

2011 Bill 16

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Fourth Session, 27th Legislature, 60 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 16**

## **ENERGY STATUTES AMENDMENT ACT, 2011**

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MRS. McQUEEN

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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*Bill 16*  
*Mrs. McQueen*

## **BILL 16**

2011

### **ENERGY STATUTES AMENDMENT ACT, 2011**

*(Assented to , 2011)*

HER MAJESTY, by and with the advice and consent of the  
Legislative Assembly of Alberta, enacts as follows:

#### **Alberta Utilities Commission Act**

##### **Amends SA 2007 cA-37.2**

**1(1)** The *Alberta Utilities Commission Act* is amended by this section.

**(2)** Section 76 is amended

**(a)** by adding the following before subsection (1):

##### **Commission rules**

**76(0.1)** In this section,

- (a) “default supply provider” means a default supply provider as defined in Part 2.1 of the *Gas Utilities Act*;
- (b) “electric utility” means an electric utility as defined in the *Electric Utilities Act*;
- (c) “gas distributor” means a gas distributor as defined in Part 2.1 of the *Gas Utilities Act*;

## **Explanatory Notes**

### **Alberta Utilities Commission Act**

**1(1)** Amends chapter A-37.2 of the Statutes of Alberta, 2007.

(2) Section 76(1) presently reads in part:

*76(1) The Commission may make rules governing any matter or person within its jurisdiction, including*

*(d) the procedures and processes for establishing terms and conditions of service and rates of water utilities,*

(d) “Independent System Operator” means the Independent System Operator established by the *Electric Utilities Act*.

**(b) in subsection (1) by adding the following after clause (d):**

(d.1) rules respecting terms and conditions of service for each owner of an electric utility, gas distributor or default supply provider or the Independent System Operator,

### **Coal Conservation Act**

**Amends RSA 2000 cC-17**

**2(1) The *Coal Conservation Act* is amended by this section.**

**(2) Section 1(1) is amended**

**(a) by renumbering clause (a) as clause (a.1) and adding the following before clause (a.1):**

(a) “abandonment” means the permanent dismantlement and closure of a mine, mine site, in situ coal scheme or coal processing plant and includes any measures to ensure that the mine, mine site, in situ coal scheme or coal processing plant is left in a permanently safe and secure condition;

**(b) by repealing clause (d) and substituting the following:**

(d) “coal” means combustible sedimentary rock that contains at least 50% by weight organic matter formed from plant or algal matter;

**(c) by adding the following after clause (e):**

(e.1) “coal seam” means a layered unit of coal and inorganic matter that

(i) contains less than 1/3 inorganic matter by volume,  
and

## Coal Conservation Act

**2(1)** Amends chapter C-17 of the Revised Statutes of Alberta 2000.

(2) Section 1 presently reads in part:

*1(1) In this Act,*

- (a) “agent” means a person appointed by the owner of a mine site, mine or coal processing plant, to act as a representative of the owner;*
- (d) “coal”, in addition to its ordinary meaning, includes manufactured chars, cokes and any manufactured solid coal product used or useful as a reductant or energy source or for conversion into a reductant or energy source;*
- (j) “mine surveyor” means a person qualified under the Coal Mines Safety Act, RSA 1980 cC-15, to survey a mine and to prepare the plans required under this Act;*
- (k) “mining equipment” means a powered or self-powered machine or vehicle used to extract coal from a seam or to transport it from the workings or working places to an on-site storage facility, coal processing plant or rail head;*

(ii) does not contain a layer of inorganic matter exceeding 0.3 metres in thickness;

(e.2) “evaluation well” means a well that

(i) is expected to penetrate a coal seam, and

(ii) is drilled for the purpose of evaluating the potential for an in situ coal scheme;

(e.3) “experimental” means using methods that are untried or unproven;

**(d) by adding the following after clause (f):**

(f.1) “facility”, with respect to an in situ coal scheme, means any building, structure, installation, equipment or appurtenance over which the Board has jurisdiction and that is connected to or associated with the recovery, development, production, handling, processing, treatment or disposal of synthetic coal gas or synthetic coal liquid or any associated substances or waste products, and includes, without limitation, a battery, a central processing facility, a compressor, a dehydrator, a separator, a treater, a satellite or any combination of them, but does not include a well or a pipeline;

(f.2) “in situ coal gasification” means the thermal or chemical conversion of coal into synthetic coal gas in an underground coal seam using an industrial process;

(f.3) “in situ coal liquefaction” means the thermal or chemical conversion of coal into synthetic coal liquid in an underground coal seam using an industrial process;

(f.4) “in situ coal scheme” means an operation for the purpose of in situ coal gasification or in situ coal liquefaction;

**(e) by repealing clause (k);**

**(f) by adding the following before clause (l):**

(k.1) “observation well” means a well that is used solely for the purpose of monitoring;



**(g) by adding the following after clause (m):**

(m.1) “pipeline” means a pipeline as defined in the *Pipeline Act*;

**(h) by adding the following after clause (p):**

(p.1) “synthetic coal gas” means the synthetic coal gas referred to in clause (f.2);

(p.2) “synthetic coal liquid” means the synthetic coal liquid referred to in clause (f.3);

**(i) by adding the following after clause (r):**

(r.1) “well” means a well as defined in the *Oil and Gas Conservation Act*;

**(3) Section 3 is amended by striking out “and coal processing plant” and substituting “, coal processing plant and in situ coal scheme”.**

**(4) Section 4(f) is repealed and the following is substituted:**

- (f) to ensure the observance of safe and efficient practices in
  - (i) the exploration for, and the mining, storing, processing and transporting of, coal, and
  - (ii) in situ coal gasification and in situ coal liquefaction;

**(5) The following is added after section 8:**

**Disposition of applications**

**8.1(1)** On receiving an application under this Act, the Board may, after considering the circumstances of the particular case,

- (a) deny the application,
- (b) require that an amended or modified application be made, or



(3) Section 3 presently reads:

*3 This Act applies to every mine and coal processing plant in Alberta, and to all coal produced and transported in Alberta.*

(4) Section 4(f) presently reads:

*4 The purposes of this Act are*

*(f) to ensure the observance of safe and efficient practices in the exploration for, and the mining, storing, processing and transporting of, coal;*

(5) Disposition of applications.

- (c) grant a permit, licence or approval, or an amendment of a permit, licence or approval, as the case may be, subject to any conditions, restrictions or stipulations it considers appropriate and sets out in the permit, licence, approval or amendment.

**(2)** Notwithstanding subsection (1)(c), the Board shall not grant a permit, licence or approval or an amendment of a permit, licence or approval under this Act unless in its opinion it is in the public interest to do so.

