

Industry and Resource Development

Alberta's industrial and resource sector is extremely important to the province's continued economic growth and the viability of rural communities. Industrial development is often accompanied by environmental concerns, regulatory challenges, land use disputes, and impacts on other types of development.

What is the RMA's position on the importance of having a municipal perspective on matters related to industry and resource development?

- ◆ Resource development is an important economic driver in Alberta and may have significant impacts on rural municipalities when balancing development and environmental priorities. Municipalities should have the ability to balance the demands of industry and resource extraction with environmental stewardship, planning and approval processes, and taxation levies.
- ◆ In many cases, resource development requires the use of large tracts of land. As a result, rural Alberta is home to the majority of the province's resource projects (ex. oil and gas, aggregate extraction, forestry, and renewable energy). In order for municipalities and the resource sector to co-exist, policy and regulations relating to approvals, compensation, rights-of-way, safety, and pipeline alignment negotiations must be fair and consider the municipal perspective regardless of the regulating authority (provincial or federal).
- ◆ Industry and resource development projects must be equipped with an end-of-life of management plan for the infrastructure and assets to ensure that such infrastructure is not left on the rural landscape to the detriment of rural landowners. This includes government-held and appropriately funded reclamation securities for renewable projects.
- ◆ Taxpayers often approach municipalities with health concerns related to an industrial project (ex. odour, dust, noise, water well issues, etc.). Municipalities should have the opportunity to have these concerns addressed by industry or the regulating body during the project planning stages as well as throughout the lifecycle of the development.

What financial considerations do rural municipalities have with respect to industry and resource development?

- ◆ As many industrial developments are located within rural municipalities, a fair proportion of the economic benefits should be received by the municipality to address environmental management and infrastructure challenges resulting from industry activities.
- ◆ Landowners must be properly compensated by the business / industrial sector for providing land to be used for extraction, processing, and transportation, including with respect to landowner-negotiated reclamation securities for renewable energy.
- ◆ Properly assessing industrial properties requires local knowledge and expertise that municipal assessors have developed over several years. Centralizing the assessment of designated industrial properties may compromise this local knowledge and result in inaccurate assessments, in turn compromising the financial viability of rural municipalities.

POSITION STATEMENT

- ◆ Rural municipalities rely on the natural resources sector to contribute to the local tax base to build and maintain infrastructure. It is critical that industrial properties be assessed in a way that reflects the costs of municipal service delivery.

What collaborative relationships are essential to rural municipalities in matters relating to industry and resource development?

- ◆ Municipalities work within legislative and regulatory parameters in approval processes for industry and resource development (e.g. Alberta Energy Regulator requirements). The RMA serves as a steward of information between government ministries / agencies and municipalities.
- ◆ Municipalities are legislatively required to meet certain deadlines for approving and denying applications for development and subdivisions and are required to send referrals to the Alberta Energy Regulator (AER) of any development in Crown land areas. The RMA encourages the AER to review its timelines and ensure they are providing responses to referrals within 30 days as indicated on the receipt of the referred application.
- ◆ Municipalities must have a guaranteed voice in the planning and approval of resource development projects that have local impacts. Industry must be willing to work with municipalities to design projects that will benefit rural communities through job creation while mitigating impacts on municipal infrastructure and the local environment.
- ◆ The approval process for industry activities must be coordinated between the provincial government and municipalities (e.g. approvals required for aggregate activities on public versus private lands). Duplicated efforts and inconsistent practices may result in increased costs and inefficient use of resources.
- ◆ The RMA recognizes the opportunities that exist for regional economic development between rural municipalities, urban municipalities, and Indigenous communities. The RMA would be pleased to see the Federation of Canadian Municipalities' (FCM) Community Economic Development Initiative (CEDI) continue funding opportunities for rural municipalities and Indigenous communities to work together on regional economic development.

How does the work of the RMA support the sustainability of industry and resource development in Alberta?

