



Legislative Assembly of Alberta

The 31st Legislature
Second Session

Standing Committee
on
Resource Stewardship

Ministry of Energy and Minerals
Consideration of Main Estimates

Thursday, March 12, 2026
9 a.m.

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Second Session**

Standing Committee on Resource Stewardship

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Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair
Elmeligi, Sarah, Banff-Kananaskis (NDP),* Acting Deputy Chair

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Standing Committee on Resource Stewardship

Participant

Ministry of Energy and Minerals
Hon. Brian Jean, Minister

9 a.m.

Thursday, March 12, 2026

[Mr. Dyck in the chair]

**Ministry of Energy and Minerals
Consideration of Main Estimates**

The Chair: Well, good morning, everyone. Welcome to this fantastic committee. I will call the meeting to order and welcome everyone both here at the table as well as in the gallery in attendance here today. Today we have under consideration the estimates for the Ministry of Energy and Minerals for the fiscal year ending March 31, 2027.

I will ask to go around the table and do introductions for the record. Minister, please, when it comes to you, introduce your officials at the table, and then we'll carry on after you're done. My name is Nolan Dyck. I am the MLA for Grande Prairie and the chair of this committee. We will get started to my right for introductions.

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

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

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

Mr. Rowswell: Garth Rowswell, Vermilion-Lloydminster-Wainwright.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, Fort Saskatchewan-Vegreville.

Mr. Jean: Good morning, Chair and members and colleagues and Tany. I'm joined today by Bob Murray and Wade Clark, part of the team to my right, and Roxanne Leblanc and Tracy Wadson. They are part of the team that represents the best team in the government for Energy and Minerals and the best team, I think, in the country if not the world on regulation and management of a very complicated industry. I'm Brian Jean. I'm the Minister of Energy and Minerals, and I'm happy to be here today.

Dr. Elmeligi: My name is Sarah Elmeligi. I am the MLA for Banff-Kananaskis. Good morning.

Ms Al-Guneid: Good morning. Nagwan Al-Guneid, the MLA for Calgary-Glenmore.

Member Miyashiro: Good morning, Chair. Rob Miyashiro, MLA for Lethbridge-West.

Member Kayande: Samir Kayande, MLA, Calgary-Elbow.

The Chair: Excellent. We have no one participating remotely, so we will go from there. I would like to note the following substitution: Dr. Elmeligi for Member Sweet. I think I got it right. Excellent. She'll be subbing in for the meeting.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and video-stream and transcripts of the meeting can be accessed via the Legislative Assembly website afterwards. We have no members remotely. If somebody pops on, we will deal with that then. Please set your cellphones and other devices to silent for the duration of the meeting. If they go off, I will be forcing somebody to make a

donation to their favourite charity. How loud it is will dictate how much.

Speaking rotations and time limitations. Hon. members, the main estimates for the Ministry of Energy and Minerals shall be considered for three hours. Standing Order 59.01 sets out the process for consideration of main estimates in legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for this meeting. This is available on the committee website. As well, there are hard copies in the room if you would like that, or for more information you can e-mail or talk to the clerk. Feel free to do that. For each segment of the meeting we will be asking the minister as well as the member if they would like to go back and forth or block time. Both have to agree; otherwise it will be at the direction of the minister.

This is where I need members' attention just for a little bit. I would like to do a five-minute break in the middle of our estimates, and the clock will continue to run during that period. Does anybody oppose having a break? Perfect. We're going to have a five-minute break. I'll call that about halfway through.

Ministry officials, at the direction of the minister, can address the committee. Ministry officials seated in the gallery, please come up to the microphone, introduce yourselves, and speak if you are called upon. For anyone not at the table, if you need to share any information with any official or with a member, we have pages available. They do a great job for you to share information. Please don't approach the table; that's not allowed.

Points of order will be dealt with. We'll see how it goes. We've been a great committee so far and had limited points of order.

At the end of three hours the meeting will run out, and that will be the committee. Any written material that is needed, Minister, in response to any 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 myself as the chair, including instances when speaking time is shared between a member and the minister.

Minister, you've got 10 minutes for opening remarks. I would love to hear more about your ministry and give you 10 minutes in order to offer some opening introductory remarks for us today at the committee.

Mr. Jean: Oh. I will not try to control my mic.

Thank you, Mr. Chair. What a pleasure and an honour it is to be here today. I will absolutely guaranteed run out of time today because I can't say enough good things about what we're doing at Energy and Minerals and the team that surrounds me.

I want to let you know also that Adrian Begley and his team at the Alberta Petroleum Marketing Commission do great work for us, and Adrian is joining us today to make sure he keeps on the pulse of government. Of course, the AER chair, Duncan Au, and CEO, Rob Morgan. Rob is here today. He is leading the team at the AER and doing a great job there, too. We're doing a total not a complete restructuring, Mr. Chair, but a refinement of opportunities and taking those opportunities for the people of Alberta.

As you know, Alberta is an energy powerhouse, with some of the largest oil and gas reserves in the entire world. When it comes to oil reserves, Alberta is a titan, with an estimated 137 years of oil supply, the fourth-largest reserve in the world by current technology. We have 144 trillion cubic feet of gas recoverable using today's technology, most of it in Tany Yao's riding. It's no surprise that energy development has long been a key driver of Alberta's economy, supporting prosperity for people across the country.

Resource royalties are truly one of the Alberta government's largest revenue streams and one of the ways we build hospitals and roads and all the things that we need to do, helping absolutely fund essential public services that all of us rely on such as health care, all social services, and education. In fact, the ministry generates more than 20 per cent of the Alberta government's total annual revenue. This year we expect to generate more than \$13 billion in nonrenewable resource revenue, which is expected to grow to more than \$16 billion and \$17 billion in the following two years, and we're hoping and very optimistic for the years following.

Beyond generating revenue, the ministry manages its resources efficiently by delivering a complex mandate across a broad range of responsibilities, including not just oil and gas but also petrochemicals, emerging resources such as lithium and others, and, of course, minerals.

I'm excited about the future, especially as more countries look to Alberta as the safe, secure, and responsible energy supplier that the world needs. Alberta's government has a plan to enhance this position. That includes doubling oil and gas production by 2035 and aggressively exploring new ways to get our products to expanding markets all across the world. Budget 2026 is a commitment to continue this robust plan to attract investment, to grow and diversify energy and minerals right across all sectors.

For 2026-2027 Energy and Minerals' overall budget is about \$894 million, which is actually a decrease of \$227 million from last year. This reduction is due to several factors, including a reduction in the cost of selling oil, a decrease in the amount of economic recovery support mainly due to a planned completion of the heartland petrochemical complex grant under the Alberta petrochemicals incentive program, and a decrease to the carbon capture and storage program due to its planned completion.

Budget 2026 continues to invest in the Alberta petrochemicals incentive program, work on the mature asset strategy to extend the productive life of a mature asset, and leverage infrastructure to generate economic activity in parts of rural Alberta, advocating for greater market access for Alberta's resources, setting up the royalty in kind initiatives that we believe will help Albertans be part of the owner initiative that we're continuing to do, and continuing the work on the coal industry modernization initiative and the metallic and industrial minerals royalty review. Operational funding will also support the department's work to continue to modernize the province's energy policy and our regulatory frameworks. These measures will help make Alberta a more competitive place to do business, strengthen investor confidence, and support job creation across communities.

Alberta is right now globally recognized as a responsible energy producer, and we're taking steps to enhance our competitive advantage to attract investment and to expand our reach to new markets as global conditions continue to evolve, and they are evolving daily. One of our priorities is strengthening the regulatory system, as I mentioned. The Alberta Energy Regulator, or the AER, regulates energy and minerals development all across the province. The AER does a great job regulating one of the busiest and truly most dynamic energy sectors in the world. This year's budget allocates \$283 million to the AER, an increase of \$13 million from last year, to cover items such as cybersecurity tooling and staffing costs. Most funding, almost all of it actually, comes from industry levies and fees, which are collected as revenue and not from taxpayers.

9:10

I'd like to add that Alberta's government recently conducted a review of the AER as part of our commitment to continuously improve and to keep pace with an evolving energy sector. I'm

pleased to report that 34 out of the 40 recommendations from the review have actually been implemented. Taking these steps will ensure that companies develop energy and minerals resources responsibly all across the province while protecting the public and the environment. These actions will also help provide the regulatory certainty required to attract new investment, which we are seeking.

For more than a century oil and gas has built this province. However, like all energy-producing jurisdictions, there's a need to clean up inactive wells and sites, and we're doing a better job today than we were yesterday and some decades ago for certain. To help address this issue, industry funding for the Orphan Well Association, or the OWA, is being increased so more oil and gas sites without a viable or legally responsible owner can actually be addressed. This year the OWA has an allocation of \$155 million, an increase of \$10 million from one year ago. I think it's important to underscore that, consistent with our polluter-pays principle, the OWA's work is funded through the orphan fund levy collected from industry. Again, industry funded.

The OWA's most recent annual report shows significant progress has been made. For example, the number of sites the OWA fully closed increased 22 per cent in 2024-2025, and the association returned 14 square kilometres of land to people in Alberta, an area almost as large as Devon. The OWA also expects to see the number of reclamation certificates in the coming years continue to increase. This reclamation work is important to protect the environment while helping to ensure a sustainable oil and gas industry for decades to come.

We're not stopping there. We're taking a bold approach that builds on Alberta's strength to attract new industries and to diversify our economy, including advancing petrochemicals development and expanding market access for our resources. Another great success story is the Alberta petrochemicals incentive program, or APIP. Budget 2026 invests \$87.1 million over three years for three projects funded by the APIP to help diversify Alberta's economy. These projects represent approximately \$5 billion worth of capital investment by industry. Rocky Mountain Clean Fuels is projected to receive \$6.9 million in '26-27 and \$10.4 million in 2027-28. For 2027-28 and '28-29 Nutrien is forecasted to receive \$7.9 million annually, while Air Products Limited, Edmonton's blue hydrogen complex, is scheduled to receive their first payment of \$54 million in funding in 2028-2029.

These grants have helped create multibillion-dollar opportunities in emerging sectors and have secured Albertans' money at the same time. Currently about \$41 billion worth of industry capital investment in petrochemical projects at various stages of approval are part of the APIP program, and I did say \$41 billion. APIP funds 12 per cent of a project's eligible capital costs for any petrochemical facilities using natural gas as a feedstock after it becomes operational.

Energy and Minerals is also responsible for expenses related to the cost of selling oil. The Alberta Petroleum Marketing Commission, or APMC, bears all costs related to the marketing and selling of Alberta's in kind royalties on behalf of Alberta's government through the conventional oil royalty in kind, or CORIK, initiative. In '26-27 the cost of selling oil is expected to be \$333 million, which is a decrease of about \$73 million compared to the previous year. The cost of selling oil includes purchased oil volumes, pipeline and trucking costs, as well as marketing fees.

In addition to accepting conventional royalties in kind, Alberta's government now has the option to take its bitumen royalty share in cash or in kind through the bitumen royalty in kind, or BRIK, initiative. This program will allow Alberta's government to sell the province's resources in ways that directly benefit the people living in Alberta and take a more strategic long-term approach to our

investments. Taking this action will enhance the province's position as a significant player in the global oil markets, enabling the province to achieve top pricing and to attract more private investment.

The Chair: Excellent. Well, thank you very much, Minister.

We are going to go to the Official Opposition side. It is a block of 60 minutes. No person can speak for more than 10 minutes in a row without passing it back to either the minister or the minister back to member. There will be a timer. I'm seeing that Member Al-Guneid is going to be going first. Would you like block time, or would you like back and forth?

Mr. Jean: I would prefer block time.

The Chair: Okay. Perfect. Block time it is.

Member, you have 10 minutes to ask your questions.

Ms Al-Guneid: Okay. Well, thank you, Mr. Chair. Before we start, I'd like to thank the public service. Thank you for all the hard work. It's a tough ministry to manage. Thank you for your wisdom, the expertise you've brought to the table. Thank you.

Mr. Chair, I'd like to start with objective 1.1 on page 55 of the business plan on the crude oil pipeline to B.C. Always when we talk about pipelines, it's also a good time to thank Rachel Notley's government for building the Trans Mountain expansion with the federal government, increasing our export capacity via the Pacific by 300 per cent and diversifying our markets beyond the U.S.

Now, for objective 1.1, of course, we've been here before. When Northern Gateway pipeline was announced, as the project was reviewed, the B.C. Premier at the time declared her intention to obtain a fair share of the economic benefits from that pipeline to B.C., suggesting transit fees on oil flowing through the pipeline as a way of getting B.C.'s fair share. However, it turned out that B.C.'s ability to tax transit fees on Alberta's oil passing through B.C. is nonexistent under Canadian laws and under the Canadian Constitution, that governs interprovincial trade.

Through the chair, given that the budget includes \$7 million of a feasibility study of a bitumen pipeline to B.C. on page 89 of the fiscal plan, does this study examine risks? Eighty-eight per cent of businesses surveyed by the Calgary Chamber say that Alberta's separation talk is hurting them. Will this study examine what happens if Alberta loses Canada's interprovincial trade protections? Then B.C. would be free to tax oil flowing through that pipeline, and 83 per cent of the businesses said that the impact is negative, including delayed or cancelled projects. Will the minister rule out having the government or an ABC like the Alberta Petroleum Marketing Commission, mentioned on page 54 of the business plan, taking any equity stake in the pipeline or committing bitumen royalty in kind barrels to the pipeline, which means effectively transferring risk to Alberta taxpayers in order to incent potential investors to step forward despite this added risk?

The Canada-Alberta MOU, mentioned on page 30 of the fiscal plan, requires that Canada and Alberta work on the Pathways partners to enter a trilateral MOU by April 1 of this year to deliver a multiphase approach to reducing emissions focused on CCS, solvent-based replacement, or other actions to reduce emissions intensity. Through the chair to the minister, April 1 is literally less than three weeks away. Is this trilateral MOU ready to be signed? When will it be shared with the public?

Speaking of CCS, the minister already spoke on ACCIP, but many companies applied in 2024. It is 2026 and companies are still waiting for this government incentive program. What's the update there? In fact, why is the capital grants funding being reduced from

\$36.4 million in last year's budget to nothing in the coming fiscal plan as per page 93 of the estimates?

I'd like to go back to all the risk that the government seems to be downloading on taxpayers. That's us, Mr. Chair. Page 59 of the business plan shows the \$333.1 million cost of selling oil. Page 90 of estimates: the cost of APMC selling crude on behalf of the department. This figure will certainly increase as the APMC moves beyond the marketing of the crude oil revenue in kind, CORIK, and into the marketing of the new bitumen revenue in kind, BRIK.

Through the chair, why is the government continuing to expand APMC and its staffing under a take-in-kind royalty model that has it growing increasingly bloated despite producers opposing the structure for decades for efficiency reasons alone? What kind of expertise and talent has the government hired to manage this complex trading at APMC? What are these people being paid? Is this a market competitive rate? Are they employees or contractors? Will contractor compensation be disclosed as well?

9:20

What is the size of this BRIK program mentioned in objective 1.2 on page 55 of the ministry's business plan? Can the minister provide two examples of how the \$900 million of borrowing authority would be required by APMC under BRIK, especially given that it will have acquired the bitumen using noncash royalty credits? Why does the minister think the government can add value here? Oil and gas companies have dedicated departments for oil trading and marketing, Mr. Chair. These are very sophisticated trained traders. I worked in the industry for 15 years. Why does the minister think the government can compete with the private sector? The government shouldn't be trying to outtrade professional oil companies. Why does the minister think the government can sell oil directly to India, for example, instead of or better than the private sector?

