

# 2014/15

Annual Report Executive Summary



## WHAT WE DON'T



electricity



natural gas price



gasoline



renewables



pipelines that  
cross borders

OVER **200** AND **16**

primary/enhanced  
recovery projects  
(in situ)

experimental  
projects



OVER **421 000**

kilometres of pipelines

**782**

gas processing plants



OVER **178 000**

operating natural gas and oil wells

MORE  
THAN **29 000** AND  
CLOSE  
TO **21 000**

oil facilities

gas facilities

## WHAT WE REGULATE

MORE  
THAN  
**50**

thermal/enhanced  
in situ projects

**9**

oil sands  
mines

**5**

bitumen  
upgraders

**4**

coal processing  
plants



**11**

producing  
coal mines

# ABOUT THE ALBERTA ENERGY REGULATOR

## **The Alberta Energy Regulator (AER) is the**

single provincial regulator for oil, natural gas, oil sands, and coal development in Alberta.

We ensure the safe, efficient, orderly, and environmentally responsible development of these energy resources. This includes allocating and conserving water, managing public lands, and protecting the environment, while securing economic benefits for all Albertans.

To ensure that energy resource development is safe, environmentally responsible, and closely managed, the Government of Alberta (GoA) has granted the AER authority to

- review and make decisions on proposed energy developments (over 40 000 applications each year),
- oversee all aspects of energy resource activities in accordance with government policies,
- regularly inspect energy activities to ensure that all applicable requirements are met,
- take enforcement action in response to companies that fail to comply with AER requirements, and
- hold hearings on proposed energy developments.

Supporting all of this work are 1200 technical staff, scientists, inspectors, investigators, stakeholder engagement specialists, lawyers, regulatory experts, and other employees working from 15 locations stretching from Medicine Hat in the south to High Level in the north.

## **Alberta's Single Energy Regulator**

The AER was created in 2013 upon proclamation of the *Responsible Energy Development Act*, which dissolved the Energy Resources Conservation Board. We then took on additional regulatory functions related to energy development from Alberta Environment and Sustainable Resource Development, now Alberta Environment and Parks.

The AER ensures that Alberta's resource policy development, public consultations, and energy regulation are efficient and competitive while supporting public safety, environmental management, and resource conservation objectives. We are just one part of Alberta's Integrated Resource Management System (IRMS). This Government of Alberta initiative considers the combined effects of existing and future development and is designed to achieve environmental, economic, and social outcomes from resource development. IRMS includes

- the GoA, which sets policy as it relates to energy development in the province;
- the AER, which implements government policy through regulatory operations;
- the Alberta Environmental Monitoring, Evaluation and Reporting Agency, which provides data and information;
- the Aboriginal Consultation Office, which manages First Nations consultation on behalf of the GoA; and
- the Policy Management Office, which acts as the main interface between government and the AER.

# YEAR IN REVIEW

## Our Second Year

**Our first full year was largely focused on the** complex task of merging the functions of three regulatory bodies into one—a challenge considering that all energy regulation activities in the province had to continue throughout the transition. We also developed our 2014–17 strategic plan, a road map designed to help us arrive at our vision by focusing on our four priorities of being protective, effective, efficient, and credible.

Once we completed our transition to becoming Alberta's single regulator at the end of March 2014, we turned our attention to the even greater challenge of transforming the AER into a regulator that is truly best in class.

*We launched the Best-in-Class Project to help identify the key attributes of a world-class regulator, understand how the AER can adopt these attributes, and measure our progress.*

## 2014/15 Highlights

The AER reached a number of milestones over the past 12 months, moving us toward achieving the goals in our strategic plan and fulfilling our mandate to ensure the safe, efficient, orderly, and environmentally responsible development of Alberta's oil, natural gas, oil sands, and coal resources.

The AER unveiled our Compliance Dashboard, which not only provides daily updates on incidents reported to the regulator, but also includes updates on ongoing investigations and enforcement actions.

