



2021/22 Strategic Plan

Version 1.0

April 2021

Introduction

It is my pleasure to submit our 2021/22 Strategic Plan to our Board and to our staff.

Our Strategic Plan is the result of our staff's analysis and evaluation of the opportunities and risks presented within our operating environment, and our Board's input into how well we are achieving our Vision, Mission and Values and mitigating principal risks.

The Strategic Plan articulates the strategies and tactics we will employ to ensure we are accomplishing the objectives given to us through government mandates, addressing evolving issues that affect our organization, moving on our aspirational plans, and addressing changes in our resource allocations over time. This document lays out the way forward, building upon past plans and helps shape our commitment to protect public safety, safeguard the environment and respect those individuals and communities affected by energy resource development.

Our 2020/21 year was a year like no other. We responded and adapted to the COVID-19 pandemic and continued to serve our province by living our organizational values of respect, integrity, transparency, innovation and responsiveness. I'm grateful to the Board, our leadership group and every staff member here at the Commission for the direction, creative energy and diligence provided day-in and day-out that keeps this organization at the forefront of regulatory excellence during an extraordinary time. Strategic initiatives that continued and were added this year include Indigenous partnerships on a variety of projects; our Comprehensive Liability Management Plan to tackle dormant and orphan sites and development of the broader Restoration Framework; a successful regional networking group, mediation service and new engagement plans to ensure land owners and other stakeholders are heard and potential issues are managed; proactive inspections and actions as we take on formerly federally regulated infrastructure. In the past year we significantly expanded reclamation in our orphan program and assisted the Ministry of Energy Mines and Low Carbon Innovation with their dormancy program. We also continued growing our staff's knowledge, skills, and abilities on everything from specific, technical expertise to diversity and inclusiveness to the new *Declaration on the Rights of Indigenous Peoples Act*.

Cascading from this Strategic Plan, our Divisional Business Plans articulate our core activities, our roles within our strategic initiatives, and the resources we will utilize to meet our expectations. Business Plans are developed within the context of the Strategic Plan and recognize the priority of our strategic initiatives.

There is a lot to be proud of in this organization and I am honoured to be a part of the expertise I see demonstrated daily as we advance safe and responsible energy resource development for British Columbians.



