



Proceeding into Odours and Emissions in the Peace River Area

Organizational Meeting Report

October 23, 2013

ALBERTA ENERGY REGULATOR

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Organizational Meeting Report

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INTRODUCTION

[1] On July 17, 2013, the Alberta Energy Regulator (AER) president and chief executive officer commenced this proceeding via a written request to the chief hearing commissioner to initiate an inquiry under section 17 of the *Responsible Energy Development Act (REDA)* to examine the issues and concerns related to odours and emissions from cold heavy oil operations in the Peace River area. The objective was to provide recommendations for solutions to address the concerns of the area residents. A panel of hearing commissioners was struck and an organizational meeting was scheduled to finalize the scope and process of the proceeding.

[2] In order to assist the participants in their preparation for the meeting, the panel issued a backgrounder, map, and proposed scope and process documents. These materials were available through the AER's website and provided directly to various stakeholders including residents in the area that have raised concerns with heavy oil operations in the area, local municipalities, heavy oil operators in the area, and agencies that have been working to resolve public concerns. Notice of the proceeding was also published in the provincial and local papers.

ORGANIZATIONAL MEETING

[3] The organizational meeting was held on October 7, 2013, in Peace River. Participants that provided comments, written or oral, are listed in appendix 1.

[4] The purpose of the organizational meeting was to receive comments from interested parties in order to finalize the scope and process of the proceeding. Peace River area residents were also invited to provide preliminary comments on their concerns about odours and emissions from heavy oil operations in the area. The final scope and process for this proceeding are outlined in appendix 2 and appendix 3, respectively.

[5] For ease of reading, the panel has chosen to convey the comments it heard and its decision in the following three areas:

- concerns of residents,
- scope, and
- process.

CONCERNS OF RESIDENTS

[6] At the organizational meeting, Peace River–area residents provided preliminary comments about their concerns. The residents' strongest concerns were with the impacts their community members have suffered as a result of the oil and gas industry's increased activities in the area. Specifically, the emissions and odours from the industry's activities have forced people to move from their homes due to health impacts such as headaches, nausea, and dizziness. Some residents commented that they have been disturbed at certain times of the day or year as the emissions seem to change depending of factors such as time of day, seasonal change, temperature, humidity, wind speed, and other factors. Others reported that they have had to leave their farms or lands due to the noxious emissions. Concerns were also raised regarding the health impacts the emissions may be having on the children in the area. Residents also commented on the impacts of emissions on the residents' animals, the environment, and food crops.

[7] Concerns were raised about the lack of regulations and guidelines in place to address the odour and emission problems. Residents have been told that operators have been operating within guidelines, but they understand that guidelines do not exist for total hydrocarbon emissions. Concerns were also raised with the ability of this proceeding to be able to provide an independent solution given the lack of solutions from past government actions. Comments were received regarding the lack of participation opportunities under the current regulatory scheme.

[8] The residents are also concerned with the transportation of energy resources obtained from the activity in the area. This included truck emissions, road safety, loading facilities, and rail safety. Other residents stated that there is an excessive amount of truck traffic in close proximity to their homes and that current routes are inappropriate and unsafe for the high level of truck and residential traffic.

[9] Concerns were raised about current avenues for access to information under existing freedom of information legislation. Residents felt it was an ineffective tool to obtain information and that there is a need to ensure that data is available in a transparent manner. Concerns were also raised with regard to lack of information about the different components in emissions. The residents commented there was a lack of independent studies, saying that the reports in the area were commissioned by industry and that the studies were not conducted properly. Further, some residents were concerned that the technology being used is relatively new, and that long-term studies of impacts have not been conducted.

[10] A major concern of the residents was that the past government and regulatory agencies' work in the area has not focused on solutions, but instead focused on monitoring and evaluating the current situation. The residents want the focus of this proceeding to not be on further discussions but to focus on implementing solutions, including those that are already being used by some of the operators in the area. The residents stated that the industry is expanding, which makes it even more important to find and implement solutions. The residents stated they did not agree with using masking agents as a solution for the emissions.

