



Legislative Assembly of Alberta

The 31st Legislature
Second Session

Standing Committee
on
Public Accounts

Environment and Protected Areas

Tuesday, May 5, 2026
Time

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Second Session**

Standing Committee on Public Accounts

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Standing Committee on Public Accounts

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Ministry of Environment and Protected Areas

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Jeff Dumont, Assistant Deputy Minister, Financial Services and Senior Financial Officer

Andrew Horton, Assistant Deputy Minister, Lands

Patrick McDonald, Assistant Deputy Minister, Air, Climate and Clean Technology

Kate Rich, Assistant Deputy Minister, Water and Circular Economy

9 a.m.

Tuesday, May 5, 2026

[Ms Gray in the chair]

The Acting Chair: Good morning, everyone. I'm going to call our meeting of the Public Accounts Committee to order. Welcome, everyone in attendance.

My name is Christina Gray. I'm the MLA for Edmonton-Mill Woods and the acting chair for the committee. To begin this morning, I'm going to invite members, guests, and LAO staff at the table to introduce themselves, and I will start by going to my right.

Ms Lovely: Good morning, everyone. MLA Jackie Lovely from the Camrose constituency.

Mr. Cyr: Scott Cyr, MLA for Bonnyville-Cold Lake-St. Paul.

Mrs. Sawyer: Tara Sawyer, MLA for Olds-Didsbury-Three Hills. Good morning.

Mr. Lundy: Good morning, everyone. Brandon Lundy, MLA for Leduc-Beaumont.

Mrs. Petrovic: Chelsae Petrovic, Livingstone-Macleod.

Ms de Jonge: MLA Chantelle de Jonge for Chestermere-Strathmore.

Mr. McDonald: Patrick McDonald, assistant deputy minister of air, climate, and clean technology, Environment and Protected Areas.

Mr. Dumont: Good morning. Jeff Dumont, SFO.

Ms Clarke: Good morning. Stephanie Clarke, deputy minister.

Mr. Horton: Andrew Horton, assistant deputy minister for the lands division with Environment and Protected Areas.

Ms Rich: Kate Rich, assistant deputy minister with water and circular economy.

Mr. Peters: Phil Peters, Auditor General.

Mr. Leonty: Good morning. Eric Leonty, Assistant Auditor General.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Ms Renaud: Marie Renaud, St. Albert.

Member Eremenko: Good morning. Janet Eremenko, Calgary-Currie.

Ms Robert: Good morning. Nancy Robert, clerk of *Journals* and committees.

Mr. Huffman: Good morning. Warren Huffman, committee clerk.

The Acting Chair: Thank you very much, everyone.

I will note for the record that I am a substitution for Mr. Sabir as chair, and Mrs. Petrovic is a substitution for Mr. van Dijken.

The Standing Committee on Public Accounts is mandated to review the public accounts of the government of Alberta and reports of the Auditor General. The committee examines the administration of government policy, not the merits of it, with the objective of enhancing transparency and accountability in government spending of public funds. The committee operates best when it maintains a nonpartisan approach in carrying out its responsibilities on behalf of all Albertans.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Assembly TV. The audio- and videostream and transcripts of the meetings can be found via the Legislative Assembly website. Those participating by videoconference are encouraged to please turn on your camera while speaking and mute your microphone when not speaking. Members participating virtually who wish to be placed on the speakers list are asked to e-mail or send a message to the committee clerk. Please set your cellphones and other devices to silent for the duration of the meeting. Comments should flow through the chair at all times.

Hon. members, are there any changes or additions to the agenda? Seeing none, I would ask a member to move that the Standing Committee on Public Accounts approve the proposed agenda as distributed for its May 5, 2026, meeting.

Ms Lovely: So moved.

The Acting Chair: Thank you very much.

Any discussion? Seeing none, all in favour? Any opposed? That is carried.

We have the minutes from the April 21, 2026, meeting of the committee. Do members have any errors or omissions to note? Seeing none, would a member move that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on April 21, 2026? Thank you very much, Mrs. Sawyer. Any discussion on the motion? All in favour? Any opposed? That is carried.

Now I would like to welcome our guests from the Ministry of Environment and Protected Areas and the office of the Auditor General, who are here to address the ministry's annual report 2024-25, responsibilities under their purview during that reporting period, and relevant reports and outstanding recommendations of the Auditor General. I'll invite the officials from the ministry to provide opening remarks not exceeding 10 minutes. You may begin.

Thank you.

Ms Clarke: Well, thank you very much, Chair and committee, for having us here this morning. I'm pleased to provide an update on the accomplishments of the Ministry of Environment and Protected Areas for the 2024-25 fiscal year.

We did introductions, but just as a reminder, joining me at the table here is Jeff Dumont. He's our assistant deputy minister of financial services and our senior financial officer. To his left, Patrick McDonald, assistant deputy minister of air, climate, and clean technology; Andrew Horton, the assistant deputy minister of lands and our stewardship commissioner; and Kate Rich, assistant deputy minister of water and circular economy. Other members of our executive team are joining us in the gallery, and they'd be happy to provide responses to any questions as well to support today's discussion.

Environment and Protected Areas delivered a number of initiatives for the 2024-25 fiscal year, and in doing so, we made significant progress in protecting and enhancing the environment and ecosystems throughout Alberta while supporting economic prosperity, quality of life, and a sustainable future for our province. The ministry's 2024-25 expenses were \$448.2 million in total. This included critical investments to reduce emissions, monitor the environment, protect Albertans from the impacts of flood and drought, and conserve our landscape and wildlife for future generations.

In terms of emissions reductions I am pleased to note that Alberta's emissions have been steadily trending downwards. Annual emissions fell from 289 million tonnes in 2015 to 260 million tonnes in 2024, a 28 million tonne reduction achieved while the province continued to grow its economy. Our technology innovation and emissions reduction system, or TIER, is a key part of Alberta's approach to achieving those reductions. It covers more than half of the province's emissions by heavy emitters, which are the main source of emissions in Alberta, and provides a competitive, flexible system to reduce emissions, support clean technology innovation, and, ultimately, help Alberta's businesses be more competitive on the international stage.

EPA uses the TIER program to invest in clean technologies to reduce emissions and create a stronger economy. Budget 2024 included \$931 million of TIER funding over three years. That supported jobs, reduced emissions, and helped Albertans be more prepared and more resilient. TIER fund allocations are based on annual revenue estimates into the fund and the government's TIER funding formula. The system is designed to be flexible, so it is often difficult to predict how industry will choose to meet compliance, which does lead to fluctuating balances of revenue, which you would have seen in the 2024-25 annual report as well.

For '24-25 the overall TIER fund revenue decreased by 59 per cent compared to the original budget due to a decrease in the TIER revenue compliance payments. For the 2024 compliance year the department saw a substantial increase in the use of offsets and emissions performance credits to meet compliance instead of payments into the TIER fund. As a result, \$110 million was allocated to programming in the province.

The \$110 million in programming included support for Emissions Reduction Alberta. The organization was granted \$57 million from the TIER fund to support programs that included funding for 12 projects in Alberta's industrial sector through its annual industrial transformation challenge, funding for 21 projects led by small and medium-sized enterprises across multiple industrial sectors, and investment in eight late-stage technology projects to advance the province's hydrogen economy.

Environment and Protected Areas supported clean technology development and commercialization by also allocating funds for the development of methane reduction technologies, circular economy, and the Alberta carbon capture incentive program, a future program for the province. Continued investments in innovation and technology were made, including a total of \$10 million for two programs delivered by the natural gas innovation fund accelerator, focusing on the development and commercialization of methane reduction technologies. In addition, \$250.7 million was held in the TIER fund at the end of '24-25, again, for the future Alberta carbon capture incentive program. CCUS projects are a key component of helping to reduce emissions and increase climate resiliency. More than 14 million tonnes of CO₂ have been safely sequestered through carbon capture, utilization, and storage facilities since 2015.

Environment and Protected Areas also is responsible for a variety of environmental monitoring activities. As part of our monitoring framework a key part of that is the oil sands monitoring program. In terms of funding there was a total of \$51.4 million spent in '24-25 for the Alberta and Canada jointly managed program that's fully funded by the oil sands industry. This funding included operating and capital funds allocated to enhance understanding of the cumulative effects of oil sands management. Through the program's consensus-based decision-making process there are more than 50 internal and external partnerships with Indigenous communities, monitoring organizations and agencies, and others that work together as a part of this program. The funding provided

to external delivery partners represented well over half of the total approved budget.

Alberta's monitoring system here in the province, of course, is much broader than the oil sands monitoring program. In 2024-25 an additional \$23.3 million was spent in environmental monitoring and science. Funding was used for air and water monitoring across the province, directly delivering field monitoring programs, evaluating the results of the data that was collected, and reporting on the condition of Alberta's air and water. This funding also supported airshed and watershed groups through grants for community airsheds, capital equipment, contracts for lake monitoring as well as maintenance to air and monitoring stations across the province.

9:10

EPA also invested in protecting and enhancing the ecosystem and environment throughout Alberta by funding conservation programs to protect caribou, to speed up land-use planning, and to address flood mitigation and mapping. In 2024 there was a total of \$22.8 million spent on caribou recovery planning and actions. This work included investing in the caribou habitat recovery program to address and treat legacy seismic lines in Alberta's 15 caribou ranges. Legacy seismic lines are linear quarters in forests or wetlands, usually used for oil and gas exploration. In '24-25 almost \$14 million was invested in the program and 1,735 kilometres of legacy seismic lines were assessed and treated with 838,000 seedlings planted.

Land-use planning was also a part of the department's work in '24-25. A total of \$9.6 million was spent to establish new land-use plans and review existing land-use plans in the province. Subregional plans are being developed and implemented to support cumulative effects management through setting and integrating economic, social, and environmental outcomes. That is a key priority for us moving forward.

In 2024 the watershed resiliency and restoration program spent \$3.5 million to lessen the impacts of flood and drought in municipalities as well. Overall, flood-related initiatives also included \$125 million over five years for the drought and flood protection program. This program, of course, helps communities plan, design, and construct projects critical for drought and flood mitigation and to ensure public safety is protected. In August '24 the ministry provided \$25 million for 18 projects under the program. This is all in addition to flood mapping that we do; \$2.59 million was invested in flood mapping in '24-25, covering an additional 1,100 kilometres of mapping across the province.

Finally, I'd like to cover some additional highlights of the work that we did. We did continue our work on the digital regulatory assurance system, with \$5.7 million spent in '24-25 to enhance administrative and regulatory efficiency and effectiveness. Fisheries management and recovery of species at risk was a priority, specifically with \$15.7 million spent on fisheries management, including the provincial fish stocking program in '24-25, which has now subsequently transitioned to our colleagues in Forestry and Parks. Investment in the restoration of wetlands to strengthen natural drought and flood mitigation was also a priority and helped us to improve water quality and create healthier ecosystems. EPA invested \$5.2 million to restore 168 hectares of wetlands across the province.

All in all, EPA was able to find efficiencies to curb costs while still providing very important environmental oversight and conservation efforts. We're very happy to have a discussion with you today about the work we did in '24-25. Thank you again for having us, and happy to listen to the questions.

