

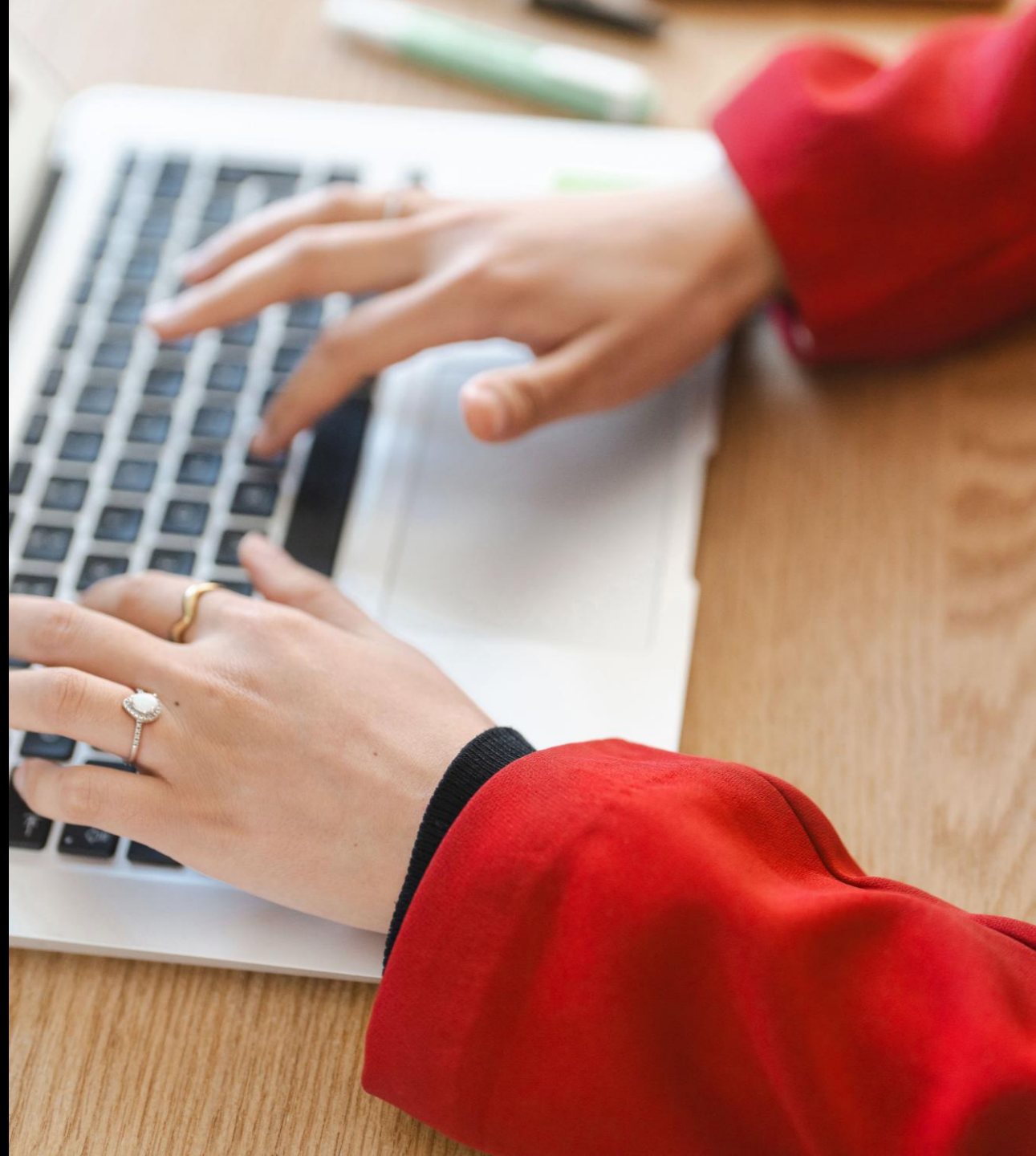
UNDERSTANDING SITE-SPECIFIC LIABILITY ASSESSMENTS

FROM REGULATORY REQUIREMENTS TO STRATEGIC LIABILITY MANAGEMENT

WSP | RemTech | Oct 2026

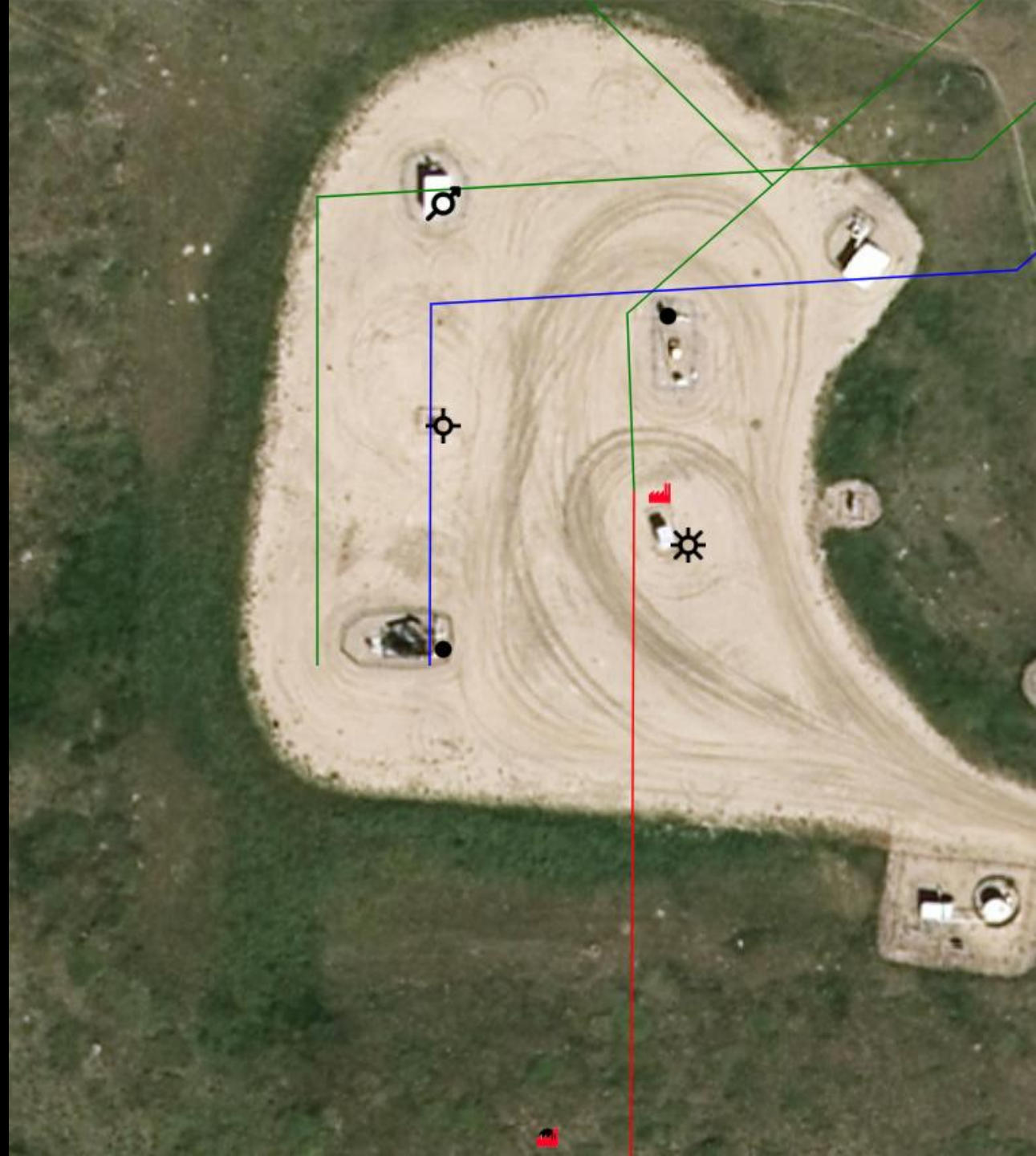
Presentation Agenda

1. AER directives and recent updates
2. Regional and site-specific liability
3. When are SSLAs required
4. What goes into an SSLA
5. Key assumptions and common pitfalls
6. How liability impacts licensees



