MEMBER COUNTRY PROFILE – CANADA

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| **Country:** | Canada |
| **Organizations:** | Canada-Newfoundland & Labrador Offshore Petroleum Board (C-NLOPB) Canada-Nova Scotia Offshore Petroleum Board (CNSOPB)  Canada Energy Regulator (CER)  Hereafter collectively referred to as the “Regulators”. |
| **Regime Scope:** | The CNSOPB and the C-NLOPB are currently responsible for the regulation of petroleum activities in the Canada-Nova Scotia Offshore Area and the Canada-Newfoundland and Labrador Offshore Area, respectively. The federal, Newfoundland and Labrador and Nova Scotia governments have announced the intention to expand the mandate of the CNSOPB and C-NLOPB to include the regulation of offshore renewable energy projects.  The CER is responsible for the regulation of offshore petroleum exploration and development activities in submarine areas (not within a province) in the internal waters of Canada or the continental shelf of Canada (excluding those offshore areas under the sole jurisdiction of the CNSOPB or the C-NLOPB). Until the *Atlantic Accord Implementation Acts* are amended to expand the C-NLOPB and CNSOPB mandates, the CER is the regulator of all offshore renewable energy projects.  The Regulators’ principal responsibilities include: worker health and safety (CER has delegated authorities from the Federal Labour Program for worker health and safety under the Canada Labour Code); environmental protection; issuance of exploration and production licenses (CNSOPB and C-NLOPB only); conservation of petroleum resources; geoscience data management and distribution; and industrial benefits (CNSOPB and C-NLOPB only). |
| **Administering Agency / Arrangements:** | The CNSOPB and C-NLOPB are independent, arm’s length entities established under federal and provincial statutes accountable to the Parliament of Canada (Parliament) and provincial legislatures through the respective Ministers of Natural Resources and Renewables / Industry, Energy and Technology, and Ministers responsible for Worker Health and Safety.  The CER is an independent, federal regulatory tribunal reporting to Parliament through the Minister of Natural Resources. |

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| **Legislation Type:** | CNSOPB and C-NLOPB: Mirrored Federal and Provincial Acts and Regulations, including updated Occupational Health and Safety Regulations  that came into force in 2022 and new, more performance-based Framework Regulations that come into force in October 2024. |
|  | CER: Federal offshore Acts and Regulations, some of which mirror the CNSOPB and C-NLOPB statutes. |
| **Extent of Government Approval:** | CNSOPB and C-NLOPB: Fundamental decisions of the Regulators pertaining to petroleum rights issuance/cancellation, prohibitions, development plans, and cessation of activities in certain instances are subject to government approval. Federal and provincial governments also appoint the regulators’ Board members and approve annual operating budgets.  CER: Regulator decisions pertaining to offshore development plans are subject to federal approval. |
| **Nature of Duties Imposed:** | A blend of goal-oriented and prescriptive regulations, with a move towards more performance-based regulation as noted above. However, the respective Chief Safety Officers and Chief Conservation Officers may, subject to certain criteria, authorize the use of equipment, methods, measures, or standards in lieu of any required by regulation. |
| **Physical Objects in the Regime:** | Drilling exploratory and production wells is carried out using semi- submersible drilling units, drill ships, jack-up units, gravity based structures (GBSs), and sub-sea infrastructure.  Construction vessels, diving vessels and seismic vessels involved with oil and gas exploration and exploitation, along with vessel and helicopter passenger safety all fall within the Regulators’ authority.  Projects in the Canada-Newfoundland and Labrador Offshore Area: Four oil producing projects:   1. Hibernia – GBS integrated drilling (two rigs), production, accommodation installation; 2. Terra Nova – FPSO 3. White Rose – FPSO 4. Hebron – GBS integrated drilling (one rig), production, accommodation installation.   All oil is shipped by shuttle tankers, which fall outside of the Regulators’ authority. |

