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Participant

Ministry of Environment and Parks
Bev Yee, Deputy Minister

8 a.m.

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[Ms Phillips in the chair]

The Chair: All right. Good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Shannon Phillips. I am the MLA for Lethbridge-West and chair of this committee. Ordinarily I would suggest going around the committee table for all participants to introduce themselves, but we have people joining us through various modes of communication this morning, so I'll note for the record that the following members are present via videoconference or teleconference. We have Deputy Chair Pete Guthrie. We have via videoconference Jackie Armstrong-Homeniuk. Substituting for Jackie Lovely, we have MLA Mark Smith via videoconference. We have MLA Nathan Neudorf via videoconference. Present in the room we have MLAs Rakhi Pancholi, Marie Renaud, Garth Rowswell, Marlin Schmidt. Via videoconference: Peter Singh. Present: Searle Turton, with special duties this morning as I understand it. And via videoconference: Jordan Walker, MLA for Sherwood Park. As well, we have Doug Wylie and Eric Leonty, the Auditor General and Assistant Auditor General respectively, and at the table here we have Michael Kulicki and Aaron Roth from the Legislative Assembly.

Now, we do have a number of officials joining us from the Department of Environment and Parks. Officials, what I will ask you to do is to simply introduce yourself and say your title the first time you speak for the benefit of *Hansard*, and then when you provide follow-up interventions, just say your name so that *Hansard* knows to whom to attribute the comments.

A few housekeeping items before we begin. Obviously, we are leaving the appropriate distance between ourselves and others. In accordance with the guidelines please take your cups and so on at the end of the meeting. You may remove your mask when speaking, but otherwise wear it. In the room here, obviously, our microphones are operated by *Hansard*. People on videoconference, please remember to unmute and mute yourselves accordingly. And, of course, our committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. Audio-, videostream, transcripts of meetings can all be accessed via the Legislative Assembly website.

We'll now move on to approval of the agenda. Are there any changes or additions to the agenda this morning? Seeing none, members, then I'll look for a motion that the agenda for June 22 of our Standing Committee on Public Accounts be approved as distributed.

Mr. Singh: Thank you, Madam Chair.

The Chair: All right. Moved by Member Singh.

Is there any discussion on this motion? Seeing none, all in favour? Any opposed? Thank you. That motion is carried.

Hon. members, we have our minutes from June 15 in front of us. Do members have any errors or omissions to note in those June 15 minutes? Seeing none, I'll look to the floor for someone to move that the minutes of the June 15 meeting be approved as distributed.

Ms Pancholi: I'll move that.

The Chair: Moved by Member Pancholi.

Is there any discussion on this motion? All in favour? Are there any opposed? Seeing none, those minutes are then carried.

I'd like to welcome our guests from the Ministry of Environment and Parks, who are here to address the office of the Auditor

General's outstanding recommendations as well as the ministry's annual report from 2019-20. Given that we are in an out-of-session meeting, friends, I'll just – as a reminder, our opening remarks remain the same for the ministry, at 10 minutes, and then our rotations are 15 and 10 minutes respectively.

We will now begin with the ministry officials. Over to you, Deputy. You have 10 minutes. Your time begins when you start speaking.

Ms Yee: Good morning, and thank you very much, Chair. I am pleased today to provide an update on the accomplishments of Environment and Parks as outlined in our ministry's 2019-2020 annual report as well as the ongoing implementation of the recommendations from the office of the Auditor General. Joining me here in the room today from Environment and Parks is Tom Davis, who is ADM of resource stewardship. Joining me virtually is the remainder of my ADM team. If they should speak, they will introduce themselves. Thank you.

Throughout 2019-2020 Environment and Parks had many notable achievements. As a department we achieved significant results in each of the four key outcomes as identified in our annual report. In the area of environmental and ecosystem health and integrity the department continued to take important steps to protect species at risk. Our department drafted a caribou conservation agreement with the federal government that will help recover woodland caribou in Alberta. It will also enable a financial contribution from the government of Canada while reflecting Alberta's environmental and economic interests.

In 2019-20 \$20.9 million was allocated to regional and subregional land-use planning, including the advancement of caribou management and recovery plans and implementation. This work is part of the department's overall commitment to returning to a comprehensive, collaborative, and integrative approach in regional and subregional planning to manage cumulative effects and achieve desired economic, societal, and environmental goals for a region.

In 2019-20 the department also allocated \$15 million to the land trust grant program and land purchase program. This funding increase supported efforts to conserve ecologically important lands and prevent habitat fragmentation, maintain biodiversity, and preserve native landscapes.

The department also allocated over \$1 million per year for four years to an organization called Cows and Fish. It's a nonprofit society working to foster a better understanding of how improvements in grazing and other management of riparian areas can enhance landscape health and productivity for the benefit of landowners, agricultural producers, communities, and others who use and value riparian areas.

In the area of sustainable economic development we remain committed to reducing emissions and introduced the technology innovation and emissions reduction system, or TIER. The TIER system for Alberta's large final emitters protects the competitiveness of Alberta's industry while achieving real emission reductions. The TIER fund is reinvested into programs that bring investment to Alberta and achieve equivalency with strong environmental outcomes while saving costs for industry.

As part of other innovative and practical projects the department also invested in methane emissions reduction projects to achieve immediate reductions from oil and gas operations. After very successful negotiations with the federal government in 2019-2020, Alberta has reached an agreement with the federal government that keeps the province in charge of regulating methane emissions with an Alberta-led methane regulation. Alberta's methane regulation is estimated to cut more emissions by the year 2030 than the federal

system would if it applied in Alberta and will do so at half the cost to industry.

To help keep Alberta's ranching industry successful and sustainable, we also modernized the grazing fee framework to allow long-term, 20-year leases, grazing permits, and grazing reserves for those who provide exemplary stewardship of public lands.

In the area of public well-being the department allocated more than \$53 million to improve and maintain Alberta parks infrastructure to enhance recreational enjoyment and tourism opportunities. The unprecedented COVID-19 pandemic has reinforced that Albertans value the social benefits provided by the province's vast natural environments, and the department has continued to improve the Alberta park system, enhancing access to provincial parks with a focus on improving visitor experiences.

The department has committed to establish Big Island provincial park, that will be a major addition to the city of Edmonton's river valley park system, and in 2019-2020 a preliminary site assessment was conducted and engagement commenced with key stakeholders and indigenous communities.

We also took steps to ensure that Alberta's fisheries are strong, healthy, vibrant, and sustainable for future generations, including \$43 million in infrastructure funding to replace the Raven Creek Brood Trout Station and refurbish Sam Livingston Fish Hatchery and Allison Creek brood trout station, all of which will support sustainable recreational fishing opportunities and a healthy aquatic ecosystem.

Finally, in the area of public health and safety from environmental conditions and events the department allocated almost \$43 million to flood adaptation and resilience to help communities adapt and mitigate ongoing flood risk. This funding has helped protect communities across Alberta from flooding, which will help keep families, property, and infrastructure safer and more resilient.

8:10

Earlier this month the Auditor General released two reports for Environment and Parks, including an examination of the processes to provide information about government's environmental liabilities. The department agrees with both recommendations in the OAG report and is already taking action to address them. Environment and Parks is already developing operational guidance for remediation and management of sites to determine who is responsible, founded on the polluter-pay principle. The department is also developing operational guidance for remediation and management of sites where it has been determined that Alberta Environment and Parks will do the work, and as recommended, the department is already undertaking a case-by-case assessment of legacy sites.

We're also working with Alberta Energy and the Alberta Energy Regulator to implement Alberta's new liability management framework. Alberta's new liability management framework will address the root causes of liability issues that all energy-producing and resource development jurisdictions face. Under the framework industry can better manage cleanup of oil and gas wells, pipelines, and facilities throughout the life cycle, accelerating the timely restoration of land and reducing reliance on industry-funded backstops such as the Orphan Well Association. Government is working with the Alberta Energy Regulator to implement the new framework in 2021.

Earlier this month the Auditor General also released a progress report on systems to ensure sufficient financial security for land disturbances from mining. Alberta Environment and Parks will engage indigenous peoples and stakeholders this summer as part of a review of the mine financial security program. The review will

ensure that appropriate funds are being collected over the life of the project to cover reclamation liabilities and ensure continuous program improvement, including feedback from the OAG. Engagement was originally planned for 2020 but was delayed as a result of the COVID-19 pandemic.

The Auditor General also provided an assessment of our implementation of wetland replacement recommendations. With the introduction of a new wetland policy 2020-2021 was the first year of the wetland replacement program. The wetland projects completed last fiscal year are expected to be functioning wetlands within five years. All of the Alberta wetland policy components would have been fully implemented and operating for a full cycle of wetland replacement projects. The implementation of the new Alberta wetland policy will address all of the OAG recommendations listed in the follow-up report. Under the new policy contracts for each wetland replacement project will have clear deliverables and include requirements for monitoring and maintenance to ensure the success of these projects. Monitoring requirements are for a four-year period, require our partners to report to us yearly on wetland replacement projects.

