



Legislative Assembly of Alberta

The 31st Legislature  
First Session

Standing Committee  
on  
Resource Stewardship

Ministry of Environment and Protected Areas  
Consideration of Main Estimates

Thursday, March 13, 2025  
9 a.m.

Transcript No. 31-1-17

**Legislative Assembly of Alberta  
The 31st Legislature  
First Session**

**Standing Committee on Resource Stewardship**

Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Chair  
Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair  
Al-Guncid, Nagwan, Calgary-Glenmore (NDP),\* Acting Deputy Chair

Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)  
Boitchenko, Andrew, Drayton Valley-Devon (UC)  
Calahoo Stonehouse, Jodi, Edmonton-Rutherford (NDP)  
Dyck, Nolan B., Grande Prairie (UC)  
Eggen, David, Edmonton-North West (NDP)  
Hunter, Grant R., Taber-Warner (UC)  
Yao, Tany, Fort McMurray-Wood Buffalo (UC)

\* substitution for Heather Sweet

**Also in Attendance**

Elmeligi, Sarah, Banff-Kananaskis (NDP)  
Schmidt, Marlin, Edmonton-Gold Bar (NDP)

**Support Staff**

Shannon Dean, KC	Clerk
Trafton Koenig	Law Clerk
Philip Massolin	Clerk Assistant and Executive Director of Parliamentary Services
Nancy Robert	Clerk of <i>Journals</i> and Committees
Abdul Bhurgri	Research Officer
Rachel McGraw	Research Officer
Warren Huffman	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Christina Steenbergen	Supervisor of Communications Services
Amanda LeBlanc	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Resource Stewardship**

### **Participants**

Ministry of Environment and Protected Areas

Hon. Rebecca Schulz, Minister

Tom Davis, Assistant Deputy Minister, Resource Stewardship

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.

Thursday, March 13, 2025

[Mr. Rowswell in the chair]

**Ministry of Environment and Protected Areas  
Consideration of Main Estimates**

**The Chair:** I would like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Environment and Protected Areas for the fiscal year ending March 31, 2026. I'd ask that we go around the table and have members introduce themselves for the record. Minister, please introduce your officials who are joining you at the table.

My name is Garth Rowswell. I'm the MLA for Vermilion-Lloydminster-Wainwright. We'll continue to my right.

**Ms Armstrong-Homeniuk:** Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville. Good morning, everybody.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**Mr. Hunter:** Grant Hunter, MLA for Taber-Warner.

**Mr. Dyck:** Nolan Dyck, MLA for Grande Prairie.

**Ms Schulz:** I am Rebecca Schulz, Minister of Environment and Protected Areas. Joining me today are my deputy minister, Sherri Wilson; Mr. Ryan Fernandez, assistant deputy minister of financial services and senior financial officer; Mr. Tom Davis, assistant deputy minister of resource stewardship; and Mr. Patrick McDonald, assistant deputy minister of air, climate, and clean technology.

**Dr. Elmeligi:** I'm Sarah Elmeligi, MLA for Banff-Kananaskis and the minister's shadow minister for Environment and Protected Areas.

**Member Calahoo Stonehouse:** Jodi Calahoo Stonehouse, MLA, Edmonton-Rutherford.

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

**Ms Al-Guneid:** Nagwan Al-Guneid, Calgary-Glenmore.

**The Chair:** I'd like to note the following substitutions for the record. Ms Al-Guneid is substituting as deputy chair for Ms Sweet.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard*. Committee proceedings are live streamed on the Internet and broadcast on Assembly TV. The audio and video stream and transcripts of the meeting can be accessed via the Legislative Assembly website. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the main estimates for the Ministry of Environment and Protected Areas will be considered for three hours. Standing Order 59.01 sets out the process for consideration of the main estimates in the legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for this meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry officials at the table.

For each segment of the meeting blocks of speaking time will be combined only if both the minister and the member speaking agree. If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the main

estimates schedule and the committee will adjourn. Should members have any questions regarding speaking times or rotation, please e-mail or message the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Okay. We will do that.

Ministry officials who are present may, at the discretion of the minister, address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times. Points of order will be dealt with as they arise, and individual speaking times will be paused. However, the block of speaking time and the overall three-hour meeting clock will continue to run.

Any written materials provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members. Finally, the committee should have the opportunity to hear both questions and answers without interruption during estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between a member and the minister.

I would now invite the Minister of Environment and Protected Areas to begin with your opening remarks. You have 10 minutes.

**Ms Schulz:** Thank you very much, Mr. Chair, and good morning, everybody. It is wonderful to be here this morning to present the highlights for Environment and Protected Areas' 2025-2026 budget. In addition to my officials joining me at the table, we are also joined in the gallery by Ms Kate Rich, assistant deputy minister of water and circular economy; Mr. Travis Ripley, assistant deputy minister of regulatory assurance; Ms Sarah Carr, assistant deputy minister of strategy and integrated services; Mr. Andrew Horton, assistant deputy minister of lands; and Mr. Tom McMillan, director of communications.

Before I go into this year's budget details, I'd like to just provide a brief overview of our ministry. The Ministry of Environment and Protected Areas plays a critical role in supporting the health and sustainability of our province. The department works year-round to protect and enhance the environment and ecosystems across Alberta while supporting economic prosperity, quality of life, and a sustainable future for all Albertans and future generations. Alberta has a long and proud legacy of environmental leadership. We continue to work to position our province as a leader both within Canada and around the world when it comes to environmental management, conservation, stewardship, and sustainable development.

Alberta's environmental track record is second to none. We have the largest continuous area of boreal protected forest in the world, the largest area of remaining natural grasslands in Canada, and one of the largest environmental monitoring programs anywhere on the planet. Using a common-sense, Alberta-focused approach, Environment and Protected Areas is building on this legacy. The department is working hard to meet the needs of communities, Indigenous peoples, and job creators while supporting conservation in many different ways. More details will be shared throughout today's discussion, of course, but it's clear that progress is happening right across our province.

During the past few years, we've added thousands of acres of caribou and bison habitat while overseeing recovery programs that

have grizzlies, peregrine falcons, and many other species on the rise. Every day we plant more trees, restore more habitats, and help species to recover and do this by working closely with communities and groups across the province.

We are proud of Alberta and our role in the world. Through Budget 2025 we'll continue this important work, investing in critical and effective programs that protect, conserve, and sustainably manage our environment while supporting a strong economy and without putting people out of work. In Budget 2025 our government is investing in the things that matter to Albertans. Our operating expenses this year are \$514 million, which is \$106 million more than last year. That is mainly from TIER revenue increases. This budget continues making the strategic environmental investments needed to sustainably manage our air, water, land, wildlife, and biodiversity today and for generations to come.

For example, Alberta has one of the best environmental management systems in the world, and we take air and water quality very seriously. Through this year's budget we're investing over \$72 million on environmental research and monitoring, which includes nearly \$55 million for the oil sands monitoring program. This program specifically is one of the largest environmental monitoring programs anywhere and makes the oil sands area one of the most closely monitored regions in the world.

Beyond the oil sands, over \$23 million in funding is allocated for environmental science, monitoring, evaluation, and reporting work, including approximately \$6 million for the air-quality monitoring network, over \$5 million in capital funding for new and upgraded equipment, as well as \$6.7 million to support water quality monitoring right across our province.

Budget 2025 also continues our common-sense approach to reducing emissions while increasing responsible production. Energy affordability, security, and reliability are more important now than ever, and our industry continues to do its part to reduce emissions. To support this, we'll be investing \$192 million from the TIER system for new projects and programs that will support jobs, support our environmental goals, reduce emissions, and help communities and industry to become more energy efficient.

We are also investing in wildlife and biodiversity. Through this budget just under \$74 million will be invested into managing and supporting wildlife conservation, of which \$40 million will be allocated for caribou recovery this year. That is a \$2.3 million dollar increase from '24-25 and will support continued caribou habitat restoration projects, including reducing the legacy seismic footprint. More than 4,000 kilometres of legacy seismic lines have already been treated and assessed in caribou ranges. This is done in partnership with local Indigenous partners and others. By investing in replanting, we are restoring critical habitats while also creating jobs and supporting local economies.

We are also upping our fight against invasive aquatic species. These tiny invaders can devastate ecosystems, waterways, and local economies. That is why we are making a significant investment of almost \$7 million into the program to ramp up protections this year. These are necessary investments to protect Alberta's water infrastructure and prevent hundreds of millions of dollars of damage. Mr. Chair, I'd also like to thank the MLA for Taber-Warner for chairing our committee on this important work and providing some of the recommendations that have led to this increase in this budget line item this year.

Of course, as Alberta's population grows, additional water storage infrastructure is also needed, so we're investing \$5 million over three years for the water storage assessment program. This will build off our province-wide review to help us better understand and evaluate existing and future water storage opportunities throughout

our province. We're also continuing the drought and flood protection program with \$25 million allocated this year and just under \$3 million to improve flood mapping. These programs are funded today, but of course, Mr. Chair, they have long-term impacts. They're critical for helping to protect homes, businesses, and lives from droughts and floods.

#### **9:10**

Budget 2025 also includes \$8.7 million for the wetland replacement program and \$3.5 million for watershed resiliency and restoration projects that will help restore lost wetlands and protect watersheds through community-led projects that help increase resilience to floods and drought.

We also know that emergencies can happen, and we are ready to support Albertans as needed. Through Budget 2025 Environment and Protected Areas is investing \$18 million for emergency preparation and response. We've also allocated \$1.6 million over three years to design and purchase a mobile air-monitoring lab that will be used for responding to emergency air-monitoring requests.

Other key investments within this budget include \$22.2 million for conservation programs, including \$10 million for the land stewardship fund in '25-26; \$13 million will be invested this year to establish new land-use plans and review existing ones; over \$6 million will go to support species at-risk programs, including recovery work for sage grouse, bats, wood bison, and others.

Our province is making great progress on reducing emissions. We've taken a different approach than other levels of government, one of working with industry, not one of job-killing rules and regulations. Budget 2025 maintains our commitment to the TIER program, which supports technology and innovation and ultimately helps keep Alberta businesses competitive. In '25-26 the TIER fund will invest \$646 million over three years to fund a range of technology and initiatives that support emissions reduction, climate resiliency, and deficit reduction, including important carbon capture and storage projects like the Quest and Alberta carbon trunk line projects and the Hydrogen Centre of Excellence. This funding also includes over \$192 million in investments in innovation and technology through my department, including continued support for Emissions Reduction Alberta.

It also includes over \$154 million to support the Alberta carbon capture incentive program deficit and debt reduction. Alberta is already a global leader in carbon capture utilization and storage, with more than 14 million tonnes already safely and permanently stored underground. Jurisdictions around the world look to us as a leader in this technology. The Alberta carbon capture incentive program will cover 12 per cent for new eligible capital costs for eligible projects and is expected to generate \$35 billion in investment and 21,000 jobs by 2035 in Alberta.

Our province continues to be a place of innovation, attracting some of the world's most ambitious projects. That includes Dow's net zero project, Air Products' net zero hydrogen plant, and Heidelberg's revolutionary carbon-neutral cement plant, which are all being built right here in Alberta.

In Alberta we are delivering the materials and resources that the world needs while doing the right thing for the environment and keep keeping people working. This budget continues that momentum.

Now, with my remaining time I'll provide a brief overview of our two outcomes that make up the '25-28 business plan. The health and integrity of Alberta's environment and ecosystems are vital to Albertans' well-being. The first outcome is protecting Albertans from the adverse effects of environmental conditions and events. To achieve this, we are committed to six key objectives outlined in the plan. That includes maintaining and strengthening our land-use

planning system and approaches, strengthening environmental resource stewardship and conservation, developing and implementing ways to make water more available to support our growing economy and communities while also mitigating the impacts of flood and drought and preventing aquatic invasive species from entering into our province.

**The Chair:** Thank you very much, Minister.

Member Boitchenko, if you could introduce yourself for the record.

**Mr. Boitchenko:** MLA Boitchenko, Drayton Valley-Devon.

**The Chair:** Thank you very much.

We will now begin the question-and-answer portion of the meeting. For the first 60 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block, both in the committee room and in Microsoft Teams.

Who would be initiating speaking? Okay. Member Elmeligi, would you like to share time?

**Dr. Elmeligi:** I would like to. Are you okay with that, Minister?

**Ms Schulz:** Absolutely.

**The Chair:** Okay. We'll continue on. The block of shared time is 20 minutes, during which time you may go back and forth with questions, comments, or responses. However, neither participant may speak for longer than 10 minutes at a time.

Please go ahead.

**Dr. Elmeligi:** Thank you very much, Mr. Chair. Thank you, through the chair, to the minister for that amazing overview. One of the things that continually astounds me about this portfolio is how much is going on. I'm sure that you can all appreciate that I have more questions than time today. I hope, through the chair to the minister, that you'll be okay if I try to just move us along if we go down a rabbit hole, so to speak. I'm not going to ask about rabbits, though; beavers maybe.

I'm going to start the questioning today by talking about the land-use planning cumulative effects. This is a big part of what the environment ministry does. I think it also helps to set the stage for some of, like, the larger, overarching issues in the ministry. Objective 1.1 in the business plan is to strengthen land-use planning and cumulative effects management approaches to advance environmental standards expected by Albertans. Most of my questioning kind of fits under that objective. The land-use framework promised to set and integrate economic, environmental, and social outcomes through cumulative effects management, yet after 15 years four plans are yet to start, one is still in the consultation phase, and only two have been approved.

Key objective 2.4 of the business plan on page 59 speaks to continued implementation of the land-use framework, regional plans, and creating new plans. Land-use planning and the regional plans are essential to guide development in Alberta to meet this objective. The budget actually reduces funding for the Land Use Secretariat, that leads land-use planning, on page 84 of estimates, down from \$7.4 million to \$6.9 million. Why the cut, and how will this impact the ministry's ability to meet this objective?

Second, there's \$13 million allocated to establish new land-use plans and review existing ones. Which plans are the priority?

So let's start there. First, why the cut to the Land Use Secretariat? And then: which regional plans are a priority, Minister?

**Ms Schulz:** Sure. That's a great question. When we look at – first of all, I will just speak to cumulative effects management and the approach that we're taking when it comes to land-use planning. In my mandate letter one of the commitments and priorities that I have is to establish new and review existing land-use plans to assure an alignment with government, environmental, and economic policy. Of course, we do have a leading-edge cumulative effects management system, and we are committed to maintaining the land-use framework, the Alberta Land Stewardship Act, and various elements like regional and subregional planning and land stewardship tools.

When it comes to what we are working on in the near future, we continue to implement the lower Athabasca and South Saskatchewan regional plans and make decisions in alignment with those regional plans. We are modernizing our land stewardship and Crown land management tools, and we are continuing to develop and complete subregional plans, of course, informed by socioeconomic and environmental assessment. We're working to transform our regulatory system as well.

Since 2019 the government has completed, implemented, or launched six land-use plans and undertaken six task forces to assist in that work. We have two legislated regional plan reviews. Those, of course, are required every 10 years, and we've initiated the development of two additional subregional plans.

