Quarterly Annual Compliance Plan Summary

Second Quarter 2026/27 (July - September)

BRITISH COLUMBIA **ENERGY REGULATOR**



Role of the

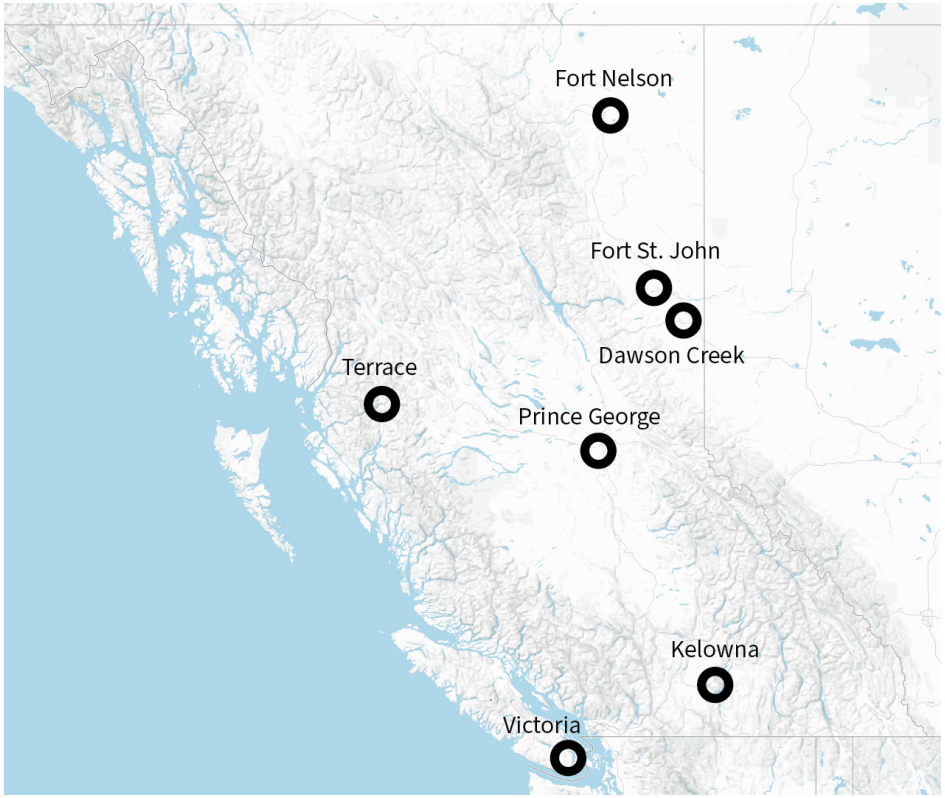
British Columbia Energy Regulator

The British Columbia Energy Regulator (BCER) oversees the full life cycle of energy resource activities in B.C., from site planning to final restoration. Our role includes the regulation of natural gas, oil, hydrogen, ammonia, methanol and renewable energy sources such as geothermal, solar and wind power.

Our authority is established by way of the Energy Resource Activities Act (ERAA) and additional legislation related to heritage conservation, roads, land and water use, forestry, and other natural resources. We work to ensure industry compliance with provincial legislation to protect public safety and the environment, support reconciliation with Indigenous peoples, conserve energy resources and foster a sound economy and social wellbeing.

Our employees work out of seven locations to ensure our presence near energy resource activities: Fort Nelson, Fort St. John, Dawson Creek, Terrace, Prince George, Kelowna and Victoria.

BC Energy Regulator Office Locations Throughout B.C.



We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water, on whose territories our work spans.

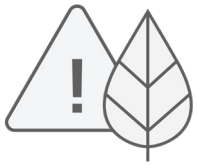
Vision, Mission and Values

Vision

A resilient energy future where B.C.'s energy resource activities are safe, environmentally leading and socially responsible.

Mission

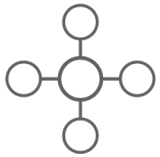
We regulate the life cycle of energy resource activities in B.C., from site planning to restoration, ensuring activities are undertaken in a manner that:



Protects public safety and the environment



Supports reconciliation with Indigenous peoples and the transition to low-carbon energy



