

2021 Bill 72

Second Session, 30th Legislature, 70 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 72

PRESERVING CANADA'S ECONOMIC PROSPERITY ACT

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 72

2021

PRESERVING CANADA'S ECONOMIC PROSPERITY ACT

(Assented to , 2021)

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Preamble

WHEREAS the Government of Alberta is committed to maximizing the value of Alberta's natural energy resources for Canadians;

WHEREAS the Government of Alberta recognizes the importance of natural gas and crude oil to the growing Canadian economy;

WHEREAS the Government of Alberta is responsible for ensuring the interests of Albertans are optimized prior to authorizing the export from Alberta of natural gas and crude oil; and

WHEREAS the Government of Alberta, in recognizing the valuable role industry plays in the Province, is committed to engaging with industry stakeholders prior to requiring licences under this Act;

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

Definitions

1 In this Act,

- (a) “crude oil” means a mixture mainly of pentanes and heavier hydrocarbons
 - (i) that may be contaminated with sulphur compounds,
 - (ii) that is recovered or is recoverable at a well from an underground reservoir, and
 - (iii) that is liquid at the conditions under which its volume is measured or estimated,and includes all other hydrocarbon mixtures so recovered or recoverable except natural gas or crude bitumen;
- (b) “field condensate” means products, other than gas products and oil sands products, obtained from natural gas or solution gas before it is delivered to a gathering system;
- (c) “gas products” means residue gas, ethane, propane, butanes, pentanes plus and sulphur;
- (d) “licence” means a licence issued under this Act;
- (e) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (f) “natural gas” includes gas products and field condensate.

Licence requirement

2(1) No person shall export without a licence any quantity of natural gas or crude oil from Alberta.

(2) Subsection (1) applies only where the Minister by order requires a person or class of persons to obtain a licence.

(3) Before making an order under subsection (2), the Minister shall determine whether it is in the public interest of Alberta to do so having regard to

- (a) whether adequate pipeline capacity exists to maximize the return on crude oil and diluted bitumen produced in Alberta,
- (b) whether adequate supplies and reserves of natural gas and crude oil will be available for Alberta's present and future needs, and
- (c) any other matters considered relevant by the Minister.

Application for licence

3 A person who is required to obtain a licence under section 2 or who wishes to amend or renew a licence shall apply, in accordance with the regulations, to the Minister.

Terms and conditions of licence

4(1) The Minister may issue, amend or renew a licence only if in the Minister's opinion it is in the public interest of Alberta to do so having regard to the matters referred to in section 2(3)(a) to (c).

(2) In issuing, amending or renewing a licence, the Minister may impose any terms and conditions, including all or any of the following:

- (a) the point at which the licensee may export from Alberta any quantity of natural gas or crude oil;
- (b) the method by which natural gas or crude oil may be exported from Alberta;
- (c) the maximum quantities of natural gas or crude oil that may be exported from Alberta during the interval or intervals set out in the licence;
- (d) the maximum daily quantities of natural gas or crude oil that may be exported from Alberta;

(e) the conditions under which the export from Alberta of natural gas or crude oil by the licensee may be diverted, reduced or interrupted;

(f) the period for which the licence is operative.

(3) The Minister, under subsection (1), may consider issuing a licence for a lesser quantity of natural gas or crude oil to be exported from Alberta than had been proposed in the application for the licence.

Suspension, revocation or amendment of licence

5 The Minister may by order suspend, revoke or amend a licence if the Minister determines that it is in the public interest of Alberta to do so having regard to the matters referred to in section 2(3)(a) to (c).

Reconsideration of decision

6 The Minister may reconsider, in accordance with the regulations, any decision made by the Minister under this Act.

Offences

7(1) A person who fails to comply with

- (a) this Act or the regulations,
- (b) a term or condition of a licence, or
- (c) an order or direction of the Minister made under this Act

is guilty of an offence.

(2) A person who is guilty of an offence under subsection (1) is liable

- (a) in the case of a corporation, to a fine of not more than \$10 000 000 for each day or part of a day on which the offence occurs or continues, and
- (b) in the case of an individual, to a fine of not more than \$1 000 000 for each day or part of a day on which the offence occurs or continues.

(3) Where a corporation commits an offence under this Act, an officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable to the fines provided for the offence, whether or not the corporation has been prosecuted for or convicted of the offence.

