



**Public Safety and Sour Gas
Implementation Plan
Quarterly Progress Report
April – June 2001**

July 31, 2001

ALBERTA ENERGY AND UTILITIES BOARD
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Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: (403) 297-8311
Fax: (403) 297-7040

Web site: www.eub.gov.ab.ca

Introduction

In April 2001, the Alberta Energy and Utilities Board (EUB) released its first-year plan to begin work on 50 of the 87 recommendations of the Advisory Committee on Public Safety and Sour Gas (Advisory Committee). The EUB is committed to acting on all 87 recommendations and to publicly reporting the progress of its implementation on a quarterly basis. This is the first progress report. In April of each year the EUB will develop a more detailed progress report, which will also include action plans for the remaining 37 recommendations scheduled to start in years two and three. Quarterly reports will continue to be developed until implementation of all recommendations has been addressed. Throughout implementation, quarterly progress reports will be posted on the EUB Web site.

The Implementation Team has begun to develop working relationships with other key stakeholder groups. A government committee has been formed of representatives from the departments of Health and Wellness, Innovation and Science, Environment, Human Resources and Employment, Energy, Municipal Affairs, Economic Development, Aboriginal Affairs and Northern Development, and Agriculture, Food and Rural Development. The team has also been in close contact with representatives of other stakeholder groups, such as the public, industry, and regional health authorities. These ongoing relationships will assist in engaging the necessary stakeholder groups throughout the implementation process.

The EUB has also dealt with the important issue of implementation funding. For the 2001/2002 fiscal year, the Alberta Government has provided additional funding that has enabled the EUB to allocate a budget of \$2.6 million toward implementing recommendations in the first year. The major portion of this budget is to acquire expertise to move the various implementation initiatives forward.

Implementation Plan Rollout and Feedback

Subsequent to the April 24, 2001, release of the first-year implementation plan, the Implementation Team took the plan back to the communities that the Advisory Committee had visited. The purpose was to provide those communities with the opportunity to learn first hand how the EUB was planning to respond to the Advisory Committee's recommendations. The team also sought feedback on the plan. The EUB wanted to ensure that it had set the right priorities for implementation and that the proposed action plans addressed the issues raised within the communities. For those who were unable to attend a community session, opportunity for written comment was also provided.

The Implementation Team visited the following communities: Pincher Creek, High River, Sunde, Rocky Mountain House, Grande Prairie, Edson, Drayton Valley, Leduc, and Calgary. Most of the sessions were well attended, with numbers ranging from 20 to over 65 people. A similar series of rollout sessions was held to receive feedback from the First Nations and Metis communities, including Stoney First Nations, Aseniwuche Winewak Nation of Canada, Sunchild First Nation, O'Chiese First Nation, Enoch Cree First Nation, Treaty 8 First Nations (Dene Tha', Horse Lake, Sturgeon Lake), Alexis First Nation, Peigan Nation, Indian Oil and Gas Canada, Indian Resource Council, and Metis Settlements General Council.

Overall, from the input received the Implementation Team concluded that the public generally agrees with the implementation plan as proposed and that they were pleased to see that the EUB and stakeholders were going to act on all of the recommendations. However, many people remain sceptical that positive change will occur and expressed that they now would need to see results.

A summary of the feedback received is available on the EUB Web site at www.eub.gov.ab.ca and the Advisory Committee Web site at www.publicsafetyandsourgas.org.

Status of Recommendations Planned to Be Under Way by June 30, 2001

Health Effects and Sour Gas Research

Recommendation 9, 59—Update health effects table and develop SO₂ health effects knowledge and evacuation criteria: These two recommendations have been combined into one action item. In the second quarter of 2001, Alberta Health and Wellness initiated a project to conduct a comprehensive literature review of the health effects of sour gas, particularly hydrogen sulphide (H₂S) and sulphur dioxide (SO₂). Both acute and chronic health effects will be addressed. Arrangements with an environmental and health consulting firm will be finalized in the third quarter of 2001. The project is expected to deliver its final report in the first quarter of 2002. A study advisory committee consisting of various public health professionals is being established to oversee the work and provide expert advice.

Recommendations 10, 11—Develop sour gas research strategies: Alberta Health and Wellness is part of the Western Canada Study on Animal and Human Health Effects Associated with Exposure to Flare Emissions. Work is currently under way to develop the study components that address potential human health impacts. It is expected that the human health study design will be completed by the fourth quarter of 2001.

As a first step in addressing the need for ongoing research and its coordination, a comprehensive literature review of both acute and chronic health effects is required. This work is currently being initiated in response to Recommendations 9 and 59. Alberta Health and Wellness anticipates that the deliverables from this work will focus the required discussion(s)/action(s) on future efforts to coordinate and oversee research in the area of H₂S within the province.