The Acting Chair: Thank you very much for those comments.

I will now turn it over to the Auditor General for his comments. Mr. Peters, you have five minutes.

Mr. Peters: Thank you, Madam Chair and to hon. committee members and to departmental officials. Thank you for the opportunity to provide you with an overview of the work of the office of the Auditor General, including our 12 outstanding recommendations to the department.

I'll begin with our financial statement audit work for fiscal '24-25. We audited select financial transactions at the department as part of our audit work of the province's consolidated financial statements. In addition, we conducted separate financial statement audits of the Natural Resources Conservation Board, the land stewardship fund, and the technology innovation and emissions reduction fund. For the year ended March 31, 2025, we issued clean audit opinions for each of these.

However, I would like to draw your attention to one of the key risks or those matters, in our professional judgment, that were of most significance during the '24-25 audit of the consolidated financial statements, environmental liabilities. At March 31, 2025, the province's consolidated financial statements included \$181 million for environmental liabilities. This represents future funding required to comply with environmental legislation. Environmental liabilities have been a key audit matter and a subject of significant risk identified during our financial statement audits for several years.

This is an appropriate point in my remarks to draw your attention to the outstanding recommendations from our June 2021 report on Processes to Provide Information About Government's Environmental Liabilities. Our report made two recommendations, first, that the department develop clear guidance to determine who is responsible to do the required cleanup work and pay for it when private operators across various industries no longer exist, there is no backup like the Orphan Well Association, or private operators are unable to perform the required work. Our second recommendation was that the department and the Alberta Energy Regulator complete a case-by-case assessment to determine who is responsible to clean up each site. The first recommendation is ready for assessment.

I'd also like to highlight for the committee two recommendations that were previously accepted by government that are now identified as not implemented because the department has informed our office that it no longer plans to implement them. They remain part of our outstanding recommendation list. Following our assessment of implementation of four recommendations from our March 2015 audit of flood mitigation systems, the department stated that the fourth recommendation, to designate flood hazard areas and to regulate development within them, will not be implemented. The department stated that various actions exist to deal with safety and financial risk associated with each development in the flood hazard areas. However, we didn't see the evidence that current measures will effectively mitigate risks nor a plan to monitor the impact on flood hazard area development.

The second nonimplemented recommendation relates to our mine financial security program, which was originally reported in July 2015, assessed in 2021, and again assessed in December 2025. We recommended that the department, as part of its regular review of the mine financial security program, analyze and conclude on whether changes to the asset calculation are necessary due to the overestimation of asset values in the methodology. The department stated that it will not make substantive changes to this method in the future. While the department asserts the method and calculated values are reasonable and that the MFSP is functioning as intended, we didn't see the evidence to support these claims.

I'll conclude my remarks with a brief update on the status of the remaining recommendations. The committee will recall that last year we presented our 2024 report on surface water management. At one of the committee's audit-focused meetings we made three recommendations, and they are not ready for assessment. As part of the 2023 Consolidated Financial Statements of the Province of Alberta report we recommended that the department ensure underpayments to the technology innovation and emissions reduction fund are collected when errors are found. This recommendation is not ready for assessment.

In our March '22 report on pesticide management we made three recommendations focused on assessing risks and employing sufficient monitoring to mitigate those risks: one, assess risks from noncompliance with laws and employing compliance monitoring; two, ensuring public information on pesticide products and use is current and accurate; and three, developing suitable performance metrics and regularly evaluating the pesticide program. All three are not ready for assessment.

In February 2021 we again repeated our recommendation from the April 2010 report on wetland replacement, which was previously repeated in October 2015. We recommended that the department have clear, enforceable agreements and effective monitoring to ensure wetland replacement parties meet their responsibilities. We are in the process of following up on these recommendations.

Thank you to the management group here today for their time, co-operation, and assistance during our audits. That concludes my opening comments.

The Acting Chair: Thank you very much.

We will now hear questions from the committee members, beginning with the Official Opposition caucus. You will have 15 minutes. MLA Schmidt.

Mr. Schmidt: Thank you very much, Madam Chair. My first block of questions will deal specifically with coal and the government's coal industry modernization initiative and this ministry's involvement with that work. Now, according to the government website the coal industry modernization initiative is presenting its policy framework to cabinet at this point in 2026. On page 17 the annual report for environment discusses advancing subregional planning. The government's Coal Policy Committee recommended in its final report in December of 2021 that environment complete regional and subregional plans before accepting applications for coal projects. Can the deputy update the committee on the work that her department did to complete any relevant regional and subregional plans as part of the coal mining initiative?

9:20

Ms Clarke: Thank you very much for the question. I will highlight that the coal industry modernization initiative is an initiative that is led by Energy and Minerals, so that process, as you've indicated, is under way.

We have, though, in Environmental and Protected Areas been busy reviewing and updating and preparing regional and subregional plans across the province. That is, as I mentioned in my opening comments, a key priority for us right now. In fact, we are working to accelerate our approach to subregional planning with the intention to have the lion's share of subregional plans across our province completed by the end of this fiscal year. So there is more to come on subregional plans.

Mr. Schmidt: By the end of this fiscal year. Can you give us a more detailed timeline and how those things will be prioritized? Is the

department prioritizing regional and subregional plans in the eastern slopes to support the coal mining initiative?

Ms Clarke: The subregional plans in the eastern slopes are part of our priority list for the upcoming year and the northern subregional plans as well. Caribou range is, obviously, a key priority for us. In the year that we are discussing here, '24-25, we did a fair bit of work to evaluate and look at the progress of our two regional plans that we had in place, and we had been advancing other subregional plans in that time frame as well. We are out with the Ghost-Kananaskis subregional plan right now for what I'll call the initial stage of engagement. Unlike some of our other subregional plans, we needed to gather a bit more information on the Ghost-Kananaskis plan to understand what some of the competing demands were and what we might look at in that region. That will be followed with the drafting of a plan that will then go out for another round of engagement. The Coal Branch and David Thompson plan is scheduled for later this year, with the expectation that we would have a plan out for comment by the end of 2026.

Right now in terms of subregional plans, again, we have work going on in the northern areas of our province. The South Athabasca subregional plan has just wrapped up for engagement, so we are looking at what we heard in that engagement period, and we'll be working with government to finalize a plan. Upper Smoky has been completed, and we will now be moving forward with Berland, Red Earth, and Caribou Mountains subregional plans. So quite a bit of work in 2026 that we have planned for subregional plans.

Mr. Schmidt: Thank you very much for that information.

Now, the same coal committee flagged multiple concerns with the mine financial security program as it relates to coal mines. According to the committee's report provincial officials had only conducted detailed reclamation liability audits on two of the 19 existing coal mines. Can the deputy tell the committee what additional audit work on coal mine environmental liability has been done since the committee tabled its report?

Ms Clarke: I don't have that information specific to coal. Much of our focus on the mine financial security program has been on looking at how we evaluate and looking at the oil sands side of things. That is something we can provide in response.

Mr. Schmidt: Okay, so you'll provide us an update on coal mining liability audits in writing.

Ms Clarke: Yes, on the current status of it. I mean, I can talk about, you know, the overall liability, as you've seen in the AER report.

Mr. Schmidt: Oh, yeah. We'll get into that a little bit later. I appreciate that.

I think this would be a good response in writing as well. The public-facing mine financial security program documents don't list some of the coal mine liabilities. Can the deputy minister respond to us in writing with the current value of environmental liabilities for coal mines and as well provide a site-by-site estimate of environmental liabilities for each coal mine in Alberta?

Ms Clarke: Yeah. Under the MFSP the liability as a whole for both oil sands and coal is \$52.7 billion. For coal mines it's \$814 million. We can take back your question on the site by site and provide what we can in that regard, but I don't have a site-by-site available to me right now.

Mr. Schmidt: Thank you very much.

The coal committee recommended that the government develop a mine financial security program specifically tailored for the coal mining industry. Can the deputy minister tell the committee what work has been done to implement this recommendation?

Ms Clarke: We have not developed a separate program for coal. Again, we have been working on strengthening our existing MFSP program, which applies to both coal mining and oil sands mining.

Mr. Schmidt: What was the reason for not implementing the committee's recommendation to develop a mine financial security program specifically for coal?

Ms Clarke: Well, there is quite a bit of work, as you noted in your preamble, on the coal industry modernization initiative that is still going forward. I think what we do relative to coal will be re-evaluated once that framework is fully developed.

Mr. Schmidt: I see. Okay.

The coal committee also recommended addressing legacy coal mine liabilities. We've heard from the Auditor General some of the concerns that his office has had with the department's implementation of recommendations around managing legacy liabilities broadly speaking, but can the deputy provide the committee with an estimate of the value of legacy coal mine liabilities specifically?

Ms Clarke: As mentioned, I don't have that information.

Mr. Schmidt: Can you provide that, then, to the committee in writing?

Ms Clarke: To the extent that I can, yes. I will look to what I have.

Mr. Schmidt: Okay. Did the department fund any legacy coal mining reclamation in the '24-25 fiscal year?

Ms Clarke: No.

Mr. Schmidt: No, none. Did it have any plans? Did it create any plans to fund legacy coal mine reclamation in this year?

Ms Clarke: We've been working to evaluate environmental liabilities in conjunction with the Auditor General's recommendation and clarifying responsibilities with the Alberta Energy Regulator. We've been looking at outstanding sites against our public service accounting standards to determine what would be appropriate to move forward, but I don't have specific information on those actions.

Mr. Schmidt: Now, the coal committee also recommended enhancing environmental monitoring inspections and enforcement at existing and abandoned mines to address water contamination, specifically selenium concentration in watersheds. A report published in the journal *Environmental Pollution* that studied the impacts to water quality downstream of multiple coal sites in Alberta found that current reclamation and remediation practices are insufficient to prevent downstream water contamination. This was a report that was published by the department's own scientists. Given this finding by the department, what work has the department done to improve reclamation standards to restore water quality downstream of these mines?

Ms Clarke: Our focus has been on the monitoring of downstream and the impacts that you reference. You reference specifically on selenium. We do routinely monitor selenium levels at river and tributary sites across Alberta. Right now we have a hundred provincial sites where we monitor that. There have been multiple water quality guidelines in place to protect end users, and we do

evaluate against those, everything from the protection of aquatic life guidelines to the irrigation guidelines to livestock watering guidelines, so various different standards that we do check against. We have surface water quality management frameworks in place . . .

Mr. Schmidt: Sorry. The question was specifically around improving the reclamation standards so that these guideline exceedances aren't picked up in the monitoring stations downstream of the existing coal mines.

Ms Clarke: Yeah. In '24-25 we didn't specifically update our reclamation standards for that.

Mr. Schmidt: Thank you very much for that.

The same report that I referenced in my previous question clearly states that the responsible parties are not meeting the requirements of their environmental approvals to reduce selenium levels in the water. What enforcement actions were undertaken in the '24-25 year to hold approval holders accountable for their responsibilities to address water quality problems?

