

Bulletin 2022-25

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August 15, 2022

Geothermal Resource Development Rules and Directive 089: Geothermal Resource Development

On December 7, 2021, the Government of Alberta proclaimed the <u>Geothermal Resource Development</u> <u>Act</u>. Under the act, the Alberta Energy Regulator (AER) has the authority to regulate the safe, efficient, and responsible development of Alberta's geothermal resources.

The <u>Geothermal Resource Development Rules</u> and <u>Directive 089</u>: Geothermal Resource Development have been issued to complete the regulatory framework for geothermal resource development. The rules and <u>Directive 089</u> are **effective August 15, 2022**, and set out the requirements that industry must follow throughout the entire life cycle of a geothermal development (from initiation through to closure) when developing geothermal resources below the <u>base of groundwater protection</u>. The rules and <u>Directive 089</u> introduce requirements and processes unique to geothermal energy and include reference to applicable oil and gas regulatory instruments.

A draft directive was released on August 4, 2021, for public review, and we accepted feedback until September 2, 2021 (see <u>Bulletin-2021-31</u>). We considered feedback from various stakeholders and rights holders, including Indigenous communities, industry, and environmental groups. A summary of the feedback, including our responses, is available on the directive's webpage.

We have also updated <u>Manual 012</u>: Energy Development Applications Procedures and Schedules with guidance for geothermal applications (wells, facilities, pipelines), including how liability management will be applied to geothermal resource developments.

In addition, the *Oil and Gas Conservation Rules* (*OGCR*) have been updated to align with the geothermal regulatory framework. The definition of oilfield waste in the *OGCR* has been updated to include waste from geothermal resource development. A new provision has been added to the *OGCR* that requires an application for amendment where a licensee intends to change a well licensed under the *Oil and Gas Conservation Act* to a geothermal well.

We will make consequential amendments throughout the year to other AER directives and manuals to address geothermal development where necessary.

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Directive 089 is available on our website, www.aer.ca Regulating Development > Rules and Directives > Directives. For more information, contact our Customer Contact Centre by phone at 1-855-297-8311 or by email at inquiries@aer.ca.

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