Recommendation 67—Develop personal H₂S monitors: One difficulty in improving the quality of health studies on sour gas is the availability of high-quality exposure data. In the second quarter of 2001, Alberta Health and Wellness initiated a specific contract project to develop new exposure assessment technologies for use in population health studies. A prototype of an exposure assessment device will be developed by the third quarter of 2001. The device will be low-weight and portable and will collect and transmit real-time information on H₂S concentration in a person's breathing zone. In conjunction with other biological and health data collected on individuals, the personal exposure data will be useful to establish a correlation between exposure and health effects. Validation of the exposure monitor will commence early in the third quarter and is expected to be completed by the end of first quarter of 2002.

Sour Gas Development Planning and Approval

Recommendation 5—Task force investigation of improved surface/subsurface planning: The EUB and Alberta Energy have had preliminary discussions about possible scope and process to proceed with this recommendation. Draft terms of reference will be created during the next quarter and will then be distributed to potential task force members and stakeholders, along with an invitation for their representation on this recommendation.

Recommendations 17, 18, 19—Standardize dispersion and risk assessment modelling: Because the results of this work are needed to subsequently initiate work on a number of other important recommendations, the EUB has decided to accelerate the work on these recommendations by retaining outside technical expertise. The EUB has prepared terms of reference for the development of an interim protocol for dispersion and risk assessment modelling and issued a request for proposals on June 27, 2001. Consideration of submissions from a number of consultants is currently under way. The selected consultant will analyze existing modelling techniques, parameters, and applications, report its findings, and propose an interim protocol for stakeholder review. The consultant's work is expected to be complete by the end of 2001.

Recommendations 39, 40—Rewrite *Guide 29: Hearings and Inquiries* and make hearings user friendly: Following extensive stakeholder consultation, the EUB has adopted new *Rules of Practice* and intervener cost policies effective August 1, 2001. *Informational Letter (IL) 2001-4*, issued June 27, 2001, explains the new rules. In addition to other matters, the revised *Rules of Practice* clarify hearing procedures related to the filing of written submissions, exchange of information between parties to a hearing, and holding of prehearing, technical, and settlement meetings.

During the next quarter, the EUB's *Guide 29*, on the hearing process, will be reviewed to reflect the revised *Rules of Practice* and other updated EUB processes. The EUB expects to issue its revised *Guide 29* by the end of the year.

Sour Gas Operations

Recommendation 22—Review adequacy of third-party damage prevention for sour gas pipelines: Amendments to the Pipeline Act and Regulation are currently being drafted that would require all EUB pipeline licensees to register their pipelines with Alberta One-Call and to contact Alberta One-Call prior to undertaking a ground disturbance. This direction is consistent with the recommendation of a multistakeholder task force that, through a proposed new statute, all owners of buried facilities would be required to participate in the Alberta One-Call system. As well, the EUB is evaluating the merit of requiring all parties that undertake ground disturbance to be qualified through a certification program. A significant number of energy companies already require personnel to be certified, with training and certification provided by a number of available vendors. Stakeholder comment on proposed amendments will be sought once the amendments have been drafted, likely in the next quarter.

Emergency Preparedness

Recommendation 15—Follow-up on major releases: The EUB has developed an Incident Follow-up Process for releases from wells and is currently testing it with the involvement of operators that have recently experienced a significant release from a well. If the process appears to function satisfactorily, it will be expanded to follow up on

significant releases from pipelines and production facilities on a trial basis. Proposed processes are expected to be ready for stakeholder review during the next quarter.

Recommendations 54, 60, 61—Interim policy on emergency response plan (ERP) review and reduced emergency planning zones (EPZs): An interim policy on ERP review and reduced EPZs was drafted as an EUB interim directive and issued for stakeholder comment on June 6. Comments on the draft interim directive were received from key stakeholders, including the Canadian Association of Petroleum Producers (CAPP), the regional health authorities, and dispersion and risk modelling expert at the University of Alberta, Dr. Wilson, as well as from the public. Stakeholder feedback has been considered and the interim directive is currently being redrafted.

Recommendations 55, 56—Assess capability to implement ERP and increase ERP audit/tests: A review of existing ERP audit processes currently used by both the EUB and the Disaster Services Branch of Alberta Municipal Affairs has been completed. Development of a draft ERP audit and testing process is currently under way and will continue during the next quarter.

Recommendations 57, 64—ERP guide and requirements to coordinate responder roles: The EUB is currently drafting a comprehensive ERP guide, which is expected to be ready for stakeholder review during the next quarter. The proposed new guide will address coordination of responder roles, as well as the use of mutual aid arrangements (Recommendation 63) where appropriate to facilitate emergency response.