Ms Clarke: As I mentioned, our role in that equation is to undertake the monitoring and evaluation of that. As you noted, in addition to the monitoring we do on a regular basis, we have conducted focused studies as well that have been made available and published. We provide all of that information to the regulator, which in this case is the Alberta Energy Regulator. I can't speak to the full suite of management actions that have been taken, but they have certainly utilized the monitoring data that has been provided.

Mr. Schmidt: Knowing that the existing reclamation standards that the department has in place are insufficient for preventing downstream quality impacts, does that open up the government to liability? Now that we know that this is a problem, are we on the hook for part of the cleanup because we haven't held operators accountable to a standard that's good enough to prevent impacts downstream?

9:30

Ms Clarke: You're suggesting that our reclamation standards are not adequate?

Mr. Schmidt: Oh, I'm not suggesting that. Your own scientists have suggested that with reports that have been published in peer-reviewed journals.

Ms Clarke: Yeah. Our reclamation standards are subject to continuous improvement, so that is something we will do.

Mr. Schmidt: Except that the department hasn't done any improvements, so my question is really whether or not that opens up the department to future financial liability. You know that this is a problem. You're failing to deal with it. Are operators going to hold the department responsible because they haven't done their job to prevent downstream impacts?

Ms Clarke: Well, I can't speak to any future financial liability. Again, we do . . .

Mr. Schmidt: Lawyers could. Did the department do any consultation with lawyers on the potential risks in knowing that the reclamation standards are insufficient for preventing downstream effects?

Ms Clarke: Not that I can speak to.

Mr. Schmidt: Okay. Thank you very much.

The coal committee also recommended that the government of Alberta work with the government of Canada and other provinces to develop consistent regulations for coal mine effluents. Can the deputy provide the committee with an update on the status of this work?

Ms Clarke: We have provided feedback to the federal government on coal mining effluent. We have inquired on multiple occasions as to the status of that and have worked with our neighbouring provinces, as you said, including British Columbia. We have not received an update from the federal government. Those standards have not been advanced, to our knowledge, so that is something we are quite interested in as well. I will note that having those standards in place will help us look at our overall reclamation framework as well once we understand what that looks like from the federal government.

Mr. Schmidt: Can the department tell us what the department's position is on the coal mining effluent regulations? Is it advancing the current standards that are in place? Has it proposed something different from those, and if they are different, what is the proposal that Alberta has put forward to the government of Canada for these effluent regulations?

Ms Clarke: I'll have my assistant deputy minister of water and circular economy supplement here. She did provide some feedback earlier on the federal process. We have taken great interest in where they will look at parameters around selenium in particular, recognizing that that has been a challenge here in our province. We have been very mindful of, like, the regulatory efficiency and what they do in terms of the impact that would be relative to those effluent standards. That has been a key area of focus as well, but ADM Rich can likely elaborate on our feedback to date.

Ms Rich: Yeah. I mean, we're advocating for it, one, to get completed, the timely completion, as the deputy minister stated, and we haven't had a lot of recent updates. For us, we are looking for it to be developed in a similar manner to any other effluent regulation, be it municipal waste water, pulp mills, whatever the case might be. For us, we're really looking to say that, like every other sector, you know, making sure that we're applying kind of the best available technology, there's a commitment to continuous improvement but that standards are created that actually enable the best operations of these sites, so we continue to provide that feedback in that way.

The Acting Chair: Thank you very much.

We will now move to the government side. MLA Lovely.

Ms Lovely: Thank you so much. Well, first of all, I would like to start off by welcoming you, Mr. Peters, to your very first meeting of PAC. Thank you for joining us today. Congratulations on being the successful applicant, and I'm sure you're going to love all the future PAC meetings.

I have a few questions for you. It's spring, and flooding is starting to happen a little bit here and there. I'll start off with my questions. Flooding can happen along rivers, streams, and lakes across Alberta, and it can have serious impacts on communities and property. Looking at outcome 1, objective 1.5 on page 28 of the report, can the department explain what steps are being taken to identify flood risks across the province and how it's working with communities to help keep Albertans safe and protect homes and infrastructures from flooding?

Ms Clarke: Yes. Thank you very much for the question. You're right. Floods can have a devastating impact on communities, and we take that very seriously. To mitigate the impact of flood and drought, more than \$35.7 million has been invested into flood mitigation initiatives across the province. That includes flood mapping, which I referenced earlier, grant programs to mitigate the impact of flood and drought as well, and capital investments into reservoir projects to make sure that we have good storage in place.

Specifically in the '24-25 fiscal year approximately \$2.6 million was spent on flood mapping. Twenty-two flood maps were publicly released, and again, that included 1,100 additional kilometres of flood mapping in 52 municipalities and four First Nation communities. These flood maps, of course, do inform local planning, emergency preparedness and response, infrastructure decisions as well, and we do know that many of the communities across the province do incorporate these flood maps into their bylaws as well.

The ministry also provides near real-time river forecasting information. Our River Forecast Centre does a great job 24/7 and is very active this time of year, as you might imagine, in monitoring and communicating what's happening on the ground to stakeholders, to communities, to decision-making authorities.

In addition to that, in '24-25 Alberta launched the new drought and flood mitigation program. This was a \$125 million investment over five years to support communities to protect critical infrastructure and increase public safety from flood and drought impacts. In the first year of the program \$25 million was committed in addition to \$5.7 million additional into 18 community-based projects that, again, protect public safety and critical infrastructure. We do quite a bit of work to try to help mitigate the impacts of flood and drought in the province.

Ms Lovely: Thank you to you and your teams.

You know, I work in a primarily agricultural community, and the farmers are always unhappy. They either have too much water or they don't have enough, so if you could turn the gauge on so they get the proper amount, that would be great.

I have three questions for you about drought mitigation and water supply management. The annual report under outcome 1 on page 28 identifies drought and water storage as key priorities for Albertans. What actions is the government taking to increase water storage capacity for drought mitigation?

Ms Clarke: Yes. As I referenced, one of the key areas has been to focus on reservoirs. The ministry does continue to study potential dam and reservoir options to support community flood and drought mitigation infrastructure. Examples of the potential reservoirs that were pursued include the Ardley on the Red Deer River and the Bow River reservoir options. The Ardley reservoir scoping and feasibility study was launched in November 2024 to assess new dams and reservoir options, again, on the Red Deer. About \$5 million has been allocated to this multiyear assessment to look at the capacity that is required there. About \$600,000 was spent in '24-25 for scoping and reducing the study's focus to the three most promising options, which will result in further work, of course, in the subsequent years; \$2.7 million was allocated to the Bow River reservoir options feasibility study. That, again, is on the Bow River basin.

In September of that year, 2024, the government decided to further advance the potential relocated Ghost dam as a key option there to move forward. That has now transitioned over to Transportation and Economic Corridors to take the next steps with the regulatory approvals and engineering design.

We've also invested \$200,000 in '24-25 to complete a desktop provincial water storage opportunity study, which we hope to have finalized and released later this year, and as I referenced previously, the drought and flood mitigation program at \$25 million was advanced as well. These, of course, are all in addition to more nature-based solutions and programs that we have in place. This is really focused on infrastructure, but we have things like the watershed resiliency restoration program that was active that year as well as our wetlands replacement program.

Ms Lovely: I'll ask these two questions. You did touch on them a bit, but I'm hoping you can expand a bit more. How is the province ensuring that its water entitlements are being used as effectively as possible, and are there any timelines or targets associated with these efforts?

Ms Clarke: Sure. Water Act licence applications are reviewed, of course, by the department staff, including our hydrologists and our hydrogeologists, subject matter experts that inform decision-makers in making those decisions. We have invested in the new digital regulatory assurance system that will allow for us to be able to process those applications in a much more expedited fashion to be able to get those decisions made clearly for folks.

9:40

Though not fully complete yet, in '24-25 we did have discussions across the province around amendments to our Water Act and have enabled more water use measurement and reporting because, of course, it is important that we know not only the allocation of water in our regulatory system but we understand what's being used on the landscape. With the legislative amendments that we have in place, we will now be able to go forward and require that as a part of licences and as a condition of good standing in the province as well, which would get us more of that information in the years to come.

Ms Lovely: Thank you so much for the answers.

Now let's move over to watershed protection and sustainability. The annual report pages 28 and 29, outcome 1, objective 1.5 identifies healthy and resilient watersheds as a key priority for the ministry. What specific actions were taken during '24-25 fiscal year to protect and enhance watershed health? And I do have two more questions as it relates to that topic.

Ms Clarke: For sure. Yeah. In '24-25 we did implement the watershed resiliency and restoration program, which provides grant funding for projects that promote ongoing stewardship and preservation of Alberta's watersheds and enhance the ability of communities to withstand severe weather events like flood and drought. The department invested \$3.5 million in total through the program for 20 projects that support communities across the province, really, to strengthen the natural capacity of our watersheds.

Since the program was established in 2014, \$50 million has been invested in this program and provided 215 grants to 83 organizations through 11 rounds of funding. The program has supported restoration or enhancement totalling 6,592 hectares of wetlands and riparian areas covering more than 360 kilometres of stream bank.

We also continue to advance policies and programs that protect the aquatic ecosystem and the wetlands and our watersheds, so we have our wetlands policy, of course, and our wetlands replacement program. We've been very committed to water management frameworks across the province and policies, having good policies in place for water conservation and efficiency and water quality

protection. This is in addition to work we do with many partners on the landscape, including watershed planning and advisory councils.

Ms Lovely: Thank you so much for the answer.

How does the department measure the effectiveness of these actions, and what steps are being taken to ensure long-term watershed sustainability for future generations of Albertans?

Ms Clarke: With regard to the watershed resiliency and restoration program specifically, we do require grant recipients to submit final reports on their projects, so that gives us a good understanding of, you know, the activity that occurred, the financial outcomes achieved. The data that was collected gives us a good sense of bang for buck, if you will, and what actually has been achieved on the landscape. The department does use this information to ensure that our funding is appropriate and reports back to government around, again, the achievements of the program.

The department does provide operating funding as well to watershed planning and advisory councils. We work with them. They develop state of the watershed reports, which identify watershed conditions, local pressures, as well as potential gaps, and they must be provided every eight years. We develop integrated watershed management plans as well, which gives us a good sense, again, of what's happening on the landscape.

So all of those things combined with our regular monitoring do give us a good sense of the effectiveness of these programs.

Ms Lovely: All right. That's all my questions for now.

I'd love to cede my remaining time to my colleague Chelsae Petrovic.

Mrs. Petrovic: Good morning, you guys. Thank you for being here today. Congratulations, Mr. Peters. This, too, is my first PAC meeting, so hopefully we can get through it together unscathed.

I just want to jump right in. I know we don't have a lot of time. I just wanted to reference page 16 of the 2024-2025 annual report. The department notes that it

supported municipalities in responding to three significant drinking water system events in 2024 including the Milk River water shortage (which was due to infrastructure failure in Montana), the Calgary water main feeder failure and the Jasper wildfire. The ministry also supported the Jasper wildfire response and community re-entry.

I was just hoping that you guys – if you could provide more details on the nature of the support, including the department's specific role, co-ordination with municipalities, and key actions taken during these events.

