

Draft minutes

Canadian Flaring and Venting Regulators Forum

Meeting

Date: Thursday June 16, 2011

Time: 0900 – 1540 EDT

Place: Place Vincent Massey, Environment Canada, Gatineau, Québec

In Attendance:

Name	Group
Mike Layer	CanmetENERGY - NRCan
Kevin Parsonage	BC Oil and Gas Commission
Todd Paget	Government of Northwest Territories
Matthew Johnson	Carleton University
George Eynon	Energy Resources Conservation Board
James Vaughan	Energy Resources Conservation Board
Jim Spangelo	Energy Resources Conservation Board
Jennifer Abel	Manitoba Innovation, Technology, Energy and Mines
Fannie Lalonde	Environment Canada
Lynne Patenaude	Environment Canada
James Diamond	Environment Canada
Margaret Meroni	Environment Canada
Blair Batchelor	Environment Canada
Bruce McEwen	Environment Canada
Karissa Aubie	Environment Canada
Éric Giroux	Environment Canada
Susan Andews	Environment Canada
Philippe Thibert-Leduc	Environment Canada
Blair Batchelor	Environment Canada

By Teleconference:

Name	Group
Brad Wagner	Saskatchewan Energy and Resources
Keith Hynes	Newfoundland and Labrador
Paul Molloy	Newfoundland and Labrador
Christy Wickenheiser	National Energy Board
Rob Hamaliuk	Alberta Energy Resources Conservation Board
Jeff O'Keefe	Canada Newfoundland Offshore Petroleum Board
Akachi Imegwu	US EPA

The meeting convened at approximately 0900 EDT and was chaired by James Vaughan, notes were taken by Philippe Thibert-Leduc.

New Action Items

	Who	Due
11-06-A - [ACTION ITEM] Jim and Kevin to write a piece on definitions and path forward, as a first step, to bring to upper management later on, possibly at CAMPUS. Discussion to follow in September.	Jim and Kevin	September
11-06-B: : [ACTION ITEM] – James will ask members to submit annual flaring and venting numbers to prepare National reporting on flare and vent volumes report	James	

1) 9:00-9:15am – Welcome, Introduction and Administration

- The teleconference meeting convened at approximately 0900 EDT
- Welcome by Margaret Meroni, Executive Director, the Oil, Gas and Alternative Energy Division
- A round of introductions was conducted

New Action Items

	Who	Due
11-04-A: Mike will invite someone from the GGFR to attend our June meeting in Ottawa.	Mike	Done
11-04-B: Mike to follow up with Roger Fernandez with US EPA to see if he can attend the meeting in Ottawa	Mike	Done
11-04-C: Mike to provide information on the US 'Sub Part W' and pass on to the team	Mike	Done
11-04-D: Jim will undertake to look into the Alberta Specified Gas Emitters Regulation and speak to definitions for Flaring and Venting that this regulation includes at the next meeting.	Jim	Done
11-04-E: Team members to provide to James by May 12 further information (is it a regulatory requirement and are you willing to consider changing) on the flare and vent reporting summary for provinces by May 12 (2 weeks) and Jim will summarize and update spreadsheet prior to next meeting.	All	Ongoing
11-04-F: Forward any requested agenda items to either James, Fannie or Lynne ASAP.	All	Done

2) 9:30-9:45am - CFVRF Members Update (all)

Energy Resources Conservation Board:

- Flare numbers are up slightly in part due to more exploration and production testing.
- The Flaring and Venting Project Team under the Clean Air Strategic Alliance has disbanded at the beginning of this year. It was felt that the team couldn't achieve any more development nor provide new material.

British Columbia Oil and Gas Commission:

- New O&G Activity Act in 2010

- Flaring and venting volumes reasonably flat, small reductions, nothing significant
- Unconventional gas activity currently big in BC

Saskatchewan Energy and Resources

- Implementation of two directives:
 - Directive S-10: Saskatchewan Upstream Petroleum Industry Associated Gas Conservation Standards; and,
 - Directive S-20: Saskatchewan Upstream Flaring and Incineration Specifications

Manitoba Innovation, Technology, Energy and Mines

- Nothing new to report from MB
- Currently working on modifications to existing regulations

National Energy Board/Government of Northwest Territories

- Not a lot of activity besides one application for vertical fracking
- Currently dealing with new regulations

Canada Newfoundland Offshore Petroleum Board

- Flaring and venting volumes down from 10 to 15% from 2010, down 50% from high of 2006

Newfoundland and Labrador

- Not a lot of flaring and venting volumes to report
- Some onshore UOG exploration activity

Environment Canada

- GHGs:
 - Developing performance standards on a sectoral basis
 - Refineries, upgraders, upstream oil and gas identified as priority sectors
 - Shale gas, flaring and venting to be covered under UOG
 - Working towards harmonization with the US
 - More details to be available in the coming weeks
- APs: CAAMS CCME process to regulate air pollutants. BLIERS for sectors and equipment being developed

