



Compliance Assurance

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AER Regulatory Framework

- › Sets out clear rules for the responsible development of Alberta's energy resources.
- › Assessment of the state of compliance
- › Manage areas of non-compliance

Compliance Process

- 》 Deliver and support the processes and tools that enable compliance
- 》 Monitor the compliance processes and tools
- 》 Measure the effectiveness of compliance, including processes and tools

Compliance and Enforcement

- › Ensuring industry complies with requirements is a key role of the AER
- › 13,000 inspections annually
- › The AER is developing a new compliance approach as it assumes new functions

Compliance Assurance Program Components

- 》 Promote Compliance
- 》 Verify Compliance
- 》 Compel Compliance

Goal: Promoting Compliance

- 》 Communicate the corporate and environmental value of compliance
- 》 Communicate the assistance commitment to achieve the value
- 》 Serves to increase knowledge of AER regulatory requirements.
- 》 Promotes continuous improvement.

Goal: Verifying Compliance

- › Shared responsibility.
- › Build capacity and willingness with industry to comply with AER requirements.
- › Identify and address potential problems before they result in a serious and adverse effect on public safety, the environment, or orderly regulatory development.

Goal: Enforcement

- 》 Backstop to ensuring compliance.
- 》 Ensure responsibility to remedy and mitigate damage is clearly assigned.
- 》 Remediate, deter, and penalize where necessary.

High Risk / Low Risk Process

- Predetermined risk assessment process
 - High and low risk noncompliances
 - Predetermined enforcement consequences
 - Escalation process

Enforcement Investigation Process

- › Indicators to consider:
 - › Has the requirement been risk assessed
 - › Adverse impact
 - › History
 - › Failure to complete regulatory task
 - › Economic gain
 - › Willfull or knowingly
 - › Reputation/Risk

Enforcement Consequences

- › Orders (i.e. Shut In, Suspension, Abandonment, Environmental Protection Orders, Remedial)
- › Impose Conditions (i.e. regulatory sanctions including third party audits, non routine review of future applications)
- › Administrative Penalties (i.e. monetary fines)
- › Prosecutions

Appeal of Enforcement Actions

- › Alternative dispute resolution
- › Hearing commissioners
(formal hearing)
- › Court of Appeal

Outcomes

- › Efficient
- › Responsive
- › Transparent
- › Accountable

Questions?

Thank you