With the U.S.-Israeli war in Iran we've seen a shock in the system and shocked oil prices with prices moving as much as \$25 U.S. a day. The tanker shipping cost alone increased significantly with the war. It's not only the turbulence in the oil prices; it's that turbulence along the value chain. Why does the minister think that APMC has the sophistication and the expertise to manage all these risks? Does the APMC have access to the same proprietary market intelligence, blending strategies, counterparty data, and transportation and storage optionality that producers and marketing companies use to optimize net-backs? If not, how can it credibly claim to outperform them?

Producers are being penalized for forecasting errors, Mr. Chair, and required to manage multiple purchasers from a single well, which adds an operational complexity and erodes the net-backs for both the producer and the Crown. Some producers have threatened legal action over these penalties. Why is the government inserting itself into a complex commercial marketing system in a way that both industry and the Crown know reduces overall value? How does direct commodity trading by a Crown agency align with a government that has stated its preference for privatization and letting the markets work and take the risk of capital? Can the ministry calculate APMC net-backs versus producer net-backs to show if this strategy actually works? Has it done its calculation? Will it be provided?

Mr. Chair, besides BRIK the government now wants to also start a gas royalty in kind program, as per objective 1.2. Can the minister confirm whether the government plans to create another Crown corporation like APMC to run this GRIK program? What is the size of this GRIK program? Will it apply to all gas royalties or only a portion? How will this be decided? Does the minister understand that when government takes oil or gas instead of cash, the province

and, frankly, taxpayers – that’s us here – are now exposed to more risk, the risk of price fluctuation, transportation bottlenecks, and bad timing in the market? Does the minister recognize that when things go wrong, companies would still get credits to set against their royalty obligations but it is the Alberta budget and the government revenue that would take that hit, which affects schools, health care, education, all the public services we have, and even taxes? Can the minister explain why he thinks the government knows best here and is introducing a gas royalty in kind program?

Can the minister tell us whether he and his government are also considering a coal royalty in kind program or not, especially as he’s developing a new coal policy? My question remains the same here, Mr. Chair. Why does the government think it is competent enough, has all the right talents and expertise to do commodity trading and compete with the private sector on the same commodity sale here?

How does this Crown agency trading on natural gas align with a government that has always stated its preference for privatization, of letting markets allocate capital on risk? Will producers have the ability to opt out from penalties? What would motivate a producer to want to be part of this GRIK program?

Many questions to you, Minister.

The Chair: Excellent. Well, thank you for the many questions here, Member.

Minister, you have 10 minutes to respond to questions here. Thank you.

Mr. Jean: Well, thank you, Mr. Chair, and I thank the members. I don’t know if I mentioned it, but I cut myself shaving because I was so excited about coming here today. I just want to say, first of all, that I was actually here in these buildings in 2015, and the Rachel Notley I remember, in between her time of protesting pipelines and supporting the federal Trudeau government with the tanker ban and – I don’t know what pipeline she built, but I will certainly say that when I was here, Rachel Notley was one of the leaders of the protest movement on any new bitumen pipeline to anywhere. I remember that clearly. Notwithstanding that, we are in a political system and we get what we vote for. I believe long term that we’re going to see some real changes from the MOU, I think very positive changes for the people of Alberta, the people of Canada, and, frankly, the people of the free world.

Let me say how proud I am of the Premier and her eagerness and willingness to defend our energy sector. The Premier called out Trudeau’s nine bad laws, that, by the way, Rachel Notley supported, and started the process to get them fixed. The NDP opposition opposed her on this, and I do remember a particular time that Rachel Notley, not to belabour the point, was out in NDP land, in British Columbia, supporting the tanker ban and waving around a placard. If you don’t believe me, maybe you should go on to Twitter. I think that is still there, but I digress. I will try to focus on what’s so incredible about our energy sector.

First of all, a lot of people said that this couldn’t be done – the pundits, the media, and others – and of course the NDP didn’t want it to happen. But the Premier was able to convince Prime Minister Carney, and we, together with our incredible team at energy, were able to convince our counterpart Minister Hodgson and work with them, and I do give them credit. They recognized that Canada can and should be a global energy superpower, something that Prime Minister Stephen Harper has called for in the past and many other great leaders. Prime Minister Carney and ENRCA and Minister Hodgson understood that our allies want and need our oil and gas desperately. There is a business case for LNG across the world. There is a business case for an oil pipeline to the west coast of

Canada. In fact, there is a business case for two or three large pipelines to the west coast of Canada.

Prime Minister Carney walked away on the emissions cap, which was really a production cap and beyond their jurisdiction. The PM actually agreed to fix the Impact Assessment Act’s application to Alberta. We are a significantly different market than other jurisdictions in Canada. He agreed that the clean electricity regulations would hurt Alberta because of our market and cancelled them for Alberta, which makes a lot of sense economically and for the people of Alberta. He recognized that TIER is the best emissions scheme in the world and that they would work with Alberta. That’s a made-in-Alberta solution. He recognized we had done the most on methane emissions and that Alberta has the expertise to continue leading what the federal government should and could stay out of. The MOU, which is so much more than an MOU, is an amazing agreement for Albertans and future generations. It will pay dividends for our children and our grandchildren. That answers a little bit of your questions in relation to the MOU in particular.

I’m going to go on to a little bit about pipelines and how it’s going with our friends in B.C. You know, Minister Dix called me up a couple of days ago. We had a really good conversation about the future of energy on a number of different fronts, and I’m pleased to talk to him. I have a chance to talk to him quite frequently now, and I think we’ve got a good relationship there. Families compromise, and right now we’re compromising on a number of issues. I think our compromises on both sides will be very good for the people of Canada. We’re engaging with B.C., and of course we are engaging first-hand with Indigenous peoples along the route and within the provincial boundaries.

Our government is collaborating with British Columbia to ensure that its people share substantial economic and financial benefits of the proposed pipelines. This includes joining federal partners and engaging with British Columbia in discussions on the pipeline project, including potential development and construction and how quickly we can get it done. The government is also committed to working with B.C. on other areas of shared priority, including something that the people of B.C. are very interested in, the construction of large transmission interties with British Columbia and Saskatchewan to strengthen the ability of our western power markets and to supply low-carbon power to oil, LNG, critical minerals, agriculture, data centres, and carbon capture, utilization, and storage industries in support of their sustainability goals that governments are requiring.

9:30

Alberta views B.C. as a partner in our national export strategy focus on lasting, shared prosperity, and we’re working together with all levels of governments to try to make things happen as efficiently and effectively as possible. I think, with the geopolitical situation ongoing, we will see more co-operation from more levels of government, and I think it’s only a good thing.

I’m going to go on to BRIK now a little bit because I know it’s a little bit complicated, but I think the reality is that it’s a very good program that has very good long-term opportunities for Albertans and for the government as a whole. Now BRIK doesn’t have a line in the budget because we’re not yet using it, and we may not use it if we can’t find a deal that makes commercial sense, but we hope and expect we will. We’re working to foster value-added oil sands development and use royalty bitumen barrels to stimulate value-added activities such as upgrading, refining, and petrochemical development. We’re looking for a lot more investment all across the province. The result would be incremental investment that would create economic activity and jobs from capital project construction and operations. This would positively impact

Alberta's long-term economic sustainability and diversify the product portfolio produced in Alberta while allowing the province to hedge its bitumen commodity risk. And remember, Alberta, the people of Alberta, owns 20 per cent of this product.

I would just say to you in relation to something you mentioned, risk and risk profile: the truth is that we already carry the risk. The people of Alberta already carry the risk, and that risk and the control and decisions surrounding that risk are made by third parties that don't have the best interests of the people of Alberta at hand. That's why we can continue to have the risk, but now we can actually make decisions and hire people to make really good decisions for the people of Alberta long term on this resource and this asset that belongs to them.

APMC will strategically negotiate advantageous deals, influence market trends, cultivate Alberta brand loyalty, and ensure that production growth matches access to existing and new markets. Ensuring the dependable delivery of barrels is APMC's responsibility as a government entity, and its brand benefits from the consistent and internationally recognized quality that we're trying to build and that we think we can build. Full integration with Crown production empowers the APMC with strategic and operational advantages, enabling greater control, cost efficiency, profit maximization, risk management, as I mentioned, and competitive positioning. The government of Alberta controls the assets and owns the resources, and we should have more control on what happens to those resources. We're going to do this carefully and take baby steps very prudently. It matters to do this well, it really does, but the truth is that we already have the risk. We just don't have any decision within that risk at this stage. This will allow us to do this.

We don't want to repeat, for instance, the actions of the NDP, which told AIMCo to invest in Alberta energy companies and somehow managed to pick a losing investment on almost every single, solitary deal that they made. We will not do that, and we are positioning ourselves accordingly.

Mr. Chair, how many more minutes do I have?

The Chair: You have 56 seconds?

Mr. Jean: Okay. Well, I'll try to talk about Pathways. Pathways, or the Oil Sands Alliance, is an agreement between major industry players, particularly oil sands players, that are looking at opportunities to do a better job in what they do. They are working with government on a number of things, including a carbon trunk line from Fort McMurray to Cold Lake. We're waiting for them to move forward on that as part of the MOU, and they are working well with us and well with the federal government, and we're hoping to have agreements in place very soon in relation to all the issues that are outstanding with Pathways, or the Oil Sands Alliance.

Thank you, Mr. Chair.

The Chair: Thank you very much. Excellent.

Okay. Member Elmeligi – I'm going to get it; I'm going to get this by the end of the meeting – you have 10 minutes for questions.

Dr. Elmeligi: Thank you very much, Mr. Chair. You are there. You just need to stop stumbling on it. But you'll get there. I have faith.

Thank you very much, Mr. Chair, and thank you to the minister through the chair for the answers to my colleague's questions. I just want to take a minute, well, 10 seconds, to set the record straight. It was under the Rachel Notley government that the TMX expansion was approved and that those deals were made, so it really is under the previous NDP government that the first pipeline to tidewater was built and expanded in many decades. Also, Rachel Notley

called the tanker ban a stampede of stupid, calling the bill that allowed the tanker ban to happen divisive and undermining national unity. I just wanted to correct the minister's previous statements in that regard.

However, I want to focus on outcome 1 of the business plan on page 55. It's about Albertans benefiting from responsible energy development and access to global markets. I'd like to explore this idea of responsible energy because I think it can mean so many things to different people. What does responsible energy mean to the minister? Is it environmentally responsible, community responsible, economically responsible? If so, how does the minister feel we are meeting that outcome? From constituents across Alberta I hear concerns about energy development that didn't adequately or effectively consult with local community or First Nations, didn't deliver on environmental monitoring expectations and/or enforcement commitments, and didn't distribute wealth and economic benefits equally.

Objective 1.3 on page 55 speaks to engaging with partners to "firmly establish Alberta as an integral, reliable partner in global energy security and transition." Transition to what? The UCP government nearly killed the renewable energy sector with the moratorium on renewable energy development. What is this government expecting us to transition to?

Outcome 2 on page 57 of the business plan is around stewardship of the resource. Objective 2.3 is around modernizing Alberta's coal legislation and policy and regulatory framework to guide responsible development and protect the environment and collect royalties. I assume this is about the coal industry modernization initiative. Through you, Mr. Chair, to the minister: where is that? I thought we were going to see the CIMI last December. Is the increase in the energy policy budget of \$274.5 million on page 91 of estimates reflective of the development of the CIMI or something else? Who was consulted on the development of the CIMI? When? And will the minister table minutes from those meetings and consultations? How is development of the CIMI different from any of the other previous public consultations around coal in the past? How will the CIMI address the previously labelled advanced projects like Grassy Mountain, which, through you, Mr. Chair, to the minister, are gravely concerning because it's actually the advanced projects that are generating the most public consternation at the moment?

Why is this government so committed to coal development when the research clearly shows the environmental risks are high, the economic benefits are low, and Albertans on a whole clearly don't want it, as has been reflected in nearly every broad public consultation that has occurred since 2020? With the previous decisions this government has made around coal policy and exploration, a high degree of inconsistency was challenging for many companies and they took legal action and sued the government. Why were settlements settled for the amounts that they were?

The Mines and Minerals Act allows the minister to cancel a coal agreement when "the Minister is of the opinion that . . . any further exploration for or development of [the mineral] is not in the public interest." If this is the case, then compensation is the sum of the amount paid to the Crown as application fees, rental, and the company's exploration, any development costs, anticipated reclamation costs, and interest; basically, the amount of money the company has spent to date, yet the government settled for so much more. For example, Atrum and Montem are the two settlements that have been paid. The total incurred claim from Atrum was \$47 million, but the settlement was for \$142.8 million. Montem had a total incurred claim of \$15 million, but the settlement was for \$95 million. There are other settlements that remain outstanding, Mr.

Chair, and I'm not quite sure where in the budget those settlement costs are reflected. That's one question.

9:40

The big question here, Mr. Chair, is why did the government settle for so much more money than was actually owed or legislatively required? How much money will the government settle for for the settlements that remain outstanding? Based on the expenses incurred, stakeholders calculated less than \$100 million for both Cabin Ridge and Valory's Blackstone, which are two of the settlements that remain outstanding. The contingency budget for Energy is \$14.3 million for 2025-26 and nothing for 2026-27. That's on page 89 of estimates. Where is the additional settlement money reflected in the budget, and will this contingency from page 89 be allocated towards settling more lawsuits based on this government's flip-flopping decision-making on coal?

For my remaining four minutes I want to focus in on the AER and process. The Alberta Energy Regulator performance indicators are reflected in performance metrics under outcome 2, specifically performance indicators 2(b) and 2(c) on page 58 of the business plan. Performance indicator 2(a) is around the AER regulatory compliance. The highest level of compliance from inspections is 79 per cent in 2020 to 2021, and the latest measurement was 75 per cent for '24-25. That means that compliance is decreasing since the UCP came to be in government. Why? Also, if only 75 per cent of inspections are compliant, then 25 per cent are not. Why? That is a quarter of projects that are not compliant. What happens when projects are not compliant?

We have seen that in the past few years the AER has been delinquent in its duty to Albertans to enforce existing regulations and processes. The AER appears to have ignored a direct ministerial order to protect rural municipalities and prevent struggling oil and gas companies from obtaining new licences. It approved the transfer of 170 oil and gas wells, 30 related facilities, and 47 pipeline licences to MEG Energy in September 2024 despite the company already owing unpaid taxes in the millions. Why? That directly contravenes a ministerial order. That is just one example, Mr. Chair.

The AER stopped enforcing gas flaring limits last year after receiving pressure from the Alberta government and industry. The AER did send letters to 20 companies in 2024 threatening to enforce flaring limits, but then they never followed through. Then in 2025 they just cancelled flaring limits altogether.

There is, again, evidence of government interference, with the government urging the AER to take a softer tone. Why is the best regulator in the world urged to take a softer tone when they are doing their job? The AER cancelled the public hearing for Valory Resources' coal project north of Grande Cache after receiving a letter from the minister demanding the hearing be cancelled. This not only calls to question the independence of the AER again, but also the ability of the AER to even enforce their own processes. Why is the minister sending any letters to the AER telling them what to do? Why was the public hearing for Valory cancelled? Why has this government engaged in closed-door secret meetings with our energy regulator, the AER?

Mr. Cyr: Point of order.

The Chair: Sure.

Mr. Cyr: While she's been speaking, 23(b), she's also doing allegations, (h), (i), and (j). She's been talking about secret meetings and controversy and all of these wonderful intentions that the minister or his staff are taking, which is completely out of order. It's also been very distressing to hear that she's, I guess, moved off

of the estimates. I don't see anywhere where going specifically into cases before the AER or before the courts is something that should be brought up. Actually, I think that's (g) as well. She has strayed so far from moving this forward. I ask that she returns back to the business plan, the budget, and strategic plan, and not just throw out random lines that make loose connections that aren't there.

