Technical Session Overview

- Devolution overview
  - Structures, legislation, and transition
- Post-Devolution GNWT
  - Legislation
  - Decision-making
  - Operations
- A Focus on Minerals, Oil and Gas Management
  - Structures, policy framework, operations
NWT Devolution

- NWT Devolution is the transfer of responsibility for managing public lands, water and resources in the NWT from Canada to the GNWT.
  - Negotiations began in 2002 and concluded in March of 2013
  - *NWT Land and Resources Devolution Agreement*
    - Signed June 25, 2013
    - Canada, GNWT and five Aboriginal governments
  - Transfer is targeted for **April 1, 2014**
  - Work is progressing well and we remain on track to hit our target date
The Transition - Organizational Structures

- Receiving GNWT organization developed
  - Addition of Department of Lands, appointment of Minister and DM Designate
  - Expansion of roles, responsibilities for both Environment and Natural Resources and Industry, Tourism and Investment

- Job offers made to all affected NWT AANDC staff
  - Almost 100% acceptance
  - Ensures knowledgeable, experienced staff in place on April 1, 2014
  - Aggressive early recruitment campaign has also meant key positions not being filled by AANDC staff are being filled prior to April 1st to allow for knowledge transfer

- AANDC establishing a post-devolution organization as well
The Transition - Legislative Initiatives

- **Legislation**
  - Canada’s Bill C-15 has passed third reading in Parliament and the Senate, awaiting assent
  - GNWT introduced three devolution-related Acts in October
  - GNWT distributed draft versions of additional legislation and regulations for review by parties
  - All remaining legislation introduced in NWT Legislative spring session

- Current status:
  - Oil and Gas Operations Act (second reading)
  - NWT Intergovernmental Agreement on Lands and Resources Management (second reading)
  - NWT Intergovernmental Resource Revenue Sharing Agreement Act (second reading)
  - Petroleum Resources Act (second reading)
The Transition - Business Foundations

- All contracts, leases, buildings, assets, records on track for successful transition
- IT systems tested and prepared for transfer including:
  - LAS, LIMS and MINERS and MITS (MINERS replacement), LMRS, RMS and IEMS
  - Geomatics function, telecommunications, hardware, electronic data also transfer-ready
Operational Transition

Minerals, Oil & Gas

- Process approved for splitting leases that cross NWT/NU boundary and are associated with retained lands. Work is now proceeding and parties have been sent notifications.

- 46 general rights notification letters mailed along with securities notifications.

- Protocol for transfer of resource revenue sharing has been completed.

- Senior staff have been hired for GNWT’s new Oil and Gas division; an office in Inuvik is on track to be set up for early April.
Operational Transition

Lands, Water and Environment

- The confirmation of delegations are being finalized.
- General notification letters sent to stakeholders as well as specific notification for Environmental Agreements and transfer of securities.
- Work plan developed to manage the transition of grant and contribution programs such as IRMA and CIMP and agreements and evaluations being completed for Water Quality and Hydrometric networks.
- Operational contracts related to Taiga Lab on track.
- Scanning being done of current operational files.
Beyond April 01: Operating in a Post-Devolution Environment
Post Devolution GNWT

• Balanced, sustainable, responsible and responsive
• Recently announced Land Use Sustainability Framework
• Other elements of the overall policy framework include
  • Devolution Agreement
  • Settled land claim and self-government agreements
  • Sustainable Development Policy
  • Water Stewardship Strategy
  • Mineral Development Strategy
  • Economic Opportunities Strategy
  • Cumulative Impacts Monitoring Program
# Post Devolution Legislative Framework