Paul Jeakins, Commissioner & Chief Executive Officer

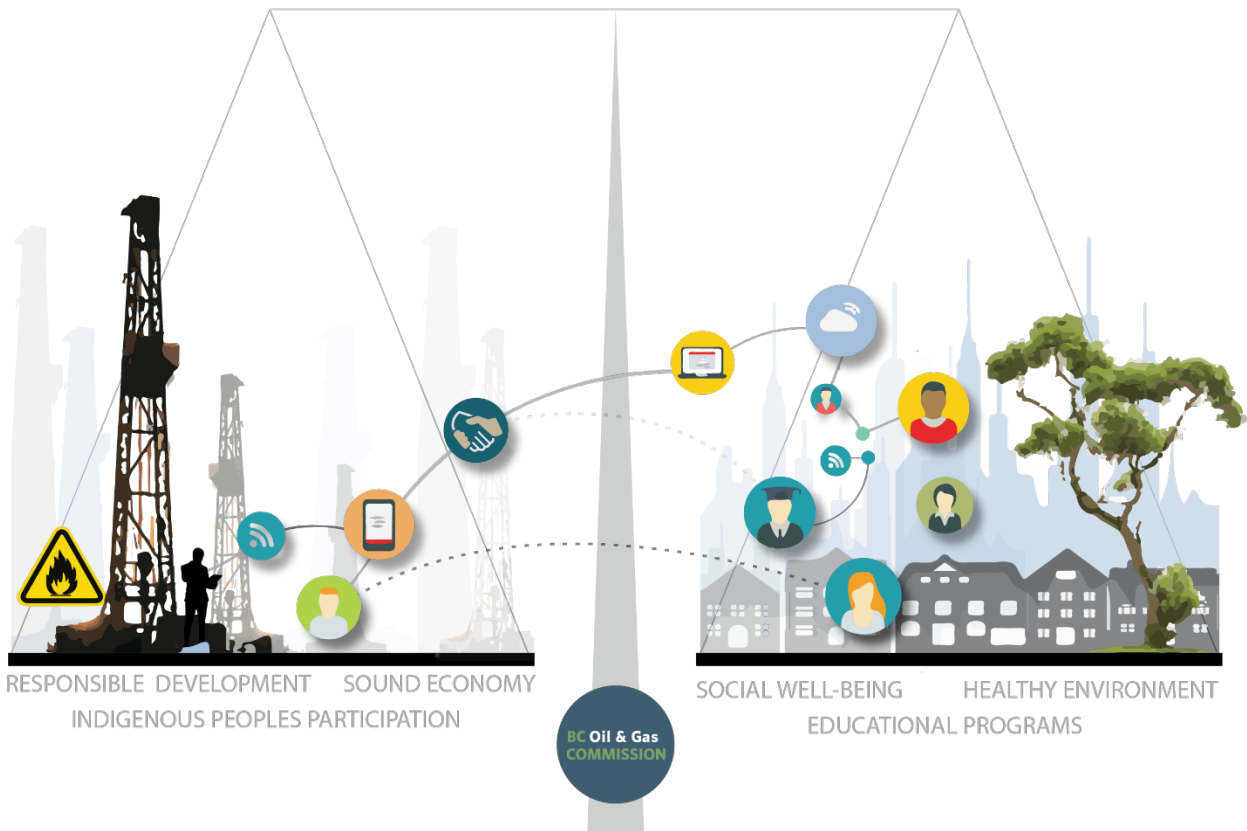
Strategic Direction

The Commission maintains a comprehensive and effective regulatory framework so oil, gas and geothermal activities are carried out in a manner that protects public safety and safeguards the environment, while respecting individuals and communities affected. From exploration through to final reclamation, we work closely with communities and land owners, and ensure industry compliance with provincial legislation. We also build close working relationships as we consult, engage and partner with Indigenous peoples.

We have a legislated mandate under the Oil and Gas Activities Act (OGAA) and our purpose is outlined in section 4:

The purposes of the Commission include the following:

- (a) to regulate oil and gas activities in British Columbia in a manner that:**
 - (i) provides for the sound development of the oil and gas sector, by fostering a healthy environment, a sound economy and social well-being,**
 - (ii) conserves petroleum and natural gas resources,**
 - (iii) ensures safe and efficient practices, and**
 - (iv) assists owners of petroleum and natural gas resources to participate equitably in the production of shared pools of petroleum and natural gas;**
- (b) to provide for effective and efficient processes for the review of applications for permits and to ensure that applications that are approved are in the public interest having regard to environmental, economic and social effects;**
- (c) to encourage the participation of First Nations and aboriginal peoples in processes affecting them;**
- (d) to participate in planning processes;**
- (e) to undertake programs of education and communication in order to advance safe and efficient practices and the other purposes of the Commission.**



Our strategic direction is framed by the external operating environment, OGAA and a Mandate Letter issued annually by the Minister of Energy, Mines and Low Carbon Innovation to the Board of Directors of the BC Oil and Gas Commission.. Specific direction in the Mandate Letter is updated annually and can be found [here](#). Everything we do at the Commission aims to be consistent with our Vision, Mission and Values (VMV).

Our Vision

Safe and responsible energy resource development for British Columbia

Our Mission

We provide British Columbia with regulatory excellence in responsible energy resource development by protecting public safety, safeguarding the environment and respecting those who are affected

Our Values

Transparency is our commitment to be open and provide clear information on decisions, operations and actions.

Innovation is our commitment to learn, adapt, act and grow.

Integrity is our commitment to the principles of fairness, trust and accountability.

Respect is our commitment to listen, accept and value diverse perspectives.

Responsiveness is our commitment to listening and timely and meaningful action.

Our Long-term Vision

As Commission employees, we will continue to innovate and act with respect, integrity, transparency, and responsiveness to provide safe and responsible energy resource development for the province.



Working together with Governments, Indigenous peoples, area residents and Stakeholders.

We are working closely with government to ensure our legislative framework is current and ready to tackle the ongoing evolution of the energy sector. We are also working with government on an action plan to address the findings from the scientific review of hydraulic fracturing; a research plan – with provincial agencies and stakeholders – to manage and reduce the release of methane from oil and gas operations and meet or exceed provincial and federal climate targets; and implementation of the Comprehensive Liability Management Plan and Dormancy Regulation to ensure timely and effective restoration of dormant and orphan wells.

Reconciliation is an ongoing process and a shared responsibility for us all. The unanimous passage of the *Declaration on the Rights of Indigenous Peoples Act* was a significant step forward in this journey. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move toward self-determination. The Commission's commitment to reconciliation is integrated throughout its business, from training staff to actively building partnerships with Indigenous communities throughout the regulatory lifecycle. This includes creating opportunities for Indigenous people in the restoration economy and bringing traditional knowledge into the restoration process.

We will continue to work with stakeholder groups, local officials and land owners, to make sure there is ongoing dialogue and meaningful actions to ensure their quality of life is not negatively impacted.

Innovation and change.

