

# Preserving Canada's Economic Prosperity Act

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## Maximizing the value of our natural energy resources

Alberta has recently emerged from one of the deepest recessions in its history. After significant gains in 2017, the province's economy is forecast to experience broad-based growth in 2018 and beyond. To help ensure this growth occurs, it is imperative that Albertans receive maximum value for the province's natural energy resources. Through the passing of *Bill 12, Preserving Canada's Economic Prosperity Act*, the government would ensure the interests of Albertans are optimized, before authorizing the export of natural gas, crude oil or refined fuels from Alberta.

## Licensing

If passed, Bill 12 would require specified individuals and corporations—at the discretion of the minister of energy—to obtain a licence prior to exporting any quantity of natural gas, crude oil or refined fuels from Alberta.

### Terms and conditions

If passed, Bill 12 would, at the minister's discretion, require someone who wishes to amend or renew a licence to apply to the minister. Details of the application process would be included in forthcoming regulations.

Through the *Preserving Canada's Economic Prosperity Act*, the minister would have the discretion to issue, amend or renew a licence subject to any terms and conditions. These terms and conditions may include, but would not be limited to:

- The point at which the licensee may export from Alberta any quantity of natural gas, crude oil or refined fuels.
- The method by which natural gas, crude oil or refined fuels may be exported from Alberta.
- The maximum quantities of natural gas, crude oil or refined fuels that may be exported from Alberta during the interval or intervals set out in the licence.
- The maximum daily quantities of natural gas, crude oil or refined fuels that may be exported from Alberta.
- The conditions under which export of natural gas, crude oil or refined fuels from Alberta by the licensee may be diverted, reduced or interrupted
- The period for which the licence is operative.

In addition, the minister could impose different terms and conditions upon a licensee for different types of refined fuels.

## Stakeholder consultation

Preliminary stakeholder discussions have occurred during the development of this legislation, and the minister remains committed to working closely with these and other impacted stakeholders throughout the implementation of *Bill 12, Preserving Canada's Economic Prosperity Act*.

The government recognizes the importance of the oil and gas sector, both as an economic driver and as an employer of thousands of Albertans. The implementation of *Bill 12* would be an important step to defend Alberta's workers, our economy and our progress on climate change.

## Limitations

The minister of energy could make a decision on whether a licence is required for the export of natural gas, crude oil, and refined fuels if, in the minister's opinion, to do so is in the public interest of Alberta. This includes, but is not limited to:

- Whether adequate pipeline capacity exists to maximize the return on crude oil and diluted bitumen produced in Alberta.
- Whether adequate supplies and reserves of natural gas, crude oil or refined fuels will be available for Alberta's present and future need.

The minister could consider issuing a licence for a lesser quantity of natural gas, crude oil or refined fuels to be imported into and transported through Alberta than has been proposed in the licence application.

## Offences

If the act is passed, anyone who fails to comply with the legislation or its regulations, a term or condition of a licence or an order or direction of the minister made under the act would be guilty of an offence.

In the event a corporation is guilty of an offence, it would be liable to pay a fine of not more than \$10 million for each day, or part of a day, on which the offence occurred or continues to occur.

In the event an individual is guilty of an offence, that person would be liable to pay a fine of not more than \$1 million for each day, or part of a day, on which the offence occurred or continues to occur.

## Order to cease transportation

Under Bill 12, the minister could make an order directing an operator to cease transporting natural gas, crude oil or refined fuels. As per the legislation, an "operator" includes:

- the holder of a licence for a pipeline under the *Pipeline Act*
- the operator of a railway under the *Railway (Alberta) Act*, or
- the registered owner of a commercial vehicle under the *Traffic Safety Act*

## Regulations

If *Bill 12, Preserving Canada's Economic Prosperity Act*, is passed, regulations respecting various areas of the act could be made. These regulations could include, but would not be limited to the following areas:

- specifying other applicable fuels
- applications for a licence or an amendment or renewal of a licence
- fees for a licence or licence renewal
- the terms or conditions to which licences are subject
- the method used for the measurement of natural gas, crude oil or refined fuels

## Timing

*Bill 12, Preserving Canada's Economic Prosperity Act*, would come into force upon proclamation. Further details regarding licencing, could be included in future regulation(s).

## Transition

If *Bill 12, Preserving Canada's Economic Prosperity Act*, comes into force, an existing permit issued under the *Gas Resources Preservation Act* would be deemed to be a licence issued under *Bill 12* for the export of natural gas if the minister requires a person to obtain a licence for the export of natural gas that is subject to that existing permit.

The Lieutenant Governor in Council could make regulations respecting the transition to this act of anything under the *Gas Resources Preservation Act*.