One site, several licences

How to assign liability on this site?



SSLA Regulatory Drivers

- **Directive 001: Requirements for Site-Specific Liability Assessments**
  Sets requirements for completing and submitting SSLAs
- **Directive 011: Estimated Liability**
  How liability is estimated and used, including when an SSLA is required
- **Directive 089: Geothermal Resource Development**
  How liability is estimated and used, including when an SSLA is required
- **Directive 090: Brine-Hosted Mineral Resource Development**
  Extends liability management to brine-hosted mineral developments



Recent SSLA Regulatory Updates

BULLETIN 2025-04 | FEBRUARY 7, 2025

Liability Management Framework Updates

- **New Editions:** Directives 001 & 011
- **Rescinded:** Directives 006 (LLR), 024 (LFP) and 075 (OWL)
  - requirements for Problem Sites removed
  - all SSLAs must meet Directive standards (including 10 well equivalent gas plants)
  - updated requirements for estimated liability
  - SSLA required before submitting an application for a new or amended licence

BULLETIN 2026-35 | AUGUST 31, 2026

New Edition of Directive 011

- **SSLA confirmation:** A licensee must receive AER acknowledgment of an SSLA, before submitting a new or amendment application
- **OneStop liability assessment report:** Appendix 4 – licensee is responsible for keeping it correct and up to date

Two Methods to Determine Estimated Liability

ASSIGNED BASE REGIONAL ESTIMATED LIABILITY

Regional Liability

Regional costs are an average cost or reasonable representation of costs for a specific group of licences.

Covers well and facility abandonment and reclamation costs. Although, it represents all stages of closure (suspension, abandonment, remediation, and reclamation)

ASSIGNED BY SSLA ESTIMATED LIABILITY

Site Specific Liability

Estimated cost to suspend, abandon, remediate and reclaim a specific site.

Includes reasonable care and measures from shutdown of operations through to final Reclamation Certification.



When are SSLA's Required for the First Time?

General Requirements

- Licensees must prepare an SSLA where Directive 011, Appendix 1 specifies this estimation method for the licence type.
- An SSLA is required for a licence amendment that changes an existing licence to a type requiring an SSLA.

Sites with Regional Estimated Liability

- SSLA required when a licensee is aware or ought to be aware of site conditions that indicate estimated liability is significantly above the regional estimate. Situations include:
  - Remedial measures expected to continue for 10 years or more
  - A formal risk-management plan is required or already in place
  - Nonaqueous phase liquid has been identified or is likely
  - Any off-lease contamination
  - Soil exceeding Alberta Tier 1 guidelines, with significant remedial costs
  - A pipeline release requiring a RAP under section 2.2(2) of the Remediation Regulation

When are SSLA Updates Required?

Routine SSLA Updates:

- **Every 5 years** as a default
- **Within 90 days** of a cumulative increase of $2 million or 20% of the current estimated liability values in the SSLA
- As required, where the AER:
  - Audits a licence
  - Determines site conditions warrant an update
  - Requires an earlier submission deadline
  - Determines that circumstances warrant an update

Transfer Applications:

- **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 licence types

When are SSLAs No Longer Required?

Exceptions to the 5-Year SSLA Cycle:

- The licence receives **Reclamation Certification**
- For Site-Specific Regional SSLA's, once the liability has been **reduced to meet Regional estimated liabilities** (request to AER required)
- If a facility was **never constructed or operated**, licence may potentially be cancelled



What is required to complete an SSLA?