We completed our comprehensive audit of Plains Midstream Canada's pipeline operations, reviewing all aspects of Plains's operations and directing the company to make improvements in a number of areas to ensure it complies with AER requirements.

The AER worked with Albertans and companies to resolve energy-related disputes in a positive way through our alternative dispute resolution (ADR) process. On at least 20 occasions, formal concerns about applications were withdrawn due to agreements reached through the ADR process.

We took swift action in response to several seismic events in the Fox Creek area, and we continue to explore any links between these events and hydraulic fracturing. While these events posed no threat to the public or the environment, the AER responded quickly



by issuing an order directing companies to monitor and report seismic activity in the Fox Creek area.

The AER continued to address concerns about odours and emissions from heavy oil production facilities in the Peace River region by strengthening requirements and carrying out a series of intensive inspections that we refer to as “compliance sweeps.” Since we started this program in June 2014, we completed 742 inspections related to the Peace River proceeding, 729 of which demonstrated that companies were complying with our regulations. When companies failed to comply with our requirements, we acted quickly, shutting in sites when needed. We will continue to monitor industry compliance in this area.

We focused on efficiency by reducing duplication and finding new ways to conduct our work while ensuring we continue to protect public safety and the environment. Such efforts have resulted in more than \$270 million in annual cost savings for operators.

We strengthened our relations at home and abroad by working in partnership with

*We completed 742 inspections related to the Peace River proceeding, 729 of which demonstrated that companies were complying with our regulations.*

other jurisdictions such as the Northwest Territories, British Columbia, and Mexico; we formed a new agreement with the Dutch environmental organization Deltares, which will provide expertise on environmental protection and water management. At the same time, we have promoted collaboration and knowledge sharing among western Canadian regulators with the launch of the Western Regulators’ Forum.

We launched the Best-in-Class Project to help identify the key attributes of a world-class regulator, understand how the AER can adopt these attributes, and measure our progress.



# » Our Priorities

# PROTECTIVE



**Regulating a world-class energy resource is a huge responsibility.** This is why the first priority of our strategic plan is to be protective—we protect the public and the environment by undertaking regulatory projects that deliver measurable results in environmental performance, increase our ability to ensure public safety, and help us reduce cumulative effects.

## What We Accomplished

### Reclamation Certificate

We completed our first reclamation certificate inquiry at the site of a former coal mine west of Edmonton. This involved verifying that the company completed the required work and examining all vegetation on the land from trees to grasses and wetland plants. The AER requires that the land will be able to support the various uses that existed before the project began.

### Air Emissions

Last year, the AER changed the requirements in *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* to prohibit odours and releases from travelling off oil and gas development sites, in addition to requiring gas conservation, even in cases where it might not be economical to do so. These changes give the AER additional enforcement authority to ensure that all our requirements are met.

Flaring and venting limits for 2014 were within the province's *Alberta Ambient Air Quality Objectives and Guidelines* of 670 cubic metres per year.

### Action in Peace River

Between June 2014 and February 2015, teams of AER inspectors conducted 742 inspections of oil and gas facilities to make sure companies in the Peace River region were complying with *Directive 060*. Of those inspections, 729 sites were in compliance. We acted quickly when companies failed to comply with our requirements, shutting in sites when needed.

### Plains Midstream Audit

In August 2013, following a number of pipeline incidents and other compliance problems, the AER conducted a thorough audit of Plains Midstream Canada's pipeline operations under a section 22 order of the *Oil and Gas Conservation Act*. The audit examined all aspects of Plains's operations, and the AER directed the company to make improvements in a number of areas in order to ensure compliance with AER requirements. The AER will continue to focus on the company's operations.

### Play-based Regulation Pilot

Play-based regulation is a system the AER plans to use to address changes in the intensity and scale of oil and gas development that result from the use of new technologies, such as multistage hydraulic fracturing.



