



Responsible
ACTIONS

Annual Progress Report

2009

Responsible Actions: A Plan for Alberta's Oil Sands, released in February 2009, is a 20-year strategic plan that provides for innovative, collaborative and responsible development of the oil sands within the three oil sands regions and the Industrial Heartland, and benefits the whole province. Through implementation of *Responsible Actions*, economic growth will be optimized, the environmental footprint will be reduced and the quality of life for Albertans today and in the future will be increased. The plan builds on the vision outlined in the Provincial Energy Strategy and is closely connected to the Land-use Framework.

In the past year, the Government of Alberta has worked with their partners including stakeholders on over 50 projects and initiatives to implement *Responsible Actions*. This report identifies key activities that have occurred through implementation of the six strategies and progress to date towards the achievement of the desired outcomes for responsible oil sands development.

Progress reports will be completed annually, with additional interim reports provided as needed. *Responsible Actions* and the *Implementation Plan* are available at www.treasuryboard.alberta.ca.



Develop Alberta's oil sands in an environmentally responsible way.

Progress to date

The following progress has been made in 2009, in support of Strategy One:

- A review of the current Environmental Assessment process has begun. It will reflect the new focus on cumulative effects management on a regional scale and improve overall efficiency and effectiveness of project environmental impact assessments.
- Under the Land-use Framework, a Regional Advisory Council for the Lower Athabasca Regional Plan was formed. Work is underway to establish regional outcomes, and the Government of Alberta is setting regional thresholds for air, water, biodiversity and land. As a part of the regional plan for the Lower Athabasca, work is underway to address conservation areas in the oil sands areas.
- Work has begun on establishing interim regional outcomes and thresholds for the Industrial Heartland as part of a cumulative effects management pilot.
- The Caribou Landscape Management Options report has been completed for the Athabasca area and is being considered in identifying conservation options within the Lower Athabasca Regional Plan.

- Draft “Requirements for Water Measurement Reporting and Use for Thermal In Situ Oil Sands Schemes” were developed and are currently being reviewed by stakeholders.

The development of groundwater management frameworks for the Athabasca, South Athabasca and Cold Lake oil sands regions and Industrial Heartland is underway as part of a large initiative to manage cumulative effects and provide methods to protect the quality and quantity of the groundwater on a regional basis.

The draft groundwater management frameworks for the Athabasca (mineable) and South Athabasca (in situ) Oil Sands regions have been completed. Technical reviews were conducted with industry in November of 2009 and comments from an International Review Panel are expected in early 2010. Following incorporation of the International Review Panel's comments, a second technical review will be conducted by industry, with a final framework expected for Spring 2010.

The completion of the draft groundwater management framework for the Cold Lake Oil Sands Region is expected in early 2010. The final framework is tentatively expected in the Spring 2010.

A draft of the Non Saline Groundwater in Contact with Bitumen Policy is complete. Feedback received from the technical review by industry has been reviewed and considered in strengthening the policy. The policy is in the final stages of development.



Develop Alberta's oil sands in an environmentally responsible way.

Progress to date continued

The following progress has been made in 2009, in support of Strategy One:

- As an initial step in reducing the inventory of fluid tailings, the Energy Resources Conservation Board developed new tailings management regulations and released them on February 3, 2009. In addition, the Government of Alberta is also developing a Tailings Management Framework that aims to minimize fluid tailings storage, optimize water management and more quickly reclaim tailings ponds.
- Legislation was passed in May 2009 to expand the orphan well program to include large facilities such as in situ facilities and bitumen upgraders. A review of current reclamation financial security program for mines is also underway.
- The review of a province-wide program for the conservation offsets part of the delivery of the *Alberta Land Stewardship Act* is underway. This review includes looking at conservation actions that compensate for biodiversity changes due to development projects.
- To reduce the impacts of industrial greenhouse gas emissions, \$2 billion in funding has been committed for carbon capture and storage with four projects being funded. Government has signed Letters of Intent with various companies including Shell Canada Energy (on behalf of the Athabasca Oil Sands Project), TransAlta Corporation, Enhance Energy and North West Upgrading, and Swanhills Synfuels.
- Development of the Climate Change Adaptation Strategy as part of the implementation of Alberta's Climate Change Strategy is underway. This adaptation work includes an assessment of Alberta's climate change risk as well as future water supply and demand. The Climate Change Adaptation Strategy will address priority risk areas, define leadership roles, and identify long term research funding needs to increase Alberta's adaptive capacity to climate change risks.
- The Government of Alberta is spearheading discussions with other regulatory agencies and the Cumulative Environmental Management Association (CEMA) in an effort to improve CEMA's efficiency and timeliness in developing recommendations for resource and environmental management. The outcomes seek to establish more effective processes to involve Aboriginal groups, environmental organizations, industry and others.



