



Public Safety and Sour Gas Implementation Plan Quarterly Progress Report July – September 2001

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ALBERTA ENERGY AND UTILITIES BOARD
Public Safety and Sour Gas Implementation Plan
Quarterly Progress Report

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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

This is the Alberta Energy and Utilities Board (EUB) second quarterly report on the progress of implementing the recommendations from the Provincial Advisory Committee on Public Safety and Sour Gas (Advisory Committee). It gives the status of work completed and under way during the July-September 2001 period.

The EUB in its Year-1 Implementation Plan (April 2001) stated that work would begin on 50 of the Advisory Committee's recommendations within the first 12 months. At the end of September (6 months through the year-1 plan), there has been action on 46 of those 50 recommendations. Work has been completed to enable implementation of 8 recommendations. As well, work is ongoing on 28 recommendations initiated prior to July and on an additional 10 recommendations initiated during the July-September period. Recommendation #12 (Establish Coordinated, Consistent Medical Response to H₂S Exposure) was scheduled to have begun during the July-September quarter, but its start has been delayed.

The various working groups are engaging stakeholders in implementation of the recommendations. They will continue to invite stakeholders to participate at different stages of implementation, depending on the nature of the work under way.

The EUB's Year-1 Implementation Plan and previous quarterly reports are available on the EUB Web site at <www.eub.gov.ab.ca> and the Advisory Committee Web site at <www.publicsafetyandsourgas.org>.

Recommendations Recently Completed

Recommendation 6—Plant Proliferation: On August 29, 2001, the EUB issued *Interim Directive (ID) 2001-3: Sulphur Recovery Guidelines for the Province of Alberta*. In addition to updating sulphur recovery requirements for Alberta sour gas plants, the ID outlines detailed requirements for proponents of new sour gas processing facilities to assess existing processing alternatives and to consult with local residents in that assessment prior to applying to construct a new sour gas processing facility. In addition to environmental impacts and economic considerations, the assessment must address health and safety risk considerations of the various alternatives being examined. For any new sour gas plant proposed within 15 kilometres of an existing sour gas plant, applicants will be required to demonstrate to the EUB the justification for the new facility, having regard for social and environmental effects.

Recommendation 37—EUB Involvement in Mediation of Application Issues: The EUB's formal application mediation processes are fully in place, with Appropriate Dispute Resolution (ADR) options being applied to the resolution of issues arising out of energy applications. A communication program is also in place to increase stakeholder awareness of ADR. Training has been provided for a large number of EUB staff to develop interest-based facilitation skills in the key areas of application processing and field surveillance. Skill development will continue with additional training as needed. The EUB will capture ADR case information to enable measurement of the program's performance. A stakeholder committee is in place to monitor and evaluate the ADR program. The first annual report on ADR performance is scheduled for March 2002.

Recommendations 54, 60, 61—Interim Policy on ERP Review and Reduced EPZs: On August 14, 2001, the EUB issued *Interim Directive 2001-5* to address these recommendations. The ID confirms that the EUB will continue to review and approve all site-specific emergency response plans (ERPs) and that determination of calculated emergency planning zones (EPZs) must be based on existing EUB standards. The ID also clarifies the conditions under which the EUB will consider a reduced EPZ and sets out the mandatory emergency response measures that must be in place if a reduced zone is approved.

These are interim requirements that will remain in effect until the EUB completes a comprehensive review of emergency preparedness requirements, including the methodology for determining EPZs. The comprehensive review is dependent on the outcomes of work under way on a number of other recommendations, including updating health effects information and the review of dispersion and risk assessment models, expected to take 18 to 24 months to complete.

Status of Recommendations Under Way at September 30, 2001

Health Effects and Sour Gas Research

Recommendations 9, 59—Update health effects table and develop SO₂ health effects knowledge and evacuation criteria: An environmental and health consulting firm has been retained to undertake a comprehensive literature review and analysis of contemporary work on health effects (acute and chronic) of H₂S and SO₂. A multi-disciplinary advisory committee of experts is in place to guide the consultant's work and assess the findings. The advisory committee will then make recommendations to Alberta Health and Wellness regarding what information would be the most appropriate to consider in revising Alberta's H₂S and SO₂ health effects tables and on establishing SO₂ evacuation criteria.