Thank you.

The Chair: Yes, sir.

Member Kayande: Thank you very much, Mr. Chair. The member is very clearly referencing objective 2(b) of the business plan and the operation of the AER. There is a big budget line item associated with that, so this is a fair line of questioning to ensure that the AER is working for the people of Alberta.

Thank you.

The Chair: Thank you. I appreciate both perspectives on this. I think these are about budget considerations, so let's keep it to the budget considerations. The personal perspective on meetings and stuff like that we need to keep out of this conversation. Conversations and questions around the AER are absolutely on the table, but if we can remove the type of language that could be considered maybe a little bit more aggressive for others, that would be fantastic.

It's my job to rule on a point of order. I will not rule this a point of order, but I know that members of this committee are all very able to keep this on the rails, and I would love to continue to do so.

Member, continue on with your questions.

Dr. Elmeligi: Thank you, Mr. Chair. For the record I think the functioning and operations of the AER is well within the confines of this budget, and performance indicator 2(b) is around regulatory compliance. If the AER is not functioning to meet its own objectives and mission, how can it possibly enforce regulatory compliance of the industry that it is charged to monitor and enforce? Also, for the record these meetings that I speak of are not rumours. They were actually reported in the *Globe and Mail* on November 5, 2025, so this is public information. This is not something that somebody's whispering in my ear.

I am very concerned, Mr. Chair, that the AER is cancelling public hearings and defying its own process which actually inhibits its ability to do its job and meet performance indicator 2(b) and enforce existing regulations. I'm sorry, Mr. Chair. This is a very big issue. The AER is clearly letting Albertans down. It's not doing its job. There is clear evidence that the minister is interfering in the functionality of the AER by sending them letters and telling them what to do.

Performance indicator 2(b) is around pipeline safety, and it shows the number of pipelines sustaining damage and releasing substances that are affecting a large area. What about the pipelines that weren't reported, Mr. Chair? Does the minister know how often this metric is under-reported?

How is significant impact measured? A report by the AER said that most incidents are classified as low consequence, but there were 307 incidents in 2024. Wouldn't a better measure of success be the volume of toxic substances that leaked out of the pipeline rather than the number of incidents? The minister has repeatedly . . .

The Chair: Excellent. Well, thank you for the questions, Member.

Minister, you have 10 minutes in order to respond to the member's questions.

Mr. Jean: Wow. Where do I start? Thank you very much for being here today. I just want to say to all those people online that listened

to that line of questioning that they need to know that this Member for Banff-Kananaskis does stand up for side-cut mining and particular mines in her riding and lobbies for them frequently and talks about how good they are, the ones in her riding. I don't know why she opposes other people that want employment in other ridings that have mines that do it at the very, very highest level in the world. I thought the AER was . . .

Member Kayande: Point of order. I apologize. That's a point of order I'm calling on 23(h), (i), and (j). Basically, the minister does not know what's in the member's mind, and a personal attack is not appropriate. It reduces the quality of debate in this committee, which I'm committed to keeping on the rails as much as anyone else.

Thank you.

The Chair: Appreciate it.

Sure.

Mrs. Petrovic: I think this is a matter of debate. It is on record, the member opposite advocating for the mines in her riding. I don't want to exactly quote, but "tourism is not enough for my riding," and advocated for the three mines that were in there. This is public record. I think this is a matter of debate. I don't believe it is a point of order.

Mr. Jean: Mr. Chair, if I may.

The Chair: On a point of order, Minister, unfortunately because this is a committee proceeding, you aren't able to weigh in formally, but thank you for the offer.

This one is a tricky one because we do have things on record on both. I think at this point let's keep things talking about the estimates directly. I won't call this a point of order, but if we can keep things directed towards the scope of the conversation instead of directed towards individual members, that would be great. Thank you on both sides for the comments from both members.

Minister, you may carry on. We've paused your clock as well.

9:50

Mr. Jean: Thank you, Mr. Chair. The only reason I wanted to interject at that moment – the great thing about being a witness is you get to say what you want to. It was a compliment. I wasn't insulting the member. I was complimenting the member because I think there's nothing more important in this province than the energy and mining sector. I think it's so important for us to work together with other members to get things done for our province. Long term it's going to be for the betterment of all Albertans. I want to be part of that as I know she does too.

I just want to congratulate Jason Kenney. In 2019 in June he was elected as Premier, and that's actually when TMX was finally approved. I'm not going to get into that debate, Mr. Chair, because the record is very clear in relation to all of these things.

I do think the truth is that we're all on the same side, trying to do things in better ways for Albertans. Right now we need to focus on helping our allies. There's a tremendous geopolitical scenario unfolding in front of us where people are under real threat of harm.

Now, for years people have ignored the opportunities to end poverty, energy poverty, in the world by getting our energy to tidewater and then to people that do not have any opportunity for living the quality of life that we do. Mr. Chair, I don't know if you're aware, but 8.5 million people died last year from burning dung and wood and coal and other substances that killed them; 1.4 million, I think, in India alone. We can export our natural resources,

which we have in abundance, get paid to do it, and have a great quality of life. I know the members from the NDP want to do that because they realize what's going on in the world, and there's much worse things than exporting oil. We see that in the actions of both Russia and China, and I think we have an obligation to support our allies around the world as quickly as humanly possible.

Our goal is to have enough pipeline capacity to take our resources east, west, north, and south. We want to sell oil into the world, and we want to sell more oil to the rest of Canada. Can you imagine that Canada, eastern Canada, Canadians buy oil and natural gas from other sources? We just saw Australia transport natural gas, LNG, to the east coast of Canada, and we should be ashamed of that. We want to sell natural gas to Canada and the world, and we can. We need to get more pipelines to the west coast. That is the most economical and natural opportunity for us.

Our pipe companies do an amazing job. Our private sector are some of the best in the world, and they have amazing progress optimizing our pipelines and monitoring them for safety and other things. Getting the most delivered product through the same pipe is something they're getting very good at. Trans Mountain expansion project is in service and operating at full capacity, and it made a huge difference. It kept differentials narrow. It found us new markets in Korea and India, China, and even Alaska. Now they're burning our oil from Fort McMurray in Korea.

Now, just imagine how well we would be doing if Trudeau and Jagmeet Singh had pushed for more export capacity rather than less. We're working hard to get a deal with the Carney government for one million barrels per day to the west coast, and my ministry is determined to find more pipeline capacity. We're talking to all the pipeline companies about what can be done to optimize their pipelines and to maximize the use of current pipelines to find the way to get things moving faster with more quantities. We're talking about which are the next batches of pipelines that make the most sense and how to get those in the queue. We're talking about what types of permitting and regulatory changes can make pipelines easier to build and safer to build and more environmentally friendly. This government knows that more pipeline capacity means more production and more production means more royalties to pay for health care, schools, roads, bridges, better education, and better social services. Oil and gas make Alberta a better place.

Now, I had a few questions there. I'd like to talk a little bit about the Indigenous engagement that we're doing. I'm really proud of our industry and how well it's done in relation to Indigenous engagement and Indigenous partnerships across this province. Let's talk about AIOC, the Alberta Indigenous Opportunities Corporation. Notwithstanding that this is not my file, the truth is that it has backstopped almost a billion dollars in loan guarantees for equity purchased by Indigenous communities. We're helping these communities make utility-grade investments which will generate safe, predictable, long-term return on investment for generations. Nobody does Indigenous participation in industry better than Alberta, right across the world, and no industry in Alberta does it better than the energy industry. That is a story about Alberta's success in Indigenous consultations and partnerships. That success is being emulated in other parts of Canada, and I believe that other parts of the world are looking at our successes on that front and emulating it as well.

Now, I think we had two more questions there that I'd like to answer. You'll have to be patient with me. I have a very big binder here, and I think my friend Roxanne got me sick this morning. I'm not sure. I'm going to have to back away from the table. I hope you can pause my time for a minute, Mr. Chair. I don't want to lose the opportunity to answer this member's questions. Excuse me.

All right. Let's talk a little bit about the federal engagement and provincial jurisdiction. As the members know, there have been some governments in the past that have not worked well with the federal government and Alberta, and, you know, I would just suggest to you to say at this stage that we recognize the need to work together. After a lost decade the ministry is building a new foundation to grow Alberta and Canada's energy economy. The government of Alberta will continue defending the province's constitutional jurisdiction and our economy, which are closely linked. Advocating for regulatory certainty is absolutely essential to move things quicker through the process and have the same due diligence throughout the process.

Let's not forget that section 92(a) of the Canadian Constitution came into existence in 1982 because the federal government tried to infringe on Alberta's natural resources jurisdiction in the past. We need to be diligent. We are and do have a fiduciary obligation to the people of Alberta because this is their asset. Alberta owns its energy resources under this Constitution, and the government has the exclusive jurisdiction to develop and manage these resources as well as to make laws about exporting nonrenewable natural resources, but that means we have to work with the federal government because of our laws having some conflicts from time to time. The best way to get things moving is to work together, to have good communication, and to make compromises for the people you serve.

Our government has successfully pushed back against the unconstitutional 2019 Impact Assessment Act, which set out to block oil and gas infrastructure development. Alberta is working to phase out emissions, not oil and gas, and we can and have done that very successfully. The province is calling for a co-ordinated national effort to build the infrastructure that will secure Canada's future. This includes working with other jurisdictions and fellow provinces to advance nation-building projects that are important to all of us. As I have mentioned at the federal table, working together as a family doesn't always mean you love each other, but you always get along to have a better result in the future.

The government of Alberta continues to collaborate with other governments, and I will tell you that we have great relationships with most of the provinces and we are speaking to them frequently about how we can help them have success with energy projects, whether it's New Brunswick for natural gas or other jurisdictions with how things are done through regulation or how things are done by companies. We even try to match them up with Alberta companies that have successes on the particular issue they're interested in.

The government of Alberta will continue to push back against overreach that threatens Alberta's economy, our standard of living, while calling on the federal government to provide stability and make sure we have open lines of communication to get real success. This includes working with other jurisdictions, including British Columbia, Saskatchewan. I will tell the table that I spoke to Minister Hodgson this morning and the minister from Saskatchewan this morning. We have frequent discussions about many different topics on how we can work together to make Canada a better place.

Thank you, Mr. Chair.

The Chair: Thank you very much, Minister. Looking forward to it.

Okay. Member Al-Guneid, you're up for the next 10-minute segment.

10:00

Ms Al-Guneid: Thank you, Mr. Chair. I'd like to start with page 57 of the business plan on the Alberta Energy Regulator funding to

regulate the safe, environmentally responsible development of subsurface resources. Alberta is facing a crisis in the cleanup of conventional oil and gas wells. Instead of keeping promises to Alberta landowners, many companies declare bankruptcy after they've made profits, leaving massive liabilities on private lands. The AER presentation from 2018 suggested that conventional liabilities are closer to \$100 billion, pipeline liabilities are around \$30 billion, and \$130 billion for oil sands liabilities, bringing the total to a shocking \$260 billion. This is a conservative number. This number was never refuted, and it doesn't even factor inflation. In the total upstream liability in Alberta the AER only holds between 1 to 2 per cent of that range in financial security to cover these defaults. That's like renting a Ferrari and then crashing it, knowing you've only got a couple grand in the bank to pay the damages. In other sectors we call this bad-faith acting. Under this government we call this business as usual.

The province needs real solutions to this multibillion-dollar cleanup problem. Instead, the Executive Council called up long-time friend David Yager to lead the government's mature asset strategy, outcome 2 on page 57 of the business plan. Mr. Yager was quite public about being a special adviser to the Executive Council and the Premier. He showed up with the ministry's chief of staff in public meetings, representing the mature asset strategy. To date Mr. Yager has been paid a total of \$422,000 in noncompetitive government procurement processes. According to Mr. Yager's website he is the top fundraiser for the Premier's leadership bid, encouraged her to seek leadership, and was appointed to serve on the board of the Alberta Energy Regulator by the Premier herself. Through the chair to the minister: is it possible to serve as a political adviser to the Premier, help draft a new oil and gas industry regulatory strategy like the mature asset strategy, serve on the board of a supposedly arm's-length energy regulator, all while offering private consultancy services to the industry he is meant to help regulate without any conflicts of interest?

This is my annual reminder to the minister, Mr. Chair, that the Alberta Energy Regulator is a regulator. It is a quasi-judicial agency. It runs hearings. It is an administrator. It is a rule maker. It enforces the rules. The AER has a sizable budget of \$282 million, as per page 57 in the business plan and page 90 of the fiscal plan. These are not small potatoes. Why is the government blurring the lines between the political office and the regulator? Mr. Yager's contract ended in February 2026. Through the chair: is Mr. Yager still involved in working on any government work or energy policy at the moment? Are there any plans to extend David Yager's contract, especially now that his board position has been extended to 2031? Yes or no? If yes, what would his responsibility be?

The Rural Municipalities of Alberta have been very critical of the mature asset strategy, the process itself, for being one sided and not grounded in evidence. In their response to this final report they said, "Most of the goals in the report are heavily focused on changes to broadly benefit industry, with no consideration of risks or impacts on other stakeholders." Landowners are furious at the prospect of using taxpayer dollars to clean up the private industry's mess. Legal experts from the University of Calgary call the mature asset strategy smoke and mirrors and not a strategy.

Why are there R-star lobbyists working at the Premier's office? What is their role? Do they work with Mr. Yager on the mature asset strategy and in his capacity as an AER board member? Just a reminder, Mr. Chair, R-star is a bailout program to incentivize the cleanup of the orphaned wells in the province using public money, and Mr. Yager was one of the main public advocates.

I would like right now to understand: what is the status of the mature asset strategy? Mr. Yager put together 21 recommendations. Which recommendations is the energy ministry and AER working

on? Has the minister created HarvestCo and ClosureCo mentioned in the mature asset report? What is the financial set-up of these organizations? Are they Crown corporations? RMA is concerned that the HarvestCo concept may lead to public funds being used to acquire and operate low-producing assets. I'd like to remind the government that abandonment and reclamation costs were known obligations when mineral rights were issued and were part of the full-cycle economics of those projects. So why is the province considering any structure that shifts those obligations toward the public?

I'd like to spend a moment on the liability management framework in the minister's mandate letter and outcome 2 on page 57 of the business plan. It is actually fascinating to follow the conflicting accounts on liabilities. On one hand, AER tells the public that industry closure activity and performance on liability management is going well, yet Mr. Yager tells the public in the mature asset strategy that there are significant problems with the implementation of the liability management framework. Which is it? Is the liability management system effective and stable, or is the liability management system so ineffective that it needs to be replaced?

In 2023 in his report the Auditor General specifically said that "parts of the system" of the AER "have not operated effectively." Through you, Mr. Chair, what has the minister done to address the Auditor General's concerns with AER?

What are the minister and the AER's processes to demonstrate that OWA's operations are ensuring the sustainability of the orphan fund? What is the minister's position on processes to ensure that licence transfers are being approved only when operators can fulfill closure obligations?

Licence transfers is part of outcome 2 on page 57. The status of the Shell-Cavvy licence purchase and sale transaction raises many questions on the failure of the AER to fulfill its obligations with respect to the well's licensing and as consistent with the AER's obligations as per the Responsible Energy Development Act. That transaction is troubling because in order to drill a well in Alberta, Mr. Chair, an exploration company needs to have both a property interest in the oil and gas and a well licence from the AER. It needs two things. If Shell Canada sold its Foothills assets years ago, why does it still hold the licences while Cavvy Energy owns and operates the facilities? Why has the regulator not required Shell and Cavvy to submit a new licence transfer application to resolve this situation?