My department is working closely with Indigenous groups and other partners. That includes municipalities, Indigenous communities, and, of course, partner organizations.

When it comes to the specific line item in the budget, specifically in that line item what we are seeing is a small reduction which is directly related to contracts and grants. That was honestly based on a review of our department's contracts and grants that we provide. This will not actually impact any of the monitoring work or that direct work, but there will be some slight adjustments to those contracts and grants as related to operational funding. We are going to continue to look at that and how we can approach this in a more efficient way.

I would agree with the member, and I think this is why this was in my mandate letter from the Premier, that the length of time it has taken in the past to complete land-use planning creates additional uncertainty for communities, for industries, and for all of those who care about the outcomes in each of those plans. We are going to continue to do that work. We're shifting how we do that work within the department.

But then again, on the other side, I would say that one of the aspects of that work that does create that longer time frame is engagement with communities. That is one aspect of the land-use planning approach that is hard to speed up or shorten because you want to make sure that you're out there actually talking to the communities and people who are going to be impacted by those decisions.

9:20

**Dr. Elmeligi:** Yeah. Thank you very much for that, Minister.

I want to ask a few questions about land-use planning throughout the estimates debate today. Zooming in on the South Saskatchewan regional plan, because it is up for review at the moment and consultations on that started in the fall, you know, I did hear some concern from stakeholders that part of the consultation was asking stakeholders how relevant they felt the plan was. I think it was concerning for stakeholders because it started to sound like there wasn't an interest in regional land-use planning in how that question was presented.

I have two questions about the SSRP. One is, like, it is a little difficult to assess how effective the plan has been when there are

parts of it that have never been fully implemented or completed. One of those is the ministerial orders that extend the boundaries of protected areas in the South Saskatchewan region. Through the chair to the minister: is there an intention to sign those ministerial orders and get those protected area boundaries extended as defined in the SSRP? Then my second question is: is there any intention of significantly altering the SSRP, and if it's not seen as relevant, what is the solution there?

**Ms Schulz:** You know, as we are here to talk about the estimates specifically, I can speak to where that plan is. Of course, before I can answer the remainder of your questions, I think we have to continue to look at the feedback that was provided. The review of the South Saskatchewan regional plan began in September of 2024. I do think it's important to ask all of our partners if they feel that that plan has been serving them in the way that meets their needs. Of course, we also recognize that any time – just as every one of us in this room might have different opinions on how certain aspects of lands may be managed, we know that different organizations, different partners, and different groups have different views of what they would like to see prioritized in those plans.

Feedback is currently being reviewed from the survey, the written submissions, and the targeted engagement process. That is going to help us assess the relevancy and effectiveness of the plan. We are absolutely, though, committed to making those updates. We're preparing an additional engagement with Indigenous communities and organizations to gather their feedback for the 10-year review early this year, and then that feedback on the SSRP will contribute to the review report, which will be submitted, planned for 2025. It could include recommendations to the regional plan. I couldn't begin to guess at this point what that's going to look like, but we will be receiving that summary this year.

**Dr. Elmeligi:** Okay. I'm going to just jump ahead in my own notes, which you can't see, so it doesn't make a difference. Given that this is the ministry of protected areas, I think that this next series of questions is really a little bit about some language in the budget and in these documents. There isn't really an understanding of where protected areas management is reflected in the budget, because there's not a line item for protected areas management or monitoring or any of that. So in the context of protected areas as it pertains to this ministry, what are the minister's priorities when it comes to increasing our protected area network? Investing in new protected areas is important to addressing climate change, biodiversity loss, and diversifying the Alberta economy.

Alberta's parks contribute over \$1 billion to the Alberta economy annually and generate nearly 9,000 jobs. Visitations to parks and protected areas increase year over year. Two questions in this line: will the nature strategy speak to new protected areas, and when can we expect to see the nature strategy? There is an internationally accepted target of 30 per cent protected areas by 2030. Are we in line with that? Are we moving towards that at all? My second question is more about how you're working with the Minister of Forestry and Parks on the plan for parks and how that relationship is working.

So new parks and protected areas, the nature strategy, and the plan for parks.

**Ms Schulz:** Okay. Well, parks fall under the Ministry of Forestry and Parks, so that would be a great question to ask the minister at his estimates.

When it comes to protected areas, since 2021 47,000 square kilometres of protected areas have been created, and millions have been invested into sustainable recovery across our province. A few

examples would be the Wabasca bison protection area, the northwest bison protection area to support the conservation and recovery of wild wood bison herds.

My department is also actively monitoring bison populations. That work continues, and I would just say that when it comes to looking at potential new protected areas, that would be part of the work that my department does when it comes to land-use planning. There are a variety of different land-use plans that we have under way, but of course that would be one of the things that we would consider in each of those plans.

When it comes to the nature strategy – I know, Mr. Chair, the member and I have had a number of conversations about the nature strategy – we feel really strongly that Alberta needs our own nature strategy. We have activists in Ottawa that are trying to dictate what happens here in Alberta. I don't think that is something that Albertans are interested in. We certainly heard that back in 2019, and we've been hearing that ever since: 30 by '30 and lofty goals that don't take into account regional differences between provinces, the levels of both people or industry that we have in different areas of the country. You know, a Steven Guilbeault-dictated land-use plan is not something that I am interested in entertaining, and I don't think Albertans are either.

When it comes to the nature strategy, that was really our way of saying that Alberta can do this better, and we can do this in a way that balances all of the voices at the table. When we had our first nature summit, one of the key takeaways was that we'd not brought all of those land users together in that way before.

I think it was important that not only do we have folks from the NGO communities and some of the stakeholder groups who do some of our work when it comes to conservation and stewardship but also to have those like the outfitters and agricultural producers and ranchers, who also do a significant amount of work in stewarding our land for generations to come, to have conversations about what it means to protect certain areas but also to respect that working landscapes add value to our province.

So more to come on the nature strategy. You know, my goal is really for this to outline our direction. It is not to be another, I would say, report submitted to government with a bunch of recommendations that sits on somebody's shelf but more a visionary document that outlines what we value as Albertans, especially in light of what we're seeing going on in Ottawa and around the world with targets and plans that are unreasonable and I really don't think something that Albertans would support.

**Dr. Elmeligi:** Well, I mean, you're right, through the chair to the minister; we have discussed this nature strategy several times. I think that we can agree to disagree on some of the components of it. My concern with the nature strategy and I know that of some of my stakeholders is that the nature strategy seeks to get credit for things that are happening already on the landscape, and we need to actually improve our environmental management because we still have species at risk. We still have emissions increasing in some areas. We actually need to do better, not just maintain the status quo.

In the line of doing better in the protected areas context, I want to ask about the idea of Indigenous protected and conserved areas. These IPCAs can be innovative and important solutions to addressing climate action, biodiversity loss, and truth and reconciliation. It's an incredible way for us to learn from the people who have stewarded this land for millennia, and it's also a great way to help build capacity and foster greater appreciation for the land and all it provides through protected areas.

Are there any allowances for IPCAs in this budget under the land-use planning components? Is the government working with any



First Nations to explore IPCAs? Are there any grants that empower Indigenous people to come to the government with their ideas for IPCAs or other land stewardship projects?

I note that the budget includes money for First Nations communities to explore resource extraction, but I'm curious if the budget includes any consideration for land stewardship projects from First Nations. Is there any money available for First Nations to implement those kinds of programs, including monitoring on- or off-reserve? Question. That's it: IPCAs and money for First Nations for land stewardship.

9:30

**Ms Schulz:** Thank you very much, Mr. Chair. First, I do just want to address one last piece on the nature strategy before moving on. We did engage extensively with the public, Indigenous communities, expert and environmental organizations on what a draft strategy should include. Again, that engagement was open from September 12 to November 7 of last year. It did include an online survey, written submissions, and a one-day nature summit, which was held last October. We had 4,000 responses. Submissions were received from 15 Indigenous communities and 99 stakeholder organizations. This engagement had one of the highest participation rates from Indigenous communities and organizations.

I think, again, one of the pieces that was highlighted about the nature summit was having different people with different views from different backgrounds and different aspects and perspectives at each table having interesting discussions, and essentially, I would say, having discussions that mimic the decisions that we have to make as a government when you're looking at a variety of different perspectives on any items, you know, for example, land-use planning.

There is recognition from businesses and industry of the importance of supporting nature. We know that many of our industries rely on nature and biodiversity, and I don't think it's bad to also summarize what is happening now. That's part of, I think, what we need to do to protect against the federal government overreach: to clearly delineate what is happening now, what is our baseline, and then also talk about where we want to go in the future. So I don't think it's a bad thing to have a conversation about what we are doing well.

You know, I see this in every aspect of the work that's done here. In some areas Alberta has been such a leader for so long that we've almost just built our way of doing things into our work, and we don't think about taking the time to celebrate how great we've done in a variety of different areas. So I think it's important that we have both.

When it comes to supporting Indigenous communities, we do work with Indigenous communities on many issues. That includes everything from land-use planning, oil sands and environmental monitoring, the water availability work we're doing, fish and wildlife management, and protocol agreements. My department provided over \$10 million in Indigenous grants in '24-25 to support engagement and participation of Indigenous communities, and that will remain in the budget for this year. There are a number of considerations with respect to engagement, including duty to consult, current litigations with GOA, and overall implications for our relationships with Indigenous people.

We participate in protocol agreements, which provide a framework for collaboration between the government of Alberta and First Nations in Alberta. These tables do help facilitate discussions and explore areas of mutual concern. Indigenous Relations is responsible for those tables as well.

That speaks a little bit to the funding, but I'm thinking perhaps my ADM Tom Davis here would like to speak and maybe provide

some examples of some key pieces of work that would relate to your questions.

**Mr. Davis:** Thank you, Minister, and thank you, Chair. Maybe two examples I would just raise in terms of monitoring, both on- and off-reserve. I think within the oil sands area we're seeing the evolution of the Indigenous community-based monitoring program. Eight million spent last year: we're looking to increase that this year. While the work plan has not yet been confirmed because it's still working through the approval process, we are seeing now how we bring together the monitoring that is being done by Indigenous communities into the plan so that the western science elements that are being done by them are being built in and are being used as the primary source for that data monitoring as well as working with them to determine the introduction and the inclusion of the traditional knowledge.

I think other examples we have in terms of working is the Ronald Lake bison herd co-operative management board, that we have with the communities to manage that herd, as well as some of the work we're doing with AWN that's around caribou as well as caribou habitat management.

Thank you, Minister.

**Ms Schulz:** Thank you very much.

Just to provide a couple of examples of what that looked like in last year, the total of Indigenous grant payments was \$11.8 million. As my ADM just mentioned, \$25,000 went to Ronald Lake buffalo herd conservation and recovery initiative. That does address working with Indigenous communities to address stewardship and conservation. We had just over \$3.4 million that was provided to the Chipewyan Prairie First Nation to address the restoration project under the caribou habitat recovery program. I could go on and on as there is nearly \$12 million in those types of grants, but I think that it does demonstrate that there not only is funding but that there is that engagement when we're talking about land use – not just land use – and conservation, co-operative management agreements, and engagement on all of the priorities that the ministry has under way right now.

And then, as my ADM just mentioned, it was just a couple of weeks ago that we also signed a three-year MOU with Aseniwuche Winewak First Nation of Canada. That was on February 14. That was just a couple of weeks ago. We've been working on it for a long time, so it feels like it was longer ago than that, but pretty exciting to support naturally self-sustaining caribou populations. I think this is going to be really interesting work, taking a look at, potentially, what has worked in other provinces. I've long heard, for example, that our section 11 agreement with the federal government maybe doesn't have quite as much flexibility as some other provinces have, but I think that there are things that we can learn not only from other places across the country but around the world and, of course, build on Indigenous knowledge to look at different ways that we can support those populations.

**Dr. Elmeli:** That's great. Thank you, through the chair, to the minister and the DM. Yeah, I think so, right? Tom is a DM? ADM. Sorry. I just promoted you. That just happened.

Thank you very much for that information. It is very heartening to hear all of the different ways that we're supporting Indigenous communities to conduct land stewardship. I just did note, however, that a lot of those efforts are focused on the north in the oil sands region, which, of course, is wonderful, but there is a very large province south of Edmonton. I'm going to move on from this stuff, but I will say that some of the most rewarding work I've done in my career has been working with Indigenous communities around

cultural monitoring, integrating and weaving and braiding Indigenous knowledge with western science to truly encompass a holistic perspective on land management and wildlife management. I'll just throw that out there.

I'll also just note that in that previous conversation there was no commitment to new protected areas, Indigenous-protected or -conserved areas, or signing the ministerial orders associated with expanding the protected areas in the SSRP. I hope that is a conversation that we can continue, Mr. Chair, as we move forward this year.

I'm running out of time already. It's crazy. I want to shift a little bit to talking about cumulative effects now. The ministry's own documentation defines cumulative effects management as setting clear environmental limits. The minister has spoken several times already this morning, Mr. Chair, about Alberta being a world leader in environmental management, and I would agree that in some ways we are. I do agree that we should celebrate our successes when it comes to environmental management, but that doesn't mean that we become complacent and think that our work here is done. We always need to be moving forward, and I think one of those areas where we could be doing a lot better is managing cumulative effects.

None of the completed regional plans contain legally enforceable environmental thresholds, and thresholds and enforcing thresholds is a critical part of cumulative effects management. How can the minister claim to be managing cumulative effects without establishing these basic guardrails? In the budget estimates, on pages 84 to 85, line 6.2 has \$12.3 million for regional a cumulative effects management, and then there is also an additional \$17.6 million for regional cumulative effects management in capital grants. I'm just curious what this money is for. Where do we spend money on regional cumulative effects?

I can keep going. I have other stuff if you need to look up your papers. It's fine.

**Ms Schulz:** Sure. Mr. Chair, could I also just have the member reiterate the line item? I didn't quite catch . . .

**Dr. Elmeligi:** Sorry. Yes. Through you, Mr. Chair, to the minister: it was in estimates, pages 84 to 85. Line 6.2 on page 84 has \$12.3 million for regional cumulative effects, and then on page 85 in the capital plan section there is \$17.6 million – it's also line 6.2 – for regional cumulative effects under capital. I'm just wondering what that money is for.

9:40

While you're getting that together, I'll just keep going. I have some ideas on how we could address cumulative effects, shockingly. I came prepared with some thoughts. One of the principal challenges along the eastern slopes – this is from Grande Cache all the way down to Waterton – in regard to cumulative effects is linear disturbance. The business plan speaks to legacy seismic lines in caribou habitat, but I would argue that linear disturbance is a challenge across the province for multiple species at risk, water sedimentation, hydrology patterns, et cetera.

Alberta has seen a continued increase in linear disturbance density across much of the province, which directly impacts all of these things. Where in the budget is funding allocated specifically to reduce the cumulative effects associated with linear disturbance outside of caribou ranges? In many areas the road density exceeds thresholds for water quality, critical habitat for trout, grizzly bear habitat quality, and more. Is reducing linear disturbance part of the funding for regional cumulative effects?

