



The World Bank's Voluntary Standard and a Comparison to Alberta's Current Requirements

Canadian Regulator's Workshop – Flaring and Venting Reduction

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World Bank's Standard and AB Requirements Topics for Discussion



- Introduction to WB Voluntary Standard
 - Highlights of requirements
- Identification of similar requirements already in place in Alberta
- Identification of gaps
 - Discussion of what is needed for Canada



World Bank Voluntary Standard



- Provides guidance on how to achieve reductions in flaring and venting of associated gas, draws on best practices
- Intended to support other flare reduction initiatives
- Parties supporting the Standard voluntarily choose to endorse the principles, and seek solutions to overcome barriers that prevent flaring and venting reduction
- Focuses initially on the largest sources of flaring and venting (i.e. production flaring, not emergency/safety or operational upsets)



World Bank Voluntary Standard



- Draws heavily on many of the requirements already in place in Alberta
- Thus, many Canadian oil companies already comply with Standard, or are close
- Many Canadian regulators already have much in place to satisfy Standard
- First, will look at similarities
- Then, look at gaps and consider how to meet Standard



Initial Goal



- Initial Goal of World Bank Voluntary Standard:
 - No continuous flaring and venting of associated gas, unless there are no feasible alternatives
- EUB Directive 60 requirement:
 - Gas must be conserved if conservation is determined to be economic
- Requirements are the same. AB uses economic test; WB Standard also uses economic test to determine feasibility. AB test is defined in detail.



Ultimate Goal



- Ultimate Goal of World Bank Voluntary Standard:
 - Minimize continuous and noncontinuous production flaring and venting of associated gas
- EUB Directive 60 requirement:
 - The EUB expects that the petroleum industry will pursue continuous improvement in reducing solution gas flaring and venting in Alberta
- Again, both standards contain the same intent: encourage continuous improvement

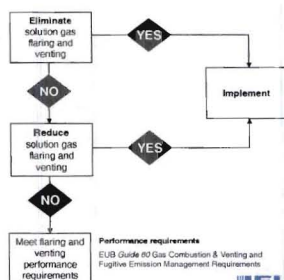


More common ground: decision tree

Both have decision tree.
Same 3 priorities:

- 1) **Eliminate**
- 2) **Reduce**
- 3) **meet performance requirements / best practices**

- WB decision tree also includes consideration of



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More common ground...



- Both also agree that where conservation/utilization is not feasible, burning is preferable to venting
 - Global warming potential
- Both allow for venting of uneconomic gas if hydrocarbon content of the stream will not support combustion or lack of sufficient pressure to enter a flare system



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More common ground...



- Both require an increasing degree of stakeholder engagement and project boundary expansion where initial assessment determines conservation is uneconomic
 - Clustering with other projects, and even with other operators
 - Upcoming EUB requirements specify including other operations within 3 km radius in evaluation
- WB Standard and EUB decision tree both suggest integrating economic, environmental and social benefits into evaluation



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More common ground...



- Both standards suggest periodic re-evaluation of cases determined to be infeasible to conserve
 - World Bank Voluntary Standard suggests a re-evaluation every 3 years for flares and vents not conserving
 - Upcoming EUB Directive 60 requires re-evaluation every year



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What does Canada need to do?



- Endorse the Standard
- Develop Country Implementation Plan (Martyn)
- Provide flaring data (Canadian roll-up)
 - Discuss how best to administer this – NEB, EUB, etc.
 - Provide to World Bank GGFR
 - Report publicly
- Identify and address possible barriers to further reductions in flaring and venting
 - (eg. Royalty relief on otherwise flared uneconomic gas)



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