**(6) Section 9(1) is amended**

**(a) by striking out “Lieutenant Governor in Council” and substituting “Board”;**

**(b) by adding the following after clause (c):**

- (c.1) requiring the holders of approvals for in situ coal schemes to provide to the Board deposits, letters of credit or other forms of security to guarantee the proper and safe suspension and abandonment of in situ coal schemes and the carrying out of any other activities necessary to ensure the protection of the public and the environment, including regulations respecting the amount and form of those deposits, letters of credit and security and how they may be used, retained, forfeited and returned;

**(c) in clause (d) by striking out “or coal processing plant” and substituting “, coal processing plant or in situ coal scheme”;**

**(d) by adding the following after clause (f):**

- (f.1) respecting the suspension and abandonment of in situ coal schemes, including, without limitation, regulations respecting
  - (i) applications for suspension and abandonment,
  - (ii) the circumstances under which an in situ coal scheme must be suspended or abandoned,

(6) Section 9(1) presently reads in part:

*9(1) The Lieutenant Governor in Council may make regulations*

- (a) prescribing the manner in which an application under this Act or the regulations is to be made;*
- (d) restricting or prohibiting the development of a mine, mine site or coal processing plant at any point within a stated distance of a boundary, road, road allowance, lake, river, stream, pipeline or other public or private works;*
- (h) prescribing what inspections are to be made in a mine or at a mine site and by whom the inspections are to be carried out and reported;*
- (j) requiring the submission to the Board of samples, cores, test data, survey logs and other relevant data or information;*
- (q) prescribing the measures that the holder of a permit, licence or approval under this Act must take at a mine site or coal processing plant to prevent pollution of air, water and land;*
- (r) prescribing the manner in which land and bodies of water disturbed by mine site development, mining or coal processing must be reclaimed or restored;*
- (u) generally, prescribing measures to conserve coal or to prevent its waste or improvident disposition, and stipulating any other provisions reasonably incidental to the efficient development of mines, mine sites and coal processing plants, and to production from them;*

- (iii) the timing of the suspension or abandonment of an in situ coal scheme,
  - (iv) the manner in which suspension and abandonment are to be carried out, and
  - (v) measures required to ensure that
    - (A) an abandoned in situ coal scheme is left in a permanently safe and secure condition, and
    - (B) a suspended in situ coal scheme is left in a safe and secure condition;
- (e) in clause (h) by adding “or an in situ coal scheme” after “mine site”;**
- (f) in clause (j) by adding “, geophysical logs” after “survey logs”;**
- (g) by adding the following after clause (p):**
- (p.1) exempting all or parts of experimental in situ coal schemes from some or all of the provisions of this Act or the regulations except provisions respecting the approval of experimental in situ coal schemes;
- (h) in clause (q) by striking out “or coal processing plant” and substituting “, coal processing plant or in situ coal scheme”;**
- (i) in clause (r) by striking out “or coal processing” and substituting “, coal processing or in situ coal scheme development”;**
- (j) by adding the following after clause (r):**
- (r.1) respecting the entitlements that a person is required to hold to apply for a permit, licence or approval under this Act and prescribing other eligibility requirements for applying for or holding a permit, licence or approval under this Act;

(v) *respecting compliance with and enforcement of ALSA regional plans.*

**(k) in clause (u) by striking out “and coal processing plants” and substituting “, coal processing plants and in situ coal schemes”;**

**(7) The following is added before the heading “Commencement of Operations” preceding section 10:**

**Application**

**9.1** This Part applies to mines and mine sites.

**(8) Section 10 is amended by adding the following after subsection (2):**

**(3)** This section does not apply to an in situ coal scheme, evaluation well or observation well.

**(9) Section 14 is repealed.**

(7) Application of Part.

(8) Section 10 presently reads:

*10(1) No person shall*

- (a) in connection with an exploratory or experimental program for coal, drill holes to a depth in excess of 150 metres or develop an adit, tunnel, shaft or other excavation, or*
- (b) develop a mine site or mine,*

*without first applying for, and obtaining, a permit from the Board.*

*(2) Notwithstanding subsection (1), a site for a mine may be surveyed without a permit.*

(9) Section 14 presently reads:

*14(1) On receiving an application under section 10, 11 or 13, the Board may, after considering the circumstances of the particular case,*

- (a) deny the application,*
- (b) require that an appropriately amended or modified application be made, or*
- (c) grant a permit or licence or an amendment of a permit or licence, as the case may be, subject to any conditions, restrictions or stipulations it considers appropriate and sets out in the permit or licence or amendment.*

*(2) Notwithstanding subsection (1)(c), the Board shall not grant an application under section 10, 11 or 13 unless in its opinion it is in*

**(10) Section 16(1) is amended by adding “or mine site” after “a mine” wherever it occurs.**

**(11) Section 17 is amended**

**(a) in subsection (1)**

**(i) by striking out “or any substantial part of it” and substituting “or mine site or any substantial part of a mine or mine site”;**

**(ii) by striking out “the mine site” wherever it occurs and substituting “the mine or mine site”.**

**(12) Section 21 is amended by adding the following after subsection (2):**

**(3) The authorization of the Lieutenant Governor in Council is not required in respect of**

**(a) an amendment to a permit issued under this section, or**

**(b) a consolidation of a permit issued under this section and one or more amendments to that permit.**

**(13) Section 27 is amended**

**(a) in subsection (1)**



*the public interest to do so having regard to the present and future requirements for coal in Alberta.*

(10) Section 16(1) presently reads:

*16(1) Except in an emergency, no licensee shall suspend normal operations at, or abandon, a mine or any substantial part of a mine without prior permission of the Board, and the suspension or abandonment, if permitted, is subject to any conditions the Board prescribes.*

(11) Section 17(1) presently reads:

*17(1) If, in the opinion of the Board, the suspension of normal operations at, or an abandonment of, a mine or any substantial part of it is not in accordance with the procedures or conditions permitted or prescribed by the Board under section 16, the Board or a person authorized by it is entitled to access to and may enter on the mine site or any workings or structures on the mine site, and do whatever the Board considers necessary because of the failure to comply with the procedures or conditions permitted or prescribed.*

(12) Section 21 presently reads:

*21(1) When an application is made under section 10(1)(b) with respect to a mine or proposed mine that is or will be capable of producing more than 45 000 tonnes of coal per year by normal operations, the Board shall not grant the permit unless the Lieutenant Governor in Council has first authorized the granting of the permit.*

*(2) The Lieutenant Governor in Council may make the Lieutenant Governor in Council's authorization under subsection (1) subject to any terms and conditions the Lieutenant Governor in Council considers necessary or desirable.*

(13) Section 27 presently reads:

*27(1) When it is intended to shut down permanently a coal processing plant or a major facility directly connected with it, or when normal operations are to be suspended for more than 3*

- (i) **by striking out** “shut down permanently” **and substituting** “abandon”;
- (ii) **by striking out** “planned shut-down” **and substituting** “planned abandonment”;
- (b) **in subsection (2) by striking out** “shut-down” **and substituting** “abandonment”;
- (c) **in subsection (3) by striking out** “a shut-down” **and substituting** “an abandonment”.

**(14) Part 6 is repealed and the following is substituted:**

**Part 6  
Development, Operation and  
Abandonment of In Situ Coal Schemes**

**Application**

**28** This Part applies to in situ coal schemes, including experimental in situ coal schemes.

**Requirement for approval**

**29** Unless otherwise authorized by the Board, no person shall

- (a) undertake any operations preparatory or incidental to the drilling, construction or operation of an in situ coal scheme other than drilling an evaluation well, or
- (b) resume operations at an in situ coal scheme that has been suspended,

unless the person holds an approval for the in situ coal scheme that is in full force and effect.

