From Complex to Common Sense

Transforming Alberta's Environmental Regulatory System







Objectives for Today



Share **what** AEPs regulatory systems transformation journey is about over the next 2-3 years



Discuss **why** this matters to industry, proponents and our shared broader context



Translate *how* benefits and improvements will be realized by Albertans



Call to Action - Why System Transformation is Needed Now?

- We need to bring systems into the 21st century
- AEP is committed to a *common sense*, *fair*, and *predictable* regulatory process while maintaining our high environmental standards
- Opportunity is now it aligns with government's commitments to Red Tape Reduction (RTR), Outcomes-Based Regulation, Economic Recovery
- AEP recognizes that a well-functioning regulatory system is key to the province's economy and future investment

This will be one of the most significant transformations AEP has ever undertaken



How We Are Becoming a Modern Regulator – Requires a Systems Approach

GOAL: Outcomes-Based Regulatory System



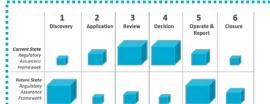




SOCIAL

ENVIRONMENTAL

ECONOMIC







Digitized & Automated Regulatory Platform



Modernized Crown Land Management



Local and Sub Regional Plans and Policies



So What is System Transformation?

Systems Transformation is the *integrated portfolio of department activities* essential to realizing a fully transformed environmental regulatory management system.

System Transformation is:

- Changing the way Albertans will navigate the regulatory system
- Harmonizing Regulatory Process Technology Policy Legislation
- Built upon 3 Integrated Pillars of Department Activity

Regulatory Transformation Program

A 'one-window' regulatory process that is integrated, outcomes-based, and risk-managed.

Sub-Regional and Local Planning

Site based planning to balance the diverse goals of Alberta's land, air, water and biodiveristy.

Integrated Crown Land Management

Modernized legislation to balance the shared use of Crown Land and Parks for economic, social and environmental purposes

Classification: Protected A



Focus for Today – We are Here in Our Journey

1 INTEGRATED CROWN LAND MANAGEMENT



Modernized Legislation, Regulations, Classifications, and Policy



Multi-Use Crown Land Management for Public and Park Land: Recreation and Tourism, Conservation, Sustainable Development

2. SUB-REGIONAL & LOCAL PLANNING AND POLICY



Site Specific Policy and Plans



Sector Examples: Caribou Sub-Regional Plans, Fish & Wildlife, Designated Industrial Zones (DIZ)

3. REGULATORY TRANSFORMATION PROGRAM



1. RTR – Red Tape Reduction



2. RAF – Regulatory Assurance Framework



3. DRAS – Digital Regulatory Assurance System

How Crown Land Management Supports Regulatory Transformation

Albertan



Modernizing and Integrating Crown Land Management

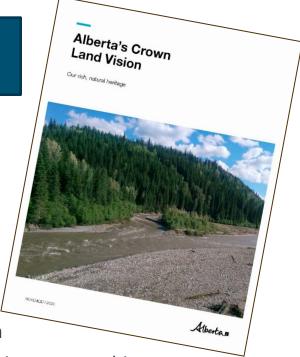
Modernizing Crown Land Management will Support Transformed Regulatory Processes

This Will Include:

- Managing all provincial Crown lands (parks and public land)
- Achieving a clear and understandable system for land use
- Moving to sustainable funding and partnerships for recreation
- Focusing on outcomes and reducing red tape
- Modernizing is about improving how Crown land is managed

Planned Activities Include:

- Share government's vision for integrated, modernized approach
- Talk to Albertans on sustainable recreation funding opportunities, partnerships
- Optimize delivery of structured recreational activities
- Update and streamline legislation, and approaches and tools; further engagement to come



Benefits of Sub-Regional and Local Planning on Regulatory Transformation

Two Examples to Share







Sub-Regional Plans Example 1: Caribou Recovery Planning

WHY SUB-REGIONAL PLANS MATTER

- 1. Sub-regional plans (SRP) will maintain a working landscape that can support economic and recreational opportunities and meet caribou recovery requirements.
- Each SRP is informed by recommendations from multi-stakeholder task forces.
- 3. Each SRP will be tailored to address the activities that are most important locally (e.g. oil sands are important in some sub-regions, but not others).
- Each SRP will include management approaches that address access management (road network), energy, forestry, recreation and tourism activities.