(4) A prosecution for an offence under this Act may not be commenced more than 2 years after the date on which evidence of the offence first came to the attention of the Minister.

Order to cease transporting

8(1) In this section,

- (a) “operator” means
 - (i) the holder of a licence for a pipeline under the *Pipeline Act*,
 - (ii) the operator of a railway under the *Railway (Alberta) Act*, or
 - (iii) the registered owner of a commercial vehicle under the *Traffic Safety Act*;
- (b) “provincial pipeline” means a pipeline or pipeline system for the transmission of natural gas or crude oil that is operated under the authority of a licence under the *Pipeline Act* and that delivers natural gas or crude oil into an extra-provincial pipeline.

(2) If the Minister determines that a person is not complying with

- (a) this Act or the regulations,
- (b) a term or condition of a licence, or
- (c) an order or direction of the Minister made under this Act,

the Minister may make an order directing an operator to cease transporting natural gas or crude oil in the operator’s provincial pipeline, or by the operator’s railway or commercial vehicle, for the account of or on behalf of that person, commencing on the date on which the order is served on the operator and continuing until the Minister notifies the operator in writing that the order is rescinded.

(3) The Minister shall serve on the person concerned a copy of the order made under subsection (2), and of any subsequent notice given to the operator under that subsection, as soon as possible after it is made or given.

(4) An order under subsection (2) does not operate

- (a) to frustrate or otherwise render ineffective any agreement between
 - (i) the person concerned and the operator to whom the order is given, or
 - (ii) the person concerned and any other person if the agreement relates to the transportation of natural gas or crude oil by pipeline, railway or commercial vehicle within Alberta,

or

- (b) to relieve the person concerned from any liability
 - (i) to the operator to whom the order is given, or
 - (ii) to a party under an agreement referred to in clause (a)(ii)

for the payment of any amount that would in any event have been payable in the absence of the order.

Order re exclusion from Act

9(1) Notwithstanding anything in this Act, the Lieutenant Governor in Council may exclude, by regulation, from the application of this Act any natural gas or crude oil exported from or intended to be exported from Alberta by pipeline or other means.

(2) A regulation made under this section

- (a) does not extend the term of any licence authorizing the export from Alberta of natural gas or crude oil
 - (i) that was issued before the effective date of, and
 - (ii) that would have been in effect during
- the period of exclusion prescribed in the regulation, and

- (b) may provide that when the period of exclusion is terminated, a licence that would have authorized the export from Alberta of natural gas or crude oil is, on the effective date of termination of the exclusion, effective to authorize the export from Alberta of natural gas or crude oil during any unexpired portion of its term that remains after the termination of the period of exclusion.

Immunity

10 No action or proceeding lies or shall be commenced against the Minister, the Crown or any employee or agent of either of them for anything done or omitted to be done in good faith while carrying out any duties or exercising any powers under this Act or the regulations.

Regulations

11 The Lieutenant Governor in Council may make regulations

- (a) granting the Minister any authority and powers considered necessary to enable the Minister to conduct and perform the Minister's duties under this Act;
- (b) defining any term that is used but not defined in this Act;
- (c) respecting applications for a licence or an amendment or renewal of a licence;
- (d) respecting fees for a licence or licence renewal;
- (e) respecting the terms or conditions to which licences are subject;
- (f) respecting the assignment of licences;
- (g) respecting the reconsideration of decisions of the Minister under this Act;
- (h) respecting the method to be used for the measurement of natural gas or crude oil;
- (i) respecting the confidentiality of information furnished under this Act and the communication of and access to that information;

- (j) respecting the giving or serving of notices and orders under this Act;
- (k) respecting any other matter that the Lieutenant Governor in Council considers necessary or advisable to carry out the purposes of this Act.

Transitional

12(1) On the coming into force of this section, an existing permit issued under the *Gas Resources Preservation Act* is deemed also to be a licence issued under this Act for the export of natural gas if the Minister requires a person to obtain a licence under section 2 of this Act for the natural gas that is subject to that existing permit.

(2) The Lieutenant Governor in Council may make regulations respecting the transition to this Act of anything under the *Gas Resources Preservation Act*.

Repeal

13 This Act is repealed on Proclamation.

Coming into force

14 This Act has effect on May 1, 2021.

RECORD OF DEBATE

Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To
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