

Ministry of the Economy
RESOURCE AND INDUSTRY INITIATIVES
BACKGROUND

- In 2014-15, the Province invoiced the oil and gas industry for \$16 million to expand efforts to regulate and monitor sector development and keep pace with growth. In 2015-16, the well levy will increase to \$20 million, an increase of \$3.3 million. The levy helps fund service improvements to eliminate unnecessary paperwork in the regulatory process such as the single-window, online system for license applications to reduce current administrative burden in the industry.
- \$2.19 million to expand regulatory oversight and enforcement to ensure Saskatchewan's regulatory services and systems in the oil and gas sector keep pace with sector growth:
 - Expand monitoring and enforcement as part of the new well levy program:
 - The levy, which was introduced in the 2014-15 budget, is intended to finance a more robust and responsible monitoring for environmental and safety issues to keep pace with a rapidly growing oil and gas industry in Saskatchewan. This initiative is the first step in meeting that regulatory responsibility.
 - The budget initiative supports the 2015-16 strategic priorities to expand monitoring and enforcement as part of the new levy program. The initiative includes development of directives related to sour gas emissions, development and implementation of enhanced oil and gas measurement and reporting requirements, and monitoring and enforcement of the enhanced regulatory requirements.
 - Enforce regulatory requirements with respect to public safety and resource management to ensure oil and gas industry maintains its social license.
 - Fully enforce regulatory requirements which will cause industry to fully utilize the resource through the investment in upgraded infrastructure.
- \$3.438 million to complete the Process Renewal Infrastructure Management Enhancement (PRIME) group of projects designed to modernize Saskatchewan's oil and gas information systems including funding for ongoing operations of the Integrated Resource Information System (IRIS) system.
 - Develop enhanced oil and gas measurement and reporting requirements for Saskatchewan that mirror Alberta Energy Regulator requirements and implement an Enhanced Production Audit Program (EPAP), which is currently being employed in Alberta. This aligns well with the goals of the New West Partnership.
 - EPAP requires oil and gas operators to provide an annual declaration that confirms and outlines the existence of internal controls over volumetric reporting and measurement and contains details with respect to control deficiencies and plans for remediation of any control deficiencies.
 - EPAP is designed to take advantage of current audit best practices and follows established Canadian and United States auditing.
 - This program will provide an efficient and effective method of regulatory assurance and compliance in a cost effective and sustainable manner.
- \$150,000 allocated to address public safety issues posed by abandoned underground coal workings in southern Saskatchewan. This funding will allow for timely response to public safety issues identified by landowners or the general public.