Section 16 of the Oil and Gas Conservation Act requires a licensee to have a working interest in the well, so how can Shell legally remain the licensee if it no longer owns the assets? If something goes wrong at these sour gas facilities, Mr. Chair, who is actually responsible? Who is responsible for the environmental liabilities? Is it the owner, or is it the licensee? And given the age and the risk profile of these sour gas assets, why hasn't the AER used its authority to cancel or suspend the licences? Why is the regulator allowing years of uncertainty about these responsibilities and the cleanup responsibilities? How can Albertans have confidence in the province's liability management framework in outcome 2, page 57, if the ownership and licensing of major assets like this one remain unclear?

Does the minister believe the AER is meeting its statutory obligation to ensure responsible development of Alberta's energy resources? Is the minister prepared to direct the AER to resolve this issue as permitted? It is permitted under the Responsible Energy Development Act. Does the government believe the current arrangement complies with provincial law, or is the regulator ignoring its own legislation, Mr. Chair? What steps has the government taken? Like, what are the specific steps that the

government has taken to resolve this regulatory uncertainty around this transaction? For years. We're talking about more than five years now. Through the chair, does the minister believe it is acceptable for a company that no longer owns or operates wells to remain the legal licensee?

Many questions, as usual. Again, I want to remind here, Mr. Chair, that it is consistent with the AER's obligations as per the Responsible Energy Development Act that says to provide the "efficient, safe, orderly and environmentally responsible development of energy resources and mineral resources in Alberta." What is the minister's position here on improving processes to ensure licensees comply with legislation for industry to manage risks for suspended, abandoned, remediated, and reclaimed sites?

Thank you, Mr. Chair.

10:10

The Chair: Member, well timed.

Minister, you have 10 minutes to respond to questions. Thank you. Sorry; you have about five and a half minutes – I apologize – to respond to questions here.

Mr. Jean: All right. Well, Mr. Chair, the first thing I'd like to do is take 10 seconds to talk about what the NDP did for mature asset strategy in Alberta and to fix some of the liability management issues.

All right. Now that we've talked about that, Mr. Chair, I'd just like to talk about Mr. Yager, an expert in oil and gas in Alberta and a journalist and an author and somebody that we're very fortunate to have work for the people of Alberta. I thank him for taking the significant pay cut that he has in order to volunteer his time in part to the government and the people. I'd just like to say that, first of all.

You know, the first thing we did as a government: took the AER, removed the NDP appointees that had been there for almost four years and had been running a private, for-profit scheme while they worked and collected a wage from the people of Alberta, a ridiculous scenario, sir. The first thing we did was that we took the AER and changed the management and board structure and put some people in it that were actually experts in the fields that we need them in and that were arm's length from the government as far as relationships to make sure that they were the best people in their field that would work for the people of Alberta. And we've seen significant progress. So what have we done? We have taken a total look at what the NDP did and done pretty much the opposite, Mr. Chair. I think it's done great things, and I think we're seeing really good things.

I'd like to thank the AER and all the people that work for the AER for their service for the people of Alberta. It's arm's length from the government. They make their decisions on the best interests of the people based on the best people that are on the board. The truth is, Mr. Chair, that we have a great relationship with them because they're so important to us. I appreciate all the work they do and what the department does in connecting to them.

Now, what I'd like to do is talk a little bit about something that the member brought up in relation to the mature asset strategy. Managing the growing number of mature oil and gas assets or wells that are near or past their end of life is a problem facing oil- and gas-producing regions right around the world, and it's very important whether it's on-reserve or off-reserve. There hasn't been a great job done by a lot of previous governments in relation to this. These assets include wells in current production, inactive wells with production potential, and orphan wells. In late 2024 the province engaged stakeholders to help inform the development of a mature asset strategy. Six working groups were established where

stakeholders and subject matter experts reviewed aspects of mature assets and liability management.

Taking a leadership role to address these mature assets really will help Alberta grow the economy: will attract investment, create export opportunities, and enhance the province's reputation as a responsible energy producer that cares about the environment and what's left behind. Encouraging ways to keep mature wells producing will provide direct and indirect economic and social benefits to all Albertans, including municipalities and landowners. The truth is that the oil and gas industry support a lot of things we do, right to baseball teams, to municipalities, to taxes: for all the great things we take for granted. We have an amazing quality of life in Alberta, and much of it is thanks to them. Placing a priority on repurposing some of these oil and gas sites really will help encourage other opportunities such as small-scale liquefied natural gas or artificial intelligence data centres. We're looking outside the box as much as we can to find those opportunities.

I want to express my appreciation to the Premier for having the courage to take this issue head-on. The NDP didn't do anything; many governments don't. The mature asset strategy report was made public in early April last year, and the government had accepted almost all of its recommendations. Lots of work is happening in this area. You'll notice you haven't got a lot of criticisms on the report because the report is good and the recommendations are excellent. I'd like to thank those members and Dave Yager for his leadership on that file.

Now, let's see what other questions I can answer for you. Since they started in 2002, the OWA has actually decommissioned nearly 8,200 wells and received nearly 3,300 reclamation certificates – and I can assure you, after reviewing the process, that it's not an easy thing to get – with over 3,500 other sites reclaimed and awaiting vegetation to be established.

The province is actively supporting the OWA and its important work. Recent enhancements in the role of the OWA, including legislative changes, have strengthened its ability to clean up wells and sites, and we're trying to be innovative and creative on these. In recent years the government of Alberta has loaned the OWA \$335 million to stimulate economic activity and employment along with helping clean up orphan wells, which are so important to so many people.

The Chair: Excellent. Well, thank you so very much, Minister, for that response.

We are now turning over to the government side. No member, once again, can speak for more than 10 minutes at a time before turning it back over, for both the minister and the member. I mentioned prior that we will do a quick break. We won't do it after the government side. We'll do it after the next block from the Official Opposition. That way it's timed with the other committee meeting.

Member Rowswell, I believe you're up first.

Mr. Rowswell: Thank you very much.

The Chair: Oh, sorry. Minister and Member, shared time or block time? I'm expecting block time, but, Minister, do you prefer shared time or block time?

Mr. Jean: What do you prefer?

Mr. Rowswell: We can go block. I know that's what you're used to.

Mr. Jean: With you, I mean, I can go anywhere you want to go. It's the chair. I consider him Mr. Chair on everything.

Mr. Rowswell: Yeah. Well, we'll do block.

The Chair: Okay.

Mr. Rowswell: I want to get back to federal-provincial relations. You know, there's been some talk about that so far, and I just want to give you an opportunity to expand on that. Mr. Chair, through you to the minister I'd like to ask about key objective 2.1 on page 57, which states that the ministry will

advance Alberta's provincial jurisdiction to defend the province's energy and minerals interests against federal overreach, while fostering constructive engagement with the federal government and building strategic alliances that provide regulatory certainty to increase investment opportunities.

One of the government's core objectives is to defend Alberta's jurisdiction and interests from encroachment while fostering constructive engagement with the federal government. On November 22, 2025, the government signed a historic memorandum of understanding with Ottawa that establishes a framework for advancing energy and mineral priorities. In the deal Alberta negotiated concessions from the federal government, an agreement to kill or alter most of the bad laws in place by the Trudeau Liberals, supported by the Alberta NDP and designed to kill the energy industry. Some of them were the oil and gas production cap, which you've talked about a little bit; the job-killing clean electricity regulations, which you've also mentioned. One that maybe you might have a chance to talk about is the greenwashing amendments to the Competition Act. That was effectively a gag order on the industry. We have more work to do with the federal government, but I can say that we're off to a great start.

I'd like you to be able to expand and speak a little bit more about the memorandum of understanding with the federal government and the importance of this agreement to Alberta and to the energy and mineral sector. On top of that, it's good to have these things, you know, where we're going to do this, but then we need to see the action part of it. I'd like you to be able to discuss the next steps in the energy partnership with the federal government that relate to the commitments of the MOU. If there are timetables that you can mention, that would be great. Maybe if you want to expand to some of the other ones of the nine bad laws that we had identified, feel free to expand on that. Talk about this MOU, how it impacts Alberta, how it'll help Alberta and Canada going forward. It's a good deal. It's a good opportunity to, I'll say, brag a little bit about a job well done.

I will now pass on the discussion to my friend Member Yao.

Mr. Yao: Thank you so much. Can I go back?

10:20

The Chair: All right. How this functions in block time is it actually goes back to the minister now, and then it goes back to another member because it's the caucus' time allotment. You still have your full allotment of time, but you can't pass your block of speaking time over to another member.

Minister, you're now up for your response to Member Rowswell, and then we will come back to MLA Yao, it looks like, afterwards.

Mr. Jean: Well, I'm at your disposal, Mr. Chair. I thank you very much for your questions. Anybody that heard the question understands why I'm so flexible on it. Great questions. I just want to say, first of all, that, you know, my deputy, Larry Kaumeyer, couldn't be here today because he's actually negotiating with the feds on the MOU in Calgary. I hope I'm not giving away any secrets or anything. The truth is he's working hard. He flew down last

night. I talked to him for about 30 minutes this morning. He's going in very optimistic, and we're hoping some great things happen as a result of his discussions and negotiations today.

The memorandum of understanding with the government which people refer to sets out a path forward to get a bitumen pipeline approved and built. Why do you say, "bitumen pipeline"? Because that is the most profitable single thing we could ship to anywhere in the world right now that we have as a natural resource in those quantities and in such revenues that our royalties and taxes are paid to such a large degree. As people recognize, Alberta is doing extremely well because of the oil and gas industry, in particular bitumen, but the truth is that that wealth is spread significantly to the federal government in many different ways, including employment earning, taxes, et cetera, from the oil sands.

The government is committed to working with the federal government to diversify these market access opportunities and to bring home better value for people across Canada and, frankly, a better product to the world. The federal government knows a 1 million barrel per day oil pipeline to the west coast will be the single largest project in Canada, delivering more jobs and economic security than any other realistic undertaking. When I had the privilege of meeting with the Prime Minister, I actually mentioned that we need four pipelines like this. He thought we should start with one, but we have the capacity and we have the demand in Asia for full four-pipeline capacity, and we should be seriously thinking about not just this one but the next one and the next one after that. It delivers value and quality of life for all Canadians and truly a better product for the world.

This agreement, this MOU, reflects a shared commitment to reducing emissions, streamlining regulations, and advancing Canada's economy as a true energy superpower. The MOU establishes a framework for Alberta and the federal government to work together co-operatively within their respective jurisdictions and to unlock natural resource production and transportation in western Canada. It is a true agreement of co-operation. The MOU supports Alberta's goal of increasing oil and gas production to meet export and national security objectives while reducing emissions intensity to best in class levels – best in world-class levels – by 2050.

The federal government has agreed to collaborate with Alberta to provide a clear and efficient approval process for the pipeline under the Building Canada Act. The agreement commits both governments, Alberta and Canada, to reducing regulatory overlap, simplifying regulatory systems, including targeting a minimum two-year time frame for permitting and approvals, which is pretty exciting considering if you think about how much the other pipeline applications took and then just dropped by the wayside at the end. This agreement places as a centre point, a focal point, the consultation with Indigenous leadership. The MOU truly supports meaningful Indigenous participation, including Indigenous ownership, partnerships, and economic benefits. The MOU represents a significant step forward towards removing barriers that have limited Alberta's market access and constrained investment in the energy and minerals sector.

Now, you had a question in relation to Alberta and the federal government and how we've committed to appointing an implementation committee to deliver the following agreements by April 1, 2026: a carbon pricing equivalency agreement administered through TIER; a methane equivalency agreement with a 2035 target and a 75 per cent reduction relative to 2014 levels, which would be pretty much the best in the world; a co-operation agreement on impact assessments to reduce duplication and streamline approvals, which I'm very optimistic about.

Alberta is acting as a proponent for advancing an oil pipeline to the west coast to supply primarily Asian markets but also to have flexibility on supply to other areas, with an application ready for submission to the major projects office on or before July 1 of this year. Indigenous co-ownership, partnership, and perspectives are critical to every stage, and we've been engaging with them since before this became a public announcement. We will help deliver a proposal that provides that this project is undeniably in the national interest.

Alberta will advance supporting policy actions committed to under the MOU, including – and I won't be much longer, MLA Tany Yao, so you can get some questions in. I would like to say that the MOU includes extending the Alberta carbon capture incentive program to support large-scale CCUS projects, including the Oil Sands Alliance, previously known as Pathways, implementing a policy framework to incentivize large investments in AI data centre development by July 1, 2026, and collaborating with the federal government on a nuclear generation strategy to be finalized by January 1, 2027. We're actually engaging with the public right now on that, and if people are listening and want to have their say, please engage with the government of Alberta on your thoughts on nuclear.

As Alberta and the federal government move forward with negotiations on a revised TIER carbon pricing model and agreement, the province must avoid creating an overly aggressive carbon pricing system that makes Alberta's oil and gas resources uncompetitive. I hear it no matter where I go, in Houston or Washington or Toronto or Fort McMurray. If we're not competitive, nobody will buy our product, so we must keep that as regulators and administrators and legislators at the back of our mind at all times, recognizing how important it is. We compete with producers in the United States, the Middle East, Russia, and Venezuela, and every barrel of Canadian oil is a better barrel of oil. Alberta and the federal government will continue working together to streamline that regulatory process and target a maximum two-year time frame for permitting and approvals wherever feasible.

Thank you, Mr. Chair.

The Chair: Excellent. Back and forth, Member, or block time?

Mr. Yao: We can do block. Yeah.

The Chair: Sure. Go ahead, Member.

Mr. Yao: Thank you so much, Chair, and through you to the minister, thank you to you and your entire team for all the hard work that you're doing. You're creating revenues for this province, and we appreciate all that hard work.

The mandate and structure found on page 53 of the business plan notes that Alberta is operating "in a rapidly changing global trade and economic environment," including increased competition for investment and evolving supply chains. It shapes everything we do at the federal level and with our U.S. engagement. With all the strife, whether it's in Russia or Venezuela or the Middle East, perhaps now, finally, people are seeing Canada as a stable place to invest their money. Perhaps our federal government can demonstrate that they have confidence in the industry as well.

My questions kind of revolve around the advocacy work that you do with the Americans and with other groups like China. I'm blessed to be part of our team that engages with the Council of State Governments, the American Legislative Assembly, if you will, that discusses a lot of stuff. What I found, though, is when we go down to those, our federal counterparts never once in all the meetings I have been at mention energy in any way, shape, or form. Our Alberta consulate folks reminded me that, well, technically

speaking, resources might be a provincial jurisdiction. My point was that I was extremely disappointed that our federal government doesn't seem to really represent us and how we get our products out, and I find that absolutely frustrating.

I guess what I'm wondering is: what is the advocacy work that you have to do in regard to oil and gas compared to our federal counterparts, and what is your approach to the U.S. tariffs on our oil and gas? I find it frustrating that they would tax that because they benefit so much. If I understand correctly, based on at least last year's oil prices they purchase approximately \$100 billion of our product annually, and they turn it into \$300 billion in a retail mode, I guess. They flip it and they refine it. They triple the value of it, and they benefit from that greatly. How are the discussions regarding these tariffs?

Finally, I'm just wondering. You know, we need more competition. I know we're trying to find other markets. I'm wondering about China just from an environmental perspective alone, if we were to sell them our products, we could help wean them off coal and lower global emissions in a significant way. I'm wondering if you can just talk a little bit about your international endeavors, please.

