



AB Today – Daily Report July 19, 2019

Quotation of the day

“We respectfully request your review of our detailed company-by-company analysis and that you work with us to provide the leadership on addressing this colossal and growing public liability.”

In a letter to Energy Minister Sonya Savage, the Alberta Liabilities Disclosure Project calls for transparency on oil and gas well cleanup liabilities.

Today in AB

On the schedule

The House is adjourned until Tuesday, October 22.

Premier Watch

Premier **Jason Kenney** kept up his summer of working the griddle outside the legislature Thursday morning for the Premier’s Pancake Breakfast, marking the start of K-Days in Edmonton.

Coalition calls for transparency on energy cleanup costs

The province should release a detailed “company-by-company analysis” of oil well liabilities in order to spur action on massive reclamation costs, says the Alberta Liabilities Disclosure Project (ALDP).

According to an analysis by the group — a coalition of landowners, environmentalists, former regulators, researchers and others — the cost to clean up Alberta’s abandoned oil and gas projects could be between \$40 billion and \$70 billion.

The data was first released in April, but got a renewed push this week when 10 individuals and organizations [sent a letter](#) to Energy Minister **Sonya Savage** and executives at the Alberta Energy Regulator (AER) calling for greater transparency and demanding action.

“We’re calling on the government to publicly release independently verified, undiscounted estimates of Alberta’s fossil fuel liabilities,” Boychuk said.

The United Conservative government dismissed the ALDP’s findings as anti-energy activism.

“Alberta Liabilities Disclosure Project is an advocacy group that includes several anti-development member organizations,” **Samantha Peck**, spokesperson for Minister Savage, said in a statement to *AB Today*.

“Well liabilities is an important issue in Alberta and in all oil and gas-producing jurisdictions and we will provide further comment on their findings once we have had the opportunity to review the report,” she added.

For its part, the AER estimates overall liabilities at \$58.55 billion — [\\$28.35 billion](#) for oilsands and coal mines and [\\$30.20 billion](#) for oil and gas wells. It said it has not independently verified the ALDP’s numbers, which are based on documents obtained by FOIP requests.

This week the ALDP also published [a list](#) naming 1,500 oil and gas companies alongside their estimated cleanup liabilities.

According to the ALDP, one firm alone — Calgary-based Canadian Natural Resources Ltd. (CNRL) — faces an \$11.9-billion cleanup bill for its 73,000 wells. That is by far the highest tab, but not the only sky high one: Second place Husky Energy Inc., also based in Calgary, stands to pay \$2.17 billion.

ALDP lead researcher **Regan Boychuk** suggests companies have been underreporting their liabilities, while both industry and the AER are underestimating the cost of per-well cleanup.

“When companies report their liabilities at discounted rates, without also reporting what it would cost to do the cleanup today, it makes them look — on paper — healthier than they are,” he said.

Currently, the province has just \$200 million is set aside in security deposits against the cleanup and no enforceable timelines. A previously-leaked presentation from AER officials to industry

insiders projected the average time needed to plug Alberta's 300,000 unreclaimed wells could be as long as 198 years.

A spokesperson for the AER told *AB Today* the regulator is "working with the Government of Alberta, who is responsible for setting policy, to ensure that industry—not the Alberta taxpayer—remains responsible for cleanup activity and costs," stressing that it is "reviewing its processes" and "changing the way it manages liability."

Elections Commissioner issues more than \$91,000 in new fines in connection with 'kamikaze' campaign

The Alberta Election Commissioner levied more than \$91,000 in new fines — including \$70,000 against former UCP leadership candidate **Jeff Callaway** — in connection with his so-called "kamikaze" campaign.

The new fines include a \$15,000 penalty for colluding with **Robyn Lore** to circumvent the 2017 UCP leadership campaign's contribution limit, an \$8,000 fine for soliciting or accepting a \$60,000 contribution that was from a prohibited person or entity, a \$5,000 fine for knowingly making a false statement to the Elections Alberta chief financial officer, and 23 fines to individuals who furnished funds.

The fine related to the illegal \$60,000 donation aligns with earlier reporting in *Maclean's*, which [revealed](#) that Callaway's campaign assistant **Cam Davies**, at the behest of his employer, said he received \$60,000 in his personal bank account from a corporation called Agropyron Enterprises Ltd. — its CEO is the aforementioned Robyn Lore.

About half the money was given directly to Callaway in cash and the other half was handed to would-be donors so they could make contributions to the campaign, according to Davies.

The latest batch of fines brings the total to \$189,600 in connection with the campaign.

Callaway ran against now Premier **Jason Kenney**, former Wildrose leader **Brian Jean** and now Justice Minister **Doug Schweitzer** in the race. Documents show Callaway and Kenney shared campaign materials and that Callaway was running to attack Kenney's main rival, Jean.

Callaway, a relative unknown, then dropped out before the leadership vote.

An improper contribution from **Hardyal "Happy" Mann**, an ex-UCP candidate-turned-whistleblower, was listed among the latest elections commissioner fines

Earlier this year, Mann [blew the whistle](#) on the alleged campaign plot, saying he was at Callaway's house on July 19, 2017 when Kenney and others decided Callaway would run a campaign to discredit Jean before dropping out of the race.

Mann was disqualified from running as a UCP candidate after members of his campaign assaulted a local radio journalist.

NDP Ethics critic **Heather Sweet** called for Kenney to denounce the “illegal activity” within his party and expel Callaway and his campaign from its membership.

“The sheer scale of illegal behaviour inside the UCP is truly disgraceful, and it reveals a culture of corruption,” Sweet said. “If Jason Kenney is unwilling to condemn the actions of the Callaway campaign, he is telling Albertans that he tolerates illegal behavior inside the party he leads.”