The department has also signed a memorandum of understanding with the city of Calgary. The city will be reporting annually to the department on the outcomes of their completed wetland replacement projects under the interim policy. Memorandums of understanding with Ducks Unlimited and the county of Vermilion River will be signed soon.

Overall, 2019-2020 was a very busy year for Alberta Environment and Parks. I'm pleased with all that we have accomplished, and I'm pleased that we continue to work to address the remaining recommendations of the Auditor General.

Thank you for your time. We'll be ready to answer questions.

The Chair: Thank you, Deputy.

We'll now turn things over to the Auditor General for his comments. Mr. Wylie, you have five minutes.

Mr. Wylie: Well, good morning. Thank you, Chair. I'm not going to go over the material the deputy has highlighted. I think it's an excellent summary of our most recent work.

I'll take just a couple of minutes to maybe touch on the work that we've done on the financial statement aspect at the ministry. As part of our audit of the consolidated financial statements we do examine transactions at the ministry, specifically department transactions that roll up into the consolidated financial statements of the province. We conduct that work annually. As well, we audit specific financial statements where we issue a separate audit opinion on those financial statements, and they included the technology and emissions reduction fund, the land stewardship fund, the Natural Resources Conservation Board, and Energy Efficiency Alberta. A separate audit opinion was issued on each of those financial statements, and each of those audit opinions was unqualified or a clean audit opinion.

I'll just maybe highlight some of the outstanding recommendations that the deputy has not yet referred to, and that is that we have a number of recommendations relating to flood mitigation, systems to manage grazing leases, and sand-gravel processes. Some of those have been outstanding for several years. In total we have 15 outstanding recommendations within the ministry, three of which management has indicated are ready for follow-up, so we'll be commencing follow-up work on those as soon as practical.

I'll leave it there, Chair. Thank you.

The Chair: Well, thank you, Mr. Wylie.

We'll now go to our first rotation. It is 15 minutes. We have the Official Opposition to lead off. Your time begins when you start speaking.

Mr. Schmidt: Thank you very much. I have a number of questions related to the management of potential coal mines in the province of Alberta and the role that Alberta Environment and Parks would play in managing that. Now, at previous meetings of Public Accounts we've heard that there was no economic impact analysis, no cost-benefit analysis done by the Ministry of Energy or the ministry of economic development and trade even though this policy shift was quite significant.

In her opening remarks the deputy minister talked about managing the cumulative effects of development in Alberta. I'm wondering: prior to the rescission of the coal policy in 2020, what work did the ministry do in the '19-20 year to understand and predict the cumulative effects of a number of potential coal mines in the province of Alberta?

Ms Yee: Thank you, Member, for the question. In the 2019-2020 year, as in all years, by that time we had the South Saskatchewan regional plan, and the South Saskatchewan regional plan was intended to give us the framework and some tools to deal with cumulative effects. For example, whether it's a coal mine project or a forestry project or it's agricultural activity, we have in place surface water quality management frameworks. Those management frameworks allow us to monitor and understand what's going on in the river and give us some early warning thresholds where, if those thresholds are crossed, it would trigger some management actions. We see this as a very proactive way to manage and ensure that we are addressing cumulative impact in a proactive way so that we don't approach the limits that we have established on the river.

That's just one example for water quality. We do the same for air quality, making use of these water management frameworks that are intended to help us have eyes on what's going on early and for us to be able to implement management actions early should they be needed.

Mr. Schmidt: Thank you for that.

I mean, there are a number of concerns with species at risk in particular. What work did the ministry do in 2019-2020 to understand the potential impacts to species at risk of potential coal mine development?

Ms Yee: Species at risk work is ongoing, Member, and I appreciate you asking the question. We have, as you well know, a number of recovery strategies that are in place. In particular, when I think of coal mine development or any other development – it could be forestry development, that has potential impact on water quality, and I know that some of the concern is related to native trout species – we have worked very positively and constructively with the Department of Fisheries and Oceans. In fact, for the westslope cutthroat trout, our recovery plan was one that the federal government has adopted and acknowledged is very robust, and they support the implementation of it. In fact, they have even provided funding for us to continue the implementation of that recovery plan.

Mr. Schmidt: Thank you very much for that.

It's my understanding that the South Saskatchewan regional plan and the Livingstone-Porcupine Hills subregional plan are legal frameworks for the development of natural resources, economic development in that area, those kinds of things. Did the department do any analysis on whether or not coal would contravene any of the legal requirements of the South Saskatchewan regional plan or the Livingstone-Porcupine Hills subregional plan?

8:20

Ms Yee: Thank you, Member, for the question. You are quite correct that the South Saskatchewan regional plan has a regulatory component in it that is the legal framework of the South Sask plan. It also has a strategic plan and the implementation plan, that are not legally binding. That is deliberate because circumstances change, and as circumstances change and we understand more about what's going on in the environment, we adjust.

As you also know, in the South Saskatchewan regional plan coal development is contemplated, as is other industrial activity, and there is a place in the strategic plan – and I might point out specifically that on page 14 it says that

ensuring opportunities for coal exploration and development in the region will create economic diversification opportunities and export markets for Alberta coal and mineral resources and will result in increased employment in the region.

So as part of the strategic plan coal development is contemplated. Now, the plan does go on then to put some limits on where coal development can occur, and you will find several sections of the South Saskatchewan regional plan, particularly where it looks at conserved areas, where there are very specific restrictions given on what can be done and cannot be done.

Then you did reference the Livingstone-Porcupine Hills subregional plan as well. That plan provides a number of very significant, powerful management tools. It has a zoning system in it that will describe three different zones and what kind of activity is appropriate for those zones. In fact, that is similar to the coal policy from 1976, but it goes even further. Since 1976 a lot more land-use planning has gone on. In the Livingstone-Porcupine Hills plan it also has management thresholds, it has siting tools that allow us to avoid valued features on the landscape, and it contemplates restoration and reclamation in order to restore some of the habitat. In 2019-2020, specifically, there was \$359,000 used in conducting the five-year review of the South Saskatchewan regional plan and completing the five-year review, by the way, of the lower Athabasca regional plan. As required, we keep these documents up to date.

Maybe I'll leave it there unless there is further clarity that you would like.

Mr. Schmidt: With respect to the Livingstone-Porcupine Hills land footprint management plan in particular, it's my understanding that that regulates and limits the amount of linear disturbances that are allowed in that area. Is that correct?

Ms Yee: Yeah. There is direction given on quantitative linear disturbance. Correct.

Mr. Schmidt: What work did the department do to ensure that coal development didn't exceed those linear disturbance thresholds or contribute to the exceedance of those linear disturbance thresholds in that area?

Ms Yee: The way our regulatory system works is that once an actual project is proposed and there is a project application, then the department would work with the Alberta Energy Regulator and the company to determine what the footprint will be. Until such time, until a company has actually proposed a project or has some sense of what the footprint is, we would not be assessing, until there was some potential that there was a project that potentially could proceed. Our regulatory process allows us to evaluate projects on an individual basis, and in terms of predicting what there might be, we wouldn't do that until we saw actual projects being proposed.

Mr. Schmidt: Okay. Let's say, hypothetically, that projects are approved by the Alberta Energy Regulator and that that leads to the exceedance of these linear disturbance thresholds. What plans exist in the Livingstone-Porcupine Hills management plan to enforce compliance with linear disturbance thresholds once those have already been exceeded?

Ms Yee: Thank you for that question. We work very closely with the Alberta Energy Regulator. It is not our intent to exceed those linear disturbance limits. We would have done some work in advance. As the Energy Regulator is evaluating the project, they would be seeking out from the company an understanding of what the linear disturbance would be. So you would not see an approval being given to a project that actually exceeds the linear disturbance.

Now, should in the operation of a project . . .

Mr. Schmidt: So you're telling me that it's impossible for a project to be approved that would lead to the exceedance of linear disturbance thresholds in the Livingstone-Porcupine Hills?

Ms Yee: We would not deliberately, overtly approve something that exceeds limits that we have set, whether those are land disturbance limits, water quality limits, air quality limits.

Mr. Schmidt: What happens, then, when those thresholds are exceeded?

Ms Yee: Yeah. I was about to say that. If a threshold is exceeded – companies should not be exceeding those limits, but if it should be exceeded, then there would be enforcement action that is taken. That is what happens today when it comes to exceedances of water quality parameters, air quality parameters. Land disturbance parameters would not be any different.

In fact, as we move forward, a lot of our subregional planning goes further to integrate between the footprint of different industry sectors so that they are sharing the footprint in order to ensure that we are not exceeding disturbance limits.

Mr. Schmidt: What tools for compliance exist? When, let's say, a linear disturbance threshold – let's stick with that example – is exceeded, then what can the people of Alberta expect that Environment and Parks or the Energy Regulator or both will do to bring everything back into compliance with the plan?

Ms Yee: As you know, the regulator for coal development is the Alberta Energy Regulator. We know that when it comes to compliance, there are a number of tools that we can give. There can be potentially a stop order. There can be, you know, closure of roads. If roads were put in place that were inappropriate, there would be closure activities taken. It would depend on the situation for us to go in to assess, for the regulator to go in to assess what the appropriate enforcement action would be.