Conserves energy resources



Fosters a sound economy and social well-being

Values

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

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

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

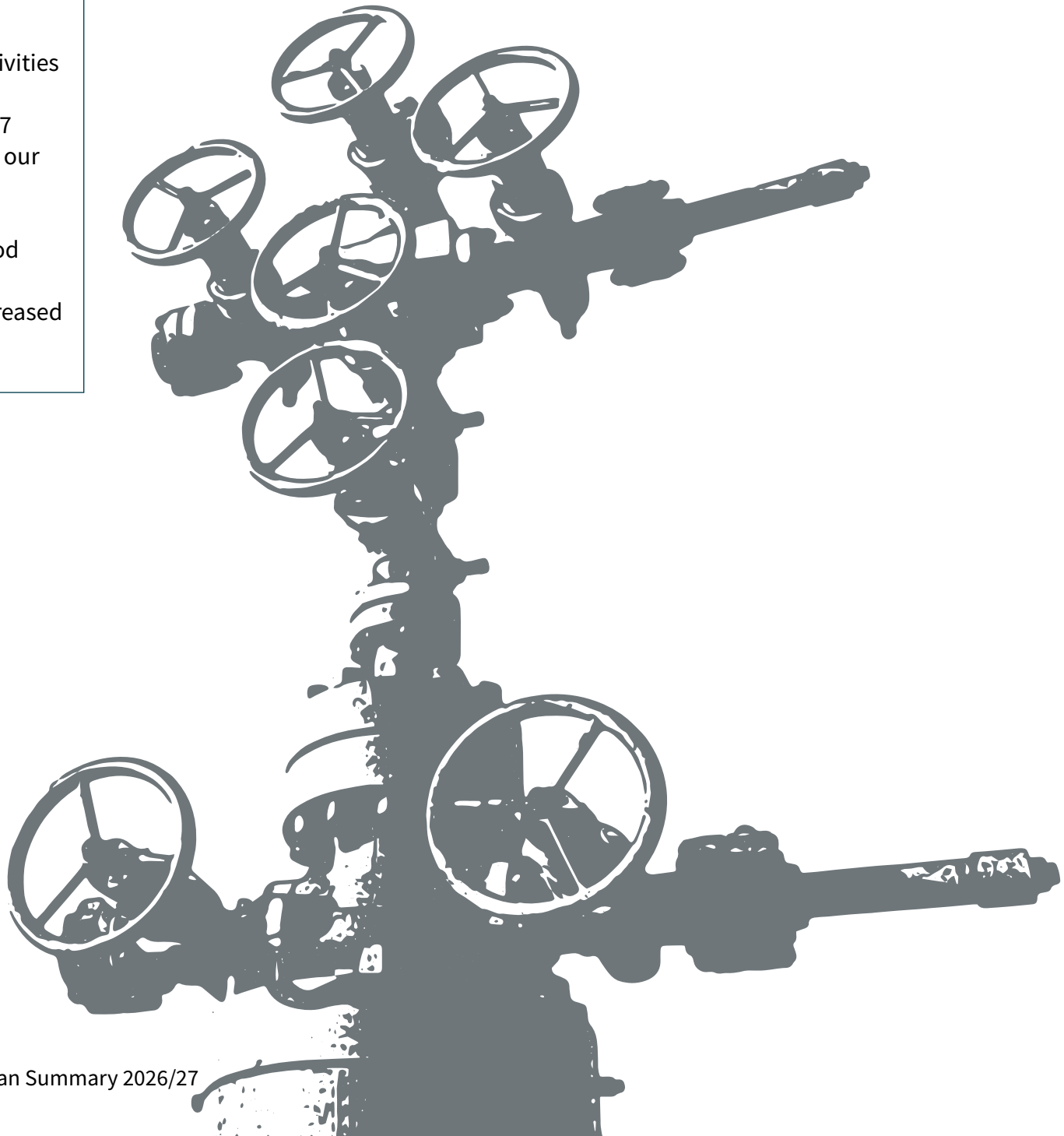
Innovation is our commitment to learn, adapt, act and grow.

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

PURPOSE

This report provides a summary of activities carried out under the BCER's Annual Compliance Plan for fiscal year 2026/27 and progress made towards achieving our associated targets.

The BCER's Plan, Do, Check, Act method provides certainty that our approach continuously improves, leading to increased effectiveness of compliance oversight.



COMPLIANCE MANAGEMENT AND OVERSIGHT

The BCER's mandate to regulate energy activities in B.C. is provided through the Energy Resource Activities Act (ERAA). It is part of a comprehensive regulatory framework governing energy resource operations and the assessment of compliance within that framework is a critical element in fulfilling the BCER's mandate.