Recommendation 63—Encourage use of mutual aid agreements: This recommendation is being addressed within the scope of the ERP guide (see Recommendations 57, 64 above).

Information, Communication, and Consultation

Recommendation 16—Review, organize, and enhance access to EUB data: A complete and accurate gas analysis database is fundamental to a sound sour gas information system. The EUB is currently investigating options to enter a backlog of necessary gas analysis information into its database. It is also developing a project charter that will define the scope and terms of reference for the development of a pilot Internet-based spatial information system for EUB sour gas related data. Work on the project charter and gas analysis data entry will continue during the next quarter.

Recommendation 37—EUB involvement in mediation of application issues: Since the beginning of 2001, the EUB has been involved in facilitating or arranging mediation for more than 100 disputes between energy developers and landowners through its Appropriate Dispute Resolution (ADR) process. About half of the cases are currently active, but of those completed, more than 90 per cent have been resolved to the satisfaction of the interested parties, thus precluding the need to hold a public hearing on the matter.

The EUB is continuing to train its staff in facilitation and mediation. The Canadian Association of Petroleum Landman has also completed the first two of several planned sessions. Development of an EUB database to retain ADR information and participant feedback has been completed, and participant feedback forms have been posted on the EUB Web site to enable the collection of relevant data. The EUB has also created two pamphlets intended to raise awareness and explain the ADR process: *What About*

Appropriate Dispute Resolution? and Exploring Your Options: The Preliminary ADR Meeting.

Recommendations 69, 70, 74—Establish EUB public consultation staff resource team: The EUB has established an eight-person Staff Resource Team to focus on improving consultation that takes place between the industry and the public. EUB Communications, Applications, Operations, Field Surveillance, and Law are represented on the team. The team has compiled a list of existing consultation requirements and will have this reviewed by a consultant to seek inconsistencies, weaknesses, and opportunities to consolidate. The consultant will also review the CAPP *Guide for Effective Public Involvement*. The team is currently planning a workshop for stakeholder discussion of the findings of the consultant and other public consultation issues expected to take place during the next quarter. The team has also engaged an aboriginal consultant to review industry consultation practices with aboriginal communities to identify areas for improvement.

Recommendations 72, 81—Public consultation materials: EUB role and suggested questions: A draft set of landowner questions and answers has been developed and is currently out for stakeholder review. Stakeholder input will be used to finalize the question-and-answer document. The intent is to have this included in the Public Consultation Package of *Guide 56: Energy Development Application Guide* in a future update.

The existing brochure that explains the EUB's role and processes is currently being revised. The EUB has also decided to expand the scope of this initiative to include a video to raise awareness of the role of the EUB and facts about the energy industry in Alberta. An outline for the video has been prepared and preproduction work is in progress, with video completion expected in the final quarter of 2001.

Status of Additional Recommendations Started

In addition to the recommendations that were planned to be initiated by the end of the second quarter, the EUB has also initiated some actions on recommendations scheduled to start after the second quarter. The status of those recommendations is as follows.

Recommendation 25—Increase sour gas inspections: The EUB's Field Surveillance Branch is compiling a complete inventory of emergency response plans for each field centre, with resident lists within each planning zone to determine relative priority and frequency for inspection of sour operations. A public notification process is being developed to convey inspection results of sour operations to nearby residents. During the next quarter, the EUB will modify its facility inspection prioritization model to provide for increased frequency of inspection of sour operations.

Recommendation 27—Implement 100 per cent inspection rate for the drilling of critical wells near people: The EUB now inspects all critical sour wells where public reside within an emergency planning zone (EPZ). This inspection protocol also now includes a process to inform public members within the EPZ of the inspection results.

Recommendation 68—Enhance EUB capability to monitor for complaint response/compliance: A second monitoring unit has been ordered and will be operational by the end of the third quarter. The posting for the operator of the unit is proceeding and the individual should be in place by early fall.

Recommendation 85—Complaint/incident response programs for aboriginal communities: The EUB Field Surveillance Branch has engaged a first nation consultant to assist with the development of training and awareness programs for EUB staff and for aboriginal communities. The EUB is also exploring opportunities for joint workshops with Indian Oil and Gas Canada.

Report on Activities Related to Recommendations Already Completed

The EUB's Implementation Plan indicated that Recommendations 28 (response to sour gas complaints), 29 (field staff in industry–landowner discussions), and 35 (critical well precidence review) were already completed. The EUB will develop appropriate indices and gather information to measure activity and assess performance in these areas and will report on these and other completed recommendations in early 2002.