

# SAFEGUARDING SASKATCHEWAN'S ENERGY INTERESTS

As the second largest oil producer in Canada and third largest natural gas producer, Saskatchewan is a major player in the nation's energy sector.

Petroleum and natural gas make up 15 per cent of the province's GDP and provide direct and indirect employment for 34,000 people in Saskatchewan.

To make sure this important sector of the economy can not only be maintained but expand, the Government is passing *Bill 126, The Export Energy Act*.

The Kinder Morgan Trans Mountain project has been fully reviewed and approved under the National Energy Board. The Government of Saskatchewan supports the project and wants to see it proceed. This will ensure that the natural resource sector in the province will have access to overseas market and transported in the safest method to move large volumes of crude oil across the country.

## Permitting and Regulations

With the approval of the Lieutenant Governor in Council, individuals and corporations may be required to apply for an export permit before there is any exporting from Saskatchewan of crude oil, refined petroleum products or other energy goods if the Bill is passed.

Permits can be renewed or amended at the minister's discretion, in accordance with the Act. More details about the application process will be available once regulations have been developed.

Terms and conditions are within the discretion of the Minister and can be included on the permit, which could include the method by which crude oil, refined petroleum products or any other energy goods can be exported from Saskatchewan. The permit would include what maximum amounts and daily amounts of crude oil, refined petroleum products or other energy goods can be exported from the province as well as the point at which permit holders can export those products. Different terms and conditions may apply for permits for other types of refined fuels.

Regulations regarding the Bill could include other fuels, application requirements, circumstances for reconsidering decisions, and fees for both permits and permit renewal.

## Offences

If the act is passed, anyone who fails to comply with the Act, the regulations, a term or condition of a permit or an order of the minister made under the act could be guilty of an offence.

In the event a corporation is guilty of an offence, it would be liable to pay a fine of not more than \$10 million for each day, or part of a day, on which the offence occurred or continues to occur.



In the event an individual is guilty of an offence, that person would be liable to pay a fine of not more than \$1 million for each day, or part of a day, on which the offence occurred or continues to occur.

## Order to cease transportation

Under the Bill, the minister could make an order directing an operator to cease transporting natural gas, crude oil or refined fuels. As per the legislation, an “operator” includes:

- the holder of a licence for a pipeline under the Pipelines Act;
- the operator of a railway under the Railway Act, or;
- the owner or operator of a commercial vehicle.

## Limitations

The Minister of Energy and Resources could make a decision on whether a permit is required for the export of natural gas, crude oil, and refined fuels if, in the minister’s opinion, to do so is in the public interest of Saskatchewan. This includes, but is not limited to:

- Whether adequate pipeline capacity exists to maximize the return on crude oil and gas produced in Saskatchewan.
- Whether adequate supplies and reserves of gas, crude oil or refined fuels will be available for Saskatchewan’s present and future needs.

The minister could consider issuing a permit for a lesser quantity of gas, crude oil or refined fuels to be imported into and transported through Saskatchewan than has been proposed in the permit application.

## Timing

The Bill, The Energy Export Act, would come into force upon proclamation and the Act would expire on January 31, 2019, unless the Act is amended to extend that deadline. Further details regarding permitting, could be included in future regulation(s).