

# ALBERTA ENERGY REGULATOR ENGAGEMENT SURVEY

## Member Briefing

In spring 2022, the RMA requested that members complete a survey related to their experiences in engaging and communicating with the Alberta Energy Regulator (AER). As the RMA continues to advocate to the Government of Alberta for action to address the issue of unpaid property taxes, the AER has emerged as the body best positioned to address the issue by making payment of property taxes a condition of operation.

The RMA has also heard from several members frustrated with the difficulty in accessing information from the AER relating to the ownership of oil and gas assets in their boundaries, the licence approval process, and other issues. As addressing the unpaid oil and gas issue would ideally include regular communication between the AER and rural municipalities to share unpaid tax information, this survey is intended to gather a more complete picture of the effectiveness of the current communication and engagement between the two groups.

This briefing provides an overview of the survey results, as well as an update on the RMA's advocacy efforts on this issue.

### Survey Response Rate

26 of the RMA's 69 member municipalities completed the survey. This is a **38% response rate**. Although this response rate does not represent the entirety of the RMA membership, the survey indicates a significant gap in communication between the AER and rural municipalities.

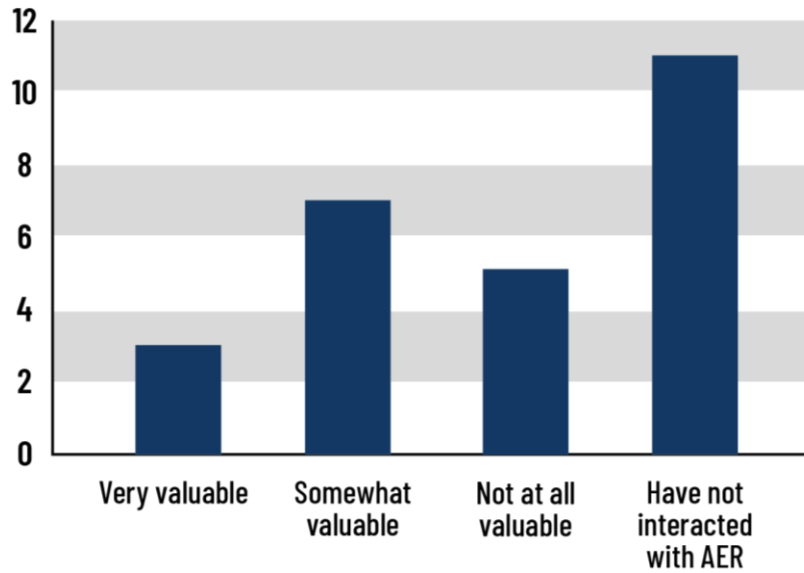
### Survey Results

The RMA's survey asked members for input on how and to what extent they communicated with the AER, the type of information typically shared by the AER with municipalities, any AER engagement efforts specifically related to collecting information on unpaid oil and gas property taxes, and what issues RMA members would appreciate receiving more information on from the AER. Some of the most notable survey results are as follows:

Municipalities that interact with the AER have mixed experiences, but many have no interaction at all.

The RMA asked members to rate their overall experience in interacting with the AER. While some found interacting with the AER to be worthwhile, many have no interaction experience of any sort.