Ms Clarke: Yes, thank you. Department specialists respond quite quickly to things like drinking water emergencies, system shutdowns, major repairs, and boil water advisories when they occur from time to time. The priority, of course, is making sure that drinking water is safe for all Albertans and that the services return quickly for the public and the businesses that do rely on that.

For example, during the water main break in Calgary and the wildfire in Jasper, which you've referenced, that did result in an extended water system shutdown. The department's drinking water operator specialists, or DWOS as we call them, did work quite closely with Alberta Health Services, municipal staff, and their consultants to develop and implement comprehensive plans to safely restore the system to service. Both the Calgary and Jasper emergencies required quite extensive planning on our part and with the communities' water quality testing and careful review of results to ensure that drinking water did continue to meet the standards and

that water was safe before the systems were put back into service. That certainly is on the water side.

When we look at Jasper, we support re-entry, as you've referenced. In addition to water, we very much provide support with air quality management as well, which, obviously, is quite important during times of wildfire.

Mrs. Petrovic: Thank you for that.

Moving on, I just wanted to touch base on oil sands, mining waste water, and the steering committee. The key objective 2.4 on page 35 of the annual report states that \$497,500 was spent to support the work of the oil sands mining waste-water steering committee to complete their work. Can you provide more details on the work of that committee, how it will be used to develop and implement an accelerated OSMW tailings pond reclamation strategy? How will the recommendations of the steering committee translate into measurable outcomes, and what timelines has the ministry established for implementing the accelerated tailings pond reclamation strategy?

Ms Clarke: Yes. Thank you for the question. We are, as you've indicated, implementing an accelerated strategy for oil sands mine water and tailings pond reclamation. The steering committee did undertake its work in '24-25, resulting in nine recommendations that the province has accepted. These were released in June and September of 2025. This covers off a number of areas.

Recommendations were focused on increasing the segregation and prioritization of use of water that has been impacted by industrial process to reduce future accumulation of mine water in the province. There was a focus on promoting more water sharing amongst mine sites to minimize new withdrawals from the Athabasca River and, of course, reaffirming our need to manage within the existing watershed.

Recommendations were also identified to do further work to consider a deep well disposal to manage low volumes of otherwise untreatable oil sands mine water and some legacy mine water to develop standardized methods for measuring naphthenic acids and to look at options for treat and release of oil sands mine water as well, which is critical to our reclamation in that area of the province.

Efforts were also identified on the need to establish criteria for pit lakes and to look at ways in which we can both invest in new technologies in this area and enhance our monitoring associated with this area of work.

We are advancing on all fronts at the moment. In fact, we will be out engaging with communities fairly shortly here on all of these recommendations.

The Acting Chair: That ends that block.

We will return to the Official Opposition for a 10-minute block. Please continue.

Member Eremenko: Thank you, Madam Chair, and good morning, everyone. I'm just going to dovetail with the question from the government member who just asked about the oil sands water monitoring system and the committee. Has the committee or the ministry made considerations about who will ultimately be financially responsible for implementing the reclamation of tailings pond and oil sands water?

Ms Clarke: For oil sands mine water, you referenced.

Member Eremenko: Yes. Did the committee make recommendations specific to financial responsibility?

Ms Clarke: The committee made the recommendations that I've outlined, so it was on means by which we manage oil sands mine water. There is a polluter-pay principle in our province, so the expectation is that the companies, the operators, are responsible for the reclamation and the ongoing liability. However, I will say that I think what we want to make sure is that we fulfill our obligation by making sure there are tools available and good policy in place so that they can use the approaches that they need to do to undertake that liability management and reclamation. That's why we want to advance the strategy, to develop those tools in place so they have that to work with.

9:50

Member Eremenko: Okay. Thank you.

Certainly, you know, the AG has highlighted some significant concerns, the key audit matter of environmental liabilities, and the liabilities are significant. I hear you loud and clear that it should ultimately be the operator that is responsible for the reclamation of those pieces of the oil sands, but it does lead me to some critical questions here on the mine financial security program and the AG's findings. Oddly, it's not typical that ministries will not accept or simply reject – I feel like it's a bit generous to say that the recommendation from the Auditor General concerning MFSP is simply not implemented. The ministry said: we will not be further pursuing this. The recommendation was simply to assess the asset calculation, not: thou shalt implement a new asset calculation for MFSP. Why won't the ministry simply accept the recommendation from the Auditor General to assess the calculation for ongoing risks concerning overvaluation?

Ms Clarke: Yes. Well, I think to answer that question, I do want to just take a minute to talk about the program itself. There was an assessment done on the program, and there were some adjustments made to strengthen the program overall. Under the MFSP oil sands mining operators, coal mining operators are required to post a small amount of financial security at the front end of their operations, and then they can rely, if they choose, on mine reserves as collateral throughout a good chunk of the lifespan of their operations.

Those that choose the collateral are required to maintain a 3 to 1 asset-to-liability ratio, which is fairly substantial in our perspective, a 3 to 1 ratio that needs to be maintained at all times. If they dip below 3 to 1, they do have to provide financial security to get back up to 3 to 1. I am going to get to your point. In addition, when they are 15 years out from mine closure, they are required to post actual financial security, and that ratchets it up each year until they get to six years in advance, and full financial security should be provided. I just offer that as the frame of the program that we have.

Member Eremenko: You bet. Thank you. That's really well laid out in the Auditor General report in the guide to the MFSP.

What were those changes that the ministry implemented that you say did consider the OAG's recommendations and that did change the asset calculations in that case?

Ms Clarke: Yeah, that's right. Again, one of the things that the Auditor General raised to us was around, you know, proper discounting of reserves like the collateral that we use for reserves. From our perspective, we felt that that was generally already factored into our equation, that model that I just outlined, both in terms of the reserve estimates being fairly conservative and the forward price factor being added in there.

What we did change, based on advice from the Auditor General, is on how we value proven versus probable reserves, and we recognize that if the operator cannot demonstrate to us that probable

reserves will transition to proven, then they need to evaluate that lower. So we did institute that requirement there. We also prohibited oil sands mine operators from using off-site, in situ oil sands reserves as their collateral for this as well so that it didn't kind of skew the equation, if you will, and we made changes to the program to provide more transparent reporting. Some of the questions that the previous member asked about in terms of liability and assets: that now is all available through AER reporting.

We did make some, but, again, from our perspective we felt that the program that we've just outlined does reasonably provide that good balance. When we tested that, the way we do the calculations against what the OAG offered, we found we get similar results, so we thought it would be less administratively onerous to change those requirements.

Member Eremenko: Okay. Perhaps on that point, though, the Auditor General in their report states that their analysis showed that the MFSP asset value was more than double the operators' reported asset value when considering development costs. They also compared the operators' MFSP asset values to other common company valuation metrics, and in this case MFSP assets were more than three times higher. Again, I think it is complicated to understand that the higher the valuation of assets, the less likely an operator is going to have to provide deposits under the asset security deposit, correct? So two times, three times potentially inflated value assessments that are allowing for operators to kind of absolve themselves of security deposits that, according to the Auditor General, they would in fact be subject to. Can the ministry respond to that, please? Further, does the ministry provide any consideration to manage the risk of overvaluation of assets by operators?

Ms Clarke: On the development costs: that is not something we factor into our evaluation.

Member Eremenko: Right, but the Auditor General says that you should.

Ms Clarke: The development costs include those capital costs that are generally in construction, and we found that including them would result in a lot of fluctuation between what goes to the province, what goes back to the operator on a regular basis. Again, when we looked at the complexity and the administration required to do that in conjunction with on the whole, the asset-to-liability ratio of 3 to 1, we felt that what we had was appropriate. There was an evaluation done and an assessment done, which was the recommendation, and ultimately we made those adjustments that I outlined but not adjustments from the development cost standpoint. That is evaluated by a third party as well. Certainly, on the reserve side of things that is a factor in our program that allows us to make sure that that's properly accounted for.

Member Eremenko: You said that an evaluation was done per the recommendation. Why does the recommendation remain not implemented in that case?

Ms Clarke: Well, that is a question for the Auditor General.

Member Eremenko: Is it because there will not be further evaluation?

Perhaps I'll ask the Auditor General. What element of not implemented – there seems to be a disconnect here where the deputy minister has said that the recommendation was considered and an evaluation was completed. What remains not implemented, please?

Mr. Peters: Thank you. Maybe I'll ask Eric to weigh into this a little bit more. There are several aspects of it, you know, that I think are not sufficiently accounted for from our critical lens of it.

Eric, if you wouldn't mind.

Mr. Leonty: Sure. Ultimately, using an asset-to-liability approach – and the department method is, I would say, sort of a bespoke customized approach to asset valuation that isn't consistent with what we see how industry would do similar evaluations. When we're looking at it, backdating to 2015, we had noted at that time that there are some considerable differences and omissions that increase the risk of overstatement, development costs absolutely being one of them. Those are costs that are included in industry valuations, so that is something that is done when, you know, industry has their regulatory filings and such. And then, of course, discount rate. Mining assets are long-life assets, distant cash flows, so a discount rate or some application of risk to those cash flows should be generally considered.

One of the things we did as part of this follow-up was to look at reasonability, so comparing it to some other metrics or valuation metrics out there. I think, you know, up until that point the department hadn't completed a reasonability assessment like that. They did do that during the wrap-up of this follow-up, and they had found 1.6 times without development costs.

The Acting Chair: That ends the 10-minute block for the Official Opposition.

We will now be moving to the government. MLA Lundy.

Mr. Lundy: Well, thank you so much, Madam Chair, and thank you, of course, to our officials for joining us and for sharing this important information. Through the chair I would like to ask some questions on the technology innovation and emissions reduction regulation, or TIER, as it's more colloquially known. This is, obviously, a program or regulation of interest to Albertans and very much at the heart of what your ministry does. I do actually have a bunch of questions, so I'll maybe go back and forth a little bit on some of the numbers.

Madam Chair, I will be referencing in the annual report page 34, outcome 2, and this is key objective 2.2. It does indicate that TIER fund revenues and spending were substantially lower than forecast. If the deputy wouldn't mind commenting on: what were the primary drivers behind the decrease from \$539 million in Budget 2024 to \$223 million in actuals?

10:00

Ms Clarke: Yes. Thank you for the question. It is always of interest to see some of the variations that we have in our TIER program. Primarily, the reason for the lower than originally expected budget was because regulated facilities in the TIER program did use more credits to meet compliance than originally anticipated, resulting in fewer cash payments into the fund. We offer quite a flexible program, so operators or proponents can choose various different compliance mechanisms: paying into the fund or these credits, if they've chosen to use more of the credits. This allows them, really, to pursue the lowest cost emissions reductions, which, again, is of benefit to our program. They do have those choices. We do see them make those choices on an annual basis. We try to do well in terms of forecasting what that looks like, but in the end we do need to make those adjustments.

Mr. Lundy: Thank you, through the chair. I appreciate the information on the credits. Are there any other factors that you may wish to highlight? Were there, you know, changes in emissions performance, timing of project approvals, for example, or are there

any other factors? If I may, Madam Chair, just another follow-up here. You mentioned forecasting briefly. Would you mind sharing any steps that the department might take to improve forecasting accuracy just to help with program stability a little bit.

