

Duvernay and Montney Development Strategy - Policy and Regulatory Implementation Pilot

September 2015

Outline

1. Background

- **Management Context [cumulative effects]**
- **Regional context**
- **Drivers for Change**

2. Pilot Concept

3. Next Steps

Background

Integrated Resource Management

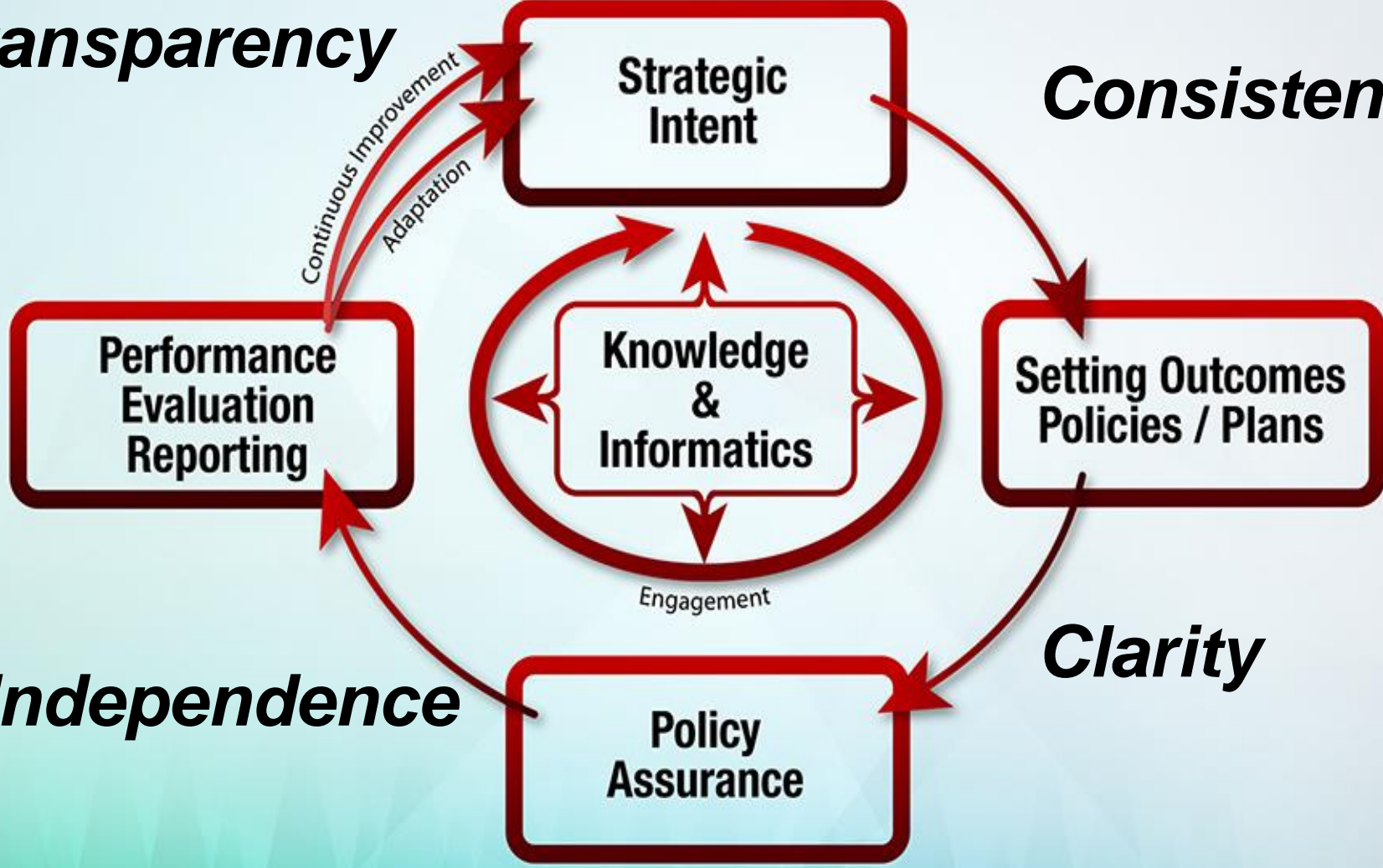
- The means by which Alberta will achieve responsible resource stewardship.
- Broadly defined, incorporating the management, conservation and wise use of all resources.
- It is founded upon principles of cumulative effects management:
 - **Knowledge based**
 - **Outcomes driven**
 - **Future focused**
 - **Comprehensive implementation**
 - **Place based flexibility**
 - **Collaboration**
 - **Adaptation and Continuous Improvement**