We will continue to form diverse and inclusive teams that collaborate and deliver on initiatives in a timely manner and strengthen internal, cross divisional relationships. Teams will effectively manage change and incorporate lessons learned from past and ongoing initiatives. Leaders will champion change, while the organization will provide staff with the training, knowledge, and skills to implement those changes, thus building on our successes and ensuring we have the right resources on every project and initiative that comes our way.

The COVID-19 pandemic meant most of us had to work remotely for most of 2020/21 and design and create innovative ways to fulfill our mandate, including virtual inspections, virtual meetings and engagement, and virtual conferences. Learnings through these difficult times have improved our internal communications, greatly advanced the use of technology at the Commission and shifted us to a more caring and inclusive culture.

The rate of technological innovation within our mandate is constantly changing. Technology is being used to improve the operations of the energy sector, while new techniques and approaches solve emerging challenges. As a learning organization, we will keep current, and in some cases, take a leadership role on emerging technology, to understand and better mitigate any risks to public safety.

The industry we regulate.

The COVID-19 pandemic has deeply impacted energy markets. While crude oil prices suffered considerably due to lockdowns and overall reduced travel, natural gas prices have remained strong. Over the next few years, the price of natural gas is expected to remain steady, as will natural gas export markets. Natural gas storage inventories will remain high and B.C. will continue to export to Alberta and the United States. B.C. liquids production will be part of the steady growth out of the Montney and multi-well pads will continue to be used, reducing the overall surface impact of oil and gas activity. While total Canadian marketable gas production has remained relatively stable over the last few years, B.C.'s production has been growing steadily to more than one third of Canada's marketable natural gas¹.

We are now regulating the largest infrastructure investment in Canadian history, with LNG Canada and Coastal GasLink constructing a facility and pipeline. Once in operation, the plant will require inlet gas volumes of approximately 1.9 billion cubic feet per day (Bcf/d) on start up with a planned capacity of approximately 3.8 Bcf/day. For perspective, in 2020 the marketable gas production in B.C. averaged 5.9 Bcf/day.

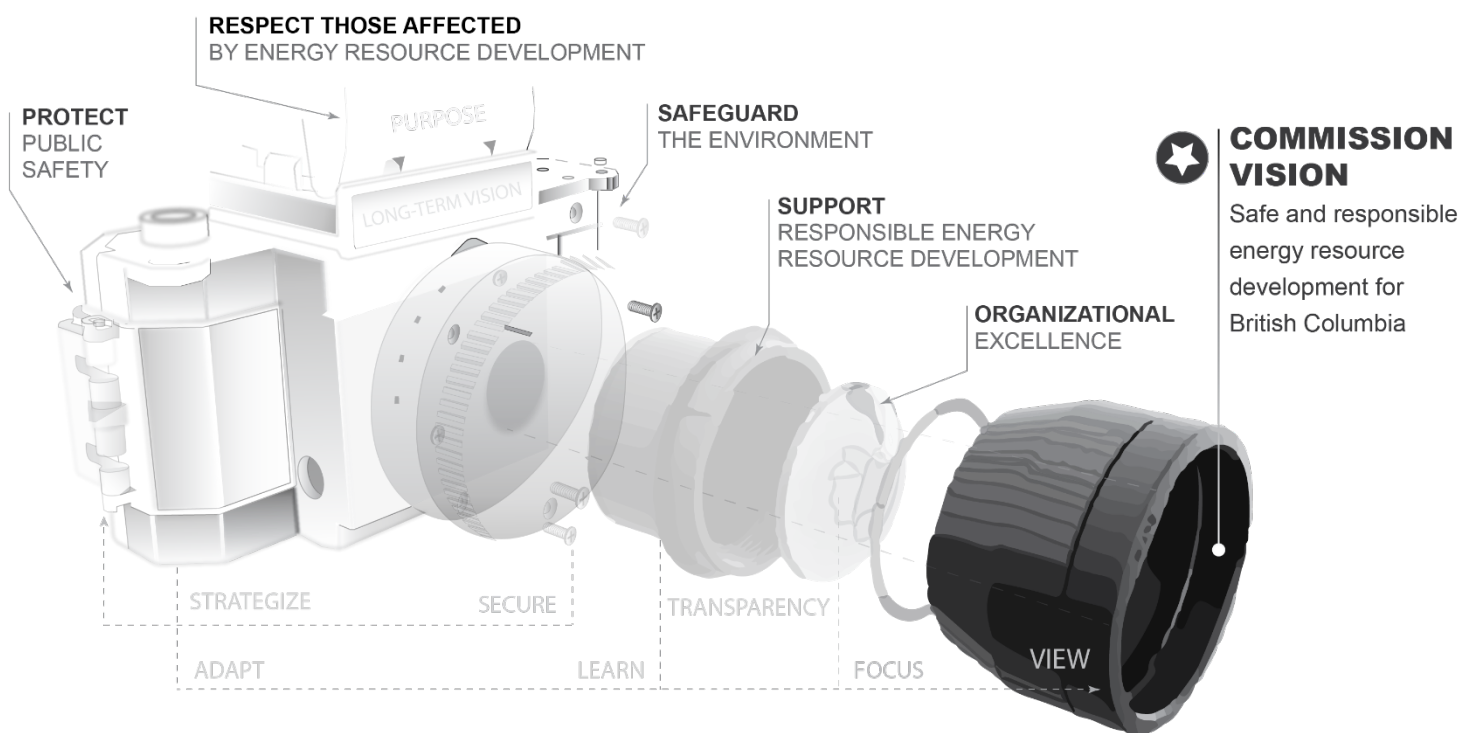
Further work is underway on our liability management program to address the number of inactive oil and gas sites, ensure operators have the financial means to complete reclamation, and increase the number of sites that are being or have been restored. While the number of orphan sites has increased from 346 to 770 in 2020/21, we are seeing progress in our restoration efforts, and will continue to ensure that every orphan site is safe for both people and the environment. The number of wells awaiting reclamation is forecasted to be less than 660 at the end of the 2020/21 fiscal year, on which there are less than 280 wells that await abandonment. A new Restoration Framework is helping advance the discussion on ecologically suitable reclamation of oil and gas sites, and will include transparent performance reporting requirements.