BENEFITS TO INDUSTRY

- ✓ Provide certainty to industry operating within the area and increase investor confidence.
- ✓ Enable further economic development and opportunity that can support local communities.
- ✓ Address pressures for industry to divest from Alberta; demonstrate ESG focus of resource sectors.
- ✓ Directly address the risk of federal intervention
- ✓ Remove and consolidate legacy land use plans and guidelines in a single plan; reduce red tape

Section 11: Caribou Recovery Planning

 On October 23rd, 2020 Alberta and Canada entered into a conservation agreement under Section 11 of the federal Species at Risk Act, laying out timelines for completion of sub-regional plans that achieve caribou recovery objectives.

WHY Section 11 MATTERS

- 1. Reduces the risk of federal intervention in Alberta's land and resource management
- 2. Adds strong protection against a possible Emergency Protection Order, which would devastate industries operating in areas with caribou.
- Keeps Alberta in the lead to complete its task force process and develop sub-regional plans that support caribou recovery.
- 4. Secures federal funding commitment to support restoration of legacy seismic disturbances throughout caribou ranges. Estimated economic activity exceeding \$1 Billion.

WHAT IS A Section 11?

A Section 11 agreement is NOT a land use plan

It IS:

- An agreement to take actions that are intended to stabilize and recover caribou populations in Alberta over the long term (50 to 100 years).
- A commitment to timelines for the development and implementation of sub-regional plans.





Sub-Regional Plan Example 2: Designated Industrial Zones

The Designated Industrial Zone or (DIZ) is a local regulatory framework for designated industrial regions that provides certain and efficient approval processes and supports responsible industrial cluster development.



WHY DIZ MATTERS TO INDUSTRY

- Reduce regulatory burden for both industry and permitting bodies.
- 2. Responsive to the speed of business to maintain competitiveness with other competing jurisdictions.
- Provide a localized approach unique to the industrial heartland and the outcomes being sought by government, municipalities and Indigenous communities.
- 4. Leverage cluster efficiencies to reduce overall ecological footprint and promote industrial growth and diversification.
- 5. Modernize the overall regulatory system for heavy industrial value-add facilities.

BENEFITS TO INDUSTRY

- Increased investor certainty
- Key investment jurisdiction for environmental focused investors
- Accelerated and clear application requirements ("Nexus Pass")
- Stakeholders can be invested in the bigger, longer picture
- Industrial growth and diversification
- Increased job growth and high paying employment

Understanding the Regulatory Transformation Journey





What is the Regulatory Transformation Program?



Fast-Track to Regulatory Transformation



1. Meeting Our Red Tape Reduction Platform Commitments



2. Implementing RAF: AEP's New Regulatory Assurance Framework



3. Implementing DRAS: AEP's New Digital Regulatory Assurance System



Why Red Tape Reduction Matters to Regulatory Transformation?

RED TAPE REDUCTION PLATFORM COMMITMENTS















Drive Economic Growth

Improve Service Delivery

1/3 Reduction in Requirements

One in One out

- ✓ As of February 1, 2021 10% redundant outdated and unnecessary requirements eliminated, and on pace to meet 12% reduction target by March 2021
- ✓ 74 Red Tape Reduction Initiatives completed across multiple environmental media and industries.