SCOPE

[11] A purpose of the organizational meeting was to receive comments regarding the proposed scope document in order finalize the scope of the proceeding. Participants commented that the

proceeding should focus on solutions to health impacts from emissions, including the cumulative and long-term impacts on the health of residents. This should include information from educators regarding impacts observed on the health of children in the area. Participants agreed that the proceeding should be focused on finding solutions to the impacts experienced by residents.

[12] The panel notes the comments from residents that much work has already been done in the area to monitor and assess the problem, and the community is requesting that the focus be on solutions. The panel agrees with this proposition that the proceeding should be on finding solutions to residents' concerns, especially the health issues and animal health impacts that have led to residents leaving their homes and lands. The panel considers that impacts on children are included in the human health issues which are within the scope of this proceeding.

[13] Comments were received that the scope of the proceeding should be expanded to be broad enough to allow for all impacts of the industry on the community to be included. This would expand to non-energy resource industries such as the pulp mill, but would not include the agricultural industry in the area. Clarification about whether thermal operations were to be considered in the proceeding was also raised. Transportation impacts from trucks and rail, as well as loading facilities, were also requested to be included in the scope.

[14] Regarding the types of operations that will be considered in this proceeding, the panel confirms that it will consider heavy oil operations, both cold and thermal. The panel understands that there are thermal and cold operations in the area and more thermal operations are being planned in the near future. The panel also understands that different technology is used in these different processes and therefore expects participants to include the applicability of the residents' concerns to emissions from thermal operations and potential solutions to those concerns. Regarding the definition of emissions, the panel will consider emissions whose source is heavy oil operations that may be the source of the health impacts that the residents are concerned with. This would include the transportation of energy resources from these operations, including heavy oil truck tank vapours from loading and offloading facilities. As the purpose of the proceeding relates to heavy oil operations, the panel is of the view that other industries that contribute emissions to the area, such as the pulp and paper mill and the agricultural industry, are outside the scope of this proceeding.

[15] Some participants requested that the entire regulatory scheme should be included in the scope, including the ability for residents to participate in the current processes as well as identification of jurisdictional gaps in the current scheme. The ability of the public to access information related to emissions in the area should also be considered as well as communication and transparency between stakeholders. Participants also requested that the monitoring, enforcement, and complaint response regime should be included in the proceeding. They also raised concerns with noise and requested that it be included.

[16] Participants agreed that there is a need to make this proceeding as expeditious as possible, keeping in mind the need for a thorough and comprehensive process. In this light, there were some suggestions to expand the scope of the proceeding to include the entire regulatory scheme. This is far beyond the purpose of this proceeding, which relates to emissions and odours in the Peace River area and which may be grounds for further investigations or consideration by the Alberta Energy Regulator outside this particular proceeding. Further, the letter commencing the proceeding is clear that the focus of this proceeding is on finding solutions to public concerns

from emissions and odours, and the panel is of the view that impacts such as noise are outside the scope of this proceeding.

[17] The panel received comments that the scope of the proceeding should be expanded to include consideration of impacts on ecosystems, including soil, water, and air. Regarding the geographic area in scope of the proceeding, it was suggested that the entire airshed should be included. The panel is of the view that, in considering potential solutions, it will consider the environmental as well as the social and economic impacts of those solutions. The proposed scope document identifies meteorological issues as in scope, and the panel expects to consider information about the airshed as it relates to the odour and emission issues in the area.

[18] Comments were received suggesting the scope should be expanded to include the history of operations in the area as well as current initiatives and activities in the area.

[19] The panel understands the need to conduct this proceeding in a timely, but thorough, manner, and the panel encourages participants to focus on solutions rather than on the history of issues in the community. Participants suggested that an important issue to be considered is the current initiatives that are underway to address the concerns. The panel agrees that in order to develop appropriate solutions to the issues, it is important to understand the current activities being undertaken to assess and respond to concerns by government agencies, industry, and other stakeholders. The panel anticipates receiving submissions from these groups that would outline current and proposed work in this area and notes that the Peace Airshed Zone Association (PAZA) has already provided such a submission.

