



NATURAL RESOURCES CANADA - INVENTIVE BY NATURE

Modernizing the National Energy Board



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Context

- ❑ Minister of Natural Resources has a mandate to modernize the NEB and work with federal colleagues to review federal environmental assessment processes.
- ❑ Government launched a review of environmental and regulatory processes to restore the public trust on June 20, 2016.
- ❑ To ensure an efficient process, the review is being closely coordinated across government departments and will focus on the following components:
 - Rebuilding trust in environmental assessment processes;
 - Modernizing the National Energy Board; and
 - Restoring lost protections and introducing modern safeguards to the *Fisheries Act* and the *Navigation Protection Act*.



Context

- ❑ Development of energy infrastructure at nexus of public debate over resource development

- ❑ Efforts to strengthen the NEB will have 3 main components:
 1. Near-term changes to enhance confidence in reviews already underway
 2. EA review will examine issues related to project reviews including timelines, public participation, scope of reviews, indigenous consultations, etc.
 3. Modernization of the NEB's structure, role and mandate

- ❑ Modernizing the NEB goes beyond EA review process to include broader issues related to its structure, role and mandate



The National Energy Board

- ❑ An independent federal regulatory agency established in 1959 via the *NEB Act*

- ❑ Regulates energy development in areas under federal jurisdiction
 - International and interprovincial pipelines and hydro transmission lines
 - Energy trade and exports (authorizes energy exports)
 - Monitors and assesses energy supply and markets

- ❑ Oversees project lifecycle, including:
 - Project reviews: undertakes environmental assessments as part of broader assessment of public interest
 - Construction: ensures infrastructure developed to comply with technical, environmental and safety standards
 - Operations: oversees more than 73,000 kilometers of pipelines in Canada, including compliance monitoring, audits and inspections
 - Reclamation: ensures facilities are decommissioned appropriately, including site remediation



Expert Panel

- ❑ The Panel will gather the views of provinces and territories, municipalities, Indigenous peoples, industry, non-governmental organizations and the public
 - Will be supported by Secretariat of officials from Natural Resources Canada

- ❑ Panel engagement will take place October – December 2016

- ❑ The Panel's activities will be guided by a set of Terms of Reference, which were posted a 30-day public comment period.

- ❑ The Panel will prepare a report for the Minister by or on January 31, 2017 and include advice on potential reforms to position the NEB as a modern, efficient and effective energy regulator
 - The report will include the Panel's findings and recommendations to modernize the NEB and a summary of the input received from the public, Indigenous peoples and any other interested group or organization.



Key issues to be addressed in modernizing the NEB

1. **Governance**, including composition and expertise of the board, roles and responsibilities, mechanisms for policy direction
2. **Mandate**, including defining the public interest, energy information and analysis, and potential expansion to the NEB's mandate to other aspects of energy regulation
3. **Decision-making roles** of NEB, Minister and Cabinet regarding projects, licensing and compensation disputes
4. **Legislative tools for lifecycle regulation**, including for oversight, public engagement, safety and emergency preparedness and land acquisition
5. **Indigenous engagement**, including participation in all aspects of the energy infrastructure development lifecycle and the balance of Indigenous peoples interests and other interests in decision-making
6. **Public participation**, including to support greater stakeholder and public participation in NEB activities



NEB Modernization to be coordinated with other ongoing reviews

- ❑ Consultation will be at the core of this review and engagement efforts will include Indigenous Peoples, provinces and territories, the public, industry, environmental groups, and other stakeholders.
- ❑ Efforts underway to ensure coordination between federal reviews
 - Developing the narrative for concurrent reviews so Canadians are clear on how and where to participate (e.g., joint communications strategy, etc.)
 - Collaboration between officials supporting review processes (e.g., consultation plans, information sharing and joint analysis)
- ❑ Coordinated engagement with Indigenous peoples where possible
 - On August 9, 2016, NRCan and CEAA launched a call for proposals for participant funding (closed Sept 9, 2016) to support the participation of Indigenous peoples in the review process
 - Fisheries and Oceans Canada and Transport Canada joined the call for proposals one week later (closed Sept 16, 2016)
 - Single funding application for participants important to coordinate efforts to minimize burden on applicants



Desired Outcomes

- NEB reflects Canada's need for a modern, efficient, and effective regulator capable of addressing new and emerging issues and technologies
- Board's composition is diverse with sufficient expertise, and the governance structure is optimized for operational needs
- Public trust in the NEB processes is strengthened
- Enhanced Indigenous participation in all aspects of pipeline development and ongoing monitoring