Priority Interventions

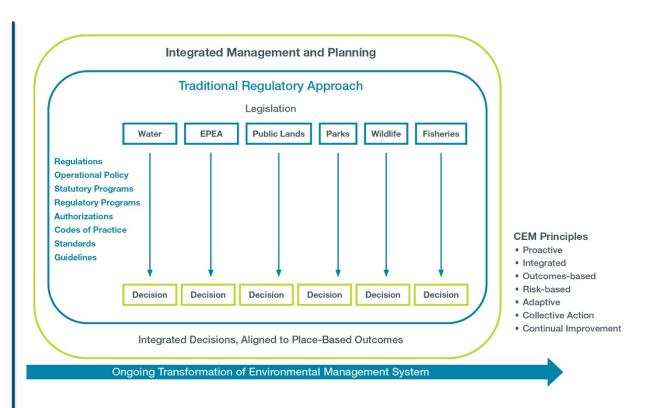
Modernizing Legislation Regulatory System Transformation Consistency in Crown Land Management



Shifting From Traditional to Modern Environmental Regulatory Management

Becoming a Modern Regulator

- Requires major changes to how we regulate to meet the current realities and broader context of cumulative effects and shared use of the land base over time and geographically.
- Alberta's social, environmental and economic context has changed, the regulatory system has not evolved significantly in response.



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Our Regulatory System From Traditional.....To Modern

Shifting From.....

Emphasis on application process and developing approval conditions.

.....To

Emphasis on regulatory assessment of active operations to outcomes focused operating standards.

This Means



- ✓ Staff spend more time spent as a regulator of current operations, versus approval of applications.
- ✓ Faster turnaround for authorizations without compromising environmental standards.
- The environment is protected by ensuring environmental outcomes are being met through the lifecycle of the activity, versus minimizing risk in the application stage.



Our Regulatory System From Traditional.....To Modern

Shifting From.....

Referrals of applications for comment and conditioning by subject matter experts.

.....To

Proponents have clear application standards and requirements prior to submission of application.

This Means



- ✓ Proponents submit higher quality applications contributing to faster decisions on approvals.
- ✓ Better use of your regulatory expertise.
- ✓ Quality, structured data is collected in the application phase, leading to streamlined reporting.



Our Regulatory System From Traditional.....To Modern

Shifting From.....

Periodic compliance inspections and reactive management.

.....To

Risk-informed responses to incidents and selfreporting. Continuous assessment of operations for meeting of policy and management outcomes.

This Means



- ✓ Regulatory outcomes are achieved by applying effective management responses.
- ✓ Incidents and self-reports are valuable sources of data to inform future operational strategic, policy and operational decisions.



What is Changing – RAF?

Regulatory Assurance Framework: AEP's foundational approach to enabling economic development activity while ensuring environmental standards outlined in policies, plans, and legislation are

Application Discovery Review Decision **Operate &** Closure Report **CURRENT State** Regulatory **Assurance** Framework **FUTURE State** Regulatory Assurance Framework Continuous improvement loop to RAF process and policy

Current State

- × High "Bureaucratic" Effort
- x Time Consuming
- × Inconsistent
- V Unclear expectations
- Not transparent
- x Insufficient monitoring and compliance

Future State

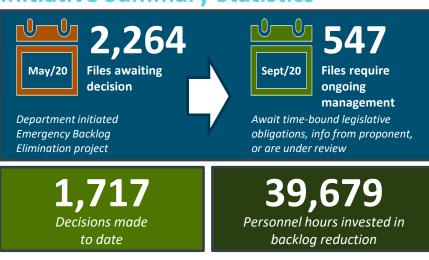
- ✓ Effort on system design, complex file support
- ✓ Digital and faster
- Clear expectations and processes for decision making
- ✓ Strengthen monitoring and compliance

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maintained.

How Do We Know This Works? Regulatory Backlog Reduction Initiative

Initiative Summary Statistics



Backlog reduced by **76%** for all backlog projects

Key Achievement and Impacts

- 1. Reduction of backlog has enabled economic stimulus.
- Long-term, sustainable process improvements have been made.
- 3. The project has validated the system improvements and will inform our regulatory transformation.

Examples:



2,567

Hectares of sand and gravel dispositions issued (1424 prepped for issuance)



9.4 billion

Litres of water allocated – enough to fill 3,760 Olympic-sized swimming pools



31

Stormwater ponds authorized to enable community development



7,221

Albertans with access to safe and secure potable water through water treatment systems projects





How Are We Enabling Regulatory Change – DRAS?

The Digital Regulatory Assurance System, or *DRAS*, is the multi-million dollar investment as the technological backbone of the transformed regulatory system, enabling clear, expedient decision making and straightforward environmental monitoring.