Who we want to be.

Building regulatory excellence requires us to continue to learn, adapt, and consider diverse perspectives. We have earned a reputation as an expert regulator – both within provincial agencies, industry, and increasingly, with other stakeholders. We will continually adapt and improve by recognizing unique styles, perspectives, beliefs and creativity that support a diverse, respectful, inclusive and collaborative work environment. We will also provide opportunities for all staff to excel while remaining focused on delivering on our mandate: protecting public safety, safeguarding the environment and respecting those individuals and communities affected by responsible resource development.

Our Response

To achieve the Vision, Mission and Values, the OGAA s.4 purpose, our mandate commitments and the long-term vision articulated above, corporate goals have been developed. These goals cascade into core activities, programs and initiatives. The breakdown of accountability and oversight for fulfilling the direction is documented through Divisional Business Plans.



Goal 1: Protect public safety

Safety is our number one priority. We will keep the public safe as a result of the decisions and actions we make regarding energy resource development.

B.C. has efficient and effective oil and gas legislation in place through the *Oil and Gas Activities Act*, its regulations and specified enactments, and its linkages to technical standards. Through our various compliance verification activities, we understand the factors that can lead to public safety related issues and we mitigate the risks by continually updating our regulatory framework, our processes and requirements.

Over the history of the Commission's operations, our scope of oversight has evolved and grown, with a focus on protecting public safety and [ensuring industry compliance](#) remaining paramount.

Executing our Annual Compliance Plan, which includes compliance verification activities associated with field inspections, external audit programs, compliance meetings, integrity management program oversight and strategic compliance initiatives, is one of our key strategies for protecting public safety. Results are published [online](#) and within the broader provincial compliance and enforcement [database](#).

Ongoing development and integration of the Annual Compliance Plan with the management of continuous improvement initiatives focused on the integration of compliance activities across the Commission through the Compliance Management System, ensure public safety related issues are understood and mitigated.

Key business activities:

- Providing technical expertise and oversight on permit applications and amendments, as all applications are reviewed against technical standards
- Auditing integrity management programs to ensure permit holders are mitigating or eliminating conditions that can lead to failures
- Reviewing Emergency Response Plans and attending permit holder emergency preparedness exercises
- Ensuring decision makers and field staff are trained on key aspects of public safety
- Conducting risk mitigation activities for damage prevention
- Completing technical reviews of ageing pipelines with high inherent risks
- Conducting root cause investigations into incidents to mitigate future incidents from occurring and to continually improve the regulatory framework

Indicators of success

1.1 Public safety related issues are understood and mitigated

1.2 The public is safe from harm should an incident occur

Performance Measures ¹	Targets		
	2021/22	2022/23	2023/24
Minimum number of inspections completed annually²	4,450	4,450	4,450
Initial inspection compliance rate for high risk deficiencies ³	98%	98%	98%
Overall inspection compliance rate⁴	100%	100%	100%
Per cent of High Risk Corrected Action Plans from Integrity Management Program audits closed out ⁵	100%	100%	100%
Per cent of urgent safety complaints responded to within 30 minutes	100%	100%	100%
Per cent of active permit holders with complete Emergency Response Plans	100%	100%	100%

Initiatives:

Compliance Management System Improvement Program: A multi-year transformation program to enhance the integrated framework of people, policies, processes, information and tools used by our staff to meet our compliance management objectives.

