

Environmental Regulation of the Canadian Energy Business in the Context of the Americas

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Abstract

The North and South American energy industry is becoming increasingly integrated with the advent of continental, regional and bilateral trade agreements, and the emergence of regionally-based North and South American energy businesses. Many energy businesses are actively involved in oil and gas, and in the development, production and marketing of this energy on both continents. All these business activities are subject to some types of environmental regulation in the affected countries. The paper, and the related presentation, examines how Canada environmentally regulates its energy industry. The examination will consist of an overview of environmental regulation of the Canadian energy industry on a national and regional level.

The Canadian energy industry is subject to and affected by a wide variety of federal, provincial and other environmental regulations and requirements. Canada is a federal state where both the national and provincial governments have jurisdiction and regulation over different environmental aspects of the energy business. As Alberta is the center of the Canadian oil and gas industry, this paper will focus on federal and Alberta environmental regulation of the energy industry, with only brief references to environmental regulation in other provinces and territories.

Environmental regulation includes legislation, policy statements, memorandums of understanding between different levels of government within Canada, and Canada's obligations under international trade agreements and conventions. Given the range of environmental regulation, this paper will only discuss the more significant regulation, with further references being provided in footnotes and appendices to the paper.

There are a number of key environmental decision-makers and processes for the Canadian energy industry. Key federal decision-makers and processes include the National Energy Board, Environment Canada and the Department of Fisheries and Oceans. Key Alberta decision-makers and processes include Alberta Environmental Protection, the Alberta Energy and Utilities Board and the Alberta Department of Energy. Other significant environmental decision-makers and processes include municipalities, First Nations, and voluntary and mandatory measures undertaken to meet Canada's obligations under international agreements.

These key decision-makers and processes create a complex web of environmental regulation that applies to the exploration, drilling, production, transportation and marketing and export of conventional oil and gas; the mining and extraction of oil from

oil sands; and the generation of electricity. The role and responsibilities of these decision-makers, and the environmental processes they implement is discussed in this paper.

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