DRAS

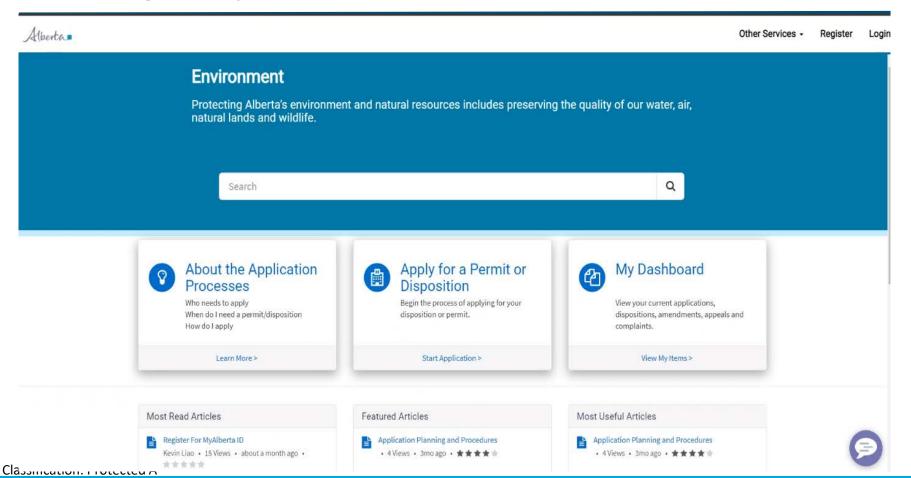
Automating
Alberta's
Regulatory System
by 2023.

DRAS will replace the multiple independent and outdated systems with one single, consolidated system for proponent applications, approvals, and long-term monitoring.

Proponents will navigate an integrated, one window entry-to-exit experience, with clear and consistent requirements that can be tracked over the full activity lifecyle.