Integrity Initiatives: A risk based and data driven approach to review and provide regulatory oversight for safety and integrity risks.

Safety Oversight: Formalization of the regulatory safety oversight framework that systematically integrates our resources, processes, and programs in a coordinated, effective, and sustainable way.

¹ Bolded performance measures are also included in the [2021/22 – 2023/24 Service Plan](#).

Goal 2: Respect those affected by energy resource development

We recognize there are quality of life impacts to those living near energy resource development. We will ensure they are informed about development and potential impacts and their timelines. We will ensure they have the opportunity to receive and provide information related to the development and any concerns.

Our vision of safe and responsible energy resource development for British Columbia can only be achieved if we actively engage Indigenous peoples, local communities, and land owners throughout the energy development lifecycle and understand the impacts activity can have on the quality of life of those living close to the activity. We will respond to complaints, concerns and requests received throughout the energy development lifecycle in a timely manner.

We are committed to developing and maintaining relationships with Indigenous peoples by enhancing communications, being flexible in our approach to consultation, and collaborating throughout the regulatory lifecycle.

Measuring how effective we are at engaging Indigenous peoples, local communities, and land owners is important feedback. Through the engagement of those affected by energy resource development, we continually improve the programs we use to regulate quality of life factors such as noise, light, and induced seismicity.

Indicators of success

- 2.1 Aboriginal and Treaty Rights are respected and Indigenous peoples' interests are understood, considered, and incorporated in Commission decisions and programs**
- 2.2 Local community interests are valued, understood and considered in Commission decisions and programs**
- 2.3 Land owner interests in respect of their property are valued, understood and considered in Commission decisions and programs**

Performance Measures	Targets		
	2021/22	2022/23	2023/24
Per cent of applications where duty to consult with First Nations is met ⁶	100%	100%	100%
Satisfaction level on how well Commission is engaging Indigenous peoples ⁷	87%	N/A	88%
Per cent of wellsite operations suspended after causing a seismic event above regulatory threshold ⁸	100%	100%	100%
Satisfaction level on how well Commission is engaging stakeholders ⁹	87%	88%	88 %
Per cent of oil and gas activity permit applications compliant with Consultation and Notification Regulation requirements	100%	100%	100%

Key business activities:

- Assessing stakeholder engagement results as part of the permit application review process required by the Consultation and Notification Regulation
- Consulting with First Nations on how oil, gas and geothermal activity permit applications impact Aboriginal and Treaty Rights
- Engaging Indigenous peoples and communities on the development of regulatory and policy changes
- Ensuring decision makers and field staff are trained on key quality of life aspects

Initiatives:

Indigenous Relations Strategy: This strategy informs our policy, programs and actions across the organization, and is guided by the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's Calls to Action.

Stakeholder Engagement Strategy: Through this strategy, we will undertake actions to enhance how we build effective relationships and how we provide effective support services and information to communities and stakeholders.

Goal 3: Safeguard the environment

We recognize there are short-term and long-term impacts to the land base as a result of decisions we make related to energy resource development. We will ensure impacts to the environment are minimized and mitigated and ensure experts, decision makers, and field staff have the most current training and information.

Our environmental legislation, policies, processes, and tools safeguard the environment and help British Columbia and Canada achieve its environmental objectives. Through the Government's environmental objectives defined within our *Environmental Protection and Management Regulation* and our Area Based Analysis (ABA) program, environmental values and attributes are sustained throughout the energy development lifecycle.

We have forged numerous working relationships with ministries and agencies to develop a number of initiatives that are incorporated within the oil, gas and geothermal regulatory framework. As part of CleanBC, this includes initiatives focused on the new methane reduction regulation and research plan – with provincial agencies and stakeholders – to manage and reduce the release of methane from oil and gas operations and meet or exceed provincial and federal methane reduction targets. Part of our role will include ensuring all permit holders submit their required fugitive emission leak detection surveys on oil and gas infrastructure within the required timeframe for staff review.

Our experts participate within key provincial initiatives – such as land use planning, the Environmental Assessment Office revitalization, and the Agricultural Land Commission (ALC) revitalization – and incorporate key outcomes into our business practices.