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| **Assurance Mechanisms:** | Each work or activity proposed to be carried out in an offshore area related to the exploration and drilling for and the production, conservation, processing or transportation of petroleum requires the authorization of the responsible Regulator, and the person holding such authorization must be in possession of a valid operating licence. There are additional work or activity- specific approvals required from the responsible Regulator or its Officers as defined in regulations.   * Safety plans and environmental protection plans are required to be submitted with work or activity authorization applications * A Certificate of Fitness from a recognized certifying authority required for installations (drilling, accommodation, diving, and production installations) * Regulators’ inspection, audit and investigation programs * Industry self-inspections and audits * Workplace Committee requirements |
| **Financial Basis:** | CNSOPB and C-NLOPB budgets are jointly approved by the Government of Canada and the relevant provincial government. Regulations set out cost recovery associated with regulating offshore oil and gas activity from applicants and Operators on behalf of both governments. The CER budget is assigned by the federal government. Cost recovery is permitted under federal legislation but the associated regulation prescribing fee structures is not yet in place. |
| **Environmental Regulation Responsibilities:** | The Regulators are responsible for regulatory oversight of the protection of the environment by operators during all phases of offshore petroleum activities.  The Regulators and/or the Impact Assessment Agency of Canada undertake environmental assessments of proposed projects to meet the environmental requirements set out in their respective legislation. Designated offshore oil and gas activities referenced in the *Physical Activities Regulations,* under the *Impact Assessment Act,* are subject to federal environmental/impact assessment, including:   * the drilling, testing, and abandonment of exploratory wells in the first drilling program in one or more exploration licences; * construction, installation, and operation of new platforms; and * decommissioning and abandonment of existing platforms used for oil and gas production.   In February 2020, a Regional Assessment (RA) of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador was completed. On June 4, 2020, the Government of Canada released a Ministerial Regulation to improve the efficiency of the assessment process for exploratory drilling projects in the RA Study Area East of Newfoundland and Labrador. The Regulation provides that exploratory drilling projects in the RA Study Area are excluded from the requirement to undergo a project- specific federal Impact Assessment, subject to a set of conditions. |

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| **Oil Spill Response:** | As part of a work or activity authorization application, an Operator is required to submit to the relevant Regulator a plan (or plans) for response to safety or environmentally related emergencies, including an oil spill response plan.  In the event of a petroleum spill from its installation(s), the Operator is responsible, as soon as possible, to:   * take all reasonable measures consistent with safety and the protection of the environment to prevent any further spill * repair or remedy any condition resulting from the spill * reduce or mitigate any danger to life, health, property or the environment that results or may reasonably be expected to result from the spill.   While the offshore Regulators are the lead agencies for overseeing spill response in their offshore areas, numerous agencies of the federal and provincial government, depending upon the circumstances of an individual spill event, may provide advice and support to the applicable Regulator in its oversight of the responsible Operator.  Each Regulator has a website where information is provided to the public, such as weekly activity reports, production reports, spill summaries, major incident bulletins and disclosures, etc.  The federal *Access to Information Act* applies to the Regulators and is a mechanism for the public to access information held by the Regulators, while at the same time protecting the proprietary information of Operators. |
| **Transparency:** |
| **Research** | The Environmental Studies Research Funds (ESRF) is an offshore oil and gas research program which sponsors environmental and social studies. It is designed to assist in the decision-making process related to oil and gas exploration and development on Canada's frontier and offshore lands. The funding for the ESRF is provided through levies on frontier lands paid by interest holders such as the oil and gas companies. The ESRF Management Board includes representatives from the Regulators and other prescribed stakeholders.  In addition to the ESRF, the Regulators provide advice to several other research bodies and initiatives regarding offshore oil and gas research priorities and opportunities. The Regulators determine eligibility of research and educational initiatives by Operators for credit against their benefits plans commitments. |
| **Profile Date:** | April 2024 |