## *Develop an integrated whole-system regulatory approach*

### STRATEGIC OUTCOME

Over the past 12 months, the AER has carried out a play-based regulation pilot project in the Fox Creek area where we have accepted single-project applications for multiple energy development activities. Applicants were required to engage stakeholders for the entire project plan instead of for each individual well, as is the case in the traditional regulatory system. Discussing the plan for the entire project allows local residents to get a better picture of a project's impacts. This pilot project has allowed the AER to test ways to mitigate cumulative effects.

### What's Next

#### Tailings Management

This past March, the Government of Alberta released a new policy to provide direction for managing fluid tailings volumes during mining operations and long after activities cease. The Tailings Management Framework represents an evolution in how industry, the AER, and government manage the risks of both existing

and new tailings ponds and focuses on progressive reclamation.

The AER is responsible for applying this government policy by drafting and enforcing new regulatory requirements.

We expect to have new requirements by the end of 2015. During this transition period, operators are expected to continue to proactively manage fluid tailings volumes, as they have been doing for several years.

#### Dam Safety Inspection Program

This past March, the Auditor General of Alberta released an audit of Alberta Environment and Parks's management of the province's Dam Safety Program. In 2014, the AER accepted responsibility for the regulation of all dams related to development of Alberta's energy resources, 65 in total. By the end of October 2015, we expect to complete a thorough inspection program to ensure the integrity of all AER-regulated dams.

## SHINING A LIGHT ON INDUSTRY COMPLIANCE



As part of our work in becoming a best-in-class regulator, the AER needs to do more than ensure that appropriate requirements are in place: we need to communicate how we are enforcing those requirements in a way that will make Albertans feel confident in our ability as an energy regulator.

The AER's new Compliance Dashboard, unveiled in February 2015, gives Albertans a better picture of how we regulate oil and gas development and enforce our requirements. Found at [www.aer.ca](http://www.aer.ca), the dashboard includes information on

- incidents, including those reported through the incident reporting tool since its launch in June 2013;
- investigations, including those transferred from Alberta Environment and Parks, and any investigation closed as of July 2014; and
- compliance activities and enforcement actions that go back to July 2014.

As described by our president and chief executive officer, Jim Ellis, "We wanted this information online—easy to access, easy to read, easy to search. It's a spotlight, not just on industry, but on the AER as well."

The AER historically has made such information available through the *Freedom of Information and Protection of Privacy Act (FOIPPA)* process. We wanted to make that same information available more broadly to the public without requiring Albertans to engage *FOIPPA*.

The AER conducts thousands of compliance activities each year. For example, we follow up with companies when they fail to conduct instrument tests on a regular basis, accurately measure flare gas volumes, or engage local authorities for planning purposes.

The dashboard highlights the noncompliances that have the potential to impact public safety, the environment, and resource conservation.

The AER continuously strives to improve public reporting to ensure transparency and ease of use. In that spirit, the Compliance Dashboard improves on (and replaces) the AER publication *ST108: AER Monthly Action Summary* and the online incident-reporting tool.

# » Our Priorities EFFECTIVE



**The AER regulates development in a way** that reduces risks and ensures that Albertans reap the economic rewards of our energy resources. We know we must effectively manage the oil, natural gas, oil sands, and coal on behalf of Albertans, who are the owners of these resources.

To become a more effective regulator, the AER will continue to put into action our risk-based approach—where activities with the highest risks receive the greatest attention—by focusing on projects that

- reduce risks to public safety and the environment,
- limit the financial risks to Albertans,
- effectively manage resource conservation, and
- improve industry performance.

## What We Accomplished

### Inactive Well Compliance Program

Alberta has a large number of inactive wells—ones that have been suspended and are no longer producing. Although not all inactive wells are considered a risk to public safety or the environment, the AER launched the Inactive Well Compliance Program (IWCP) in July 2014 to ensure that all inactive wells

are safe and secure. The IWCP is addressing the backlog of inactive noncompliant wells in Alberta by requiring companies to bring 20 per cent of these into compliance with *Directive 013: Suspension Requirements for Wells* each year.

