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Alberta Scan

Issue 1088

week ending 1 February 2019

Orphaned...

This week intense pre-election campaigning by the NDP and the UCP continued with a focus on Calgary and region. Overshadowing the activity was a decision by Canada's Supreme Court on wells abandoned by the industry. As the end of the month approached, the government made adjustments to its oil curtailment program.

UCP leader **Jason Kenney**, speaking in Calgary to the Calgary Real Estate Board, called for federal lending policies through the Canada Mortgage and Housing Corporation (CMHC) to exempt Alberta. Stress tests currently in place in Alberta are twice the expected rise in interest rates in an Alberta market that has been flat since 2015, **Kenney** said.

"The Alberta NDP has done and said nothing to fight for Albertans hurt by this unfair policy imposed by their **Trudeau** Liberal Government allies," **Kenney** said in a partisan attack on **Rachel Notley's** government. "As soon as the Legislature convenes, we will present a motion calling on the federal government to exempt Alberta from the CMHC stress test, and if elected we will build a coalition with other provinces whose economy has been hurt by this Liberal policy."

Orphaned wells. The Supreme Court of Canada ruled January 31 that bankrupt oil companies must clean up their projects before paying other creditors.

The court overruled Alberta lower court decisions that said the insolvent companies could pay other creditors first, in effect leaving the environmental clean up bill for others to pay, allowing the companies to walk away from the responsibility. The Supreme Court decision is [here](#).

Energy minister **Marg McCuaig-Boyd** said Albertans are better protected now from irresponsible operators in the system.

Her news conference reacting to the decision is [here](#).

Alberta's Orphan Well Association (OWA) said it is taking time to understand its impact.

"This decision has potential impacts to not only the OWA but to the regulatory and financial community as well as oil and gas producers and will take time for those involved to determine next steps" the association [said](#).

The Pembina Institute said the decision is welcome for reinforcing the idea that polluters are responsible for their clean up obligations but noted the assets available are often insufficient to cover the full cost.

That usually leaves taxpayers with the bill.

"Over the last five decades Alberta's clean up obligations have steadily grown, and now include over 80,000 inactive oil and gas wells, facilities, and pipelines as well as 1.4 trillion litres in fluid oil sands tailings," Pembina analyst **Jodie McNeill** said. "The government of Alberta officially estimates it will cost \$57 billion to cleanup these sites, though there are ongoing concerns about the accuracy of this figure. Only \$1.2 billion is currently held in securities to protect the public."

The Pembina reaction is [here](#). □

Government Scan...

The following announcements were made this week by the provincial government. The title of the announcement, as written by the government, is in bold. Cabinet

decisions, called Orders in Council, are marked with the abbreviation “OC” and the number of the decision. Copies of the full text of the OCs mentioned below are available online [here](#).

Alberta Gaming, Liquor and Cannabis (AGLC)

25 January 2019

Improvements to Alberta’s Cannabis Supply Support Additional Retail Licences

AGLC announced it will issue ten additional retail cannabis licences because supply challenges have shown some improvement.

Issuing a limited number of new licences still effectively manages the cannabis supply shortage by ensuring there is sufficient inventory available for current retailers, while allowing some applicants in the queue to open their stores, AGLC said.

The additional licences will be issued to the first 10 applicants that have met all licensing conditions after the decision was made to stop issuing licences. AGLC has maintained a queue of approved retailers on a first-in, first-out basis to ensure an equitable

process.

Details are available [here](#).

Culture and Tourism

31 January 2019

Alberta’s First Artist in Residence Revealed

Culture minister **Ricardo Miranda** appointed Edmonton’s **Lauren Crazybull** as the province’s and Canada’s first Artist in Residence.

She will:

- ▶ travel to communities across Alberta to promote the importance of artists and the arts.
- ▶ attend cultural events like Alberta Culture Days and the Lieutenant Governor’s Art Awards.
- ▶ create a painted collage of Alberta using portraits and Indigenous languages to highlight Indigenous stories across the province.

Details are [here](#).

26 January 2019

New Community Supports Help Combat Racism

Culture minister **Ricardo Miranda** announced 33 organizations will receive anti-racism community grants to create greater awareness and cross-cultural understanding to reduce racism.

The Alberta government is providing more than \$600,000 through two funding streams.

Details are [here](#).

Energy

30 January 2019

Oil and Gas Conservation Act (section 10); Oil Sands Conservation Act (section 20); Responsible Energy Development Act (section 68).

Cabinet passed the Curtailment Rules Amendment Regulation. OC 34/2019.

The regulation puts in law changes to the government’s limit on oil production.