- ◆ The RMA is actively involved in various committees that seek to balance industrial development with environmental stewardship (ex. Clean Air Strategic Alliance, Alberta Water Council).
- ◆ The RMA collaborated with Alberta Environment and Protected Areas and the Alberta Sand and Gravel Association to develop *Aggregate Pits: Municipal and Provincial Processes* which is intended to provide clarity and eliminate duplication between municipal and provincial approval processes for aggregate pits on public or private land.

POSITION STATEMENT

What current industry and resource development related issues are impacting rural Alberta?

Oil and Gas Development

- ◆ Oil and gas development projects must proceed in a way that causes minimal damage to the environment, including impacts on water quality. Municipalities must have the ability to voice concerns about such environmental issues, both during the project review stage and when projects are operational.
- ◆ Rail has become a popular method of transporting oil products and strict regulations and safety procedures must be upheld to protect rural communities. Moving oil products by rail must also not negatively impact the movement of other natural resources to market, such as forestry and agriculture products.
- ◆ The Alberta Energy Regulator should review and develop enhanced application procedures which ensure engagement with municipalities is required by each proponent, as municipalities often are left to deal with the unintended consequences of development in their area.

Aggregate / Gravel

- ◆ Municipalities often compete with the provincial government and the private sector for aggregate resources. A fair allocation process is necessary to ensure that adequate resources are available for municipal and provincial infrastructure needs.
- ◆ The RMA supports progressive reclamation and believes the aggregate industry should be striving to reclaim the pit as the project progresses instead of waiting until the pit is completely exhausted. Confidence in reclamation policy and process is a key part of the trust relationship between the aggregate industry and municipal governments.
- ◆ The main concerns municipalities hear from their residents regarding aggregate operations relates to noise and dust. Alberta Environment and Protected Areas' regulation excludes mention of noise and dust and it is under the responsibility of municipalities to regulate these items.
- ◆ Municipalities should continue to be involved in aggregate decision-making approvals as they are responsible for land-use decisions and the enforcement of municipal by-laws.
- ◆ The Community Aggregate Payment Levy (CAPL) is an important tool to allow municipalities to recover costs associated with infrastructure strain caused by aggregate industry activity. Municipalities should have the ability to use CAPL funds as they see fit to address local infrastructure priorities.
- ◆ Aggregate needs must be considered in the development of regional plans to ensure that municipalities can continue to support future community growth and develop strategies to ensure a sustainable supply of aggregate for future public works purposes.
- ◆ Municipalities should have first right at no cost to gravel resources on or under municipal road allowances for the purposes of municipal road maintenance and construction.

Forestry

- ◆ Forestry is an important contributor to a diversified provincial economy. The RMA supports sustainable forest management that provides ecological, economic, and social opportunities.

POSITION STATEMENT

Ensuring that Alberta's forest products have access to markets is essential in supporting the industry and provincial and federal economies.

- ◆ The forestry industry is susceptible to devastation caused by pests such as the Mountain Pine Beetle and wildfires. Continued investment in the forestry sector is essential in growing the industry and the communities that support it. Municipalities work with government, industry, residents, and landowners through programs such as FireSmart to plan and mitigate risks of wildfire.
- ◆ The RMA convened a multi-stakeholder working group, including the Forest Products Association, to develop a strategy for fighting wildfires outside of the Forest Protection Area.

Renewable Energy

- ◆ Renewable energy projects bring economic diversification to rural areas; however, municipalities and provincial regulators should collaborate to minimize the impacts of new projects on removing prime agricultural land from production.
- ◆ The RMA Quasi-Judicial Agencies Member Committee identified several gaps in the processes that the Alberta Utilities Commission (AUC) uses to approve new projects. The Government of Alberta and the AUC are working collaboratively with municipalities to develop improved processes which consider impacts to municipalities, and the RMA continues to monitor for the outcomes of recent policy changes.
- ◆ Reclamation securities for renewable energy projects should be calculated by an expert to fully fund reclamation costs. The security should be held by the Government of Alberta to ensure it is available if called upon. RMA provided feedback to the AUC regarding reclamation securities throughout the first half of 2025 and will be developing a member resource regarding the same later this year.

For more information visit: rmalberta.com

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