

## 2022 Alberta Day Webinar

CSUR was pleased to host an online session with representatives from the Alberta Energy Regulator (AER), who provided updates on current key regulatory projects. The objective of the session was to highlight the AER's expanded mandate due to the Government of Alberta's (G o A) Energy Transition initiatives. In addition, the goal was to define the province's energy outlook and apprise the audience of the ongoing modifications to the various regulations, processes & directives.

To commence the session, Dan Allan, CSUR President & CEO, provided an update regarding upcoming organizational changes, initiatives, and achievements for CSUR this year. Introductory remarks from the AER were delivered by Jeff Moore, Senior Advisor Legal on Mandated Expansion and Acting Director, Minerals, Strategy & Implementation, who spoke about AER's role in conjunction with the G o A's initiatives and direction. Together with other provincially authorized governing bodies, AER has been tasked with developing the framework and executing regulatory protocols within the Energy Transition context.

Accordingly, David Helmer, Senior Advisor Regulatory, provided an update on the nascent Geothermal sector. He summarized the key points within the Development Act and the corresponding rules, which were released in June 2022 and contain specifics about eligibility, application, requirements, security, provisions, and emergency response planning (ERP). The Geothermal Resource Development protocols were then released under Directive 089 in August 2022. Manual 012 was also amended in August 2022 to guide the industry with well or facility applications. David also expanded on the nuances within the Act that affect the application process in relation to the base of groundwater protection (BGWP), surface access consent (which is part of the licensing process) and the regulations affecting co-production (hydrocarbon & geothermal) projects.

With the increasing demand for various strategic minerals globally, the updated G o A initiative and details were summarized by Sandra Blais, Senior Advisor – Minerals Strategy and Implementation. As with Geothermal, the AER's expanded mandate will include managing this sector, under the Mineral Resource Development Act, to fill in any gaps in the regulatory process in a phased approach. Concurrent to the Federal Government's initiative, G o A has also undertaken a stakeholder engagement process under the Mines & Minerals Act. It was mentioned that this act includes both brine-hosted and hard rock minerals (in conjunction with historical & current work being conducted by the Alberta Geological Society – AGS). Although only regionally, it was noted that there has been significant growth in activity in the province in the past few years for brine-hosted minerals, particularly for Lithium.

Afshin Honarvar, Principal Economist, elaborated on the province's energy outlook (ST98 2022). Generally, and as expected, commodities are out-performing forecasts for this year. However, Alberta continues to suffer from differentials in comparison to US commodity markets. The total energy production in the province is forecasted to grow by almost 20% over the next decade. Even with significant expected growth within emerging resources such as Lithium, Geothermal, & Hydrogen, energy production will still be mostly hydrocarbon-based in 2031. The corresponding Reserves Update was provided by Michael Teare, Senior Specialist – Reserves. Despite increased activity coming out of a muted period due to the global pandemic, their forecasts suggest that the bulk of the growth over the next decade will be in the heavy oil / bitumen sector, with the majority of that being in-situ production. The forecasts also suggest relatively flat production profiles for both natural gas and conventional crude oil over this time period.

For the final presentation, Eric Berg, Specialist – Regional Engagement, detailed the specifics of the updated Licensee Life-Cycle Management (Directive 088) practices. Alberta’s liability management approach will utilize a Holistic Licensee Assessment approach. D088, which is being built in stages and will incorporate the content from D006 (Licensee Liability Rating Program), will endeavor to better understand the licensee’s capability (under the Licensee Capability Assessment) during the entire life cycle of the property, from seismic to receiving a reclamation certificate. The framework will include the inventory reduction program, a trigger mechanism for a holistic assessment (including reclamation) in the event of a licensee transfer, and a security protocol to ensure liability coverage.

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## **SUMMARY AND AGENDA**

Join us to hear representatives from Alberta Energy Regulator - AER.

### **AGENDA**

10:00 – 10:05 am	Welcome and Introductions
10:05 – 10:35 am	New mandate work - Geothermal & Minerals - Geothermal Directive - David Helmer, Senior Advisor Regulatory - Brine-hosted Minerals Update - Sandra Blais, Senior Advisor Regulatory
10:35 – 11:05 am	Alberta Energy Outlook ST98 2022 Afshin Honarvar, Principal Economist & Michael Teare, Senior Specialist - Reserves
11:05 – 11:30 am	Directive 088: Licensee Life-Cycle Management Eric Berg, Specialist - Regional Engagement
11:30 – 12:00 pm	General Q&A

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### **PRESENTERS**

**Eric Berg**  
Specialist, Regional Engagement

Eric Berg is an Engagement Specialist with the AER, engaging with industry, municipalities, indigenous communities, landowners, and the general public on regulatory queries, complaints and conflict. He has extensive previous engagement experience as an industry member. He is a rural landowner providing him an appreciation of how industry development, government legislation and regulatory oversight "meet the dirt" for Albertans.