[20] The participants stressed that emissions should be the focus of the proceeding, not simply odours, as odours can be masked, can be hard to monitor, and are transitory. Finally, participants requested that the proceeding should also consider future impacts and the ability to resolve future issues between industry and the public.

[21] Regarding consideration of the future development, the panel finds that it will be important to consider information related to the long-term effectiveness of the proposed solutions in order to achieve the proceeding's objective. As much as possible, the panel would expect that industry participants would address the long-term effectiveness of the proposed solutions in light of their intended development. This does not negate the need for the proposed solutions to address the current concerns of the residents and the ability of proposed solutions to be implemented and have effect in the short term.

[22] Based on the above discussion, the panel has amended its proposed scope document and issued a final scope in appendix 2.

PROCESS

[23] The second purpose for the organizational meeting was to receive and consider comments regarding the proposed process and procedures that would govern the conduct of the proceeding. Participants' comments focused on methods of collection and dissemination of information, oral hearing procedures, requirements for registration and participation, participant funding, selection of independent experts and scheduling.

[24] Several participants spoke in favour of a comprehensive process for the gathering and dissemination of information and for the selection of independent experts. Comments regarding effective information gathering included using interviewing procedures, site visits, and information request processes, as well as compelling participants to identify and produce all information relevant to the inquiry. Participants supported the idea of an online registry of documents as an efficient means for disseminating information; however, it was also pointed out that persons unfamiliar with online or electronic sources of information may need a local venue in the Peace River area where they might gain access to hard copies of information related to the proceeding.

[25] Participants also expressed a desire to be engaged early on in the panel's process of selecting independent experts. This included the disclosure by the AER of the names, subject matter areas, and credentials of its proposed experts and being able to provide comments and suggestions for the AER to consider prior to their selection of experts. It was also suggested that experts should not be selected until after all of the necessary information has been gathered. A number of parties also indicated that the process should allow for a written response to proposed solutions and recommendations made by participants and independent experts.

[26] A number of comments related to the processes that would govern the oral hearing phase of the proceeding. Some of these comments related to specific points of procedure such as the swearing of witnesses, the time required for the hearing, and whether there would be time limits on oral comments. Other comments were geared towards the procedures by which evidence might be tested, which parties might be subject to questioning, and the scope and extent of any questioning of parties or witnesses. Some participants suggested modifications to the oral hearing process, such as adding additional organizational meetings or hearing phases.

[27] Many participants residing in the Peace River area shared the view that they would need access to and funding for legal, technical, or other experts in order to participate effectively in the proceeding. This included selecting and retaining experts to provide reports and information, hiring a lawyer to assist with bringing their position and information forward in the oral and written phases of the proceeding, and all reasonable expenses associated with preparing comments and attending meetings and the oral proceeding. Some parties expressed a willingness to work as a group so that legal and other resources might be shared. Some questions were raised as to the process for determining participant eligibility for funding and by whom those costs would be paid.

[28] Some participants asked the panel to consider imposing an early registration procedure for those who intended to participate at future oral proceedings, including government departments and agencies. The purpose of such a procedure would be to prevent parties from registering and speaking for the first time at an oral proceeding and to allow participants to know the extent to which government departments and agencies would be available to speak to their reports.

[29] A number of parties commented that the proposed schedule for the proceeding was too compressed given the need for a thorough and comprehensive consideration of the facts and issues within the scope of the proceeding. Representatives from industry and many local area residents expressed a desire to extend the schedule for the proceeding. Requests to extend the proceeding ranged from adding one month to as much as eight months (concluding in July or August 2014), though some of the requests were less specific on the length of the extension. The

Minister of Energy, by way of written submission, stressed the need to expedite the process and suggested that the AER have its report and recommendations complete by December 31, 2013. Other parties also spoke in favour of the panel setting out a specific date by which the panel would complete its report and recommendations.

