

Bulletin 2021-22

June 8, 2021

Invitation for Feedback on Proposed New Licensee Life-Cycle Management Directive

We are seeking feedback on the proposed new *Directive XXX: Licensee Life-Cycle Management*. This directive supports the Government of Alberta's (GoA's) new [Liability Management Framework](#) and is enabled by rule changes announced in our [Bulletin 2020-26](#). More information on our various liability management programs is available on our website, [aer.ca](#) > Regulating Development > Project Closure > [Liability Management Programs and Processes](#).

Directive XXX: Licensee Life-Cycle Management

Every energy resource development project has a life cycle consisting of four stages: initiate, construct, operate, and close; liabilities need to be managed throughout. This directive

- introduces a holistic assessment of a licensee's capabilities and performance across the energy development life cycle, which will be supported by the licensee capability assessment (LCA) system;
- introduces the Licensee Management Program, which outlines how licensee management will occur across the energy development life cycle;
- introduces the Inventory Reduction Program, which sets mandatory closure spend targets for closure activities and spends by licensees (2022 industry mandatory targets were announced in [Bulletin 2021-23](#));
- updates application requirements related to the licence transfer process; and
- describes security collection under the directive.

Directive 006 Changes

Changes will be made to *Directive 006* in phases as we transition away from the Licensee Liability Rating Program and implement the programs outlined in the new directive. In this first phase, requirements around licence transfer applications will be moved from *Directive 006* to the new directive, once finalized. Subsequent phases will include additional changes to *Directive 006* and other AER directives

related to liability management (e.g., *Directive 001*, *Directive 011*, *Directive 024*, *Directive 068*, and *Directive 075*) to align with the new [Liability Management Framework](#).

To provide feedback on the proposed new directive, complete the comment form available on the directive's webpage. Feedback or questions on the directive should be sent by email to [DirectiveFeedback@aer.ca](mailto:DirectiveFeedback@ aer.ca). Feedback will be accepted through Sunday, July 25. All feedback received will be reviewed and may be used in finalizing the directive. All of the comments provided through this consultation will form part of the public record and, at the discretion of the AER, any comment received may also be attributed to the specific individuals providing it. Personal information provided with comments will be collected, used, and disclosed in accordance with the *Freedom of Information and Protection of Privacy Act*. The AER may use the personal contact information you provide for follow-up communication related to your feedback.

The proposed new directive is available on the AER website, www.aer.ca.