

Session 1 Panel: Regulatory and Industry Perspective

- Status of regulations
 - British Columbia (BC) has looked to other North American organizations to create BC's regulation framework. The groundwork of the Federal and Alberta governments, along with NGO and industry engagement, has assisted BC with their regulation development process.
 - The Alberta Energy Regulator (AER) is focused on linking innovation and regulations while encouraging transparency so that industry will be able demonstrate how 45% reductions were achieved, thus providing a wealth of data to industry informing where to focus future projects. An open data platform is under development by the AER with financial support from NRCan, which will eventually be accessible to industry.
- What we can learn from others (what has/hasn't worked in other jurisdictions)
 - Years ago, Industry's main drivers were productivity, reserves, and cost. The intensity of the carbon fuels that industry produces will become another driver and prior to peak oil production, preference will be given to carbon intensity.
 - The AER reached out to other jurisdictions and travelled to Washington to meet with the EPA prior to 2016 United States election with the intention of forming a collaborative relationship. Conversations with the EPA have continued over the past three years, and this relationship has expanded to jurisdictions in a total of 31 states, providing the AER with the opportunity to learn from what other jurisdictions are doing with respect to regulations.
 - We are moving from regulation into reality and we have to embrace the reality.
- What are the barriers (real and perceived) to developing/deploying technologies and what can be done to eliminate the barriers?
 - Major Canadian resource transmission projects have been derailed due to complex regulations. There is a need to focus on enabling the responsible development of Canada's resources; ensuring projects are executed in a way that will restore investor confidence.
- Closing comments
 - Carbon competitiveness will be critical to industry's success. Movement of technologies into the field more quickly, cost effectively, and efficiently will be key to achieving 45% emissions reductions. Collaboration is fundamental and PTAC and other organizations involved will be fundamental in achieving these objectives.

Questions from the audience

Q: Best practices and what we can learn from others from a regulation and technology standpoint, how do you see industry stacking up to other jurisdictions (can we call ourselves a leader) and how we can position ourselves to more actively participate?

ERA went to Washington DC to meet with the EPA prior to the 2016 United States election, to reach out to their technical teams. This conversation has continued over the past three years. They (US) weren't in the practice of regulating existing facilities. We explained what they can learn from us and us from them. This has broadened the relationship to 31 state jurisdictions so now we have a pathway to see what numerous states are doing regarding regulations.

It's really about achieving a balance between protecting and enabling the sector to proceed. It's a dynamic situation and we learn as new technologies and best practices come forth.

Industry's current regulations and actions must ensure that Canada is still a viable oil producer in 30 years. Looking at what our competitors are doing is key. The Abu Dhabi national oil company spoke about locations for carbon capture; taking it offshore and permanently sequestering it while producing more oil. What we're doing now is essential and the progress we've made is outstanding, but it also requires billions of invested dollars at a time when industry doesn't have cash to spare. Thus, we are playing catch up to implement the tools required to achieve our goals.

Q: Thoughts on equivalency and alignment among jurisdictions

14 sections in our pipeline industry include common technical requirements that every province adopts into their regulations. As time goes by, commonality will be incorporated into CSA B620 and emissions reduction results will be based on the willingness of participants.

If equivalency is not sought and granted by the Federal government, the Federal regulations will apply in all parts of Canada. They will come into force on January 1, 2020 if jurisdictions haven't made their case to the federal government.

Alignment has been achieved through the 45% reduction target.

Q: How can we achieve 45% reductions and what are the challenges in the way of technology uptake?

The majority of available technologies are not in the field. Costs to deploy technologies are a burden to end-users and until the deployment of emissions reduction technologies are further incentivized through regulations, large amounts of installations likely won't occur.

Industry needs to take technologies that have already been developed and accelerate them into the field through an integrated approach across provinces.

I think industry is on track. This is something that industry has prioritized and where there are opportunities to collaborate we are moving forward progressively.

Q: If there's one thing we can do better to achieve reductions what would that be?

As regulations are developed, they enable flexibility, especially in the monitoring and reporting space, for technologies and field implementation. As we progress, it will be important for regulators to empower their employees to embrace changes and make decisions with respect to new technology.

Collaborate to collectively divide work to accommodate tight timelines.