[30] The panel noted that a common theme at the meeting and in written submissions was that the proceeding needs to have a process that is relatively expedient in order to deal with the urgency of concerns in the area, but at the same time it needs to be comprehensive enough to allow for a meaningful consideration of the facts and issues that will inform recommendations for solutions. In making its decision on the processes by which the proceeding will be conducted, the panel has tried to balance the competing concerns about thoroughness and expediency.

[31] The panel accepts that the process must be comprehensive, fair, and inclusive in order to develop fully informed recommendations. This applies to both the information gathering stage and the proposed solutions stage. As such, the proceeding will include the following expanded processes, in accordance with the schedule and description in appendix 3 of this report:

- The panel will provide registered parties with a list of its proposed independent experts together with a preliminary list of the proposed issues or questions to be addressed in the expert reports. Parties can provide comments on the proposed experts and areas of expertise, and the panel notes that some participants have already provided such a list. A final list of independent experts and the issues or questions they will be asked to address will be provided to the parties following the panel's consideration of the parties' comments on experts.
- The panel will provide a list of reports and documents relevant to the scope of the proceeding to registered parties and intends to make these documents available on the AER website.
- As the panel feels it is important to focus on solutions to the concerns of Peace River–area residents, an additional sub-phase has been added to the written process of phase 3 for identifying solutions and recommendations for possible technical and regulatory changes. All parties will now have the opportunity to evaluate and respond to potential solutions and recommendations submitted by parties in the initial phase of this process and to further refine their own proposed solutions and recommendations;

[32] In addition to the above, the panel intends to inquire as to the participation of those Alberta government departments and agencies who have done previous work or who may have relevant experience on issues within the scope of this proceeding. The panel plans to notify parties registered in this proceeding of the responses of these agencies and departments in early November 2013.

[33] The panel notes that the present proceeding was commenced by the AER on its own initiative and is therefore subject to the *Alberta Energy Regulator Rules of Practice (Rules of Practice)*. The panel is of the view that the *Rules of Practice*, specifically part 2 “Hearings on Applications,” provide an adequate framework of procedures that will govern the oral and written components of this proceeding. Where the circumstances require, the panel can supplement, vary, or dispense with these rules.

[34] Part 5 of the *Rules of Practice* provides an adequate mechanism by which costs may be requested, considered, and awarded on a case-by-case basis to Peace River–area residents who participate in the proceeding. However, the panel noted that the concerns expressed by residents at the organizational meeting were very similar, and the panel strongly encourages these participants to consider forming a group in order to minimize the amount of funds required for legal representation or other resources. As the present proceeding does not relate to a specific licensee, operator, or approval holder, the panel expects that part or all of costs claims awarded to Peace River–area residents who participate in the proceeding will be paid by the AER.

[35] The panel agrees that there should be a process whereby parties must register in advance of participating and making comments at the final oral proceeding in order that all parties might have a fair chance to respond to comments that may adversely impact their position. Persons must therefore file written comments in either phase 2 or phase 3 of the proceeding in order to participate and make comments at the oral proceeding. The oral phase would then permit parties to provide a high-level overview of their written submission and then an opportunity to respond to questions about their written submission.

[36] The panel issued the notice of this proceeding on September 18, 2013, and held the organizational meeting as soon as practical, on October 7, 2013, in accordance with the July 17, 2013, letter from AER CEO Jim Ellis, which initiated the proceeding. Although no specific direction was given as to the date by which the proceeding is to be completed, the panel understands from the letter that there is some urgency in having the proceeding completed. The panel considered similar expressions of urgency in the Minister of Energy’s suggestion to have the panel’s report completed by December 31, 2013.

[37] However, the Minister and the AER CEO stress that the purpose of the proceeding is to address area residents’ concerns and allow for a meaningful forum by which landowners can express these concerns. The majority of area residents also recognized the need to move quickly in developing solutions but expressed a desire to extend the process in order to have the issues effectively considered. As stated by one concerned resident, if the long-standing issues with heavy oil operations in the Peace River area could be quickly and easily disposed of, they would already have been resolved.