We started by addressing high-risk wells—ones that are close to where people live or work, are leaking, or contain a hazardous substance (for example, hydrogen sulphide gas)—and by the end of April 2015, we reduced these by 96 per cent, putting us well on our way to reaching our strategic-plan target of 100 per cent by 2017. The AER will also require companies to prevent the growth of noncompliant inactive wells to ensure that all inactive wells meet the requirements and timeframes of *Directive 013*.

### Pipeline Safety Recommendations

Pipeline safety is a top concern for Albertans, and we constantly work to reduce pipeline incidents across the province through inspections, investigations, audits, and education. In the March 2015 report of the Auditor General of Alberta, the pipeline safety audit found that the AER has well-functioning pipeline regulations. This audit made six recommendations for improvement, which we have accepted to improve pipeline safety in Alberta.



## *Strengthen risk-based regulation*

### STRATEGIC OUTCOME

## What's Next

### Reservoir Containment Project

Our Reservoir Containment Project will establish formal requirements for reservoir containment in areas where thermal—the process of injecting steam into underground oil sands reservoirs to heat bitumen, separate it from the sand, and allow it to be produced—projects occur at shallow depths.

The AER is currently reviewing our shallow thermal development approval criteria and has deferred decisions related to applications from five companies. Once the criteria are established, the AER will reassess the applications.

### Protecting Albertans from Abandonment and Reclamation Costs

In 2014, the AER updated our Licensee Liability Rating (LLR) program, which protects Albertans from the cost to abandon and reclaim upstream oil and gas wells, facilities, pipelines,

and their associated sites. Implemented in a three-phased approach, changes were introduced to address concerns that the previous LLR program greatly underestimated the cost of abandonment and reclamation liabilities.

Each phase of the changes required some companies to pay financial security. However, when it came time to implement the final phase of changes, it became apparent that some companies would not have the means to pay the additional security, especially given the climate of low oil prices.

We delayed this final phase by three months to give companies—particularly small companies—time to assess their options to comply with changes to the LLR program, enhancing their ability to remain financially viable. Financially viable companies are less likely to fail and create orphan wells, facilities, and pipelines, which the industry-funded Orphan Well Association (OWA) then pays to abandon and reclaim.

# » *Environment Matters – Meet Our Chief Environmental Scientist*

**Monique Dubé, Ph.D.**  
*Chief Environmental Scientist*



*With the launch of the AER, we were given an expanded mandate to protect the environment. That, in addition to the feedback from Albertans expecting strong environmental performance from industry and the regulator, prompted us to hire an expert to help us fulfill these commitments.*

*Dr. Monique Dubé, with her 25 years of academic, regulatory, industry, and consulting experience, joined the AER in 2014 to become our first chief environmental scientist and help drive our promise of enhancing industry's environmental performance.*

*We spoke to Dr. Dubé to learn more about why she chose to be the first person in this role, what her vision for the role is, and to find out how she plans to help us support our environmental mandate and responsibilities.*

**Q Why did you choose the AER?**

I've intentionally worked in diverse areas of environment—in academia, government, and industry and with First Nations—because experiencing alternative perspectives is a priority for me. When the chance to work at the AER arose, especially with its expanded environmental mandate, I saw it as an opportunity to apply my appreciation of diverse perspectives to improving the balance between energy resource development and environmental protection in Alberta.

**Q What is the role of the chief environmental scientist?**

My role is to provide strategic oversight to the AER that will improve industry's environmental performance. I do this by ensuring that there's awareness of environmental issues facing the energy sector and that environmental issues are represented as part of the balanced conversation.

**Q How will your work improve industry's environmental performance?**

The key to success is linking industry performance with environmental performance—you cannot have one without the other and expect positive results. As chief environmental scientist, I have established four key outcomes to help achieve this balance:

1. monitor and report on environmental performance,
2. be responsive and adaptive with environmental management,
3. increase cooperation and alignment across the AER for environment, and
4. be recognized for our environmental expertise.