Key business activities:

- Ensuring all regulated activities undertaken on the Agricultural Land Reserve are conducted in accordance with the ALC Delegation Agreement
- Verifying compliance with environmental regulatory requirements through our Annual Compliance Plan, which includes compliance verification activities associated with field inspections, external audit programs, integrity management program audits and initiatives and compliance meetings
- Assessing Certificate of Restoration applications, ensuring end-of-life environmental requirements are met
- Participating in broader government policy development ensuring regulated activities are considered and accounted for

Indicators of success

3.1 Environmental values and attributes are sustained

3.2 Environmental risks are understood and mitigated

3.3 The environment is protected should an event occur

Performance Measures	Targets		
	2021/22	2022/23	2023/24
Percentage change of net land footprint of oil and gas activities	Develop Process	Declining footprint	Declining footprint
Per cent of required fugitive emission leak detection surveys submitted by permit holders ¹⁰	100%	100%	100%
Per cent of well and facility permits issued in environmentally sensitive areas¹¹	<1%	<1%	<1%
Per cent of linear activities issued in environmentally sensitive areas	<4%	<4%	<4%
Per cent of available freshwater withdrawn for oil and gas activities¹²	<1%	<1%	<1%
Per cent of Agricultural Land Reserve land reclaimed within the required timeline ¹³	100%	100%	100%

Initiatives:

Methane Emissions Reduction: Continue implementation of the methane regulations put into place in 2020 through monitoring, reporting and enforcement. Working with the members of the B.C. Methane Emissions Research Consortium, ensure the necessary research and field technologies are available for further reductions and amendments to the framework supporting CleanBC and the provincial response to climate change.

Environmental Protection and Management Enhancement Initiative: We will support government to ensure emerging land use and environmental policy and regulatory initiatives, as they relate to oil and gas, and geothermal activities, are informed during development, and to ensure efficient and cost-effective deployment and incorporation into the Commission's operational processes.

Restoration Framework: We will work with Indigenous peoples, ministries, industry, and other regulators to improve the restoration of sites through initiatives such as RECCON 2021 – a forum to explore opportunities and technologies for land reclamation in the oil and gas sector.

Goal 4: Support responsible energy resource development

Provincial policy supports energy resource development as long as the public is safe, those affected are respected, and the environment is safeguarded. Our responsibility is to ensure the most appropriate effective and efficient processes are in place to manage new development and restoration.

Responsible resource development starts with our regulatory framework – continually improving the *Oil and Gas Activities Act* (OGAA) and its regulations – and continues through the decisions made through effective and efficient business processes.

After completing technical reviews, we make statutory decisions that respect the rights of those affected by oil and gas activities, fulfill the Crown's duty to consult, and stand the test of time. Through the Comprehensive Liability Management Plan, we became the first province in western Canada to impose timelines for the clean-up of oil and gas wells through the Dormancy Regulation, as well as preserve the industry pays approach through the new liability levy.

Executing on the annual orphan work plan is a key strategy for achieving our corporate goals and our target of restoring all orphan wells within 10 years of receiving an orphan designation. With the federal funding announced in April 2020, our supplemental reclamation program will further expedite the restoration of orphan wells.

Key business activities:

- Continually evaluating our legislative framework through the Legislative and Regulatory Improvements Program
- Completing technical reviews and making statutory decisions under OGAA that respect the rights of those affected by oil and gas activities and fulfill the Crown's duty to consult, informed by evolving government policy and internal training programs
- Maintain B.C.'s reputation as a model jurisdiction for data sharing on resources through the core facility, data and report publication, and transparent reporting of research and similar initiatives that improve overall efficiency, safety and environmental protection within the industry

Indicators of success

- 4.1 The Commission's regulatory framework and tools are effective**
- 4.2 Industry demonstrates responsible development, with dormant sites effectively managed**
- 4.3 The Orphan Liability Levy funds an effective orphan site restoration program**
- 4.4 Decisions are provided utilizing defined, effective and efficient processes**
- 4.5 Impacts associated with development are mitigated through a comprehensive regulatory framework, information and tools**

Performance Measures	Targets		
	2021/22	2022/23	2023/24
Per cent of Board regulations reviewed for effectiveness and relevance in a five year cycle	100%	100%	100%
Number of orphan sites restored¹⁴	30	35	50
Per cent of orphan sites that will be restored within 10 years of designation	100%	100%	100%
Per cent of dormant site Annual Work Plans completed and submitted ¹⁵	100%	100%	100%
Per cent of appealed Commission decisions that are rescinded or varied	0%	0%	0%

Initiatives:

Comprehensive Liability Management Plan: We will continue implementing our Comprehensive Liability Management Plan to reduce the financial, social and environmental risks associated with regulated activities including dormant sites and orphaned assets.

Opportunities to expand the single-window model: Further improve the single-window approach to geothermal development and work with government to evaluate other opportunities in other areas where the Commission's single-window regulatory model can be expanded.