[38] Concluding the proceeding by the end of July or August 2014 would certainly allow for a more comprehensive process of gathering and considering evidence, but would not align with the need for expediency. There was little indication that additional relevant information would be uncovered through a greatly expanded information gathering process, and this must be considered proportionately in light of the scope of the proceeding and the need for expediency. Justice Vertes stated the following in *Preferential Access Inquiry*:¹

We did not, and should not, have the luxury of carrying on our work indefinitely in some expectation that more evidence would necessarily be better evidence. Evidence needed to be presented in a manner proportionate to its significance to our mandate. Participants in this process had to be mindful of the cost and the time expended.

¹ Hon. John Z. Vertes, *Health Services Preferential Access Inquiry – Final Report* (Alberta Health Services, August 21, 2013) vol. 1, pg. 73, para. 3, <https://healthaccessinquiry.com/>.

[39] As might be expected, the panel's decision on scheduling of the proceeding was not only driven by parties' specific comments on scheduling, but also by the panel's decisions on the other process issues above and the final scope of the proceeding. Expanding the processes and scope of the proceeding requires the panel to extend the schedule for the proceeding by approximately six weeks. The panel is satisfied that extending the proceeding schedule in this way will lead to better information and evidence upon which to make recommendations. The panel believes the revised process and schedule is fair to all participants and strikes the necessary balance between objectives of thoroughness and inclusivity with the stated need for expediency in the proceeding.

CONCLUSION

[40] For the reasons above, the proceeding will examine and make recommendations on the issues within the scope of this proceeding as identified in appendix 2 of this report. The proceeding will be conducted in accordance with the schedule and processes identified in appendix 3.

Dated in Calgary, Alberta, on October 23, 2013.

ALBERTA ENERGY REGULATOR

<original signed by>

B. T. McManus, Q.C.
Presiding Hearing Commissioner

<original signed by>

C. Macken
Hearing Commissioner

<original signed by>

T. Engen
Hearing Commissioner

APPENDIX 1 MEETING PARTICIPANTS

Organizations

- Alberta Department of Energy
 - Minister Ken Hughes (written submission only)
- Baytex Energy
 - K. Miller, Counsel
 - M. J. Desrosiers (written submission only)
- Husky Oil
 - A. Drew-Brook (written submission only)
- Métis Nation of Alberta Region 5
 - W. Andreef
 - B. New (written submission only)
- Northern Sunrise County
 - C. Kolebaba
- Peace Airshed Zone Association
 - D. Morissette (written submission only)
- Shell Canada
 - T. Grimoldby, Counsel
 - B. Blachford
 - M. Mayes (written submission only)

Individuals

- T. Breau (written submission only)
- J. Colter (written submission only)
- D. Dahm
- D. Dallyn
- L. & N. Ethier (written submission only)
- R. Glenn
- K. & A. Labrecque
 - EcoJustice (B. Robinson), Counsel
- M. & L. & B. Labrecque
 - K. Wilson, Counsel (written submission only)
- M. & L. Labrecque (written submission only)
- V. Labrecque
- V. & M. Laliberte
- C. Langer
- O. Langer (written submission only)

B. Osborne (written submission only)

D. Plowman

Alberta Energy Regulator Staff

D. Burns, AER Counsel

L. Chartrand

B. Curran

E. McKellar

D. Miles

M. Schuster

S. Sexton, AER Counsel

J. Vaughan

APPENDIX 2 FINAL SCOPE OF THE PROCEEDING

Introduction

The AER has established a panel of hearing commissioners to conduct a proceeding into odours and emissions associated with heavy oil operations in the Peace River area.

Purpose, Mandate, and Objective

The purpose of the proceeding is to examine the issues and concerns of Peace River–area residents related to odours and emissions associated with heavy oil operations in the Peace River area.

