## From Complex to Common Sense

Transforming Alberta's Environmental Regulatory System



Albertan

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#### **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?

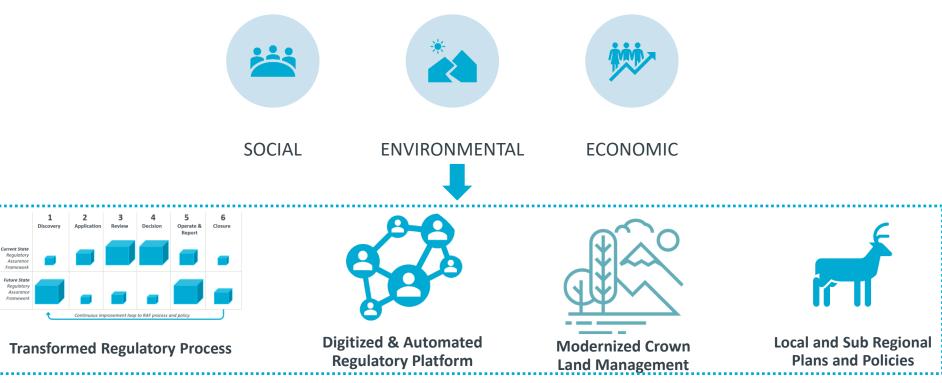
We need to bring systems into the 21<sup>st</sup> century

- AEP recognizes that a well-functioning regulatory system is key to the province's economy and future investment
- Opportunity is now it aligns with government's commitments to Red Tape Reduction (RTR), Outcomes-Based Regulation, Economic Recovery
- AEP is committed to a *common sense, fair,* and *predictable* regulatory process

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** 



Alberta



#### 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

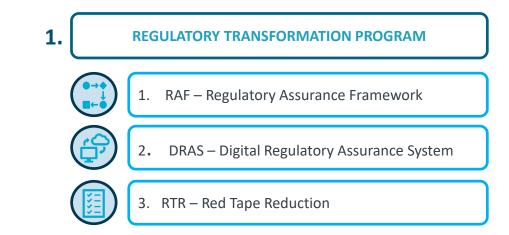
A 'one-window' regulatory process that is integrated, outcomes-based, and riskmanaged. **Sub-Regional and Local Planning** 

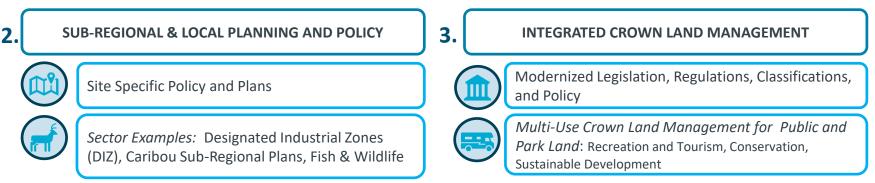
Site based planning to balance the diverse goals of Alberta's land, air, water and biodiveristy. Integrated Crown Land Management

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



#### Focus for Today – We are Here in Our Journey





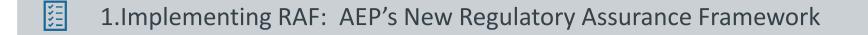
Understanding the Regulatory Transformation Journey

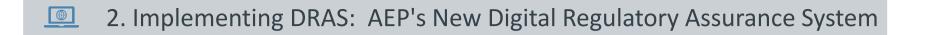


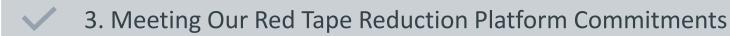


#### What is the Regulatory Transformation Program?





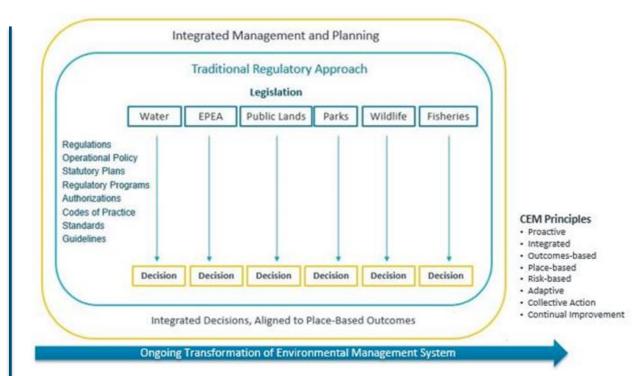




#### Albertan Shifting From Traditional to Modern Environmental Regulatory Management

#### **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.





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

## Shifting From.....

Emphasis on application process and developing approval conditions.

#### ....То

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.
- 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.

#### ....То

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.