Recommendations 10, 11—Develop sour gas research strategies: Specific actions to advance these recommendations are on hold pending the results of the literature review and analysis now under way for Recommendations 9 and 59.

Recommendation 67—Develop personal H₂S monitors: Alberta Health and Wellness continues to be encouraged by the results of this project to date. Phase 2 of the three-phase project is ongoing, with laboratory testing of the prototype unit currently under way.

Sour Gas Development Planning and Approval

Recommendation 5—Task force investigation of improved surface/subsurface planning: Drafting of terms of reference for the project is continuing. A first meeting of the task force to review draft terms of reference is targeted for late November or early December.

Recommendations 17, 18, 19—Standardize dispersion modelling and risk assessment: The EUB awarded the contract to the consultant that is undertaking this work and held initial meetings to discuss objectives. The consultant has begun its work, with a target completion date of December 13, 2001. The ongoing work will receive expert review on a regular basis. The EUB plans to develop an interim protocol or standardized approach in the form of a draft informational letter that will then be circulated for broader stakeholder comment before finalizing.

Recommendations 32, 33—Well licence applications require area/project plans: An EUB staff team is currently developing a concept for improved area or project planning for sour gas developments that would entail increased disclosure of existing energy facilities, pool boundary information, potential future infrastructure to develop the pool, and existing and potential land surface developments at the well licence application stage. This information, possibly portrayed on a geographical information system, will facilitate understanding of the scope of the energy development and enable meaningful discussion among interested parties of the potential extent of developments, facility proliferation, competing land uses, and impacts. The EUB team intends to develop this concept further internally prior to stakeholder consultation on issues such as confidential and proprietary information, level of detail, and scope of application before the end of the year.

Recommendation 34—EUB/government/agency coordinated policy and application review: An EUB team was established and has initiated the creation of an inventory of current links between the EUB and provincial government departments and agencies. Preliminary contacts have been made with most of the departments and agencies that currently have a linkage to EUB application processes. The inventory will be reviewed to look for possible gaps in existing review and input processes, and potential new linkages will be explored through consultation with those departments or agencies. During October, the EUB will begin meeting with existing and potential new linkages to discuss application and policy processes and specific interests, needs, and issues.

Recommendations 39, 40—Rewrite Guide 29: Hearings and Inquiries and make hearings user friendly: The EUB has been reviewing the existing *Guide 29*, along with a number of other EUB guides, to determine the content of an expanded, more comprehensive guide to EUB processes. In addition to the hearing process, the revised guide will describe preapplication and application stages that occur before a hearing, as well as decision and appeal processes following a hearing. Drafting of the new guide is under way and expected to be completed by the end of November. Stakeholder input on the draft guide will then be sought, with a target to finalize the guide and issue it by the end of the year.

Sour Gas Operations

Recommendation 22—Review adequacy of third-party damage prevention for sour pipelines: Drafting of amendments to the Pipeline Act and Regulations is complete. These amendments will introduce requirements for all pipeline operators to register their pipelines with Alberta One-Call and will require any pipeline operator undertaking a ground disturbance to first notify Alberta One-Call. The EUB has also gathered information to assess the merit of certification requirements for parties undertaking ground disturbance operations and will be seeking stakeholder input on this issue. Proposed amendments will be released for review by external stakeholders before the end of the year.

Recommendation 25—Increase sour gas inspections: The EUB's Field Surveillance Branch has completed modifications to its inspection prioritization model to provide for increased inspection frequency for sour gas operations. Processes for notifying the public of inspection results have also been developed, along with a public contact database for tracking purposes. Training field staff on use of the database and public contact protocols will be done during the next quarter.

Recommendation 26—Increase inspections of new and noncompliant operators: The EUB Field Surveillance inspection priority system has been modified to assign increased priority (and therefore frequency) to inspecting operations of new and noncompliant operators. This increases overall inspection effort; new field inspectors have been hired, and training is ongoing.

Recommendation 27—Implement 100% Inspection Rate for Critical Wells Near People: Revised EUB field inspection priority criteria now require a minimum of one inspection of drilling operations at all critical sour wells where people are located within the emergency planning zone of the well. If a critical well is being drilled in an area with a higher population density, the EUB may inspect the drilling operations more than once. The inspection process will also include follow-up discussion with randomly selected residents within the emergency planning zone of the well inspected in the next quarter.