The mandate of the panel is to develop recommendations for solutions, which may include regulatory change that would address the issues and concerns of area residents and take into account potential economic, social, and environmental impacts of any recommendations resulting from the inquiry.

The objective of the proceeding is to provide a public process by which concerned stakeholders will be afforded a formal opportunity to have their views, concerns, and advice considered by the panel in completing its mandate.

Issues

The panel will have regard for the following matters:

- 1) Impacts from heavy oil operation emissions and odours, as expressed in the concerns of Peace River area residents and other local stakeholders;
- 2) Relevant expert scientific information about human and animal health impacts from emissions and odours related to heavy oil operations;
- 3) The nature and sources of odours and emissions associated with heavy oil operations, including the transportation of energy resources from these operations, and the monitoring of those emissions in the area;
- 4) Existing Government of Alberta and AER policies, initiatives, and regulations relating to flaring, incinerating, venting, and air quality standards to determine if amendments are needed to address odours and emissions from heavy oil operations;
- 5) Possible technical and regulatory solutions that address short-term and long-term impacts of odours and emissions from present and future development of heavy oil operations in the area (including current stakeholder initiatives, potential regulation amendments, opportunities for solution gas gathering or conservation, and access to information regarding development in the area);
- 6) Potential impacts on licensees/operators of mandating reduction of emissions from heavy oil operations; and

- 7) Specific geographic and geological information about the relevant play within the Peace River area, its reserves, and recovery potential. This would include consideration of potential economic, social, and environmental impacts of recommendations made by the panel to the Government of Alberta, local municipalities, the public, industry, and other stakeholders.

Participants

Potential participants in the proceeding include the following:

- Peace River–area stakeholders (including local residents, municipal representatives and licensees/operators of heavy oil operations);
- other agencies and regulators such as Alberta Environment and Sustainable Resource Development, Alberta Health, and the Department of Energy;
- subject matter experts in the areas of flaring, venting and incinerating, and health impacts relating to emissions;
- subject matter experts in the areas of emissions and odour management;
- other parties that the panel considers to have relevant expertise or experience in the area of emissions and odours from heavy oil operations; and
- other parties with a demonstrated stake in outcome of the inquiry process.

Deliverables

The panel will provide a final report with recommendations. The report will be provided to registered parties and made available on the AER website.

APPENDIX 3 FINAL PROCESS FOR THE CONDUCT OF THE PROCEEDING

The AER has established a panel of hearing commissioners to conduct a proceeding into odours and emissions associated with heavy oil operations in the Peace River area. The proceeding will be conducted as proposed below, in accordance with the principles of fairness, transparency, thoroughness, and inclusivity; however, the panel reserves the right to vary the schedule as needed.

Registering for the Proceeding

Registration is not required to participate in the proceeding. However, parties that register will receive direct and timely information. Parties wishing to participate or receive further notices and documents related to the proceeding are asked to register in accordance with the instructions in the Notice of Proceeding (<http://www.aer.ca/applications-and-notices/notices/proceeding-1769924>).

Participating in the Proceeding

Interested parties (area residents, licensees/operators, government departments and agencies, municipalities, and subject matter experts) can participate in the proceeding by

- providing oral and/or written submissions about concerns with heavy oil operations in the Peace River area and how to address those concerns;
- attending public meetings to make oral presentations, present expert information, and ask questions; and
- using other methods that may be identified during the organizational meeting and agreed upon by the panel.

Note: Only those persons that file written comments in phases 2 or 3 of the proceeding can participate in the oral proceeding.

Rules of Practice and Procedure

The AER's *Rules of Practice* apply to the proceeding unless otherwise varied, supplemented, or dispensed with by the panel.

Documents and information related to the proceeding are available on the AER website (www.aer.ca), at the Peace River Provincial Building (Room 211 Provincial Building, 9621 – 96 Avenue, Peace River, AB), or via e-mail request to PeaceRiverProceeding@ aer.ca. All information considered by the panel in the course of the proceeding will form part of the public record of the proceeding. Interested parties will have opportunities to comment on any information that is on the public record.