IRMS Functions

Transparency

Consistency



Independence

Clarity

Strategic Intent

Performance Evaluation Reporting

Knowledge & Informatics

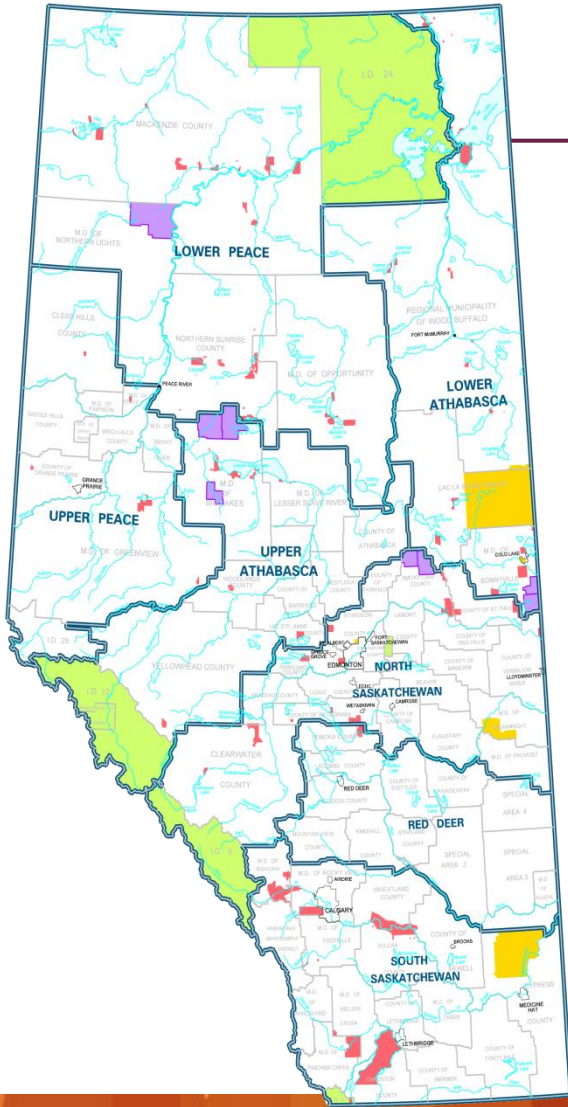
Setting Outcomes Policies / Plans

Policy Assurance

Continuous Improvement
Adaptation

Engagement

Regional Planning



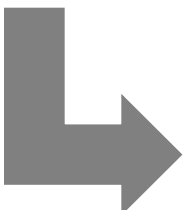
- Addressing the sum total of all development activities affecting the environment
- Planning horizon of at least 50 years, updated on a 5 year cycle
- Clearly defines desired outcomes for the region
- Outcomes reflect a balance of economic, environmental and social interests
- Sets thresholds to manage cumulative effects, recognizing that air-sheds, watersheds and landscapes are not limitless
- Identifies strategies and actions to achieve outcomes
- Identifies monitoring and reporting strategies