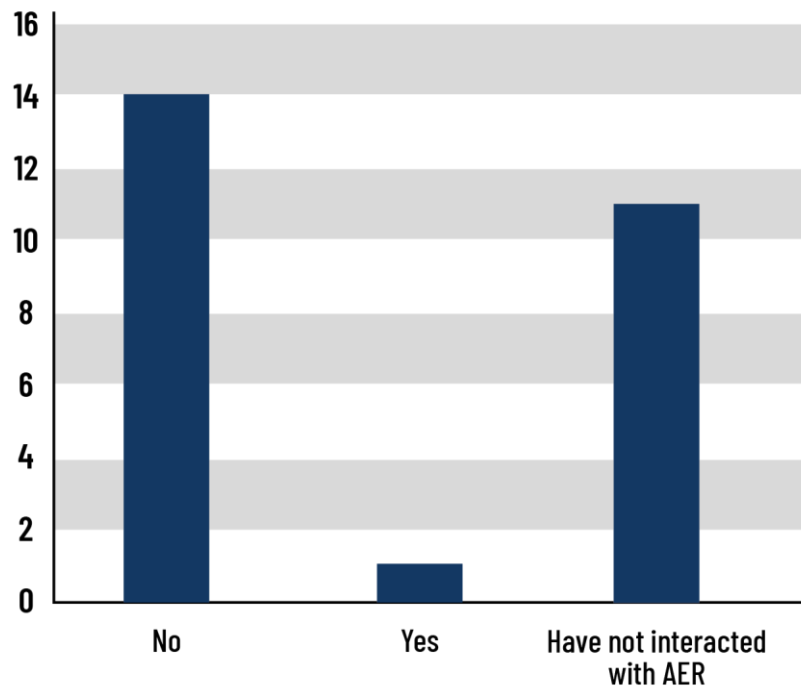
### How would you rate your experience interacting with the AER?



Even though rural municipalities are home to the vast majority of Alberta’s energy development, very few RMA members have a specific contact person within the AER for questions or concerns related to a company or facility operating in their jurisdiction.

According to its 2020 – 2021 annual report, the AER has over 900 employees working across the province. For municipalities, not knowing who to contact about a specific question can be a barrier to engaging with the AER. As rural municipalities are key AER stakeholders in their role as stewards of the land that host nearly all of Alberta’s energy development, the RMA is concerned with the lack of direct connections between members and specific employees within the AER.

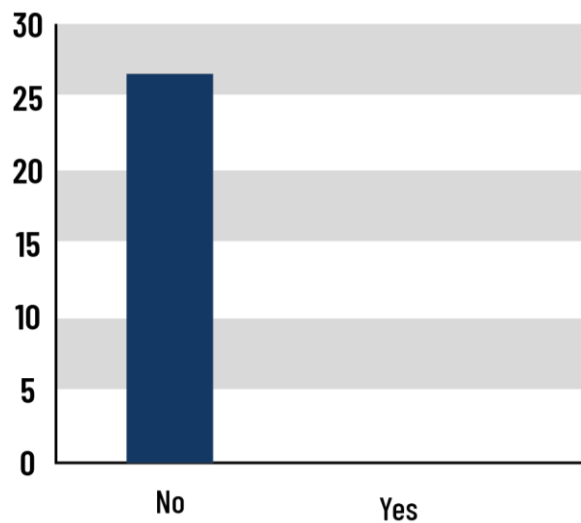
### **Does your municipality have a specific contact person within the AER that facilitates responses to our questions and interactions?**



The AER has not reached out to rural municipalities to better understand challenges related to unpaid property taxes by some oil and gas companies.

In response to RMA advocacy, in 2021 the AER revised [Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals](#) to state that the AER may consider payment of property taxes when determining whether a company poses an 'unreasonable risk.' In response to this change, the RMA proposed working with the AER to develop an information-sharing portal through which rural municipalities could easily keep the AER up to date on non-payment of taxes. The AER has not been receptive to this, and has instead chosen to rely on industry-self-reporting of property tax payments. This choice to rely on industry, rather than municipalities, was reflected in the survey results.