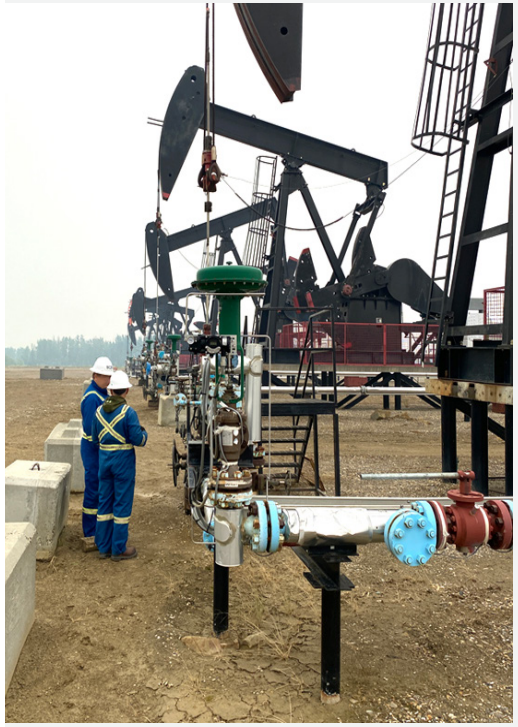
The BCER has processes and systems in place to manage compliance within the energy industry to ensure the protection of the environment and public safety. Oversight is carried out by various teams throughout the organization, including engineering, environmental stewardship, geology, archaeology, and compliance & enforcement.

The BCER's Compliance Management System (CMS) includes the principles, roles, responsibilities, requirements and methodologies through which the BCER ensures energy companies in British Columbia operate in accordance with Provincial legislation, regulations, permits, and authorizations designed to uphold public safety and environmental protection.

Compliance Principles

All compliance management processes under the BCER's CMS are designed, planned, carried out and evaluated in accordance with the following principles:

- **Fair:** Compliance activities afford all affected parties a fair process and compliance decisions are made by objective, competent decision-makers.
- **Defensible:** Compliance activities and supporting intelligence are accurate and support activities undertaken by the BCER.
- **Predictable:** Enforcement outcomes from compliance activities are fair and predictable under clearly understood conditions.
- **Risk-Informed:** Compliance management processes are informed by risk, ensuring resources are used to the maximum effect.
- **Responsive:** All identified potential situations of non-compliance are examined and non-compliances are met with appropriate action and tracked until corrected.
- **Collaborative:** Business areas work together, share information and engage stakeholders, to ensure the CMS achieves performance expectations.
- **Adaptive:** Knowledge gained from compliance management processes, independent third-party observations and other sources will be used to systematically improve the CMS through a continuous improvement process.



Compliance Verification Activities

The BCER carries out several activities and business processes every year to assess whether regulatory requirements have been met by energy resource permit holders. These activities include, but are not limited to, audits, inspections, administrative monitoring and permit holder self-assessments. Annual Compliance Plan (ACP) documents include annual plans for audits and inspections, the results of which may inform adjustments or improvements to other verification processes.

- **Audit:** An independent, systematic and documented process to obtain and evaluate evidence to determine the extent to which audit criteria are fulfilled.
- **Inspection:** An on-site, compliance verification activity or process that involves the methodical examination and assessment of regulated activities or operations against requirements. May occur at any time during the life of a project.
- **Administrative Compliance Monitoring:** An office-based compliance verification procedure which may include any activity to track or assess compliance associated with operational submissions that must be provided to the BCER, including data, notices, reports or any other information required to be submitted.
- **Permit holder self-assessment:** A compliance verification method carried out by permit holders, which uses a standardized approach pre-defined or sanctioned by the BCER to assess and/or report on compliance with a requirement.





Natural Resource Aboriginal Liaison Program

Established in 2014, the Aboriginal Liaison Program (ALP) is a partnership between participating First Nations across northern B.C., the BCER, the Canada Energy Regulator (CER), the BC Oil & Gas Research and Innovation Society (BC OGRIS) and provincial natural resource and emergency management agencies.

Partnering First Nations hire a Liaison to report to their communities about resource activities and impacts on their traditional territories. The program supports training opportunities and field participation with agency staff to increase knowledge-sharing and understanding of various activities associated with compliance monitoring, stewardship and emergency management. The Liaison can then inform community members with sound, objective and reliable information.

By working directly with Liaisons, BCER staff are provided with opportunities to deepen their knowledge of Indigenous people's cultural values and history in relation to resource development in the area and learn about the communities and people they work with.



ANNUAL COMPLIANCE PLAN DEVELOPMENT

The Annual Compliance Plan (ACP) establishes our priorities and targets for audits, exercise reviews and inspections for the coming fiscal year. The annual plan consists of an audit plan, exercise review plan and an inspection plan along with measurable targets against which quarterly and annual reporting can be carried out.

The Annual Compliance Plan is created using a cyclical Plan-Do-Check-Act process for continuous improvement.

Plan: Key inputs into the ACP are inspection selection and planning criteria and methodologies, audit planning schedules, results from previous ACP implementations, corporate-level risk registers and other strategic drivers.

Do: Includes the implementation of the annual inspection and audit plans.

Check: Includes quarterly and annual reporting related to the progress of plan implementation, identification of any key trends, and any recommended actions. This may also incorporate operational data and trends from the various compliance verification processes carried out at the business unit level.

