



## What Is the Alberta Energy Regulator?

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The Alberta Energy Regulator, or AER, provides for the safe, efficient, orderly, and environmentally responsible development of energy resources. This includes allocating and conserving water resources, managing public lands, and protecting the environment while securing their economic benefits for all Albertans.

Energy regulation in Alberta spans 76 years and has evolved over time. This evolution continued in 2013 when the AER became a new organization and took on regulatory functions related to energy development that were previously held by Alberta Environment and Sustainable Resource Development (ESRD). Today, the AER is the single regulator of energy development in Alberta—from application and exploration, to construction and development, to abandonment, reclamation, and remediation.

### » What does the Alberta Energy Regulator do?

The AER regulates some of the world's largest hydrocarbon resources: established reserves of 167 billion barrels of bitumen and crude oil, 33.7 trillion cubic feet of natural gas, and 37 billion tons of coal. Developing and transporting these resources requires significant infrastructure; the AER regulates a provincial pipeline network of 415 000 kilometres, over 181 000 operating wells, more than 50 000 oil and gas facilities, over 200 thermal oil sands projects, and 9 oil sands mines, 11 coal mines, and 4 coal processing plants.



To ensure that this activity is safe, environmentally responsible, and closely managed, the Government of Alberta has granted the AER authority to

- review and make decisions on proposed energy developments,
- oversee all aspects of energy resource activities in accordance with government policies,
- regularly inspect energy activities to ensure that all applicable requirements are met,
- penalize companies that fail to comply with AER requirements, and
- hold hearings on proposed energy developments.

As the single regulator, the AER's authority includes—for energy-related development only—the *Environmental Protection and Enhancement Act (EPEA)*, including reclamation and remediation activities, and the *Water Act*. The AER is also responsible for public lands and geophysical activities under the *Public Lands Act* and the *Mines and Minerals Act*.

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## » How does the AER enforce the rules?

With additional authority also comes additional enforcement tools; simply stated, companies that are allowed to develop Alberta's oil and gas resources must follow all rules, regulations, and requirements. If they fail to, strong consequences will result.

The AER's enforcement tools can include

- more frequent and detailed inspections,
- more stringent planning requirements,
- enforcement orders,
- shutting down operations,
- the levying of administrative penalties, and
- prosecution.

In addition, the AER informs Albertans about industry's record of meeting our requirements. This includes an easy-to-access incident reporting tool and regular posting of investigation reports and compliance activities on the AER website and in annual performance reports.

For more information, see EnerFAQs *Inspections and Enforcement of Energy Developments in Alberta*.

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## » How is the Alberta Energy Regulator structured?

A chair heads the AER and leads a board of directors; none are involved in the AER's day-to-day operations and decisions. Rather, these directors set the general direction of the regulator's business affairs and are charged with approving regulatory change

and setting performance expectations for the AER and its chief executive officer. In this way, the AER's board operates as a truly "corporate style" board.

The CEO, who reports directly to the chair, is accountable for day-to-day operations, which include receiving and making decisions on applications, monitoring and investigating energy resource activities for compliance, and closure of energy developments, including remediation and reclamation.

Hearing commissioners represent another important part of the AER's structure. Reporting to a chief hearing commissioner, these commissioners are responsible for conducting all hearings into energy applications and regulatory appeals. The hearing commissioners are also involved in developing the organization's hearing procedures and rules and other day-to-day operations.

Hearing commissioners are independent adjudicators, and their decisions may only be reviewed by the Court of Appeal of Alberta.

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### » What is an AER hearing?

An AER hearing is a formal process that provides parties with an opportunity to present and test evidence about the issues related to an application or regulatory appeal. A hearing may be oral, electronic, or written. See the EnerFAQs *Having Your Say at an AER Hearing*.

The AER has discretion as to whether or not to conduct a hearing when considering an application. In the case of a regulatory appeal, the AER must hold a hearing unless the issue is otherwise resolved through alternative dispute resolution.

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### » How is the AER funded?

In its 2013 budget, the Government of Alberta announced that the AER would be funded entirely by industry. This is a model used by other regulatory agencies throughout North America, such as the Alberta Utilities Commission and the BC Oil & Gas Commission.

The AER's budget is established through a formal process between the Government of Alberta's Treasury Board and the AER. Once the AER's budget is approved by the Government of Alberta, the amount is collected by the AER through an administrative fee.

Regardless of the funding model, industry is held accountable for its actions and shares responsibility of ensuring sustainable energy development.

## » Additional Information

To learn more about Alberta's new regulator, please visit [www.aer.ca](http://www.aer.ca), e-mail [inquiries@aer.ca](mailto:inquiries@ aer.ca), or call 1-855-297-8311.

This document is part of the EnerFAQs series, which explains the AER's regulations and processes as they relate to specific energy issues. Please visit [www.aer.ca](http://www.aer.ca) to read more of the EnerFAQs series.

Every year the AER collects, compiles, and publishes a large amount of technical data and information about Alberta's energy development and resources for use by both industry and the general public. This includes raw data, statistics, hearing materials, and information on regulations, policies, and decisions.

Publications may be either viewed at the AER library or obtained from the Information Product Services Section (IPSS). Both are housed on the tenth floor of the AER head office in Calgary. Publications may also be downloaded free of charge from the AER website [www.aer.ca](http://www.aer.ca).

To obtain a print or CD copy of a specific publication, contact IPSS by phone (403-297-8190), fax (403-297-7040), or e-mail ([infoservices@aer.ca](mailto:infoservices@aer.ca)).

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