10:30

Mr. Jean: Certainly. I think you answered most of the questions, though, with good questions. You're absolutely right. I think the most important thing we can do is communication, and I think that goes for the federal government as well as our friends and allies across the world. People don't know the products we have. You know, when you're the fourth largest in oil and with B.C. the ninth largest in natural gas and lithium the third largest, you know, it's pretty neat, but if you only have 5 million in population compared to what's going on in the rest of the world in one of 200 or so countries, it's pretty hard to get the communication going. So I think that's why we have to be engaged.

The Premier has actually opened up some offices in different regions across the world to make sure that engagement is about our products, not the federal government's products, because the federal government is responsible for the second-largest country in the world, a country that has very diverse and very different needs and manufacturing bases as well as natural resource bases. The truth is that I think the best thing we can do, Mr. Yao, is to communicate continuously with the federal government to identify why we're different and why we need different things. And we are. It's just as a result of years of – for instance, an electricity system. We don't burn coal. Other jurisdictions, all the jurisdictions across Canada's as far as I'm aware pretty much burn coal except for maybe a couple. We don't do that. We have a private sector instead of a publicly driven electricity grid.

In the United States it's no different. When I went down there, I was shocked at how little people knew about our oil and gas sector, our critical mineral sector, and just generally in Canada. They'd heard about it, but, you know, most of them think that often we live in igloos or different scenarios because of the nature of our lack of exposure and their lack of exposure to us. I think the best thing we could do is actually continuously engage with our counterparts in the U.S. at every single level. We have a great team right now that's doing it. James Rajotte used to be there, and he did an amazing job. As you know, Nathan, our former Speaker, is down there, and he's, I'm sure, doing an amazing job from everything I've seen. He's engaged and working hard, and that's what we need to do there. We need to have a clear voice at every level in the U.S. and to make sure that every country knows what we're doing.

I'm going down to CERAWeek here I think next week. They'll wrap up. I was in Toronto last week and talking to the people there

about the different things we have here in Alberta. It's amazing. Even the bankers don't know what we have, and many others don't know, but now they're paying attention. I had an opportunity to speak to the equivalent of the deputy minister of the economy of Germany a couple of years ago in CERAWeek, and he was absolutely shocked at what we had and was writing notes vigorously, and now we have appointments just about every year with folks from or directly or indirectly related to that conversation and others that we've had there. People now know that we have the product. They're coming here.

I met with several ambassadors over the last week, talking about our energy and our lithium and how we can co-operate and different things and how to get it to Europe, in particular. One was from Ukraine and, you know, they just want to build a pipe. In fact, they'd like to have three or four with different products, and we'd like to do that, supply our allies, because the world would be a much better place if our products can get to market.

Alberta though, unfortunately, as a result of years of the integration of our markets with the United States and them being our best friends and allies, we frame our energy exports as essential to American energy security and independence, and it gives them more energy security and independence than it actually gives us because we only have one buyer. That's why essentially we need to find other markets and to make sure we diversify enough that the impact of our friends to the south or other friends that we get in the future for our exports don't hurt us as badly as it does when the U.S., for instance, sneezes and Canada gets a cold. That's an old saying, but it's the truth. We need to wean ourselves off of that and continue to be great friends but be more competitive, and that means more infrastructure to the coast and more port facilities.

I had a question yesterday about rail. You know, you can get so much crude on rail and after a while the ports get full. Right now the export terminals are full, so it doesn't matter if we get more crude on rail, we can't get anymore offshore. We really have to think about infrastructure and the advantage of infrastructure. The serious numbers that are brought in as a result of our exports even sold at a discount are amazing. I've been quoted different numbers, but in essence, a million-barrel-a-day pipeline could give us as much as \$5 billion extra in the Alberta coffers every year and \$5 billion in the federal coffers every year. That's one pipeline. That's a lot of schools, a lot of hospitals. I think we have to seriously think about what we're doing here.

As I mentioned and as I continue to mention, even if you look at this year's Liberal budget, you'll see in there a little graph that shows Alberta oil, Canadian oil, being well under the average GHG emissions of heavy oil. We're well under that now, and with Pathways and the implementation of the Oil Sands Alliance pipeline from Fort McKay down to Cold Lake, we're very optimistic about that. With that we'll be the lowest heavy oil emissions in the world, and that's very exciting. I think that actually frames the picture for people to buy it in Europe that are worried about emissions. I will tell you, Korea and Japan are very worried about emissions, and they're looking at opportunities on how to deal with it. We as the ability to sequester emissions here in Alberta have a true competitive advantage on the rest of the world, and if we do this right, we think we can sell our product at a premium price and at least an equivalent price.

The Chair: Excellent. Thank you very much. We will now turn back over to the Official Opposition for 10 minutes. We are moving into the individual section blocks. Prior, it was per caucus. And so now you cannot give your time up to anybody else. Once you give up your time, you're done at this point. There's no ceding time.

It looks like Member Miyashiro, you are up. Your five minutes start now.

Member Miyashiro: Yes. Thank you very much, Mr. Chair. Again, I'd like to thank the ministry staff for being here. I know having been in government, the staff are definitely the people who do the heavy lifting in any department.

According to the statement of operations on page 59 of the ministry's business plan the AER will receive over a quarter billion dollars in funding in '26-27, yet it has consistently failed to use the powers available to it to encourage companies in the oil and gas sector to pay their taxes. This is of special interest to me as the shadow minister for Municipal Affairs and a former municipal councillor, understanding the value and the importance of those property taxes to municipalities to provide the services.

The RMA, or Rural Municipalities of Alberta, has conducted a number of member surveys identifying that as of December 31, 2024, at least \$253.9 million of municipal property taxes have gone unpaid by oil and gas companies. In district 1, the southern part of Alberta, municipalities are owed more than \$19 million cumulatively. It sounds pretty high, but shockingly, it's the lowest amount in the province. District 5, in the northeast corner of the province and partially represented by the minister and some members on this committee, over \$100 million is owed in unpaid taxes. In fact, the municipality that is owed the most money is in the minister's constituency. That unpaid tax burden is becoming increasingly uncollectible. Just 40 per cent of the owed taxes are owed by companies that are still operational, but of course, 40 per cent of that massive \$253 million tax burden is still more than the \$100 million owed by operating companies.

The AER and the Energy minister have the tools to make those companies comply with their tax obligations, Mr. Chair. Individuals are required to pay their taxes; well, why not the corporations? Why is it that the AER and the Energy minister are not making operating oil and gas companies pay their taxes? For unpaid municipal taxes and landowner payments the MAS provides no solutions. It avoids enforcement in favour of more time spent on new working groups and consultations. If I wait too long to pay my taxes, I'd be arrested. Why do bad actors and big polluters get a free pass? Rural communities and landowners have already waited decades for real solutions that make polluters pay their bills. How long must they continue to wait for a solution? Would the government like to tell these Albertans directly that they haven't waited long enough?

10:40

What does the government have to say to rural communities and landowners in Big Lakes or Vulcan or Red Deer counties who are owed millions of dollars and say they have waited too long. Why is this allowed to go on? Why has this government and the Alberta Energy Regulator allowed a free pass in not providing solutions to municipalities to collect these taxes in the mature asset strategy?

In 2023 the Energy minister authorized AER to block the transfer of new well licences to companies with municipal tax arrears over \$20,000. The Investigative Journalism Foundation found that at least 21 companies that exceed the government's threshold were given new well licences by the AER since 2023. In 2024 there were 130 companies owing more than \$20,000 to municipalities, yet 15 per cent of them were able to transfer well licences. Can the minister explain how the AER is ensuring that the ministerial order is being enforced, and companies who owe municipalities are not able to acquire more licences to pay property taxes on?

Kara Westerlund, president of the RMA, told the *St. Albert Gazette*: "How did this happen? Why are you allowing it? And what are you doing to stop it?" So I asked the minister to answer those

questions. Why does the regulator not enforce the rules, and why does the ministry allow them to do so?

The AER has also let many oil and gas companies get into worse and worse debt to municipalities. One company, Blue Sky Resources, owed one county \$28,000 in 2021, but three years later they owed 15 counties almost \$3 million. In one of those years, 2023, the AER transferred 407 well licences to that company despite that debt. Sure seems as though landowners in rural Alberta are being left with the debts when companies refuse to pay their taxes or to be held to their debts by the AER. Can the minister explain to us if there is indeed a conflict between the municipality's desire to collect them from deadbeat debtors and the Energy minister's desire to keep drilling? Does the minister believe that all companies operating in Alberta should pay their property taxes they are supposed to be required to pay? If yes, then what is the minister going to do about it, and why is it so hard to make the bad actors follow the rules??

The Chair: Excellent. Well, Minister, you are up for the next five minutes here.

Mr. Jean: Thank you so much, and thanks for those great questions. I really think the question, in relation to many of your questions, is why do companies go bankrupt? I'll get into the more particulars that you said. But why do companies go bankrupt? Why do they have a problem doing business? I will say to you: too many regulations, too high of taxes, extremely bad policies, calling oil sands workers sewer rats, four years of NDP government in Alberta. I could go on, but that's what causes governments to actually create the environment where companies can't be profitable.

Now, about unpaid oil and gas taxes in particular, you have to dissect those numbers, and I'm glad to talk numbers. I love numbers. The numbers I like to talk about are the big picture, not just the small picture, because let's face it. I think last year that was \$180 billion in oil and gas revenues, not in the province but in relation to revenues and the economy. And like, wow, I think that's what the number was, if I'm not wrong. I'm happy to be corrected, but somewhere around there. Every year you're driving that kind of economic activity and you have a few people that are going to go bankrupt. There's no question that you're going to have some struggling businesses.

But let's talk more numbers: \$23 billion in provincial government revenues last year. That was about \$19 billion in royalties and another \$3 billion or \$4 billion in taxes. That, to be honest, from what I've seen – and I do not have empirical evidence to this, but I would suggest the federal government's getting about \$23 billion. If we're getting \$23 billion, they're getting more than \$23 billion, but the truth is they're getting at least \$23 billion. Last year \$23 billion to us, \$23 billion to them, plus all that economic activity, and all those other jobs and subjobs, and wow.

How much did you say it was? It was \$250 million? So when you look at it in that context, you have to recognize that most oil companies and gas companies pay their taxes. In fact, the overwhelming number of them do. In fact, I think if you'd looked at industry by industry, you'd find that oil and gas companies for the most part are better at paying their taxes and their outstanding liabilities than most other sectors are. In particular, if you look at the bankruptcy situations now and some of the things that are happening, you can see that there are some places in the economy that are very much hurting, and oil and gas, fortunately, for the most part are not there except in one particular area of our province.

Some more words that you need to do and more numbers you need to look at are penalties. How much of that is penalties? How

much of that is interest on companies that have gone bankrupt two years, three years before? And when you talk about my town, you're right, there are some unpaid oil taxes there. I know of a couple, and I've talked to the mayor about it. But again, out of my town I think \$130 billion comes out of that, and \$100 million in unpaid taxes does not seem like a significant number when you consider that's an accumulated number over time. So that's what I would say.

We do understand why municipalities are frustrated by overdue property taxes owed by some oil and gas companies, and in some regions it's more than others. I think we all have an obligation to be more diligent in relation to our responses and to signal those companies that are going through difficult times. The best thing we can do as a government is to create the environment where they can succeed, which means less taxes, less regulations, better regulations that are smarter, and being efficient.

As I said earlier, the taxes are being paid and, in fact, about \$1.7 billion to \$1.8 billion in municipal taxes are paid by the energy industry each year, so roughly \$50 million in unpaid taxes a year is not really a giant problem, except in the areas, obviously, where it's owed. It is a big issue for the individuals but overall, if you look at it industry by industry, it's not that bad.

We are and continue to be very diligent. I have instructed a number of officials to take steps to make us even better and to find ways that we can actually be more proactive and get those notice periods between the municipality and the government of Alberta quicker and how to find some tools that are necessary to either fast-track those people into positions or to bring up the level of diligence by the investigators so that we are very aware of what's going on with each company. What we've discovered through time is that companies that are usually not cash-flow rich: they will start cutting costs and pipelines and other things like that.

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

We will now take a five-minute break and be back here in a few minutes to start again.

[The committee adjourned from 10:47 a.m. to 10:53 a.m.]

The Chair: All right. Well, thank you so very much, everyone, for that consideration. We will get started here right away once again. Also, thanks to both sides for the continual good questions over the last few minutes. I do appreciate that greatly.

We are going to turn some comments over to – it is once again individual time blocks for members, so we will turn this over here right away. We are just waiting for the minister just for one more second here. I know we should get going, but he actually needs to be able to hear the question, so I think that's appropriate, and we will go from there.

I do want to just make a quick statement here. Any questions that are facing backwards are appropriate to ask in PAC meetings and not in estimates. Estimates are forward-facing questions. PAC is an opportunity to look over the past year's budget on how that might be pertained and how that money was spent. Estimates are forward-looking.

Minister, thank you for getting back in here. Then I believe it's Member Petrovic. You have five minutes to ask your questions or if, Minister, you want to go back and forth, it's up to you.

Mr. Jean: We're going to be making the same statements. She might as well go block.

Mrs. Petrovic: Let's do block, then. Yeah.

The Chair: All right. Block. Excellent. Member and Minister, you both have five minutes.

Mrs. Petrovic: Perfect. Thank you, Chair. Minister, I just want to say that I appreciate you and all of the work that your team has put forward in this. I know that it is no easy task, so, first and foremost, thank you for all that you guys do.

I know this past summer – I'm part of an organization. It's called the WHIA. Last year they asked me to present on Alberta energy, once in D.C. and then once again in Athens. So I appreciate your team working with me in regard to some of those things. As we talked, we highlighted on Alberta's, I'm going to say, world-class oil and gas industry. It was quite interesting standing on a global stage in front of people from Europe, Africa, all the way down to Australia and the United States. I can't count on all my fingers and toes how many elected officials were in the room, but it was really interesting to see that.

One of the things that I found out is that the Greek government at that time or previous to that had tried working with our federal government to get some of the LNG over to market to them, and it was kind of followed up with a big no from our great leader there, Justin Trudeau, and some of his nine bad laws. During this we talked about the nine bad laws and we talked about a lot of interesting things that Alberta is doing. It was a really good eye-opener on that world stage just to talk about how well we are doing it here in Alberta, and I think that is very much showcased.

I just want to talk about global energy and security in Alberta. Through you, Mr. Chair, to the minister, I want to refer to key objective 1.3 on page 55 of the Energy and Minerals business plan. I note the ministry works to promote Alberta as a source of reliable and responsibly produced energy while advocating for the expanded access to global markets, which I think the majority of the people in this room, maybe minus a few, are seen as essential. We know that recent instability and conflicts in the Middle East have once again highlighted how vulnerable our global energy markets can be to geopolitical disruptions. Events in that region often create supplying uncertainty and price volatility, which reinforces the importance of stable and democratic jurisdictions that can supply energy to global markets.

I feel like I'm preaching to the choir here with that, but Alberta is home to the fourth-largest proven oil reserve in the world and is recognized internationally for its strong regulatory framework, responsible production practice, and long-term resource security. It was funny. There was a lady from France. She was part of the Green Party, the far, far left Green Party there, and she took me aside afterwards and said: I had no idea. Her idea of our oil and gas industry was what Leonardo DiCaprio put out there on the Internet, and she had no idea just how responsible we were with it. It was very interesting to see someone who was so far left and so radical to come over to the other side and truly want to learn more. We've stayed in contact, and she has done a really great job of educating herself on our market, so thank you for allowing that and to be able to open up the eyes. At times of global instability reliable suppliers like Alberta can play a critical role in supporting energy security for allies and trading partners.