In response to new storage data, Alberta is increasing production in February and March to 3.63 million barrels per day, which is a 75,000 barrel per day increase from the January limit of 3.56 million barrels per day.

Details of the announcement are [here](#).

...continued next page

Recent Consultant Lobbyist Registrations

The following lobbyists recently registered to represent the clients below with Alberta’s lobby [registry](#).

Consultant Lobbyists (in order of registration)

Registered	Client	Lobby Firm	Lobbyists	Target Departments/Organizations
29-Jan-2019	Genstar Development Co	Tom Olsen Public Affairs Inc	Thomas Olsen	Alberta Legislative Assembly
Decision: Setback from landfill site impacting residential development. Arranging a meeting(s) with an MLA to assist client in achieving a variance on the above decision.				
26-Jan-2019	Prosper Petroleum Ltd.	Alberta North Projects Ltd.	Christopher Ghazouly	Alberta Energy
Decision: Order in Council - Rigel Project as recommended by the Alberta Energy Regulator (AER) submitted to the energy minister on August 15, 2018 for the Order in Council. To proceed with an Order in Council related to the AER decision on <i>Oil Sands Conservation Act</i> application No. 1778538 for the Rigel Project.				
25-Jan-2019	MaXfield	New West Public Affairs	Sonia Kont, Michael Solberg, Monte Solberg	Alberta Energy, Alberta Transportation, Alberta Legislative Assembly

Program or Policy: Premier’s procurement of rail cars to address oil differential and market access issue. MaXfield is seeking information on an eventual Request for Proposals (RFP) and how the company can be successful in winning that RFP.

Alberta Scan

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Photocopying

Please do not photocopy this publication. Every photocopy makes it more difficult to gather useful information on your behalf.

Research

Thanks to staff at the Legislature Library for their ongoing help with researching items in this newsletter.

Political Monitor

Word of Mouth Communications provides *Alberta Political Monitor*, a service about ongoing policy developments. Call or email for further information.

Seminars on Alberta Politics

Word of Mouth Communications offers presentations of varying lengths about how the Alberta government decides and how the Cabinet Policy Committee process works. Call or email for further information.

Feedback

If you have suggestions to improve *Alberta Scan*, please contact:

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...government

Parliamentary Budget Officer (PBO)

31 January 2019

Canada's Purchase of the Trans Mountain Pipeline – Financial and Economic Considerations

The federal Parliamentary Budget Officer issued a report estimating that the Trans Mountain Pipeline and the Trans Mountain Expansion Project (TMEP) have a value of between \$3.6 billion and \$4.6 billion.

The study also estimates that the peak annual impact on real gross domestic product and employment due to the construction of the TMEP would be 0.11 per cent and 7,900 jobs in 2020; this would decline thereafter.

The study is [here](#).

Premier

30 January 2019

Keeping Thousands of Calgarians Moving

Premier **Rachel Notley** and Calgary mayor **Naheed Nenshi** officially signed an agreement on funding the Green Line LRT project.

The province has promised \$1.7 billion towards the estimated \$3 billion

project, funded through the carbon levy. Leader **Jason Kenney** has promised to eliminate the tax if the UCP is elected.

“The Green Line is made possible through provincial funding raised through the Climate Leadership Plan,” **Notley** said in a statement. “Revenue from the plan, including the carbon levy, is reinvested to grow and diversify Alberta’s economy and rebated to Albertans. Support for green infrastructure projects, like transit, are included.”

Details are [here](#).

Transportation

29 January 2019

Protecting Calgary from Future Floods

Transportation minister **Brian Mason** announced the provincial government acquired 188 hectares (465 acres) of land needed for the Springbank Off-Stream Reservoir (SR1).

When completed, the project will work in concert with the Glenmore Reservoir in Calgary to contain the same volume of water that resulted in the 2013 flood.

Discussions are ongoing with landowners, First Nations, including the Tsuut’ina Nation, and Rocky View County. Details are [here](#). □

Appointments Scan...

The provincial government made the following appointments this week. Cabinet appointments are

followed by the Order in Council (OC) number of the decision. The full OCs are available online [here](#).

Workers' Compensation Board (WCB)

18 January 2019

New WCB-Alberta President and CEO

The WCB board of directors appointed **Trevor Alexander** as WCB-Alberta’s new president and CEO, effective March 18, 2019.

Alexander has 32 years of workers’ compensation experience, most

recently as the senior vice-president, operations, of WorkSafeBC.

“I believe strongly that WCB-Alberta is on a service journey to a more worker-centric approach to the system,” said **Alexander**. “I’m excited about leading this journey to serve the workers and employers of this province, while maintaining a financially sustainable system.”

Details are [here](#). □