**Ms Schulz:** Okay. Thank you very much, Mr. Chair. When it comes to pages 84 and 85 and the line item 6.2, when it comes to regional cumulative effects management, there are a few different items underneath that element. The first would be the land-use framework. That program leads our work and participation in implementing the land-use framework, focusing on a risk-informed, outcomes-focused approach to managing cumulative effects of development on the environment, of course, including land, air, water, and biodiversity. The program also strongly supports sustainable economic development and environmental planning through our land-use planning initiatives.

Also under that is subregional plans, the development of those plans and environmental management frameworks. That includes the development of 11 subregional plans across 15 caribou ranges as well.

Land-use planning and cumulative effects management program, which is responsible for developing our department's input and participation in our land-use framework strategies, again, including all of our regional plans and policy initiatives: this program serves as the departmental liaison to the Land Use Secretariat as well as crossministry teams. As you can appreciate, there are a number of different departments that are also involved in that work as well.

It also includes air and watershed resource management, which works to inform and delivers cumulative effects management programs, providing leadership and support to bridge some policy gaps and implement adaptive management programs, for example, air quality, surface water quality, and water shortage management responses. Those teams provide operational, scientific, and strategic support, working with a wide variety of external clients and partners to facilitate best practices and management responses for air and watershed outcomes.

There are also Indigenous initiatives that we work with Indigenous communities on. That includes water availability, land-use planning, oil sands and environmental monitoring, fish and wildlife management, and protocol agreements.

When it comes to the capital grant as well, which you would find in 6.2, that largely is directed toward the designated industrial zone in the Industrial Heartland. From '21-22 to '24-25 over \$8 million has been spent developing DIZ. Budget 2024 included \$50.5 million in capital grants over five years to support municipalities within the zone in constructing new water intakes and associated infrastructure. I know that announcement was a very rainy day with the MLA for Fort Saskatchewan-Vegreville, probably one of the more interesting media announcements I've ever made. Yeah. That was fascinating although it was a great background, with the Industrial Heartland in the background, for that announcement.

Then, Budget 2025 continues to support municipalities in the heartland promote industrial growth with capital grant funding to cover 30 per cent of construction costs of those three water intake facilities. The remaining costs would be expected to be sourced from municipalities and their partners.

When we're talking about the second question there: more than 4,000 kilometres of legacy seismic lines have already been treated and assessed in caribou ranges. This is complex and challenging work. More than 1.8 million trees have been planted in the Little Smoky and A La Peche caribou ranges alone. In this year \$40 million in funding will help keep the momentum going and support caribou restoration and recovery programs. We're also investing more than \$10 million annually towards reducing fragmentation in the boreal forest, and then, as I mentioned, we signed an MOU with AWN to help advance caribou recovery as well. We don't separate out seismic restoration for caribou range versus not in caribou range, so that is encompassed in those line items as one.

**Dr. Elmeligi:** Okay. Thank you. Through the chair to the minister: that's helpful.

I'm still a little concerned about linear disturbance along the eastern slopes, in particular because this linear disturbance is happening in our headwaters, like I said, from Grande Cache to Waterton. This increasing road density in the eastern slopes increases sedimentation in our waterways. It doesn't sound like sedimentation is that big of a deal, but it's actually a huge deal. It costs us millions of dollars to filter it out. The Oldman reservoir is currently full of sediment, so it actually reduces reservoir capacity over the long term. It dramatically impacts critical habitat for species at risk like trout. Also, this increasing road density affects critical habitat for grizzly bears and other species at risk. Reducing linear disturbance on the eastern slopes is a fundamental component of effectively addressing cumulative effects. There was a linear footprint subregional plan happening for the Porcupine-Livingstone. What is the status of that? Also, all-season resorts stand the potential to increase further this linear disturbance because these resorts will need roads to access them depending on where they are, obviously.

The last piece around cumulative effects is really about how we effectively address it. We cannot rely on industry to effectively quantify and address cumulative effects because industry will inherently only be responsible for their own impact. If you look at Northback mines' assessment of cumulative effects for the Grassy Mountain coal mine, it just talks about how coal is better than forestry. But that's not what cumulative effects is; cumulative effects is all of these things added together. What we really need is government staff in the public service who are responsible for adding all of these pieces together and truly defining cumulative effects and coming forward with recommendations for that. So where is the money for staffing capacity and equipment to collect data around cumulative effects to inform those kinds of land-use planning decisions? Please tell me that somebody is out there measuring linear disturbance on the eastern slopes and reducing that sedimentation in our headwaters.

**Ms Schulz:** Thank you very much, through the chair. All of those questions are related to land-use planning. To speak a little bit about land-use planning outside of caribou regions or in other areas of Alberta, as the member had asked, we are completing a land-use plan for the Springbank off-stream reservoir SR 1 project. That planning process included standing up advisory committees composed of First Nations, other partners, local landowners to provide input. We are continuing implementation of the Livingstone-Porcupine Hills land footprint management plan and recreation management plan and completing the five-year review of that plan. We are advancing preplanning for landscape management plans in the Kananaskis-Ghost area, providing guidance and direction related to nature and conservation to support other departments, like Forestry and Parks and Tourism and Sport, in the delivery of recreation and tourism management and development.

I know, of course, tourism is something that is also important not only to Albertans and to economies; certainly, in the member's riding as well. When it comes to all-season resorts, there is still, of course, a requirement for that department to adhere to our environmental regulations that we have in place, specifically when it comes to water. I would say our water monitoring is also a key piece of that. We do have significant water monitoring across our province, and we use that to help inform decisions that we make as well.

When it comes to the specific line items for the staffing piece, that would be in element 6.2, as we've already discussed, and then 7, Land Use Secretariat, which the operating expense is listed there as well.

**Dr. Elmeligi:** Okay. Thank you. That is helpful. Through the chair to the minister: I appreciate that answer.

Outcome 2 on page 58 of the business plan speaks to sustainable economic development within environmental capacity. What is environmental capacity, and how is it defined? While this outcome is about addressing cumulative effects while remaining economically competitive, if those definitions are ill defined and aren't tied to any further clarity, we're left wondering: how can we know if we're being successful there?

**9:50**

When we try to balance environment and economy, it usually means that we're prioritizing economy and trying to mitigate environmental impact. While I can appreciate that we have a lot of success in that area as the province – we do a lot of good work growing our economy and mitigating environmental impact – there are times when hard decisions need to be made. This ministry is responsible for protecting the environment. It is the priority that is listed first in all of the ministry fact sheets and description of the ministry: protect and restore the environment and ecosystems while supporting economic sustainability. Where does the minister see how her choices are prioritizing environmental health, and what specific budget items address crossministry integration in land-use planning? I think you've already answered that, though, so I'm actually going to strike that question because you've already talked about that quite a bit. But it's really, like: how do you make the hard decisions around cumulative effects? Can you cite an example where you have prioritized environmental health over economic gain?

**Ms Schulz:** I would say that that is definitely more of a policy question, although we have addressed the budget line item pieces. As I've mentioned, there are a few aspects that we use to inform that work. The first would be the significant amount of monitoring that we do across the province. We use that monitoring data to inform our decisions as well as our land-use planning. Then, of course, we do rely on a significant amount of input from partners, including Indigenous communities, to understand impacts on land when we are creating those plans. We do have to use common sense.

Again, we do have a strong economy. We have a growing population. This is, I do believe, the best place in the world to live, to work, and raise a family. Part of that is because of the beautiful landscapes we have, but part of it is because of the opportunities and the resources that we have.

The member is correct. Of course, there are always competing ideas and priorities. But what my department's work does, especially around the significant monitoring systems that we have in place and the data that we collect across the province: we use that to inform decisions to ensure that we are conserving our landscapes and protecting biodiversity not only for today but for generations to come.

**Dr. Elmeligi:** Thank you very much, through the chair to the minister. I appreciate that.

In a few minutes I would like to cede my time to my colleague to dig into TIER and stuff, but I just have a couple more questions I'd like to ask before we get there. You know, we've talked a lot about land-use planning. I just want to ask specifically about native grasslands. There is a line in the business plan on page 55 about emissions reduction and energy development plan, exploring nature-based solutions and technological innovation to support biodiversity. I think that's great to have that tied to the emissions reduction and energy development plan, but is there space for

exploring nature-based solutions aside from emissions and energy development?

Native grasslands sequester a tremendous amount of carbon. As the minister has pointed out, we still have native grasslands and in some cases more than other places in North America. What measurable targets does the minister have for reducing the loss of this critical ecosystem?

To me our protection of native grasslands is also tied to wetlands. The minister mentioned already \$8.7 million for the wetland replacement program and \$3.5 million for the watershed resilience and restoration program. You know, our best estimates suggests that we lose between 43,000 and 70,000 hectares of wetlands each year, and the most recent estimate I could find shows that we are maybe restoring about 165 hectares of wetlands, so what we are restoring through the wetlands replacement program is not equivalent to what we are losing. Yeah. I'll just leave it there. How do we protect native grasslands, and how do we restore wetlands when we're losing them faster than we're replacing them?

**Ms Schulz:** Thank you very much, Mr. Chair. Alberta does have some of the best native grasslands ecosystems in the world. Close to 30 million acres stretch across our province, and Alberta is showing the country how to conserve and protect them. It's, I think, an important part of our heritage but also helps support a healthy environment.

We are investing in conservation programs and programs to reduce the loss of grasslands and protect critical areas. Over \$110 million has been invested since 2011 to conserve over 245,000 acres through the land trust grant program. We continue to work with over 100 ranchers and landowners to recover species and maintain viable operations on over 800,000 acres of grasslands. These programs are protecting grasslands by working with ranchers and landowners across our province.

As I was mentioning, we do have the largest area of remaining intact grasslands in Canada. We are seeing the amount of lost grasslands easing in the last decade. Part of that is due to efforts across government and those out in community who recognize the importance of grassland to Albertans. I think that that's a positive.

When we look at this year's budget, we've got \$5 million allocated for land conservation in this year, \$425,000 annually to partner with 120 ranchers and other landowners to recover multiple species at risk while maintaining ranching operations. Mr. Chair, we do continue that work. It is very important to the work that we do.

Then when it comes to the wetlands replacement program – again, this is 4.3, water management, in terms of our operating expense – since 2020 more than \$21 million has been invested into 36 projects to restore wetlands. This amount includes an additional seven projects expected to be completed in winter. We've worked with nine municipalities and a few nonprofit organizations and produced 609 hectares of restored or constructed wetlands. Budget 2025 does maintain the \$8.7 million investment into the wetlands replacement program.

A few examples of projects that were approved last year which provide, I think, a good example of the type of work that's done here: Sturgeon county restored a wetland that has turned dry from just in general historical farming practices; the city of Red Deer created a wetland within their city-owned park; NAIT restored a peatland by removing fill from a historically reclaimed well pad, restoring the natural hydrology; Ducks Unlimited restored multiple wetland bases historically drained throughout the province. That continues. We've also been asking our partners who do this work in communities across the province, of course, as always, if there are improvements that can be made or additional ways we could

invest those dollars, but largely the feedback that we do gather is really positive about this program in specific.

**Dr. Elmeligi:** Through the chair to the minister, thank you very much. I think that program is great; I just don't think it's big enough.

With that, I'll cede my time to my colleague from Calgary-Glenmore to dig into TIER a little bit.

**Ms Al-Guneid:** Thank you, Member.

First, thank you to the public service for all the hard work on the budget and all the work in advising the minister.

I'd like to start, actually, with the mine financial security program, or the MFSP, and I'm referring here to objective 2.3 on page 59, in which we have a mention of reclamation and remediation as well as liability management. From what I see, the MFSP updates in annual '24 – that's literally three weeks ago – had minor changes trying to address some of the problems that the Auditor General shared and warned the government against. These changes do not fix the structural issues with the MFSP and leave the massive looming problem untouched. Through you, Mr. Chair, is the minister aware that the AER released an MFSP update on September 30, 2024, in which it confirmed that the liability in 2024 was \$57.3 billion and the security held is \$1.7 billion? Is the minister aware?

**Ms Schulz:** Thank you very much, Mr. Chair. I'm happy to speak about the mine financial security program, and I want to thank the member for recognizing the significant amount of work that my department and the public service put into preparing the budget but also preparing for estimates. I think that they are doing exceptional work. They are moving at the speed of me, which is sometimes interesting. We are working to move forward on a lot of priorities, and I couldn't be more grateful. So thank you for the recognition of that.

**10:00**

When it does come to the mine financial security program – we were joking before we began that we had guessed what members might be asking. I had a feeling that this might be the member's first question. So thank you very much for asking that. As we talked about a little bit last year as well, of course we did have the recommendations from the Auditor General. They had a number of recommendations, and we have made changes to this program to address some of those concerns.

I can just briefly walk through some of these changes made for how operators calculate the value of probable reserves. To decrease the risk that probable reserves are overvalued as collateral, operators are now required to track probable reserves and reduce their value as MFSP collateral in the event that probable reserves are not transitioning to proven. Also, there was a recommendation around to stop allowing off-site in situ oil sands reserves as MFSP collateral. We did make changes to no longer allow operators to use an off-site in situ oil sands reserve as MFSP collateral. Decisions to grandfather one existing instance, of course, just for investor certainty . . .

**Ms Al-Guneid:** Minister, thank you. I'm aware of the changes. My question is, through you, Mr. Chair: is the minister aware that that update specifically shows that there is \$57.3 billion and the security held is \$1.71 billion? This was in September 2024. I'm fully aware of the changes made. My question is: is the minister aware? Through you, Mr. Chair.

**Ms Schulz:** Yes.

**Ms Al-Guneid:** In the same document, and again through you, Mr. Chair: is the minister aware that the liability has increased from \$47.3 billion in 2023 to \$57.3 billion in 2024?

**Ms Schulz:** Mr. Chair, the AER does hold \$1.71 billion in reclamation security under the MFSP for oil sands mines and coal mines and an additional \$708 billion in collateral for oil sands mines; estimated liability, \$57.3 billion. This is because no oil sands mine has yet reached a point in mine life where additional financial security is required. Right now oil sands mine operators are using mostly collateral to secure reclamation liabilities. In the coming years they will provide more financial security. The AER will begin publicly reporting assets held as security in the fall of 2025.

**Ms Al-Guneid:** The question is on the increase of \$10 billion between 2023 and 2024 in liabilities. Through you, Mr. Chair: can the minister explain how this shocking increase by \$10 billion in liabilities happened in just one year? I do read in the memo, but I would love some colour.

**Ms Schulz:** Yeah. Mr. Speaker, we can definitely reach out to the AER and provide the member with some follow-up information.

**Ms Al-Guneid:** Specifically, in that letter it says: “third-party equipment rate increases.” It is, frankly, shocking that we have a \$10 billion increase in liabilities and that the ministry and AER are citing “third-party equipment rate increases,” “changes to coal and oil sands mine approval holder’s costs associated with water treatment.” I would like some answers on that, Mr. Chair. How is it possible, a \$10 billion increase in just one year? The program, even with all the changes made . . .