Ms Clarke: Yeah. I will maybe start by pointing out that, of course, as our revenue gets adjusted as well, we do adjust our spend so that there's a balancing out within the year. That does contribute to the spending there as well. Again, the decrease was driven by higher than expected credit use, given the flexibility that we have in the system. Facility compliance behaviour, again, is the primary driver of the revenue variability.

In terms of the forecasting we do continuously work to improve our forecasting accuracy by incorporating updated compliance data, by looking at historical trends, and by enhancing modelling of facility behaviour. However, I will just remind folks that some variability is inherent in the system itself. Revenue depends largely on how those facilities choose to meet their compliance, so to support the program stability for government we do require sites with the largest emissions to submit individual forecasts of compliance payments. We align our annual spending, as I mentioned, to the revenue that we are expecting, and we do maintain a balance of the TIER fund for future years. It helps to ensure that we have availability of funds in the future years, which allows us to fund things like our Alberta carbon capture incentive program.

Mr. Lundy: Great. Thank you so much, through the chair, for that information. I think that's a great segue to maybe chat a little bit more about some of these TIER-funded emission reduction initiatives. Sticking on the same page and objective in the annual report, through the chair, if the deputy could maybe comment on where the TIER funds were invested in '24-25, including what categories of emissions reduction initiative were supported.

Ms Clarke: Yes. Thank you for the question. I will apologize in advance for offering you a little bit of a list of where the funds were provided.

In '24-25, as I mentioned earlier, \$110 million was invested from the TIER fund into programming: \$57 million was provided to Emissions Reductions Alberta to support the delivery of its business plan, including the annual industrial transformation challenge and targeted programs focused on advanced materials and methane reduction technologies; \$10 million to the NGIF Accelerator for programs focused on emissions reductions; \$200,000 to support a feasibility study for sustainable aviation fuel in Alberta; \$8.5 million for regulatory and operation costs to support the delivery of our program; \$4.3 million to support a variety of water management related initiatives, again with a focus on climate resiliency; \$17.6 million was provided to Energy and Minerals for continued investments in two commercial-scale CCS projects, so that's Quest and the Alberta carbon trunk line; \$9.9 million was invested through Technology and Innovation to support Alberta Innovates' Hydrogen Centre of Excellence; \$2.9 million went to our colleagues in jobs, economy, and trade for the coal workforce transition program to support Albertans affected by the wind down of coal-fired electricity generation. So quite a bit of programming came out of those dollars. Of course, \$25 million above and beyond that was provided to support Alberta's deficit reduction, and \$25 million to the ACCIP program as well.

Mr. Lundy: Well, great. Thank you, Deputy. Certainly an important and impressive list of projects, for sure. If I might follow up quickly then, through the chair: how does the department assess the effectiveness of these investments?

Ms Clarke: The TIER fund, again, as you've seen, provides quite a range of programs and projects reflecting different pathways, so evaluation criteria are really tailored to the specific initiative being funded, recognizing the differences in technology, maturity, and risks, and in expected outcomes.

For example, when we look at Emissions Reduction Alberta, they deliver competitive funding to programs that operate a robust project evaluation and governance framework. Proponents are required to estimate expected greenhouse gas reductions as a part of their funding application. Funded organizations must report on project implementation and emissions outcomes so we're able to track ongoing performance. The ERA applies technical due diligence during the project evaluation phase. They monitor the results, they assess the outcome, so lots of due diligence implied there, and at a department level aggregated emissions impacts across all TIER-funded initiatives are reviewed to assess alignment with our ultimate goals and intended objectives.

Mr. Lundy: Thank you, Deputy. Maybe I can put a bow on the TIER conversation a little bit and talk about the benefits for industry.

Again, through the chair, the same reference in our annual report on page 36. Of course, we know the importance that the industry plays in our TIER program. Would the deputy be able to talk about what measurable outcomes did the TIER program deliver for industry in '24-25, maybe including what types of benefits such as cost savings, emission reductions, or competitiveness that were realized?

Ms Clarke: In 2024 TIER covered 560 facilities and conventional oil and gas aggregates. The 165 million tonnes of emissions covered through TIER were exempt from the federal fuel charge, translating to critical savings for Alberta businesses. That was a key feature that aggregates get to opt in to our program and be exempt from the federal fuel charge. More than 7.2 million tonnes of emissions offsets were registered, and more than 5.9 million tonnes of emissions performance credits were issued to companies that beat their targets as well, which again provided them with a number of benefits.

Since 2015 sectors covered by TIER have reduced emissions by 12 per cent while other sectors reduced emissions by only 3 per cent, so again the coverage under TIER works. The 165 million tonnes of emissions covered through TIER were exempt from that federal fuel charge, which did provide that advantage to businesses here in Alberta.

Mr. Lundy: Okay. Thank you for that information. You provided some good examples there: that 12 per cent to 3 per cent. Sounds like, you know, the department does sort of track the overall value and evaluate what this provides for industry. I imagine it's similar to your answer about tracking the effectiveness before.

Just a quick 20 seconds here. You're confident that you guys are able to track these benefits to industry, then?

Ms Clarke: Yes. Yes, we are. As you've seen with the references here, we do keep track of the emissions reductions. We do look at, you know, how it's benefiting the investment climate, obviously. Some of that is qualitative analysis, but this really plays into the competitiveness of our businesses.

Mr. Lundy: Thank you.

The Acting Chair: Thank you. We will now move back to the Official Opposition. MLA Eremenko.

Member Eremenko: Thank you very much, Madam Chair. I'd like to continue on with my questions from the last block to the Auditor General, if I may. Thank you again for being here. Mr. Peters, great to meet you.

I'm curious if in the reporting that the Auditor General has done – 2015, 2021, and 2025 now – did your office actually calculate what the size of the MFSP might be if the asset calculation was revised per your recommendations, such as the inclusion of time, value of money, and development costs? Specifically, would the asset safety factor deposit have been triggered since the inception of the MFSP in 2011 to, let's say, the end of the fiscal year in question, '24-25? Would that asset safety factor deposit have been triggered if the calculation was more fulsome, and do you have a dollar figure for what that would have been? How big would the security fund be if the ministry had co-operated and fully implemented with your recommendations?

10:10

Mr. Peters: Thank you for the question, hon. member. Our approach is to apply a critical lens to work done by the department in applying methodology and calculating its amounts. Our analysis focused on different aspects of things like reasonability calculations and looking at factors such as time value of money. I don't believe that we did a recalculation, but I'll ask Eric to confirm the details of all the work we had done.

Mr. Leonty: Yeah. I mean, I think that the best way to put it is that we didn't perform a recalculation using an industry standard approach or something different, but based on the fact that development costs aren't included and discounting isn't part of it, I would say it increases the risk that the asset safety factor would be triggered. I can't say for certain whether that would be the case, but it would certainly increase the risk.

I know there was one occurrence in the past where the asset safety factor was triggered, but due to exceptional circumstances there was a sort of waiver that there wouldn't need to be security posted based on the circumstances. We didn't perform a recalculation, but what we could see is that compared to the industry's own valuations, upwards and beyond two times overstated in asset values.

Member Eremenko: Okay. Thank you, Madam Chair.

Mr. Schmidt: I'm going to ask some questions now on the Land and Property Rights Tribunal payments. Page 48 of the annual report states that the budget for quasi-judicial bodies was \$53 million higher than budgeted and \$22 million higher than last year, primarily due to increased surface rights payments. How much was paid out in '24-25 to landowners?

Ms Clarke: In '24-25 \$34.2 million was paid to surface rights compensations.

Mr. Schmidt: That's \$34.2 million?

Ms Clarke: It's \$34.2 million.

Mr. Schmidt: Thank you very much for that. How many companies did that represent? Does the department know?

Ms Clarke: It was 496 operators.

Mr. Schmidt: Four hundred and ninety-six operators. Okay. Can the department respond to us in writing with a list of the payments that were owed by company, so 496 operators? Can the department tell us how much was owed by each company and respond to us in writing?

Ms Clarke: I can look into that. If I can, we will. Again, we provide that out, but we will take that away. Yes.

Mr. Schmidt: Okay. Now, what measures did the department take in '24-25 to control these costs?

Ms Clarke: The Land and Property Rights Tribunal does focus on this with landowners. That's the means, as you know, to be able to identify what's paid. The role that we play within the province is to administer that for folks. There is no discretion. If the Land and Property Rights Tribunal directs the minister to pay the money owed to the person, then the minister is legally required to do so, and our role in that equation as a ministry, as a department, is to administer those funds.

Mr. Schmidt: Okay. Understood. Now, it's my understanding that only about a third of Alberta landowners who would qualify for payments from the Land and Property Rights Tribunal actually apply in any given year for surface payments. Has the department done any contingency planning for the eventuality of those other two-thirds of Alberta landowners applying for surface rights payments?

Ms Clarke: Because this is a legislative requirement, there is no direct budget or planning within the budget to be able to account for that. It is something that we are obligated to do. We do recognize and look at the state of play that pressures are driven by continued operator bankruptcies, limited opportunities for debt collection, you know, those kinds of things. We do monitor that, but it is something that we are obligated to pay, so we don't carve out, if that's what you're asking, what the budgetary implications would be.

Mr. Schmidt: Understood.

I'm wondering if the deputy minister can tell us a little bit about the mechanics of the Land and Property Rights Tribunal. I know it's under Municipal Affairs. Can the deputy speak to the current backlog of cases?

Ms Clarke: I cannot. That is under Municipal Affairs.

Mr. Schmidt: No. Okay.

In terms of who is assessed, who's heard first, is it on a first-come, first-served basis? Is it prioritized alphabetically?

Ms Clarke: Again that's a question for Municipal Affairs.

Mr. Schmidt: Okay. Thank you very much for that.

Now, in terms of the operation of the Orphan Well Association does the department have any input into assessing the orphan well levy in a given year?

Ms Clarke: We do not, no.

Mr. Schmidt: No. Even though the department is responsible for paying out \$32 million in operators, you don't . . .

Ms Clarke: That would be referring to two different things, the wells that go into the orphan well program and then the landowner access issue on the surface rights.

Mr. Schmidt: I understand, but the number of orphan wells that are reclaimed annually has a direct impact on the budget line, and being able to reclaim those will lower that statutory cost that the department has. So, you know, by increasing the Orphan Well Association's ability to reclaim these sites, you're actually lowering

your own budget expenses on Land and Property Rights Tribunal payments. My question is whether or not the department has any input into the orphan well levy that's assessed every year.

Ms Clarke: We don't.

Mr. Schmidt: Okay. Thank you very much for that.

Can the department clarify that it's not the department's responsibility to recoup these funds, that when these surface rights payments are paid out, that becomes a debt owing to the Crown and those debts are collected by Finance? Is that correct?

Ms Clarke: That is correct. Yeah.

Mr. Schmidt: Okay. So it would be Finance that sets the policy on whether or not those debts are collected, how aggressively those are pursued, and those kinds of things.

Ms Clarke: That's right.

Mr. Schmidt: Okay. Thank you very much for that.

What is the total amount of money that the department has paid out in surface rights payments since 2010? Does the department know?

Ms Clarke: I don't have that information, but I'm sure we can get that information. We don't have it right now.

