

## **Evaluating Stakeholder Engagement**

**Peace River** 

October 17, 2014

Stakeholder Engagement: The Panel recognizes that although significant stakeholder engagement initiatives have occurred, these efforts were not seen by area residents as being successful in resolving their concerns. The Panel recognized that there may be additional opportunities for better information sharing and improved communications among stakeholders and the Panel recommends that the AER support these initiatives.

2014 ABAER 005 (March 31, 2014)

Odours and emissions issues in the Peace River area are complex. They were first brought to the Energy Resources Conservation Board's (ERCB's) attention in 2010. It was acknowledged that there were odour issues, but they did not stem from hydrogen sulphide (H<sub>2</sub>S) or sulphur dioxide (S0<sub>2</sub>). The ERCB's regulations only prevented companies from venting sour gas, and those regulations set air quality standards according to Alberta Ambient Air Quality Objectives. To complicate matters, the technology used in Peace River was also used in other parts of Alberta, but it was not impacting local residents in other areas of the province in the same way.

In the following four years, a variety of working groups were formed in order to bring issues to the table and seek solutions. Through the commitment and hard work of these groups, progress was made to capture vented gas in the field, but the residents were still feeling impacted by the development and were requesting further regulatory intervention.

The Alberta Energy Regulator (AER) was proclaimed in June 2013. It acquired jurisdiction over the *Public Lands Act*, the *Environmental Protection and Enhancement Act*, the *Water Act*, and Part 8 of the *Mines and Minerals Act*. With these additional responsibilities, the newly formed AER called for a formal proceeding in Peace River. Stakeholders were invited to participate and put their facts and views on the public record. After hearing from all the stakeholders, an AER panel published formal recommendations. It provided support and direction for the regulatory change required to address the issues in the Peace River area. The proceeding was an intense and challenging process for everyone involved.

## A New Beginning...

On March 31, the AER Panel released the *Report of Recommendations on Odours and Emissions in the Peace River Area*. Recognizing the fatigue many residents felt from years of seeking solutions, as well as from the proceeding itself, the AER Stakeholder and Government Relations division's first goal was to ensure stakeholders knew what action the AER was taking to implement the recommendations.

To implement the recommendations, industry was required to

 make operational changes to meet tight deadlines for capturing produced gas in Three Creeks and Reno,

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- submit plans for capturing produced gas in the Seal and Walrus areas, and
- submit additional plans for conserving produced gas within the Peace River area.

By October 31, 2014, industry must submit all required plans. The AER will complete a technical review before approving those plans. Industry will be expected to meet deadlines set out in the final approved plans.

Affected companies need to understand AER expectations. To this end, the AER met with the established industry steering committee and individual companies. The AER offered in-field training for local Peace River operators to teach them about the inspection process outlined in the new *Directive 060: Hydrocarbon Odour Management Protocol for Upstream Oil and Gas Point Source Venting and Fugitive Emissions*. The AER proactively engaged the media to show its commitment to implementing the proceeding recommendations.

AER staff also had informal conversations with residents to gauge how satisfied they were with the proceeding recommendations, whether they were seeing improvements in their community, and how they might want to move forward.

An AER-initiated meeting with the involved residents and Alberta Health Services (AHS) was held on June 19, 2014. The AER introduced the residents to AER staff who would be leading the implementation efforts and explained how the AER was moving forward to implement the recommendations. Staff explained that the recommendations would be implemented step-by-step and that being realistic about timelines was important. Information was provided about how the AER was going to enforce the *Directive 060* requirements for offensive off-lease odours, and AHS updated residents on how they were meeting their recommendations as well.

At these meetings, residents told the AER that it is not odours, but rather emissions that cause the impacts they live with. It is important that the AER focus on eliminating emissions. The residents acknowledge that while the ambient total hydrocarbon levels are decreasing in their community, they still experience health impacts many times every month. Residents requested that the AER review the process it uses for responding to odour complaints in the Three Creeks area as well. Potential next steps include inviting broader community participation and seeking industry support.

In summer 2014, the AER Peace River project teams continued to move forward, and engagement focused on consulting existing pre-AER proceeding groups to find out if they were going to remain active, what they were working on, and how we could best work together. The AER continued to monitor compliance throughout the summer to ensure industry was meeting expectations from the proceeding, in addition to the AER's new requirements. Compliance sweep results were published on the AER website and e-mailed to the residents along with the monthly progress update and status report.

The AER began evaluating its stakeholder engagement efforts in August 2014. To help the AER stakeholder engagement team increase public trust and confidence in the regulatory system in the Peace River area, the AER will ask stakeholders to identify what engagement processes work best for them. Successful engagement is not how many meetings we plan or attend; rather, it is about how effectively we meet stakeholder expectations. In other words, it is very important that affected stakeholders are included in decision making wherever possible. The AER stakeholder engagement team will be working with technical implementation teams in the upcoming months to identify opportunities within their project plans to directly involve stakeholders.

A second resident meeting was held on October 2, 2014. The goal of this meeting was to update the residents on the current status of implementing the recommendations and to discuss future engagement expectations. What the AER heard at this meeting was that although the AER is moving ahead with implementing the recommendations, we need to acknowledge that residents are still experiencing real-life impacts, not only from emissions, but from garbage, dust, noise, traffic safety issues, etc. The residents are very committed to improving their community and they want to work as a community partner to create better outcomes. As a result of feedback offered at the end of this meeting, the AER will hold another resident meeting towards the end of January 2015 and will also form a separate group that can work on planning for future development in the Peace River area. Results from the satisfaction survey from the second resident meeting were more positive than from the first meeting, but we cannot yet say that we have achieved our outcomes.

In addition to local stakeholder engagement, the AER provided a high-level overview of the AER's actions in the Peace River area over the past year to Alberta environmental nongovernmental organizations on September 16, 2014. The subsequent conversations were productive and led to an opportunity for representation from that group to provide additional feedback, particularly regarding monitoring air quality in the region.

Public opinion research will be used to evaluate the AER's engagement efforts throughout the region. The AER will contribute 10 years of provincial baseline data towards this research. Regional Peace River over-sampling will be added to the annual provincial survey to determine awareness and confidence levels of Peace River residents regarding the AER. The results are expected in spring 2015.

As we continually strive to share information more effectively and to improve communications among stakeholders, we will continue to evaluate the success of our engagement work. If anyone would like to become involved in future meetings or would like more information, please contact Tom McGee at tom.mcgee@aer.ca or 403-297-5640.