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Public Safety and Sour Gas



Alberta Energy and Utilities Board

From the Chairman

In January 2000, the EUB struck a Public Safety & Sour Gas Advisory Committee asking it to examine Alberta's sour gas regulatory system and consult with Albertans on issues surrounding sour gas development. The EUB fully anticipated, and expected, that a year later the committee would come back with a number of recommendations for improving the way sour gas is developed in our province. When the committee came back with over 80 recommendations for improvements, we understood immediately the depth of feeling associated with this issue, and that there could be no delay in our response.

While I was encouraged by the Committee's recognition that the EUB is working to ensure that sour gas operations have minimal negative impacts on the public, there's no question we can make improvements. We're committed to doing so, we're putting resources in place, and we've already begun.

Over the past three months, since receiving the Committee's report, staff in almost every branch of the EUB have turned attention to creating a plan for addressing the 87 recommendations, and they're working together with the EUB Public Safety Implementation Team to take action. An aggressive, multi-year schedule has been set, with work commencing this year on about 50 of the recommendations. Understandably, some of the recommendations call for more research and will require more time to complete; but, where we can take immediate action, we are.

This booklet summarizes our first Public Safety and Sour Gas progress report. As a highlights document, it provides an overview of the many public safety initiatives that are underway, and describes our implementation plans. A more detailed document, identifying proposed actions for each of the recommendations being undertaken this year, is also available, and we would be pleased to provide you with a copy of that report. EUB staff developed this initial workplan with input from various government stakeholders. Revisions and refinements to the plan are expected as work teams begin to action the recommendations.



While public interest encompasses many things — social, economic, environmental — let there be no mistake, public safety is our first priority.

The EUB welcomes all of the Committee's recommendations because we know our attention to them will make us an even stronger regulator. We also cannot help but be concerned that some of the public's confidence in us has been impacted. And we want to correct that too.

Our mission is "to ensure that the discovery, development, and delivery of Alberta's resources takes place in a manner that is fair, responsible, and in the public interest." And while "public interest" encompasses many things — social, economic, environmental — let there be no mistake, public safety is our first priority. Energy resources and energy revenues are important to the people of Alberta, but for the Board to find that any energy development is in the public interest it must be convinced that public safety can be adequately protected.

The Committee's report and recommendations will continue to guide our actions over the coming years; and we promise to keep you updated on the progress we're making. We want to keep your confidence in us, in our role as the energy regulator.

I'd like to hear your feedback on our implementation plans. We've provided contact names and numbers for you to call to get more information, or ask questions. I look forward to hearing from you.

Neil McCrank
Chairman

About Sour Gas

Alberta has a large natural gas resource base. Production of Alberta gas represents about 80% of Canada's total natural gas production.

Sour gas is natural gas containing hydrogen sulphide (H₂S). It is a colorless, flammable gas that smells like rotten-eggs, and is poisonous to animals and humans. Approximately one-third of Alberta's gas production is sour gas. The development of sour gas has paralleled an increase in global demand for natural gas, and its increased development has also met a growing Alberta population. As more and more Albertans are being presented with sour gas developments close to their communities, the EUB is hearing more and more concerns and issues related to sour gas development.

About this Plan

Acknowledging a need to address a larger population of Albertans about sour gas development, as well as a need to gain input from stakeholders and hear issues of concern, the EUB struck a multi-stakeholder Provincial Advisory Committee on Public Safety and Sour Gas in January 2000.

Following a year of review of Alberta's sour gas regulatory system and extensive public outreach throughout the province, the Committee released its report of 87 recommendations that they believed would provide a better understanding of sour gas and, overall, improve sour gas operations.

The EUB is committed to addressing each of the Committee's 87 recommendations, and we've started by proposing a plan — this plan.

The EUB's first year implementation plan outlines the actions we've taken, the work we believe we can complete, and the multi-year initiatives we'll be starting on over the next year, for about 50 of the Committee's recommendations. Remaining recommendations will be included for action in either the second or third year of this multi-year plan.

