

Site-Specific Liability Assessments Update

OCTOBER 15, 2025

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Presented to:

ESAA RemTech Conference – October 2025



AER Disclaimer

This presentation is an overview of AER's requirements/processes and does not contain information on all AER requirements and expectations related to the specific subject matter.

Presentations are intended for education/information purposes only and must not be used as a substitute for the applicable regulatory requirements.

Presentation Overview

1

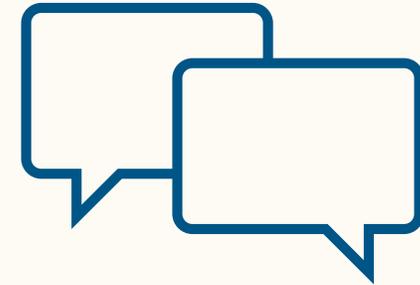
General Liability Types

2

SSLA Updates

3

Opportunities for Improvement



Estimated Liability

Liability Types

- ✓ Liability at the AER is estimated using one of two methods:

Regional Liability

Site Specific
Liability

- ✓ **SSLA:** Estimated cost to suspend, abandon, remediate, and reclaim a site, as well as provide reasonable care and measures from shutdown of operations through to site reclamation

Estimated Liability

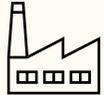
Directive 011

Appendix 1

| Licence type | Licence description | Estimated liability type (regional/SSLA) | Eligible for OWA orphaning? (yes/no) | Invoiced in what levy? (See section 9 for exceptions) |
|--|--|--|--------------------------------------|---|
| Custom treating facilities | <i>Directive 056</i> category type: 080 | regional | yes | orphan fund levy |
| Single-well facility or battery – single well (gas, oil, or bitumen) | <i>Directive 056</i> category types: 001, 310, 320, 330, 410, 420, 430 (excluding brine-hosted mineral facilities) | N/A | yes | orphan fund levy |
| Battery – multiwell (gas, oil, or bitumen) | <i>Directive 056</i> category types: 020, 030, 031, 311, 321, 331, 411, 421, 431 Bitumen multiwell batteries (331 & 431) with a licensed design capacity less than 5000 m ³ /day only. Excludes brine-hosted mineral facilities. | regional | yes | orphan fund levy |
| Bitumen battery – multiwell (5000 m ³ /day or greater) | <i>Directive 056</i> category type: 331 or 431 (current or historic), with a licensed design capacity of 5000 m ³ /day or greater. | SSLA | yes | orphan fund levy for large facility |
| Gas processing & fractionating plants | <i>Directive 056</i> category types: 010, 011, 300, 301, 400, 401 (current or historic) | SSLA | yes | orphan fund levy |
| Sulphur recovery gas plants | <i>Directive 056</i> category type: 600 (current or historic) | SSLA | yes | orphan fund levy for large facility |
| Straddle plants | <i>Directive 056</i> category types: 200, 302 (current or historic) | SSLA | yes | orphan fund levy for large facility |

SSLA

SSLA Submissions



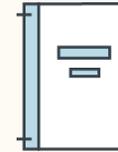
Suspension and Abandonment Plans
Including reasonable care and measures



Remediation and Reclamation Plans
Provide OneStop RoSC submission ID numbers for any Remedial Action Plans



Detailed Costs
Reasonable care and measures, suspension, abandonment, remediation, and reclamation



Supporting information
Third party rate sheets, hazardous material surveys



Phase 1 & 2 ESAs with ROSC
Provide OneStop submission ID numbers of ESA Reports & RoSCs



Directive 001 Forms
Liability declaration form, cost estimate forms acknowledgement forms

SSLA Updates

Facility Applications

Directive 011, requirement 6:

- ✓ An SSLA must be submitted to the AER before submitting an application for a **new** or **amended** licence type that requires an SSLA

Updating SSLAs

Directive 011, requirements 7 & 8:

- ✓ Every 5 years (as a default)
- ✓ A cumulative increase of either \$2 million or 20% of the current estimated liability values in the SSLA (Submit an SSLA within 90 days)
- ✓ As required by AER

Transfer Applications

Directive 011, requirement 13:

- ✓ 1- year from the assessment date of the last SSLA for large facilities and oilfield landfills
- ✓ 3- years from the assessment date of the last SSLA for all other licences that require an SSLA with an evaluation of cost changes that have occurred since the SSLA was completed

SSLA Updates

Regional to SSLA

Directive 011, requirements 9 & 10

- ✓ **Notifying the AER within 30 days at ssl@aer.ca**
- ✓ **Complete and submit an SSLA within 90 days**

- Remedial measures are anticipated to continue for ten years or more.
- A formal risk-management plan (as per the [Alberta Risk Management Plan Guide](#)) is required or already in place.
- Nonaqueous phase liquid (NAPL) has been identified or is likely.
- Any off-lease contamination has occurred.
- A volume of soil has been affected, resulting in concentrations exceeding [Alberta Tier 1 Soil and Groundwater Remediation Guidelines](#) and that would result in significant remedial costs. If environmental site assessment work has been completed and submitted to the AER as per *Directive 001*, then liability may be estimated using the [Alberta Tier 2 Soil and Groundwater Remediation Guidelines](#) to determine volumes of contaminated soil that require remediation.
- Any pipeline release has occurred that requires a remedial action plan under section 2.2(2) of the *Remediation Regulation*.

SSLA

OneStop Liability Assessment Report

| Report Name | Category | Description |
|--------------------------------|----------|--|
| Closure Activity and Spend INT | LMF | Closure activity spend summary and details |
| Liability Assessment | LMF | This report provides a breakdown of estimated liabilities by individual licence and approval |

Liability Assessment Details

Company Name: (None) [Download Data]

Liability Assessment Type: (None) | Liability Assessment Date: (None)

Authorization Type: (None) | Authorization Number: (None) | Authorization Status: (None) | Authorization Lifecycle Status: (None)

Liability Category: (None) | Liability Calculation Type: (None) | Liability Type: (None) | Liability Type Details: (None)

- **Authorization Lifecycle status**
- **Liabilities assigned by licence/WM Approval**
- **Site Specific & Site Specific (regional)**
- **Determine next SSLA Submission Date**

- (All)
- WB Abandonment
- Fac Abandonment
- Site Reclamation
- Additional Event
- CARL
- Gas Migration
- Groundwater Protection
- Multi-Well Pad
- Override
- Site Specific
- Vent Flow
- N/A
- Site Specific (regional)
- Well Scenario

Cancel Apply

Opportunities for Improvement



Suspension & Abandonment

- Reasonable care & measures
- Managing hazardous materials

Phase 1 ESA

- Meet ESA Standards
- Site visit
- Interviews (e.g. landowner)
- Identify all APECs and associated COPCs

Phase 2 ESA & Remediation

- Meet ESA Standards
- OneStop Submission IDs
- Assessing data gaps
- Tier 2 guideline assessment work = submitted to OneStop

Reclamation

- Eligible for a reclamation certificate
- Removing gravel
- Replacing subsoil and topsoil (onsite & salvaged)

Costs

- Cost breakdowns
- Third party rate sheets

Resources

- **Directive 001: Requirements for Site-Specific Liability Assessments**
- **Directive 011: Liability Estimates**
- **Directive 089: Geothermal Resource Development**
- **Directive 090: Brine-Hosted Resource Development**



AER Contacts



Liability Assessment Questions

ssla@aer.ca

RoSC or Contamination Management Questions:

csusubmissions@aer.ca

LMF

liabilitymanagement@aer.ca

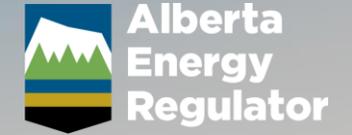
General: Customer Contact Center (CCC)

inquiries@aer.ca 403-297-8311

SSLA Team
ssla@aer.ca



Questions



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