Management Frameworks

Outcomes: e.g. Air and water are managed to support human and ecosystem needs

**Indicators,
Triggers
and Limits**

- Indicators are chosen
- Triggers & limits are set



**Monitoring
and
Modelling**

- Ongoing monitoring and assessment of conditions relative to triggers & limits

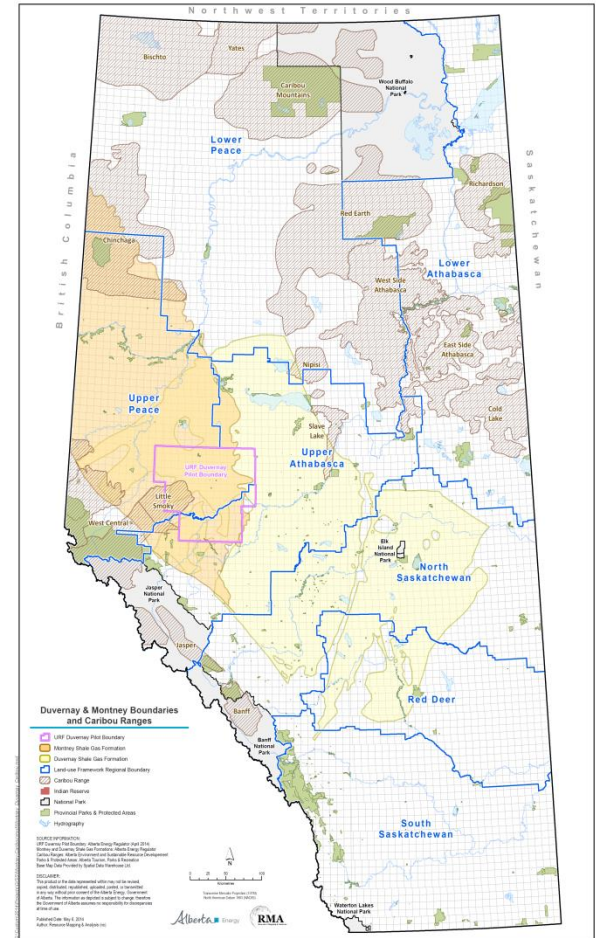


**Management
Response and
Reporting**

- Management actions taken as needed at triggers & limits
- Results reported

Overlapping Initiatives

- The AER's PBR is currently being piloted in the same geographical area.
- The Little Smoky Caribou Range Plan is currently being developed and also overlaps the pilot area.



Drivers for Change

Energy

- **Conventional oil and gas development ongoing in the area.**
- **Potential for unconventional resources in the Duvernay and Montney resource formations**
 - **Duvernay - 443 Tcf Gas, 11.3 B barrels NGLs, 61.7 B barrels oil**
 - **Montney - 2,309 Tcf Gas, 30.6 B barrels NGLs, 138.7 B barrels oil**
- **Development of these resources is increasingly viable with the combination of multistage hydraulic fracturing and horizontal well drilling.**

Drivers for Change

Environment

- **Biodiversity impacted by resource development and natural disturbances**
 - **Pilot area is home to several critical species: grizzly bear, caribou, bull trout, Arctic grayling, Athabasca rainbow trout**
- **Land impacted by linear disturbances, road use, infrastructure**
 - **Reclamation is a long term process**
- **Water resources (quantity and quality) impacted by water use and disposal**

Drivers for Change

Social

- **Communities' anticipation of boom-town effects**
- **Crown decisions on land and natural resource development have the potential to adversely impact the continued exercise of constitutionally protected First Nations Treaty rights and/or Metis Aboriginal rights**
- **Public desire for access to recreation and tourism**

Opportunity

- Link to AER's Play Based Regulation (PBR)
- Promote integration and optimize management decisions, through an Integrated Resource Management approach, across multiple users and sectors in the pilot area, including:
 - Oil and gas operators, forestry companies, recreational users, municipalities, First Nations, and Metis communities
- Shift to a more coordinated, cumulative effects based approach

→ Policy and Regulatory Implementation Pilot

Pilot Concept

Pilot Concept

- **Inform what is working and what is not working**
- **Increase transparency of processes**
- **Inform regional and sub-regional planning**
- **Strengthen coordination between policy and regulatory requirements**
- **Enhance Integrated Resource Management – between and within different sectors**
- **Provide a forum to engage on key issues relating to resource development - energy and forestry sector**

