

# Disturbance Cap Allocation - Approach and Next Steps

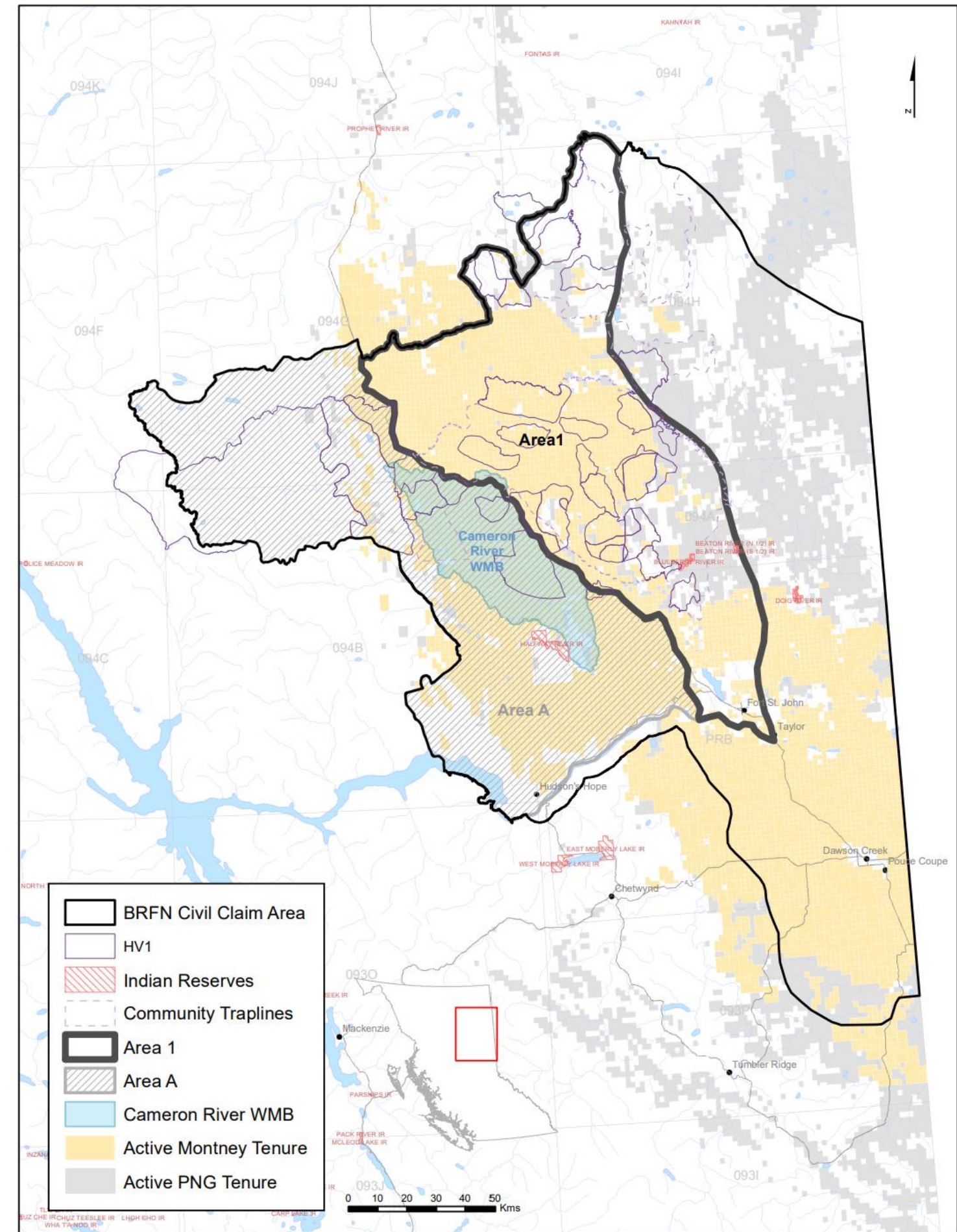




# New Disturbance Limits

## Caps and Sub-Caps

- **One in a suite of tools** being employed immediately to allow development to proceed while the components of the more comprehensive cumulative effects management frameworks are developed and implemented.
- 750 hectares per year within the Claim Area
  - 200 hectares in Area 1
  - Initially 660 hectares in rest of Claim Area (ie 860 this year)
  - 550 ha/year in rest of claim area in subsequent years
  - Sub-caps for specific areas
- Exceptions: BRFN; planning initiatives (C+D)



# How Disturbance will be Allocated

Allocation under the New Disturbance Cap will be based on the following:

- 1) A portion of the cap or sub-cap for an area will be allocated proportionally to all companies holding at least 2% of the Montney tenure in that area,
- 2) The remaining portion will be allocated at the discretion of the BC Energy Regulatory (BCER) in a principled way.

Notional allocations will be given on a rolling two-year schedule and quarterly meetings will be held to confirm application priorities.

# Tenure-based Allocation (50%)

- All tenure holders with greater than 2% tenure interests will receive an initial allocation based on the proportion of their tenure holdings
- Tenure based allocation will be determined on tenure holdings at beginning of calendar year
- Companies to identify priority applications and which will be applied against their tenure-based allocation
- If a company does not utilize their tenure allocation, the remaining allocation will be added to overall discretionary allocation envelope for area

**Tenure-based allocations for 2023 will be individually communicated shortly.**

# Discretionary Allocation Principles (50%)

- The remaining 50% (as well as any unutilized tenure-based allocation) will be allocated in a principled way, in consideration of the following:
  - Extent to which application and overall development plan seeks to minimize cumulative effects and utilize existing disturbance
  - Demonstration of meaningful pre-engagement with Nations
  - Alignment of application with multi-year development interests and overall plan
  - Economic significance, investment, and dependencies to development proposal (measured by capital investment \$ per ha of New Disturbance).