Mr. Schmidt: You don't have it right now, but you can submit that in writing. Okay.

With respect to legacy environmental liabilities that aren't oil and gas sites, the department has recommended that the ministry conduct a site-by-site assessment of legacy responsibility. Now, we heard from the AER two weeks ago that they didn't do that work, but they transferred 31 sites to the department in '24-25. Did the department do any work to assess the legacy environmental liabilities that the AER transferred to the department in this fiscal year?

Ms Clarke: Yeah. I'll clarify. By transfer we did agree to assist in the evaluation of these sites. I want to differentiate that from the transfer of the liability. But, yes, 31 sites we did take a look at. The work we are doing based on the Auditor General's recommendations is that we are developing a guidance on how that would work. We have public accounting standards that we have been evaluating against, and we did evaluate 31 against that and have been down to look at three sites in particular that we will advance to more fulsome actual assessment on the ground on what the environmental sites have been. So it is in process to do that fulsome case-by-case analysis.

The Acting Chair: That ends the Official Opposition block.
Government members. MLA Sawyer.

Mrs. Sawyer: Thank you, Madam Chair, and good morning to the department. We have not had the pleasure of meeting yet, so hello.

I'm going to jump into health monitoring, starting with fish and aquatic. Through the chair, in the annual report pages 21 to 29, referencing key objective 1.3 as well as key objective 1.6, it's identifying fish and wildlife, surface water quality, and aquatic indicators as core components of environmental monitoring.

I've got a few questions for you. Can you expand on how fish and aquatic ecosystem health is monitored, particularly downstream of oil sands development? And with respect to that, how is the information reported to ensure that there is transparency and public confidence?

10:20

Ms Clarke: Yes. Thank you for the question. Alberta's aquatic ecosystem is monitored and managed through a structured system that connects our science-driven monitoring design to the reporting and management response. We have environmental management frameworks in place that do ensure surface water quality and quantity is continuously monitored, that conditions are evaluated against data-driven indicators and thresholds, that results are publicly reported, and that action is taken where there are risks identified to the aquatic ecosystem.

During many fish population assessments the department does provide fish to Alberta health for analysis as well. This data is used by Alberta health, and fish consumption advisories are posted on My Wild Alberta where that is deemed to be necessary. Aquatic ecosystem health and fish monitoring is also a component of the oil sands monitoring program.

In terms of transparency that you've referenced, we have annual status of ambient environmental condition reports that are published for water quality and that are produced every year with additional provincial-scale reporting providing the broader context.

We have status of condition reports that are also produced annually with each surface water quality and surface water quantity environmental management framework. In February 2025, focusing here on the '24-25 fiscal year, we published status of condition reports for both air and water, six status of ambient environmental condition reports, two air quality management response reports, and four surface water quality management responses. These are all available on open government.

We also support projects that provide Albertans with real-time data available to them like the data that is on the Alberta air quality health index website so folks can, you know, refer to that and understand the implications for their day-to-day activities. We have our Alberta Rivers app, which provides real-time information about what's happening in our rivers so, again, people can make choices or be prepared for what is to come in their communities.

It's quite a bit of both historical and current data that we do provide out to Albertans.

Mrs. Sawyer: Thank you, Madam Chair. You mentioned that actions are taken when there are risks that have been identified, but can you expand on what those actions are that get taken, and how is the accountability for those actions tracked?

Ms Clarke: Sure. When monitoring does detect a trigger exceedance – for instance, if it's linked to a water management framework, as an example – the first step is to, really, verify that data and assess the trends. We do a trend analysis. We conduct analysis to determine if the conditions are changing from baseline values. That often leads to increased monitoring or more focused studies, again, to really understand what's actually happening and what the, you know, root causes might be.

When a limit exceedance that indicates a higher risk to aquatic health is identified and it's a significant risk, then we do instigate a more formal investigation of cause. We implement management actions. That could be a range of regulatory and nonregulatory tools by various different regulators or operational changes that need to be made. When required, the minister's determination formalizes the need for a department-led response across the GOA.

Accountability is built into the system through transparent reporting, and I've touched on various different means we have to do that. Again, annual status of condition reports, biannual status of management response reports: they do track the actions as well as what's happening. Management responses are also regularly tracked, and follow-up is pursued where that's deemed necessary.

We try to be transparent with what's happening in the system, and a lot of this information is provided on open government.

Mrs. Sawyer: Thank you very much.

Through the chair, I'll move to oil sands environmental monitoring and the transparency and governance surrounding that if we could. It's still on page 21, 22 of the annual report, still on key objective 1.3 on page 29 and 1.6. It's highlighting the increased transparency, the improved reporting processes, and the strengthened governance for environmental monitoring, including the oil sands program. What steps have been taken to ensure oil sands monitoring is transparent, credible, and independent? Again, how is that monitoring data communicated to the public and to the media in order to build that confidence?

Ms Clarke: Well, that actually is a key focus of our oil sands monitoring program, which, as I referenced previously, is a program that typically gets up to \$50 million a year that is derived under regulation from industry. We have open and transparent data management and reporting on environmental conditions. Like, that is key to the program deliverables. That, again, is used not only to provide transparency to Albertans but to inform regulatory assurance, industry improvements, transboundary commitments, and whether or not we're meeting our obligations in that regard, and, of course, regional and subregional plans in the area.

This monitoring evaluation reporting under the program is delivered by Environment and Protected Areas as well as Environment and Climate Change Canada and more than 50 internal and external partnerships, monitoring organizations, Indigenous communities. We have community-based monitoring programs that are included in this as well. It ranges quite substantively from, you know, monitoring evaluation reporting across air, deposition, water, groundwater, wildlife biodiversity, wetlands, and, again, those community-based monitoring activities.

In terms of data available, again, this program produces things for what I'll say are multiple audiences. You can get the actual data if you want to be able to download it and use it and determine for yourself. We produce annual reports about all of our activities, and most recently we did produce a state of the environment report for water, which has kind of knit together and provided trends over time of what's happening in that region.

Mrs. Sawyer: Thank you, Madam Chair. You actually tied that up. My other two follow-ups you actually answered in there, so that's nice. It gives us some time to get in my final question with respect to surface water monitoring and aquatic ecosystem protections.

Pages 21 and 22 of the annual report, objective 1.3, and page 29, key objective 1.6 are highlighting the progress under the Water Act and routine reporting on surface water quality and quantity. Given the increased pressures on Alberta's water resources, how confident is the department that current surface water monitoring and reporting are sufficient to manage cumulative impacts and protect aquatic ecosystems? Are there any identified gaps in monitoring coverage or reporting that need to be addressed?

Ms Clarke: Yeah. Thank you for the question. Certainly, we are committed to continuous improvement, and this is an ongoing evaluation exercise for us, but we are fairly confident that what we have in place does meet that need. Work is, again, ongoing to evaluate and optimize our monitoring and science programs to give that deeper understanding of what's happening in the aquatic environment and, as you noted, the need to manage cumulative effects.

In addition to all of what I've talked about thus far and our monitoring that we have across the province, we do have

partnerships in place with universities – the universities of Calgary, Waterloo, and Lethbridge – that do undertake some evaluation for us as well. Snow, hydrometric, and groundwater monitoring networks have been linked into that partnership that we have. They provide, and we leverage from them, very specialized expertise above and beyond what we have in the department and really serve to provide some seed funding to other types of science opportunities and innovations that we can explore in the system.

As I mentioned, we have a very structured cumulative effects management system whereby we use environmental management frameworks and monitoring evaluation reporting plans. I know I'm going to run out of time, but I do want to highlight that we have five-year ambient aquatic ecosystem monitoring evaluation reporting plans for lakes and reservoirs in place. We had published that one in March of 2025.

The Acting Chair: That ends the government block.

We'll return to the Official Opposition; 10 more minutes. MLA Renaud.

Ms Renaud: Thank you, Madam Chair. My questions will pertain to the report of the Auditor General dated December 2025, assessment of implementation report on the outstanding recommendation on Environment and Protected Areas and Municipal Affairs. The AG's office assessed the implementation of four recommendations, three of which have been implemented. The fourth recommendation reads, "to designate flood hazard areas and regulate development within them."

10:30

Now, what I found alarming in this report on page 2 is the following statement made by the Auditor General. "I am informing the Assembly, that in carrying out the work of my office, I was denied certain information requested to assess the implementation of a flood mitigation systems recommendation to the Department of Municipal Affairs." The 2025 report tells us that Muni Affairs indicated that they had completed an analysis of controlling development in floodways, but they said that their analysis was privileged and would not provide it. Clearly, the audit and the annual report are incomplete, and Albertans will not have access to the information that is designed, actually, to keep them safe.

My question is just, I guess, really simple. Could you help us understand why it is – I mean, I had a look at the Auditor General Act, and I think it was fairly clear about laying out entitled access of that independent office. I'm wondering if you could help us understand. Why is it that the ministry just chose to not respond to this recommendation?

Ms Clarke: To the recommendation?

Ms Renaud: Yeah.

Ms Clarke: Yeah. In terms of the recommendation, we were able to advance and complete a number of the recommendations that were outlined there. When we look at putting in place those regulations around hazard areas, that is something that is the responsibility of municipalities, that they are responsible for doing.

What we have focused our efforts on are things like investing in flood mapping across the province, and we've already shared a bit of how much has been mapped across the department. When we look at what has been adopted by municipalities, the vast majority of them, more than 80 per cent of them that have mapping within their communities, have adopted those into their bylaws, so they are making decisions on the basis of these flood maps. The province has invested \$125 million . . .

Ms Renaud: You know, I'm going to stop there and maybe I'm going to turn over to the Auditor General. I know that both in the annual report and in the 2025 special report we heard pretty clearly about what the risks were about, you know, just ignoring this recommendation altogether. I'm wondering if the Auditor General could speak to this. I think the ministry is sort of letting us know that there's nothing to see here; there's nothing to worry about. The Auditor General is telling us that indeed Albertans' safety and their finances are at risk. I'm wondering if you could explain this gap to us because I'm a bit confused.

Mr. Peters: Of course. Thank you, hon. member. Well, I think how we approach our work is that it begins with looking at the authority of the government, of the particular ministers that frames the program or the authority, and it's section 96 of the Water Act where we initially turn to the minister of environment to understand their process to mitigate the risk.

I appreciate the complexity of this particular area where the department of environment is working with Municipal Affairs and municipalities. There are a few different factors at play, but at the end of the day between the different departments there's a financial risk that we've kind of flagged in our report that needs to be considered in the process. You know, if you look at the 2013 floods, that was a lot of money that was paid out, and our objective is always around helping government improve such that if floods should happen again, we're better prepared and we can mitigate that risk. So that's what we're leaning into – those kind of dollars kind of jump out at us – and also with a lens on particular properties that should be considered, particularly given additional development that's happened since 2013.

Ms Renaud: When I read the report, maybe I misunderstood something. I sort of took this with some urgency, that failure to implement the recommendation – that there were pretty significant risks to communities right across the province, to personal wellness and personal financial safety. You know, I took that seriously when I read this, but I'm hearing from the ministry that it's all good; there's really nothing to worry about. So there's really a disconnect, and I'm wondering: is this a recommendation which the ministry is choosing not to implement? This is something that we continue to ask about because I don't really understand the difference.