Mr. Schmidt: Is the deputy minister willing to table all of the enforcement actions that Environment and Parks took with respect to exceeding thresholds in the South Saskatchewan regional plan and the Livingstone-Porcupine Hills subregional plan in the 2019-2020 year?

Ms Yee: May I ask if you're specifically referring to land disturbance footprint exceedances? Is that what you're asking?

Mr. Schmidt: Oh, we're casting a wide net here, so any sort of exceedance of any threshold that exists in those plans.

Ms Yee: Yeah. We will look into that and provide you with the data that we would have.

Mr. Schmidt: Thank you very much.

According to a news report from CTV on February 1, 2021, three water monitoring stations downstream of existing coal mines were mothballed in the 2019 water monitoring plan. Can the deputy minister tell the committee why this decision was made to mothball these three particular monitoring stations?

Ms Yee: Thank you, Member, for the question. May I ask which stations in particular you're referring to? Our water quality monitoring system can be quite dynamic. We have long-term stations that are maintained to give us an ongoing picture and trends, and then, depending on issues and concerns as they arise, we'll install water quality monitoring for a short term to better understand what's going on so that we can take the appropriate action. If you can provide me specifically with which stations you're referring to, I'd be happy to look into that.

Mr. Schmidt: Okay. We'll have to look into that. But if the department could provide us a list of the monitoring stations for surface water quantity and quality in 2018 and 2019, that would be appreciated.

Did the ministry consider the impacts that rescinding the coal policy might have on environmental quality when they were designing the five-year monitoring plan?

8:30

Ms Yee: The five-year monitoring plan will always consider all of the context that is going on. Any potential development that we know is being proposed, we would take that into consideration. Any previous monitoring information that we have that has potentially raised some flags for us, we would consider that as well. Any new emerging issues, we would also consider that as well.

The Chair: Thank you, Deputy. Thank you. That is the end of the 15-minute block.

We'll now go over to the government side for their 15-minute introductory block. We have MLA Neudorf to begin. Your time starts when you start speaking.

Mr. Neudorf: Thank you very much, Chair. Appreciate the time today. Thank you, Deputy, for being here with us. I would like to go back to some of the discussion about the outcome 1 and the South Saskatchewan regional planning, that topic. I believe it's on page 15 of your annual general report. There outcome 1 discusses the environment and ecosystem health and integrity, which also outlines the planning frameworks for the lower Athabasca, the South Saskatchewan, and North Saskatchewan regions. Key objective 1.1 under this outcome is described as: "collaborative and integrated regional and sub-regional land-use planning and implementation effectively balances the environmental, economic and social concerns."

In 2019-2020 \$20.9 million was allocated to the regional and subregional land-use planning. I have a number of questions about that. To begin, could you share who the partners or stakeholders involved in that planning were?

Ms Yee: Thank you, Member, for the question. Regional and subregional land-use planning is particularly important to our overall environmental management system. In budget year 2019-2020 there were a number of subregional plans that we worked on; of note, all of our caribou subregional task force work and our Moose Lake access management plan.

In the case of our caribou subregional task forces we worked with a broad diversity of stakeholders and partners in the region. The idea there is that because the planning impacts a certain geography, a certain landscape, we looked at the partners and stakeholders that are in the place, whether it's municipal, whether it's the indigenous communities in the area, whether it's the industry that is operating in that area, whether it's the environmental groups that have an interest in that particular area, and we brought them all to the table for the discussion.

In the case of Moose Lake access management plan: same principle but a little bit different situation, where it was a very specific area where we have companies that have energy tenure there. We have the local First Nation and Métis organization as well that have a very specific interest. They were our primary stakeholders and partners in that situation. There was also some peripheral forestry activity, so we did also connect with forestry partners as well.

That is the approach that we take. We would endeavour to make sure that all of the interests on the landscape are well represented so that we hear their perspectives.

Oh, you're muted.

Mr. Neudorf: Thank you. Appreciate that.

Can you go into a little more detail as well? Can you describe how the \$20.9 million was used in the regional, subregional land-use planning and how this supports the social and economic outcomes identified by the ministry?

Ms Yee: Thank you, Member, for that question. The \$20.9 million that was allocated for regional, subregional planning in that year – because we were quite busy in actually carrying out subregional planning. So in addition to the three caribou subregional task forces and the Moose Lake group, we also had the Livingstone-Porcupine Hills land footprint management plans going on. A portion of the funding would go to those meetings. Some of the funding would go to any modelling activity that was required in order to better understand what's happening on the landscape. If there is science work that is needed in order to inform the planning, then money would be spent on some of the planning.

And to your point about, you know, meeting the social economic outcomes for an area, in particular when we look at the caribou subregional planning, socioeconomic concerns were a big concern, particularly for municipalities and, obviously, for the industry operating in the area because they care about jobs and the economy. Some of the funding that we provided was used to do the socioeconomic analysis, so we would bring consultants in that were objective, that were able to help us meet with the different players and then create a framework for how we would do the socioeconomic analysis.

Mr. Neudorf: Thank you. I appreciate that.

I would just like to follow up a little bit in particular with the South Saskatchewan regional plan. Could you share how long a regional plan like that one would have been under development? From my understanding, obviously, there is significant input, and I am just curious as to how long it would take to develop the substantive nature with all the different topics as you described previously.

Ms Yee: Yeah. When we actually look at the – and that's a very good question, Member – amount of time that it takes that the public would see the consultation going on for the South Saskatchewan regional plan or the lower Athabasca regional plan, that might be a couple of years that they are actively involved, but the work that goes into bringing the information to bear, getting an understanding

of what's going on in the region, there typically could be years of work in advance of getting to any sort of draft regional plan. We see that already. We're already currently doing preparation for the other regions around the province in terms of scoping out what the issues are, getting the baseline data because having baseline data is particularly important. If we are going to set plans for the future, we have to understand where we are today and make sure that we are establishing environmental limits that are appropriate for what we see coming in the future.

It is literally years of work. In some cases, because we have good monitoring data, the actual process of gathering that and understanding the trends is easier. In the case where there are emerging issues, that takes a bit more work to get that information, but it is years of work leading up to the two to three years of consultation that happens to actually get a plan completed.

Mr. Neudorf: Thank you. I really appreciate you sharing that because, obviously, it's – as you said, there are parts of it that are in the public eye, when people are paying attention to it, but there are years of work before that. And then I just appreciate you touching on those emerging issues as, if you're talking about the better part of a decade in planning and then something comes forward as a different application for different land use, that can have major impacts, so it even lengthens it further. I think that's just helpful for people to know and understand, that it's not just a quick decision over a pastrami sandwich at midnight; it's actually taken a lot of time to develop and gather that information.

My last question on that part of it is: what sort of oversight and performance measures are in place to measure the success of these land-use plans and then also the money that's spent on them? Sort of, like, the second part of that question is that we see the years and years and years of development up to that, but then once it's in place and the outgoing – and I believe that the member opposite also was looking at some of those kinds of things. Can you describe a little bit more fully what those measures are and how that guides the further money spent on those plans?

Ms Yee: Yeah. Thank you, Member, for that question. Obviously, accountability for what's in the plan and the implementation of the plan is very important. There is regular progress reporting that goes on relative to the commitments that are made in a regional plan, so progress is actually reported on. For example, we are very happy about recently completing the Moose Lake access management plan because that was a commitment under the lower Athabasca regional plan. Now that that's done, that would actually at some future point get incorporated properly into the lower Athabasca regional plan.

8:40

There are progress reports that are made in order to make sure that we see progress happening on that. There are also legislated time frames for us to actually review the plan. And that's really important to make sure that plans remain relevant to what's going on in the day.

You know, if you think back to 10 years ago, I'm estimating – I can't remember the exact date – when the lower Athabasca regional plan was developed, certain things were happening in the area in the landscape. But today different things are happening, so we need to be sure that we're updating these plans to ensure that they're relevant in addressing the needs of today, whether it's environmental, economic, or social needs on that landscape. So that act of reporting on a regular basis on implementation is a critical part of that accountability.

Mr. Neudorf: Thank you for that. On page 15 of the annual report it also mentions that the “development and implementation of

regional plan content, sub-regional plans, and environmental management frameworks will continue for many years to come.” Obviously, we’ve discussed that. And in the 2019-2020 year work was focused on the general land-use framework deliverables and deliverables specific to certain regions. You shared a little bit about the Athabasca and the Caribou areas. Can the ministry explain what work was done in 2019-2020 to further develop and implement these plans? And what land-use deliverables were focused on? Again, you shared some, but if you could expand on that a little bit further, please.

Ms Yee: Yeah. Thank you very much for that question, Member. Obviously, as a plan gets implemented and to the point that I made earlier about making sure things are relevant, we want to be cognizant of the need to constantly improve the regulatory process. Of late there’s lots of work done within the context of the regional plan to look at red tape and provide greater clarity as we get a new entrance potentially on the landscape, or even existing entrance where we see circumstances changing, then we need to give further direction. We are currently going through a process of developing a digital platform for applications. That is part of continuous improvement overall and will support the things that are in the regional plan.