Upcoming events

July 20 at 2:30 p.m. — *Calgary*

Community and Social Services Minister **Rajan Sawhney** will speak at the Rath Yatra Hindu festival at Millennium Park.

July 20 at 4 p.m. — *Banff*

Culture, Multiculturalism and Status of Women Minister **Leela Aheer** will speak at the Banff Centre Midsummer Ball.

July 20 at 6:35 p.m. — *Edmonton*

Service Alberta Minister **Nate Glubish** will speak and present medals at the ITU World Triathlon elite men’s race in Hawrelak Park.

Topics of conversation

- Justice Minister and Solicitor General **Doug Schweitzer** is reviewing a decision by the province’s highest court requiring the *Mental Health Act* be reviewed after the victim of a hit and run was involuntarily hospitalized and medicated, the *Edmonton Journal* [reports](#).
 - Court of Queen’s Bench Justice **Kristine Eidsvik** ruled the *Mental Health Act* unconstitutional and has given the province 12 months to overhaul the law.
- A new [collection of essays](#) from the Fraser Institute blames policy for slowing investment in Canada’s oil and gas industry compared to the American sector.
 - From 2016 to 2018, upstream oil and gas investment increased 41 per cent in the U.S., but only by 15 per cent in Canada over the same period.
- The province [amended](#) an Employment Standards Regulation changed by the NDP that forced forest lookout observers to take time off after a certain number of hours worked.

- The change left up to 10 lookout towers unmanned, and, according to a CBC [investigation](#), allowed forest fires to burn undetected, in some cases for more than a day.
- “The previous government recklessly changed the operating hours of our lookout towers,” said Agriculture and Forestry Minister **Devin Dreeshen** in a news release. “They didn’t understand lookout towers require unique rules. This year we provided the necessary resources to our fire services team to ensure no fires went undetected.”

News briefs — Governmental

Ministry of Health

Alberta Health has selected accounting firm Ernst and Young LLP to conduct the review of Alberta Health Services.

The contract will cost \$2 million, and a final report is due back to the government by December 31, with an interim report expected in time for the September budget.

The review will look at the structure and organization of AHS and evaluate its programs, services and policies to look for cost and performance improvements. The goal is to find ways “to make AHS operations more responsive to the front lines and Albertans.”

Offering reassurance to AHS employees, Health Minister **Tyler Shandro** said he has respect and faith in the organization.

“This is not about blowing anything up,” Shandro said. “This is about building on the strength of our AHS employees.”

Lobbyist registrations

If you are looking for further information on any lobbying registry, it is all public and easily searchable [here](#).

Consultants who registered as lobbyists from July 12, 2019 – July 18, 2019

- **Natalie Sigalet**, Hill+Knowlton Strategies
 - **Clients:** SCcyber
- **Matt Wolf**, Hill+Knowlton Strategies
 - **Clients:** SICPA Product Security, LLC

- **Tom Olsen**, Tom Olsen Public Affairs Inc
 - **Clients:** Potential Place Clubhouse

- **Monte Solberg, Michael Solberg, Matt Solberg, Sonia Kont, Sarah Painchaud, Tristan Bray**, New West Public Affairs
 - **Clients:** Glenbow Museum

- **Mike Bailey**, Western Policy Consultants Inc.
 - **Clients:** SN Transport Ltd.

- **Denis Painchaud**, Baneret Consulting Inc.
 - **Clients:** AMGAS Services Inc.

- **Michael Lohner**, CSG Canadian Strategy Group Inc. (also operating as Crestview Strategy (Alberta))
 - **Clients:** Alberta Association of Orthotists and Prosthetists; Janssen Inc.

- **Hal Danchilla, Michael Lohner**, CSG Canadian Strategy Group Inc. (also operating as Crestview Strategy (Alberta))
 - **Clients:** Aviva Canada

- **Garry Keller, Brian Teefy**, StrategyCorp Inc.
 - **Clients:** JUUL Labs

- **Nick Koolsbergen, Lauren Klammer**, Wellington Advocacy Inc
 - **Clients:** ACM BC LNG Limited Partnership; Nautical Energy Ltd

- **Nick Koolsbergen, Lauren Klammer, Rachel Curran**, Wellington Advocacy Inc.
 - **Clients:** City of Edmonton

- **Bronte Valk, Jenelle Saskiw, Shayne Saskiw, Jonathon Wescott, Cam McKay, Zack Ziolkowski, Pascal Ryffel, Michelle Collins**, Alberta Counsel
 - **Clients:** Tiger Calcium Services Inc

- **Marnie Dawson, Jeff Sterzuk**, Prairie Sky Enterprises Ltd. (Prairie Sky Consulting)
 - **Clients:** Canadian Wind Energy Association; Carbon Clean Energy Inc.; EDP Renewables Canada Ltd.

- **Elan MacDonald, Brookes Merritt**, Global Public Affairs
 - **Clients:** LeafLink Inc.; Break Point Creative

Organizations that registered in-house lobbyists from July 12, 2019 – July 18, 2019

- Alberta Forest Products Association
- The Coal Association of Canada
- Canadian Wind Energy Association
- Tilray Inc.
- CNOOC Petroleum North America ULC
- Bristol-Myers Squibb Canada
- Alberta Canola Producers Commission
- Pembina Pipeline Corporation
- Wolf Infrastructure Management Inc.
- Students' Association of Bow Valley College
- FortisAlberta Inc.
- ENMAX Corporation
- Canada's Oil Sands Innovation Alliance
- Canadian Pacific
- Husky Energy Inc.
- Canadian Medical Association
- Alberta Beef Producers