Now, I have a three-part question. Through you, Chair, can the minister speak to the role Alberta oil plays in strengthening global energy security during periods of geopolitical instability? How does the ministry position Alberta as a reliable supplier for international partners who are seeking stable, long-term energy sources, and in light of global uncertainty what opportunities does the ministry see for Alberta to expand its role in global energy markets? It's kind of a three-part question on one topic, but I'm hoping we can expand on that. I'm part of NCSL too, and as we go down to the United

States, it's really interesting to speak to fellow legislators down there to talk about the role that Alberta can play in creating that secure energy market. I'm really just hoping we can touch on that a little bit.

I only have about 35 seconds left to go, but with that I guess I'll just defer over to the minister for his response.

Thank you.

The Chair: I appreciate it.

Minister, you have five minutes in order to respond.

Mr. Jean: Thank you, Mr. Chair. I have to tell you, Member Petrovic, that, you know, you're a hard-working member and we appreciate what you're doing. The truth is that our energy industry all across the province has tremendous potential. If we keep working at it, we'll find that potential as we go, and we have to streamline things, make things better, look at regulatory approvals that are better; not substantively different, just better. We can do things better. We just have to get to some automatic yes things and things like that.

The AER, frankly, is leading the charge on a lot of those initiatives, and they're doing a great job on it. I'd like to commend them for all of those initiatives. There's nothing like an ice-cold shower and getting up and having that every morning in a cold house to appreciate the oil and gas industry, or like I also say: nothing like a Russian invasion to figure what's important in life, wouldn't you say, Member Jackie Armstrong-Homeniuk?

Ms Armstrong-Homeniuk: Absolutely.

11:00

Mr. Jean: Regarding rising global liquefied natural gas, LNG, exports, I think we do have potential. There are some areas of the province that aren't doing great, and there are some areas of the province that are doing really, really well even with low gas prices. Obviously, we want to see that change, but a lot of the restrictions on our gas opportunities are as a result of things beyond our control on the infrastructure components, particularly with the federal government. That's why a good relationship with the federal government will give us back some advantages or at least the ability to talk about how we streamline those things and get them to be more competitive as far as infrastructure. That might mean more infrastructure and more private sector dollars in there to actually strengthen those areas of the province that are not competitive, unfortunately, at those prices.

But we're going to see a continued rising demand for LNG. For certain the world wants it. It doesn't matter where you go; they talk about it. A lot of people don't know we have it, but the people that do just ask: how can I get it?

We have to improve market access for southern Alberta natural gas. That's the truth of it, and we're working on that. We have to reduce stranded production – that also is an issue, believe it or not – and strengthen price signals for producers and downstream users. We are working on that, but it's a work in progress. We just hope the industry will continue to thrive, and with what we see as projected prices going forward, it will be successful. In addition, more stable and competitive natural gas pricing would support the attraction and expansion of gas-dependent industries, and there are so many. Whether it's Dow Chemical, whether it's data centres, but also including manufacturing, car manufacturing, food processing, petrochemical, so many opportunities there, and hydrogen production.

When you think of it, all of these industries, when they set up here in Alberta, are held to a higher standard than just about anywhere else in the world, if not anywhere else in the world, on

the environment, on human rights, on the rule of law. People can expect that it's going to be a competitive environment in the future and that the government won't bring in loads and loads of taxes. I think we had four years of that, and we're not going to see that again for a long time, so I think most Albertans are very excited about the prospects moving forward. Investors are coming here, and there is a lot of recognition on what they can get by investing here and creating jobs.

Growth in throughput creates opportunities for targeted investments in gathering, compression, storage, and pipeline connectivity, that enhance the ability of southern Alberta gas to reach domestic and export-linked demand centres. I want the people in southern Alberta to know that we've been working on this for some period of time because we understand the competitive nature of that area, and we're going to continue to do that until we can see some light at the end of the tunnel. Even though prices may increase, we know that we have to change some infrastructure and some regulatory things in order to make it better.

Increasing electricity needs, which we've seen around the world: the demand is, wow, just unbelievable, including from industrial expansion and emerging sectors such as data centres. It creates so many opportunities for new and existing gas-fired generation and cogen facilities in southern Alberta.

Remember, this gas-fired electricity: they can sequester the emissions from that, so everybody is excited about that, especially data centres. Whether you talk to, you know, some of the big data centres – and I won't go through the names now because many of them are looking at opportunities in Alberta, but the truth is that when I've talked to them as part of the task force, they've all said the same thing: how do we make this as green as we possibly can? When we talk about sequestering from gas-fired, which is already obviously very low emission, they're excited, and they say: that's the place for us. So we think there is a tremendous opportunity there. Even for isolated pockets of gas in some areas we might be able to see opportunities for data centres and other manufacturing hubs.

Increased upstream and midstream activity, infrastructure investment, and industrial demand can support employment, as you know. Municipal tax bases and broader economic diversification all over southern Alberta: we want to see the strength of that return.

Now, you also asked me in relation to how our ministry is working with industry and regional stakeholders to ensure that communities in southern Alberta are well positioned. I would just like to say that through the mature asset strategy that I pointed out with the opposition, the ministry will address all of these issues that affect the mature basins and try to get them back working as quickly as possible.

The Chair: Excellent. Thank you so very much for that, Minister.

We're going back to the Official Opposition with Member Miyashiro. Member, you have five minutes to ask your questions.

Member Miyashiro: Thank you, Chair. The statement of operations in the ministry's business plan estimates that \$155 million will be spent in '26-27 out of revenues raised for the orphan wells fund. The orphan wells fund is a safety net to protect Albertans from bearing the closure costs when a company can no longer pay for closure costs for a well or facility. Every year the AER, acting alone, is required to set a levy high enough to cover cleanup costs for the amount of wells that are orphaned that year. Over 17,000 wells have been orphaned to date, and the problem is expected to get worse.

However, over the last several years this levy amount has been set much too low by the AER, causing enormous wait times for

Albertans like Dwight Popowich, a landowner in Two Hills. Landowners have no choice but to host wells on their property. Mr. Popowich played by the rules and worked with the oil and gas company that drilled the well until the well was sold and the company disappeared. For many years he received no payments on his surface lease and, despite almost eight years of effort, was unable to get this well designated as an orphan well in the OWA until last year. However, Mr. Popowich was informed by the OWA that it will take another 10 to 12 years to reclaim his well. This is in part because the OWA has not been adequately funded for many years. Meanwhile Mr. Popowich is concerned that this orphan well poses significant health and safety risk to his family and lowers the value of his property and will continue to do so for the foreseeable future.

Why does the minister think that it's acceptable for rural landowners to wait more than 20 years for their land to be cleaned up? Why is the AER allowing bad actors off the hook and failing to fund the Orphan Well Association? Again, why do we have a regulator that doesn't follow the rules, and what good is a regulator that doesn't follow or enforce its own rules?

While landowners wait decades for their orphan wells to be cleaned, the provincial government is obligated to pay the surface lease payments until the land is fully reclaimed. This means that taxpayer dollars are being used to compensate landowners during the years or even decades that it takes for orphan wells to be reclaimed due to underfunding. According to data from the Land and Property Rights Tribunal the annual compensation that has already been paid to landowners by the provincial government between 2010 and 2025 is almost \$150 million. The amount recovered from oil companies was a small fraction of that, at \$1.45 million. Over \$30 million in taxpayers' dollars were paid out to landowners in 2024 alone.

Undercapitalization of the orphan fund leads to delay in having land certified as reclaimed, which results in risk to health and safety as well as costs to Albertans associated with reimbursing landowners such as in land-use compensation. Why have the AER and the government failed to uphold the polluter-pays principle? Why has the AER not demanded that industry pay its fair share into the orphan fund to timely clean up these wells? How many more Albertans have to be poisoned in their own homes for this government to finally admit the industry isn't holding up their part of this grand bargain?

Mr. Chair, let me just switch focus a little bit here. As we all know, especially if you live in southern Alberta, the Oldman River watershed provides fresh water for around 200,000 people and a multibillion-dollar agrifood industry across southern Alberta. Let's think of ranching in the foothills, feedlots, finished meat and poultry products, products from Cavendish Farm, from McCain Foods, Frito-Lay, and Lamb Weston, of a thriving pulse crop and vegetable protein industry, of canola oil and canola meal from Richardson Oilseed, of Taber corn, fresh vegetables grown inside in high-tech hydroponics and outside, and processed veggies as well. Why would this government support jeopardizing all of this for a coal mine with negligible economic benefit to Albertans?

The former head of water service for the city of Lethbridge has spoken out publicly about the inability of today's water treatment technology to filter out selenium. The proposed Grassy Mountain mine does not take into account the extreme westerly winds blowing across the eastern slopes, which have resulted in toxic materials deposited over 50 kilometres away. There is a risk of catastrophic failures in tailing ponds and settling ponds during key times, like after rainfalls or during runoff after the winter, despite

some engineering solutions that are available. Why is this government supporting this mine?

The potential harm to Piikani and Kainai First Nations and to 200,000 people living downstream is real. Contamination of Canada's premier agrifood corridor would create existential devastation to us. When is this government going to . . .

The Chair: Thank you, Member, for those questions.

Minister, you are up for five minutes of answers.

Mr. Jean: Excellent. Thank you so much. I appreciate your comments. It sounds like you would like to clean up all the orphan wells in one year. I understand your desire for that. I have to tell you that it's just not practical, and it reminds everybody as to why we can't re-elect the NDP in the next election. Raising taxes: I don't know if I mentioned it or not, but the companies go bankrupt because you raise taxes, raise fees, make it uncertain and unpredictable, and you set the aspirations to be unrealistic to reality. These companies create a ton of jobs and a ton of wealth for all of us, and Alberta would not be in the amazing place it is without them. We need to make sure we manage what's going on very effectively.

11:10

I will tell you that Mr. Popowich's well has been decommissioned. It's waiting for vegetation. Unfortunately, in Alberta we have this thing called snow that comes every year and just doesn't allow for a lot of growth around the wellheads at that time of year. My understanding is that we're waiting for some vegetation to come back and to be reclaimed. Once that happens, that will be great, but in the meantime the people of Alberta have picked up his surface rents, because it's not been done in time, so he's not out of pocket. I'm not sure what the exact issue is there, but I'd be more than happy to deal with that afterwards. That was a great read by the way, Member. If you ever want to send me an e-mail instead, I could probably get you all the answers you want, and I'd be happy to do that at any time.

I will tell you that the Premier directed me to develop a strategy to effectively incentivize reclamation of inactive and legacy oil and natural gas sites and to enable future drilling while respecting the principle of polluter pay. We have done so, and we will continue to do so because the polluters must pay as part of their industry. That work is being done by the mature asset strategy, a multilayered consultation, which I dealt with and talked about a little bit before, to deal with this very complicated and multilayer problem. The report and recommendations of the mature asset strategy engagement should be released this spring, and then the government will have to consider its recommendations. I'm looking forward to the opposition's comments on that as well as my own colleagues. We're always prepared to do things better, and if you have suggestions that we could do things better, please don't hesitate to bring it to our attention.

There's a clear need to find additional ways to address reclamation of old sites in Alberta, many of which date back many decades. We owe it to landowners and First Nations and all Albertans and our future generations to make sure these sites are cleaned up as quickly as we possibly can without negatively impacting the industry where they become noncompetitive. We can be the best in the world, but keep our industry competitive so that we can do what we need to do and grow our economy and still not destroy our planet.

We owe it to municipalities to help solve these issues, as we do to all Albertans. That work is well under way, and Albertans will see progress on this issue very quickly. Cleaning up inactive oil and

gas wells is a challenge that I think Alberta is doing better than many jurisdictions, if not all. Alberta's government is committed to addressing this while upholding the principles that I've laid out.

The Orphan Well Association is funded by industry levy, the same as the AER is, so let's be clear. It's not taxpayers' dollars; it's funded by the industry. That was increased to \$155.1 million for '26-27. The levy is designed to ensure public safety and to make steady progress and growth on reducing liabilities, not to reclaim all the orphan wells in one year, which would just destroy the industry and is unrealistic.

Industry also meets annual closure spending requirements under the liability for management programs. I would like to point out that many people consider these wells to be liabilities, but in some cases they are assets waiting to be produced. For instance, you may have heard of this product called lithium, which we placed third in the world in the amount we have, the third-largest reserve. Well, that is found down in old oil wells and gas wells and in the brine, and they are able to use those wells to extract assets. We are finding some oil wells and gas wells across the province that are producing at low volumes but with new technologies are able to produce much more than they were able to when the fields were abandoned. All of these opportunities we need to continue to investigate and take advantage of because one person's liabilities 10 years ago are now another person's assets. We need to get as much value out of those assets as we can since they belong to the people of Alberta.

For 2025 these requirements totalled about \$750 million. Combined with the OWA levy, industry allocated about \$900 million for site cleanup. Quite a bit of money and a lot of effort and, frankly, a lot of jobs. If we do this right . . .

The Chair: Excellent. Thank you very, very much for that.

We will now turn back over to the government side. Member Cyr, I see your hand. You have five minutes to ask questions.

Mr. Cyr: Mr. Chair, through you to the minister, I would like to thank the minister, his chief of staff, Vitor Marciano, the members of his team and department who have taken the time over the last three years to sit down and meet with me and walk me through the carbon capture, utilization, and storage incentives in Alberta. Those discussions have been very helpful as I work to keep the good people in my constituency informed about the developments in Alberta's oil and gas sector. This work is reflected in key objective 1.4 of page 55, which focuses on advancing and accelerating "the development and implementation of [CCUS] through initiatives such as the Alberta carbon capture incentive program, supporting industry to reduce emissions and produce globally competitive lower-carbon products."

In Bonnyville-Cold Lake-St. Paul, including the MD of Bonnyville and the county of St. Paul, energy production continues to play an important role in the local economy. Because of this, many residents in our region are paying close attention on how this will work and is involving and what it could mean for our communities, particularly with the proposed carbon storage hub associated with the Pathways project planned for the Cold Lake region.

As part of the broader discussions I have also had the opportunity to speak directly with the industry representatives involved in this work. I want to acknowledge the team of Pathways Alliance, including President Kendall Dilling and the broader project team. I have met with the members of their team who have been engaging directly with residents across my region through meetings with landowners, information booths, local events, and in conversations with constituents about a proposed project. These conversations have helped provide greater clarity for the residents in my region,

many of whom are interested in understanding how the province's policy framework will support projects like this moving forward. Many are also interested in what these developments could mean for long-term investment and employment opportunities in northeastern Alberta.

With that in context, I would like to ask a four-part question to the minister. Can the minister provide an update on the carbon sequestration projects that have signed agreements with the government of Alberta and the overall progress Alberta is seeing in advancing CCUS initiatives and, in particular, how projects such as the proposed Pathways project, including the carbon storage hub in the Bonnyville-Cold Lake region, fit into the province's broader CCUS strategy? Can the minister outline how the province's policy framework for CCUS is helping provide certainty and conditions needed for industry to pursue large-scale infrastructure projects such as the Pathways project? From the province's perspective what work is currently under way to continue strengthening Alberta's overall CCUS framework as industry evaluates and advances projects of this scale? Finally, can the minister provide an update on the progress made to date in advancing the Alberta carbon capture incentive program, what is planned for 2026-2027, and what potential economic benefits the government expects these initiatives to bring to Alberta's workers and communities?

This is all much more important, Minister, especially for our region, with us being neighbours and allies when it comes to the oil and gas development for the region. It's so important that we work together as a team to ensure that our oil and gas companies have the best competitive advantage throughout the world. I believe that a good CCUS system, with the one that you and your team are currently pursuing and trying to get implemented through these remarkable groundbreaking paths that you've taken to create frameworks to make that success a reality – I again have to commend the hard work of your team.