**Mr. Hunter:** Point of order, Mr. Chair.

**The Chair:** A point of order has been called.

**Mr. Hunter:** Under 23(c) the member opposite is persisting in repetition. The minister has already answered this question. She said that she would get the AER to be able to provide her with answers, and I’m not sure why she’s asking the question again.

**Mr. Schmidt:** Well, thank you, Mr. Chair. This isn’t a point of order. The member was questioning the minister on specific aspects of the liability increase. That was not the question that she asked previously. I ask that the member be allowed to ask the question.

**The Chair:** Yeah. You know, I don’t mind digging into the past to create context for a question that’s relative to the estimates that we’re talking about. I don’t like a lot of questions being asked about the past, but I don’t know if you can have a different answer than you’ll get back to her. If there’s no more answer than that, then I’d ask you to carry on to your next question.

**Ms Schulz:** Mr. Chair, my department is responsible for providing the policy. The member has clearly indicated she does not want to hear more about the policy, and I happily will commit to reach out to the AER and provide her with some follow-up information on the question she’s asking.

**The Chair:** Okay. And that will have to be presented in the House, right?

**Ms Schulz:** Absolutely.

**The Chair:** Okay. Very good.

**Ms Al-Guneid:** Okay. Thank you, Mr. Chair.

I want to go back to the AER’s MFSP update just from a few weeks ago, which is objective 2.3 on page 59. What is problematic about that update is that it ignored all the critical issues with MFSP. The program continues on a series of unrealistic assumptions about asset values, the future of oil markets and prices, and the development of effective but also low-cost remediation and reclamation technologies, all unrealistic assumptions at the moment. Let’s face it. The budget is based on \$68 a barrel, and with the Trump tariffs and a potential recession this could further slump down the road. Couple that with expected decline in the demand for oil by 2050 – I mean, these are scenarios, obviously, by Shell Energy, BP, Exxon Mobil, Bloomberg, McKinsey, even OPEC and the International Energy Agency. Looking at the government estimates, page 84, line 6.1 – that’s under resource management – what is the minister’s plan to anticipate this possible scenario of a double whammy here; that is, decreased demand and price decline all while companies cannot pay for the liability? I’m sorry; through you, Mr. Chair.

**Ms Schulz:** Thank you very much, Mr. Chair. Can you just remind me the page number of your second question? Then I’d also like to ask ADM Andrew Horton to come up and speak a little bit more to the mine financial security program if possible.

**Ms Al-Guneid:** It’s page 84, line 6.1 on resource management.

**Mr. Horton:** Thank you, Minister. I’m more than happy to speak more on that particular piece.

**The Chair:** I’ll just get you to introduce yourself for the record

**Mr. Horton:** Oh, apologies. Andrew Horton, ADM for lands division with Environment and Protected Areas.

With respect to the mine financial security program and the policy that we’ve put in place, the collateral that’s required adjusts based on the future values, which is one of the reasons why we’ve adjusted the proven and probable reserve calculation. As we see those changes, the requirement for collateral will adjust. As mines get to the 15 years, close to the end of mine life, they have to adjust from collateral to actual security, so that means providing financial instruments and otherwise. Both us and the AER track this quite closely, ensure that the program is meeting the needs and that we’re reducing the risk as much as possible within the constraints of the policy.

Thanks.

**Ms Al-Guneid:** Thank you.

I’d like to continue asking on objective 2.3 on page 59 of the business plan. The government announced a vague and ill-informed policy on coal mining in the eastern slopes. This will impact the minister’s land management, program 3, page 84 of the estimates. The government is calling this modern coal mining, Mr. Chair. It’s a bit of an oxymoron. There’s nothing modern about open-pit coal mining in the majestic Rocky Mountains. This is, frankly, an insult to Albertans’ intelligence. Metallurgical coal is likely to be phased out over the coming years in favour of electric arc furnaces for steelmaking, yet any new coal mines will be subject to the beleaguered MFSP program, which, again, will put Albertans at risk of becoming responsible for even more mining closure costs. Through you, Mr. Chair: why does the minister think that the MFSP will be effective in addressing coal liabilities? Why would anyone trust the MFSP, its values, and anything about it when the liability number has increased by \$10 billion in just one year? Why should we believe that this program is reliable and can now be applied to this terrible coal policy? It has been an absolute failure.

**Ms Schulz:** Thank you very much, Mr. Chair. Our government did review the MFSP in '22 and 2023 to ensure that appropriate funds were being collected from mine operators to cover the reclamation liabilities of oil sands and coal mines. Part of the review focused on assessing the Auditor General's recommendations from 2015. You know, one of those conclusions was that the MFSP's asset calculation was overly optimistic. The department engaged with Indigenous communities and organizations as well as oil sands and coal mine operators as well as other stakeholders during that review. We gathered their input and, of course, any information that they had to share on program options. We then carefully considered that information in the changes that we have made, which I started to address previously. I can pass that over again to my ADM, Andrew Horton, to provide a little bit more detail on those changes.

**10:10**

But I would say, of course, Mr. Chair, the member knows that this file in terms of the policy falls under Energy and Minerals. Great questions for the Minister of Energy and Minerals. However, he did announce that there will be no new mountaintop coal mines approved in Alberta. I think, unfortunately, that is a fact that the members opposite failed to address as they continue to mislead the public on the work being done by our colleague in Energy and Minerals.

We are using data. The Department of Energy and Minerals is using data that has been collected from the Department of Environment and Protected Areas to ensure that any continued development is responsible and protecting especially water, when we were talking about those types of mines.

Again, I'd like to call on ADM Horton to provide a little bit more information on this.

**Ms Al-Guneid:** Minister, thank you. I'm good with your answers. We only have four minutes, and I still have one question. But thank you. I do appreciate you calling the ADM.

This is a great segue because I would like to ask questions on the definition of mountaintop removal as per land management, program 3, page 84 of the estimates, and integrated planning section, lines 6.1 and 6.2 of the estimates. Mr. Chair, the government keeps playing games with the wording of an open-pit coal mine. Four months after the government announced it was doing a U-turn on the coal policy, Cabin Ridge Holdings and Cabin Ridge Project announced legal proceedings against the government of Alberta. It is fascinating, actually, reading the Court of Appeal of Alberta, Cabin Ridge versus Alberta. This is a quote from the proceedings.

Those involved in drafting Ministerial Order 054/2021 testified the "minister wanted it very clear that mountain top removal was not going to be permitted . . ." However, none could explain what "mountain top removal" meant or what information was before former Minister Savage, including pictures of mountain top removal activity she apparently reviewed.

Through you, Mr. Chair: given that the environment minister wants to be clear that there will be no mountaintop removal mining, how is the department defining mountaintop removal mining? As the environment minister who led the announcement on this so-called modern coal mining, why isn't the definition provided anywhere in the land management policy or even resource management policy? Through you, Mr. Chair, this minister is responsible for conservation, reclamation, and remediation under the land policy on page 82. When does the minister plan to clarify the definition for farmers, ranchers, rural Albertans, and everyone who will be impacted by coal mining in the eastern slope?

**Ms Schulz:** Thank you very much, Mr. Chair. Of course, my department has some of the strongest environmental protections in place, I would say, for all of our major industries. Our role is ensuring that our monitoring is comprehensive, that we understand what's happening in all areas of our province, and that we are ensuring that we are conserving our environment for generations to come. As I have already shared with the member, questions about the coal policy modernization are a great question, potentially even in question period, for the Minister of Energy and Minerals as they are the lead on this file. But, of course, I'm very happy to discuss items related to Environment and Protected Areas' budget and estimates today.

**Ms Al-Guneid:** Thank you, Minister. It's a little surprising considering that land policy and water management is under the environment ministry, so this is still very relevant to this ministry.

**Ms Schulz:** Mr. Chair, I'd be happy to talk about our land-use policy, but the member's questions are directly related to the coal policy modernization, which falls under a different government department. I'm not here to speak about that today, but I do appreciate the member's question. If the member has additional questions on anything that we do, including water monitoring and air monitoring or impacts to biodiversity and how that relates to our budget, I am absolutely more than happy to answer that. This is something that we take very seriously. I know that the member has raised concerns specifically around water. We do monitor water, especially in that area of southern Alberta. It's probably outside of the oil sands one of the most extensively monitored areas of the province. We do that because we do care about ensuring that healthy ecosystems remain.

**The Chair:** Thank you very much.

That concludes the first portion of questions from the Official Opposition. We will now move to 20 minutes for the government caucus and the minister. After this section we will take a five-minute break.

Member Hunter, go ahead. We have 20 minutes.

**Mr. Hunter:** All right. Thank you. Minister, would you be willing to go back and forth then?

**Ms Schulz:** Absolutely.

**Mr. Hunter:** All right.

Well, first of all, I wanted to thank you and your ministry for the great work you're doing. I think that you've struck the right balance when it comes to protecting our beautiful province but also being able to make sure that we do have the ability to have people create jobs and provide for their families. It's not an easy needle to thread, but I think you've done a great job in being able to accomplish that.

I also want to say that, you know, we've had lots and lots of questions in the south. My riding is right up against the U.S. border. We have a lot of irrigation down in that area, and the importance of that water and the security of that water and the pristine nature of that water is absolutely critical to us. We're obviously very interested in these discussions about metallurgic coal mining in the eastern slopes because that would affect us if it was to be done in a way that is not environmentally friendly. One thing that I've asked everybody that has asked me these questions about what we're doing is: is there a jurisdiction anywhere that has higher standards than we do in Alberta? When I ask those questions, I have never had one come back to say: well, these are better or higher standards than we have.

You know, I applaud you for your diligence on this file. We do need to make sure that we do protect those. I know that as I've talked to different investors in that agrifood processing quarter that I'm working on, they often will remark about how important it is that we have the best quality of water coming out of the eastern slopes and that is a great resource that we have. Thank you for protecting that and making sure that we have that in the future.

I do want to just talk to you about page 57 of the business plan, which discusses the aquatic invasive species. I've done a lot of work with you on this as the chair of the task force that you set up. In key objective 1.6 it prevents the entry of aquatic invasive species in Alberta and implements rapid response measures to mitigate impacts should these species be detected. You've allocated \$5.4 million to address this issue. What kind of threats do these species pose to Alberta's waterways?

**Ms Schulz:** Well, thank you very much, through the chair, to the member for the question. Just to touch again on water and our role in that, I have to give the member a lot of credit. I know the member was also at some water town halls that we hosted in southern Alberta, and I think it was really important to have that town hall not just – it was largely focused on our water availability work and the work that we're doing to ensure that there is water for all of our major users, especially in years like the last two that we found, but there was a lot of conversation about the standards that we have in place to ensure that Albertans can be confident that their water is safe and that we are upholding our high environmental standards.

I think, of course, one key piece is all of the work that we do in terms of monitoring because it's one thing to have the standards in place, but it's our investments in that monitoring system that can give Albertans the confidence that we are going to see if there are trends. As I said at that town hall, if there are companies – you know, for me, it is not about any one industry. It is about all of our industries and that we have environmental and regulatory systems in place and that if companies are not able to meet those standards, then they don't operate in the province of Alberta. We are closely monitoring, of course, air and water, ensuring that our regulations are followed, and that is no different with the coal industry modernization initiative that is being undertaken by Energy and Minerals. Thank you very much to the member for that.

10:20

When it comes to objective 1.6, again, a huge amount of credit to the member, who, I think in a lot of his work, not only in southern Alberta but with others – you know, I think about the work being done with PNWER and other economic agencies south of the border – has really seen the impacts of invasive mussels in other jurisdictions, whether that be in eastern Canada or south of the border in the U.S.

I know I've been asked, certainly, you know: "These mussels are so small. Why does this matter?" I think for us it comes down to supporting our agriculture industry, especially, but also our beautiful waterways and lakes. These invasive mussels: they pose a significant risk. Of course we want people to continue to be able to enjoy our lakes and waterways, but then from an economical perspective our irrigation districts play such a huge role in supporting our province's ag sector, and that, of course, plays a huge role in driving our economy and delivering the food that the world needs right now. When we've looked at other jurisdictions, these invasive mussels can clog water infrastructure, and that would include our irrigation networks, drinking water facilities, and dams. Our province has over 8,000 kilometres of pipes and canals, all of which could be at risk of becoming clogged or damaged if those mussels are established in Alberta. It is costly, and it is very

damaging to deal with these after the fact. So, when we think about not only the investments that we make in irrigation today but the investments that have been made over the last number of decades, that is a risk that we take very seriously.

One study found that an infestation of mussels in Lake McGregor could cost potentially \$284 million a year if they became established in that lake. From an environmental perspective, as I mentioned: extremely damaging. They can cause loss of fishing and recreation opportunities in the province. They can alter aquatic ecosystems that native fish and wildlife rely on. In short, these invasive species have the potential to wreak havoc on our province, which is why we are taking action in this budget.

A lot of this work, Mr. Chair, has been driven by the recommendations that I received from the Aquatic Invasive Species Task Force that was chaired and led by the Member for Taber-Warner. Thank you again for that great work.

**Mr. Hunter:** All right. Thank you, Minister. I know that some of the best practice that we've discussed and that you've applied – you talked about in the objective 1.6 – is that you'll be introducing a dip tank, and that has been done down in Utah to be able to try to stop the spread from Lake Tahoe there. I'm just wondering, in regard to that, what else are you doing? What else are you working on to be able to make sure of the prevention of those invasive aquatic species, that they're not coming in?

**Ms Schulz:** Yeah. Mr. Chair, as the member identified, I think prevention is likely key. First of all, other jurisdictions have shown that once these mussels are established, removing them is hugely expensive, and it's not always feasible to eradicate them entirely. That is why this additional budget that we're seeing in this year will be used in multiple ways, all of which will strengthen our programs.

It does include looking at dip tank technology. I think we're going to look at one to start, but I think that there is potential for more across the province. The department is looking at what's being done south of the border and in other jurisdictions. It would probably be located in either a southern or eastern border in southern Alberta. That makes the most sense just given where we are seeing the risk coming from in terms of the other jurisdictions that have those invasive mussels. Then we're just looking at site assessment, logistics, like securing the location permits, to finalize exactly where that dip tank would be located. It also includes increasing funding for watercraft inspection stations from five to 11, enabling the largest deployment of watercraft inspectors in our province's history.

Exactly how that program is going to look: I've committed publicly to the media, just so you know, to my ADM, last week that we would have that announcement before boating season. So stay tuned. You know, I always think of boating season being around the May long weekend. But hopefully in late April or early May.

The other thing: it will triple the number of canine units. That was a great announcement last Friday at the Bow Habitat Station in Calgary alongside the Member for Taber-Warner. We had Hilo, our current invasive species canine dog. Not only is he lovely and very snuggly, but it was really exceptional to see how he has been trained to identify these itty bitty mussels. There were two mussels, they looked, like, the size of a sunflower seed. Hilo happily sniffed around this boat and just stops, sits in place when he identifies these invasive species.