**Eligibility for in situ coal scheme approval**

**30(1)** No person shall apply for or hold an approval for an in situ coal scheme unless that person is entitled to the rights to the coal and the petroleum and natural gas in the coal seam to be

*months, the holder of the approval shall advise the Board of the planned shut-down or suspension and obtain its consent.*

*(2) The shut-down or suspension shall comply with any conditions the Board sets out in its consent.*

*(3) If, in connection with a shut-down or suspension under subsection (1), the holder of the approval fails to comply with the conditions prescribed in the Board's approval or consent, the Board may*

*(a) direct other qualified personnel to do whatever is necessary to remedy the failure, and*

*(b) charge all attendant costs to the holder of the approval.*

(14) Repeals the Part dealing with industrial development permits and enacts a Part dealing with in situ coal schemes.

converted by in situ coal gasification or in situ coal liquefaction, as the case may be.

(2) If, after 30 days from the mailing of a notice by the Board to a holder of an approval for an in situ coal scheme sent to the holder's last known address, the holder fails to prove to the satisfaction of the Board that the holder meets the eligibility requirements referred to in subsection (1), the Board may cancel or suspend the approval on any terms and conditions that the Board may specify.

(3) Where an approval for an in situ coal scheme is cancelled or suspended under subsection (2),

- (a) all rights conveyed by the approval are cancelled or suspended, and
- (b) notwithstanding the cancellation or suspension of the approval, the liability of the holder of the approval to suspend or abandon the in situ coal scheme as the Board directs continues after the cancellation or suspension.

#### **Requirements for evaluation wells**

**31** No person shall commence to drill an evaluation well or undertake any operations preparatory or incidental to the drilling of an evaluation well, other than surveying of the site, unless a licence for the well has been issued under the *Oil and Gas Conservation Act* and is in full force and effect and the person is the licensee.

#### **Requirements for wells, pipelines or facilities**

**31.1(1)** No person shall commence to drill a well or construct a pipeline or facility associated with an in situ coal scheme, or undertake any operations preparatory or incidental to the drilling of a well or the construction of a pipeline or facility associated with an in situ coal scheme, other than surveying of the site, unless

- (a) the person holds an approval for the in situ coal scheme,
- (b) a licence for



- (i) the well or facility has been issued and is in full force and effect under the *Oil and Gas Conservation Act*,  
or
- (ii) the pipeline has been issued and is in full force and effect under the *Pipeline Act*,

and

- (c) the person is the licensee.

**(2)** Subsection (1) does not apply to

- (a) an evaluation well, or
- (b) an observation well.

**Departure from approved program prohibited**

**31.2** The holder of an approval for an in situ coal scheme shall not extend or materially alter the program of operations for which the approval was granted unless the Board, on application, amends the approval to authorize the extension or alteration on any terms or conditions the Board prescribes.

**Transfer of approval**

**31.3(1)** An approval for an in situ coal scheme shall not be transferred without the written consent of the Board.

**(2)** The Board may, on an application for the Board's consent to the transfer of an approval for an in situ coal scheme,

- (a) consent to the transfer of the approval subject to any conditions, restrictions or stipulations that the Board may prescribe,
- (b) cancel the approval and issue a new approval, or
- (c) refuse to consent to the transfer of the approval.

**(3)** The Board may direct that an approval for an in situ coal scheme be transferred to a person who agrees to accept the approval and who, in the opinion of the Board, has a right to receive the approval, and the direction of the Board has the same effect as a transfer consented to under this section.



(4) A transfer of an approval for an in situ coal scheme has no effect until the Board has consented to, or directed, the transfer of the approval under this section.

**Suspension and abandonment**

**31.4(1)** The holder of an approval for an in situ coal scheme shall suspend or abandon the in situ coal scheme when required to do so by the regulations or directed to do so by the Board.

(2) The holder of the approval for an in situ coal scheme shall

(a) suspend or abandon wells and facilities associated with the in situ coal scheme

(i) when required to do so under the *Oil and Gas Conservation Act* or the regulations under that Act, or

(ii) when directed to do so by the Board;

(b) discontinue or abandon pipelines associated with the in situ coal scheme

(i) when required to do so under the *Pipeline Act* or the regulations under that Act, or

(ii) when directed to do so by the Board.

(3) An in situ coal scheme must be suspended or abandoned by the holder of the approval for the in situ coal scheme in accordance with the regulations and any requirements and direction of the Board.

(4) If, in the opinion of the Board, the suspension or abandonment of an in situ coal scheme is not in accordance with the regulations and any requirements and directions of the Board, the Board or a person authorized by the Board is entitled to access to and may enter on the site of the in situ coal scheme and do whatever the Board considers necessary because of the failure to comply with the regulations, requirements or directions.

(5) The Board may use all or any part of a deposit, letter of credit or other form of security that the regulations require of





the holder of the approval for the in situ coal scheme to defray all direct and incidental costs of work done by the Board under subsection (4).

(6) Any costs under this section that remain unpaid after use or expenditure of the deposit, letter of credit or other form of security required by the Board are a debt payable to the Board by the holder of the approval for the in situ coal scheme.

(7) The Board may, by order, require the holder of an approval for an in situ coal scheme to pay the costs referred to in subsection (6) within the time specified in the order and may, in the order, provide for an amount that is payable as a penalty if the costs are not paid within the specified time.

(8) A certified copy of an order of the Board under subsection (7) may be filed in the office of the clerk of the Court of Queen's Bench and, on filing and on payment of any fees prescribed by law, the order shall be entered as a judgment of the Court and may be enforced according to the ordinary procedure for enforcement of a judgment of the Court.

**Obligations unaffected by agreement**

**31.5** No agreement between the holder of an approval for an in situ coal scheme, or an owner of or a person having an interest in an in situ coal scheme or in the coal, and any other person

- (a) relieves the holder of the approval for the in situ coal scheme of the obligation
  - (i) to perform the required suspension and abandonment operations referred to in section 31.4, or
  - (ii) to comply with the regulations and any requirements and directions of the Board,
- (b) precludes or prevents the conduct of any operation necessary for the purposes of clause (a)(i), or
- (c) relieves the holder of the approval for the in situ coal scheme of liability with respect to any operation mentioned in clause (a) or (b) and the costs and expenses of that operation.



### **Cancellation or suspension of approval or licence**

**31.6(1)** If the holder of an approval for an in situ coal scheme fails to comply with this Act, the regulations, the *Oil and Gas Conservation Act* or the regulations under that Act, the *Pipeline Act* or the regulations under that Act, any conditions, restrictions or stipulations to which the approval is subject or any other applicable requirements of the Board with respect to the wells, facilities or pipelines associated with the in situ coal scheme, the Board may

- (a) cancel or suspend the approval for the in situ coal scheme, the licence for the well or facility issued under the *Oil and Gas Conservation Act* or the licence for the pipeline issued under the *Pipeline Act*, or make any order it considers necessary and appropriate under the circumstances, or
- (b) require that approved methods be adopted or that remedial measures be taken before any operation proceeds at the in situ coal scheme.