# Information being Requested

- In advance of planned meetings with companies in April, the following information is requested:
  - Description of application and associated activities or infrastructure
  - Identification of overlap with BRFN areas
  - Amount of New Disturbance or New Linear Disturbance
  - Explanation of how company has sought to minimize New Disturbance or utilize existing infrastructure
  - Overview of any pre-engagement conducted with Nations to date
  - Description of investment, financial dependencies or sunk costs
  - Maps showing all proposed applications (1:20,000 scale)

**An Excel template has been provided in which to complete this information, to support BCER decision making.**

# Next Steps and Timelines

## April - May

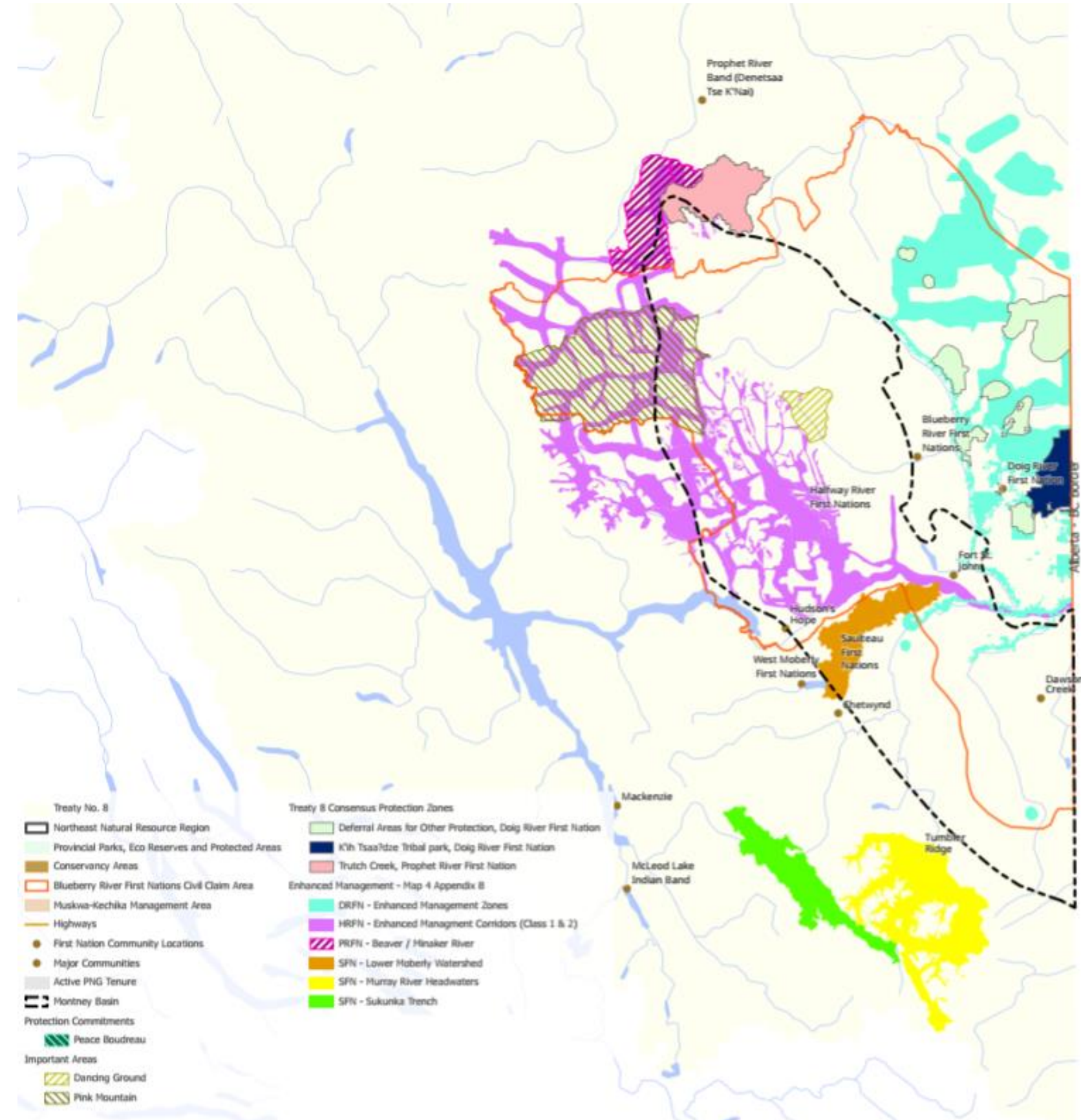
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- **Week of April 3** – BCER to communicate Tenure-based allocations
- **April 17** – Companies to submit Application details to BCER
- **Week of April 24** – BCER meets with companies (in Calgary)
- **Week of May 1** – BCER meet with companies (virtual)
- **Mid-May** – BCER to communicate discretionary allocations

**Direction and guidance with respect to pre-engagement and consultation with BRFN will be communicated to companies in the coming weeks.**

# Consultation with Treaty 8 Nations

- Treaty 8 First Nations have many overlaps of enhanced interest and treaty rights that overlap with the BRFN Claim Area
- The province has Letters of Agreement with many of the Treaty 8 First Nations and is collaborating on a path forward
- The BCER continues to work closely with all the First Nations and will engage and consult with them





# Thankyou

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