

# AER's Compliance and Enforcement Program

# An Integrated Framework

- › Why change?
- › How did we get here?
- › What is it?
- › What's staying the same?
- › What's changed?
- › What's next?

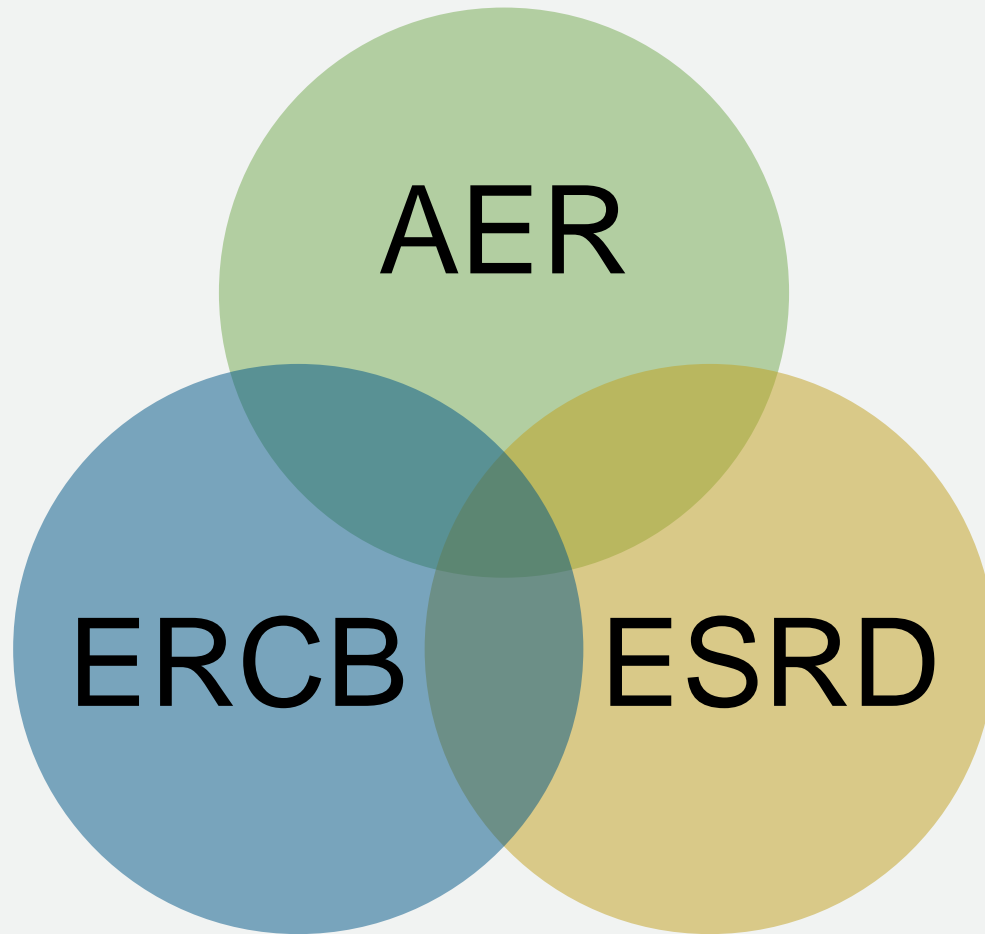
## *Our Mandate*

The AER's mandate is to ensure the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

## *Our Vision*

The Alberta Energy Regulator is recognized as best in class, ensuring the safe, environmentally responsible development of energy resources for the benefit of all Albertans.

# Why Change?



# Why Change?

- 》 Inconsistent compliance response
- 》 Inefficiencies in operating under multiple approaches
- 》 Uncertainty for stakeholders

# How did we get here?

- » Develop integrated process that combines the best components of predecessor regulators
  - *Integrated Compliance Assurance Framework*
  - *Manual: 013 Compliance and Enforcement Program*
  
- » To integrate the new initiatives throughout the AER
  - Training for all staff who perform compliance and enforcement activities

# How did we get here?

## » Rescinding *Directive 019: Compliance Assurance*

- *Directive 019* does not include legislative requirements.
- Rescinding *Directive 019* does not affect legislation, other directives, or the AER's statutory authority.
- Although a directive, *Directive 019* was an internal business process document to the AER

# What is it?

- » *Integrated Compliance Assurance Framework*
  - Describes our vision and mandate for compliance
  - Provides our strategic approach
  - High-level document that sets the stage for the manual
  - Explains the key components



# What is it?

- » Compliance and Enforcement Program Manual
  - Applies to all AER compliance activities
  - Provides our tactical approach
  - Ensures consistent compliance and enforcement response
  - Further describes key components of the program

# What's staying the same?

- › Education, prevention, and enforcement
- › Voluntary self disclosure (VSD)
- › Compliance Dashboard

# What's changed?

- 》 Predetermined risk assessment
- 》 Notice of noncompliance
- 》 Triage process
- 》 Investigation process
- 》 Enforcement direction meeting process
- 》 Compliance and enforcement tools

# What's changed?

- » AER use of the predetermined risk assessment
  - Allocates AER resources to higher risk activities
  - No predetermined enforcement response

# What's changed?

## » Notice of noncompliance

- Replaces high and low risk enforcement actions/notices of high and low risk noncompliance
- Notifies regulated party of a noncompliance
- Failure to comply with Notice of Noncompliance
- Regulated party's compliance history

# What's changed?

## » Triage process

- Determines whether noncompliances require investigation
- An evidence-based, risk-management approach
- Five assessment criteria

# What's changed?

## » Triage criteria

1. Impact to the environment, public safety, or an energy resource
2. Unauthorized activity that would not have been approved
3. Demonstrated disregard for requirements
4. Compliance history
5. False or misleading information

# What's changed?

## » Investigations

- Standardized procedure and process
- Evidence gathering
- Analysis
- Results in an investigation summary report



# What's changed?

## » Compliance and enforcement tools

- Remedial or punitive
- Tools include:
  - Notice of Noncompliance
  - Warning letters
  - Orders
  - Administrative sanctions
  - Fees
  - Administrative penalties
  - Prosecution
  - Declaration of a named individual

# What's changed?

## » Enforcement Direction Meeting

- Determines AER response to the noncompliance
- Coordinates enforcement actions
- A peer process to ensure fair and appropriate action is considered

## » Procedural Fairness Meeting

- Informed decision making

## » Appeals

# What's next?

- 》 Ongoing staff training to ensure consistency
- 》 Presentations to stakeholders
- 》 Updating other directives

# Further information

» [www.aer.ca](http://www.aer.ca)

- Framework
- Manual
- FAQs

» AER Industry Relations -  
[IndustryRelations@aer.ca](mailto:IndustryRelations@ aer.ca)