**(2)** Except when, in the Board's opinion, there exists an immediate danger to a person or to public or private property, the Board shall not

- (a) cancel or suspend an approval or licence under subsection (1) until it has given the holder of the approval or the licensee at least 30 days' notice to rectify the default, or
- (b) require any action that would result in a significant expense, loss or deprivation to the holder of the approval or the licensee without due notice and an opportunity to be heard by the Board.

### **Compliance with other Acts**

**31.7** The performance of an operation in accordance with an approval for an in situ coal scheme does not relieve the holder of the approval from the requirements or any liability arising under any other Act or otherwise.

**(15) Section 32 is amended**

(15) Section 32(1) and (3) presently read:

**(a) in subsection (1)**

- (i) in clause (a) by striking out** “and coal processing plants” **and substituting** “, coal processing plants and in situ coal schemes”;
- (ii) in clauses (b), (c) and (d) by adding** “, in situ coal scheme” **after** “coal processing plant”;

**(b) in subsection (3)**

- (i) by striking out** “Part 4 or 5” **and substituting** “this Act”;
- (ii) by striking out** “or coal processing plant” **and substituting** “, coal processing plant or in situ coal scheme”.

**(16) Section 33 is amended**

- (a) in subsection (1) by striking out** “Part 4 or an approval under section 23” **and substituting** “this Act”;
- (b) in subsection (2) by striking out** “Part 4 or 5” **and substituting** “this Act”.

*32(1) At any reasonable time, any Board member or a person authorized by the Board*

- (a) shall have unrestricted access to mine sites, mines and coal processing plants, and to all roads and other works connected with them,*
- (b) is free to enter on any land that must be crossed to reach a mine site, mine, coal processing plant or connected works,*
- (c) is entitled to make inspections, investigations or tests at a mine site, mine, coal processing plant and connected works, and to take samples there, and*
- (d) has the right to examine all books, records and documents pertaining to a mine site, mine, coal processing plant and connected works.*

*(3) A holder of a permit, licence or approval under Part 4 or 5, or a person in charge of a mine site, mine or coal processing plant, or any contractor or employee of those persons, shall assist any Board member or person authorized by the Board in the exercise of powers conferred by subsection (1).*

(16) Section 33(1) and (2) presently read:

*33(1) Subject to the regulations made under subsection (6), every holder of a permit or licence under Part 4 or an approval under section 23 shall register the holder's address with the Board and, if resident outside Alberta,*

- (a) register with the Board an address for service in Alberta,*
- (b) appoint an agent in Alberta to carry out the holder's duties and responsibilities under this Act, and*
- (c) notify the Board in writing of the name and address of the agent.*

*(2) A holder of a permit, licence or approval under Part 4 or 5 who is resident in Alberta*

- (a) may carry out the holder's duties and responsibilities under this Act directly or through an agent, and*

**(17) Section 39 is repealed and the following is substituted:**

**Right to Information**

**Availability of information**

**39** The holder of a permit or licence under Part 4 or an approval under Part 6 is entitled to obtain from the Board information as to whether an adjoining mine, mine site or in situ coal scheme is being worked into the area described in the holder's permit, licence or approval.

**(18) Section 44(1)(a) is amended by adding “, in situ coal scheme” after “coal processing plant”.**

**(19) Section 45 is amended**

**(a) in subsection (1)**

- (i) by striking out “or coal processing plant” and substituting “, coal processing plant or in situ coal scheme”;**
- (ii) by striking out “or processing procedures” and substituting “, coal processing or in situ procedures”;**
- (iii) by striking out “90 days” and substituting “the time period specified in the direction”;**

**(b) in subsection (2)**



*(b) if the holder appoints an agent, shall notify the Board in writing of the name and address of the agent.*

(17) Section 39 presently reads:

*39 Any owner, agent or manager of a mine, or any owner of coal, is entitled to obtain from the Board information as to whether a mine or an adjoining mine site is being worked into the owner's, agent's or manager's territory.*

(18) Section 44(1) presently reads:

*44(1) The Board on the request of the Lieutenant Governor in Council shall, or at its own initiative when it appears necessary or expedient may,*

*(a) hold an investigation of any matter connected with the development and operation of a mine site, mine, coal processing plant and connected facilities, or*

*(b) direct an examiner appointed by it to conduct an investigation under clause (a).*

(19) Section 45 presently reads:

*45(1) If it appears to the Board that the method of development or operation at a mine or coal processing plant is such that coal is not being recovered in accordance with good conservation practices and the coal could be more efficiently recovered by other practical and reasonable mining or processing procedures, the Board may direct the holder of the permit, licence or approval within 90 days to*

*(a) alter the holder's program of development or operations by the institution of more effective methods, and*

*(b) submit full particulars of planned program changes to the Board.*

*(2) If the holder of the permit, licence or approval to whom a direction was issued under subsection (1) does not take steps to*

- (i) **by striking out** “or coal processing plant” **wherever it occurs and substituting** “, coal processing plant or in situ coal scheme”;
- (ii) **by striking out** “90 days after the direction is issued” **and substituting** “the time period specified in the direction”.

**(20) The following is added after section 50:**

**Cancellation of Industrial Development  
Permits and Applications**

**Cancellation of permits and applications**

**51** On the coming into force of section 2(14) of the *Energy Statutes Amendment Act, 2011*, all subsisting permits granted under Part 6 of this Act as it read immediately before the coming into force of section 2(14) of the *Energy Statutes Amendment Act, 2011* and all subsisting applications for permits under Part 6 of this Act as it then read are cancelled.

**(21) The following sections are amended by adding “coal” before “seam” wherever it occurs:**

section 19;  
section 34(2);  
section 40(2).

**Electric Utilities Act**

**Amends SA 2003 cE-5.1**

**3(1) The *Electric Utilities Act* is amended by this section.**

**(2) Section 20.4 is amended**

**(a) by adding the following after subsection (1):**

**(1.1)** The Market Surveillance Administrator may object to an ISO rule that is filed under section 20.2 on one or more of the following grounds:

*improve development or operations at the mine or coal processing plant and obtain the Board's consent to the changes within 90 days after the direction is issued, the Board may, on expiry of that period, order suspension of development or operations at the mine or coal processing plant, or in any specified part of it, until improvements have been effected and the Board has concurred in the future program.*

(20) Cancellation of permits and applications.

(21) Change in terminology to make the terminology consistent.

### **Electric Utilities Act**

**3(1)** Amends chapter E-5.1 of the Statutes of Alberta, 2003.

(2) Section 20.4 presently reads:

*20.4(1) A market participant may object to an ISO rule that is filed under section 20.2 on one or more of the following grounds:*

*(a) that the Independent System Operator, in making the ISO rule, did not comply with Commission rules made under section 20.9;*

- (a) that the ISO rule may have an adverse effect on the structure and performance of the market;
  - (b) a ground set out in subsection (1)(c) or (d).
- (b) in subsection (3) by striking out “The market participant filing the notice of objection” and substituting “Where a market participant files a notice of objection, the market participant”;**
- (c) by adding the following after subsection (3):**
- (4)** Where the Market Surveillance Administrator files a notice of objection, the Market Surveillance Administrator has the onus of proving
- (a) that the ISO rule may have an adverse effect on the structure and performance of the market,
  - (b) that the ISO rule does not support the fair, efficient and openly competitive operation of the market, or
  - (c) that the ISO rule is not in the public interest.