**Q What do you see your challenges and priorities being for 2015?**

Being new to the organization is one of my challenges. However, I've invested significant time over the past eight months speaking with staff and identifying opportunities that will move the AER's environmental agenda forward in 2015 in the four key outcome areas I just mentioned. I'm pleased to say that work has already begun to clarify the AER's environmental mandate, establish the AER's environmental communities of practice, and form strategic working groups with key government agencies. The other challenge will be to remain focused on these four outcome areas to deliver measurable progress in a constantly evolving industry and environment.

*The AER is committed to enhancing environmental performance and protecting what matters most to Albertans: land, water, air, and biodiversity. Our studies show that Albertans feel some progress has been made (45 per cent of those surveyed expressed that environmental performance has improved over the past two years), but we know there's more work to be done and we're committed to delivering on this important priority.*

# » Our Priorities EFFICIENT



**One of the Government of Alberta's main** goals in creating the AER was to improve Alberta's competitive advantage and to build a climate that attracts investment. One way to accomplish this is to make Alberta's regulatory system as efficient as possible while continuing to enhance our regulatory system and ensure that our requirements protect public safety and the environment.

Our focus on efficiency is not just about saving money but rather reducing duplication and finding new approaches to regulatory oversight. This has included

- eliminating requirements that don't contribute to our mandate or became redundant with the creation of the AER,
- shifting our focus to outcome-based requirements from prescriptive ones, and
- upholding our mandate of safeguarding the public and the environment.

## What We Accomplished

### Regulatory Certainty


Last year the AER announced faster processing times for well applications that fall under the *Public Lands Act*. Implemented in September 2014, these new timelines range from five business days for temporary field authorizations to 90 business days for more complex applications. The initial results were better than expected: all major projects were processed

within the 90-day timeframe and averaged 62 days, while new oil and gas applications were processed within their 60-day target, averaging 30 days. We reached our targets during the 2014/15 winter drilling season, meeting the turnaround time for applications 97 per cent of the time.

### Finding Efficiencies: Focusing on the Right Priorities

Over the past year, the AER has been finding new ways to eliminate outdated requirements and changing our internal processes to improve our day-to-day work. We've done this while ensuring that our commitment to safeguard public safety and the environment is top priority.

So why the focus on efficiency? In today's economic environment, we must make the most of our resources by focusing efforts on what matters most: the safe, efficient, and environmentally responsible development of Alberta's energy resources. While we surpassed our \$60 million target, reaching \$270 million in regulatory cost reductions in our first year, our focus is not on the money saved. Rather, our focus is on reducing duplication in our current requirements, while creating new requirements to meet the challenges posed by new technologies. In the coming year, we will be introducing tougher rules for flaring, venting, and managing tailings and cumulative effects.



## *Transform Alberta's energy regulatory system to improve efficiency*

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### STRATEGIC OUTCOME

#### What's Next

##### One Application, One Review, One Decision: A New Approach to Development

Today, companies may submit 10–30 applications for a single-well development, which means landowners and other stakeholders must review 10–30 applications. By reducing that number to one comprehensive application, we will provide Albertans with a better picture about what is proposed in their communities.

##### Single Application

Starting with a few small pilots, we are changing how we approach those many applications. This means we'll accept a single application for multiple activities related to a project that would traditionally be applied for individually.

The AER already posts every application we receive on our website, and the single application will be no different. Those with

concerns will continue to have the ability to file a statement of concern with the AER. In fact, with all of the information available through this process, it will be easier to identify concerns associated with a particular project.

##### Single Review

Once we receive the single application, our technical experts will examine any risks associated with the project and examine how the company has engaged with the community, landowners, and First Nations or Métis impacted by the proposed development.

##### Single Decision

Once we have completed our review, we will make a single decision. If the application meets all AER requirements, we can then issue an approval for the project to proceed. But we continue to monitor it at every stage, including when construction starts, while the project is operating, and when it is ready to close.