Suspension & Abandonment

Reasonable care & measures

Managing hazardous materials

Scrap Metal Recycling

Remediation & Reclamation

Phase 1 & 2 ESAs

Phase 1 ESA — SSLA must be based on a Phase 1 ESA completed in accordance with the ESA Standard

Phase 2 ESA — if required, must be completed to assess, or further evaluate, APECs and associated contaminants of concern

Remediation

Alberta Tier 1 Soil and Groundwater Remediation Guidelines

Tier 2 assessment work has been completed and accepted within OneStop

Conceptual Rem plan must reach Closure

Reclamation

Conceptual Rec Plan must be reasonable and reach Reclamation Certification

DETAILED COSTS & SUPPORTING INFORMATION ALWAYS REQUIRED

Structure follows Directive 011

Key Assumptions

State assumptions that are reasonable

WHAT IT LOOKS LIKE

GRAVEL & TOPSOIL

Gravel is clean and used on roads and leases within 10 km of the site. Topsoil Salvage, replacement and depth influenced by lease age. Location, etc.

TRUCKING

Trucks returning with backfill from landfill disposal, not two separate events

EQUIPMENT

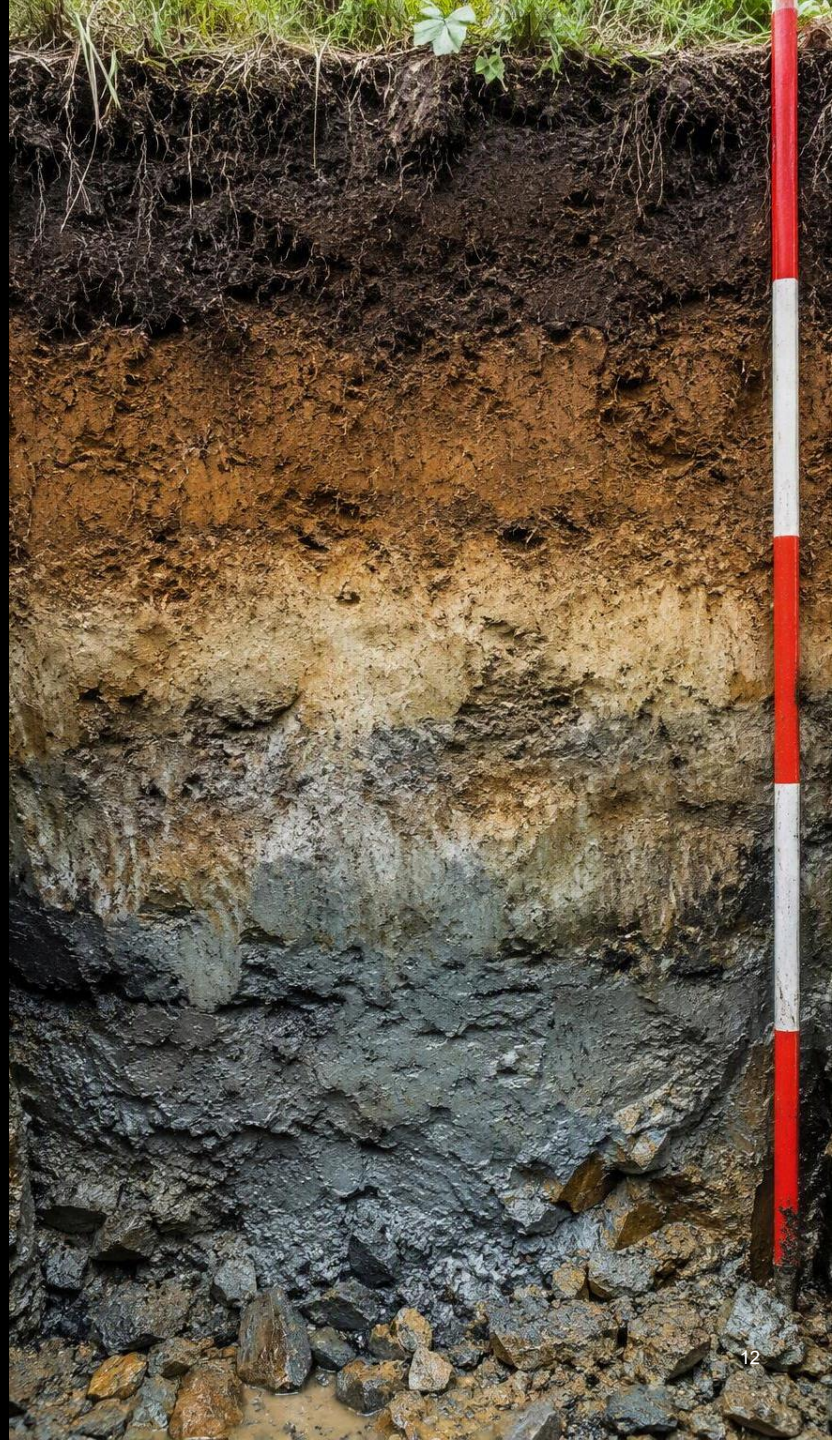
Confirm equipment specifications (truck payloads, excavation loading times, alu bucket processing volumes, etc.)

