

Backgrounder

Directive 085: Fluid Tailings Management for Oil Sands Mining Projects

Calgary, Alberta (July 14, 2016)...

What's the Difference Between the Old Directive and the New?

The old directive was much more prescriptive. It measured operators' tailings reduction performance with one requirement – the strength of their mature fine tailings.

The *Tailings Management Framework (TMF)* and the new directive use the overall volume of fluid tailings to track reduction. The *TMF* also provides direction on reclaiming the land throughout the life of the mine and requires additional monitoring and reporting.

The new requirements are an evolution in how industry, the AER, and government will manage tailings. It tackles existing fluid tailings and new fluid tailings growth.

Operators must treat fluid tailings and reclaim ponds progressively. All tailings ponds must be ready to reclaim within 10 years after a mine stops operating.

The directive will be updated regularly, as needed.

The new directive does not set universal requirements, but holds operators accountable for their project-specific fluid tailings management. The approach

- considers the net environmental effect of tailings management, considering consequences to air, land, land use, water, and the ecosystem;
- is enforceable;
- manages both new and existing (legacy) tailings;
- provides clarity and certainty to stakeholders; and
- requires progressive reclamation.

Tailings management performance will use four compliance levels:

- Level 1: projects are operating in line with their approved tailings profile.
- Level 2: conditions indicate an increasing level of risk associated with volume growth of fluid tailings at a project.
- Level 3: the volume of tailings has exceeded the volume that would be possible to get ready to reclaim within 10 years of the end of mine life.
- Level 4: the total volume limit of fluid tailings for the project has been exceeded.

As volumes increase, the severity of the consequences to operators increases from additional reporting to financial penalties and ultimately to production cutbacks.

Operators are required to submit detailed applications, by November 1, 2016, that include fluid tailings volume profiles and management plans that show they will meet the new requirements. If approved, those approvals will contain project-specific conditions and requirements, including thresholds. The AER will publish the fluid tailings profiles, management plans, and approval conditions on aer.ca.

The AER does regular audits and inspections. If an operator is not adhering to the conditions of its approval, the AER will respond with appropriate compliance action.

Operators are required to report on their fluid tailings inventories and on their performance annually. Tailings management plans are reviewed at least every five years. The AER will annually publish a summary report of fluid tailings management in Alberta on aer.ca.

What's Next?

The AER has an aggressive timeline for putting the new requirements in place:

- July 14, 2016: *Directive 085* comes into effect and *Directive 074* is rescinded
- November 1, 2016: Oil sands fluid tailings management applications are due to the AER
- Winter 2017: Review fluid tailings management applications for each oil sands operation
- Winter 2017: Post version 2 of *Directive 085* with updated surveillance and compliance processes for stakeholder feedback
- Spring 2017: Finalize version 2 of *Directive 085*

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