Getting back to how important all of this is. You didn't leave partners behind, sir, and I respect that from you. When I had questions, your team answered them. That is what's so important when we're going something this scale. I know that when it moves forward – and I'm sure that through the good work of our Premier and yourself, working with the federal government hand in hand, we will see something moving forward for our region for the best interest for all of Alberta.

Thank you, Minister.

The Chair: Excellent. Well, thank you very much, Member.

Minister, you have five minutes.

11:20

Mr. Jean: Well, I blush for myself and my department and the name that shall never be named, Vitor Marciano. I say that he does great work, too. If you're listening to this, all of the 52 people across the world, I would recommend that Cold Lake – wow, what an opportunity there. You've got a ton of military investments that are going in there to one of the diamonds in the Canadian Forces' crown, and you've got Pathways going in there. You've got an oil and gas industry, you've got an agricultural industry, you've got an incredible quality of life with lakes and rivers, and, well, why would anybody want anything else, except, of course, Fort McMurray? But we won't go into that. You know, you have one of the greatest places in the world to live, and I think the potential there for jobs and the economy long term is unbelievable.

Congratulations to you and congratulations, too, on the highway upgrades that our government recently announced and some of the investments that are going to go on there in passing lanes and other

safety turnouts and things like that. I'm glad to see that. It's overdue, and we certainly need that.

I would say as well, if I could, about Kendall Dilling: he's been very active, and he's, of course, in quite a job representing those companies, those oil companies that are focused on Pathways, or the Oil Sands Alliance. He came out to Lac La Biche for a meeting a couple of weeks ago, talked about community building. He was very good. I would like to commend those companies for their investments in local communities.

Now, to answer your question in relation to the updated carbon sequestration projects that are so important to our province. Frankly, people don't recognize the competitive advantages we do have with our geology and our expertise, our people, that we lead the world right now in CCUS. All of the companies from around the world that are looking at direct air capture are coming here, setting up offices, many of them, and using their technology and creating new technologies. I think we're going to see some really great news going forward on that. As of January 2026 we've got six carbon storage hub projects that have signed these specific carbon sequestration agreements with the government of Alberta, and they've moved beyond exploration.

For the sake of time I'm just going to go through it very quickly. Atlas carbon storage hub, which is Shell Canada and ATCO. They've got a project in the industrial region east of Edmonton and up to 10 million tonnes of carbon dioxide per year is going to be stored.

Meadowbrook hub project, which is Bison Low Carbon Ventures. That's located just north of Edmonton. That project has moved to a sequestration agreement status and targets a capacity of 3 million tonnes of CO₂ a year.

Open-access Wabamun carbon hub, which is Enbridge with an Indigenous partner, is situated west of Edmonton. This hub is in active development and plans to store CO₂ from emitters, including Capital Power and Heidelberg Materials facility.

Origins project, which is Enhance Energy, and you're familiar with that company. Located in central Alberta, the project is tied to an existing Alberta carbon trunk line and has been granted a sequestration agreement. As you're aware, the Alberta carbon trunk line has been operating now successfully for over a decade.

Wolf's Lamont carbon hub, which is Wolf Midstream and other partners. This hub east of Edmonton has proceeded to active development with partners, including Whitecap Resources and the First Nations capital investment partnership. These agreements, frankly, confirm that designated storage areas enable companies to advance engineering and project planning, which is great.

And Tourmaline, a great company, their Clearwater hub located south of Edson. This project has moved to a sequestration agreement.

You know, when people come forward with a sequestration proposal, I'm ready to sign the first movers, the people that are ready to go and ready to move forward. Those are the people that are going to get priority with this minister. It's a very important thing. We have a competitive advantage, and we need to move on it now. Thank you. As far as that goes, that is the one question.

As far as your next question regarding the next steps for CCUS in Alberta, with the announcement of the provincial, federal initiatives to complete Pathways, which would be, by the way, the world's largest CCUS project – it's pretty amazing, and people are looking at it. People are aware of it in Korea and Japan and different areas in the world that recognize the need to do this. Alberta is advancing the next phase of this large-scale CCUS to reduce emissions and work with our proponents, the oil sands companies, to find that sweet spot that they can still be competitive and we can follow our agreement with the MOU, and that's part of it.

Once operational, these hubs will provide centralized sequestration infrastructure. You know what that does, Scott? I sort of look at it, if I may, from Fort McKay down to Cold Lake: that Pathways opportunity is actually a corridor of sequestration. People can lock into it wherever they are. There's SAGD alley between Lac La Biche and so many opportunities. I'm very happy to see the advancement on this and the CCUS opportunity. I would like to see, to be honest, more engagement by the companies with First Nations.

The Chair: Excellent. Thank you very much.

Member Kay . . .

Member Kayande: It's Kayande.

The Chair: Kayande. I apologize. I'm screwing this up. Kayande, you have five minutes to ask your questions, and the minister will have time to respond.

Member Kayande: Thank you very much, Mr. Chair. I appreciate the shout-out to Wolf Midstream in the minister's response, which is owned by the Canada pension plan, one of my former clients back in the day.

This is referring to objective 2(d) in the ministry business plans on page 58. It shows a rapidly decreasing rate of wells properly decommissioned from about 11,700 wells in 2021 to just 5,400 in 2024. The decreasing rates of wells properly abandoned is of immense concern to rural landowners and other stakeholders who bear the consequences of inactive wells continuing to remain in purgatory for a long time. Moreover, many wells are transferred to now bankrupt entities that we've discussed or entities in financial distress, and abandonment, of course, can't happen if a well is sitting in limbo.

In addition, there appear to be regulatory gaps, and regulatory treatment of files are different for different kinds of assets. For example, pipeline licence transfers require a transfer of the entire corpus of well files and data per various AER directives. It's not so with well files. Directive 088 does not require preservation or transfer of the full life cycle of well data between buyers and sellers. Again, this is in relation to the declining rate of decommissioned wells per objective 2(d) on page 58 of the ministry business plan.

I'm curious in exploring whether the increased and, frankly, impressive digitization of well files by the industry means it's easier for sellers to scrub the well files and potentially embarrassing information that would make economic abandonment harder and whether that's contributing to the lower rate of wells properly abandoned per performance objective 2(d) on page 58. In my history as an analyst I would spend a lot of time with public well data filed with the AER as part of company statutory requirements, and that's not what I'm talking about here. Instead, in the old days well files were on paper, and when a company sold an asset, you'd send an e-mail to Iron Mountain, they'd move the boxes from one storage area to another, and then when you needed to properly abandon the asset years later, all of the information would be there although it's on paper.

Today all of that information is digital, and there is a trend of companies: instead of transferring the entire well history there, instead scrubbing it and wiping it clean. The rationale is unclear, but there's no doubt that some of the consequences are that, say, if it turns out that a chemical that you previously thought was safe turns out to be dangerous years later, then it's impossible to track the liability if that well data has been scrubbed. Nobody will know if that chemical was used. This is of extreme concern to rural landowners who are hosting these wells. It means that relevant

information necessary to safely abandon a well such as maybe coil tubing left downhole or expensive jewellery that wasn't brought back up during the completion is missing, increasing cost, risk to life, risk to landowners, risk to asset integrity, and risk to the environment.

Now, the Alberta regulator has confirmed in numerous personal communications that it does not regulate the preservation or transfer of life cycle well data during asset sales, leaving this matter to private agreements between buyers and sellers. Yet detailed well histories are often critical for well integrity management and for the safe and cost-effective abandonment of wells later in their lives. Given the increasing number of aging wells and the declining rate of decommissioning noted in the ministry's business plan, does the minister consider the absence of requirements to preserve and transfer life cycle well data during licence transfers to be a regulatory gap? Is this potentially responsible for the declining rate of well abandonments, and is it potentially responsible for the cost of increasing costs of well abandonments and reduction in safety? If so, is the ministry considering directing the AER to review directive 088 or related rules to ensure that complete well histories are preserved when assets change hands?

Thank you.

The Chair: Thank you very much, Member.

Minister, you have five minutes in order to respond to his question.

Mr. Jean: Thank you so much. I appreciate the question. I have taken some notes in relation to this, and I know my officials have behind me. You know, I'll give you some information on it, but if those recommendations prove to lead to something that is an advantage to our industry and to Albertans long term, especially in relation to the liability management framework, I will let you know, and I will dig a little bit deeper to make sure that we can do whatever we can to get to the bottom of any issues that you've indicated that may actually help us. Thank you for that.

11:30

It's quite a complicated file, and I want to make sure that you recognize, first of all, that the decrease in well abandonment counts in 2024 compared to 2023, 2022, and 2021 are related to the conclusion of the site rehabilitation program. Regulated parties may be reallocating more resources to other stages in closure through site remediation, reclamation, and it does get a little bit more complicated than that. The truth is that as we go forward some years, some of these wells are competitive on the prices that they expect in the future.

We've gone through a very dark time in pricing. For some period of time in relation to gas prices we've obviously gone to the negative, and paying people to take our product is not a very good indicator of a long-term cash flow or a profitable operation, but that's when some people decide that they can put some wells forward. Some of these wells now are actually being reinvigorated with new technology and are coming back to life in low production but in some cases very profitable. Some companies – I won't go into who because of proprietary information – have been very successful with some old wells that were abandoned, quite frankly, some time ago.

Now, one of the things I think you asked about is, really, how intended outcomes or performance success is measured. I'd just like to say, you know, that the liability management framework is intended to make sure that companies can meet these regulatory obligations by addressing closure obligations in a timely way. The AER, which is a great regulator and doing an awesome job, releases

annual liability management performance reports to improve the transparency and to develop performance measures, baselines, and ongoing assessments of the industry as a whole and individual licensees. It has gone on a step-by-step process with each licensee and indeed the industry as a whole to make sure that they're meeting the requirements as set out by legislation. Also, we have seen them actually not just meet but exceed those expectations and do a great job relating to that.

The implementation of the framework itself and when the framework is going to be completed: well, the majority of the liability management framework has been implemented. This includes the holistic assessment; licensee management program; inventory reduction program, which, of course, is closure quotas and closure nomination; a panel to provide recommendations on managing legacy sites; and improvements to the Orphan Well Association.

You know, these steps have been taken, but the truth is that this is a big file that's going to take more than just a few months to solve. It's, frankly, going to take decades to do it right without negatively impacting our industry to such a degree that they're noncompetitive. Noncompetitiveness long term means these wells won't be cleaned up unless taxpayers pay for it, and we're not going to let that happen.

As part of the ongoing implementation and enhancements to the existing programs work is under way to provide additional details about industry reporting requirements and closure nomination and to further integrate the holistic licensee assessment into the AER's application review process. The framework for security collection is on hold until work on the mature asset strategy is complete and the AER receives further direction on that.

As far as the timelines to ensure future generations won't have to deal with these liabilities, it includes both short-term and long-term initiatives to address the management of oil and gas liabilities long term. It's very important to make sure that we have a strategic response year to year.

Through the inventory reduction program the government is taking action to ensure a responsible and sustainable sector, as I mentioned. Closure quotas ensure that sites get cleaned up while also providing flexibility for companies to close sites in a cost-effective manner. This means that they can cluster them or do the low-hanging fruit first of all and train their employees up to a certain spec. It just gives them the flexibility to get the job done. We found that to be the most effective.

In that time frame the number of inactive wells declined from approximately 91,000 at the beginning of 2022 to about 79,000 in 2023 and approximately 78,000 at the end of 2025. We're continuing to improve those numbers and our processes. I would invite all members from all parties to help us with that.

Thank you.

The Chair: Excellent. Thank you so very much for this.

We are on the government side right now. I'll recognize Member Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Thank you, Chair. Through you to the minister I just want to say: Minister, I do hear from industry, obviously, in the Industrial Heartland how great it is to work with your office and with you as a minister. They're very, very appreciative for all that you do, and I am, too. It is a very important part of Alberta's economy, and thank you for recognizing it.

Chair, through you to the minister I'd like to ask you, Minister, about performance indicator 1(c) on page 56. It tracks investment in Alberta's energy and mineral sector. We've heard it a million times: Alberta's economy is fuelled by our oil and gas. It's a great

bumper sticker, but we all know it's more than a nuance. The economic growth is driven through investment and jobs in the industry in this province. Investment drives production. It drives growth. It drives innovation. We see that in every stage of development of our energy sector.

It took someone willing to take the risk to explore Alberta for oil fields and then drill Leduc No. 1 and then open the floodgates for untold wealth and development that built this province. In the '60s and '70s investors took major risks to innovate and develop the oil sands, and they turned Alberta into an economic driver in Canada, unlocking the power of the fourth-largest oil reserves on the planet.

It was this Conservative government of the day, however, that put the policy and regulation in place that paved the way for this investment. The energy sector continues to innovate with some of the most responsibly produced oil and gas in the world while we have a critical mineral sector on the brink of a boom, bringing true energy security to North America. Businesses and investment have returned to Alberta in the last six years under the UCP. Minister, can you speak to some of the external factors driving the increase in upstream and downstream investment over the past few years and explain how these factors may change in the 2026 reporting period? Additionally, how will the work of your ministry in 2026-2027 help attract investment in the energy and minerals sector?

Also through you, Chair, to the minister: net-zero competitive alignment. I would like to refer to key objective 2.4 on page 57 of the business plan, which states that the ministry will "modernize regulation and oversight of Alberta's subsurface resources to increase . . . production, expand . . . exports and attract investment in emissions-reduction technologies to reach a net-zero energy sector in Alberta by 2050." Alberta's approach to emissions reduction has focused on maintaining production, affordability, and reliability while advancing technology-driven solutions, unlike jurisdictions that reduce output to meet targets. Alberta is pursuing competitiveness through innovation and investment. Achieving net zero in a manner that protects jobs and revenue requires regulatory alignment, technological deployment, and market confidence. Minister, what safeguards are in place to ensure emissions targets do not undermine production growth? How is Alberta positioning itself as a preferred destination for emissions reduction investment?

Finally, Chair, through you to the minister I have one more question. Page 55 of the business plan notes that in 2024-2025 "non-renewable resource revenue totalled [approximately] \$22.0 billion," highlighting the critical role the energy sector plays in supporting Alberta's fiscal framework. Resource revenues fund essential public services and infrastructure across the province. However, global price volatility presents challenges in maintaining predictable revenue streams. Strengthening Alberta's ability to manage volatility while encouraging production growth is key to long-term fiscal sustainability and economic stability. Minister, what strategies is the ministry using to manage revenue volatility? How does diversification within the energy and mineral sector contribute to revenue stability? The third question: what outlook assumptions are being used for 2026-2027 planning purposes?

Thank you, again, Minister. I would like to say that that's all I have for questions at this point.

The Chair: Excellent. Thank you, Member. That was quick and concise.

Minister, please. You have five minutes to respond to her questions.

Mr. Jean: Well, first of all, I'd like to thank that member for her hard work in the Industrial Heartland. I worked with her on the Dow Chemical file and many other tremendous opportunities. The truth

is that the Industrial Heartland is probably the best place in the world to invest in petrochemical or just about anything to do with the chemical industry and the oil and gas industry. It's very exciting to see the ability for companies to get in, get set up, get built, and get in operation quickly and efficiently much more than most regulatory areas and jurisdictions allow them to.