INFRASTRUCTURE

Look at present infrastructure and current site management (onsite disposal well or tanks and pipeline to a disposal well, lined secondary containment, fuel gas lines)

Common Pitfalls

- **Appropriate site assessments –** Phase 1 ESA & Phase 2's - reasonable delineation required & (i.e. Delineation of large APECs)
- **Scope –** Provide only required information
- **Accuracy –** Ensure that information is accurately used from multiple sources/reports
- **Contingency –** Justify contingency; don't use it to cover data gaps or stack it on already conservative costs
- **Cost support –** Provide cost breakdowns and third-party rate sheets to back up estimates
- **Not all estimates are equal –** SSLA's are distinct from project cost estimates, RAP's and ARO
- **Conceptual Remediation Plan –** Not just a dig and dump



How liability impacts licensees

Closure Spend Requirements

Inactive licences are used to calculate Closure Spend requirements each year.

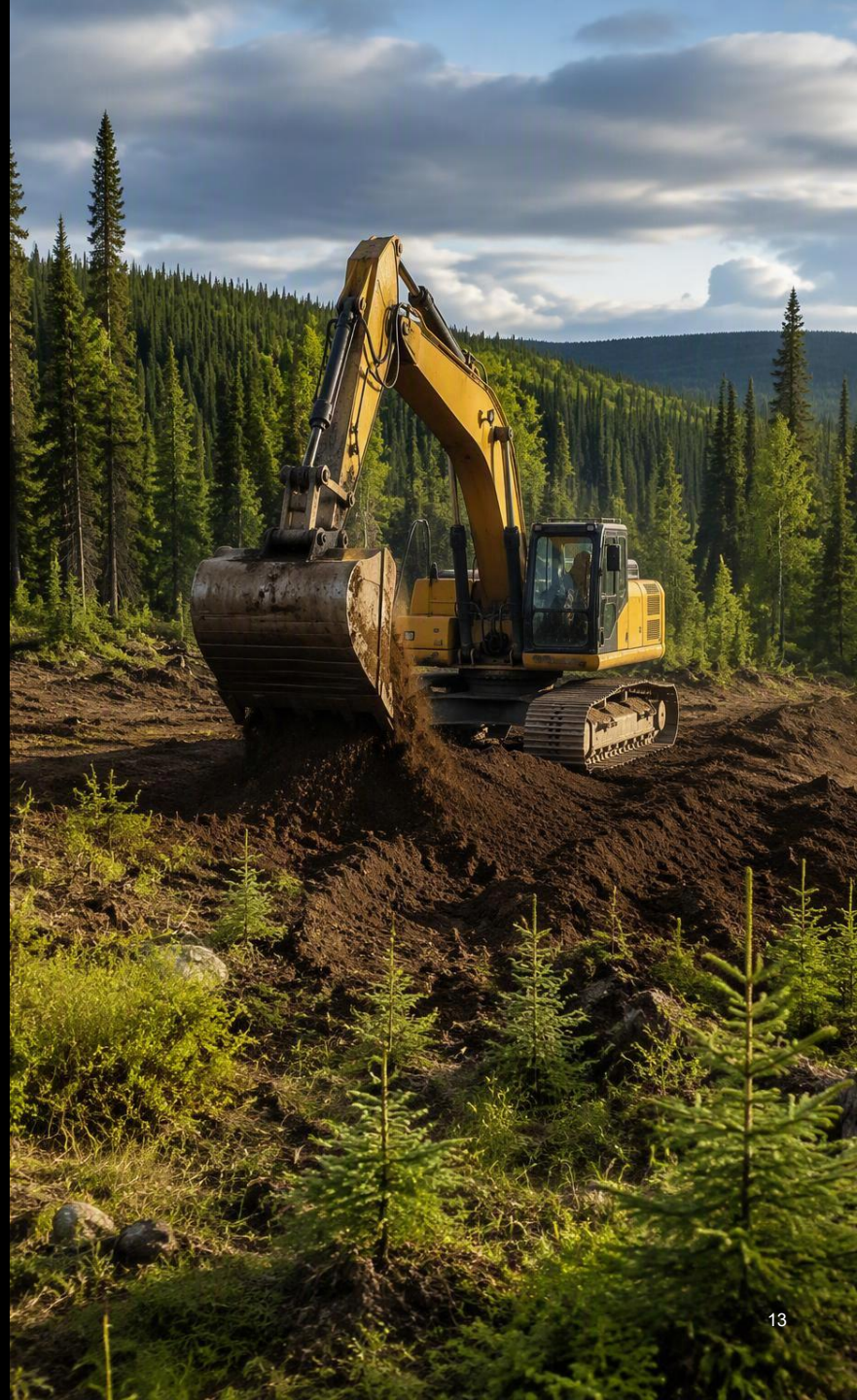
Liability estimates — including SSLAs — determine a licensee's proportionate share of the industry-wide closure spend target.

LICENSEE MANDATORY CLOSURE SPEND

(Licensee's inactive estimated liability ÷ Total industry inactive estimated liability) × Industry-wide closure spend requirement

$750 MM

Industry-wide closure spend requirement, 2027



How liability impacts licensees

Orphan Well Levy Calculations

Site liability estimates (regional and SSLA) are used in the calculation for the annual Orphan Well levy.