Conduct of the Proceeding

The proceeding will be conducted in accordance with the schedules below:

| PHASE 1: ORGANIZATIONAL MEETING | |
|---|-------------------|
| Written comments to the panel (for the organizational meeting) | October 4, 2013 |
| Organizational meeting | October 7, 2013 |
| Written decision about scope and conduct of the proceeding | October 23, 2013 |
| PHASE 2: EXPERT SELECTION AND INFORMATION GATHERING (WRITTEN) | |
| Comments from Parties on proposed Experts and Reports | October 30, 2013 |
| Written comments on the issues within the scope of the proceeding | November 25, 2013 |
| PHASE 3: SOLUTIONS AND RECOMMENDATIONS (WRITTEN) | |
| Written comments on the potential recommendations for solutions within the scope of the proceeding. | December 13, 2013 |
| Respond to and finalize solutions and recommendations | January 10, 2014 |
| PHASE 4: ORAL PROCEEDING | |
| Oral Proceeding | January 21, 2014 |

Detailed Schedule of the Proceeding Processes

| PHASE 1: ORGANIZATIONAL MEETING | |
|--|--------------------------------------|
| An organizational meeting will be held to finalize the proposed scope and process of the proceeding. Before the meeting, interested parties may provide written comments on the scope and process documents. | |
| Written comments | <u>Due by October 4, 2013</u> |
| <ul style="list-style-type: none"> The panel invites written comments on the proposed purpose and objectives of the proceeding and how it will be conducted as set out in the proposed scope and process documents. Written comments will assist the panel in conducting the meeting; however, they are not required in order to participate in the meeting. Comments should be submitted to the panel at PeaceRiverProceeding@aer.ca by October 4, 2013. Peace River–area residents may also provide preliminary comments about the nature and scope of their concerns about odours and emissions from heavy oil operations in the Peace River area. | |
| Oral comments at the organizational meeting | October 7, 2013, at 9:00 a.m. |
| <ul style="list-style-type: none"> The meeting will begin with a brief overview of the proposed purpose, objectives, and conduct of the proceeding. Interested parties may provide their oral comments to the panel on the proposed scope and process of the proceeding. Peace River–area residents may also provide preliminary comments on their concerns about odours and emissions from heavy oil operations in the Peace River area. | |
| Written decision from the organizational meeting | October 23, 2013 |

PHASE 2: EXPERT SELECTION AND INFORMATION GATHERING (WRITTEN)**List of proposed documents and experts****October 24, 2013**

- Based on the final scope of the proceeding, the panel will provide to registered parties a list of subject matter areas and the names of potential experts in those areas. The panel will also provide a preliminary list of the proposed issues or questions to be addressed in the expert reports.
- Based on the final scope of the proceeding, the panel will provide a list of reports and documents relevant to the scope of the proceeding.

Comments from parties on proposed documents and experts**Due by 4:00 p.m. October 30, 2013**

- Parties may provide written comments on the proposed experts list, the proposed issues to be addressed in the expert reports, and the list of potentially relevant reports and documents.
- Parties may identify other subject matter experts and additional issues to be addressed in the expert reports.
- Parties may, in their written comments, identify additional reports and documents that are relevant and would be of assistance to the proceeding. The panel may add these additional reports and documents to the list of reports and documents relevant to the proceeding.

Final list of documents, experts, and expert report topics**Early November 2013**

- The panel will provide registered parties with a final list of subject matter areas and the names of experts it has retained to provide reports in those areas. The panel will also provide the final list of topics, issues, or questions to be addressed in the expert reports.
- The panel will direct independent experts to prepare reports on the topics, issues, or questions identified by the panel.
- The panel intends for the reports and documents identified in the list to be made available on the AER website.

Factual background**Due by 4:00 p.m. November 25, 2013**

The panel will investigate the factual background and issues relating to the proceeding through written comments from interested parties.