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**David Helmer**

Senior Advisor Regulatory

David Helmer is the program lead for Geothermal strategy and implementation at the Alberta Energy Regulator (AER).

Since 2019, David has been at the helm of creating the geothermal regulatory framework to support the Geothermal Resource Development Act. David and his team reached an exciting milestone in August as they released the rules and requirements to regulate this emerging resource and began processing geothermal applications.

David has been working in regulatory enhancement at the AER for eight years. Previously he worked for the provincial environmental regulator (now called Alberta Environment and Parks) within authorizations. Before that, he was an engineering consultant.

David holds an M.Sc. in Environmental Engineering from the University of Alberta and resides near Calgary with his family.

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**Sandra Blais**

Senior Advisor, Minerals Strategy and Implementation

Sandra Blais is the Program Lead for Minerals Strategy and Implementation with the Alberta Energy Regulator (AER).

Sandra has 20 years of regulatory experience. Throughout her career, Sandra has been an inspector, team lead, advisor, and senior advisor working for Alberta Environment and Parks (AEP), Municipal Affairs, and the AER. This work has taken her throughout Alberta, from the northern hamlet of Zama to Sundre in southwest Alberta and everywhere in between.

Sandra's career started as an inspector with AEP in Northeast Alberta, then transitioned to an inspector with the Energy Utilities Board, specializing in pipelines, waste management, environment, and incident response.

In 2013, Sandra was one of the team leads for the Regulatory Enhancement Program, transitioning legislative functions from the Government of Alberta to the newly formed AER. Once the regulatory functions transitioned, Sandra became an advisor applying the life cycle approach to the interpretation, integration, application, and operation of legislation. This included supporting education programs, processes, and compliance & enforcement activities.

In 2019, Sandra accepted the role of Assessment Advisor, Linear Assessment Services with Municipal Affairs. Here she worked with municipalities, industry, and other government bodies to streamline procedures and policies. In 2022, Sandra accepted the role of Senior Advisor, Regulatory Enhancement, leading AER's Minerals Strategy and Implementation.

**Afshin Honarvar**  
Principal Economist

Afshin Honarvar is the Principal Economist at the Alberta Energy Regulator (AER). Afshin has over 20 years of international and Canadian experience in the oil and gas industry, economic research, forecasting, academia, and energy regulations. Afshin currently oversees the AER's economic modeling, energy forecasting, regulatory impact assessments and socio economic impact assessment. Afshin also oversees the publication of AER's annual ST98 report, also known as Alberta Energy Outlook. This report is one of the AER's most popular annual reports and is well recognized by industry and governments.

Afshin has a diversified background with BA and MA degrees in Energy Economics from Shiraz and Tehran Universities in Iran. He received his Ph.D. in Applied Energy Economics from the University of Calgary in 2007. As a university instructor, Afshin has taught numerous courses on energy economics in Canada, South Korea, and Iran. He was an instructor at the University of Calgary between 2003 and 2015.

Before joining the AER in 2011, he was a research director overseeing energy and economic research at the Canadian Energy Research Institute (CERI) for 5 years. . Some of his earlier research experiences include work for the Energy Office of the Energy Ministry in Tehran, Iran where he focused on Iran's energy demand and supply. As well, he worked for the Renewable Energy Department of the Ministry of Energy in Iran as an Economist. He also served as an international oil marketing expert for the National Iranian Oil Company, where he studied oil market developments for three years. In that capacity, he produced singly and in collaboration a set of reports and articles.

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**Michael Teare**  
Senior Specialist, Reserves

Michael Teare is the Senior Reserves Specialist at the Alberta Energy Regulator (AER). Michael has 20 years of experience working in reservoir engineering specializing in reserves estimations. Michael has held various roles within the AER over the past 20 years, all with a focus on regulatory geology and reserves. Since 2008 Michael has coordinated the reserves sections of the AER's annual ST98 report, also known as Alberta Energy Outlook. This report is one of the AER's most popular annual reports and is well recognized by industry and governments.



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# ALBERTA DAY

UPDATE ON CURRENT KEY  
REGULATORY PROJECTS

Tuesday, September 20, 2022  
10:00am MDT

**\*\*pre-registration is mandatory\*\***

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