

**Presentation to the
Expert Panel
Nov 21, 2016**

Presentation Overview

- **CAPP**
- **Principles for Policy and Regulation**
- **Areas for Consideration**
 - Federal Environmental Assessment in Context
 - Overarching Indigenous Considerations
 - Planning Environmental Assessment
 - Conduct of Environmental Assessment
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 - Public Involvement
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- **Summary**

Canadian Association of Petroleum Producers (CAPP)

- Represents Canadian oil & gas sector (~ 100 member companies)
- Members explore for, develop and produce natural gas, natural gas liquids, crude oil, and oil sands throughout Canada
- Members produce about 85 per cent of Canada's natural gas and crude oil
- Key focus areas:
 - Education
 - Communications & outreach
 - Policy & regulatory advocacy
 - Industry performance

The Oil and Natural Gas Industry A Key Driving Force in the Canadian Economy

- Invested **\$81 billion** in Canada in 2014.
 - Largest private sector investor in Canada.
 - Falls to \$31 billion in 2016 due to declining oil and gas prices.
- In 2013-14, **300 Aboriginal companies** in Alberta had direct business with oil sands.

**THE OIL AND
NATURAL GAS INDUSTRY
IS A SIGNIFICANT
CONTRIBUTOR TO THE
CANADIAN ECONOMY**



\$18 BILLION PER YEAR
IN PAYMENTS TO GOVERNMENT



2,400
COMPANIES ACROSS CANADA HAVE
DIRECT BUSINESS WITH THE OIL AND
NATURAL GAS INDUSTRY



550,000
DIRECT AND INDIRECT OIL AND NATURAL
GAS JOBS ACROSS CANADA

Principles for Policy and Regulation

- **Global competitiveness remains a key consideration for Canada's oil and gas development.**
 - Investment in Canada is dependent on certainty in regulatory process to support timely execution of projects.
- **Accountability and transparency while maintaining competitiveness and public confidence.**
- **Balanced decision-making that considers environment, social and economic outcomes while maintaining energy security.**
- **Inter- and intra-agency coordination to minimize duplication.**
 - Timely,
 - Single Window,
 - Risk Based,
 - Best placed lead authority.

Federal Environmental Assessment in Context

- **Public interest decisions need to balance environmental, social and economic impacts and benefits.**
- **CAPP supports the use of evidence based decision making, keeping in mind that environmental assessment is one of many components that must be weighed when making project approval decisions.**
- **CAPP supports and recognizes the importance of an environmental regulatory review process that fosters public confidence.**
- **Environmental effects definition should remain focused on effects to areas within federal jurisdiction.**

Overarching Indigenous Considerations

- **CAPP endorses UNDRIP as a framework for reconciliation in Canada.**
 - We support the implementation of its principles in a manner consistent with the Canadian Constitution and law.
- **CAPP supports the continued inclusion of Indigenous Knowledge to be used in the EA process.**
- **CAPP member company experience has shown that early and meaningful discussions with Indigenous peoples can help to identify and avoid and mitigate potential impacts**

Planning Environmental Assessment

- **One Project, One Assessment.**
- **CAPP supports the following items that were incorporated in CEAA 2012:**
 - Greater certainty surrounding the requirement for an EA through the replacement of “triggers” with a project-list approach.
 - Reasonable legislated time limits that allow for meaningful stakeholder engagement while still providing sufficient regulatory certainty.
 - Environmental effects definition focused on effects to areas within federal jurisdiction.
 - Inclusion of Regional Environmental Assessment Studies.

Planning Environmental Assessment

- **CAPP also supports the following further changes to CEAA 2012:**
 - Refined Regulations Designating Physical Activities to add clarity to the definitions sections, and to include only those activities most likely to impact areas of federal jurisdiction.
 - Consideration of provincial regional planning where it has been completed (e.g. Alberta Land Use Frameworks like LARP).
 - The Offshore Petroleum Boards should be designated Responsible Authorities.
 - Offshore Exploration drilling should not be a designated project under CEAA 2012.

Planning Environmental Assessment – Offshore Atlantic Canada

- **The Offshore Petroleum Boards should be designated Responsible Authorities.**
 - Offshore Petroleum Boards have experience and expertise in environmental assessment for exploration and production.
- **Exploration drilling should not be a designated project under CEAA 2012. Petroleum Board's EA process was holistic and effective.**
 - Current provision in regulation designating exploration drilling projects is unclear and leads to unnecessary fragmentation and duplication in EA.
- **Timelines and certainty regarding any changes to CEAA 2012 is paramount.**
- **Flexibility in the EA process is essential.**
 - EA process should have the flexibility to address the scale and setting.

Planning Environmental Assessment - In Situ Oil Sands

- **Extensive experience exists in relation to in situ oil sands projects**
 - In situ technologies and the associated environmental impacts are well understood and are being effectively mitigated;
 - Comprehensive and well established processes exist provincially to assess environmental impacts;
 - Provincial regulators have significant oversight regarding environmental performance of oil sands operations (in situ and mining).
- **As with other projects, Federal EAs should be triggered when areas of federal jurisdiction are expected to be impacted (e.g., fisheries, migratory birds).**
- **Under Section 14-5 the of CEA Act, the Minister retains the ability to request an EA.**
- **In situ oil sands projects should not be listed in the Regulations Designating Physical Activities.**

Conduct of Environmental Assessment

- **Industry supports changes to the EA review process that increase regulatory certainty and ensure Canada is a predictable and competitive business environment. These include:**
 - Predictable and efficient determination if assessment is required,
 - Predictable application review timelines,
 - Clear and achievable approval conditions, and
 - Coordination of approval timing and conditions with provincial and federal regulatory requirements.
- **The selection of “best technologies to reduce environmental impacts” should be based on safe and efficient environmental and operational performance, economic feasibility and best business practices.**

Decision and Follow-up

- **CAPP continues to take the view that provinces should have exclusive decision making authority for resource development projects, except where the project is on federal lands.**
- **Regardless of jurisdiction, CAPP supports improved public transparency related to monitoring of project approval conditions as a mechanism to foster greater public confidence in Canada's EA processes.**

Public Involvement

- **CAPP recognizes that environmental assessment processes provide important ways for Canadians to express their views and opportunities for experts to meaningfully participate in natural resource development dialogues.**
- **CAPP recognizes that some directly impacted people have limited resources, and so supports continued reasonable CEEA funding to facilitate their effective and meaningful engagement when appropriate.**
- **It is critically important to CAPP members that the environmental regulatory review process fosters public confidence.**

Coordination

- **CAPP supports alignment of the federal and provincial EA processes to reduce duplication through the use of substitution.**
- **CAPP continues to take the view that provinces should take the lead on reviewing resource development projects.**

Summary

- **Public interest decisions need to balance environmental, social and economic impacts and benefits based on evidence.**
- **CEAA Environmental effects definition should remain focused on effects to areas within federal jurisdiction.**
- **Indigenous Knowledge must continue to be used in the EA process.**
- **Use of a project-list approach should be maintained with additional clarity and refinements.**
- **Legislated time limits should be maintained.**
- **Provinces should have exclusive decision making authority for resource development.**
- **CAPP supports alignment of the federal and provincial EA processes to reduce duplication through the use of substitution.**
- **Offshore Exploration Wells should be excluded from the Regulations Designating Physical Activities.**
- **Offshore Board should be a Designated Responsible Authority.**
- **In situ oil sands projects should not be listed in the Regulations Designating Physical Activities.**

Thank You