Goal 5: Provide organizational excellence

We recognize energy systems are constantly evolving and creating new social and technological challenges and opportunities. We will strive to ensure our staff are engaged with our Vision, Mission, Values, and are trained to be the best at their job.

We strive to provide organizational excellence by focusing on performance, accountability and transparency and have established processes and key performance indicators to measure our success. We enhance transparency and public engagement by making information available and using it to support public understanding of existing regulatory safeguards.

We strive to improve our Corporate Sustainability and engage our people in finding the best opportunities to do so.

A significant driver of organizational excellence is our people, so we will continue to provide development opportunities and employee engagement strategies. We also enhance corporate systems by leveraging business intelligence, process management and quality improvement.

As a learning organization, we keep current by working with other regulatory bodies such as the Western Regulators' Forum and Interstate Oil and Gas Compact Commission, and actively build the expertise of our staff in existing and emerging areas of responsibilities – as has been done to prepare for the LNG Canada facility expected to come online in 2025.

Key business activities:

- Utilizing our Integrated Risk Management framework to continually evaluate the operating environment and to respond and mitigate corporate risks
- Utilizing project and process management methodologies to identify, prioritize and execute on process improvement initiatives
- Building and fostering leadership capabilities through our Leadership Development Framework
- Keeping up to date on current energy trends and developments
- Building and retaining expert staff through training and engagement activities, and leading workplace practices
- Continuing to look for ways to reduce our carbon footprint through reduced travel, office space, paper usage and fuel-efficient fleet

Indicators of success

5.1 The Commission is accountable, transparent, and continuously improves

5.2 The Commission attracts and retains skilled and engaged employees

5.3 The public has a positive perception of the Commission

Performance Measures	Targets		
	2021/22	2022/23	2023/24
Per cent of stakeholders who agree the Commission is well recognized as the responsible regulatory authority for energy resource development in B.C. ¹⁶	87%	87%	87 %
Annual staff engagement score ¹⁷	>73	N/A	75
Annual staff turnover rate	<10%	<10%	<10%
Per cent of staff with Individual Development Plans completed within allotted timeframes	100%	100%	100%

Initiatives:

Be Accountable and Transparent: Continue with the Transparency Strategy developed in 2018 by making information publicly accessible, such as permit documents, as well as through associated projects, such as the BCOGC.ca website data portal.

Workforce Strategy: Attract and retain skilled and diverse talent by providing flexible workspace options while also reducing the Commission's carbon footprint.

Corporate Sustainability: Develop and implement sustainable practices across our business and the communities where we work.

Our Process for Success

Our corporate planning and performance reporting processes outlines the path we will take to deliver on the goals and achieve the indicators of success articulated within our Strategic Plan. These cascading processes enable the Commission to delineate responsibilities and assign accountabilities for achieving its mandate across its management team in a logical and transparent manner.



Through this structure, the Strategic Plan content cascades to Divisional Business Plans (DBP), creating a direct line of sight between our mandate and the front lines of the organization. Each Divisional Business Plan documents the core activities, the roles and responsibilities for strategic initiatives, and the divisional projects that will be undertaken to achieve the Commission's goals. To assess how well we are achieving these goals, each of our strategic performance measures are assigned an Executive champion and are continuously monitored and reported quarterly to our Board of Directors. It is through the core activities and initiatives documented within the DBPs that the targets will be achieved.

Continual Improvement

The Strategic Management System (SMS) used to manage our corporate planning and reporting business processes continuously improves as the organization learns, grows and evolves. Every year, management looks at ways in which the system can be more effective in aligning the organization's efforts and structure to meaningfully achieve its mandate and fulfil its purpose.

What we need: Critical Success Factors

There are a number of factors required for this plan and its implementation to be a success:

Clear Vision

- A clear long-term outlook easily understood by our employees, partners and stakeholders.
- Leaders need to demonstrate a commitment to the Vision by making sure all of our efforts align with the fulfillment of that Vision.

Our People

- Have the right people in the right positions at the right time.
- Invest in our employees and foster a positive, diverse and inclusive working environment.
- Make sure employees have the skills, tools and abilities to do their work well.
- Develop leaders through training, exposure and succession planning.

Our Leadership

- Demonstrate and live out the Commission's Values.
- Support the development and growth of staff.
- Provide a clear, shared Vision to staff, our partners and stakeholders.

Responsive Organization

- Have the right tools and support systems in place for the organization to achieve its Vision.
- Be adaptive, responsive and nimble.
- Continuously learn and improve.
- Foster corporate sustainability

Closing Thoughts

By following this 2021/22 Strategic Plan, we will continue to improve as an organization and remain focused on delivering on our commitment to safe and responsible energy resource management for British Columbia.