Mr. Peters: Fair enough, and I'll ask Eric to weigh into it a bit more. I appreciate this is a bit of a protracted discussion over years and our reports back and forth to the department, and I appreciate their efforts trying to weigh into the space. It is complex, but it's a significant matter, and we're seeing gaps where we continue to raise it because we're not satisfied. We're not seeing the evidence that suggests to us that the risks are mitigated.

Eric, do you want to weigh in a bit more?

Mr. Leonty: I mean, I think the starting point when this recommendation was made is under the premise of, you know, keeping people away from the water rather than trying to keep the water away from people, right? It wasn't a recommendation to regulate for regulation's sake. It was to deal with the inherent risk of ongoing incremental development in flood hazard areas. The other recommendations that were implemented: you can see, whether it's, you know, flood hazard mapping mitigation efforts, there's a lot that's been done and invested in order to achieve those things, but the inherent risk of incremental development remains.

When we were looking at the analysis, you know, the Municipal Affairs bit: we never saw it. But EPA: we did see the analysis, and a number of things were highlighted. An example would be, like, the expectation of a national flood insurance program. If that

doesn't come to fruition, what does that mean for financial risk for the province? Things like disaster recovery program caps on how much would be spent.

We would expect that there would be some measurement or consideration on whether those efforts are working. If there is a reliance on municipalities to institute, you know, bylaws, use hazard assessment tools or flood mapping, is there evidence that that's actually having the desired effect on those developments and behaviours? Because, of course, stuff that's already there: it's a lot more complicated. We note in our report that even in the two-, three-year window that Municipal Affairs had numbers, it was over \$1 billion in incremental development. Is that satisfactory for a financial risk, public safety risk perspective? There was an analysis, and no ongoing work to conclude on that.

Ms Renaud: Wow. Okay. Thank you for that answer. That was a lot.

Thank you for pointing out, I mean, that there are other things going on other than, you know, looking at the development areas, their infrastructure, the grants, certainly the flood mapping. I think understanding that this government recognizes that not all municipalities are the same and not all have the same ability and skill and sometimes they change over every four years and bylaws change and things get complex, so to have a set of standards across the province, seems to me, would be quite helpful. We've seen this government do that in terms of code of conduct or ethics, so they see the value in establishing sort of a baseline for municipalities. Based on the comments from the Auditor General, is this something that this particular ministry is just no longer interested going forward?

Ms Clarke: To be clear, we do take this very seriously, and we are quite interested in what the impact of flood and drought is across Alberta.

I do want to be clear. Under the legislative framework that we have, we typically don't go in and occupy regulatory authority of municipalities in spaces. There is some authority under the Municipal Government Act to do that, and we do believe that the municipalities are placed with the authority to be able to leverage that. Again, I certainly wasn't saying, "Nothing to see here," as you've indicated. What I was saying is that our contribution has been to equip municipalities with the information they need to make land-use decisions.

Ms Renaud: Would you say that the municipalities ministry has the same expertise around environment and flood mitigation that this ministry does?

Ms Clarke: Well, you'd have to consult Municipal Affairs. Obviously, we have a level of expertise within EPA.

Ms Renaud: Okay. Thank you.

The Acting Chair: Okay. We'll move to the government 10-minute block. MLA de Jonge.

10:40

Ms de Jonge: Thank you, Madam Chair, and good morning, everyone. I want to talk a bit about aquatic invasive species. This is an issue I'm really passionate about because my constituency is home to one of our great irrigation districts. As you know, Alberta hosts about 80 per cent of the irrigation infrastructure in all of Canada just in the south of our province. It's really important for our farmers, for producers, and we've made substantive investments as a government in this infrastructure, so it needs to be preserved. An aquatic invasive species, especially quagga and zebra

mussels, can have a huge impact on these systems, so I'm very interested in having a discussion about this today and just seeing how we're focusing on this.

In my community, Chestermere, we have the WID reservoir 1, also known as Chestermere Lake. We have boaters coming into the lake, of course, with their recreational watercraft. If they're coming from other jurisdictions that have invasive aquatic species like zebra mussels and they attached to the watercraft and if they're not inspected before going into the lake, that can have huge detrimental effects on our water infrastructure and to the health of our ecosystem. I was very happy to see that, you know, in recent years our government really picked up a focus on this. In fact, I think we had announcements about our prevention efforts in response to this right at Chestermere Lake, and I was glad at the time minister Schulz came out to our constituency for that.

The annual report does talk about this on page 29, key objective 1.6. It highlights Alberta's role in monitoring and protecting fish and aquatic ecosystems, including responding to emerging environmental risks, which, I would say, these invasive species are. My first question through Madam Chair to you, Deputy, and your team is, you know: what measures are in place currently to prevent the introduction and spread of aquatic invasive species? I'm also interested to know: how effective were the rapid response efforts in the year 2024-25, and can you provide examples of outcomes from recent interventions? Yeah. How is success measured? That's really important as well. How is it reported, and how do we ensure accountability and public confidence in these measures?

Ms Clarke: Absolutely. Thank you for your passion in it. As you probably know, we have a keen champion in our minister, Minister Hunter, for aquatic invasive species, so thank you for your question. Our aquatic invasive species program has five pillars that focus on prevention, monitoring, and response to aquatic invasive species. It includes our policy and legislative framework, a real focus on education and awareness, monitoring the actual inspections and decontamination and K-9 units that we have, and then our overall response. We'll talk a little bit about each of those.

Watercraft inspections: first and foremost our critical line of defence against new introductions and secondary spread. Inspections are not limited to invasive mussels, though those obviously are concerning in terms of the level of impact. They are designed to intercept a broad range of aquatic invasive species, so fish, plants, invertebrates, fish disease. A broad range.

Beyond inspections we very much focus on education and awareness. It's very important that Albertans understand what they can do to help prevent the spread of invasive species in our local water bodies. The program actively monitors for four priority species using water sampling methods and has recently strengthened detection capacity with environmental DNA, which does allow for the identification of over 30 invasive species directly from water samples without the need to locate individuals. Once an aquatic invasive species is detected, the program works collaboratively with responsible authorities and land or water body managers to implement appropriate responses at containment, control, or eradication where feasible. The widespread goldfish detection is an example of that challenge. We've dealt with that in the past in some of our municipalities.

To further strengthen the response, we have a response trailer that has been acquired that supports partnered on-the-ground responses. Options are being explored to look at: how do we sustain this level of capacity longer term? As I mentioned, this coming year we will have 12 stations in place and quite a few inspectors on the ground.

In terms of how effective the rapid responses were for '24-25 specifically, of course, we were very much focused on prevention in

'24-25, including the inspections, the hot wash, and decontamination continuing to be a priority.

We completed 13,408 watercraft inspections in '24-25 for AIS. While we focused on invasive mussel prevention, the inspections really stop all invasive species, including, like I said, plants, invertebrates, fish disease, that sort of thing. There were seven watercraft inspection stations on major highways, points of entry, and a roving crew in this year that we're talking about today. The number of detected watercraft inspectors grew that year from 35 to 50 in 2024, and we've maintained that level of focus. There were 15 mussel-fouled watercrafts detected in '24-25, including a large mussel-fouled barge that was entering the province for use for a construction project.

Also, a key feature of our program that we enhanced that year was increasing the fine, so a \$4,200 fine for bypassing an open watercraft inspection station and a \$600 fine for failing to remove a drain plug during transport of watercraft along Alberta highways. For the enforcement activities in 2024, 22 violation tickets were issued. Four written warnings were issued for failing to stop for inspection, and one violation ticket and 19 warnings for a failure to remove the plug. So in addition to prevention and monitoring we've also enhanced our enforcing capabilities in 2024 as well.

I think you asked about how success was measured. Again, I think the biggest sign of success for us in this program is that nothing happens, so that sometimes can be a little bit more difficult to measure. But we do report regularly, as you can see with some of these stats, on what we're seeing happening on the landscape, on the risk evaluation that we've done.

Each year we confirm that no invasive mussels have entered the province. That's a sign of success. We are focused on prevention, which is more difficult to assess fully, but we look at the programs and how receptive folks are being to things like clean drain dry practices, don't let it loose, pull-the-plug behaviours, those sorts of things. Again, we think that it is working very effectively, generally speaking. We have folks that are very keen to adhere to the requirements of our program.

Ms de Jonge: Thank you, through the chair. I'd agree. Minister Hunter is very passionate about this, and I was previously part of a committee, a task force, that looked at this, and this led to some of the recommendations.

I actually had the chance to meet a very important member of your team, Hilo, which is part of the conservation K-9 unit. He has a very important . . .

Ms Clarke: And two more are in recruitment.

Ms de Jonge: Oh, great. That's excellent.

For the committee members that don't know, these are dogs that are trained to sniff out these mussels on watercraft, which are something that's very hard to find and to get to.

Well, I'm really glad to hear that there is this focus on prevention. Through some of our work on transboundary organizations, you know, we go to jurisdictions where they're dealing with this. Of course, they have this regret that they didn't put the focus on prevention when they still had the chance because it's almost impossible to remove them from water bodies once they're introduced. I'm really glad to see that this is a focus of the department and the ministry and the government as well.

You know, I don't think I'll have enough time to get to my second topic, but just to emphasize the importance of education around this, I do still meet people who are, like, boaters who go to other jurisdictions with their boats for family holidays. They still don't understand the importance of pulling into that checkstop and

checking their watercraft thoroughly, so getting the word out, doing more public education is really important.

I guess with that we're out of time, but it's a very important topic to dwell on. Thank you for your work here.

The Acting Chair: Okay. We are on to the final, fifth rotation, but this one is different because during this final round members are reading questions into the record for a written response, so no need for the department to respond live and in the moment.

With the Official Opposition, MLA Eremenko to begin.

10:50

Member Eremenko: Thank you, Madam Chair. Two quick questions. I'm hoping that the ministry can provide a written update concerning the extent of monitoring and the results of that monitoring for the fiscal year in question pertaining to the Calgary creosote site that now belongs to Domtar, both on the south side of the river as well as the north side in West Hillhurst.

My second question is concerning the Land and Property Rights Tribunal. How many of the cases that the tribunal heard that resulted in direction to pay were as a result of insolvent operators versus delinquent operators, please?

Ms Renaud: Okay. Environment concluded that designated flood hazard areas under section 96 of the Water Act would only prevent provincial projects or funding in these areas, but the department didn't evaluate the extent of the provincially funded projects in flood hazard areas or the additional costs. One example given by the AG was a project called Willow Square health facility in Fort McMurray. Can the department explain to the committee how this large gap in financial risk analysis is in the best interests of Albertans and the people of a flood-prone area like Fort McMurray?

The ministry states that development decisions on flood protection and mitigation are within the jurisdiction of communities within Alberta; however, the government assumes most of the financial risk in case of damage to property and flooding. Would the department clarify the extent of the government's responsibility in the event of flooding, and what steps does the ministry take to minimize these financial risks?