But even more than inspecting the boats, what these canine units and dogs are really good at is supporting bed and shore, and so they have a really special and unique skill when it comes to identifying larva in water. Also, that does help us on the boats and Sea-Doos

and other watercraft as well, but they can sniff out – I can't remember the exact statistic – larva in water, which, of course, the human eye just absolutely could not detect.

By defending water bodies, ecosystems, infrastructure, of course, we're protecting vital water resources, which is really important across Alberta but especially in southern Alberta. I just want to, again, thank the member. The announcement we made last week was exceptional, but there will be more coming soon.

**Mr. Hunter:** Thank you, Minister. I cede my time to Member Yao.

**Mr. Yao:** Minister Schulz, I just want to thank you and your entire team for all the hard work you do. The environment is a very important aspect, and we need to give people assurances as to the great work that you're doing because of our industries that we have in our province. These are vitally important for not only our province but our entire nation and the world. With that, again, thank you all for your hard work.

With my emergency management background, I'd like to just jump off of what my colleague from Taber-Warner was talking about when it comes to emergencies. We see on page 57 of the business plan that part of this effort is to anticipate, mitigate, and respond to emergencies. You're putting a chunk of money towards enhancing mobile air-monitoring equipment in the upcoming fiscal year. Certainly, when I drive to Lethbridge, as an example, that smell I get when I'm driving through, they tell me that's the smell of money. When I go to Hinton, those folks say the same thing; that smell that comes from those lumber mills and the pulp industry is the smell of money.

I tell you what, though, in the years I've lived up in Fort McMurray, I'm fortunate that we don't use that term when we smell something from the plants. We don't say that's the smell of money at all, but I'm also fortunate that we've rarely smelled that. I think once, twice, maybe three times in my life, I smelled the scent that comes from the oil companies, and it's very distinct. I know it because I worked on Suncor site for a little bit, so I recognize that sometimes odours come from the chemicals and everything else that we use.

That said, I'm very happy that we do monitor the air. I think, locally in Fort McMurray we have the Wood Buffalo Environmental Association. That said, you're putting a chunk of money towards mobile air-monitoring equipment. I'm just wondering to what degree you can explain this investment. Like, I'm kind of curious. Where is this located, or is it spread throughout the province? I don't know to what micro details you can provide. Can you explain these updates that are being undertaken for it?

I'm just kind of curious. Will this equipment not just help us when we're trying to identify certain odours that come from industry, but will it help us in identifying the air quality due to things like wildfires? I know there's a lot of controversy from my former colleagues about what they inhale in a forest fire compared to a house fire, as an example. As you can imagine, house fires, as an example, are very toxic, right? Everything that we have in a house is built from, well, plastics and everything else, and that's why we have to wear that heavy gear. That said, you know, the smoke from wildfires I don't consider to be as extreme. Nevertheless, it can affect our lungs in negative ways, block the alveoli and everything else. I'm wondering if you can just explain the air-monitoring equipment and just how this will help our province.

10:30

**Ms Schulz:** Thank you very much. I appreciate that question. Alberta does have arguably the best air-monitoring system in

Canada, and our commitments in this budget are going to help make it even stronger. Every day we do have a complex air-monitoring system operating right around the clock all across our province, with 10 airsheds monitoring and reporting on air quality and over 130 air-quality monitoring stations across our province.

Over the past year we have taken steps to continue strengthening the system. One example was that recently we updated Alberta's air quality health index reporting to provide earlier warnings of air-quality dangers. That could be, as the member asked about, things like wildfire smoke, allowing Albertans to make more informed choices and reduce their exposure. Within this budget we, as I mentioned, are continuing this work, and that does include a three-year \$1.6 million investment to replace the department's existing mobile air-monitoring lab.

Phase 1 of this project, as the member had asked about, is the \$40,000 allocation that the member referenced. It begins in '25-26. It will fund the design and determination of specifications needed for this new mobile air-monitoring lab. Then the member is correct that part of this is to support some of our wildfire efforts. For example, this monitoring unit did deploy during the Jasper wildfires so that people can understand what we're seeing in terms of air quality. This equipment is extremely important. Of course, that's why we're investing in it.

While we have that strong monitoring system in place permanently established across our province, we know that emergencies – of course, the member knows this in the work that he has done – can happen anywhere. Often they can occur in remote areas. Sometimes they're significant. That additional monitoring over and above the monitoring that we currently have in place is needed to support that permanent network. In both those cases the mobile monitoring would allow us to provide some targeted on-the-ground monitoring as close as possible to an actual emergency.

As I mentioned, Jasper is one example where this was rapidly deployed to the area. It helped collect real-time data that was then shared with other agencies and organizations like Alberta Health Services to better understand air quality for the surrounding areas and help support emergency personnel who were then working in the town after the evacuation. I know that the Member for Fort McMurray-Wood Buffalo knows how important that is, based on his personal experience and previous experience and service in that area. It does allow us to be ready to evaluate airborne contaminants and respond to those air-quality concerns from wildfire smoke or any other emergency that we might see. Then, when this equipment is deployed to communities experiencing poor air quality, it provides that information back to reduce ecosystem and health risks to people.

I don't know if my ADM has anything to add or if I covered that.

**Mr. Davis:** I think you did a great job, Minister.

**Ms Schulz:** Thank you.

**Mr. Yao:** Thank you so much, Minister, for that.

I just want to go to key objective 1.3 on page 57, where \$54.4 million in dedicated revenue is being provided by industry to support the multistakeholder oil sands monitoring program. I don't think a lot of people are aware that the oil sands are dedicated to these programs and fund themselves and that the taxpayers should be very happy, including myself, that we don't pay for such things. Industry, I believe, attempts to be as responsible as they ever can. They recognize their impacts on our communities, and we have to work with them because they've been very beneficial. I can tell you my First Nations, as an example, have stated to me time and time again that they are in a far better place with industry than they were before.



That said, I'm wondering if you can just give us an overview of this program to inform our stakeholders, Albertans, about this and if you can explain just how world-class our standards are in our oil and gas industry.

**Ms Schulz:** Thank you very much for that question. The oil sands monitoring program is one of the largest environmental monitoring programs in the world. This was set up in 2012. The program is co-managed by the government of Alberta and the government of Canada. It includes more than 80 partners, including 35 Indigenous communities and industry, who are monitoring the areas around and downstream of the oil sands.

The program collects a lot of ambient environmental monitoring information on the environment in the oil sands region of Alberta, of course, which is in the member's backyard. This includes monitoring, evaluation, and reporting on air, surface water, groundwater, wildlife, biodiversity, wetlands, and community-based monitoring.

**The Chair:** Thank you very much.

We may get back to that after the break. That concludes the government members' first block of questions. We will now take a five-minute break, and we'll be back at 10:41. Thank you very much.

[The committee adjourned from 10:36 a.m. to 10:41 a.m.]

**The Chair:** Now we move to our second round of questions and responses. The speaking rotation going forward will be the same as the first round starting with the Official Opposition followed by the government caucus. However, speaking times will now be reduced to 10 minutes, and I'm going to assume that we'll go with shared time unless anyone asks to not do that. You'll be able to talk back and forth that length of time.

We'll carry on, first from the opposition. Member Calahoo Stonehouse, go ahead.

**Member Calahoo Stonehouse:** Thank you, Chair. [Remarks in Cree]

I want to acknowledge the land and the water and the air which we all breathe. It sustains all life, including ours. I want to thank the public service and their staff for preparing this budget in consideration and their work in protecting the water, the land, and the air.

I want to recognize the government of Alberta for the need to protect our caribou herds. Caribou recovery is integral to upholding treaty. The health and migratory freedom is directly linked to the strength of our nations, especially the Dene, and the treaty obligations and responsibility.

I want to recognize the recent agreement with the Aseniwuche Winewak Nation. This work is vital in upholding the United Nations declaration on the rights of Indigenous peoples, the OAS agreement and the TRC calls to action.

Through you, Mr. Chair, I want to ask the minister. Given that the key objective 1.2 on page 57 is to, quote, foster stewardship and conservation through relationships with Indigenous communities, end quote, I'm curious to what extent First Nations and Métis communities were consulted on setting the standards specifically for water health.

**Ms Schulz:** Thank you very much, Mr. Chair and to the member for that question. My department does value our relationships with Indigenous communities and partners. We've been working closely with Indigenous communities on a variety of files, and we'll continue to do so in the year ahead.

I think that this is important to ensure that not only does meaningful engagement happen at appropriate times but create new opportunities of mutual benefit as well. When we engage with Indigenous groups on a variety of activities, those can include anything from land-use planning, new policies or potential changes to existing policies, our regulations, our provincial strategies, fish and wildlife management, management of oil sands, mine water and tailings pond reclamation, and even drought response, among a variety of other initiatives that we have under way.

We do have an entire Indigenous initiatives branch that helps support meaningful engagement, and this branch does have staff across the department as well as Forestry and Parks. They provide tools and advice that guide Indigenous engagement and consultation across the department's many activities. The team also administers training for consultation, Aboriginal law and cultural protocols, which I know is also very important.

Specifically to talk about water, I will call on my ADM Kate Rich to provide a little bit more information on the engagements that took place.

**Ms Rich:** Thank you, Minister Schulz. I'm Kate Rich. I'm the assistant deputy minister for water and circular economy in the Department of Environment and Protected Areas. I think the latest consultation that the minister was just referencing was the water availability engagement that took place in late 2024 and early 2025, where we provided some funding support to all Indigenous communities. It was offered to all Indigenous communities in Alberta to provide input to our engagement on identifying opportunities to enhance water availability in Alberta. It was an ideation stage, so it was really looking at everybody's experience on how to manage water.

Maybe I'll just add one other example of how we work with Indigenous communities on water management. I mean, there are many, but we had an oil sands mine water science team that concluded its work that was released last year, where it was an established working group that included Indigenous communities in Alberta, federal and provincial governments, academia, et cetera, where it was a collaborative process to develop those reports. Just an example of looking at water-related policies.

**Member Calahoo Stonehouse:** Thank you. Through the Chair, the Premier asked this ministry to form a steering committee to accelerate a strategy for oil sands mine water management and tailings ponds reclamation, but the steering committee was unable to release its recommendations before the budget could be finalized. Mr. Chair, through you, I ask the minister if and how Indigenous knowledge and Indigenous knowledge systems were requested for meeting objective 1.2 in minimizing waste through a circular economy and setting the business plan objectives, if at all.

**Ms Schulz:** Thank you very much, Mr. Chair. Just to go back very quickly, very briefly, to the question asked about partnerships when it comes to enhancing caribou recovery, we are working with Fort McKay First Nation, Chipewyan Prairie Dene First Nation, and AWN to increase capacity to deliver reforestation activities. A small pilot was also completed with Athabasca Landing Métis to build capacity for restoration.

There is an emerging partnership with Mikisew Cree First Nation to prioritize restoration and build capacity in areas deemed important to the community, and the caribou habitat recovery program will actively tender through, of course, our government's procurement process and through the Forest Resource Improvement Association of Alberta, or FRIAA, as a third-party, administer RFPs in this upcoming year for work to be completed under the

program. That's all in addition to the MOU that I mentioned earlier this morning with AWN, which we are also very excited about.

To speak briefly just about the oil sands mine water committee, which is also chaired by the MLA for Fort McMurray-Wood Buffalo, this work is under way. I would say it builds on, it does not duplicate, the work that has already been done, but what we had was a variety of different proponents coming and saying: look, you know, we have potential technology that could help address some of these concerns that we're seeing and address the issues that we do have with oil sands mine water and tailings. We felt that this committee, made up of folks with Indigenous perspectives, regulatory experience, and understanding to help look at what potential technologies and approaches could help us actually accelerate that work. I do know that the chair of the committee also specifically reached out to Indigenous communities, and they were able to hear perspectives and gather feedback from Indigenous communities in that work.

The member is exactly right that, you know, what we said is to – instead of waiting for a report to come forward with recommendations as the committee completes their work, that was not in time for this budget, but it wouldn't be a specific line item. There are a number of ways that we could fund that work through the department's existing budget. I'm really looking forward to hearing from that committee on some of their recommendations that they would move forward with. For example, just yesterday we met with a First Nations community who is very grateful to be invited by the chair of that committee, the MLA from Wood Buffalo, to provide their feedback. They're really excited to see what is to come, as am I. All First Nations in the region were invited to participate and provided with some capacity funds to ensure that they were able to provide their feedback. I would say, in addition to that, that we do have under 4.1 – that would be water policy. That's our operating expense line item. That would help to address that work.

10:50

**Member Calahoo Stonehouse:** Thank you.

Mr. Chair, I would like to ask the minister if the nominal increase of roughly \$70,000, according to the statement of operations on page 61, for science and monitoring is reflective of the demand for water monitoring that meets the expectations of First Nations and Indigenous communities in the Athabasca delta since the massive spills and leaks of the tailings ponds in the last 24 months were uncovered.

**Ms Schulz:** Sorry. Can I just clarify: that was on page 63 that you referenced?

**Member Calahoo Stonehouse:** Page 61.

**Ms Schulz:** Sorry about that; 61.

When we speak to our oil sands monitoring program, as I was saying just a few minutes ago, it is one of the largest . . .

**The Chair:** Sorry. We'll have to come back to that next round.

Now we'll go over to the government side. Member Armstrong-Homeniuk, go ahead.

**Ms Armstrong-Homeniuk:** Thank you, Chair. Chair, through you to the minister: first of all, Minister, I'd like to thank you and your staff for all the hard work you do in preparing such thorough estimates and always being open to any questions we have or concerns and working with us. I really want to thank you.

Minister, in support of key objective 2.1 on page 59 of the business plan \$17.8 million is being allocated to designated

industrial zones in 2025-26 with the aim of reducing red tape and streamlining regulatory approvals to help attract new investment and create jobs. Minister, could you please provide a brief overview of the real benefits of designated industrial zones when it comes to investment, innovation, and job creation? And the second part: how would this \$17.8 million be utilized?

**Ms Schulz:** Thank you very much, Mr. Chair. The designated industrial zone was launched to help find opportunities to streamline the regulatory approvals and then support infrastructure development while maintaining world-class environmental standards. I know that the designated industrial zone is something that the Member for Fort Saskatchewan-Vegreville is very passionate about and very engaged in on this file. Launched in 2022 in the Industrial Heartland, the program is proving to be really, quite frankly, a huge success. As the member knows, it is helping to attract major new projects, including Dow's Path2Zero facility, which was quite an exciting announcement in terms of investment in our province. In fact, over \$20 billion of new investments have now been announced since establishing the zone. That includes Shell Polaris, the ATCO Yellowhead mainline, and the Cando rail expansion as well as expansions at the Plains Midstream, Wolf, and Pembina.

New investments currently under study include hydrogen, biogas, sustainable aviation fuel production, and new refineries in the zone. With these new investments, I think a key piece is that a lot of these investments are really moving forward technology that I think the world is looking for right now when it comes to stewardship and emissions, but it's also creating thousands of jobs for Albertans and, likely, a number of new constituents for the Member for Fort Saskatchewan-Vegreville, which is pretty exciting. We're increasing efficiencies while maintaining the highest of environmental standards, and that was really key to the development of the program.