**(3) Section 25 is amended**

- (a) by repealing subsection (1) and substituting the following:**

**Complaints to the Commission**

**25(1)** A market participant may make a written complaint to the Commission

- (a) about an ISO fee, or
- (b) about an ISO rule that is in effect, on one or more of the following grounds:
  - (i) that the ISO rule is technically deficient;
  - (ii) that the ISO rule does not support the fair, efficient and openly competitive operation of the market;
  - (iii) that the ISO rule is not in the public interest.

*(b) that the ISO rule is technically deficient;*

*(c) that the ISO rule does not support the fair, efficient and openly competitive operation of the market;*

*(d) that the ISO rule is not in the public interest.*

*(2) A notice of objection must be filed with the Commission within 10 days after publication of the notice of the filing of the ISO rule.*

*(3) The market participant filing the notice of objection has the onus of proving*

*(a) that the Independent System Operator, in making the ISO rule, did not comply with Commission rules made under section 20.9,*

*(b) that the ISO rule is technically deficient,*

*(c) that the ISO rule does not support the fair, efficient and openly competitive operation of the market, or*

*(d) that the ISO rule is not in the public interest.*

(3) Section 25 presently reads in part:

*25(1) A market participant may make a written complaint to the Commission about*

*(a) an ISO rule that is in effect, or*

*(b) an ISO fee.*

*(3) A complaint about an ISO rule may be made on one or more of the following grounds:*

*(a) that the ISO rule is technically deficient;*

*(b) that the ISO rule does not support the fair, efficient and openly competitive operation of the market;*

*(c) that the ISO rule is not in the public interest.*

*(4.1) The market participant filing a complaint has the onus of proving*

**(b) by adding the following after subsection (1):**

**(1.1)** The Market Surveillance Administrator may make a written complaint to the Commission about an ISO rule that is in effect on one or more of the following grounds:

- (a) that the ISO rule may have an adverse effect on the structure and performance of the market;
- (b) a ground set out in subsection (1)(b)(ii) or (iii).

**(c) by repealing subsection (3);**

**(d) in subsection (4.1) by striking out** “The market participant filing a complaint” **and substituting** “Where a market participant files a complaint, the market participant”;

**(e) by adding the following after subsection (4.1):**

**(4.11)** Where the Market Surveillance Administrator files a complaint, the Market Surveillance Administrator has the onus of proving

- (a) that the ISO rule may have an adverse effect on the structure and performance of the market,
- (b) that the ISO rule does not support the fair, efficient and openly competitive operation of the market, or
- (c) that the ISO rule is not in the public interest.

**(4) Section 105(1)(n) is amended**

**(a) by striking out** “if the owner is not an electric utility” **and substituting** “if the electric distribution system is not an electric utility”;

**(b) by striking out** “as if the owner were an electric utility” **and substituting** “as if the electric distribution system were an electric utility”.

- (a) *that the ISO rule is technically deficient,*
- (b) *that the ISO rule does not support the fair, efficient and openly competitive operation of the market, or*
- (c) *that the ISO rule is not in the public interest.*

(4) Section 105(1)(n) presently reads:

*105(1) The owner of an electric distribution system has the following duties:*

- (n) *if the owner is not an electric utility, to comply with rules respecting service standards made by the Commission under section 129(1) relating to*
  - (i) *billing and billing services to be provided to customers, and*
  - (ii) *the process, procedures and standards for transfer of data relating to distribution tariffs*

**(5) Section 129(1) is amended**

- (a) by striking out** “each electric utility including all or any of” **and substituting** “each owner of an electric utility, including rules respecting”;
- (b) in clause (c) by striking out** “distribution facilities” **and substituting** “electric distribution systems”;
- (c) in clause (d) by striking out** “electricity utilities” **and substituting** “electric utilities”.

**(6) Sections 133(f) and 135 are amended by striking out** “Board’s” **and substituting** “Commission’s”.

**Gas Utilities Act**

**Amends RSA 2000 cG-5**

**4(1) The *Gas Utilities Act* is amended by this section.**

**(2) Section 12(1)(b) is amended by adding “or” at the end of subclause (i), by striking out “or” at the end of subclause (ii) and by repealing subclause (iii).**



*as if the owner were an electric utility.*

(5) Section 129(1) presently reads in part:

*129(1) The Commission may make rules respecting service standards for each electric utility including all or any of the following:*

- (c) upgrades required to maintain and improve distribution facilities;*
- (d) the regular or periodic maintenance of electricity utilities and repairs;*
- (e) customer care and call centre services to be provided for customers;*

(6) Updates terminology from “Board’s” to “Commission’s”.

### **Gas Utilities Act**

**4(1)** Amends chapter G-5 of the Revised Statutes of Alberta 2000.

(2) Section 12 presently reads in part:

*12(1) The Commission may, with the approval of the Lieutenant Governor in Council, designate any area of land in Alberta from which gas is produced, and may permit*

- (a) the operator of an absorption plant, or*
- (b) a person that*
  - (i) has been given an order under section 38,*
  - (ii) has been granted approval under section 39, or*
  - (iii) has been granted a permit under section 43,**of the Oil and Gas Conservation Act,*

**(3) Section 28.3 is amended**

- (a) by repealing subsection (1) and substituting the following:**

**Service standards**

**28.3(1)** The Commission may make rules respecting service standards for each gas distributor and default supply provider, including rules respecting the following:

- (a) the standard of service to be maintained and how the standard is to be measured;
- (b) service outages;
- (c) upgrades required to maintain and improve gas distribution systems;
- (d) the regular or periodic maintenance of gas distribution systems and repairs;
- (e) customer care and call centre services to be provided for customers;
- (f) the billing and billing services to be provided to customers;
- (g) any matter related to public safety;
- (h) the process, procedures and standards for transfer of data relating to distribution tariffs;
- (i) the payment to the Commission of professional and other costs relating to the development, implementation and administration of
  - (i) the rules made under this subsection, and
  - (ii) a settlement system code established under section 28.1(1)(m),

*to enter into a contract, with any owner or producer of gas produced from the designated area, to fix the price to be paid by the operator or person to the owner or producer for the gas.*

(3) Section 28.3 presently reads in part:

*28.3(1) The Commission may make and enforce rules regarding service standards for each gas distributor and default supply provider related to*

*(a) billing and billing services provided to customers, and*

*(b) the process, procedures and standards for transfer of data relating to the distribution tariff.*

*(1.1) Rules made under subsection (1) may include rules respecting the payment to the Commission of professional and other costs relating to the development, implementation and administration of*

*(a) the rules made under subsection (1),*

*(b) a settlement system code established under section 28.1(1)(m),*

*and by whom the costs are to be paid.*

and by whom the costs are to be paid;

- (j) roles, responsibilities and standards of accuracy with respect to metering and metering services.