<table>
<thead>
<tr>
<th>EXISTING FEDERAL LEGISLATION AND REGULATIONS</th>
<th>MIRRORED GNWT LEGISLATION AND REGULATIONS</th>
<th>GNWT DEPT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CANADA OIL AND GAS OPERATIONS ACT</strong></td>
<td><strong>OIL AND GAS OPERATIONS ACT</strong></td>
<td>ITI</td>
</tr>
<tr>
<td>Canada Oil and Gas Certificate of Fitness Regulations</td>
<td>Oil and Gas Certificate of Fitness Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Canada Oil and Gas Diving Regulations</td>
<td>Oil and Gas Diving Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Canada Oil and Gas Drilling and Production Regulations</td>
<td>Oil and Gas Drilling and Production Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Canada Oil and Gas Geophysical Operations Regulations</td>
<td>Oil and Gas Geophysical Operations Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Canada Oil and Gas Installations Regulations</td>
<td>Oil and Gas Installation Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Canada Oil and Gas Operations Regulations</td>
<td>Oil and Gas Operations Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Oil and Gas Spills and Debris Liability Regulations</td>
<td>Oil and Gas Spills and Debris Liability Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td><strong>CANADA PETROLEUM RESOURCES ACT</strong></td>
<td><strong>PETROLEUM RESOURCES ACT</strong></td>
<td>ITI</td>
</tr>
<tr>
<td>Environmental Studies Research Fund Regions Regulations (AANDC prescribed regions)</td>
<td>Environmental Studies Research Fund Regions Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Frontier Lands Petroleum Royalty Regulations</td>
<td>Petroleum Lands Royalty Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Frontier Lands Registration Regulations</td>
<td>Petroleum Lands Registration Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td><strong>TERRITORIAL LANDS ACT</strong></td>
<td><strong>NORTHWEST TERRITORIES LANDS ACT</strong></td>
<td>Lands</td>
</tr>
<tr>
<td>Canada Oil and Gas Land Regulations</td>
<td>Oil and Gas Land Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Territorial Dredging Regulations</td>
<td>Dredging Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Territorial Land Use Regulations</td>
<td>Northwest Territories Land Use Regulations</td>
<td>Lands</td>
</tr>
<tr>
<td>Territorial Lands Regulations</td>
<td>Northwest Territories Lands Regulations</td>
<td>Lands</td>
</tr>
<tr>
<td>Territorial Quarrying Regulations</td>
<td>Quarrying Regulations</td>
<td>Lands</td>
</tr>
<tr>
<td>Northwest Territories Mining Regulations (formerly the Northwest Territories and Nunavut Mining Regulations)</td>
<td>Mining Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td>Territorial Coal Regulations</td>
<td>Coal Regulations</td>
<td>ITI</td>
</tr>
<tr>
<td><strong>NORTHWEST TERRITORIES WATERS ACT</strong></td>
<td><strong>WATERS ACT</strong></td>
<td>ENR</td>
</tr>
<tr>
<td>Waters Regulations</td>
<td>Waters Regulations</td>
<td>ENR</td>
</tr>
<tr>
<td>Expropriation Fees Regulations</td>
<td>Expropriation Fees Regulations</td>
<td>ENR</td>
</tr>
<tr>
<td><strong>NORTHWEST TERRITORIES SURFACE RIGHTS BOARD ACT</strong></td>
<td><strong>SURFACE RIGHTS BOARD ACT</strong></td>
<td>Lands</td>
</tr>
<tr>
<td><strong>NORTHWEST TERRITORIES ACT</strong></td>
<td><strong>REINDEER ACT</strong></td>
<td>ENR</td>
</tr>
<tr>
<td>Northwest Territories Reindeer Regulations</td>
<td>Reindeer Regulations</td>
<td>ENR</td>
</tr>
<tr>
<td>Northwest Territories Archeological Sites Regulations</td>
<td>Archeological Sites Regulations</td>
<td>ECE</td>
</tr>
</tbody>
</table>
Decision Making

- Acts, agreements, policies, strategies and frameworks will operate together.
- Goal is to ensure that GNWT decisions and actions about public land, resources and water are consistent, based on sound policy thinking and reflect the priorities and values of Northerners.
Post Devolution Operations

- Three departments have primary responsibility for managing and administering new responsibilities being devolved to the GNWT
  - Department of Lands
  - Department of Environment and Natural Resources
  - Department of Industry, Tourism and Investment.
- Together, they will be responsible for decision-making and regulation of activities involving public land, water and non-renewable resources, guided by the broader framework of legislation, policies and strategies we have put in place.
Fiscal Policy Framework

• Steady as she goes approach
• Mirrored legislation – no changes to royalty regime for foreseeable future
• Resource revenues used to:
  • Address infrastructure deficit
  • Pay down debt
  • Build Heritage Fund
Beyond April 01: Operating in a Post-Devolution Environment
Legislative and Policy Framework

- Petroleum Resources Act
- Oil and Gas Operations Act
- Northwest Territories Lands Act
- NWT Public Safety Act
- Sustainable Development Policy
- Land Use and Sustainability Framework
- NWT Water Strategy
ITI Organizational Design
The *Petroleum Resources Act* (PRA) mirrors the *Canada Petroleum Resources Act* (CPRA)

PRA applies to petroleum lands within the administration and control of the Commissioner, *including* the ISR

PRA regulates:
- Interests issuance
- Exploration, significant and commercial discovery and production licences
- Royalties

ITI will be responsible for PRA administration, including its associated regulations (which will be mirrored from the CPRA)