Recommendation 68—Enhance EUB capability to monitor for complaint response/compliance: The EUB has acquired a second mobile air monitoring unit. Delivery of the unit has been delayed but is still expected before the end of December.

Recommendation 85—Complaint/incident response programs for Aboriginal communities: The EUB has commenced comprehensive Aboriginal culture awareness training for its staff, with 25 staff from various business areas attending the initial two-day session in September. Training program agendas and timetables have been finalized for training the remainder of EUB field staff beginning in October. Plans are also in place for a number of joint workshops involving the EUB, Indian Oil and Gas Canada, and Aboriginal communities.

Emergency Preparedness

Recommendation 15—Follow-up on major releases: A number of relevant EUB business areas are continuing with development of proposed incident follow-up processes for uncontrolled releases from wells, pipelines, and production facilities. The EUB expects to finalize the procedures during November, with full implementation in place by the end of the year.

Recommendations 55, 56—Assess capability to implement ERP and increase ERP audit/tests: Development of emergency response plan (ERP) audit and testing processes is continuing in conjunction with work on the new ERP guide (Recommendations 57, 63, 64). A draft protocol will be available for stakeholder review by the first quarter of 2002.

Recommendations 57, 63, 64—ERP guide and requirements to coordinate responder roles: Drafting of a consolidated ERP guide is continuing. The EUB expects to have the draft guide ready for stakeholder review and input in November.

Information, Communication, and Consultation

Recommendation 16—Review, organize, and enhance access to EUB data: A fundamental building block of sound sour gas information systems is a complete and accurate gas analysis database. The EUB has recently completed entering a backlog of necessary gas analysis information into its database. This information will undergo further data quality and accuracy verification. The EUB has also initiated a project to develop an Internet-based spatial information system for EUB sour gas data. Through a

Request for Information/Request for Proposal process, this project will deliver a pilot information system to support further consultation and definition of requirements.

Recommendations 69, 70, 74—Establish EUB public consultation staff resource team: The EUB Staff Resource Team is awaiting the results of the consultant's gap analysis of existing EUB documents pertaining to citizen engagement and public notification. Based on the findings of this analysis, the EUB will hold a stakeholder workshop early in 2002 to formulate clearer and tighter requirements for public notification and citizen engagement.

Recommendations 72, 81—Public consultation materials. EUB role and suggested questions: Stakeholder input that the EUB received on its draft landowner questions clearly indicated the desire to have additional work done to develop a set of basic answers to accompany the questions. This required additional effort for the project. The stakeholder input phase is now complete, and writing of the new booklet of questions and basic answers is in progress. The EUB expects to have the document ready for release by the end of December.

A short promotional video on the role of the EUB was recently developed. This will form part of a longer educational video on the EUB and energy development in Alberta that is currently being planned for completion by the end of 2002. Work will start in the next quarter on a new booklet and brochure describing the role of the EUB to complement the video.

Recommendation 73—Establish EUB information office: An 11-member team of EUB staff from key information management and public interface business areas has been assembled to lead the work on this initiative. In October, the team will meet to begin to develop strategies for effective and reliable management of information requests and information dissemination. The EUB will be engaging a consultant to survey synergy groups and community coalitions to determine their information needs. As well, extensive research has begun into best practices of other regulatory bodies in providing public information.

Recommendation 79—Determine local benefits from sour gas development: The EUB has prepared a preliminary terms of reference for this study for the purpose of finding an independent third party interested in doing the work. The EUB has approached a number of university faculty members and consultants capable of undertaking the project. Once a selection has been made, a stakeholder steering committee will be established to work with the independent third party to finalize the terms of reference.

Recommendations 45, 46, 47, 48—Perception of EUB's neutrality: The EUB has started internal discussions about strategies to enhance outside perception (industry and public) of the EUB's neutrality in carrying out its quasi-judicial and regulatory functions. The EUB expects to engage outside expertise to assist in identifying root cause issues and in developing programs to support the intent of these recommendations.

Recommendation 48 suggested a review of the manner of funding of the EUB, with a possible objective of returning to a more equal sharing of the EUB's total funding requirement between industry and government. The EUB is continuing to work with the Minister of Energy to evaluate alternatives to the existing funding model.