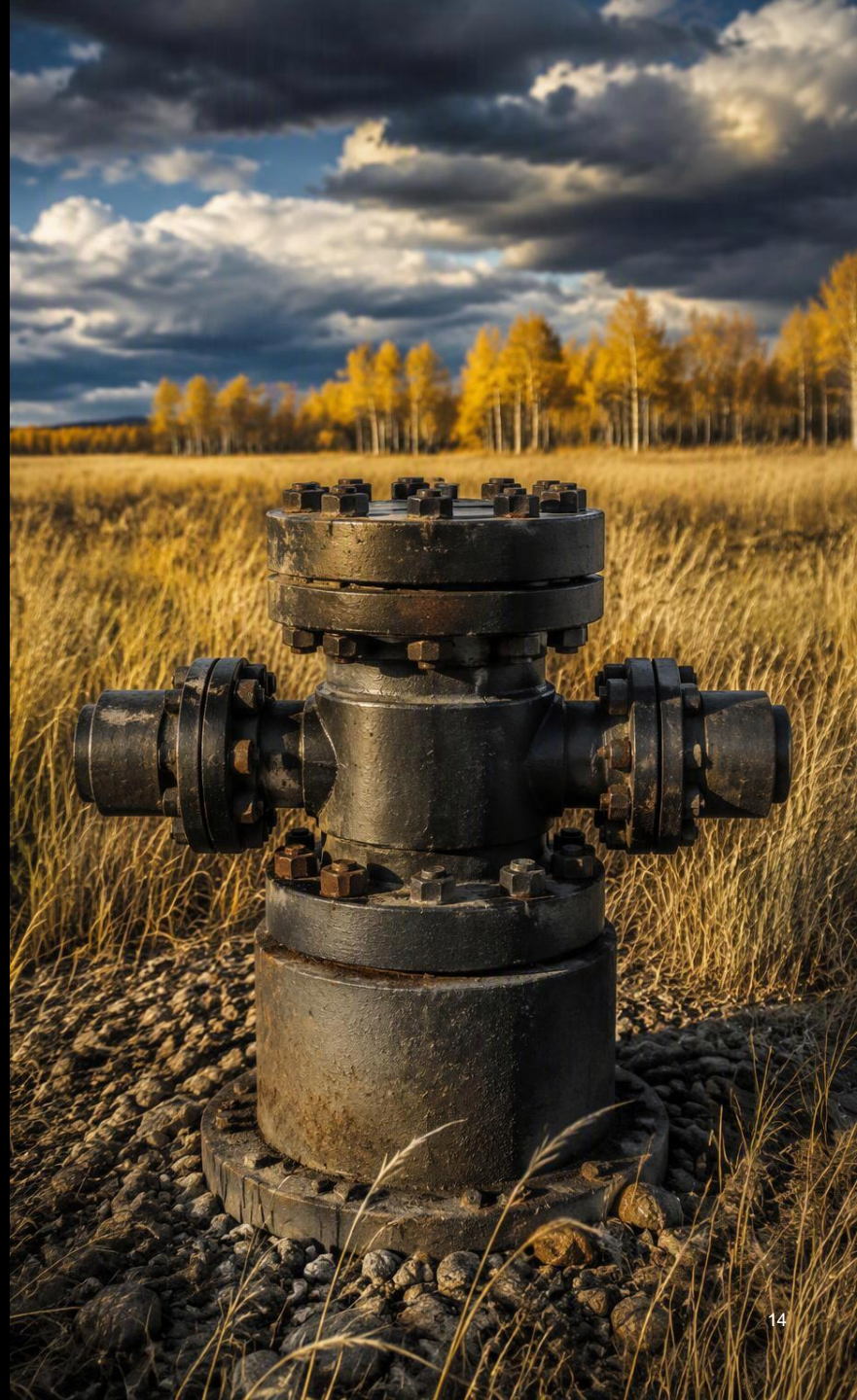
Each licensee or approval holder is invoiced for its proportionate share of the orphan fund levy.

ORPHAN FUND LEVY

(Licensee estimated liability ÷ Industry estimated liability) × Orphan Well operating budget

$154.56 MM

Orphan Well operating budget



How liability impacts licensees

Field and Corporate Level Decisions

CORPORATE LEVEL

Licensees use liability, including SSLAs, to help calculate asset retirement obligations (ARO).

FIELD OPERATIONS

A field-management tool for deciding which assets to keep producing, which to shut in, and how to sequence closure work.

ENVIRONMENTAL OPS & ASSET RETIREMENT

Prioritizes liability reduction programs on active sites and closure projects in asset retirement.