In some cases the environmental standards, just given the amount of industrial activity in the zone, are more stringent even than other areas of the province, but that's something that these companies and certainly municipalities and the heartland organization are really proud of when it comes to the work that they are doing. But I would also just say that in addition to the higher environmental standards the other key piece is streamlining that regulatory process and also having clustered infrastructure that allows for cost-effective access to things like water.

When we look at the specific \$17.8 million that the member has asked about, specifically the water intakes – I joked a little bit earlier about that announcement. It was raining so hard, you know, I think we all got back to question period looking like we had just had a shower, which was interesting. But no new water intakes had been developed in Alberta's Industrial Heartland for more than a decade even though demand by industry, specifically in that area, Mr. Chair, has grown significantly. Water is without a doubt critical for industry and businesses, and the area needs new facilities to keep growing.

The \$17.8 million is the second-year instalment of the five-year capital grant totalling \$50.5 million to help address that gap in infrastructure. The funding will cover up to 30 per cent of the cost to build three new water intakes in the Industrial Heartland. These new intakes will enhance access to water needed to drive new investments and jobs, like I mentioned, in hydrogen, in petrochemical mineral refining, and other sectors in the zone. Ultimately, this will help create jobs, grow those very important sectors, reduce global emissions, and provide the resources and materials that the world is looking for right now but, again, has the

added benefit of helping us to further diversify our growing and thriving economy.

**Ms Armstrong-Homeniuk:** Thank you, Minister.

Chair, through you to the minister: on page 59 of the business plan we can see that \$5.1 million of the budget is being allocated to continue building the digital regulatory assurance program, which will help to enhance administrative and regulatory efficiency and effectiveness. It is also my understanding that we have seen significant improvements when it comes to timelines for approvals under the Water Act. Minister, can you provide this committee with an update on how much Water Act approval timelines have been improved? And given that water is a top-of-mind issue for many of Albertans, how critical is it that your authorizations under the Water Act continue to be streamlined?

**Ms Schulz:** Thank you very much for that question.

We all know that water is a precious resource. It's obviously something that not only are we talking a lot about today, but it's something that Albertans have had as a top-of-mind issue over the last number of years. We have to manage it in a way that meets the province's growing needs not only today but for future generations to come.

I would say that in recent years – and certainly this is one of the things that I found. Even back when I was Minister of Municipal Affairs, there was a frustration I heard often from municipalities but also for, I would say, companies or businesses who are looking to grow. There was a significant amount of frustration about how long it takes to get regulatory approvals and decisions under the Water Act. I mean, it is part of my mandate item from the Premier. That is why we've had that focus on reducing wait times while still maintaining our world-class environmental standards. So this doesn't mean saying yes to everything. It still means upholding the regulations that we have in place, but long delays in receiving Water Act decisions are now a thing of the past.

Our timelines for Water Act licences have declined by almost 60 per cent in the last couple of years. That includes 25 per cent alone over just the last few months. I think I joked a little bit earlier today, you know, about the intense work that my department has done. Even last year we knew that we were going to provide this information just so Albertans could feel confident in the changes and the timeline changes that we've seen. My department really stepped up to deliver, and I really have to credit ADM Travis Ripley for his exceptional work on that. There were many factors, and one would be the online system that you mentioned. We also put in place mandatory service targets to speed up reviews and stop unnecessary delays.

I know you've likely heard a lot about that from the minister of service Alberta in terms of the importance for having some sort of certainty in a system, when folks who are looking for an approval can have some estimation of how long that's going to take. So we have set service targets for low-, medium-, and high-risk approvals. Water Act decisions now have to be made within a specific time frame unless there is an extenuating circumstance. Staff are required to assess each application and make a decision based on those risk profiles. Low-risk decisions have to be made within 60 days; medium-risk: 90 days; high-risk: 120 days. Those targets include the time required for public consultation where that is necessary.

**11:00**

Of course, no change has been made to the actual standards, but it does prevent a situation from somebody sitting on a file unnecessarily or, you know, maybe not having all the complete

information and just letting a file lapse or get lost in the system. We see what files are outstanding in each of those different areas, and then we're able to address ones that are outside of those service areas. This is, obviously, very important because we know that the Water Act governs activities that impact water quantity and quality, so we know that requiring organizations for things like altering water flow, changing water locations, and diverting water for various uses – unnecessarily long wait times are more than just a frustration or a nuisance, but they do delay projects. They reduce economic development. They limit water users' ability to adapt to changing conditions that they're seeing on the ground. Streamlining those authorizations helps not only make better decisions but supports that economic growth that we're looking for.

Progress is being made. I'm the first to say that more needs to be done on that front, but also we can't just have a system that relies on a paper record and fax machines. It doesn't give us the information that we need to make real-time decisions, especially, you know, looking through the drought scenarios that we saw in the last couple of years. We did add functionality for water well drilling and vertical closed loop drilling applications into the digital regulatory assurance system in January of this year; pesticide vendors and applicators registration were added to that as well to validate and manage registrations, amendments, renewals with timely, accurate, and streamlined service. And then we launched the environmental records viewer, which is a map-based tool that visualizes water licences and pesticide service and vendor registration holders across the province.

More is going to come, and a lot of feedback . . .

**The Chair:** Thank you very much.

We'll go back to the opposition. Just a minute. I want to get this: Member Elmeligi. Perfect. Okay. Go ahead. Ten minutes.

**Dr. Elmeligi:** Thank you, Mr. Chair. Well done. Third time is the charm.

Thank you, Mr. Chair. To the minister. I'd like to talk about caribou but not too much because we've actually already talked about caribou quite a bit. The business plan shows \$40 million allocated for caribou recovery. This includes habitat restoration, population monitoring, predator management, blah, blah, blah. I want to know specifically how much of that \$40 million is allocated to continue the wolf cull in caribou habitat. The wolf cull was meant to be a temporary measure until habitat could be restored. It seems to be becoming more of a permanent measure. How much longer can we expect to have a wolf cull in the name of caribou recovery, and why aren't we reclaiming habitat more quickly?

**Ms Schulz:** Thank you very much to the member for the question. I do just want to finish answering the previous member's question on the oil sands monitoring very briefly, as I didn't get a chance to quite finish that one, and then I will move to Member Elmeligi's question about caribou and predator management.

I do just want to mention that the oil sands monitoring program does include a monitoring evaluation and reporting on air, surface water, groundwater, wildlife, biodiversity, wetlands, and community-based monitoring. All data is collected at over 1,000 sites, including air at 216 sites, lakes and rivers at 102, groundwater at 46 sites, surface water at 161 sites, vegetation and animals at 530 sites, fish at 26 sites, and wetlands at 40 sites in the area. I just wanted to provide that follow-up information as well.

We know when it comes to supporting caribou populations and recovery that part of that equation is, of course, habitat restoration and maintaining the habitats that we have, but we also know that predators are also a risk. Not just wolves, but grizzlies as well create

a risk to caribou. While caribou populations recover, we do have to protect them from unsustainable levels of predation that impact our success in those areas. I mean, to say it simply, if we don't also focus on the predator risk, habitat restoration is only a certain portion of us being able to meet the goals that we have.

Specifically when it comes to wolves, wolf management is conducted annually in nine of the 15 caribou ranges on provincially managed land. This has helped create some stable and sometimes increasing caribou numbers while habitat restoration is under way. We do have key contracts and grants that support this key work, and that includes \$2 million to support woodland caribou, wood bison, and wolf programs with annual capture and collaring and predator management of wolves. A \$350,000 grant to the Alberta Trappers Association to incentivize trapper participation in and near select caribou ranges is also part of that work.

I don't know. Does my ADM Tom Davis have anything to add?

**Mr. Davis:** No. I think you covered it, Minister.

**Dr. Elmeligi:** Through the chair to the minister, thank you for that answer.

The reason why I'm asking about the wolf cull is that wolves follow the linear disturbance footprint, which I may have mentioned repeatedly already. That's why reclaiming legacy seismic lines is so important. There is a performance metric in the business plan around reclaiming seismic lines. However, if we meet that target, it will literally take hundreds of years to reclaim the legacy seismic lines. Clearly, we are not reclaiming the habitat and addressing the source of the issue, which is this linear disturbance. This is one of the reasons why the target for caribou recovery is actually a per cent of undisturbed habitat in caribou range. The scientifically accepted target is to have 65 per cent of caribou range undisturbed. That is not a target or a performance metric in the business plan. I'm wondering why not, and how many caribou ranges currently meet this target of 65 per cent undisturbed habitat?

**Ms Schulz:** Sure. Restoring seismic lines removes existing footprint that is no longer economically productive to support other land-use values and provide additional space in the future for development opportunities. The restoration of boreal ecosystems contributes to carbon sequestering, conservation of biodiversity, provides habitats that support species populations and provides ecosystem services. It does cost approximately \$10,000 to treat one kilometre of seismic line. It's estimated that the cost to restore all of the legacy lines is more than \$2 billion. Legacy seismic line restoration is the responsibility of our government, and restoration of other seismic lines is the responsibility of industry.

We do have a number of industry partners who have shared their progress on voluntary linear restoration with our department as well, which I'm happy to share. Cenovus, for example, has treated 1,714 kilometres of linear disturbances in the Cold Lake caribou range between 2013 and 2024. In 2024 224 kilometres of the total just over 1,700 kilometres were treated. In 2024 Meg Energy treated 215 kilometres of linear disturbances in the east side of the Athabasca River caribou range, in particular the Christina subrange. The Meg Energy restoration program has been implemented since 2016. Shell hasn't completed the voluntary restoration to date, but the company is working with our department to evaluate providing support for this program in 2025.

I think I'd be able to call on my ADM Andrew Horton to speak a little bit more specifically to each of the ranges and what we're seeing there.

**Mr. Horton:** Andrew Horton, ADM for lands division within EPA. With respect to the specific ranges, I don't have on the tip of my

fingertips all 15 ranges and their percentage of undisturbed habitat. We do know that in some of the ranges with some disturbance we are seeing caribou populations increase quite well; the A La Peche range has seen their herds increasing. Some of the work we want to do with the subregional planning is to support that linear disturbance removal and access management plans that allow for better improvement of those undisturbed areas to ensure that the caribou habitat is protected and those herds can remain healthy.

These are long-term plans, though. This is something that takes a long time to recover. These lines are cut very deep in the earth. They don't recover on their own. That plus the access management: in order to achieve that 65 per cent target, we are given a significant amount of time. The standards that are set by the federal government do provide for quite a long, like, period of time for that recovery to occur. We are taking those actions through that subregional planning process.

**Dr. Elmeligi:** Through the chair, thank you, ADM and Minister, for that answer.

We've brought up the subregional plans for caribou multiple times. There are 11 subregional plans. To date two have been completed, and those regulations have yet to come into place. When can we expect the remaining nine regional plans to be completed, and when can we expect regulations that actually make on-the-ground changes to come into place?

*11:10*

**Ms Schulz:** We are working on addressing this work right now. As I mentioned earlier this morning, this is absolutely a priority of our department. When it comes to the regulations, I know there has been some additional feedback that we've received, and we are working to incorporate that feedback. I do believe we will see one of our next caribou subregional plans going out for public engagement very soon. Who knows? Next week? I'm not sure. I probably shouldn't make commitments, but very, very soon.

We are working to strike a balance. I think that the process has been really complicated, so some of the feedback that we received is providing clarity for all land users on what these actually look like. My poor department hears a lot about simple language. These are not simple plans, but any way that we can make it easier for all of our users to adhere to the guidelines within the plans and have a common understanding of how these plans are going to be interpreted is a positive. More work to come on that soon.

We are gathering feedback on the regulations for Cold Lake. It did come out, but significant feedback is going to require some updates to that. Upper Smoky will be coming very soon.

**Dr. Elmeligi:** Thank you for that, through the chair to the minister. I appreciate that.

One last question about fish and wildlife. It looks like line 5.2 on page 85 of estimates shows \$24.3 million, which is an increase from previous years. I'm curious. This is in capital investment for fisheries. Is \$20 million of that for the Raven Creek Brood Trout Station alone, leaving only \$4.3 million for the rest of fish and wildlife? I'm going to run out of time. Sorry. That was cutting it too close.

**Ms Schulz:** It's not just Raven Creek but Mud Lake diversion as well.

**The Chair:** Just at the beginning of her segment, you know, we took some of your time to answer a previous question, so if you can answer in a minute or so, that'd be okay.

**Ms Schulz:** Yeah. That is the response.

ADM Tom Davis, do you have something to add?

**Mr. Davis:** I think you've covered it.

**Ms Schulz:** I covered it? Okay.

**Dr. Elmeligi:** It was Raven Creek and Mud Lake diversion you said?

**Ms Schulz:** Mud Lake diversion.

**Dr. Elmeligi:** Okay. Thank you.

**The Chair:** All right. We'll go to Member Dyck for his 10 minutes.

**Mr. Dyck:** Excellent. Well, thank you so much, Chair. Just to confirm, you're still good with back and forth, Minister?

**Ms Schulz:** Absolutely.

**Mr. Dyck:** Oh, good. Excellent. Excellent.

Some of these comments have kind of come up, but I do want to talk about seismic lines for a moment. I know that we have upped that with a goal of 3,000 kilometres in 2028 versus 1,000 kilometres. This is a lot of extra. Specifically, what additional efforts are being made to achieve 2,000 extra kilometres? That's significant.

And then part of this conversation, as has been mentioned, is caribou recovery. Minister, we've had lots of chats about caribou recovery. What additional benefits are there for the province not just on caribou on this, but also what other benefits when we restore this?

**Ms Schulz:** I had a feeling, Mr. Chair, that the member was going to ask about caribou as we have had a number of conversations about the challenges of subregional planning.

You know, I think one thing that hasn't been mentioned that needs to be mentioned, and it's something that we saw with the wildfires in Jasper last year, is that not only do we have to look at caribou populations as well as industry needs. We have goals as a province to double oil and gas production, for example. A strong economy is more important than ever before with what we're seeing in terms of uncertainty around the world.

The world is looking to us for many of our major industries in terms of agriculture and forestry and, of course, energy to provide, I would say, safe, affordable, reliable, and responsible energy to the world as those demands are growing, but we also have to manage forests in a proactive way so that we are protecting not only communities but wildlife from the risk of wildfire. I know that that is something that not only myself but also the Minister of Forestry and Parks has raised with the federal government as they've taken, I would say, an approach that has not been adequate on that front. So it's a challenge. It is certainly one of the more challenging aspects in my portfolio. But it's really important from, I would say, a traditional land-use perspective, especially for Indigenous communities, but the economic perspective is also important to those very same communities as well.

Can I just clarify? In the first part of the member's question: can you just remind me the line item that you wanted me to speak to specifically so I make sure I'm answering that correctly?