#### ....То

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

#### This Means



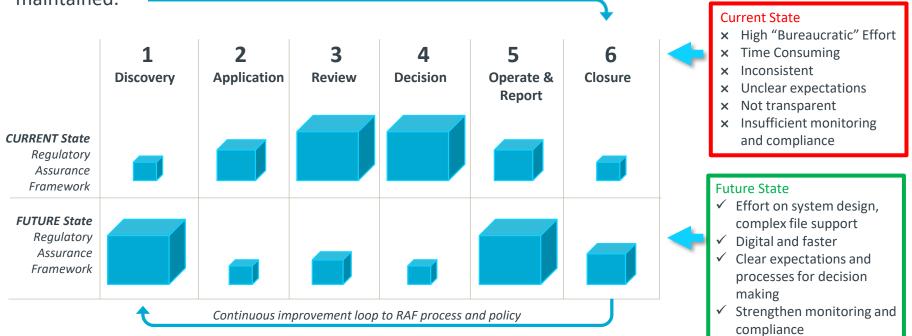
Regulatory outcomes are achieved by applying effective management responses.

 Incidents and self-reports are valuable sources of data to inform future operational strategic, policy and operational decisions.

#### Alberta

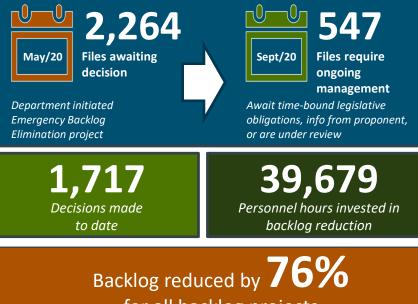
## What is Changing – RAF?

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



## How Do We Know This Works? Regulatory Backlog Reduction Initiative

### **Initiative Summary Statistics**



for all backlog projects

## **Key Achievement and Impacts**

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

#### **Examples:**



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



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





Stormwater ponds authorized to enable community development



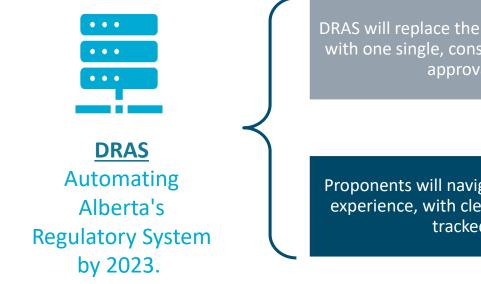
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Albertans with access to safe and secure potable water through water treatment systems projects

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#### 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 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.

## *Why* Red Tape Reduction Matters to Regulatory Transformation?

#### **RED TAPE REDUCTION PLATFORM COMMITMENTS**

- Reducing regulatory and administrative burdens and improve service experience
- **(C)** Reducing regulatory requirements by 33% by 2023



Improve Service Delivery



1/3 Reduction in Requirements



One in One out

- As of March 2020, 8% redundant outdated and unnecessary requirements eliminated, and on pace to meet 12% reduction target by March 2021
- ✓ 54 Red Tape Reduction Initiatives completed across multiple environmental media and industries







## Benefits of Sub-Regional and Local Planning on Regulatory Transformation

Two Examples to Share





## Sub-Regional Plan Example 1: 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

- 1. 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



## Sub-Regional Plans Example 2: 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.
- 2. 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).
- 4. 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.
- 3. Keeps Alberta in the lead to complete its task force process and develop sub-regional plans that support caribou recovery.
- 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.

How Crown Land Management Supports Regulatory Transformation



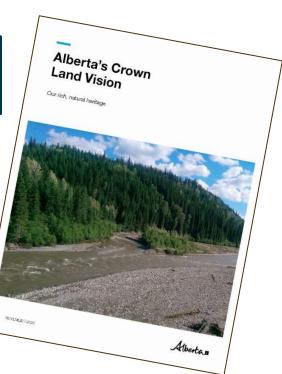
## Alberta

## 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



## The Plan Ahead and Near Term Milestones





### What's the Plan for Environmental Regulatory Transformation?

Fall 2020 • DRAS Gap Analysis	<ul> <li>Spring 2021</li> <li>Sand &amp; Gravel Modernization</li> <li>Implementation</li> <li>Red Tape Reductions of 12%</li> <li>Summer 2021</li> <li>Water Approvals and Licencing Modernization</li> </ul>	Modernization of 11 More Regulatory Activities Spring 2022 Red Tape Reduction of 20% Red Tape Reduction of 339
2020	2021	2022 2023
Winter 2020 RAF Business Design (through 2021)	Spring/Summer 2021 Land Use Reservation Program Land Administration Improvement Fall 2021 Modernized Land Classification	nts Fall 2022 • Sub-Regional and Local Planning
Regulatory System Transformation		





#### Revisiting the System Transformation from Complex to Common Sense

Alberta Environment and Parks is undergoing radical transformation:



2020



Sring regulatory processes and systems into the 21<sup>st</sup> century

Expedite economic development and increased competitiveness

Be Enabled by Transformed Processes – Technology – Policy - Legislation

Demonstrate clear "rules of the game" easing complex regulatory burden on industry and proponents



> 2023

## Questions?





## Contact Us: AEP.OST@gov.ab.ca