Accurate estimates help control future regulatory costs

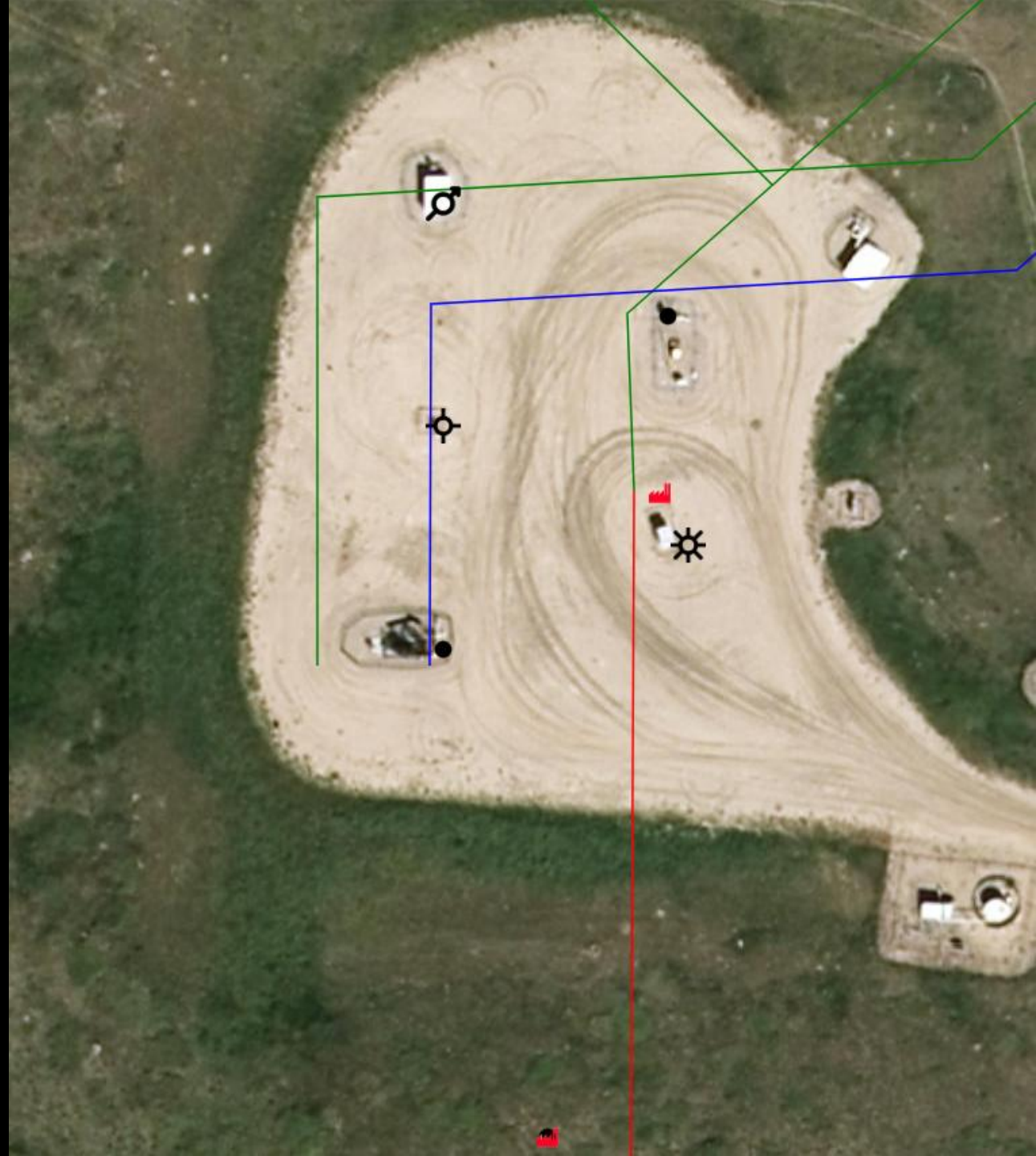


Competing Liabilities

Apply the liability to the appropriate asset

One site, many licences

Wells, pipelines and facilities often share a single lease



Questions?




THANK YOU