11:40

First of all, thank you for that and please keep doing it. I think there's so much potential long term there. It certainly supports my community. I don't know what we'd do without each other. That goes the same for Mr. Cyr. We're all in this together. The truth is that if we do it right, we'll be able to balance that economy to be much less volatile, as you mentioned. Some of the things we have to do in that is recognize that we actually have three different types of oil industry, maybe a fourth one coming. We have the open-pit mining that Suncor and different companies do up in the north for oil sands. We also have the SAGD, steam-assisted gravity drainage, that is happening, you know, south of Conklin for the most part and in your area, my area, and most of the other members' areas. It's a great opportunity. It's very low impact for the environment. But we also have conventional oil. So we have three different types.

Depending on the market and how it's going, things happen differently, so we have to look at it differently and make sure that we have each of those types of oil processing and production competitive in its own right to make sure it competes. We're going to do that, and we are doing that as we go forward. Recognizing that is one of the things we have to do. We also have to recognize, for instance, that natural gas in the north part of the province is different than it is in the south part of the province and different competition and things. We have to try to create an environment that they can be more successful. That means infrastructure.

Now, you had a number of questions, and I'll try to get to all of them if I can. But as I mentioned to the other members on the committee, if you ever have any other questions, feel free to call me or text me or e-mail me, and I'll get back to you with the specifics in more detail. I can tell you that some of the external factors driving the increase in upstream and downstream investment over the last few years are interesting, and as I get deeper in the file, I learn more.

The Energy and Minerals '26-29 ministry business plan tracks two types of energy sector investment in Alberta. The first is the upstream, which you mentioned, consisting of the mining, the quarrying, the conventional oil and gas investment, oil sands investment, and supportive activities. The other investment tracked is downstream investment, which attracts downstream investment focused on petrochemical, like in your area, coal product manufacturing, and chemical manufacturing, which includes petrochemical and petroleum refining and petrochemical manufacturing activities. Right now I think the number one jurisdiction in the world for that is – as other companies around the world slow, delay, or stop their investments in these types of investments, in Alberta, in the Industrial Heartland, they're continuing, which is great to see.

Following those significant impacts of the COVID-19 pandemic in 2020 upstream investment has increased, rising, actually, from \$16.7 billion in 2020 to \$30 billion in 2023 with an estimated increase to \$31 billion in 2024. I'm hoping that 2026 is going to be a banner year and '27 even bigger than that. But I'm an optimist by nature just because we have so much, so many gifts, and we're blessed here in Alberta.

We're going to see improving market conditions and increasing global demand as we go forward, and I think we're going to see a demand for displacing other oil to take a preference in Alberta oil. This growth has been of course supported by higher commodity

prices, strong demand for Alberta's energy products, in part because they are sequestered and they're low emission, improved production efficiency, and strengthening balance sheets across the sector. If you look at our oil and gas industry, in particular our oil sands, they've done a tremendous job in the last three or four years just changing their balance sheet. Anybody that looks at those companies now will see very robust and healthy companies that are ready for action and great investment opportunities.

Investment in Alberta's oil sands continues to reflect a lot of confidence by a lot of people in many different jurisdictions with several major projects advancing through planning and development stages. Notwithstanding that some of the companies are currently negotiating and trying to negotiate outside of the negotiations, the truth is that we are very optimistic about the future and what the future holds for all of these companies.

I believe in particular that investment in Alberta's oil sands is set to accelerate, with Canadian Natural Resources preparing to front-end some engineering in 2026 for some other major oil sands expansions totalling somewhere around \$15 billion. That's not a small number. Suncor is suggesting that they're going to have some announcements very soon that are going to be optimistic as well. Frankly, the industry: if you look at it, they're very excited about what the future holds. It all revolves around our Premier and what she's done on oil and gas.

The Chair: Excellent. Thank you so very much.
Member Kayande.

Member Kayande: Thank you, Mr. Chair. I appreciate, going back to the previous block, Minister, through you to the chair, the minister's commitment to follow up. My understanding is that the AER currently does not believe that well licence transfers from buyers to sellers are any of its business. To the extent that the minister can look into this, it would be extremely important according to responsible engineers who have talked to me about the threat to life and safety as well as environmental protection.

Moving along, ministry business plan objective 1.2 on page 55 talks about advancing the bitumen royalty in kind and gas royalty in kind. Now, I'm a little bit confused about the GRIK, the gas royalty in kind, programs and the value that they provide to the taxpayer. I understand that the bitumen royalty in kind program, the BRIK, has a primary purpose of providing feedstock to the APMC's ownership stake in the Sturgeon refinery. This makes some sense to me. We have a physical short at Sturgeon that we are balancing with physical BRIK long, saving money in fees, bid-offer spreads, allowing financial hedging and optimization around storage pipelines, and ultimately product disposition and sales. We're in the physical oil business because of Sturgeon, and I can thematically understand from a value chain and business strategy standpoint why it makes sense to have a BRIK program.

I can also understand the value chain implications of the crude oil royalty in kind. Small producers can have difficulty marketing their oil when options are a single-pipe pipeline versus trucking, or they don't own the LACT – for the benefit of *Hansard*, LACT is capitalized L-A-C-T – or whatever challenges can emerge when you're a small producer with limited negotiating power. I frankly don't see this as government's problem. These are business risks that businesses choose to accept, and it amounts to a subsidy from the taxpayer which costs the taxpayer money while diminishing productivity, but I'm sure there are electoral reasons why the minister has chosen this approach.

What I don't understand at all is the purported strategic necessity of a gas royalty in kind. For a short while I worked at a natural gas storage start-up company that I cofounded way back in the late

oughts. Gas is an exceptionally volatile commodity, much more so than oil. See, gas has a seasonal volatility term structure. That means that the volatility of natural gas prices – how much they change from day to day, from hour to hour, minute by minute – depends on what month you're looking at and what month you're standing in. March typically has very high volatility, so when April is the prompt trading month – i.e., in March – volatility will be high and risk of taxpayer loss is highest. We have a different April volatility a month before, in February, and two months before, in January, and so on.

There's a lot of math behind this, but basically it means that gas has a three-dimensional volatility term structure. Therefore, it's exceedingly complicated to manage on a trading desk. This matters if you're trying to hedge your physical revenue. Moreover, natural gas is an undifferentiated commodity, very much unlike oil. Every molecule of gas injected into the NOVA Gas Transmission system is easy to value based on the heating volume of that injected gas, while for oil sulfur, gravity, viscosity, chemical composition can make it very hard to get paid for additional revenue enhancements if production is commingled. That's not an issue for gas. It makes gas much easier to trade on exchange. Also, the NOVA inventory transfer hub, or NIT, is one of the deepest, most liquid trading hubs anywhere in the world.

My question is: why? What is the point of a GRIK when there's a deep liquid market for natural gas transfers at NOVA? When gas is so absurdly volatile, when hedging is mathematically challenging while still offered by market participants from Goldman Sachs to Canadian banks to large producers in a robust and competitive environment, why does the minister think that competing with the largest and most sophisticated commodity desks in the world is something that he'd be good at? How much are the extra risk management systems going to cost? Who's going to do the trading? How will we know we're hiring the best, and how much will these people cost? How will compensation be set up when, in fact, we likely don't want traders to shoot for the moon every day? Does the GRIK program contemplate controlling physical assets such as pipeline storage, gathering systems, gas plants, fractionation, and how will these businesses be monitored and investments managed? What kind of credit support will trading require, and how will credit support be priced at the desk?

These sound like detailed questions. These are actually questions of strategy, of how this business is going to be run; it's going to be complicated. Thank you, Minister, through you, the Chair.

The Chair: Thank you so very much, Member.
Minister, you have five minutes.

Mr. Jean: Thank you so much. First of all, I had the opportunity to listen to Rachel Notley on the floor of the Legislature for two and a half years every day, directly asking her questions and getting answers, and I'd just like to say, first of all: are you sure you're in the right party? Because you sound definitely in some ways more conservative than I do, and I just got to say that.

Anyway, small guys can't hedge, that's the first thing you should recognize, and aggregate gas can hedge, and that's what we're looking at.

11:50

We've been talking to the small guys. Maybe you're talking to the big guys, but we're talking to the small guys, and they're not in a very good position right now. Many of them are struggling, extreme struggles, to stay in business right now, and we're trying to find a solution that will help them with that. And NOVA: well, NGTL is controlled by my favourite people, the federal government.

An Hon. Member: It is?

Mr. Jean: Yes. The NGTL is controlled by the federal government, and the ability to get gas out of the NGTL is extremely difficult. And if you call that competitive, waiting nine years for a gas opportunity, I don't call that very competitive. We need to be flexible. We need to have the ability to respond to market conditions and needs, and especially the producers in some areas of the province that it's not competitive.

The truth is that up to this time, we've been selling our products as quickly as possible through the door and allowing industry to sell them where they need to and where they want to. With a long-term strategic approach we can have more infrastructure in more places to service more of our customers with our products. We can take a long-term approach instead of a short-term approach, and we can do so because we own up to or around 20 per cent of all the product that is produced, both gas and oil. At 20 per cent interest in 4 million barrels a day is an interest that gives us the flexibility to demand or to allow pipelines to be built in other directions, besides the one that industry wants.

We're going to work for the people of Alberta on both BRIK and GRIK, and this gives us the flexibility to do so. But I appreciate your questions. BRIK, first of all, doesn't have a line in the budget because we're not yet using it, and we may not use it. I've mentioned that before, but I do think BRIK gives us tremendous opportunity for the future, in particular to foster value-added oil sands development and use royalty bitumen barrels to stimulate value-added activities such as upgrading, refining, petrochemical development. We've seen that happen. Dow Chemical, in particular, is doing phase 1 of their project. Even with what's going on in the rest of the world, they're aggressively moving forward at this stage, and that is an example of our government and what we've been doing relating to the petrochemical industry.

We have, in fact, not just one Indigenous group but two Indigenous groups right now that are looking at opportunities in the oil sands to have an open-pit mine because they understand the value of working with this government and the value of resource extraction, in particular in the oil sands, and how much the world needs our product because it is a better product. And we're not going to apologize for that. We're very happy with that.

What I'd like to see right now is to make sure that you recognize that UCP politicians are a little bit different. So we set policies. We don't hire our friends. We hire experts that are very good in industries and particularly in industries that have to do with what they're on the board to govern. Pipeline experts, tailings experts, whether it be reclamation experts or whatever experts necessary, we will get those people on our boards to make the decisions in the best interests of Albertans. Our policy is on the macro basis. We don't micromanage and interfere in the day-to-day operations of either the AER or other agencies that are working at arm's length from the government to do the best job possible for the people of Alberta.

I will just say in closing, as I see I only have less than a minute left, that I'm very proud of the people that I work with and with the agencies that represent the people of Alberta. They do a great job. We're doing a better job every day than we did yesterday and, I can assure you, a lot better job than we did five years ago. We will continue to make improvements and listen to all members and Albertans to see the APMC and the AER be the best of the best so that other jurisdictions, no matter where they are – and many jurisdictions, whether it be in Africa or the Middle East, have asked me if they can find out how the AER does certain things. So I'd just like to congratulate them on that and thank them for their hard work, including the department and working together.

It's no small thing. It's one of the most complicated scenarios on the planet to deal with, so great of assets that we have, and now lithium is coming along, and the Premier has tasked my department with critical minerals. Wow. There are so many opportunities. People don't even talk about all the opportunities, but the truth is they're just endless.

Thank you, Mr. Chair, for all your time, and I thank the members for all their questions.

The Chair: Thank you, Minister.

We have five minutes and 16 seconds left in the meeting. Member Yao, once again, just a quick caution that that is the time for our meeting, so garnish your questions appropriately.

Mr. Yao: Thank you so much, Chair. I really appreciate that.

Minister Jean, I want to thank you for all your hard work – you do incredible work – and also your work for our community.

I was able to speak to the vice-president of Suncor, who just left for the States, and he confessed to me that, because of your efforts to build up our community and Alberta, approximately 900 of the contractors that work for Suncor are being persuaded to live locally. That was confirmed to me by a local guy here in Edmonton, who told me that he has to move to Fort McMurray. So I want to thank you for that great work in building our community.

Key objective 1.1 on page 55 highlights the importance of advancing new and existing pipeline infrastructure across North America. We need to increase production, strengthen energy security, and grow value-added industries. To enable this market access, we have to work through a federal government and many other provinces who for the last decade have been absolutely impairing our industry. The hypocrisy is that our industry benefits all of Canada. If you listen to the Oil Sands Alliance's new advertising, they are literally talking about the hundreds of thousands of jobs that all of Canada benefits from. That flagged me to do a little bit of research. I found out that Newfoundland, direct and indirect jobs from their oil industry, with their four offshore rigs, is about 20,000 workers. Saskatchewan, with their limited oil industry, direct and indirect jobs is about 40,000. But Alberta's oil and energy industry is over 400,000 direct and indirect jobs, and they come from right across Canada. My meeting with Oil Sands Alliance yesterday did confirm that. They're going to try to provide me with more clarity on numbers. I mean, the whole point is that we have a nation that absolutely benefits from our industry.

I think I shared this with you privately. I visited New Brunswick, where I was born. I have some relatives there. If you know New Brunswick, their industry is potatoes. I have a McCain plant in the town I was born in. They have a little bit of a lobster industry, and they have a little bit of a forestry industry. When I went there, the place was absolutely humming. It was booming. There was activity. My cousin was driving me along the shores, and we're seeing houses being constructed, mansions. I'm trying to figure this all out. Finally, a realtor that I was talking to says: "Oh, don't you know? We have direct flights now from Moncton to Calgary." Like, to Alberta. It's absolutely mind-blowing that we are literally the source of a boom in New Brunswick. They do not acknowledge that. They continue to resist our asks for support for pipelines.

I'm wondering if you can give us an update on any progress on these other provinces across Canada, both east and west. They ultimately all do benefit from our oil sands. I'm hoping you can expand on how those discussions are going.

Mr. Jean: Two minutes and three seconds. I can't even introduce myself in that amount of time. Tany Yao, you're the second-best MLA from Fort McMurray. I have to tell you that. If I was in your

riding, I'd vote for you. Thankfully, you're in my riding, and you vote for me.

For those that don't know, I've known Mr. Yao for 35 or 40 years. I knew his parents as well. His dad was a doctor in Fort McMurray. I do know of him and his family and his connections. I'd just like to say: thanks for your service.

I have a lot of talks with the folks from New Brunswick. I actually talked to John Herron – wow – just probably a week ago in Toronto. We talked about New Brunswick and the opportunities there. Had an opportunity to talk to Quebec and the ministers some time ago – right now it's not a conversation that we're having on a regular basis, but we have had it before, many conversations about natural gas and oil – Newfoundland's minister, Nova Scotia's minister. You know, the talks are: "First of all, how do we do this stuff? Can we talk to the AER?" Then they say: "Hey, we need some money. We need to build a pipeline 300 kilometres to reverse a gasification plant in New Brunswick." That's a good opportunity for Europe, for instance. They could actually take Alberta and B.C. gas and ship it over to Europe, or of course they could just drill down underneath them and take the gas before Pennsylvania gets it. But if they don't

want to do that, we're happy to ship Alberta and B.C. gas to them. That might be what happens.

I would like to see the industry in Quebec be as successful as it is here in Alberta and B.C. I'd like to see the people of Quebec be successful there. They have a lot of natural gas. They could be. They're very close to the opportunity. I just wish they would take that opportunity. Right now they buy it from Pennsylvania and other U.S. states, the gas that they could drill below them. I do think that's too bad.

The Chair: Well, I apologize – no, I don't apologize – to interrupt. I am very pleased to interrupt. I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded.

I would like to remind everyone that we are scheduled to meet on Tuesday, March 17, at 9 a.m. to consider the estimates of the Ministry of Treasury Board and Finance.

Thank you, everyone. The meeting is adjourned.

[The committee adjourned at 12 p.m.]