**(b) by repealing subsection (1.1).**

### **Oil and Gas Conservation Act**

**Amends RSA 2000 cO-6**

**5(1) The *Oil and Gas Conservation Act* is amended by this section.**

**(2) Section 1(1) is amended**

**(a) by adding the following after clause (j.1):**

- (j.2) “coal deposit” means a natural accumulation of coal in one or more coal seams as defined in the *Coal Conservation Act*;

**(b) by repealing clause (k) and substituting the following:**

- (k) “condensate” means a mixture mainly of pentanes and heavier hydrocarbons that may be contaminated with sulphur compounds, that
  - (i) is recovered or is recoverable at a well from an underground reservoir and may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated, or
  - (ii) is recovered from an in situ coal scheme and is liquid at the conditions under which its volume is measured or estimated;

**(c) in clause (w) by adding “, including synthetic coal gas and synthetic coal liquid,” after “hydrocarbon-based resources”.**

**(d) in clause (y)**

- (i) by striking out “or marketable gas” and substituting “, synthetic coal gas or marketable gas”;**

## Oil and Gas Conservation Act

5(1) Amends chapter O-6 of the Revised Statutes of Alberta 2000.

(2) Section 1(1) presently reads in part:

*1(1) In this Act,*

- (k) *“condensate” means a mixture mainly of pentanes and heavier hydrocarbons that may be contaminated with sulphur compounds, that is recovered or is recoverable at a well from an underground reservoir and that may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated;*
- (w) *“facility”, except for the purposes of Part 11, means any building, structure, installation, equipment or appurtenance over which the Board has jurisdiction and that is connected to or associated with the recovery, development, production, handling, processing, treatment or disposal of hydrocarbon-based resources or any associated substances or wastes or the disposal of captured carbon dioxide, and includes, without limitation, a battery, a processing plant, a gas plant, an oilfield waste management facility, a central processing facility as defined in the Oil Sands Conservation Regulation (AR 76/88), a compressor, a dehydrator, a separator, a treater, a custom treating plant, a produced water-injection plant, a produced water disposal plant, a miscible flood injection plant, a satellite or any combination of any of them, but does not include a well, a pipeline as defined in the Pipeline Act, a mine site or processing plant as defined in the Oil Sands Conservation Regulation (AR 76/88) or a mine site or coal processing plant as defined in the Coal Conservation Act;*

(ii) **by adding** “synthetic coal gas,” **before** “condensate”;

**(e) by adding the following after clause (aa):**

(aa.01) “in situ coal scheme” means an in situ coal scheme as defined in the *Coal Conservation Act*;

**(f) in clause (hh) by striking out** “means condensate or crude oil” **and substituting** “means condensate, crude oil or synthetic coal liquid”;

**(g) by repealing clause (oo) and substituting the following:**

(oo) “pool” means

(i) a natural underground reservoir containing or appearing to contain an accumulation of oil or gas, or both, separated or appearing to be separated from any other such accumulation, or

(ii) in respect of an in situ coal scheme, that portion of a coal deposit that has been or is intended to be converted to synthetic coal gas or synthetic coal liquid;

**(h) by adding the following after clause (yy):**

(yy.1) “synthetic coal gas” means synthetic coal gas as defined in the *Coal Conservation Act*;

(yy.2) “synthetic coal liquid” means synthetic coal liquid as defined in the *Coal Conservation Act*;

**(3) Section 10(1) is amended by adding the following after clause (yy):**

(yy.1) exempting wells that are included within an in situ coal scheme from the application of specified provisions of the regulations;

**(4) Section 43 is repealed.**

(y) “gas” means raw gas or marketable gas or any constituent of raw gas, condensate, crude bitumen or crude oil that is recovered in processing and that is gaseous at the conditions under which its volume is measured or estimated;

(hh) “oil” means condensate or crude oil, or a constituent of raw gas, condensate or crude oil that is recovered in processing, that is liquid at the conditions under which its volume is measured or estimated;

(oo) “pool” means a natural underground reservoir containing or appearing to contain an accumulation of oil or gas, or both, separated or appearing to be separated from any other such accumulation;

(3) Regulation-making power.

(4) Section 43 presently reads:

*43(1) In this section,*





- (a) *“energy resource” means gas, methane, ethane, propane, butanes, pentanes plus, condensate or crude oil or any primary derivative of them or any of them;*
  - (b) *“gas product” means any constituent of gas extracted by processing including methane, ethane, propane, butanes and pentanes plus but not including sulphur or any sulphur compound.*
- (2) *No energy resource produced in Alberta shall be used in Alberta as a raw material or fuel in any industrial or manufacturing operation unless the Board, on application, has granted a permit authorizing that use for that purpose in accordance with this section.*
- (3) *Notwithstanding subsection (2), a permit under this section is not required when*
- (a) *the industrial or manufacturing operation is wholly in performance of a scheme or operation approved under section 39 or is a power plant as defined in the Hydro and Electric Energy Act, or*
  - (b) *the total quantity of energy in the energy resource used in any year as a raw material or fuel, or both, in the industrial or manufacturing operation does not exceed one petajoule, and the quantity of energy in the energy resource used in that year as a raw material in the industrial or manufacturing operation does not exceed 100 terajoules.*
- (4) *On receipt of an application pursuant to subsection (2) together with any information prescribed or required by the Board, the Board may*
- (a) *if so authorized by the Lieutenant Governor in Council, grant a permit for the use of the energy resource proposed in the application, or*
  - (b) *refuse the application.*
- (5) *The Board may hold a hearing with respect to an application under this section.*
- (6) *The Board shall not grant a permit under this section unless in its opinion it is in the public interest to do so having regard to, among other considerations,*



- (a) *the efficient use without waste of the energy resource, and*
- (b) *the present and future availability of hydrocarbons in Alberta.*

*(6.1) The authorization of the Lieutenant Governor in Council is not required in respect of an amendment to a permit granted under this section.*

*(7) A permit granted pursuant to this section*

- (a) *shall be referred to as an "industrial development permit",*
- (b) *shall be in the form prescribed by the order of the Lieutenant Governor in Council authorizing the granting of the permit and is subject to any terms or conditions prescribed by the Lieutenant Governor in Council,*
- (c) *shall authorize the use of the energy resource for the purpose or purposes prescribed in the permit,*
- (d) *may prescribe the term for which the permit is granted,*
- (e) *may prescribe the maximum volumes of the energy resource that may be used during the term of the permit, and*
- (f) *is subject to any other terms and conditions contained in the permit.*

*(8) A person is exempt from the operation of this section*

- (a) *if, on June 6, 1974, the person was using gas or a gas product in Alberta as a raw material or fuel in the production of carbon black, ammonia, urea, ethanol, methanol or any petrochemical product, but the exemption under this clause continues only for so long as that person*
  - (i) *uses production facilities for that purpose that were in existence on June 6, 1974 and continues that production at an annual rate of production not exceeding the rate of production for the 12-month period ending April 30, 1974, or*
  - (ii) *uses production facilities for that purpose that were in existence on June 6, 1974 but that have been added to, extended or altered to increase production capacity if the*