Natural Resources Canada

- Continued work on CCS
- Work with Global Methane Initiative

3) 9:45-10:45am - Discussion: Harmonization of provincial flaring and venting definitions (Jim Spangelo)

- Presentation will be made available on CFVRF website
- Focus on acid gas to see if it fits in flaring definitions
- Definitions, current reporting and proposed definition for flaring and venting

- Opportunity to change and harmonize definitions, clearer definitions = more reporting which could lead to less F&V
- Pros: Reporting costs a lot, so streamlining could mean a significant improvement cost-wise
- Cons: Highest number of facilities is in AB which means it would be easier to apply AB's method to all provinces
- Path forward:
 - Are we willing to bring these sets of definitions back, and test them?
 - Is there an opportunity to report total?
 - Roundtable on proposed definitions:
 - [ACTION ITEM] Jim Spangelo: Jim and Kevin to write a piece on definitions and path forward, as a first step, to bring to upper management later on, possibly at CAMPUS. Discussion to follow in September.

4) 10:45-11:10am - Health Break

5) 11:10am-12:40pm - Presentation: Venting and flaring emissions from UOG facilities in AB and follow-up study on mitigation costs (Dr. Matthew Johnson)

- Presentation excerpt will be made available on CFVRF website
- Focus on flaring and venting emissions at AB batteries (6.2 mega tons of CO2 emitted yearly)
- Most gas is flared and vented at large sites (90% of sites handle <32% of the volume), must look there for mitigation and reduction opportunities.
- Economic analysis of flare and venting mitigation measures

6) 12:40pm-1:30pm - Lunch

7) 1:30-2:00pm - Presentation: CCME Base Level Industrial Emission Requirements for VOC (James Diamond)

- Presentation will be made available on CFVRF website
- Presentation aims to update participants regarding BLIERS development
 - All industrial sources are being taken into account
 - Environment Canada leads the CCME process (with AB and ON champions)
- No economic analysis as it stands, right now working on obtaining numbers (reduction %) and then test them
- VOC BLIERS for Oil and Gas Sector: focusing on qualitative measures.

8) 2:00-2:45pm - Discussion: Flaring and venting at multi-stage frac operations (Kevin Parsonage)

- Presentation will be made available on CFVRF website
- In BC, all UOG activity is pretty much unconventional gas. 75% of drilling is targeting shale gas or close to it. 15% going after tight gas, remaining 10 % is conventional
- Recently, BC and AB released latest reserves for Canada, doubled BC's resources in natural gas, BC now has a bit more than AB

- Water-based frack + pipelines in place = no need for flaring and venting, all natural gas is stored
- Still opportunities to optimize equipment, especially for multi-stage fracking
- Montney Flares: rich gas, causes some problems. More existing activity, so more activity and close to operators
- Well data is confidential for 3 years: hard to get publically available information
- Scaled back their requirements for initial flow testing due to tenuous correlation between early production rates and ultimate recovery
- A definite need to push industry into production mode (from exploratory)
 - A lot of territory is in exploratory phase (Horn River, Montney, Liard, etc.).
- A lot of opportunities to employ technologies that would reduce GHG due to exploratory phase being the norm still.
- Flaring and venting still relatively high but should reduce significantly in next year or 2 (after current exploration phase)
- Currently, BC isn't developing flaring and venting regulations specific to shale gas, although regulations and policies have been adjusted for unconventional gas development (e.g. you need a proven well before you can build a pipeline)
- Implemented an online reporting system in the fall. Waiting to gather enough data to work with it.

9) 2:45-3:00pm - Health Break

10) 3:00-3:20pm - Presentation: US EPA GHG Reporting Rule for Petroleum and Natural Gas Systems – Subpart W (Akachi Imegwu)

- Presentation will be made available on CFVRF website
- January 1st of this year – monitoring began, data reports due march of next year
- Applicability of provisions is facility-based.
- Expecting first combustion report at EPA by September 2011. Subpart C is older than Subpart W, the latter not being finalized yet.
- Agency plans to publish the data but doesn't have a date right now.
- The report will include data at the facility level as well as aggregated data.

11) 3:20-3:30pm - National reporting on flare and vent volumes – GGFR Canadian Country Implementation Plan (James Vaughan)

- There seems to be value in aggregating the numbers on national flare and vent volumes
- [ACTION ITEM] – James to start working on this again and compile numbers at the national level, will ask members to submit number, and will send out summary report later

12) 3:30-3:40pm - Next steps and closing remarks (James Vaughan)

- Review of day's action items:
 - Jim and Kevin: Definitions and possible proposal for flaring and venting volumes within each jurisdiction (harmonizing)

- James: start compiling data on national flaring and venting volumes
- Wrap up:
 - Next CAMPUS meeting in Halifax, on September 25th 2011, next CFVRF to be scheduled in advance of this meeting
 - No venue has been chosen yet for next year's forum. James will get in touch with everyone for input.