



March 3, 2020
The Honourable Grant Hunter
Associate Minister of Red Tape Reduction
Government of Alberta
Room 130, Legislative Building
Edmonton, AB
T5K 2B6

Dear Associate Minister Hunter:

Members of the energy sector's Red Tape Reduction Panel (the Panel) thank you for your efforts on the red tape reduction (RTR) file. The Panel's kickoff meeting was August 08, 2019. Since then members of the Panel, as well as a cross-section of other interested stakeholders, have provided your office with individual submissions with recommendations on ways to improve processes related to energy development and operations. The panel hopes that these submissions have been helpful. Regulatory burden is a critical issue for the entire energy value chain and your mandate to find and implement efficiencies is not only critical, but timely.

With the above in mind the Panel has taken the opportunity to consolidate feedback with respect to RTR that is representative of the full energy value chain. This collective feedback falls into three key theme areas. Advancing priorities within each of these three themes is fundamental to reducing red tape, increasing regulatory efficiencies and enhancing competitiveness to advance the pace of energy investment in Alberta.

Outcomes Based Regulation

Regulation must be relevant, risk-informed and focused on intended outcomes in order to be effective. There is a significant opportunity to review and modernize current regulation to enable an outcomes-based approach and advance competitiveness for industry while also enabling the government and Alberta Energy Regulator (AER) to focus on aspects of greater risk or importance to Albertans.

Application Timelines

There are four subsets to the theme of application timelines as follows:

- **Process:** opportunities related to improving the efficiency of existing processes to optimize resource allocation and expedite approvals, where possible, to encourage investment.
- **Outcomes Based:** similar to the theme of outcomes-based regulation, opportunities related to improving application timelines through a risk-informed, outcomes-based approach to regulation whereby application requirements recognize desired outcomes and drive towards compliance with those outcomes.
- **Responsible Energy Development Act (REDA):** current requirements under REDA create red tape that can be addressed through revisions to the Act and associated requirements to streamline timelines and appropriately assign review processes to the AER.
- **Harmonization:** application timelines can be improved through reductions in red tape created by a lack of harmonization between and within ministries, the AER and the Aboriginal Consultation Office.



Liability Management

RTR with respect to liability management can be found by advancing opportunities to expedite and eliminate barriers to reclamation and closure of sites. This includes implementing risk-based and outcomes-focused closure requirements to ensure the pace of inactive liability reduction in Alberta can increase in an efficient manner, and that the risk of inactive and orphaned liability is appropriately managed.

Tactical Deliverables

In concert with the above themes, the Panel has identified specific items that are causing unnecessary regulatory burden. These items have been prioritized by level of importance to the energy sector in the attachment to this letter.

The Panel recommends the provincial government take concrete action on the tactical items attached to achieve meaningful improvement to the regulatory environment in Alberta. It is critical that efforts focused on reducing red tape for the energy sector are prioritized across all relevant ministries and in conjunction with the AER to ensure successful advancement.

In closing, the Panel requests a meeting with you as soon as possible discuss your next steps and to identify quick wins. The Government of Alberta's plans to reduce red tape are a needed booster for the energy sector. Your mandate is a positive step towards Alberta regaining its competitive edge and is essential to ensuring the competitiveness of the industry moving forward.

Yours sincerely,

The Red Tape Reduction Panel

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