Reading through this summary, you'll note numbers in parentheses behind each of our proposed actions. These correspond to the number(s) of the recommendation in the Committee's report that our action is intended to address. (Copies of the Committee's report are available directly from the EUB, by accessing our website at www.eub.gov.ab.ca, or from the Advisory Committee's website at www.publicsafetyandsourgas.org.)

Over the next weeks and months we expect there to be revisions and refinements to our proposed plan. The EUB is committed to working with the public, the industry and a broad array of other stakeholders to refine the implementation plans, as well as working with stakeholders on the actual implementation of the Committee's recommendations. We invite your feedback.

We believe that all Albertans have a stake in energy development; and we believe Alberta is and will continue to be a success story when it comes to the safe, responsible and fair development of Alberta's energy resources.

Information, Communication and Consultation

It's clear from the Committee's report that improving the information available, the interaction between public and industry, and public consultation on sour gas matters could greatly reduce a number of issues. Working towards a goal of keeping stakeholders informed, and affected or interested parties engaged in development issues, the EUB has taken a number of actions that address some of the Committee's recommendations in this area, and a number more are planned for the upcoming year.

Actions we've already taken:

- strengthen the requirements for public consultation. Merely notifying the affected public is not enough. The EUB expects applicants to consult with the affected public and provide the necessary information for them to participate meaningfully in the decision-making process
- encourage parties to explore methods of Appropriate Dispute Resolution (ADR), and get talking about development plans even before an application is made (#37)
- firmly established our policy of being actively involved in all landowner-operator discussions about sour gas concerns (#29)

The work we'll complete this year will:

- provide landowners with a public consultation document for asking the right questions and getting the right information from companies when discussing proposed development (#72, 81)
- improve understanding of, and comfort with, the EUB hearing process (#39, 40)

And this year we're getting started on multi-year initiatives, which include:

- developing a publicly accessible sour gas database for storing data on wells, pipelines and facilities (#16)
- establishing a Staff Resource Team of public consultation advisors, to work with stakeholders on developing and improving the consistency of public consultation approaches, programs and training (#69, 70, 74)
- forming an EUB information office, for providing accurate, relevant and reputable information on sour gas (#73)
- studying the nature of local benefits to communities impacted by sour gas development (#79)

The EUB would like to draw attention to Advisory Committee recommendations #45, 46, 47 & 48 offering some specific actions which will lead to improvement of the public's perception of the EUB's neutrality, and improve understanding of its role as a regulator to protect public health and safety. We intend to initiate actions this year that address these four recommendations. More generally speaking, however, the EUB would like to convey the importance we place on values of fairness, objectivity, impartiality, independence, integrity, honesty and neutrality — particularly given our quasi-judicial function. We believe that all of our actions should, (and we will continue to ensure that all of our actions do,) reflect these values and are perceived that way.



Sour Gas Development: Planning and Approval

As energy resource development converges with a growing population, the need for enhanced planning and coordination between land and resource management is more and more evident. And the EUB agrees with the Committee that even though sour gas development can occur safely in populated areas, any measures that would allow the recovery of sour gas while reducing the potential impact between sour gas operations and people are beneficial. This includes such things as clarifying the roles, responsibilities and accountability of the various jurisdictions, and improving coordination and planning of subsurface developments.

The EUB's Public Safety Implementation Team has set the agenda for collaborating with various other agencies to establish working groups for addressing the Committee's recommendations around clarifying roles, responsibilities and accountability. Actions we've already taken, and work we'll initiate this year, all aim to improve long-range planning and create cooperative approaches between land and resource development.