The other thing I would mention: for example, a reference was made in my opening comments about liability management frameworks. As we look at the lower Athabasca region, as an example, many of those projects are maturing. Liability management becomes an important focus for us. You know, when the plan was originally developed, liability management, while it’s important, may not have been as important as today as projects have matured. It just goes to show that, you know, the ebb and flow, we want to be responsive to the things that are going on on the ground.

The water quality management frameworks that I referred to earlier and the air quality management frameworks that we have, those are also currently being reviewed. I know that the water quality management framework in particular for the lower Athabasca: our First Nations communities have expressed an interest in improving those and updating those. They want to take a look at some of the parameters that we’re looking at, and we’re very open to doing that and have discussed that with them.

A plan is not static. A plan gives direction, but we want to, along the line of implementing a plan, be sure that we are always responding to the kinds of things that are going on and making adjustments as we need.

The other thing in the lower Athabasca regional plan: once the conservation areas were determined and announced, there was a great deal of interest, again, from our indigenous communities on helping and working with us on the management of those areas. We currently have work that is under way to look at co-operative management with indigenous communities, and we’re making some progress on that. This is an area that we collectively are learning, government is learning along with indigenous communities on determining the best way to do co-operative management. That would be another example of some of the work that we have under way.

The other thing is the Kitaskino Nuwenéné wildland provincial park. Once conservation areas were determined, it didn’t mean that no other conservation areas could be put in place. The Kitaskino Nuwenéné wildland provincial park was a newer opportunity, so that has added to the amount of conserved area in the lower Athabasca region.

I’ll leave it there in terms of a few of the updates of the kinds of things that have gone on since a plan was put in place.

Mr. Neudorf: Thank you. I appreciate that, Deputy.

Chair, might I just inquire how much time is left at this point?

The Chair: You have 30 seconds.

Mr. Neudorf: Okay. I will just set this up for the next time, Deputy, if you can just write this down. I noticed that what is included in the deliverables were some new videos to modernize the communication on land-use planning and environmental management. What measures were used to evaluate the success of increasing that communication and understanding of environmental management across Alberta?

With that, Chair, I suspect it will be up to the opposition. Thank you.

The Chair: That is the time. Very good. I’m sure we will return to it.

We’ll now go back to the Official Opposition for 10 minutes. Please go ahead, MLA Schmidt.

Mr. Schmidt: Thank you very much. We know that a lot of the area that is covered by the 1976 coal policy is not covered by a regional plan. The North Saskatchewan regional plan isn’t finished; the upper Athabasca regional plan isn’t finished. Can the deputy minister tell the committee what work the department of environment did to understand the environmental impacts of coal mining in the province generally and specifically in areas where there are no regional plans in place?

Ms Yee: Thank you, Member, for the question. It isn’t just having a regional plan that is the only tool that we use to assess potential impact. The actual assessment of potential impact of development is hard wired and built into our regulatory system. As you know, especially for projects that have the potential to have significant impact or projects of a certain size, regardless of whether it’s a coal project, an oil and gas project, a forestry project, those are all potentially subject to environmental impact assessment. That is a tool that helps us understand the impact that a project could have on the environment. The way our regulatory system is set up is that it is a project-by-project assessment. You know, that’s from the perspective of our regulatory system.

Beyond the South Saskatchewan regional plan or regional plans we have integrated resource plans that exist. This is work that was done in the ’90s. This is work that gives a lot more detail than what is contained within the coal policy. The coal policy outlined four categories of land. The integrated resource plans that were developed in the ’80s gave much further detail to that, as did the eastern slopes policy. The eastern slopes policy identified, for example, prime protection zones along the entirety of the eastern slopes. It identified areas where you could have multiple uses and you could have some industrial development, and that piece of policy work along with integrated resource plans has done a great deal of assessment beyond what coal policy would have done in 1976. All of those feed into regional plans.

Mr. Schmidt: Did the department do any analysis in 2019-2020 on how the potential development of multiple coal mines would impact these other policies?

Ms Yee: These policies already talk about where coal development and other kinds of development could occur or should occur or should not occur. As I said earlier, our regulatory system is built on: once there is an actual project that is proposed – so we know where it is; we know what the size of it is potentially – that’s when the assessment would be done. There is no speculation done as to how

many projects there might be. Projects get assessed and environmental impact is assessed based on what a proponent is proposing, and that happens all the time.

8:50

Mr. Schmidt: If I understand correctly, then, the department of environment doesn't have the ability or the capacity to do any sort of water quality analysis, water quantity analysis for multiple coal mines in an area to understand what the potential impact of multiple projects would be. Is that correct?

Ms Yee: No. I'm not saying that we would not be able to do that. Certainly, there are . . .

Mr. Schmidt: Did the department do that in 2019-2020, then? I mean, we know that there was a decision made by the government to rescind the coal policy. We know that that has potential significant environmental impacts. Was the ministry of environment proactive in understanding what the potential of multiple coal mines in a given region outside of a regional plan would have?

Ms Yee: Member, thank you for the question. That presumes there would be actual projects approved. My response, in that we have the ability to do water quality analysis – we do. You know, if we were to be asked to hypothetically examine, “If there were X number of projects, what impact could they potentially have?” that's just good science work that could be done. My point is . . .

Mr. Schmidt: Was it done in 2019-2020? You said it could be done. Was it done in 2019-2020?

Ms Yee: I'm not sure what we would base it on because we did not have a sense of how many projects could be proposed.

Mr. Schmidt: You had no sense whatsoever of how many projects were in the hopper, no clue? It could have been between zero and an infinite number of projects?

Ms Yee: No. That is an unfair characterization of what I just said. The way the process happens is: a coal project, when it's proposed, or a coal company will do exploration to see if there even is an opportunity of having a project. The reality of scenarios – of course, we could do all kinds of scenarios as to how many coal projects there could be, how many forestry projects there could be, how many . . .

Mr. Schmidt: Did you do any scenarios? Did you do any scenarios in 2019-2020?

Ms Yee: We did not do any scenarios. We were informed by the integrated resource planning that has gone on. Doing scenarios would presume that we use a different process. What I am trying to tell you is that the regulatory process does the assessment on a project-by-project basis, and that assessment will assess against environmental limits, assess against environmental standards as to whether the project would exceed standards. If it cannot address the standards of the day, I would expect that that project would not be approved by the regulator.

Mr. Schmidt: We know from government documents that at least Grassy Mountain, Atrum, Montem Resources, and Ram River were in the hopper in the 2019-2020 fiscal year. Did the department do any analysis on the potential cumulative impact of those projects specifically with respect to water quality, water quantity, the westslope cutthroat trout recovery plan? You said the department

has the capacity to generate scenarios. Did the department do any scenarios with those three or four potential mines considered?

Ms Yee: Member, you mentioned the Grassy project, which is a proposal. It got assessed by the Alberta Energy Regulator. They are the regulator. The backdrop that this department provides would be the backdrop of understanding what our environmental standards and environmental limits are for the region. When the Alberta Energy Regulator does the assessment of the Grassy project, they would have an understanding of what environmental quality limits are. They have access to our people if they need to understand what the water quality trends are in the region. They would have access to our staff to better to understand what the state of native trout is and what our recovery plan is requiring of them.

I am reiterating that the way our regulatory process works is that we would deal with or the Alberta Energy Regulator would deal with the project once it understands the parameters: the size, the footprint, what waters it's going to be impacting. Until that information is understood and known, we would not know what to compare it against.

Mr. Schmidt: In the case of westslope cutthroat trout, let's say, does the environment department do any sort of scenario modelling and tell the Energy Regulator, “Hey, if you approve these projects, we could be in trouble here?”

Ms Yee: If the Alberta Energy Regulator, Member, were to ask for advice, if they did not understand, if their technical people did not understand the recovery plan that we have in place and what the requirements for maintaining water quality and habitat are for westslope cutthroat trout, we are happy to be a resource to them to do that. All of that information flows freely between the department and the Alberta Energy Regulator.

Mr. Schmidt: Was the department requested by the Alberta Energy Regulator to provide that information in 2019-2020?

Ms Yee: Member, I would have to go back and check to see what information was asked of us as part of the Alberta Energy Regulator's review process. That information I don't have on hand right now.

The Chair: Thank you.

We will go on to the government side for 10 minutes. I think I have Member Turton.

Mr. Turton: Yes.

Mr. Neudorf: Sorry. Excuse me, Chair.

The Chair: Sorry. Member Neudorf was not finished. Please go ahead.

Mr. Neudorf: Thank you, Chair. I just want to conclude, Deputy, with a question about the communication and the new videos for informing Albertans. If you wouldn't mind, a short answer on that.

Ms Yee: Thank you, Member. It took me a sec there to unmute myself. Thank you for the question. Yeah. Quite accurately you've identified that there were a number of videos that have been produced, and they were intended to be used very broadly. They were produced in the period of time between July 2018 and September 2019.