Promote healthy communities and a quality of life that attracts and retains individuals, families, and businesses.

Progress to date

The following progress has been made in 2009, in support of Strategy Two:

- A Social and Infrastructure Assessment Modeling (SIAM) tool is under development to assist the Government of Alberta in further assessing the need and costs associated with infrastructure and essential services arising from new industry development within the oil sands regions, as well as help with establishing priorities.
- Government continues to address the community development challenges in Fort McMurray. Completed milestones included the establishment of the Community Development Advisory Board in Fort McMurray to guide development of Parsons Creek, and more than \$241 million to develop land located in the Parsons Creek and Saline Creek Plateau areas, which are adjacent to Fort McMurray.

An energy efficiency cost-benefit study is being prepared for the Parsons Creek community development within the Regional Municipality of Wood Buffalo, which recommends several approaches on how to incorporate a significant green component into the community design. Energy asset mapping was completed for the area to identify existing and new alternative sources of energy that could be harnessed for buildings within the community.
- The Government of Alberta is working with the Alberta Urban Municipalities Association and Alberta Association of Municipal Districts and Counties on a Municipal Action Plan for energy efficiency that would reduce the overall environmental footprint of communities.
- The Comprehensive Regional Infrastructure Sustainability Plan (CRISP) is under development for the Athabasca Oil Sands Area and preliminary work has begun on the Cold Lake Oil Sands Area. The intent is to establish a long-term blueprint for future infrastructure development based on anticipated production rates and associated population growth. A component of this project will be the coordination of timely investment between municipal, provincial and federal levels of government.
- Government has begun to develop a concept for the long term release of Crown land around Fort McMurray, which will designate land for future development. Municipal plans and CRISP results will be used to provide the information required to establish an adequate and secure supply of land. This will assist with managing costs and creating certainty, and may be applicable in other high growth communities in the province that are surrounded by Crown land.
- The Government of Alberta is examining and working with municipalities to identify opportunities to regionalize municipal service delivery and financing to facilitate effective allocation of resources in high-growth areas.



Promote healthy communities and a quality of life that attracts and retains individuals, families, and businesses.

Progress to date continued

The following progress has been made in 2009, in support of Strategy Two:

- The Alberta Emergency Management Agency (AEMA) continues to work within the Government of Alberta, and with municipalities and industry partners to influence and support Alberta's emergency system. This is done through the development of recognized systems and standards for training and education such as the Incident Command System, and the development of regional and mobile training facilities to enhance the professionalism of the emergency system.

In addition, AEMA is working with those partners in the oil sands regions to develop integrated emergency plans that will support existing and future safety systems and programs, and will ensure that all of the people in the province who are responsible for delivery of essential services to provide public safety are involved in the process.
- A \$60-million Safe Communities Innovation Fund was created in November 2008 to focus on community-based partnership projects throughout Alberta. Applications for the 2009-10 grant cycle closed on November 6, 2009 and are being evaluated by a cross-ministry committee. Recommendations for funding will be made early in 2010.
- *Alberta's Traffic Safety Plan: Saving Lives on Alberta's Roads* is a comprehensive strategy designed to reduce traffic-related deaths and injuries in the province. Progress includes the completion of a strategic research plan, and a monitoring and evaluation plan. The plan will also help to improve public safety in the oil sands regions.
- Government is working to establish a Health and Safety Association Network to review, endorse and standardize occupational health and safety training standards. Development of a provincial workers' training records online registry system is underway. This work builds on the provincial Occupational Health and Safety Program and will help improve workplace safety training in the oil sands regions.
- The Government of Alberta continues to implement Alberta's cultural policy, *The Spirit of Alberta*, along the four keystones: Access, Capacity, Excellence and Supporting Cultural Industries. Consultations related to future use and development needs for cultural facilities have been completed.