Any party may submit written comments on any of the following issues; however, the panel particularly encourages

- written comments from interested parties (including any further comments from Peace River–area residents) regarding odours and emissions from heavy oil operations in the Peace River area and related impacts on human and animal health;
- written comments from area operators and licensees on the following issues:
 - production and transportation of heavy oil;
 - relevant geological and geographic information including potential sources or causes of odours and emissions from heavy oil operations;
 - relevant standards in Alberta and other jurisdictions, including any comparisons and identification of perceived advantages or shortfalls;
 - best management practices, including regulatory and non-regulatory tools, used in other jurisdictions or in other industries that may be applicable; and
 - how Peace River–area operators/licensees are addressing concerns about odours and emissions, including implemented and planned initiatives;
- written comments or reports from regulatory bodies on current requirements and regulatory changes being undertaken or anticipated to be undertaken related to odours and emissions from heavy oil operations in the Peace River area; and
- written reports from independent experts on the topics, issues, or questions identified by the panel.

Note: Only those persons that file written comments in phases 2 or 3 can participate in the oral proceeding.

| PHASE 3: SOLUTIONS AND RECOMMENDATIONS (WRITTEN) | |
|---|--|
| Phase 3A: Initial solutions and recommendations | <u>Due by 4:00 p.m. December 13, 2013</u> |
| <ul style="list-style-type: none"> The panel invites participants to respond to the facts and issues raised by written comments from participants in Phase 2 of the proceeding by providing potential solutions and recommendations for possible technical and regulatory changes. Potential impacts on licensees/operators as a result of the possible solutions and recommendations should also be addressed. | |
| Phase 3B: Respond to and Finalize solutions and recommendations | <u>Due by 4:00 p.m. January 10, 2014</u> |
| <ul style="list-style-type: none"> Participants may evaluate and respond in writing to the initial solutions and recommendations raised in the written comments from participants in Phase 3A of the proceeding, and provide any further written comments for possible technical and regulatory changes. Potential impacts on licensees/operators as a result of the possible solutions and recommendations should also be addressed. <p>Note: Only those persons that file written comments in phases 2 or 3 can participate in the oral proceeding.</p> | |
| PHASE 4 - ORAL PROCEEDING | |
| Hearing | January 21, 2014 at 9:00 a.m. |
| <p>The panel will conduct an oral proceeding in Peace River to allow</p> <ul style="list-style-type: none"> interested parties to address key items from the written comments with a focus on final solutions and recommendations and interested parties and the panel to ask questions. <p>Note: Only those persons that have filed written comments in phases 2 or 3 can participate in the oral proceeding.</p> | |
| FINAL REPORT | |
| <ul style="list-style-type: none"> The panel anticipates that phases 2, 3, and 4 will provide sufficient information for the panel to issue a report setting out its findings and recommendations for solutions. The report will be sent directly to registered parties and be made available on the AER website, www.aer.ca. The panel expects to issue its report by March 31, 2014. | |

Funding

The panel intends to retain independent experts that will provide reports or other information and address specific technical or scientific questions raised by participants. As a result, the panel does not expect, in the ordinary course, that parties will require funds to hire their own experts. The panel intends that parties be able to comment on the type of experts required and provide suggestions for questions or topics experts should address.

In certain circumstances, the panel may consider a request from a party for legal representation or other resources to participate effectively in the proceeding and will also consider whether there are ways to minimize the need for such funds (e.g., forming a group with other parties). Costs claims must be filed in accordance with the *Rules of Practice* and *Directive 031: REDA Energy Cost Claims*.

Public Record and Document Management

The AER intends to place all relevant information filed in this proceeding on the public record of the proceeding. As such, you should assume that the information you have filed will be placed on the public record and should not include anything in your filings that you do not want shared publicly. This includes personal, medical, financial, or other confidential information, such as

- information related to a medical, psychiatric, or psychological history or a condition or illness, including a diagnosis, treatment, or evaluation;
- financial information;
- information about employment or educational history; and
- statements of opinion made by another person or your opinion about another person.

If you file a comment, you must not include any personal information that you do not want to appear or are not authorized to put on the public record.