**Mr. Dyck:** You bet. It's performance metric 1(a) on page 58, and I'll give you some context around this question, too, as well. Currently, I believe, the seismic lines: once they're in, they're there permanently, forever, and measured that way, but eventually these

do become either reforested or trees just happen to grow up, and over time you can't really tell they're there unless from the air. An animal isn't really going to notice after a few years whether or not it was a seismic line. Do we have a way of telling whether or not it's actually an active seismic line in the way that we measure? In my mind, some of these should also be taken out of the seismic line measurement.

**Ms Schulz:** That's a great question, and it reminds me a lot of the conversations that I've had with my federal counterpart, Minister Guilbeault. You know, I would just say that every time we talk about taking a common-sense approach that reflects what we're actually seeing on the ground in Alberta, I think that's important, because, I think, a Google map image is not the same as what people see when they're actually on the ground.

We do know that, well, first of all, caribou area recovery takes time, but we are stepping up to make investments in these areas. Restoring legacy seismic lines is also complex work. It takes years to establish, and it has to be done right to create the long-term habitats that caribou need to thrive. That's what you're seeing in this budget. The caribou habitat recovery program will be able to ramp up restoration efforts pretty quickly and be able to treat more areas and plant more trees. We use a variety of approaches to that. Partnerships with Indigenous communities to build capacity and treat those areas is key, using RFPs under government procurement, using the Forest Resource Improvement Association of Alberta, FRIAA, to help deliver program activities. And by doing that work, we're not just restoring critical habitats, but we're leading the way in restoration across the country, which is also really important for us.

Then when you ask about, I think the second part of your question, how we're able to tell the difference between whether it was prior seismic or not, while we haven't surveyed all of the roughly 200,000 kilometres of legacy seismic, we've evaluated more than 4,500 kilometres, which provides us with a pretty good sample. Less than 10 per cent of those lines had natural regeneration, and almost none of them were naturally restored to the point of supporting caribou. There's a variety of factors for that, I would say. First of all, it's difficult for trees to naturally re-establish in wet areas. As well, these areas are surrounded by dense mature forests, which means the lines get very little light, which is necessary as well. It makes it difficult for trees to re-establish. Finally, it's difficult for trees to re-establish due to the way the lines are cut. As I understand it, the seismic lines are cut using bulldozers, which compresses the soil, and again that provides some complexity for trees naturally re-establishing on their own. That is what our caribou habitat recovery work is addressing. It's why it's complex. It's why it matters. We do the work to improve seismic lines so that trees can grow more easily and the landscape can be recovered successfully.

**Mr. Dyck:** Excellent. Really appreciate that, Minister. Thanks for your work on that. You know that that's pretty important to me.

A final question on caribou, and then I'll switch to something else if I have time. There seems to be this idea that caribou recovery is going to take precedence over industry even though industry consistently has smaller footprints. We see multiple pads on a single well site where prior you'd have a single well on a single pad spread out across a great number of regions. Now they do multiple wells on a smaller pad, so the footprint is significantly smaller. So how are we balancing this? There is a challenge there of keeping industry going. As you mentioned, we want to see energy production doubled, which I'm all for, particularly in these trying times with tariffs. What's the deciding factor? Can you explain how

you can make some of these challenging decisions on some of these factors as we try to expand energy while also keeping caribou safe?

11:20

**Ms Schulz:** Thanks for that question. I mean, this is one of the things that makes this work so complex. I do want to stress that we're making sustainable energy production and economic development a priority as well. When done right, caribou recovery and land-use planning can work hand in hand with economic growth. As the minister I can tell you that I've worked closely with industry, Indigenous partners, and other groups to make sure that we are getting this right. I would say that the engagement is really important to understanding community needs.

New technologies, as the member mentioned, Mr. Chair, such as multiwell pads, horizontal directional drilling are examples of how our energy sector has demonstrated responsible development, which is helping us to lessen the footprint on the environment and helping us ensure that our energy resources are among the most ethically sourced in the world. The subregional plans that we're working on, it's important that they reflect those initiatives and continue to support a working landscape.

I would also just say that we've had a number of conversations with Minister Wilson on this front as well because while it is important that we're maintaining habitats, but a number of First Nations communities are also partners in prosperity with a variety of these companies and industries as well. Part of the benefit of that, I would say, aside from economic reconciliation or maybe in addition to, is having that perspective at the outset of some of these projects and making sure that that continues to remain the focus as industry develops the resources that the world is looking for right now.

Thank you very much to the member for the question.

**Mr. Dyck:** Excellent. Thank you. One final question here. Page 85 of estimates, under line item 1.3, we can see that corporate services was budgeted last year at \$425,000 but only needed \$227,000 at the end of this reporting year. There is an increase there, I believe, to \$1.25 million despite only needing \$227,000 this reporting period. I believe you mentioned that in your opening remarks, too. If you can just give a quick update on the difference on the line item. I'm just not sure where that difference is.

**Ms Schulz:** I'll try to answer that quickly. The security deposits are a key part of ensuring long-term health and safety of our environment and ensuring that if there's remediation and reclamation work done, Albertans aren't on the hook for it. To do that, we need to make sure the systems are up to date. One million dollars overall is set aside for the environmental protection security fund information system.

**The Chair:** Thank you very much. Next question?

Member Al-Guneid, go ahead.

**Ms Al-Guneid:** Thank you, Mr. Chair. I'd like to touch on the technology innovation and emissions reduction program – that is, TIER – as per the business plan on page 59. Because of the threat of U.S. tariffs, the government needs to quickly strengthen our systems and reduce uncertainty to attract new investments, Mr. Chair. To date TIER or industrial carbon pricing has helped Alberta attract billions of dollars in investments. I was happy to hear the minister mention Shell Polaris, Air Products, Net Zero Hydrogen. Also, it is, frankly, stunning listening to the CEO of Dow Chemical, who said that one of the main reasons they chose Alberta and Canada is industrial carbon pricing.

However, right now, Mr. Chair, there is an oversupply of credits, which is pushing prices down. On page 90 of the estimates TIER revenue for '25-26 is estimated at \$397 million, which is higher than the '24-25 forecast but still lower than the original '24-25 budget estimate of \$524 million. Through the chair to the minister: in the face of Trump's aggression and his tariff threats in Alberta, what is the minister's plan for industrial carbon pricing in Alberta and is the minister considering expediting the 2026 review process to improve investors' confidence that government is working towards strengthening here?

**Ms Schulz:** Thank you very much, Mr. Chair. I do have a correction to the question asked in the last round by the Member for Banff-Kananaskis if you don't mind. Just speaking to the 5.2 fisheries management line, I want to be clear that \$18.9 million was for Raven Creek Brood Trout Station, \$332 million was for the whirling disease management program, \$1.3 million was for the dip tank, that we mentioned, in the aquatic invasive species program, and a \$360 million increase for decontamination equipment for that invasive species program as well. Then a correction to Mud Lake: the Mud Lake diversion is actually in 4.4. I just want to make sure that I clarified that information for the member.

Then when it comes to the TIER fund, you know, I would say that obviously there is some uncertainty, I think a lot of uncertainty. I mean, you probably hear this. There is a theme in my frustration when it comes to this federal government and their lack of ability to use common sense and flexibility and provide flexibility to provinces, especially like Alberta that has been managing our energy production and environmental goals for decades. I often say that Alberta was reducing emissions long before Justin Trudeau was the Prime Minister of Canada and Steven Guilbeault was the environment minister of Canada. The continually increasing industrial price of carbon is very, very challenging for our industry to meet and still stay competitive and continue to want to invest in our country. That's where you're seeing some of the shifts that we're seeing in terms of companies paying their obligation versus using credits. This is one of the things that we would like to look at in our review.

To the member's question of: are we looking to expedite the review? I've already been very transparent with industry and others to say that if people have ideas about things that are working or not working within TIER to please make sure that they're providing us that information. We've received a number of written submissions as well, and I know that my ADM, Patrick McDonald, has already had a number of meetings with folks within industry in preparation for that 2026 review. But I think that should we actually see a change in the federal government and see some flexibility from a common-sense federal government, which is something I would love to see, we want to be ready to be able to take some of that feedback from industry as we move forward.

I do know that industry also feels strongly that our environmental record when it comes to responsible energy development is something that also helps us when we're looking to create additional trade relationships, which is important at a time like this with so much uncertainty with our major trading partner to the south. Certainly, I know that when I was in Japan in February, one of the reasons I was there was because Japan has a very, I would say, ambitious set of environmental goals, especially as an energy consumer. They view partnerships with places like Alberta as a way that they can actually meet their overall emissions goals by bringing in responsibly produced lower-emissions natural gas – the member is nodding – not only for Japan but also to bring that into other areas of Southeast Asia as well. I think that that's pretty important.

Again, I would just mention that credit use, you know, we are seeing it increasing as well. I don't know. ADM McDonald, do you have anything else to add there in terms of what we're seeing from the issue with the credit use and what we're seeing in terms of patterns?

**Mr. McDonald:** You bet, Minister. ADM Patrick McDonald.

Just in regard to the credit use and, you know, the oversupply as you termed, right now we are anticipating increased credit usage across the TIER compliance. That's really, again as a result of the system enabling that flexibility as we've increased the credit use limit to meet that obligation. It's increased this year. It will increase next year and the following year, which, you know, enables a more competitive system, enables lower compliance costs for a lot of the regulated entities in that.

Thanks.

**Ms Al-Guneid:** Thank you, Mr. Chair.

**Ms Schulz:** Just to answer the member's specific question about the variance: there is flexibility within the TIER regulation, of course. That is what makes it difficult to accurately forecast the revenues to the TIER fund given the complexity of flexibility and variability in the product markets. Specifically the variance: first, the forecast is adjusted to compensate for the 2023 compliance submissions received on June 30, 2024, being lower than estimated, and secondly, the forecast now assumes facilities will use credits to meet their 2024 compliance obligation close to the maximum credit use limit whereas in Budget 2024 assumed credit banking would occur.

**Ms Al-Guneid:** Thank you, Minister.

Mr. Chair, to her credit the Premier has shown commitment to TIER. The Premier said, and I quote: we're going to continue with an industrial carbon pricing strategy because it's working. Is the minister as committed to carbon pricing in Alberta?

*11:30*

**Ms Schulz:** Our government is very much on the same page in terms of where we are going to go. We're committed to our TIER program, but it is really important that we work to understand, of course, as we're looking to be a leader in environmental and responsible energy development, that we are ensuring that we still remain competitive. I know industry has said that they very much value the TIER system, but I do think that there are some changes that could help ensure that we still remain competitive because if we do not remain competitive when it comes to energy production, we're not going to continue to supply the world with what they're looking for when it comes to responsibly produced energy.

**Ms Al-Guneid:** Thank you. It is absolutely true; we need to stay competitive. With that, is the minister doing everything she can to instill confidence in Alberta's carbon markets by signalling the type of reviews the ministry will be making? So, for example, in the conversations the ministry is doing with industry in, hopefully, an official manner, is the minister telling the industry that she's reviewing the TIER stringency? Is the minister signalling to the industry that Alberta is looking at the benchmark in order to help with credit oversupply issues? Is the minister, through you, Mr. Chair, committed to increasing the transparency of the TIER market and signalling all this to the industry in order to remain competitive and in order to attract investments as we did with Dow and Air Products, Net Zero Hydrogen, and so on?

**Ms Schulz:** Yes. One thing I've heard from industry is that the ever-changing and layering of problematic policy from the federal government has created so much uncertainty for industry. It's why we're not continuing to see additional investments, especially in our energy industry, and it limits the technology and innovation that's going to be required to further reduce emissions.

That is a problem and so all along I have been very consistent. In every speech I give, chamber lunches, media, you name it, I have been very consistent that we want industry feedback, and we have been saying that because we want industry to know what we're looking at. We want them to have confidence that we're not going to make changes that take them by surprise, and so we do have very close conversations with all of our industry partners in a variety of industries related to TIER, and we're also working alongside Energy and Minerals in that work as well. We've been very publicly consistent with that message and meet with industry regularly to ensure that they know what we're working on and when those further engagements are coming.

**Ms Al-Guneid:** Six seconds. Is the minister working on contracts for difference?

**The Chair:** We'll get back to that.

**Ms Al-Guneid:** You took one minute from me, Mr. Chair, so . . .

**The Chair:** Okay. Did you want to answer that?

**Ms Schulz:** Well, I mean, largely that is a conversation that is happening with the federal government on contracts for difference. It's been a major source of frustration, again, with the federal government on a number of programs and projects. That continues to be something that both ourselves in Environment and Protected Areas but also Energy and Minerals continues to work on with the federal government.

**Ms Al-Guneid:** Thank you, Mr. Chair.

**The Chair:** Thank you.

Member Boitchenko, go ahead.

**Mr. Boitchenko:** All right. Good morning. Well, Minister, you're doing great this morning; a lot of information. Before I ask my question I just want to outline and say how I'm impressed with the amount of work and the great work you do. As parliamentary secretary to Indigenous Relations, I've got to attest that I'm truly impressed at the amount of time you spend not only in your office but also travelling the province. I was privileged to travel with you as a parliamentary secretary to some of the remote Indigenous communities. I tell you, I can't keep up with your speed. I'm not staff.

You know, as well, the Indigenous community expressing how they're happy with how you're addressing caribou problems, trying to fix and help them to co-ordinate that fish and wildlife, grasslands, watersheds, and I've got to tell you they're impressed with you. I actually see your position, your role, your ministry as a balancing act between the environmentalists, between the Indigenous community, oil and gas companies, and their responsible development because we can't have one without another. That's important to understand today, that we need to have both. Your ministry does that, balancing the environmental issues, rightfully so, as well as the industry, where without which we cannot have much in this province. So thank you for that, for keeping our Alberta environmental standards best in the world. I don't think

there's any other oil and gas producing country in the world that has the standards we have.

With that, I want to dive into some details and ask you some detail questions that I have. I want to start with support of key objective 1.2, outlined on page 57, which is to strengthen environmental resource stewardship and conservation. We have \$22.2 million being allocated to conservation programs. Could you please explain and provide details on these programs and the benefits they provide for us? As well, \$10 million of that \$22 million is being provided from the land stewardship fund. Could you please explain and provide us an overview of this fund and its revenue sources, where it's coming from?

**Ms Schulz:** Well, first, through you, Mr. Chair, I do want to thank the member not only for his questions but for his commitment to Indigenous communities in his work as parliamentary secretary. We have spent some time travelling the province, and I think that there's going to be more to come. But I do know – even, just briefly, to touch on the recent mission to Japan and talking about our potential trade relationship increasing with Japan – there was a pretty exceptional contingent of folks representing a variety of Indigenous organizations and really talking about the work that we have done, partially through the AIOC, to ensure that Indigenous communities are part of that work, are benefiting from the economics, but also bringing that very important traditional knowledge to projects right from the outset. I just want to thank him for that.