These were tested while under development, and the feedback was very positive. The last thing you want is to produce a video out there that nobody thinks is understandable or could be used, so we

had focus group participants involved in the testing of those videos. They commented that they found the videos to be effective, they captured their attention, they were informative, they were of interest, and they felt that they learned something about it and had a better understanding of impact on the environment and understood the role that planning played in order to be able to deal with potential negative impacts in a proactive way on the environment. They also told us that they felt the tone was inclusive and indicated that it was a very fair representation.

Feedback from targeted partner organizations and stakeholder groups, which included forestry, agriculture, recreation user groups, urban and rural municipalities, stewardship groups, and university planning departments: we also went to them to ask for advice and comments, and their comments were also very positive. In addition to the comments we heard from the focus groups, these key partners also said that they found that it provided good information without being overly technical, so it was accessible to people. They felt that it was a powerful tool that could be used both with professionals and nonprofessionals to help better understand the issues and understand land-use impacts and how we manage land-use impacts.

We also had a draft strategic communications plan developed that identified specific performance measures in the use of these videos. It's a tool that we're very pleased that we developed. We think that it will go a long way to help a broader audience understand the role of land-use planning and environmental management.

Mr. Neudorf: Thank you very much, Deputy, and thank you, Chair.

I now cede my time to MLA Turton.

Mr. Turton: Yes. Thank you very much, Madam Chair. Thank you very much, Deputy, for coming here today. As a former city councillor with the city of Spruce Grove, waste minimization strategies to increase landfill diversion are extremely important to me. That's why my next question is actually from the annual report on page 25, where it talks about waste management as, obviously, something that the ministry monitors and provides programs to aid in the amount of waste taken to the landfill. Now, I know that there was a new pilot program announced in 2020 for recycling electronics, which filled a vital gap which was not addressed previously. I guess my first question regarding the recycling of electronics is: what work was done in 2019-2020 to lay the groundwork for this pilot program?

9:00

Ms Yee: Thank you very much. Waste diversion is a big topic, I think, in a lot of situations for municipalities in particular. Thank you for the question, Member. The organization we work with is one of our delegated administrative organizations. It's called the Alberta Recycling Management Authority. They worked with us on the electronics recycling, and in fact they have been helping us implement the electronics recycling program as it exists today. We asked them to work with us. They prepared a proposal for how our electronics recycling program could be advanced, and the proposal detailed a number of options for an e-pilot. ARMA was then authorized to use the electronics reserve funds to recycle an expanded sweep of electronics materials.

Just because of how quickly, you know, our use of electronics and people's use of electronics expands, it was really important to try to capture a broader sweep of electronics in the recycling program. What we have asked them to do is to report on stakeholder engagement prior to that period of time. We're looking forward to significant – and we did have some significant success already reported back to us on that pilot.

Mr. Turton: Yes. Well, thank you very much for that, Deputy. I had the privilege, obviously, last fall of being able to put forth a motion regarding extended producer responsibility. I know that electronics recycling programs, you know, potentially could be part of that long term, which I'm very thankful for.

For the many viewers at home right now, I guess I was just hoping that you could elaborate a little bit more about the actual goal that this program is working to achieve. How does it benefit Albertans? Like, why is it important to have increased landfill diversion, especially when it comes to electronic recycling?

Ms Yee: Yeah. Thank you, Member, for the question. As you heard from earlier questions, the use of land is a big topic for everybody, and I think the less land we can use for landfills the better. At the heart of it is to try to minimize how much land we would use for landfills. The pilot is going to provide us with a lot more information around recyclability, the costs associated with recycling this expanded suite of materials. Hopefully, that can inform an expanded electronics program. The pilot is running until September 2022, but early results have been very positive.

The categories of electronics that are eligible for recycling. For the public to understand what is being captured, I think that everybody will be able to recognize that in their own homes they accumulate a lot of these kinds of materials, everything from small appliances; audiovisual and telecom devices, including cellphones; power and air tools; games, toys, and musical instruments; lawn and garden; and lighting, light fixtures. All of these are included in this new capture. There will also be special projects for solar panels, smoke detectors, and carbon monoxide detectors under way.

You can see that it would be very easy for any household to accumulate a lot of these that are no longer usable, so having a way to effectively recycle them is important. Even in the recycling of them, any recovery of valuable materials that we can do would also be valuable. The information we have is that an expanded electronics program has the potential to inject \$30 million annually into Alberta's economy and support 360 additional full-time jobs in the recycling sector. I think just those jobs and that boost to the economy would be seen to be a very positive thing.

This pilot is going to inform what we do to expand on a permanent basis our electronics recycling program. I want to thank you for supporting extended producer responsibility. I think it's through those programs that we're going to make some significant difference on our waste issues.

Mr. Turton: Thank you very much for the comprehensive answer. I know we could talk for hours, probably, just on EPR, but there's one other topic I just want to touch on and quickly get my question in. You're probably going to have to answer it in the next segment.

Key objective 2.3 is identified as:

Climate change is addressed through the development and implementation of the Technology Innovation and Emissions Reduction (TIER) system and effective innovation and practical programming in collaboration with large final emitters and other stakeholders,

on page 28 of the report. In 2019-20 your annual report states that "Environment and Parks spent \$180.2 million from the TIER Fund to support initiatives in Environment and Parks." My question is: how has the implementation of the TIER system served to achieve the ministry's goal of addressing climate change? You have about 20 seconds to give that very comprehensive answer.

The Chair: You're muted, Deputy. Deputy, you're muted.

Ms Yee: I wasted my 20 seconds by being muted. I'm sorry.

Mr. Turton: Awesome.

The Chair: I'm sure we'll get back to it. People tend to talk about climate change periodically. That tends to come up.

I will now turn things back over to the Official Opposition side for the next block of 10 minutes. Your time begins when you start speaking.

Mr. Schmidt: Thank you very much. I just want to confirm my understanding, from what the deputy minister has previously said, that even though the department reasonably knew a certain number of coal projects could have been developed, the department didn't do any scenario analysis on the cumulative impact of these potential mines and their related exploration programs on water quality, water quantity, effects on recovery plans for cutthroat trout. That work wasn't done by the ministry in 2019-2020.

Ms Yee: Thank you for the question. By virtue of the fact that the department is responsible for environmental monitoring and the setting of environmental limits, those limits would stand regardless of how many projects are proposed. The regulator, whether we are the regulator or the AER is the regulator, must abide by and stick to those limits. For example, you know, if we set water quality limits for a number of parameters in the river, it won't matter how many projects are proposed. If projects cannot be implemented and delivered and stay within those limits, they're not going to get approved.

The foundational backdrop of the work that we do is that we evaluate environmental health, we monitor for the condition of the environment, and we establish environmental limits that keep a river healthy. Any project being proposed must stay within those environmental limits.

Mr. Schmidt: Thank you.

I have a few questions now about the Oldman River allocation order. What unmet needs for water were identified in the area covered by this order in the 2019-2020 fiscal year?

Ms Yee: Sorry, Member. Could you repeat that question on the Oldman order?

Mr. Schmidt: In the Oldman River basin, in the area that's affected by the Oldman River allocation order, what unmet needs for water were identified in the area that's covered by that order in the 2019-2020 fiscal year?

Ms Yee: Yeah. The Oldman River water allocation order was allocation of water that was set aside so that the municipalities and the First Nations could tap into it. At the time when the order was put in place, we knew that there were pressures and desire to have greater water for agriculture, for the municipalities, for their growth and some of the commercial development in them. As you know, this order came as a result, too, of the fact that the South Saskatchewan River basin, in essence, closed the basin to further allocations but set aside an allocation here that could be used for irrigation, that could be used for municipalities, that could be used for industrial development, and there is also a need to maintain a certain flow within the river that is in place.

I don't know if there's a specific page reference that you have in our annual report on the Oldman River allocation.

9:10

Mr. Schmidt: Well, I would assume that this is a budget item under water policy, water management, public land. Like, I'm not sure where it shows up in the budget, but this is money that – your

department spends money on making changes to the water allocation orders.

I mean, you answered a question about why the allocation order was established in the first place. The department is clearly doing work on amending the order. Why? What wasn't working with the existing Oldman River allocation order?

Ms Yee: Yeah. Member, if I might respectfully correct you, there has been no work made to change the order. We have had some conversations with stakeholders in the region. The Oldman order has water set aside. There have been a few applications to get water out of that allocation, and we met with stakeholders to talk about, you know: what are some of the needs that we could maybe meet?

Mr. Schmidt: On that, that was related to my previous question. There were applications for water. What were those applications? What were the unmet needs for water here in the Oldman River basin that were not covered by the allocation or that the allocation order wasn't prepared to deal with?

Ms Yee: It wasn't that the allocation order was not prepared to meet. When I refer to the applications that were made, they were made in the order, within the order itself. So there actually have been very few applications made to water under the order. Given that there have been few applications made for water that is captured under the order, part of the desire of the department was to look at: could we retain more of that water for the aquatic eco system, but . . .

