

Supporting the natural gas and electricity industries

Alberta's Red Tape Reduction strategy is helping natural gas and electricity producers operate more efficiently, saving them time and money and helping them create jobs.

Powering the future

Canada is the world's third largest supplier of natural gas, and Alberta is responsible for about two thirds of national production.

Alberta industry is powered by natural gas. About 83 per cent of natural gas consumed in Alberta is used by the industrial, electrical generation, transportation and other sectors.

Red tape reduction initiatives are helping the gas industry operate safely and efficiently. These include:

- **Removing** obsolete and duplicative reporting requirements for the oil and gas industry related to venting and flaring activities.
- **Implementing** a new Water Conservation Policy that encourages industry to minimize the use of fresh water. This provides greater flexibility for operators to collaborate and share water infrastructure which decreases truck traffic through communities.

Changing abandonment criteria

When an oil or gas well is no longer productive, it must be taken out of service, a process known as abandonment.

Companies must ensure abandoned wells are permanently sealed and the surrounding land restored back to its original state.

Cutting red tape for well abandonment includes:

- **Allowing** lower-risk oil and gas wells developed together to be abandoned together, as long as there is no risk to the public or the environment. This will help reduce the inventory of inactive and orphaned wells and ensure a more timely restoration of the surrounding land.

This change will save industry about \$584 million by shifting to a more efficient outcome-based approach and will reduce the number of wells that need to be abandoned separately. It also ensures that robust health and safety protections remain in place.



Effective regulation

The Alberta Utilities Commission (AUC) ensures natural gas service is safe and reliable, and that rates are just and reasonable.

After reviewing its operations, the AUC streamlined its application process timelines and implemented other improvements to operate more effectively – achieving a 48% reduction. Other initiatives include:

- **Developing** a checklist approach that eliminates a formal application process for established applicants.
- **Creating** a web portal for stakeholders and the public to find efficiency initiatives information.

The Market Surveillance Administrator (MSA) is the independent monitor of Alberta's electricity and natural gas markets, responsible for compliance and accountability.

The MSA consulted with stakeholders and reviewed its operations and has cut red tape by 58% by:

- **Streamlining** its compliance process and issuing compliance waivers for related contraventions during the COVID-19 pandemic.



Electricity system improvements

Alberta's government is working to ensure the province has a reliable and affordable electricity system that reduces pollution. A strong system will also help attract new investment.

Red tape reduction initiatives have helped the electricity industry by:

- **Lowering** the deposit amount electricity retailers need to pay, reducing the barrier to entry to the retail electricity market and paving the way for greater consumer choice and competition.

The Alberta Electric System Operator (AESO) is an arm's-length agency of government that manages and operates the provincial power grid.

AESO has reduced red tape by 24% and is expected to create about \$118 million in savings for the electricity industry by:

- **Allowing** smaller industrial generators to request waivers or variances to requirements that may not be applicable to them.
- Saving industry time spent on assessing, implementing, commissioning and maintaining new facilities by **streamlining** data requirements.

Regulatory Transformation Project

Government's Regulatory Transformation Project (RTP) will reduce red tape by streamlining lengthy environmental approval processing times and address application backlogs. All industries applying to Environment and Parks for a Water Act licence will benefit from these improvements.

Cutting red tape for environmental approvals includes:

- **Shifting** from a rules-based system to an outcomes and risk-based approach.
- **Implementing** the Digital Regulatory Assurance System (DRAS) which is a single, consolidated system for regulatory applications, approvals, and long-term environmental monitoring. This will save time and money, while ensuring Alberta's high environmental standards are maintained.

Let's keep going

Alberta's government will continue working with industry panels and Albertans to identify regulatory barriers that may be hindering economic recovery and growth. Visit www.alberta.ca/cutredtape to learn more about Alberta's red tape reduction progress to date.