

TERMS OF REFERENCE
REGULATORY REVIEW COMMITTEE
Alberta Energy Regulator

A. Establishment of Committee

The Regulatory Review Committee (Committee) is a standing committee of the board of directors (Board) of the Alberta Energy Regulator (AER/Regulator). The chair of the Committee (Committee Chair) is the person designated from time to time by the Chair of the AER Board of Directors (Board Chair).

B. Purpose

The purpose of the Committee is to assist and advise the Board with respect to the Regulator's regulatory development portfolio and change strategy. In particular, the role of the Committee is to provide strategic oversight as it pertains to the development, implementation, and monitoring the success of the AER's regulatory development portfolio and change strategies. The Committee is to also ensure that all rules, to be approved by the Board, support and contribute to the achievement of the Regulator's strategic plan and priorities.

C. Scope of Authority

The Committee may consider, discuss, and provide feedback relating to matters within its area of responsibility brought before it by executive management, the Board or on its own initiative. The Committee may:

- (i) approve matters that are administrative and non-substantive in nature such as: correction of errors; those customarily made to confirm the accuracy and completeness of the Committee's own minutes; to appoint a vice chair for the Committee; conduct all or a portion of the Committee meeting in camera; and to approve the Committee's meeting agenda and changes to the agenda;
- (ii) refer matters to another committee for that committee's further consideration; and
- (iii) recommend to the Board for the Board's further consideration or approval a particular course of action relating to matters that are substantive in nature but may not itself approve matters which are substantive in nature or require Board approval.

D. Responsibilities and Duties

The Committee shall have the responsibilities set out below as well as any other matters as may be delegated by the Board to the Committee from time to time:

1. Strategic Regulatory Oversight

- (i) Provide strategic oversight of the AER's regulatory development having regard to:
 - (a) Ensuring alignment with the AER's strategic plan and priorities;
 - (b) Ensuring alignment with Government of Alberta policy and priorities; and
 - (c) Ensuring ongoing review of strategic change plans to ensure plans and priorities are aligned.

- (ii) Review the AER's performance of regulatory development or change plans to ensure that regulatory changes meet strategic, policy and performance objectives. Propose to the Board key performance indicators related to matters with the Committee's responsibilities which may include but not limited to, application processing efficiency, reduction of regulatory burden, and liability management. Monitor and report performance on a regular basis;
- (iii) Support development of regulatory instruments consistent with the Government of Alberta policy direction to expand AER's mandate to include deep geothermal and critical and rare earth minerals;
- (iv) Review proposed rule changes prior to the rules proceeding to the Board for approval;
- (v) Provide advice to the Board on planning, prioritization, advancement, progress, implementation, and evaluation of the AER's regulatory development and change plans, in line with the strategic plan of the Regulator and its goals and objectives;
- (vi) Provide recommendations to the Board on regulatory change priorities and assessments on resourcing impacts;
- (vii) Recommend to the Board such action as it considers appropriate regarding existing or emerging policy gaps or issues; and
- (viii) Support and otherwise assist in ensuring the Board is able to fulfill its approval functions under the REDA

2. General and Governance Matters

The Committee shall report to the Board at least quarterly.

With respect to governance matters and other actions not identified above, the Committee shall, at least annually:

- (i) evaluate and review its performance and its compliance with its terms of reference and report to the Board;
- (ii) assess the appropriateness of its terms of reference, taking into account any applicable legislative and regulatory requirements, as well as best practices for Crown agencies, boards and commissions and report to the Board; and
- (iii) perform such other responsibilities as the Board shall determine from time to time by resolution.

E. Meetings

1. Procedure

Unless otherwise determined by the Board or provided in the general bylaw of the Regulator, the Committee shall determine and regulate its procedures in all respects. The duties of the Committee Chair, and any requirements with respect to the calling of meetings, attendance at meetings and voting shall be as set out in the general bylaw except as provided in this document.

2. Quorum

Participation of a majority of the voting members of the Committee shall constitute a quorum.

3. Reporting to the Board

The Committee shall report to the Board on material matters arising at Committee meetings, and where applicable, present the Committee's recommendation to the Board for its approval.

4. Delegation

The Committee may, from time to time, delegate to the Committee Chair any powers or responsibilities of the Committee. This delegation must include a reporting accountability back to the Committee.

5. Meetings

The Committee shall meet at least quarterly, or more frequently if necessary to consider urgent matters or at the discretion of the Committee Chair.

6. Access to Management and Outside Advisors

The Committee, through the Committee Chair, shall have unrestricted access to staff and management of the Regulator. The Committee, with the consent of the Board, shall have the authority to retain external advisors to assist it in fulfilling its responsibilities.

F. Membership

1. Composition and Appointment

The Committee shall be comprised of:

- (i) minimum of two directors appointed to the Committee by the Board, each of whom shall have voting rights, and one of whom shall be appointed by the Board Chair as Committee Chair;
- (ii) The Board Chair shall be an ex officio voting member of the Committee;
- (iii) Chief Operations Officer as a standing non-voting member; and
- (iv) Any other individuals who are not directors and are appointed as members by the Board Chair, whose voting status will be determined at the time of appointment.

2. Committee Chair

The Committee Chair is accountable to the Board Chair and is responsible for the matters set out in the role description approved from time to time by the Board, which shall at a minimum include the following:

- (i) call meetings of the Committee;
- (ii) identify items for consideration, ensure meeting agendas are prepared and that all other necessary materials are provided on a timely basis;
- (iii) notify and invite management and staff as appropriate;
- (iv) when present, preside at meetings of the Committee;
- (v) ensure all discussion items end with direction, action or definitive outcome, and communicate such to staff and/or the Board; and
- (vi) ensure draft minutes are prepared for approval at the subsequent Committee meeting; and ensure that agendas, minutes, and documentation of Committee activities are properly maintained.

3. Independence

Each member of the Committee shall meet the independence standards established by the Board.

G. Further Direction

- (i) The Committee may direct any of its members or management to perform any responsibilities of the Committee itself. This direction will include a reporting accountability back to the Committee.
- (ii) The Committee and each of its members shall comply with such additional requirements as are specified in the *Responsible Energy Development Act*, S.A. 2012, Chapter 17.3 as amended (REDA), and in the bylaws and resolutions of the Board in effect from time to time.

Original signed by Duncan Au

November 27, 2024

Duncan Au, Chair
Board of Directors
Alberta Energy Regulator

Date

Date of Last Review by Committee: November 20, 2024