Mr. Schmidt: On that note, is it theoretically possible to amend the Oldman River allocation order without changing the amount of water that's allocated to industry, for example?

Ms Yee: Can you repeat your question, please? Can we possibly change the order?

Mr. Schmidt: Is it possible to change the Oldman River allocation order to allow for in-stream flow needs but not change the amount of water that's allocated to industry? Is that theoretically possible?

Ms Yee: In theory, we could take a look-in to see if that is appropriate, but we would have to assess whether that is appropriate.

Mr. Schmidt: The department was engaged in conversations around whether or not that was appropriate. What triggered those conversations? Like, there's obviously something happening in the department that made the department think that it wasn't appropriate, the existing allocation limits for the different sectors. Again, that goes back to my question. Obviously, somebody wants that water, and it can't be given out under the existing allocation order.

Mr. Singh: Point of order.

The Chair: Go ahead.

Mr. Singh: Thank you, Madam Chair. The point of order is under Standing Order 23(b). The member
speaks to matters other than
(i) the question under discussion.

The committee has convened for the purpose of considering the ministry's accounts, particularly the outstanding recommendations from the office of the Auditor General and the ministry's annual report 2019-20. The matter that has been raised by the member

many times is not within the boundaries of the said topics and no reference to the line item of the annual report.

Thank you, Madam Chair.

The Chair: Thank you, Member.

I will invite the member to bring things back to one of the outcomes that are talked about in the annual report. He has about two minutes, 44 left.

Mr. Schmidt: Thank you very much. I just want to confirm, then, for our understanding, that there were no unmet needs in the 2019-2020 fiscal year in the area covered by the Oldman River allocation order.

Ms Yee: Not that I'm aware of.

Mr. Schmidt: Thank you.

Now, there is a considerable amount of unallocated water currently in the Oldman River that's covered by this allocation order. Can the department tell us what the economic value of that unallocated water is?

Ms Yee: I guess from my perspective, the economic value of water would be associated with how it gets used. If water is used for a certain purpose, it derives some economic value to it, so I would not be able to give you an assessment of that in answer to your question.

Mr. Schmidt: Did the department undertake any work to assess the economic value of that unallocated water in the 2019-2020 fiscal year?

Ms Yee: We did not undertake any of that work. Economic value is tied to water being used. That water still remains in the order and has not been allocated.

Mr. Schmidt: Thank you.

Can the deputy minister tell us what work was done by the department in the 2019-2020 fiscal year to consult with indigenous communities on the potential environmental impacts of rescinding the 1976 coal policy?

Ms Yee: Thank you, Member, for the question. The coal policy is the work of the Department of Energy. Any engagement and consultation: they would have been the lead on it and not this department.

Mr. Schmidt: So the department didn't do any work consulting with the indigenous communities on potential environmental impacts of coal policy?

Ms Yee: It was not our role to do that. It was the role of – the lead on that file is the Department of Energy.

Mr. Schmidt: Great. Thank you very much for that answer.

I'm wondering if the deputy minister can provide a written list of everything that was funded with money from the TIER fund in the 2019-2020 fiscal year.

Ms Yee: Yeah. We'll provide what we can.

The Chair: Thank you.

We'll now move over to Member Turton on the government side.

Mr. Turton: Yes. Thank you very much, Madam Chair. Thank you, Deputy. I want to continue my questions about TIER. Obviously, climate change is of huge importance on this side of the

table and I think for most Albertans in general. I guess just to recap my question that I had in the last segment, how has the implementation of the TIER system served to achieve the ministry's goal of addressing climate change at this time?

Ms Yee: Thank you, Member, for the question. I'll unmute first so that you can hear me. From a policy and regulatory perspective large industrial emitters regulated under TIER must find new, innovative technology solutions in order to meet their facility or their sector-specific emission reduction targets, and those targets are tightened annually. If regulated emitters do not meet their annual target, they have the option to pay into the TIER fund. These collected payments are then recycled – you asked me about waste before; this is another way of recycling – to fund projects and programs that would then further support research and development in order to find better ways, new ways to reduce emissions, to support industry, to gain access to different technology solutions, and to support climate change adaptation in Alberta. About 60 per cent of all of Alberta's greenhouse gas emissions are regulated by TIER.

In terms of the funding, ERA, which is an organization, Emissions Reduction Alberta, is a very successful organization in making investments to help advance technology and ultimately reduce emissions. Since about 2007 the ERA has actually provided \$646 million in funding. The 204 projects have a cumulative value or worth of \$4.5 billion, and the net result of that in terms of greenhouse gas reductions is 37.7 million tonnes of carbon dioxide equivalent reductions by 2030.

9:20

Many more projects have been funded by TIER that will further reduce emissions as they are implemented, and a good example would be the funding of \$100 million last year for industrial energy efficiency and carbon capture, utilization, and storage. That program is estimated to reduce 300,000 tonnes of greenhouse gas emissions per year, so it's quite significant in terms of meeting our goal of reducing emissions and addressing climate change.

Mr. Turton: Excellent. Thank you so much for that, Deputy.

Obviously, you talked about a number of different projects and programs that would be potentially eligible for the TIER program. Can you just explain a little bit about the criteria which is used to evaluate funding in terms of which programs and projects would be funded by TIER?

Ms Yee: Thank you. As I referred to, the TIER regulation does apply to those large emitters, and those are facilities that emitted 100,000 tonnes of CO₂ or more per year of greenhouse gases in 2016 or a subsequent year. A facility that emits less than that may be eligible to opt into the TIER regulation if it competes against a facility that is regulated under TIER.

Revenues from the industry-funded TIER fund are used to support a wide range of different kinds of investments. Depending on the initiative that is being funded, it will have a different set of criteria. An example of a recent TIER-funded program is the industrial energy efficiency and carbon capture, utilization, and storage, that I mentioned a little bit earlier. The criteria used to evaluate those applications as part of a competitive grant process include: how many emissions would be reduced, what is the increase to competitiveness that would result, what is the job creation, and what is the strength of the project itself?

Because of the very diverse nature of the investments from TIER, there isn't just a single set of evaluation criteria for all programs and grants. It will depend on the exact nature of the investment or the program. However, all TIER investments must meet the

legislated requirements that govern the TIER funds, and those legislated requirements require that funds must be used for reducing greenhouse gases or to support Alberta's ability to adapt to climate change.

I hope that helps you understand the criteria.

Mr. Turton: Perfect. Thank you so much for that. I had a couple more supplementary questions, but you kind of rolled all the answers into one there. Thank you so much for that.

At this point I'd like to cede the rest of the time over to MLA Walker.

Mr. Walker: Thank you, MLA Turton and Chair and all my colleagues here at the committee today. I want to recognize and thank Deputy Minister Yee and her staff as well as the Auditor General's presence and his staff, too. This has been a great, very fruitful dialogue.

Just before I get into my questions, too, I want to recognize again MLA Turton for his work on the EPR initiative and for his tireless advocacy. He's a great representative for Spruce Grove-Stony Plain.

Deputy Minister, my questions will focus on the very important areas of conservation, and then we'll move into the industrial air emissions management program. I'm really looking forward to dialogue here. To begin, Deputy Minister, on page 22, referring to performance metric 1(a) under outcome 1, it's great to see improvement and an increased amount of protected and conserved areas over time. We see that the target for this metric in 2019-2020 was 15.83 per cent. However, only 14.8 per cent was actually measured. Can your department provide an explanation for the disparity between the target and the actual measure?

Thank you.

Ms Yee: Thank you, Member, for that question. You've really focused the question on an area that is very important to this department and to Albertans, protected and conserved areas. The way the process works is that we gather this information. It is part of a broader target that Canada has. It's part of an international target for protecting and conserving areas. In order for it to literally count, we have to have it formally designated and commitments made. The target of 15.83 per cent was not met literally due to the timing of when we got the designations under the land-use framework regional plan commitments and when those are actually officially designated. We would've done the work in advance to identify the protected and conserved areas, but the work to actually formalize and finalize the designation may not have been done just yet.

We do report in for the total amount of protected areas and conserved areas to what is called the Canadian protected and conserved areas database. As of December 2020, which I would think was the most recent reporting date, it was 14.75 per cent. Their requirement is that it has to be established legally in legislation. Hence, if we haven't actually done the legal designation of it in legislation, then we can't really count it. It's not that we are laggards in looking at protecting and conserving land area; it was merely just a case of the fact that the process of getting the designation completed had not yet been done.

We also do report on interim protected areas. These are commitments that have already been made, but, like I said, are not yet fully designated. That, in fact, would bring our total to 15.11 per cent. This really is just an accounting issue. I think the broader issue for Alberta is that there are a lot more other areas that are protected and conserved that don't fall under legislation, and we hope to get credit for that work as well.

The Chair: Thank you.

We will now move over for I believe it is the fourth block of time with the Official Opposition, please.

Mr. Schmidt: Thank you very much.

On page 140 of the annual report you summarized lapses and encumbrances in the department's budget. Line 10.2, with respect to technology innovation and emissions reduction, shows that the voted estimate was \$100 million, but there was an adjustment in year of \$38 million. What was that adjustment?