Maximize long-term value for all Albertans through economic growth, stability, and resource optimization.

Progress to date

The following progress has been made in 2009, in support of Strategy Three:

- Work is underway to leverage bitumen royalties through developing value-added oil sands products. This is being achieved through the development of Bitumen Royalty-In-Kind policy and program design, and an October 2009 Request For Proposal to process up to 75,000 barrels per day of royalty bitumen within Alberta. Industry proposals were due to the Government of Alberta in January 2010.
- The Government of Alberta continues to work with stakeholders to build understanding at home and abroad of Alberta's ability and commitment to responsible development of its secure, reliable and geopolitically important energy resources.

In addition, the Government continues to raise international awareness of the opportunities, skills and expertise that resides in Alberta's oil and gas sector. Trips to three countries were made to explore opportunities to promote Alberta research, science and technology, as well as to work together on areas such as environmental management.
- A study to identify mid-stream chemical products, land use and infrastructure requirements as well as best practices for developing an Alberta-based mid-stream chemical cluster was completed in November 2009. This work supports value-added cluster development in Alberta and the effort to maximize the value of the resource for Albertans.
- The development of a multi-use corridor strategy for Alberta is in progress. The strategy will support regional growth and promote a multi-use corridor approach for future development of needed provincial transportation and energy infrastructure. The Lower Athabasca Regional Plan will provide advice on general locations of major transportation and utility corridors in the region and the considerations that must be addressed by the Government of Alberta in planning the specific locations.
- The Lower Athabasca Regional Plan is under development and will provide advice on implications associated with the three economic development scenarios (i.e., current state, mid-range, high-end) as they affect population growth and labour needs.
- Phase one of a two-phased Centralized Gasification Study began in October 2009. This study will determine the cost competitiveness of gasification technologies to meet Alberta's value-added objectives. Phase one will be completed in February 2010.
- A Human Capital Plan (HCP) is in the process of being developed, which will address workforce needs and support Alberta's competitive advantage. Stakeholders in the energy industry will continue to play an important role in development of the HCP, which will contribute to ensuring Alberta has the workforce to support development of oil sands projects in the future.
- A legislative committee is engaging with elected First Nations and Métis leaders throughout the province to discuss development of collaborative workforce action plans with Aboriginal communities through the First Nations, Métis and Inuit Workforce Planning Initiative.



Strengthen our proactive approach to Aboriginal consultation with a view to reconciling interests.

Progress to date

The following progress has been made in 2009, in support of Strategy Four:

- A review of Alberta's Consultation Policy and Guidelines is under way. The review will be informed by discussions with the Grand Chiefs and Vice Chiefs of Treaties 6, 7 and 8 under the *Protocol Agreement on Government-to-Government Relations* and will involve industry.
- A four-year policy review of the *First Nations Consultation Policy on Land Management and Resource Development* is under way which will result in changes to the corresponding consultation guidelines.
- A meeting was held on Nov. 23, 2009 between Grand Chiefs, Vice Chiefs and Government of Alberta Ministers responsible for consultation matters, to facilitate a coordinated approach to further strengthen the working relationship with the Government of Alberta on matters of interest under the province's new Protocol Agreement on Government-to-Government Relations.
- The Protocol Working Group was established to develop a specific consultation process or guidelines (Consultation Guidelines) for working with the five First Nations constituting the Athabasca Tribal Council (i.e., Athabasca Chipewyan First Nation, Chipewyan Prairie First Nation, Fort McKay First Nation, Fort McMurray No. 468 First Nation, and Mikisew Cree First Nation). Representation on this working group from the Government of Alberta includes Aboriginal Relations, Justice, Environment, Sustainable Resource Development, Energy, and Culture and Community Spirit.
- Internal discussions have begun for the development of a Request for Proposal for a pilot in Métis Settlements. The pilot project will obtain baseline data to measure how cumulative impacts of development may impact Settlement lands.
- The Lower Athabasca Regional Plan will provide advice on impacts to Aboriginal communities as well as treaty and other constitutional rights exercised by members of those communities.
- In November 2008, Aboriginal Relations was appointed to lead the Government of Alberta's response to concerns expressed by First Nations and Métis leaders in Fort Chipewyan. The approach emphasizes building relationships with the community, Aboriginal leadership, other provincial ministries, and the federal government.
 - In February 2009, the Government of Alberta worked with Athabasca Chipewyan First Nation, Mikisew Cree First Nation, and Métis Local #125 to identify community priorities: community health and well-being; land-use and stewardship; community-based environmental monitoring; and regulatory processes.
 - In October 2009, The Government of Alberta facilitated a meeting in Fort Chipewyan to discuss the Alberta Cancer Board's report. That meeting included officials from Aboriginal Relations, Health and Wellness, Alberta Health Services (AHS), Health Canada, and the Nune Health Board Society (NHBS). NHBS, the federally funded local health service delivery agent, had the opportunity for an in-depth discussion about the report with Dr. Tony Fields, Vice President, Cancer Care, AHS. In addition, senior medical officials committed to continuing discussion about community health needs.
 - On November 9, 2009, Government of Alberta ministers met with a number of stakeholders in Fort Chipewyan to learn more about Aboriginal traditional knowledge and discuss a community-based monitoring program to increase confidence, capacity and participation in the monitoring of local water and air quality.



Maximize research and innovation to further support sustainable development and unlock the deposit's potential.

Progress to date

The following progress has been made in 2009, in support of Strategy Five:

- *The Alberta Research and Innovation Act*, passed in June 2009, set out a reconfigured structure for the provincially funded research and innovation system that will reduce complexity in the system, increase accessibility, nurture partnerships and provide new opportunities to collaborate, coordinate and create new ideas and products.
- The transition to the province's new research and innovation system, Alberta Innovates, is nearing completion and five new organizations came into being on January 1, 2010.
- Within the new system one part, Alberta Innovates - Energy and Environment Solutions (AIEES), will serve as the technology arm of the Government of Alberta in energy and environment. AIEES is the corporate successor to the Alberta Energy Research Institute (AERI) and includes programs from the Alberta Ingenuity Fund in energy and water.
- AIEES will work closely with key government ministries, partner with industry and collaborate with research and technology providers to reduce greenhouse gas emissions and the environmental footprint of Alberta oil sands development, and will:
 - Coordinate long-term and strategic investment in research and innovation on oil sands;
 - Establish closer ties with environmental sector associations and companies in Alberta and elsewhere; and
 - Provide technical and funding support for a number of oil sands-related recovery, upgrading and environmental technology development initiatives.
- A key emphasis of the revamped Alberta Innovation System has been the development of "Open Innovation." The guidelines allow for an open and transparent process for sharing results of government investments in research and innovation in a way that creates the greatest benefit for Albertans and the Alberta economy. It will enhance existing partnerships and establish new partnerships with key stakeholders in industry, government and research organizations.
- Several initiatives are underway to develop next generation breakthrough oil sands recovery and upgrading technologies, including life cycle analysis, energy efficiency, tailings management and enhanced ecology. Research and development for the next generation of tailings management technologies is continuing.



Increase available information, develop measurement systems and enhance accountability in the management of the oil sands.