The Petroleum Resource Regulator (PRR) will provide ITI with information that will assist with exploration, significant, commercial and production licences issuance
The *Oil and Gas Operations Act* (OGOA) will mirror the *Canada Oil and Gas Operations Act* (COGOA)

OGOA applies to the exploration and drilling for, and the production, conservation, processing and transportation of, oil and gas within the NWT onshore, *including* the ISR

OGOA regulates licence issuance and authorizations for:

- work
- traffic, tolls and tariffs
- operations
- production and arrangements

ITI will be responsible for administering OGOA, and its associated regulations (which will be mirrored from COGOA)

OGOA establishes the Regulator, the Chief Conservation Officer (CCO) and the Chief Safety Officer (CSO)
The Regulator

• The Minister of Industry, Tourism and Investment will be appointed petroleum (“oil and gas”) resources Regulator for:
  • Northwest Territories (NWT) onshore areas, outside of the Inuvialuit Settlement Region (ISR)
  • Includes all privates land (including Aboriginal settlement lands)

• The National Energy Board (NEB) will continue as regulator for:
  • The Inuvialuit Settlement Region (for 20 years)
  • Retained federal lands (such as waste sites and the Norman Wells Proven Area)
  • Trans-boundary/trans-jurisdictional pipelines
Policies and Guidelines

- Legislation and regulation do not fully encompass the range of activity of the Regulator – many of the activities of the Regulator are captured in policy such as “requirements” and “filing guidelines”
- OGOA, unlike any of the other GNWT mirror legislation, provides for the adoption of NEB policy
- The GNWT will have NEB policy in place at Transfer Date
- After Transfer Date, under OGOA, the Regulator will be authorized to issue (or change) requirements and guidelines on a variety of matters including operating licences, authorizations and development plans.
- Under OGOA, it will be the Minister of ITI (who may or may not be the Regulator) who can issue or change requirements or guidelines in respect of Benefit Plans.
- In the ISR, the NEB will continue to apply its own requirements and guidelines, consistent with GNWT legislation, except with regard to Benefit Plans – which will remain the authority of the GNWT Minister.
Northwest Territories Lands Act

- The *Northwest Territories Lands Act* will mirror the federal *Territorial Lands Act* (currently being amended by the federal government)
- The GNWT’s new Department of Lands will be responsible for administration of the Act
- ITI will be responsible for administering the Oil and Gas Land Regulations.
Northwest Territories Safety Act

- The *Northwest Territories Safety Act* governs occupational health and safety
- The GNWT will adopt the federal Oil and Gas Occupational Safety and Health Regulations under the Canada Labour Code, with a list of changes
- These regulations will be administered by the Workers Safety and Compensation Commission
NEB Continuing Role

- Service Agreement has been negotiated with NEB for professional and technical services in support of any active transitioning applications and investigations
  - Consistent with 3.61 of the Devolution Agreement:
    - Any application or process underway at Transfer Date becomes a GNWT responsibility and is handled as if it had been initiated under GNWT legislation from the outset.
    - Any timeframes or commitments made before Transfer Date must be complied with.
- MoU has been negotiated with NEB for ongoing cooperation and collaboration between neighbouring regulators
- In the ISR, NEB will continue its current role under GNWT legislation.
Professional and Technical Support Services

- Service Agreement has been negotiated with the Alberta Energy Regulator (AER)
- AER to provide professional and technical support to the GNWT Regulator, CCO, and CSO for the processing of applications, monitoring, inspection, and other compliance functions
- AER will provide training and may, as requested and where practicable, provide staff for secondment to the GNWT
- MoU for training and information sharing is currently being discussed with BC Oil and Gas Commission
Office of the Oil and Gas Regulator
Organization Design

Minister

Deputy Minister

Executive Director

Assistant Deputy Minister, Mineral and Petroleum Resources

Administrative Assistant / Records Coordinator

Senior Advisor, Technical (Operations)

Manager, Frontier Information Office

Senior Advisor, Legislation and Policy

Technical

Management

Regulatory Officer
Integrated Resources Management Framework
Authorizations For A Drilling Program

Obtain tenure
Obtain regulatory instruments
Inspections, compliance & verification

Exploration Licence (ITI)
Access and Benefits Agreements

Fisheries Authorization (DFO)
Water Licence (SLWB)
Operations Authorization (ITI) (Security)

Type A Land Use Permit (SLWB) (security)
Benefits Plan (ITI)

Environmental Protection Plan (EPP)* (ITI)

Water Inspections (GNWT-ENR)
Lands Inspections (GNWT-Lands)
CCO & CSO Inspections (GNWT-ITI)

Occupational Health & Safety Inspections (WSCC)

AD W
AC W
Questions?