Pilot Objectives

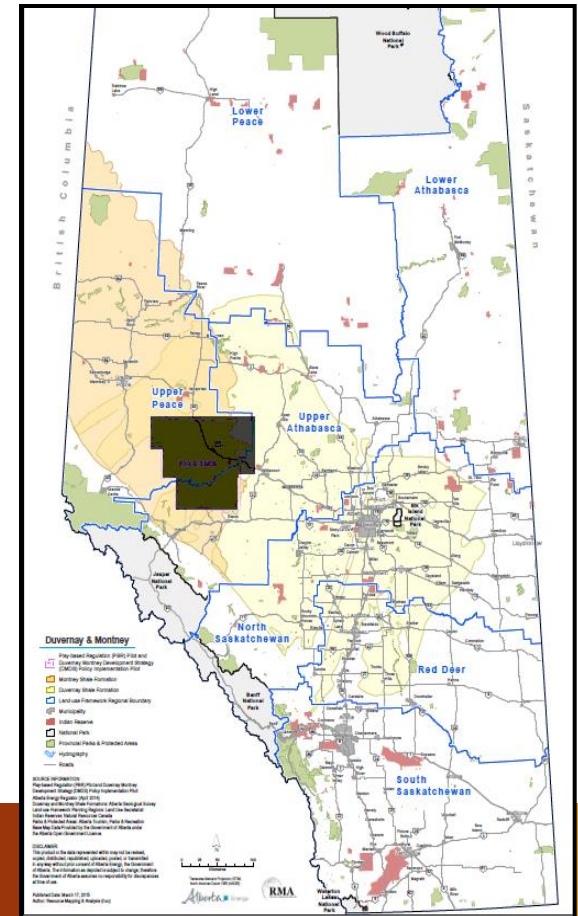
Advance current and emerging policy in a way that:

- **Better enables integrated management decisions across and within different sectors**
- **Provides clarity on regulatory requirements to facilitate incorporation into project planning and long-term investment decisions (oil and gas and forestry planning)**
- **Better positions communities to meet growing demands for municipal services and ensures industrial development does not compromise their ability to grow including future water access**
- **Ensures that constitutionally protected First Nations Treaty Rights are considered and respected**
- **Provides stakeholders in the area a forum and ability to share concerns**

Pilot Area

Piloting allows testing, evaluating, and refining policy options and outcomes, before finalizing and implementing on a wider scale across the province.

- Fox Creek area -144 townships
- Overlaps the Upper Peace and Upper Athabasca regional plan areas
- Predominantly public land
- Overlaps Little Smokey Caribou Range
- Seven Forest Management Agreement Holders
- Nine First Nations, One non-status First Nation, Three Metis Settlements, Six Metis Locals
- Same area as the AER's PBR pilot.



Policy Elements (initial)

- **Policy Areas and Policy Outcomes:**

- **Biodiversity and Land:**

- Adequate amounts of land remain in a state that supports biodiversity objectives; with the goal of maintaining habitats and biodiversity.

- **Water**

- Maintain the health of aquatic and riparian ecosystems and develop reliable and good-quality water supplies to support a sustainable economy, as envisioned in Water for Life: Alberta's Strategy for Sustainability

- **Tenure**

- Industry plans for development increase responsible development

Policy Elements (initial)

- **Thresholds established for policy areas:**
 - **Biodiversity and Land:**
 - Grizzly Bear Range Road Density
 - Net Land Disturbance
 - Fish Sustainability
 - **Water**
 - Fresh Water Use by Oil and Gas
 - Cumulative Allocation

Policy Elements (initial)

- **Policy Elements to Achieve Outcomes and Manage to Thresholds:**
 - **Biodiversity and Land:**
 - Low Impact Seismic
 - Integrated Land Management
 - Watercourse Crossing
 - **Water**
 - Water Licence Application Requirements
 - Interim Water Licence Conditions
 - Water Management Planning
 - Groundwater Monitoring
 - **Tenure**
 - Minimum Content in Risk Management Plans

Next Steps

Next Steps

- **Gather feedback from stakeholders and Aboriginal groups – in progress**
 - Approach (pilot concept)
 - Areas of focus
 - Engagement
- **GoA to develop policy pilot based on feedback – fall 2015**
- **Re-engage with multi-stakeholders and Aboriginal groups – fall 2015**
- **Work with multi-stakeholders on development of policy pilot requirements and guidelines**
 - Implementation details: planning, modelling, monitoring

Thank You