*construction of the addition, extension or alteration commenced on or before May 16, 1974;*

- (b) if the person intends to use gas or a gas product in Alberta as a raw material or fuel in the production of carbon black, ammonia, urea, ethanol, methanol or any petrochemical product and had commenced the construction of production facilities for that purpose on or before May 16, 1974, but the exemption under this clause continues only for so long as that person uses the production facilities that were under construction on May 16, 1974 and does not afterwards construct any addition, extension to or alteration of those facilities to increase production capacity that results in an increase in the rate of use of the gas or gas products;*
- (c) if the person is so exempted by the regulations under subsection (10).*

*(9) A person, other than one described in subsection (8), is exempt from the operation of this section*

- (a) if, on May 19, 1976, the person was using an energy resource produced in Alberta as a raw material or fuel in any operation of the kind referred to in subsection (2), but the exemption under this clause continues only for so long as that person*
  - (i) uses production facilities for that purpose that were in existence on May 19, 1976 and continues that production at an annual rate of production not exceeding the rate of production for the 12-month period ending March 31, 1976, or*
  - (ii) uses production facilities for that purpose that were in existence on May 19, 1976 but that have been added to, extended or altered to increase production capacity if the construction of the further addition, extension or alteration commenced on or before April 21, 1976, but the exemption under this subclause continues only for so long as that person uses the production facilities as they were being added to, extended or altered on April 21, 1976 and does not afterwards construct any further addition, extension to or alteration of those facilities to increase production capacity that results in an increase in the rate of use of an energy resource;*

**(5) The following is added after section 110:**

**Cancellation of Industrial Development  
Permits and Applications**

**Cancellation of permits and applications**

**111** On the coming into force of section 5(4) of the *Energy Statutes Amendment Act, 2011*, all subsisting permits granted under section 43 of this Act as it read immediately before the coming into force of section 5(4) of the *Energy Statutes Amendment Act, 2011* and all subsisting applications for permits under section 43 of this Act as it then read are cancelled.

**Oil Sands Conservation Act**

**Amends RSA 2000 cO-7**

**6(1) The *Oil Sands Conservation Act* is amended by this section.**

- (b) if the person intends to use an energy resource produced in Alberta in an operation of the kind to which clause (a) applies, and had commenced the construction of production facilities for that purpose on or before April 21, 1976, but the exemption under this clause continues only for so long as that person uses the production facilities that were under construction on April 21, 1976 and does not afterwards construct any addition, extension to or alteration of those facilities to increase production capacity that results in an increase in the rate of use of an energy resource;*
- (c) if the person or the person's industrial or manufacturing operation is so exempted by the regulations under subsection (10).*

*(10) The Lieutenant Governor in Council may make regulations exempting from the application of this section*

- (a) any person or class of persons, or*
- (b) any industrial or manufacturing operation or any part of it or any class of industrial or manufacturing operation.*

(5) Cancellation of permits and applications.

## **Oil Sands Conservation Act**

**6(1)** Amends chapter O-7 of the Revised Statutes of Alberta 2000.

**(2) Section 1(1) is amended**

**(a) by repealing clause (m) and substituting the following:**

- (m) “oil sands products” means any products obtained by processing oil sands, crude bitumen or derivatives of crude bitumen;

**(b) by repealing clauses (p) and (q);**

**(c) by repealing clause (r) and substituting the following:**

- (r) “processing plant” means
  - (i) a facility for obtaining crude bitumen from oil sands that have been recovered,
  - (ii) a facility for obtaining oil sands products from oil sands, crude bitumen, de-asphalted bitumen or synthetic crude oil, or
  - (iii) a stand-alone gas fractionating plant for obtaining methane, ethane, propane, butane or other similar light hydrocarbons from oil sands products;

**(d) by adding the following after clause (r):**

- (r.1) “synthetic crude oil” means a mixture, mainly of pentanes and heavier hydrocarbons, that may contain sulphur compounds, that is derived from crude bitumen and that is liquid at the conditions under which its volume is measured or estimated, and includes all other hydrocarbon mixtures so derived;

**(3) Section 4(1) is amended**

**(a) in clause (c) by striking out “, approval or permit” and substituting “or approval”;**

**(b) by striking out “, the approval or the permit” and substituting “or the approval”.**



(2) Section 1(1) presently reads in part:

*1(1) In this Act,*

*(m) “oil sands products” means any products obtained*

*(i) by processing oil sands, crude bitumen or derivatives of crude bitumen, or*

*(ii) by reprocessing a product referred to in subclause (i),*

*and includes any products obtained by any subsequent reprocessing of the products obtained under subclauses (i) and (ii);*

*(p) “permit” means an industrial development permit issued under section 12;*

*(q) “permittee” means the holder of a permit;*

*(r) “processing plant” means a facility*

*(i) for obtaining crude bitumen from oil sands that have been recovered, or*

*(ii) for obtaining oil sands products from oil sands, crude bitumen or derivatives of crude bitumen that have been recovered;*

(3) Section 4(1) presently reads:

*4(1) A provision of*

*(a) this Act,*

*(b) the regulations made pursuant to this Act,*

*(c) a declaration, order, approval or permit of the Board pursuant to this Act in any matter over which the Board has jurisdiction, or*

**(4) The heading preceding section 10 is repealed and the following is substituted:**

**Approvals**

**(5) Section 12 is repealed.**

(d) *an order of the Lieutenant Governor in Council under this Act,*

*overrides any term or condition of any contract or other arrangement that conflicts with the provision of this Act, the regulations, the declaration, the order, the approval or the permit.*

(4) The heading presently reads:

*Approvals and Permits*

(5) Section 12 presently reads:

*12(1) No crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products produced in Alberta shall be used in Alberta as a raw material or fuel in an industrial or manufacturing operation unless the Board, on application, has granted in accordance with this section an industrial development permit authorizing that use.*

*(2) Notwithstanding subsection (1), a permit under this section, under section 43 of the Oil and Gas Conservation Act or under section 28 of the Coal Conservation Act is not required if*

*(a) the industrial or manufacturing operation is wholly in the performance of a scheme or operation or of the operation of a processing plant, as the case may be, approved*

*(i) under section 10 or 11 of this Act, or*

*(ii) before February 15, 1984, under section 31 of the Oil and Gas Conservation Act as it read before February 15, 1984,*

*unless the approval requires that a permit be obtained, or*

*(b) the total quantity of energy in crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products used in any year as raw material or fuel, or both, in the industrial or manufacturing operation will not exceed one petajoule, and the total quantity of energy of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products*



*used in that year as a raw material in the industrial or manufacturing operation will not exceed 100 terajoules.*

*(3) The Board, on receiving an application under subsection (1) together with any information required by it, may,*

- (a) with the prior authorization of the Lieutenant Governor in Council, grant a permit for the use of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products proposed in the application, subject to the terms and conditions that it prescribes in the permit,*
- (b) refuse the application,*
- (c) defer consideration of the application on any terms and conditions that the Board may prescribe, or*
- (d) make any other disposition of the application that the Board considers appropriate.*

*(4) The Board may hold a hearing with respect to an application under this section.*

*(5) The Board shall not grant a permit under this section unless in its opinion it is in the public interest to do so having regard to*

- (a) the efficient use without waste of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products,*
- (b) the present and future availability of hydrocarbons in Alberta, and*
- (c) any other matter that the Board considers to be relevant.*

*(6) A permit granted pursuant to this section*

- (a) shall be referred to as an “industrial development permit”,*
- (b) shall be in the form prescribed by the order of the Lieutenant Governor in Council authorizing the granting of the permit and shall be subject to any terms or conditions prescribed by the Lieutenant Governor in Council,*
- (c) shall authorize the use of the crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products for the purposes prescribed in the permit,*

**(6) Section 13 is amended**

**(a) in subsection (1) by striking out** “or a permit granted under section 12”;

**(b) by repealing subsection (2) and substituting the following:**

**(2)** The prior authorization of the Lieutenant Governor in Council is not required in respect of

(a) an amendment to an approval referred to in subsection (1), or

(b) a consolidation of an approval referred to in subsection (1) and one or more amendments to that approval.