End Notes

¹ In 2020, Canada produced approximately 15.6 billion cubic feet per day (Bcf/d) of marketable natural gas. 35 per cent of this gas came from B.C. Source: Canadian Energy Regulator.

² The Commission uses a risk-informed inspection selection process to plan approximately two-thirds of the inspections prioritized in the Annual Compliance Plan. Through this Annual Compliance Plan, the Commission [ensures oil and gas operations](#) in B.C. are carried out in compliance with all relevant legislation. This planning process incorporates ongoing learnings and trends related to public safety and environmental protection gathered through the Commission's connections with government, the oil and gas industry, the public, Indigenous communities, and other regulators. Management continually monitors the progress of the Annual Compliance Plan.

With over 25,000 well, pipeline and facility sites within our jurisdiction, our annual inspection goal enables us to understand the state of compliance across the province and monitor higher inherent risks, while collecting data on safety trends.

³ A high risk deficiency is issued as a result of non-compliance with regulations or requirements that poses a major risk to public safety and/or the environment. If a high risk deficiency is found through compliance verification activities, it is communicated to the permit holder as soon as possible from the field, and is subject to a 24 hour action timeline to rectify the situation.

⁴ The overall inspection compliance rate represents the Commission's final, corrected compliance rate. The non-compliance management processes, which communicate deficiencies and correction timelines to responsible parties through information systems, enable the 100 per cent target to be achievable.

⁵ For the 100 per cent target to be achieved, any high risk corrected action plans from Integrity Management Program audits are to be closed out in within the year they are due.

⁶ Meeting the Crown's duty to consult with First Nations on how oil and gas activity permit applications may infringe on the Constitution Act, 1982 aboriginal and treaty rights is assessed internally. This measure is calculated as the number of statutory decisions that are not overturned or varied through a judicial review brought on by an Indigenous group.

⁷ Engagement surveys with Indigenous groups are conducted bi-annually (every two years) by a third-party research firm. The results are tracked and analyzed internally.

⁸ The >3.0 magnitude seismic threshold is the generally accepted threshold upon which seismic events may be felt, and applies to activities within the Kiskatinaw Seismic Monitoring and Mitigation Area (KSMMA), as established through [Order 18-90-001](#). Outside of the KSMMA, the provincial seismic threshold is >4.0 magnitude, as prescribed within section 21.1 of the [Drilling and Production Regulation](#). Seismic event data is obtained from the Natural Resources Canada (NRCAN) earthquake database. Operational data, including suspension data, is tracked and monitored internally.

⁹ Engagement surveys with stakeholders are conducted annually by a third-party research firm. The results are tracked and analyzed internally.

¹⁰ Amendments made to the Drilling and Production Regulation that came into force in 2020 formalized the Commission's regulatory role within B.C.'s methane emission reduction strategy, requiring leak detection surveys at set frequencies for specific oil and gas activities.

¹¹ For the purpose of both this measure and the linear disturbance measure that follows, environmentally sensitive areas are captured spatially in Commission information systems based upon definitions within the Environmental Protection and Management Regulation and broader B.C. government policy. These environmentally sensitive areas include wildlife habitat areas, ungulate winter ranges, old-growth management areas, and cultural resource resources. The Commission integrates this data for Area Based Analysis (ABA) and is used as part of the permitting process.

¹² Available water is defined as 15 per cent of the mean annual runoff, ensuring 85% of water is protected and

conserved at all times. Of the 15 per cent that is available, the Commission's target is to authorize 1 per cent or less of that available water – ensuring water is widely available for use. To mitigate the impact of industry activity on fresh water sources, the Commission encourages industry to use alternative water sources such as recycled and saline water.

¹³ As per the [ALC Delegation Agreement](#), a Schedule B Site Reclamation Report must be submitted by the permit holder to the Commission within a required time period after oil and gas use has been completed. This report demonstrates how the agricultural area has been reclaimed to its natural standard.

¹⁴ As of December 2020, the number of designated sites has increased to 770. The target is relatively low because it only applies to orphan sites where all phases of the decommissioning and restoration process are substantially completed; there are many other sites where much work is complete but still in progress. The Commission target of restoring all orphan wells within 10 years of orphan designation, with all orphan restoration work funded by industry. This objective is assessed in the subsequent measure.

¹⁵ With the first required decommissioning milestone for dormant sites at the end of 2021, the Commission's focus ensures permit holder work plans for 2021 and beyond are in place.

¹⁶ Assessed as part of a stakeholder survey, conducted annually by a third-party research firm. The results are tracked and analyzed internally.

¹⁷ An engagement survey is conducted bi-annually (every two years) by an independent, third party research firm. The results are tracked and analyzed internally; results for 2020/21 will be available in April 2021.