# » Our Priorities CREDIBLE



**Being known as an organization that is credible** is critical in achieving our vision. However, this credibility must be earned.

Albertans have told us they seek an energy regulator that enforces the rules and protects the public and the environment; they also want us to safeguard water and soil, protect human and animal health, and manage water usage. We also know that we must tell our story of strong regulatory oversight of energy development and build relationships with our stakeholders. To achieve this, we must

- report on the results of our work,
- be open to discussing issues of concern to our stakeholders,
- share information about the work that we do, and
- work toward a common definition of what is meant by “best in class.”

## What We Accomplished

### Helping Address Concerns and Resolve Disputes

The AER’s alternative dispute resolution (ADR) process helps Albertans and companies work through contentious issues and promote collaborative solutions that meet the needs of all parties.

In many situations, formal concerns about applications were withdrawn due to

agreements reached through the ADR process. Several potential hearings were also avoided through ADR. During the past year, the ADR team was involved in 159 cases, of which 88 per cent were resolved through mediation.

### Western Regulators’ Forum

In 2014, the AER launched the Western Regulators’ Forum, which also includes the National Energy Board, the BC Oil and Gas Commission, and the Saskatchewan Department of the Economy. This working partnership aims to strengthen energy regulation through collaboration that will allow all members to pursue common priorities and is focusing on flaring, venting, emissions, wellbore integrity, and pipeline safety.

### Open and Transparent Communication

In an effort to make the AER more open and transparent, last year we published our first annual report and companion materials, enhanced our social media presence, released a quarterly external newsletter, and provided media outlets with opportunities like “ride-alongs,” editorial boards, and interviews with our CEO. We also sought Albertan’s opinions. Public opinion research tells us that most Albertans, 77 per cent, expressed confidence in the regulator’s ability to carry out its mandate, while awareness of the AER—important to ensuring that Albertans understand how oil and gas development is regulated



## *Increase trust and confidence in how energy is developed in Alberta*

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### STRATEGIC OUTCOME

responsibly—increased by nine per cent in 2015, with 41 per cent of Albertans responding that they are aware of the AER and our role.

#### Formalizing National and International Relationships

Developing relationships and partnerships with other regulators has also been important to the AER. Last year, we forged three new partnerships with our peers, signing memorandums of understanding with Mexico's energy regulator, the Government of the Northwest Territories, and the Dutch water research institute Deltares.

#### Best-in-Class Project

Alberta's oil and gas activities attract international attention, which means that the regulator operates on the world stage. For this reason, we need to define what it means to be best in class, find consensus on what makes a high-performing regulator, and know where we rank in meeting that goal, which is why we launched the Best-in-Class Project with the University of Pennsylvania's Program on Regulation.

Considerable work has gone into the project this past year and we eagerly anticipate the university's findings in the summer of 2015. From these findings, we can define what it means to be best in class, and that definition will then guide our path in the years ahead—one that our stakeholders helped to choose and confirm.

### What's Next

#### Regulatory Diplomacy

We have developed a national/international strategy, with a key element being to advance the AER's credibility through "regulatory diplomacy," through which the AER demonstrates national and international leadership on regulating energy resources.

Through regulatory diplomacy, we will create strategic alliances with our national and international stakeholders and work to influence, inform, and elevate provincial, national, and international energy regulation practices.

# REFINING OUR STRATEGIC PLAN

## **The AER is expected to protect what matters**

most—public safety and the environment—while making sure that Albertans see the economic benefits.

This is important work. But to truly reach our vision, we must have a clear strategy, focus on strategic priorities, and determine how we will responsibly manage our budget and staff to deliver results for the AER and our stakeholders.

When we launched the plan in 2014, we knew that our road map must help us identify our key priorities and establish clear performance measures to ensure that we stay on track and demonstrate our results. We also knew that we would amend this road map along the way to respond to new challenges and risks and to take advantage of new opportunities to transform our organization.