Progress to date

The following progress has been made in 2009, in support of Strategy Six:

- To support responsible development of Alberta's oil sands, economic, social, and environmental sustainability performance measures and indicators are being developed. Upon completion, progress will be reported annually to the public.
- The Government of Alberta released the Alberta Official Statistics to the public on April 30, 2009. These statistics ensure common usage of official government statistics and information sharing to support stewardship, accountability, research and innovation in the management of the oil sands resource.
- The Government of Alberta is working on developing widely supported approaches and methodologies for population statistics that can be utilized as input for planning, forecasting, budgeting, and broad policy formation.
- The GeoDiscover Alberta program was established to improve the Government of Alberta's ability to make decisions through improving the quality, availability and management of shared geospatial information. Currently available to a few areas within the Government of Alberta, the program will become a definitive source for geospatial information for the entire Government of Alberta, industry stakeholders and the public by the end of 2010. The program objective is to develop a framework and tools to:
 - Identify and inventory land and geographic information assets;
 - Simplify access to those assets by establishing a cohesive and applicable portfolio of principles, policies, standards, and best practices to enable access to, and sharing of, those assets; and
 - Provide online access, basic analysis, and maintenance tools through common infrastructure technology and services that link authorized consumers to the definitive source of data.



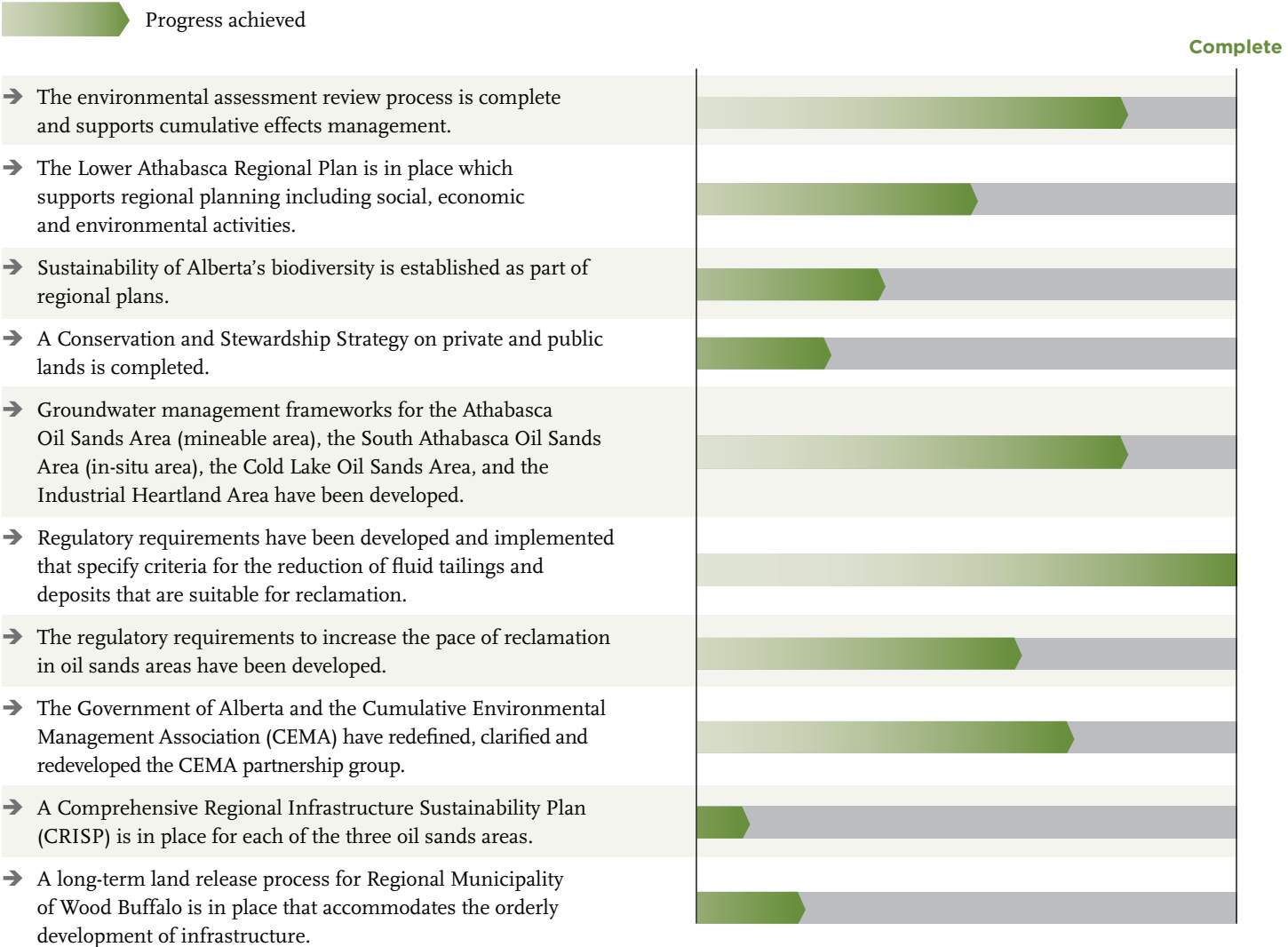
Desired outcome progress

The short-, medium- and long-term desired outcomes will be achieved through implementation of Responsible Actions. The following identifies progress towards achieving these outcomes.



Short-term desired outcomes to be achieved by 2012: The oil sands are being managed strategically and regionally, which allows for the increased capability to achieve value-added and environmental goals.

The following illustrates the progress completed towards achieving the desired outcomes.





Complete