To speak to objective 1.2 on page 57, this funding will go towards important conservation programs that help make Alberta more naturally drought and flood resistant as well as helping to maintain healthy landscapes that ranchers, farmers, and many others can continue to benefit from for years to come. The funding is allocated to a variety of initiatives, including \$8.7 million for the wetland replacement program. It is recognized as one of the best in Canada. I've heard that from some of my colleagues and counterparts from across the country who are looking to see what we're doing here and asking questions about those. It re-establishes wetlands through funding partnerships and contracts with municipalities and nonprofits across the province. The proponents will look at activities that will permanently impact wetlands, are required to reclaim or replace their own wetland or pay a wetland replacement fee. If a fee is paid, my department then uses that to replace the lost wetland area. Those projects benefit our province. They help, again, improve flood and drought protection; they strengthen the local groundwater supply; they improve water quality; and, of course, they're great for the local environment.

The line item also includes \$3.5 million for the watershed resiliency and restoration program. Watersheds are areas of land that drain rainfall and snowmelt into streams, rivers, and lakes, which in turn then helps support healthy communities and ecosystems in an area. The funding helps provide grants so that organizations can restore riverbanks, protect stream banks, and improve natural drainage, among other projects. Similar to wetlands, these watersheds act like a sponge. They absorb water during floods and release it during droughts helping to make our province more drought and flood resistant. They also support rivers, streams, and other water bodies that many Albertans rely on. To date the program has helped with the restoration, enhancement, and conservation of more than 4,500 hectares of wetlands and riparian areas since 2014.

When it comes to – \$10 million of the \$22.2 million is also being provided from that land stewardship fund, that I believe the member asked about, and so that's enabled under the Public Lands Act, and the money is made up of revenue from Crown land sales. The use

of the funds is outlined in regulation, which provides some pretty strict guidance on how those dollars are able to be used to support the conservation stewardship of lands under two programs, the land purchase program and private land conservation program as well. I do hope to have more to say on that important work later this year.

**11:40**

Again, I think I've said this in almost every department I've been in and in every estimates I've been in, my approach is not to say, you know, everything is great. It's always to do continual, ongoing reviews of our programs based on the feedback that we're hearing from Albertans. So probably more to come on that later on this year.

**Mr. Boitchenko:** Awesome. Thank you. So much information in such a short period of time. I'm going to try to squeeze in maybe one more question, also a little bit in detail here.

Performance indicator 1(c) on page 58 deals with the percentage of vertebrate species designated as at risk right now. Measurements are taken every five years and have fluctuated from 3.7 per cent in 2010, to 4.2 per cent in 2015, and back to 3.9 per cent in 2020. This measurement helps government to determine when the special management or recovery actions may be necessary to take place. My question is: what specific actions are undertaken based on the fluctuations in these measurements, and what are they used for, right? Also, do you have any idea what this percentage will be projected to be in 2025? Maybe there is a value of taking it more often instead of every five years for the performance indicators.

**Ms Schulz:** Thank you so much to the member for that question. We are making significant moves to safeguard species at risk. We're working with experts, conservation groups, funding research and stewarding habitats, stepping up to keep at-risk species from disappearing. We're doing that while, again, still ensuring that we're working with industry. We don't want to be putting rural communities out of work or having significant impacts to our economy.

We consistently monitor and use this data, particularly the percentage of species deemed at-risk, to assess the general well-being of Alberta species. We do know that species more sensitive to change exhibit population decreases, indicating that special management and recovery actions are necessary. The ranks are also used by industry to develop plans to protect those priority species for things like pre-development initiatives. It is complex work; it does take time, but we are investing in these areas and seeing some positive results. One example: the trumpeter swan being removed from that list and seeing some population stabilize, as we spoke about earlier with caribou. When asked about the percentage for 2025, it's a little bit early to say. We're still waiting on the data, but we do know that larger variances typically occur as a result of adding or removing species from that list.

And then to answer the member's last question about maybe looking at this more often than every five years: it's a fair question to ask. We are always monitoring the species in the province. I'm sure you can imagine it's a large undertaking, but the five-year period gives us time to do that work.

**Mr. Boitchenko:** Thank you.

**The Chair:** Thank you very much.

Go ahead.

**Dr. Elmigli:** Thank you very much to the members opposite, through you, Mr. Chair, for those questions. That was very rich discussion and you've saved me asking some of the questions I was going to ask, so thank you for that, too.



This is my last hurrah in this estimate here, and so I also just want to take some time to thank all of the members of the public service, the deputy ministers, the assistant deputy ministers. Those binders are incredible, and I know that the creation of those binders trickles down through the public service, probably through ARTS requests, all the way down. You have an incredible team supporting you, Minister, through the chair to the minister, and you're very lucky to have such a dedicated and very capable public service behind you.

I want to take my last few minutes to ask more about coal mining on the eastern slopes. Part of the responsibility of this ministry is to monitor water; that's come up several times, monitoring water quality. We know that coal mining creates selenium contamination and that it is a persistent issue and one of the greatest risks with coal mining. I note that the budget for water policy, estimates line 4.1, has been cut from \$6.8 million to \$5.5 million, which is a 19 per cent reduction. Given the scientific evidence of persistent selenium contamination in watersheds near coal mining, how can the minister justify reducing funding for the very program responsible for water protection policies?

**Ms Schulz:** Thank you very much to the member. I often joke about this binder. When I'm reading and I'm preparing, everything in there is really great, but when I'm answering questions, it's really hard to find everything as fast as you're asking the questions. I also have to thank them for their very quick work at finding pages within this binder. Thank you very much.

I want to thank the member opposite. I really just want to put on the record that her passion is very clear for this area, and she just has such a respectful approach, I would say, not only to me but even recognizing my colleagues for their great questions today as well. I think, honestly, that that benefits Albertans, when we have respectful and productive dialogue. And, you know, it makes this three hours more enjoyable for us all, although maybe slightly less entertaining.

When it comes to the eastern slopes, we are committed to protecting the eastern slopes, the headwaters of Alberta's major river systems, and support wildlife, fisheries, and unique vegetation as well as important economic and, of course, social activities, which I know the member and I are both very passionate about, for all Albertans. Until the modernized coal policy is ready, the coal exploration development applications are subject to the land categories outlined in the 1976 coal policy, AER rules and procedures, and related nonrenewable resource development laws that do remain in place to ensure protections that Albertans can rely on. We do expect the AER to undertake a rigorous review of applications and uphold all of our environmental standards for air, land, and water.

Specifically, to address the line item that the member asked about, the 2025-26 estimate, why it is \$1.3 million lower than '24-25. That was a \$1.3 million decrease from the completion of economic and engineering analysis recommended by the oil sands mine water management committee. The ongoing work includes staffing costs for developing effective policy solutions. It's not a budget reduction as spending aligns with the planned progress that was set out over the number of years. Budget 2024 included \$1.6 million in '24-25 for the work and \$0.3 million in '25-26 to '28-29. This is not a reduction. It just follows the progression of that work as planned.

**Dr. Elmeligi:** Through the chair to the minister, thank you for that answer.

I'm still struggling with this idea of coal mining along the eastern slopes and in our headwaters. We've spoken repeatedly about water

monitoring today. I know that there have been cuts – I don't know which line item it comes from, to be fair – to the number of water monitoring stations in southern Alberta. There are currently no water monitoring stations upstream from the Oldman reservoir in the river. That's problematic because that is the exact river that will be impacted potentially by the Grassy Mountain coal mine. I really am trying to reconcile how we can commit to water quality monitoring and at the same time reduce the number of water quality monitoring stations in the province. Then my follow-up question is: what happens to that monitoring? If we don't have clearly defined thresholds and indicators, we don't have a process for doing anything on the ground with that monitoring data.

**Ms Schulz:** We have not reduced the number of water monitoring stations. I think what the member is relating to – and I don't have the line item – is what we spoke to earlier, which is addressing some changes to the contracts and grants, which does not actually impact the monitoring activities. I mean, look, I'm just going to say that I'm also a fiscal conservative, and I think that there are ways that we can do things efficiently and effectively. Some of those contracts go to support some of the operational functions. In some cases it's a reduction of \$6,000, maybe \$20,000. It's also part of the work that we're doing to ensure that we are fiscally responsible for Albertans with their tax dollars, but we're still maintaining the water quality monitoring that we have in place.

**11:50**

Then as part of our water quantity monitoring network, so snow, hydrometric, and groundwater reviews: those are under way as part of our water availability mandate item. Evaluations will be complete in this budget year and then will inform options for adjusting water quantity monitoring locations if necessary. For snow monitoring there's a high concentration in the mountains because that's where the majority of our provincial water supply is generated. Our River Forecast Centre has a strong influence on where we monitor water quantity. The networks were designed for water quantity forecasting to inform water supply outlook, flood, and, increasingly, drought. After every major flood, I believe, there has been a system review as well. With 40-odd years of network station insulation to monitor quantity and quality, there have been adjustments over the years to finesse those locations. We also have a number of stakeholders, individuals who are consulted with in these decisions and have been over the last number of years.

For the water quality in major rivers and tributaries we have a five-year monitoring, evaluation, and reporting plan that's publicly available. It's now being evaluated to design the next five-year plan, and the design of water quality monitoring in major rivers and tributaries focuses on locations upstream and downstream of the major influences on water quality and entry of major tributaries into the mainstream rivers.

It's meant to answer questions, for example, like: do rivers and tributaries in Alberta meet our existing provincial and federal water quality guidelines, objectives, thresholds? What impact have anthropogenic stressors had on water quality, hydrological dynamics, and/or aquatic ecosystems? What impacts have hydroclimatic variability or changes had on water quality, hydrological dynamics, and/or ecosystem health in surface waters in Alberta? How will water quality and hydrological variability and aquatic ecosystem health change in future under various land use, land cover, and what we're seeing in terms of changes due to climate scenarios? What impacts do those have? Those are reviewed, and they will continue to be, but I do appreciate your feedback on that item.

**Dr. Elmeligi:** Through the chair to the minister, thank you. I think it's a very complicated issue about how we protect our headwaters, and I don't think that there's anything more important than figuring out how we actually protect our headwaters so they continue to provide abundant water for us, particularly in southern Alberta; that is a drought-prone region.

We've only got one minute left, and I know you're dying for me to ask about beavers, so here we go, my last question of the day. Through the chair to the minister. Nature-based solutions are a critical part of climate action. They are a critical part of protecting our headwaters. Last year I asked this, and I'm going to ask it again. Beavers are an incredible keystone species that can help with water storage, and they can also help with, like, reducing climate change and protecting our headwaters and filtering water. Where are the beavers, Minister? Will we be seeing beaver reintroduction programs amplified on the eastern slopes?

**Ms Schulz:** I appreciate the question. I knew that one was coming at some point. Given that I only have 14 seconds, I would just say that, as the member and I have had a number of conversations on nature-based solutions versus the other programs that we have, both are important to our ecosystems. I appreciate the member's passion.

**The Chair:** Thank you very much.

Member Dyck, you have six minutes.

**Mr. Dyck:** Awesome. Thank you very much, Chair. Yeah. Just starting off, thank you, all the staff. Just want to say a quick thank you for all the staff for being here today as well. It's significant. I know you guys have put in so much work, so very appreciative to everyone for doing so.

I have a couple of questions on TIER, just as it is kind of complex in – not my question, but the TIER fund has some complexities to it. Can you explain just how this goes about? How do we reduce emissions without harming our industries? This would be particularly under key objective 2.2. We see the ministry plans to continue ongoing investment into TIER but also to engage Alberta's emissions reduction and energy development plan to drive emissions reduction efforts over the next couple of years. How do we balance this? How do we push for emission reductions without harming our industries?

**Ms Schulz:** That's a great question. Alberta has been a leader in this area, I would say, for a number of years. We are seen as world leaders and a model to others when it comes to emissions reduction. Again, we've taken an approach of working with industry to ensure that we are not just imposing unreasonable targets and limits and parameters that harm competitiveness and reduce investments in the technology and innovation that Albertans are also known for.

The TIER system has been the cornerstone of Alberta's approach to reducing emissions. Obviously, there have been changes to that program over the last number of years, but the TIER regulation specifically came into effect in 2020, replacing those past iterations of industrial carbon pricing. It applies to large industrial emitters, those producing more than 100,000 tonnes of emissions per year, and then voluntarily participating facilities like smaller oil and gas operations and others. It does incentivize and support emissions reduction across the economy through use of carbon offsets. It covers 60 per cent of our provincial emissions, and it involves over 500 regulated facilities and conventional oil and gas aggregates. Those sites can comply with the regulation in a variety of ways: reducing emissions intensity, buying and retiring emissions offsets, performance credits, sequestration credits, or paying into the TIER fund, which we then use to reinvest in technology and innovation,

derisking some of the projects that are happening across the province.

As of January 2025 compliance costs for TIER-regulated facilities are currently at \$95 per tonne for emissions above facility benchmarks, and that goes up \$15 per tonne annually, reaching \$170 by 2030. Again, that aspect of it is related to the federal government, and industry has – you know, while overall I think the TIER system is valued and has really supported the work that industry is doing, there have been some concerns raised, specifically when it comes to, I would say, an unreasonable carbon price, and we've expressed that to the federal government.

You know, it's one thing when you have federal environment and energy ministers saying, "You know, we want to see all of this new technology happening" and "We want to reduce emissions" and "Of course we want to support our energy industry," but then they undermine that same industry with a variety of policies and legislation that, when layered upon each other, essentially kill the competitiveness of our industries. That's been a problem. But, as I've said earlier today, I've been very clear with industry. Come to me with your recommendations. What's working? What's not? Does this still allow us to be competitive? Do you value this system? Help me understand what is working and what is not and come to us proactively so that we know what you're thinking.

Like I said, the review of that program is set for 2026, but just given all of the uncertainty that we're seeing, not only globally but I would say even with our federal government, we should just be prepared and have a good understanding of what industry sees as working well and how we can still remain competitive.

**Mr. Dyck:** Awesome.

Just continuing on the TIER fund – thanks for the response, Minister – it's a big budget. TIER is a significant amount of money; \$192.2 million I think is allocated for funding this next year. How did you decide upon the number of \$192.2 million for the allocation? I'm just kind of curious. How did you come up with the funding amount?

**Ms Schulz:** Yeah. That's a great question. First, our department is the lead administrator of the TIER fund, and allocations are dependent on the forecasted revenue that's going to come in each year. The revenue is received from those regulated facilities who choose to pay into the fund as a compliance option. The choice is a key part of the system, but it does mean some uncertainty when it comes to us predicting how much money is actually going to be in that account. It can lead to adjustments throughout the year, as we often see.

As in previous years, the first \$100 million in annual revenue and 50 per cent of the remaining revenue are available for programs supporting emissions reduction and initiatives to help communities also become more resilient. Consistent with last year, if TIER fund revenues reach \$100 million, 50 per cent of the amount in excess of \$100 million is allocated to support deficit and debt reduction and our ACCIP program, which is led by Energy and Minerals. Then, of the overall funds, a portion is directed to support initiatives in other departments.

**The Chair:** I apologize for the interruption, but I must advise the committee that the time allotted for considerations of the ministry estimates is concluded. Good questions. Good answers. Good day.

I would like to remind committee members that we are scheduled to meet on Monday, March 17, 2025, at 7 p.m. to consider the Ministry of Transportation and Economic corridors.

Take care, everyone. Meeting is adjourned.

[The committee adjourned at 12 p.m.]