Mr. Schmidt: I have some questions on the government management of legacy environmental liabilities. How many legacy sites has the ministry currently accepted responsibility for, and what is the estimated liability associated with those sites? Can the ministry clarify how it plans to fund the closure work for the sites that it has accepted responsibility for?

The ministry indicates that it manages 2,600 sites along with the AER. Can the minister provide a breakdown of those 2,600 sites and clarify how much cleanup work is necessary on those sites?

That's all for us.

The Acting Chair: Thank you very much.

Over to government members. MLA Cyr.

Mr. Cyr: Thank you, Madam Chair. I'd like to add that the annual report page 32-33, key objective 2.1 references the allocation of \$50.5 million over five years from 2024 to 2029 to the Industrial Heartland designated industrial zone. How is this investment supporting job creation, attracting new investment, and streamlining regulatory approvals? How has this initiative improved the streamlined regulatory approvals? Is the department considering expanding this model to other regions, and what criteria would guide this decision?

The annual report pages 32-33, again, key objective 2.1 references \$5.7 million in spending on the digital regulatory

assurance system. How will this investment improve the efficiency and effectiveness of the department's regulatory assistance system? Can the department provide concrete examples of outcomes or use cases? How is the success of this investment being measured and reported?

The annual report page 25, key objective 1.4 highlights Alberta efforts in fish management and expanding angling opportunities through youth education and stewardship initiatives. What investments were made in fish management and angling programs from 2024 to 2025? How have programs such as fish in schools and kids can catch trout pond contributed to youth education and stewardship? What outcome and participation metrics demonstrate the success of these initiatives? Are there plans to expand the programs to other communities across Alberta?

The annual report page 36, key objective 2.5 highlights increased investment in land-use planning and habitat restoration. Notably, \$38.1 million was allocated for caribou recovery in 2024-25, up from \$15.7 million in 2022-23, and \$15 million was allocated for land-use planning, up from \$9.8 million. Can the department expand on how this increased funding is used to advance caribou recovery and habitat restoration outcomes? What performance metrics are used to measure the success of these initiatives? How does the department track progress over time against these metrics? How are results reported to demonstrate accountability and value for money? Are there established targets or benchmarks for success, and are they being met?

I have lots more questions, but unfortunately, I just ran out of time. Thank you, Madam Chair.

The Acting Chair: Thank you very much, committee members, for all of your questions.

Thank you to the department officials, the Ministry of Environment and Protected Areas, as well as all of the public servants who supported the work that happened here today. Thank you to the office of the Auditor General for being here to respond to questions as well.

We ask that any outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk. You are welcome to stay for the remainder of the meeting if you wish to. We are moving on to other committee business. I will flag for the Auditor General team that the next item of business is the fall meeting schedule, which may be of interest to you.

Moving on to the subcommittee on committee business report, the subcommittee met on April 21 with officials from the office of the Auditor General to discuss and make recommendations with respect to the committee's fall meeting schedule. The report of the subcommittee was posted on the internal committee website last week. The subcommittee recommended that the committee meet with six ministries to review their most recent annual reports and related reports from the Auditor General. The recommended list is the Ministry of Infrastructure, Ministry of Technology and Innovation, Ministry of Hospital and Surgical Health Services, Ministry of Treasury Board and Finance, Ministry of Primary and Preventative Health Services, and Ministry of Executive Council. I will note there are only five sitting weeks in the sessional calendar this fall, so a meeting with Ministry of Executive Council would most likely be the first meeting up next spring.

Before we begin discussions about the fall meeting schedule, do members have any comments or questions about the report?

Mr. Cyr: I'd like to move a motion.

The Acting Chair: Oh, I will accept a motion, please.

Mr. Cyr: Thank you. Moved by myself that the Standing Committee on Public Accounts invite the following ministries to appear before the committee to respond to questions regarding each ministry's most recent annual report responsibilities under their purview during that reporting period as well as reports of the Auditor General relevant to the responsibilities of the ministry: (1) the Ministry of Forestry and Parks, (2) Ministry of Technology and Innovation, (3) Ministry of Hospital and Surgical Health Services, (4) Ministry of Treasury Board and Finance, and (5) the Ministry of Primary and Preventative Health Services.

The Acting Chair: Thank you very much for moving that motion. If I can have you read those again because that does not match the report that we were just talking about that had met. As I understand it the chair and deputy chair had come to an agreement. I heard you say Forestry and Parks as one. Could you repeat numbers two and on, please?

Mr. Cyr: The Ministry of Technology and Innovation, the Ministry of Hospital and Surgical Health Services, the Ministry of Treasury Board and Finance, the Ministry of Primary and Preventative Health Services.

The Acting Chair: Okay. We have a motion. It's not up on the screen just yet. I know our committee clerk is working on that.

As we wait for that to be put up on place, just to facilitate the discussion, by my read the change between the report that has been posted and the motion that is moved is Forestry and Parks as number one instead of Ministry of Infrastructure and Executive Council as number six has been removed.

Is there any discussion on the motion as proposed? MLA Schmidt.

Mr. Schmidt: Thank you.

Mr. Cyr: Could you give me the opportunity to speak on my motion first?

The Acting Chair: Thank you very much. I appreciate your patience. Please motivate your motion.

Mr. Cyr: All right. Well, thank you very much. I recognize that the subcommittee has met, and I respect the hard work that both our side and the opposition has done. One of the things I'd like to point out is that Infrastructure is by far a very important ministry, and I believe that we all would like to see Infrastructure. Having said that, Forestry and Parks is something that I think is very important, especially in this day and age of the wildfires that we're experiencing today.

I know that for myself, in 2024 we had the air show, Cold Lake Air Show, and with the thick smoke that was happening during that time it actually grounded all the aircraft. That was a 100-year celebration that we had had. We also just recognized yesterday, both the opposition and government, the 10-year anniversary of the Fort McMurray fire, which was very, very tragic. I would hope that in the fall session we start to look at what exactly it is that Forestry and Parks has accomplished in this important file. I know that for my area, and I would hope that I could convince my fellow colleagues that this is actually more pressing. While the infrastructure is important, Forestry and Parks is something that is affecting all Albertans, including Edmonton and Calgary, who have to deal with the air quality concerns that are going forward.

11:00

I also would like to say that it was acknowledged by the chair that the subcommittee had booked six ministries but only has five sitting

days for us to be able to do it. I believe limiting us to the five days that we'll be sitting is important, and if the subcommittee wants to move forward and bring other additional ministries to the following spring session, then they would absolutely be able to do that.

At this point I believe this is a very reasonable request, and I would hope that I could, I guess, convince my fellow committee members that this is a good motion.

The Acting Chair: Thank you.

MLA Schmidt.

Mr. Schmidt: Well, thank you. It shouldn't come as a surprise to the member that we're not convinced by his arguments for a couple of reasons. One, obviously the deputy chair negotiated with our chair in bad faith. They proposed a schedule that both sides had mutually agreed upon, and then the member walks in and throws that out the window, so we can't trust the member when he says anything with respect to the operations of this committee. So there's that.

Secondly, had at any point over the last seven years any of the government members done anything to hold any of the departments that have appeared before this committee to account, maybe I'd buy the argument that it's good to bring forestry in front of the committee and talk about wildfire response, but what we've seen from government backbenchers over and over again is prewritten questions, prewritten answers on behalf of the department that are designed to highlight government talking points and avoid any serious accountability or scrutiny on behalf of the department. The member's argument that all of a sudden we're going to hold Forestry and Parks accountable for any potential wildfire management issues beggars belief.

On that note, just last week we had public safety wherein we questioned the management of the Jasper wildfire, and that very member raised several points of order when I dared to try to hold the department accountable for their failures in managing the Jasper wildfire, so you know, this is a garbage argument.

I'm going to propose an amendment to the motion, that

- (1) "Ministry of Forestry and Parks" be struck out and replaced with "Ministry of Infrastructure,"

for all of the reasons that we had brought forward in the negotiations with the deputy chair. I would certainly hope that the government backbenchers, you know, try to restore their integrity and trust and actually fulfill the promise that they made to us in the subcommittee meeting and vote for the amendment.

The Acting Chair: We have an amendment. The committee clerk will write that amendment up. As I understand it, it is replacing "Forestry and Parks" from this motion with "Ministry of Infrastructure."

While the committee clerk types that up, I will see if there are any others wishing to speak to this amendment.

Mr. Lundy: I'll speak to this or the motion.

The Acting Chair: MLA Lundy. To the amendment.

Mr. Lundy: Sure. To the amendment. Well, it's part and parcel, I think, the same thing, so I'll maybe shed some light on the process. I will be voting against the amendment and supportive of my colleague's motion. I just want to add a little context. When the chair and I met as a subcommittee, as you can see on the screen and in the motion put forward by my colleague, we easily reached agreement on four of the ministries which we have on our list here,

and my comments to the chair at the time were, you know, that I'm happy to test the will of the committee on our full list. That, I felt, was more appropriate than perhaps the chair and I working in confrontation during the subcommittee meeting and to trust my colleagues to make arguments and motions and proposals, which my colleague has done. I think it's an important part of this process.

Speaking directly to this amendment, I would not be supporting the amendment.

The Acting Chair: Okay. Thank you, Mr. Lundy.

MLAs, I will just say that I'm here in the role of acting chair, for those who may be observing the committee. When talking about the chair and these meetings, that was not myself, so I can't speak to that.

MLA Schmidt.

Mr. Schmidt: Thank you, Madam Chair. I just want to clarify for the dozens of people who are watching this committee what actually happened. The deputy chair came to the subcommittee meeting, I presume agreed with the chair on the list of proposed departments to come forward, and then the Premier caught wind of Infrastructure coming to the Committee on Public Accounts and didn't like it because Infrastructure is up to its ears in scandal and corruption. That's exactly what's going on here, that these government backbenchers are now complying with the will of the Premier to refuse to bring scrutiny to the Infrastructure department, and they should all be ashamed of themselves for covering up the corruption and scandal that is going on in that department.

The Acting Chair: I'm looking for any other comments on the amendment to the motion. Seeing no other discussion – I'm just making sure that we've got the correct amendment before we come to a vote, so I'll give the committee clerk just a moment. We are just confirming that the formatting is correct before we vote.

Okay. With that now being correct on the screen, seeing no further discussion, all those in favour of the amendment? All those opposed?

That amendment has been defeated.

We are now discussing the main motion again. Are there any comments or discussion on the main motion? Okay.

Seeing no further discussion on the main motion, all those in favour? All those opposed?

That motion has been carried.

Other business. The committee received written responses to questions asked at meetings with the Ministry of Affordability and Utilities on March 24 and the Ministry of Education and Childcare on March 31. The responses were posted on the committee's internal site and, following the committee's usual practice, will be made publicly available on the Assembly website.

Are there any other items for discussion today?

Seeing none, the committee's next meeting will be on May 12 with the Ministry of Assisted Living and Social Services.

I will call for a motion to adjourn. Would a member move that on May 5, 2026, the meeting of the Standing Committee on Public Accounts be adjourned?

Ms Lovely: So moved.

The Acting Chair: MLA Lovely. All in favour? Any opposed? That motion is carried. The meeting is adjourned.

Thank you.

[The committee adjourned at 11:08 a.m.]

