

From: [BCUC](#)
Subject: Letter of Comment - BCUC Inquiry into the Regulation of Safety - Josh Christensen
Date: Thursday, February 11, 2021 1:54:39 PM
Attachments: [Final - regulation of geothermal resources - 09.02.2021.pdf](#)

Date Submitted: February 11, 2021

Proceeding name: BCUC Inquiry into the Regulation of Safety

Are you currently registered as an intervener or interested party: [REDACTED]

Name: Josh Christensen

City: Victoria

Province: British Columbia

Email: [REDACTED]

Phone number: [REDACTED]

Comment:

To ensure the panel has information regarding the Oil & Gas Commission's regulation of safety in relation to activities it regulates.

Has Attachment:

True

February 9, 2021

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager, Regulatory Services
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, B.C. V6Z 2N3

Dear Ms. Tresoglavic:

The BC Oil and Gas Commission (Commission) would like to clarify its role in relation to the regulation of safety as applicable to this inquiry, namely for oil and gas activities as well as the geothermal activities.

The Commission is the provincial, single-window regulatory agency with responsibilities for regulating oil and gas activities in British Columbia. The Commission provides regulatory excellence in responsible oil and gas and geothermal resource development by protecting public safety, safeguarding the environment and respecting those individuals and communities who are affected.

The Commission has a legislated mandate under the *Oil and Gas Activities Act* (OGAA) and the *Geothermal Resources Act* (GRA), and its strategic direction is informed by the external operating environment, its vision, mission, and values as well as the Mandate Letter issued by the B.C. Government.

The *Oil and Gas Activities Act* is provincial legislation that enables regulation of oil and gas and related activities in B.C., throughout their entire life-cycle, from exploration to construction, operation, transportation, to decommissioning and restoration. It creates the Commission and sets out its purpose. It gives the Commission's Board of Directors powers to make technical regulations for oil and gas infrastructure including wells, facilities, pipelines and oil and gas roads, LNG facilities, geothermal activities, as well as fees, levies, securities, consultation and notification, and emergency management. OGAA also gives the Commission "specified enactment" powers, meaning administration of certain functions under the *Land Act*, *Forest Act*, *Water Sustainability Act*, *Environmental Management Act*, and *Heritage Conservation Act*. It also enables the Commission to issue permits, authorizations and undertake enforcement actions including orders, contraventions and administrative penalties.

The Commission works to ensure public protection throughout the energy development process, starting when an application is submitted. The secure operation of wells, pipelines and facilities is essential for public safety and environmental protection. The Commission has jurisdiction over certain pipelines within provincial boundaries and maintains regular communication with operators. Many of the regulations and standards are designed specifically ensure safe practices, and permit holders are required to safeguard operations, check equipment, train employees and report to the Commission at various stages. The Commission ensures permit holders meet these obligations through field inspections, engineering assessments, and the planning, training and exercising of emergency response

by both companies and Commission staff. In addition, the Commission carries out audits as part of a well developed Integrity Management Program for pipelines and facilities. The Commission's dedicated compliance and enforcement, emergency response and community relations teams work with the public, industry and other public safety agencies in order to mitigate risks, prevent incidents, and respond quickly and effectively if something should occur.

The Commission agrees with several submissions to this inquiry that there are multiple agencies with legislative responsibility for safety related to oil and gas activities. When specific issues related to safety oversight arise that are of interest to the Commission and other public safety agencies, the Commission generally finds operational staff can address them, documenting processes and understandings as needed through guidance, agreements and memoranda of understanding, and other means.

Under the *Geothermal Resources Act* (GRA), the Commission is the regulator responsible for overseeing environmental and public safety risks from geothermal operations in British Columbia. "Geothermal resource", "geothermal well" and "well" are terms defined under section 1 of the GRA with specific meanings. The *Geothermal Operations Regulation* is an outcomes-based regulation that outlines how the Commission manages geothermal wells, including the activities required to produce geothermal energy. The Commission regulates:

- well positioning and spacing;
- notification requirements;
- safety requirements;
- protection from hazards, tools, casing, wellhead, surface and subsurface equipment requirements; and
- data and monitoring requirements.

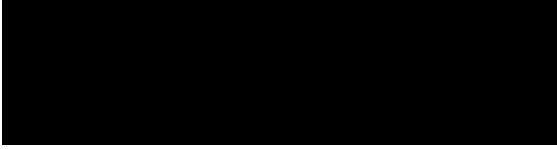
The *Geothermal Operations Regulation* is specific to geothermal activity and does not apply oil and gas standards to the regulation of geothermal wells, regardless of whether the well derives water from a hot sedimentary aquifer, except in the instance of pipelines. Under the regulation, well authorization holders with geothermal production facilities must design, construct and operate all equipment and piping systems in accordance with ASME B31.3ⁱ or CSA Z662ⁱⁱ and manufacturer's specifications.

Geothermal pipelines fall under OGAA, and are regulated by the Commission, including requirements to follow relevant sections of CSA Z662 (a national standard). This is consistent with the approach to pipelines for water produced as a by-product during oil and gas extraction.

The Commission regulates other activities associated with geothermal activities (e.g. permits to access the land, harvest trees) through delegations from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

The Commission hopes this information clarifies the legislative and regulatory framework for oil and gas activities and geothermal operations under both OGAA and the GRA, respectively.

Yours truly,



Mayka Kennedy, P.Eng., C.Dir.
Executive Vice President, Chief Engineer
BC Oil and Gas Commission

ⁱ American Society of Mechanical Engineers standard ASME B31.3, Process Piping, as amended from time to time.

ⁱⁱ Canadian Standards Association Standard CSA Z662, Oil and Gas Pipeline Systems, as amended from time to time.