

# Bulletin 2022-01

January 18, 2022

## Update on AER Review of Administration Fee (Industry Levy)

In late September 2021, we released [Bulletin 2021-37](#), which announced two changes to how we calculate fees:

- basing the allocation on a three-year rolling average of AER staff effort for each sector, including the effort of the new sectors, and
- adjustments to the rate tables for the oil and gas sector that included revising the class fees, adding two additional well classes for higher producing wells, and including inactive wells.

The Government of Alberta has since amended the [Responsible Energy Development Act General Regulation](#) to expand the definition of “facility” to include pipelines and certain larger facilities. This now enables us to make the following additional changes in spring 2022:

- A new levy on pipelines based on pipeline classes determined by pipe diameter will be introduced. The levy will be phased in for spring 2022 and reflect the full amount of staff effort by 2024 as each year of effort is determined.
- A new levy on certain larger facilities will be introduced. The levy would apply to 26 gas plants with approved inlet rates greater than 10 million m<sup>3</sup>/day and 4 standalone oil sands facilities. The larger facility sector allocation will be prorated based on inlet rate for gas plants and by production capacity for standalone facilities. The levy will be phased in for spring 2022 and reflect the full amount of staff effort by 2024 as each year of effort is determined.

We recognized that affected licensees would require time to understand the implications of these new levies. To assist, we issued mock invoices to these licensees on September 28, 2021, that approximate the 2022 levy on pipeline and larger facilities for planning purposes.

Effective April 1, 2022, we will stop mailing paper copies of levy invoices to licensees and will send invoices by email only. Electronic invoice delivery will ensure secure delivery and create efficiencies in approval and payment processing. Please forward your preferred corporate email address or addresses to [AdminLevyReview@aer.ca](mailto:AdminLevyReview@aer.ca) by March 15, 2022. A generic email address is preferred to avoid issues resulting from staff turnover.

This concludes the administration fee review announced on October 16, 2020, through [Bulletin 2020-21](#). We thank all stakeholders that contributed to the review process.