**(c) in subsection (3) by striking out** “or permit”.

**(7) Section 14 is amended**

**(a) in subsection (2)(b) by striking out** “or permittee”;

- (d) may prescribe the term for which the permit is granted,*
- (e) may prescribe the maximum quantities of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products that may be used annually or during the term of the permit, and*
- (f) shall be subject to any other terms and conditions prescribed in the permit.*

*(7) The Lieutenant Governor in Council may make regulations exempting from the operation of this section*

- (a) any person or class of persons,*
- (b) any industrial or manufacturing operation or any part of the operation or any class of industrial or manufacturing operation, or*
- (c) any declared oil sands or oil sands product or any class of declared oil sands or oil sands products.*

(6) Section 13 presently reads:

*13(1) The Board may, on application or its own motion, amend an approval granted under section 10 or 11 or a permit granted under section 12.*

*(2) The prior authorization of the Lieutenant Governor in Council is not required in respect of*

- (a) an amendment to an approval or permit referred to in subsection (1), or*
- (b) a consolidation of an approval or permit referred to in subsection (1) and one or more amendments to that approval or permit, as the case may be.*

*(3) No change in the operator of an oil sands site has force or effect until the approval or permit has been amended to reflect the change.*

(7) Section 14 presently reads in part:

**(b) in subsection (4) by striking out “or permit”.**

**(8) Section 15 is amended**

**(a) in subsection (1)**

- (i) by striking out “or permittee”;**
- (ii) by striking out “or permit, as the case may be,”;**
- (iii) by striking out “or permit or make” and substituting “or make”;**

**(b) in subsection (2) by striking out “or permit”;**

**(c) in subsection (3)**

**(i) by repealing clause (a) and substituting the following:**

- (a) cancel or suspend the approval or make any other order under subsection (1) until it has given the operator at least 30 days’ notice to rectify the operator’s default, or**

**(ii) in clause (b) by striking out “or permittee” wherever it occurs.**



*(2) The Board shall, where directed by the Lieutenant Governor in Council under subsection (1) to conduct an inquiry,*

- (a) fix a time and place for the inquiry,*
- (b) give the operator or permittee not less than 60 days' notice in writing of the time and place so fixed, and*
- (c) publish notice of the inquiry.*

*(4) The Lieutenant Governor in Council may after receipt of the report of the Board direct that the Board amend or cancel the approval or permit or make any other order that in the opinion of the Lieutenant Governor in Council is just and reasonable under the circumstances.*

(8) Section 15 presently reads:

*15(1) If an operator or permittee fails to comply with this Act or the regulations or with a term or condition of an approval or permit, as the case may be, issued under this Act, the Board, with the prior authorization of the Lieutenant Governor in Council, may by order cancel or suspend the approval or permit or make any other order that in the opinion of the Board is just and reasonable under the circumstances.*

*(2) Notwithstanding subsection (1), the authorization of the Lieutenant Governor in Council is not required under this section if the approval or permit was granted without the authorization of the Lieutenant Governor in Council.*

*(3) Unless, in the opinion of the Board, an immediate danger to a person or to public or private property exists, the Board shall not*

- (a) cancel or suspend the approval or permit or make any other order under subsection (1) until it has given the operator or permittee at least 30 days' notice to rectify the operator's or permittee's default, or*
- (b) require any action that would result in any significant expense, loss or deprivation to the operator or permittee without giving the operator or permittee notice and an opportunity to be heard by the Board.*

**(9) Section 24 is amended by striking out “, approval or permit” wherever it occurs and substituting “or approval”.**

**(10) The following is added after section 26:**

**Cancellation of Industrial  
Development Permits  
and Applications**

**Cancellation of permits and applications**

**27** On the coming into force of section 6(5) of the *Energy Statutes Amendment Act, 2011*, all subsisting permits granted under section 12 of this Act as it read immediately before the coming into force of section 6(5) of the *Energy Statutes Amendment Act, 2011* and all subsisting applications for permits under section 12 of this Act as it then read are cancelled.

**Pipeline Act**

**Amends RSA 2000 cP-15**

**7(1) The *Pipeline Act* is amended by this section.**

**(2) Section 1(1) is amended**

(9) Section 24 presently reads:

*24 A person who*

- (a) whether as a principal or otherwise, contravenes or fails to comply with this Act or the regulations or with a term or condition of an authorization, approval or permit, as the case may be,*
- (b) either alone or in conjunction or participation with any other person induces or causes a holder of an authorization, approval or permit to contravene or to default in complying with a provision of the authorization, approval or permit, or*
- (c) instructs, orders, directs, induces or causes an officer, agent or employee of a holder of an authorization, approval or permit to contravene or to default in complying with a term or condition of the authorization, approval or permit*

*is guilty of an offence.*

(10) Cancellation of permits and applications.

### **Pipeline Act**

**7(1)** Amends chapter P-15 of the Revised Statutes of Alberta 2000.

(2) Section 1(1) presently reads in part:

**(a) in clause (i) by adding the following after subclause (i):**

(i.1) synthetic coal gas as defined in the *Coal Conservation Act*,

**(b) in clause (r)**

**(i) by striking out “and” at the end of subclause (ii), adding “and” at the end of subclause (iii) and adding the following after subclause (iii):**

(iv) synthetic coal liquid as defined in the *Coal Conservation Act*,

**(ii) by striking out “or liquefied natural gas” and substituting “, liquefied natural gas or synthetic coal liquid”.**

*1(1) In this Act,*

*(i) “gas” means*

*(i) natural gas both before and after it has been subjected to any processing,*

*(ii) any substance recovered from natural gas, crude oil, oil sands or coal for transmission in a gaseous state, and*

*(iii) any gaseous substance for injection to an underground formation through a well;*

*(r) “oil” means*

*(i) crude oil both before and after it has been subjected to any refining or processing,*

*(ii) any hydrocarbon recovered from crude oil, oil sands, natural gas or coal for transmission in a liquid state, and*

*(iii) liquefied natural gas,*

*and any other substance in association with that crude oil, hydrocarbon or liquefied natural gas;*





**RECORD OF DEBATE**

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