Ms Yee: Member, what was the page number again?

Mr. Schmidt: Page 140, line 10.2.

Ms Yee: Yup. Member, I don't have that on hand just yet. But if I can't find it in the next few seconds here, I'm happy to provide that to you in writing.

Mr. Schmidt: Thank you.

My follow-up question, then. Of the adjusted amount of \$62 million that was allocated to TIER, only \$27.5 million was spent. In the fiscal year the department went from the intent of spending \$100 million from TIER to only \$27.5 million. Can the deputy minister tell us what happened? Why did so little of the money that was intended to be spent from TIER actually get spent?

Ms Yee: Member, just generally in any given year part of our spending is very reliant on what we get in the fund itself. And even if you take a look at the budget and the actual, you'll find that there are differences between the budget and the actual as well.

9:30

In the 2019-2020 year we actually spent approximately \$180 million from the TIER fund in order to support a number of initiatives. I'm looking at page 57 of the annual report, at that statement, where the budgeted amount was \$231 million and the actual spending was \$180 million. Why that varies is that we don't know in advance how much money we will actually, for sure, get into the fund. It depends on companies, because in order to be compliant, they can simply be compliant by reducing their emissions, or they can be compliant by cashing in on their credits, or they can be compliant by paying into the fund. We actually spent \$180 million that year for emissions management. But I will reconcile the other page that you referred to, yeah.

Mr. Schmidt: I appreciate it. If the deputy could undertake to provide that to us in writing, that would be excellent.

I'm looking at page 68 now, the TIER fund statement of operations. It says, under expenses directly incurred by the TIER fund, that there was initially budgeted \$607 million but actually expended was \$461 million, so a \$140 million, give or take, discrepancy. Why was the amount of money actually directly expended from the TIER fund so much less than what was initially budgeted?

Ms Yee: Member, the other thing that can impact actual spending is that once we allocate funding for a particular project, if it doesn't follow the timelines that it would have originally set out, that might mean that it didn't completely spend that money in that year. There are likely some of those kinds of specifics behind the reduced amount of spending. There are a number of factors that will impact spending levels.

Mr. Schmidt: Thank you.

Can the deputy, then, commit to providing to the committee a full breakdown of all of the projects that were funded under this and why those budgets weren't met in the 2019-2020 fiscal year? Can you provide that to us in writing?

Ms Yee: Yes, Member. We will provide that information.

Mr. Schmidt: Thank you.

On the same page I note that the accumulated surplus in the fund increased from the budgeted amount of \$537 million to \$563 million. You know, given that Alberta's greenhouse gas emissions aren't decreasing year over year and that the money in the fund is intended to be spent on greenhouse gas emissions reductions, what drove the decision to allow the budgeted accumulated surplus to increase?

Ms Yee: Thank you, Member, for the question. In response to that, you know, there is a reality of how quickly new technology can actually be deployed and the uptake of new technology, and sometimes that delay results in us not being able to spend fully the fund. You will have seen that this last year we took the surplus in the fund and used it for economic stimulus on projects that are also directly related to reducing emissions. So at the time – and different and new technology can have different implications for a company and its uptake, so there is no guaranteed path when it comes to deployment. Sometimes deployment takes a little bit more time. Those are some of the variables that we have to deal with when we're trying to get companies to adopt new technology. There are some practical realities of that.

Mr. Schmidt: So does the fund have a policy in place in terms of how much surplus should be in the fund in any given year?

Ms Yee: Member, there is no direct policy that we have that addresses that concern or that issue.

Mr. Schmidt: I understand, to a certain extent, your explanation as to why there is money piling up in the fund, but why carry a surplus at all? I mean, you've identified the need to reduce greenhouse gas emissions and provide economic stimulus. Both of those things are urgent priorities right now for the province of Alberta. Why let \$563 million just sit unused in the fund when the people of Alberta and our environment desperately need that money to be spent now?

Ms Yee: Yeah. Thank you, Member. I think you've identified something that is really important and our desire to reduce our emissions. We've had a lot of success in Alberta. For example, even if we look at the period from 2011 to 2019 and we look at our oil sands and their ability to reduce emissions intensity, it has been very significant. If I recall the number correctly, there's been a 22 per cent emissions-intensity reduction in the oil sands. That is very significant. But there are the realities of how we forecast the amount that we would receive, what actually comes in, and how we can prepare to spend that. It is an issue that we are looking at, how best to spend it, because we also want to be responsible for that funding that comes and make sure that it is directed to the most appropriate areas or most appropriate projects that could result in emissions reduction. So it is something that we work very diligently on.

Mr. Schmidt: Is there ongoing work, then, to determine – when can the public expect rules in place to govern what the surplus should be?

Ms Yee: Yeah. We will take a look at this whole issue of surplus. It is something that we look at all the time, because even in the forecasting, over the course of a fiscal year forecasting what the

actual revenue would be changes over the course of the year. We have companies that change their production levels; therefore, their emissions levels are different. We cannot anticipate exactly how companies are going to use the credits that they have. I think one of the things we want to do is make sure that we can get the best forecast, our best understanding of what we think the forecast of the revenue will be, and then we can plan the appropriate spending for that revenue. We also . . .

The Chair: Thank you, Deputy. That is the end of that 10-minute block.

I believe it's on to Member Walker, please.

Mr. Walker: Thank you so much, Chair and Deputy, for this continuing great dialogue. We'll be turning back to conservation areas as the topic or focus of the discussion here. I just wanted to say, too, a thank you to your department for the huge win we had around the caribou, that you mentioned in your 2019-2020 review of the year here. That was a huge win, and my constituents very much thank the department for that.

What work did Environment and Parks do, Deputy, in 2019-2020 to ensure that areas in Alberta remain protected and conserved while still ensuring adequate public consultation and recognizing the delicate balance between the economy and environmental protections?

Thank you.

Ms Yee: Thank you very much, Member, for that question. You know, planning and engagement of the public in our protected and conserved areas is really important, and at all levels of planning we do engage with the public. Just a few of the parks-related kinds of consultations that were conducted in 2019-2020 that I would share with you, for example, would be Cypress Hills provincial park, their trail planning. You know, it's not a good idea to plan trails if the public is not going to use those trails, so we had the public and stakeholders and indigenous engagement that were working with us on that planning. The Lois Hole provincial park: another place where we engaged with the public on trail planning and, again, with the public, with stakeholders, and with indigenous engagement as well.

9:40

I already referenced earlier the success with the Kitaskino Nuwenéne wildland provincial park, and in 2019-2020 we also consulted on the expansion of that wildland provincial park. So you'll see that our framework is quite broad in terms of engagement. These are areas that are well used by the public for different reasons – for recreation, for the aesthetics of having it there – so we work very hard to make sure that we engage with the public as we need to.

Most recently we have engaged on Crown Land Vision, and Crown land includes all of the parks and protected areas but also includes our public lands areas. Many people don't understand that that is also land that is conserved, that there are conservation objectives we want to achieve on the broader base of public land as well. We released that Crown Land Vision in November 2020, and we committed to engaging with Albertans on all of the initiatives under that Crown Land Vision. What we're hoping to achieve in the Crown Land Vision is broad-based improvements for how we manage Crown land overall. The public has told us about, you know, some inconsistencies and conflicts that they see in how we manage all of our land in Alberta, so this initiative is intended to take a look at that. We will look at conservation of Crown land. We'll look at biodiversity on Crown lands and how we can ensure that land uses are sustainable well into the future.

We've had great success. We've put the lens first on recreation. Throughout this COVID pandemic period recreation on our public lands and in our parks and protected areas has been vitally important for the public, but it has also, in all honesty, created some conflict, so we've taken a look at how we can do and support recreation in a more sustainable way. We had really good engagement, with lots of members of the public providing us with their input, and you probably won't be surprised to hear that in some areas there is some divergence of opinion, in some areas a real convergence, where people want to see our access to these areas continue, but they want to see that we put in tools and have better enforcement on the ground to make sure that people are respecting the land as well.

Those are just a few of the things. In places where we have real specific issues and concerns – I mentioned earlier the Livingstone-Porcupine Hills area. We specifically pulled together a recreation advisory group there because a lot of the recreation needs were seen to be in conflict, and we needed to bring people together to see if we can resolve some of that conflict and be able to have that land used in a sustainable way and for people to find a place to be able to recreate appropriately.

Mr. Walker: Thank you, Deputy, for those very thorough and thoughtful answers. You actually answered, basically, my next line of questioning, too, on conservation areas. Very good, and I appreciate that.

We'll turn now, with the time remaining in this block, Deputy Minister, to the industrial air emissions management program. Air quality is critical for proper health of people and wildlife, as you know, and I see that on page 23 the ministry implemented the industrial air emissions management program in 2019 and has used "a collaborative multi-stakeholder process" to take "steps to manage non-point source emissions." Can the ministry describe what the collaborative multistakeholder process looks like and how they have been working with the Clean Air Strategic Alliance?

Thank you.