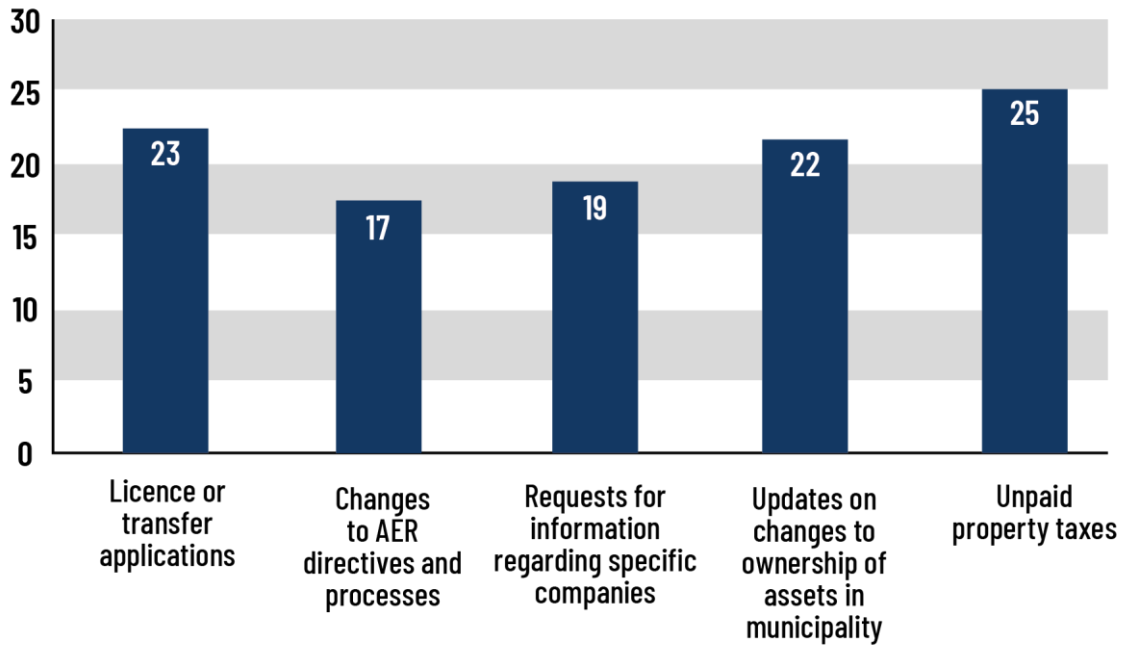
**In 2021, the AER revised Directive 067 to state that the AER may consider unpaid municipal taxes and surface lease payments when assessing licensee eligibility. Has the AER ever contacted your municipality to request unpaid tax data or to verify data received from other sources?**



RMA members are engaged on energy development issues and welcome a stronger relationship with and more information from the AER.

RMA members are looking for more information and communication from the AER, particularly related to property tax payments and the transfer / ownership of assets.

**On what issue(s) would you appreciate more engagement from the AER?  
Select all that apply.**



## RMA members have specific suggestions for how the AER can improve communication with municipalities.

RMA members have indicated they would like to improve the communication between the AER and their municipalities. Members expressed that communication could be increased on the following:

- ◆ Notice of applications to be sent directly to impacted municipalities.
- ◆ Provide AER contacts to municipalities, so when issues arise there is a direct line of communication.
- ◆ Work directly with municipalities to identify unpaid tax issues, both during licence approvals or transfers and on an ongoing basis.
- ◆ Improve the search function on the AER website by allowing users to search by municipality.
- ◆ Notify municipalities when companies apply for transfer applications, licence updates, etc.

## Seeking Solutions

The survey results indicate that the level of communication between municipalities and the AER is not meeting the needs of members and does not reflect the important role that rural municipalities play in supporting oil and gas development. Rural municipalities are critical to supporting the oil and gas industry and need to be engaged with more consistently.

**The RMA is particularly concerned with the lack of interest on the part of the AER in working with municipalities to gather unpaid tax information, as relying on industry to self-report unpaid taxes carries a high risk of incomplete or misleading information being provided.** The RMA will use the survey results to engage with the AER and advocate for increased communication with municipalities.

The RMA also encourages members to reach out to the AER with survey results and ask for increased communications, specifically regarding the amount of unpaid taxes owed by oil and gas industry to municipalities.