In 2015, we have amended our plan to include the new activity life-cycle approach, our new approach to development that involves a single application, single review, and single decision. This approach will eventually result in faster application review times, provide more information on proposed energy development to our stakeholders, and allow us to focus more on compliance through all stages of development.

We've also invested in the training, development, recruitment, and retention of our staff to ensure we have highly skilled people across the organization to help meet our targets.

*To truly reach our vision, we must have a clear strategy, focus on strategic priorities, and determine how we will responsibly manage our budget and staff to deliver results.*

At the same time, we'll continue to respond to valuable recommendations from the Auditor General of Alberta on how to improve our pipeline safety performance and ensure that Alberta's dams related to energy resource development are immediately assessed as part of our dam safety inspection program.

The AER strategic plan includes our strategic priorities, strategic outcomes, themes (i.e., areas of focus), and performance measures and targets, against which we will monitor our progress and with which others will measure our success.

Strategic priorities	Strategic outcomes	Themes	Performance measures	Performance targets	Vision
<b>PROTECTIVE</b> Develop an integrated whole-system regulatory approach	Effective management of public safety, and cumulative environmental risks and impacts	Play-based regulation (land and water)	Volume of all water (fresh, saline, and recycled) used for oil, oil sands, and gas operations	Work with GoA to set benchmarks and requirements for reduction of water use for energy resource development	The AER is recognized as best in class, ensuring the safe, environmentally responsible development of energy resources for the benefit of all Albertans.
		Tailings management		Reduce overall tailings	
		Air emissions	Volume of gas flared and vented from oil and gas operations	Flaring levels are within provincial guidelines	
		Integrated Resource Management System	TBD	TBD	
<b>EFFECTIVE</b> Strengthen risk-based regulation	Effective management of resource conservation and minimize financial liability on Albertans	Aging infrastructure and liability management	Proportion of inactive wells that meet current suspension requirements	100 per cent of high-risk inactive wells meet AER suspension requirements	
		Reservoir containment	Adoption of risk-based regulation to respond to changes in technology and complexity in oil sands development	No unintended loss of reservoir containment	
		Pipeline safety	Number of incidents per kilometre of pipelines regulated by the AER	Pipeline incident rate reduced by 4 per cent	
<b>EFFICIENT</b> Transform Alberta's energy regulatory system to improve efficiency	The regulatory system is efficient, minimizing duplication, with highly efficient processes, and only intervening to the level necessary	Operations continuous improvement	Regulatory process efficiencies	\$400 million in cost savings from efficiency initiatives in 2015	
		Regulatory reform	Relevant regulatory requirements	Complete a full regulatory review to identify and execute opportunities for consolidation and simplification	
		New Activity Life-cycle Approach (NALA)	Improve efficiency of AER application decisions	Establish final NALA blueprint to be approved by June 30, 2015	
<b>CREDIBLE</b> Increase trust and confidence in how energy is developed in Alberta	Stakeholders are confident about how energy is developed in Alberta	Open, transparent communication	Percentage of Albertans confident that oil and gas development is occurring responsibly	10 per cent increase in awareness of the AER and its role in regulating energy development in Alberta	
		Stakeholder engagement	Stakeholder rating of AER performance in key areas of concern	10 per cent increase in positive perceptions/rankings of AER performance	
		Best-in-class review	Recommendations for best-in-class performance are developed through stakeholder collaboration	Completion and release of recommendations in 2015	
		Human capital	Highly skilled and engaged employees	Establish a baseline in 2015, with an increase in the rating in 2016	

# 2014–17 Strategic Plan

ALBERTA ENERGY REGULATOR

Head Office  
Suite 1000, 250 – 5 Street SW  
Calgary, Alberta T2P 0R4

inquiries  
1-855-297-8311

[inquiries@aer.ca](mailto:inquiries@aer.ca)

24-hour emergency  
1-800-222-6514



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