Actions we've already taken:

- involved extensive stakeholder consultation on the issue of sour gas plant proliferation and preventing unnecessary construction of facilities. The EUB's Sulphur Recovery Guidelines Review, to be completed mid-year, solidifies the foundation for Alberta's regulatory guidelines on sour gas plant proliferation, and will contribute to an ongoing review of the issue (#6)
- established requirements for all new or modified sour gas plants and critical sour gas well applications to include expanded details of the applicant's development approach, and ensures that all are reviewed in detail prior to issuing a well licence (#35)

And this year we're getting started on multi-year initiatives, which include:

- forming a task force of senior decision makers to examine opportunities for improving coordination between subsurface and surface planning and development (#5)
- establishing standardized dispersion modeling and risk assessment criteria that will contribute to a common understanding of hazards and risks (#17,18,19)
- developing guidelines for sharing appropriate project and area development planning details to use in the review, consultation and decision making processes (#32, 33)
- developing guidelines that will require applicants to examine the potential for using existing sour gas infrastructure versus building new facilities (#7)
- establishing policies to ensure that the review of sour gas applications includes a process for consulting with relevant provincial and municipal agencies and regional health authorities where needed (#34)
- refining regulatory approaches which verify that parties engaged in drilling, completions and operations of critical sour wells have the appropriate qualifications (#36)





Health Effects and Sour Gas Research

With approximately one-third of Alberta's subsurface containing sour gas, gaining greater understanding of the effects of sour gas on human health is in the interest of all Albertans. Alberta Health and Wellness, as the lead agency on human health issues, has committed to leading the review for H₂S; and the EUB, working in partnership with Health and Wellness, the regional health authorities, Environment, Human Resources and other stakeholders, is committed to actions that will increase knowledge of health effects, ensure that standards used are current and that government response to incidents involving potential health effects is consistent.

The work we'll complete this year will:

- contribute towards efforts to develop scientifically based health effects data for use with reviewing emergency response plans (#9)
- encourage the commencement of research related to sour gas and human health (#10, 11)

And this year we're getting started on multi-year initiatives, which include:

- working with Alberta Health and Wellness to review SO₂ evacuation standards and ensure evacuation criteria and requirements are clear (#59)
- creation of an effective tool for physicians to access H₂S exposure response information, possibly through the Poison Control Centre (#12)
- development of personal H₂S exposure monitoring equipment to assist with understanding exposure and health effects relationships (#67)

Emergency Preparedness

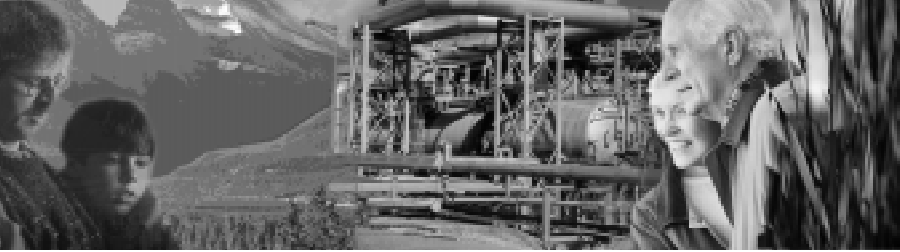
The EUB believes that proper emergency response planning proves invaluable in providing reassurance to the public of the ability of operators to deal effectively with emergency situations. The Committee has since offered suggestions for strengthening the EUB's role in emergency response planning and improving areas of preplanning, coordination, communication and plan implementation.

The work we'll complete this year will:

- encourage establishment of mutual aid agreements amongst regional developers across industries, and contribute to the creation of cooperative and coordinated emergency response planning (#63)
- firmly establish processes for ensuring there is thorough follow-up after major sour gas releases, and continuous improvement in response procedures and incident prevention (#15)
- prepare interim requirements for reviewing emergency response plans and evaluating requests for reduced emergency planning zones (#54, 60, 61)
- involve stakeholders in re-assessing the contents of the emergency response planning guide to ensure it meets the intent of the Committee's recommendations (#57, 64)

And this year we're getting started on multi-year initiatives, which include:

- incorporating, into the audit and application review processes, criteria for mandatory testing of an operator's capability to effectively implement an ERP (#55, 56)
- working with Indian and Northern Affairs Canada (INAC), Health Canada and Alberta Municipal Affairs to ensure adequate infrastructure and resources are provided to the First Nations and Metis for planning and development of disaster services capability (#87)



Sour Gas Operations

In preparing its 2000-2003 business plan, the EUB recognized a need to reinforce its field staff and continue its focus on high-risk operations, operators with poor performance history, and areas of intense development. The Committee's recommendations regarding sour gas operations reflect this same desire to ensure that the right emphasis is placed on the EUB's surveillance and enforcement roles. In particular, the Committee recommended finding ways of putting even greater enforcement emphasis on matters of public health and safety related to sour gas.

Actions we've already taken:

- have helped to reinforce staffing levels in the field, and allowed us to increase the frequency of inspections and audits (#25)
- ensure that the EUB's complaint response and investigation processes give the highest priority to sour gas complaints (#28)

The work we'll complete this year will:

- build into the field surveillance process a greater emphasis on inspections and audits of new operators and those operators with poor performance history (#26)
- establish a policy for ensuring that all critical sour wells located near people are inspected during or immediately prior to drilling of the critical sour gas zone, and establish a method for informing nearby residents of inspection results (#27)
- create a notification system for informing residents living near sour gas operations of inspection results (#25)
- take steps to safeguard against third party damage to sour gas pipelines (#22)

And this year we're getting started on multi-year initiatives, which include:

- investigating and acting on alternatives for enhancing the EUB's capability to conduct air monitoring as part of its complaint response and compliance programs (#68)
- designing complaint and incident response, and monitoring and surveillance programs and processes that will be effective in addressing the communication needs of First Nations and Metis communities near sour gas developments (#85)

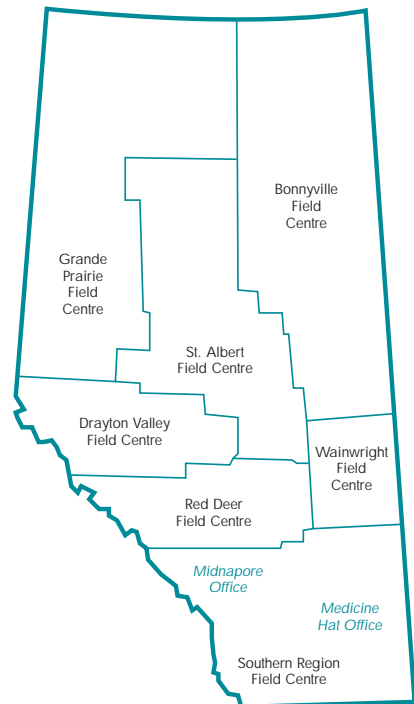
Contacts

EUB Field Centres:

There are eight field centres in Alberta with 24-hour, on-call staff specifically trained to handle oil and gas emergencies or complaints. You can reach an EUB Field representative anytime at these numbers:

	24-hour Phone:	Fax:
Grande Prairie	(780) 538-5138	(780) 538-5582
Bonnyville	(780) 826-5352	(780) 826-2366
St. Albert	(780) 460-3800	(780) 460-3802
Drayton Valley	(780) 542-5182	(780) 542-2540
Red Deer	(403) 340-5454	(403) 340-5136
Wainwright	(780) 842-7570	(780) 842-7536
Midnapore	(403) 297-8303	(403) 297-5283
Medicine Hat	(403) 527-3385	(403) 529-3103

To call toll-free, call 310-0000 from anywhere in Alberta and ask the RITE operator to connect you to the numbers listed above.



Public Safety Implementation Team

If you'd like to get more information about the EUB's Public Safety Implementation plans, or provide us with some feedback, call any of the Public Safety Implementation Team members:

Harry Lillo 297-3721

Brad Hubbard 297-8502

Marilyn Craig 297-3194

Or email us at: eub.publicsafety@gov.ab.ca.

Information is also available on the EUB's website at:
www.eub.gov.ab.ca