Ms Yee: Thank you for that question, Member. You've really hit on an area where we have enjoyed a very significant amount of collaboration with stakeholders on this. The industrial air emissions management program is being implemented specifically in the Red Deer and North Saskatchewan land-use planning regions. The program is enabled using existing regulatory processes such as implementing, as you mentioned, industrial point source emissions management, that would fall under EPEA approvals, or environmental protection and enhancement approvals. The division in the department that's working on that is our regulatory assurance division, and we've received input from the Capital Region Air Quality Management Framework Oversight Advisory Committee.

When you hear me talking about this, you're going to hear references to a lot of groups and organizations because we have airshed organizations that are multistakeholder in nature, and then we have a provincial organization called the Clean Air Strategic Alliance. It's a long-standing organization that is a multistakeholder partnership, and it has membership from three broad-based sectors: the industry sector, provincial and other governments – and that would include municipal, federal, and indigenous involvement as well – and nongovernment organizations. These multistakeholder organizations have been working very closely with us, and we have a very rich history of working with them. They have worked on everything that is very technical when it comes to air quality in terms of helping us identify air quality objectives and more strategic processes where they've taken a look at, for example, nonpoint source: what might be the best way to deal with nonpoint source emissions?

Maybe I'll leave it there unless there's something further that you wanted me to explore when it comes to multistakeholder involvement.

Mr. Walker: No. I think that's great, Deputy Minister. I can say that I can relate a lot to this program locally here. In Sherwood Park, of course, we have three refineries and a great industrial crown jewel – that is, the Industrial Heartland – shared, of course, with my colleague MLA Armstrong-Homeniuk. I'm always dealing with multistakeholder engagement on air quality control, so I really can relate to this at the provincial-level perspective that you bring.

I guess, finally – and this will be a bit of a speed read for me, Chair and Deputy Minister, and maybe a speedy response with the time remaining – the annual report, Deputy Minister, also mentioned that the ministry is reviewing provincial air quality objectives. Can the department update us on the status of that review? Thirty-six seconds.

Thank you for your time.

Ms Yee: Thank you for that question. Air quality objectives are very important. We have objectives that we're reviewing on fine particulate matter – that matters a lot to me; I get allergies, so that fine particulate matter is important – on ozone. Hydrogen sulphide is another one. We're also reviewing the objective for total reduced sulphur and also for nitrogen dioxide and sulphur dioxide. Some of these reviews are complete. For example, the fine particulate matter, ozone, hydrogen sulphide: all of those reviews are complete. Total reduced sulphur . . .

The Chair: Oh, thank you, Deputy. It occurs to me that the little alarm is not something that you can hear, but we can. That brings that block of time to an end.

We are now on to the fifth rotation, in which members read questions into the record, requesting written follow-up from department officials, and those follow-ups are requested within 30 days to the standing committee.

With that, I will turn things over to the Official Opposition for their three minutes.

Mr. Schmidt: Thank you very much. I'm going to request that the department provide all correspondence with any First Nations on the topic of the rescission of the coal policy conducted in 2019-2020.

Provide records of consultation on the South Saskatchewan regional plan and the Porcupine-Livingstone plans with any affected First Nations.

Provide any record of consultation, correspondence, or analysis with the South Saskatchewan regional plan indigenous water table. Provide the minutes of these meetings and any presentations given to this table. Provide all records associated with selenium monitoring up to the end of fiscal 2019-2020.

Provide all correspondence to and from the Department of Fisheries and Oceans and/or Environment Canada on the westslope recovery strategy and cumulative effects.

Any record of analysis or correspondence on changes to the Porcupine-Livingstone subregional plan, including any consultations with any recreation or user groups, industrial groups, mining or forestry or other interests, landowners, or leaseholders.

Any analysis on the water allocation order – this is the Oldman River water allocation order – including meetings on the status of the allocations; any analysis on needs not addressed by the order; a record of any projects that may not fit within the order; analysis, monitoring, and correspondence on the topic of water allocation given to the Grassy joint review panel.

9:50

If the department could confirm how many full-time equivalents were in Alberta Parks in the 2018-2019 fiscal year and compare that to the 2019-2020 fiscal year and provide a breakdown of the changes between the full-time equivalents in budgets 2018-2019 and 2019-2020, specifically telling us where those full-time equivalents were reduced.

Provide the analysis and correspondence on the February-March decision to suspend environmental monitoring. Tell the committee: who asked for this suspension of monitoring, and what analysis was provided by the office of the Chief Scientist? Please confirm that the office of the Chief Scientist was engaged in the decision to suspend monitoring and provide proof of correspondence to the department or any other documents that prove that he was engaged in this decision.

Please provide the department's analysis, correspondence on the decision to suspend monitoring with investors, oil sands operators, or others and any response to concerns by investment houses or credit-rating agencies on the reputational risks of suspending monitoring in March 2020. Please confirm the understanding that the decision to suspend monitoring was made by the minister or by cabinet. What were the costs? Document the cost savings to industry. Please provide the analysis used by the department that showed that monitoring could not be done safely in March 2020, any analysis by Alberta Health Services, OHS, or any other agency.

Thank you very much.

The Chair: Thank you.

We'll now turn things over to the government side for their three minutes of reading in questions to the record.

Mr. Singh: Thank you, Madam Chair. My question is regarding the integrate regulatory business process. Key objective 2.1 is identified as: "integrated regulatory assurance framework increases the effectiveness of Alberta's environmental approval and compliance processes." Under the \$8 million allocated to the integrate regulatory business process initiative to improve business process efficiency through development of technology solutions, can the ministry explain what the integrate regulatory business process initiative is and what the \$8 million is to be used for?

Also under the key objective is the regulatory assurance framework implementation, which, as stated on page 27, balances the two key goals of ensuring that environmental regulatory outcomes are being achieved and providing clear, transparent requirements, processes, and decisions for industry stakeholders. Can the ministry provide an update on the RAF's implementation? The annual report states that at the heart of the new strategy and design is an outcome-based regulatory framework. Can the ministry explain the process of developing this framework and what it looks like?

Thank you, Madam Chair.

The Chair: Well, thank you.
Are there more? Good. Go.

Mr. Smith: Thank you, Madam Chair. Can you hear me?

The Chair: Please.

Mr. Smith: Okay. I'd like to ask the following questions. Key objective 3.2 is described as:

Local and issue-based land use planning ensures all Albertans can enjoy and appreciate parks and public lands, including through creation of the capital region Big Island Provincial Park and [the] development of a public lands backcountry outdoor recreation, education and management plan.

Then in the annual report it emphasizes use of public lands and Alberta parks, and the report mentions the sustainable outdoor recreation principles that were incorporated into these planning and delivery efforts. So my questions are: can the department explain what these sustainable outdoor recreation principles were, and what was the outcome of these principles on maintaining environmental health while enabling commercial tourism opportunities and providing certainty to industry? Can you explain some of the results?

My next question is also under key objective 1.2. We see continued investment in the Cows and Fish, Alberta Riparian Habitat Management Society, to help successfully deliver a provincial riparian conservation and management program. On page 17 of the annual report it indicates that this funding will be maintained until the 2022-23 fiscal year. What sort of oversight does the ministry have on this planning once it is given to Cows and Fish? [A timer sounded] In addition to the funding provided, how has the ministry made sufficient efforts to ensure the ministry's goals of good environmental stewardship within livestock practices is achieved?

Thank you, Madam Chair.

The Chair: Okay. Well, that's 15 seconds, MLA Smith, that at some point we'll get back in our next meeting. How about that?

All right. Very good. Thank you to the officials from Environment and Parks for attending today and responding to our questions. As indicated, please ensure that the outstanding questions that we read into the record and any other questions that were referenced or commitments made for a written follow-up be responded to in writing within 30 days and forwarded to our committee clerk.

Hon. members, we have received our written responses to questions asked of Children's Services on May 11, Community and Social Services on May 18. Those are on our internal website as per our ordinary practice and will be posted on our public website as well.

If there are no other items for discussion under other business – I'm looking to the room.

Seeing none, the date of the next meeting will be at the call of the chair in consultation with the subcommittee on committee business.

Just a quick reminder to committee members that in September Alberta is hosting the Canadian conference of Public Accounts Committees and the conference of the Auditors General as well. Of course, this is a virtual undertaking on our part, but it will as a result be open to more members, as it was last year, than, you know, if we were travelling in person. Please do watch for those updates because Alberta is sort of, quote, unquote, hosting this year, and it is a good opportunity to learn from our colleagues across the country, to hear from Auditors General across the country on the ongoing audits of COVID response and so on, just a really good opportunity for all of us to learn more about the functioning of audits, public-sector accounting, and, of course, Public Accounts Committees across the country. That is in September, and you'll get more information about it.

Please remove your cups and other things, and I'll now call for a motion to adjourn.

Mr. Guthrie: I can do that.

The Chair: Okay. Moved by Member Guthrie. All in favour? Any opposed?

Seeing none, thank you very much, friends, and have a great week.

[The committee adjourned at 9:57 a.m.]