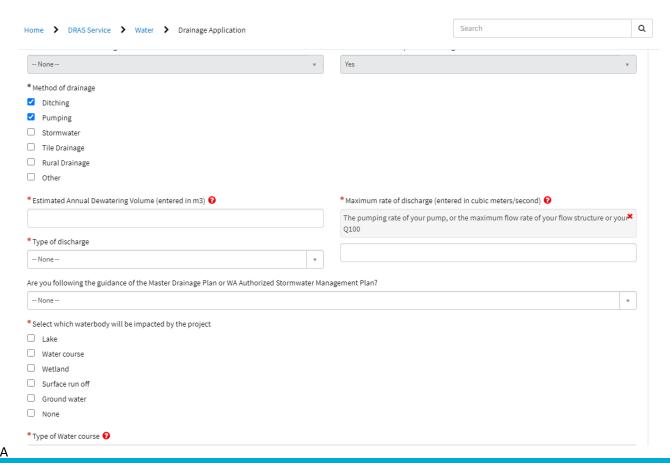
DRAS Design Examples







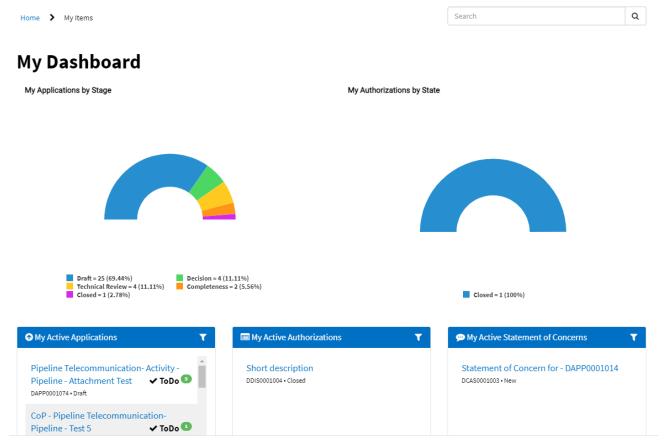




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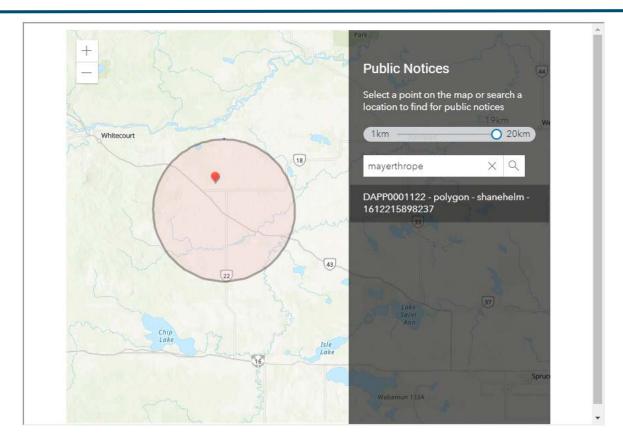
DRAS Design Examples











SAND & GRAVEL - WATER ACT APPROVALS



Completion



Complete



Policy Coord.

In progress



Complete

User Stories

In progress



DRAS

In progress

Est. Summer 2021

WATER LICENSES



Completion



In progress

Est. Jan 2021



CM

Policy Coord.

Files Check



Est. Dec 2020

User Stories



Est. Jan 2021

DRAS

Est. Summer 2021

LAND USE RESERVATION MANAGEMENT

Process Policy Coord.



In progress

Early Winter 2021

Database

In progress

CM

DRAS

SERVICE DESK (INCIDENT MANAGEMENT)



In progress



Est. Dec 2020



Process

DRAS Est. Spring 2021

ELECTRONIC CONTENT SERVER SYSTEMS



User Stories





DRAS Est. Spring 2021

Process

CONTACT AND ACCESS MANAGEMENT



In progress



User Stories

In progress



Est. Spring 2021

DRAS

FIRST NATIONS CONSULTATION INTERFACE CHANGE DRAS



ACO Coord. In progress

In progress

Process

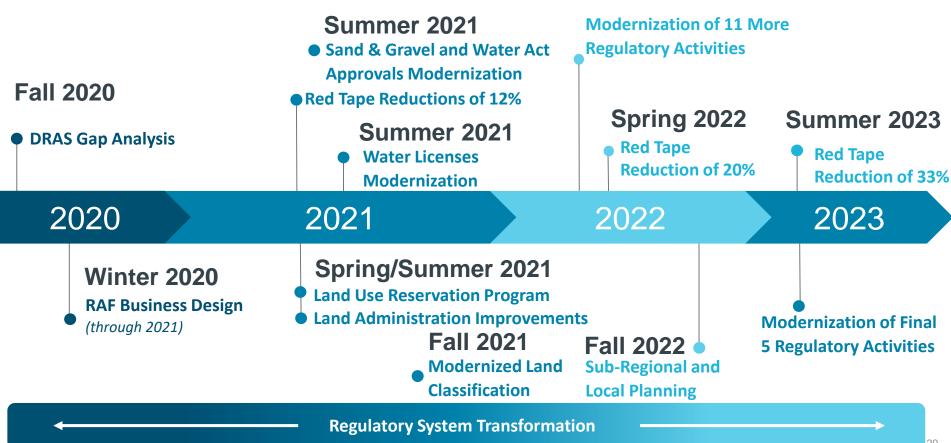
Est. Spring 2021

The Plan Ahead and Near Term Milestones





What's the Plan for Environmental Regulatory Transformation?



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Revisiting the System Transformation from Complex to Common Sense

Alberta Environment and Parks is undergoing radical transformation:

From bureaucratic... ...to maximizing our potential From rules based... ...to outcomes based From complex... ...to common sense

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In Closing, AEP's System Transformation Will:





Bring regulatory processes and systems into the 21st century



Demonstrate clear "rules of the game" easing complex regulatory burden on industry and safeguard Alberta's air, land, water and biodiversity



Expedite economic development and increased competitiveness



Be Enabled by Transformed Processes – Technology – Policy - Legislation



Ensure Albertans rich, natural heritage is preserved for future generations to enjoy in a manner that meets diverse goals



Questions?



Albertan