<p>→ Planning for future community development in the oil sands areas includes green technologies and environmentally sustainable and innovative urban design.</p>	
<p>→ An assessment framework for social and infrastructure needs related to oil sands development is in place with a direct linkage to Regional Plans.</p>	
<p>→ A Bitumen Royalty-In-Kind (BRIK) policy and program design is completed and a Crown Agent to handle future crown bitumen volumes is designated. BRIK is leveraged to develop value-added oil sands products.</p>	
<p>→ A policy framework is in place for encouraging the use of bitumen upgrading by-products (e.g. petroleum coke, residue, off gases) for integrated value-add cluster development in Alberta.</p>	
<p>→ A modernized, aligned and enhanced regulatory system for upstream oil and gas is in place that increases effectiveness, efficiency, responsiveness, and coordination across the regulatory bodies.</p>	
<p>→ Pilots for Aboriginal consultation are complete and the consultation policy is being implemented.</p>	
<p>→ Initiative funding has been provided to all interested First Nations for the completion of comprehensive Traditional Use Studies.</p>	
<p>→ Substantial revisions to the <i>First Nations Consultation Policy on Land Management and Resource Development</i> are complete.</p>	
<p>→ Implementation of <i>Alberta Innovates</i> is in place, which is a research and innovation framework that embraces a coordinated and integrated approach to research and the commercialization of technology, ensures excellence and positions Alberta to be a major player on the world stage.</p>	
<p>→ A policy and regulatory framework is developed that enables the large-scale deployment of carbon capture and storage across Alberta.</p>	
<p>→ Outcome based performance measures have been developed and are being reported annually.</p>	



Medium-term desired outcome to be achieved by 2020: New milestones for environmental stewardship are being met with development and full scale implementation of breakthrough technologies. Community growth is accomplished in a more proactive and planned manner. Oil sands industry growth is consistent with the regional plans developed through the Land-use Framework and is expected to significantly contribute to further energy development in Alberta.

The following will be achieved by 2020 through implementation of the objectives:





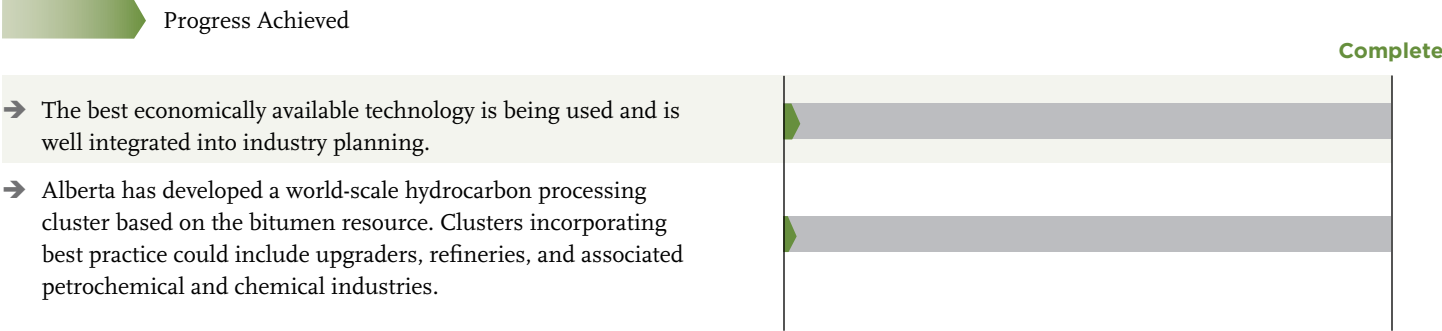
Complete

<p>→ Contingent on favourable market conditions, oil sands industry growth is consistent with the regional plans developed through the Land-use Framework, and is expected to significantly contribute to further energy development in Alberta.</p>	
<p>→ Raising awareness and understanding, both at home and abroad, of the oil sands resource and Alberta's commitment to its responsible development leads to informed attitudes and positions, as well as continued investment.</p>	
<p>→ Core capacity for consultation has been established in all participating Alberta First Nations.</p>	
<p>→ The Consultation and Regional Benefits Agreement or a similar initiative is in place.</p>	
<p>→ Improved relationships and communication, as well as greater consistency between Federal and Provincial consultation processes and decision making have reduced land use conflicts.</p>	
<p>→ Innovative new processes are in place that generated more effective dialogue, education and understanding among Aboriginal people, the Government of Alberta, and the federal government.</p>	
<p>→ Land management decision making reflects objective data obtained from Aboriginal sources.</p>	
<p>→ Current research and innovation initiatives, supported by the Alberta Energy Research Institute, are implemented on a commercial scale to support the sustainable development of the oil sands and other energy resources in Alberta.</p>	
<p>→ Alberta's approach to open innovation has resulted in increased knowledge, intellectual property and skill transfer within its research and innovation system, and between academia, government and industry.</p>	
<p>→ Outcome based performance measure results show improvement in social, environmental and economic aspects of oil sands development.</p>	
<p>→ Reporting and data sharing is occurring for oil sands development in a planned manner with clear expectations and requirements for those parties involved.</p>	
<p>→ Alberta official statistics are available and widely used within the Government of Alberta and by its partners.</p>	



Long-term target to be achieved by 2030: Thirty per cent of the oil sands deposits are considered to be recoverable reserves, with a reduced overall environmental impact and maximized value. Significant value-added processing is occurring in the province. Alberta is recognized internationally as an important refined products and petrochemicals hub.

The following will be achieved by 2030 through implementation of the objectives:



Appendix: Related Government Strategies and Initiatives

Alberta's Traffic Safety Plan: Saving Lives on Alberta's Roads
www.transportation.alberta.ca/3112.htm

Climate Change Strategy
www.environment.alberta.ca/2430.html

Draft "Requirements for Water Measurement Reporting and Use for Thermal In Situ Oil Sands Schemes"
www.environment.alberta.ca/3162.html.

First Nations Consultation Policy on Land Management and Resource Development
www.aboriginal.alberta.ca/1.cfm

Land-use Framework
www.landuse.alberta.ca

Provincial Energy Strategy
www.energy.alberta.ca/Initiatives/strategy.asp

Responsible Actions: A Plan for Alberta's Oil Sands
www.treasuryboard.alberta.ca/ResponsibleActions.cfm

Responsible Actions: A Plan for Alberta's Oil Sands – Implementation Plan
www.treasuryboard.alberta.ca/ResponsibleActions.cfm

Safe Communities Innovation Fund
www.justice.gov.ab.ca/safe/scif.aspx

Spirit of Alberta: Alberta's Cultural Policy
www.culture.alberta.ca/culturalpolicy

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DECEMBER 2009

For more information visit:

www.treasuryboard.alberta.ca

www.oilsands.alberta.ca

ISSN 1920-8413 (Print)

ISSN 1920-8421 (Online)