSLA and must be provided to AER before construction commences → **from OGCR**

Removed

- **Use of LMR to determine requirement for security**



Directive 088

Licensee Life-Cycle Management

Moved

- Security in Lieu of Closure Quotas → **to Directive 068**
- Transfer security → **to Directive 068**
- Conditional Adjustment to Reclamation Liability (CARL) → **to Directive 011**

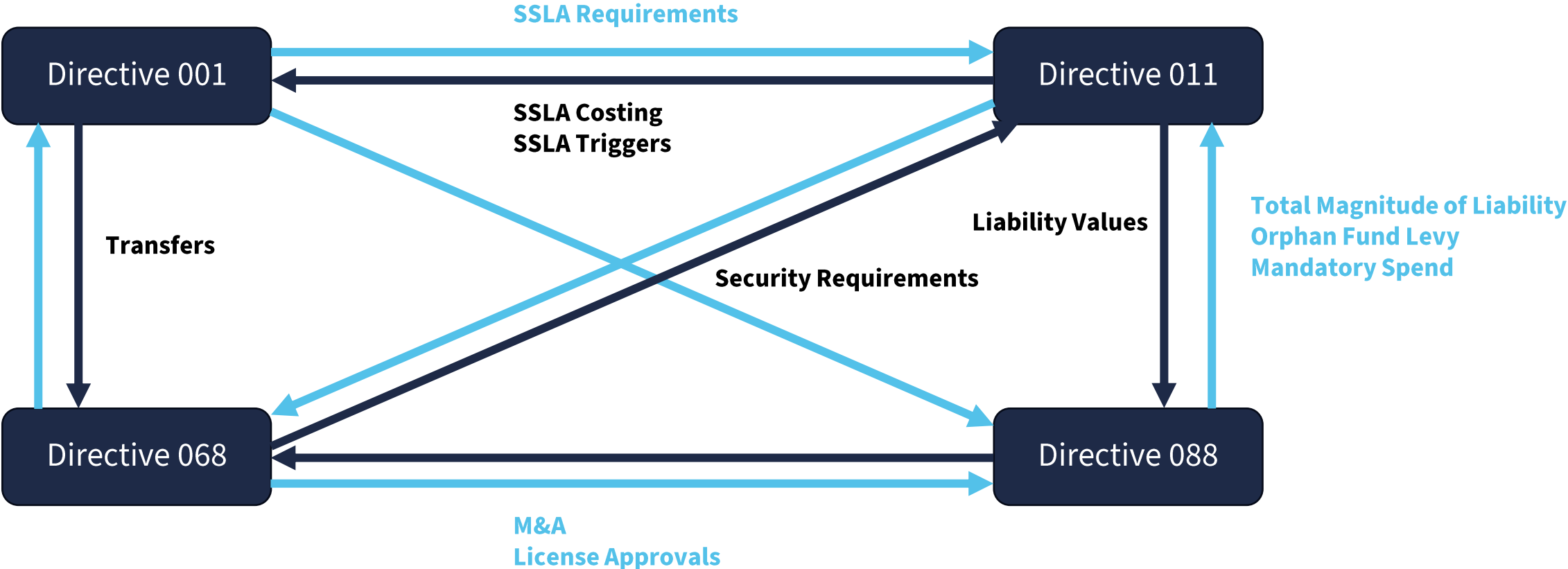
Removed

- ***No content removed – holistic assessment and other liability management programs remain applicable***



Overview

Proposed Revisions to Liability Directives



Breakout Sessions

Table # is on your nametag



Table #1

Directive 001

Directive 011

Moderator - Bryce



Table #2

Directive 068

Directive 088

Moderator - Graeme

Next Steps

Feedback Submissions to the AER



- 360 team will compile notes from today's discussion and send to the group by Thursday, November 7th
- Submit feedback via AER's Public Comment Form (both online portal and downloadable template options available)
- Online submission form found [HERE](#)
- Submissions are due Friday, November 8th



Thank you!

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