Act: Involves responding to information obtained from the check phase – both quarterly and annually - to enhance performance to expectations. Some actions identified may be executed immediately upon observation, or as part of improvements prioritized within the next year's ACP.

ACP Component: Annual Audit Plan

We perform audits to assess the effectiveness of permit holders' program areas in accordance with specified audit criteria. Auditing is used to assess compliance with requirements, which are outside the scope of routine inspections and involves verifying adherence to specific criteria derived from requirements or regulations and looks at the overall method by which a risk is managed. Audits may also be broad-based, assessing industry trends or effectiveness of existing regulation.

The focus is on the processes and procedures used to meet specified criteria or requirements, and the overall effectiveness. The scale and scope of individual audits is based on the size and nature of the auditee as well as on the nature, functionality, complexity and the aspect of the area or system to be audited. This includes audits of single, multiple or integrated management system(s) or program areas conducted either separately or in combination.

ACP Component: Annual Emergency Management Evaluation Program

To assess the effectiveness of permit holders' emergency management programs and their compliance with emergency management regulations, the BCER conducts exercise evaluations in conjunction with a systematic review of each operator's emergency response plans. Upon submission, all emergency response plans undergo a thorough review to ensure compliance and completeness, detailing the processes and procedures permit holders will follow in responding to emergencies.

A fundamental operational aspect of the emergency management program is the completion of annual exercises. Conducted by permit holders, these exercises provide an optimal opportunity for the BCER to evaluate permit holders under real-life scenarios.

As such, the BCER's on-site participation in exercises has been established as a core compliance operation, allowing the BCER to confirm the permit holder's knowledge, skills and abilities to respond effectively to incidents relevant to their operations.

Exercise attendance is prioritized based on factors such as the type of exercise (tabletop or full-scale), past performance, the nature of the permit holder, as well as the complexity, area and/or assets involved.

Through this process, the BCER provides assurance that permit holders have the necessary people, processes and equipment in place to respond to emergencies effectively and efficiently.

ACP Component: Annual Inspection Plan

The Annual Inspection Plan sets a performance target for conducting data and risk-informed inspections within the fiscal year. These inspections constitute the foundation of our program and are determined through risk modeling processes that prioritize site inspections. Additionally, a random sample is included to validate the model and promote continuous improvement.

The following categories of inspections, triggered by operational events, external requests, or field observations, complement the overall inspections conducted within a fiscal year, significantly enhancing program efficiency.

- **Data and Risk-Informed:** This stream selects inspections based on site characteristics, observed compliance trends, and associated risk. Random sampling is also included to support validation processes.
- **Event-Driven:** This stream selects inspections after operational events at oil and gas sites (notice of construction, pressure test, Leave to Open notices, etc.).
- **Responsive:** These include inspections requested by a business area within the BCER or by an external party. This stream provides responsiveness to specific stakeholder interests or concerns, and identification of potentially emergent compliance trends.
- **Officer Selected:** These inspections are selected by officers based on an evaluation of inspection frequency, inspection coverage within an area, local knowledge and response to seasonal access into remote areas. As these inspections are often conducted alongside other planned inspections, they positively influence inspection efficiency by rounding out daily activities in a particular area.

ACP MONITORING AND RESULTS

The BCER tracks progress towards completion of planned activities in the ACP through preparation and review of quarterly and annual reports. These reports are reviewed by business unit leaders and all members of an internal Compliance Management Steering Committee.

After the completion of an ACP cycle, the BCER reviews and analyzes audit and inspection results to identify trends or findings that may inform changes to criteria used in planning future ACP activities.

Table 1 presents audit program performance. The audit schedule is influenced by seasonal factors (e.g., vegetation assessment windows), industry submission timelines and the need to balance workloads across the fiscal year. At the end of Q2, 97 per cent of planned audits were in progress, and the audit program is on track for successful completion before the end of the fiscal year.

Table 2 presents emergency management exercise review program performance. Permit holders are responsible for scheduling these exercises in accordance with regulatory requirements. As BCER prioritizes attendance, performance targets may be exceeded when resources are reallocated to respond to fluctuations in the number of exercises. At the end of Q2, 65 per cent of planned exercise reviews were completed and it is expected that all planned activities will be completed prior to the end of the fiscal year.

Table 3 presents inspection program performance. The inspection schedule is shaped by seasonal factors affecting the types of inspections, variability in site access throughout the year and shifting resource demands in response to industry activity.

- **Measure One**: Greater than 90 per cent completion of Risk & Data Informed Inspections. At the end of Q2, 141 per cent were completed, exceeding the performance target of greater than 90 per cent completion.
- **Measure Two**: Greater than 60 per cent of the annual inspection plan will be Risk & Data Informed. At the end of Q2, 85 per cent were Risk & Data Informed. The inspection program is on track for successful completion before the end of the fiscal year.

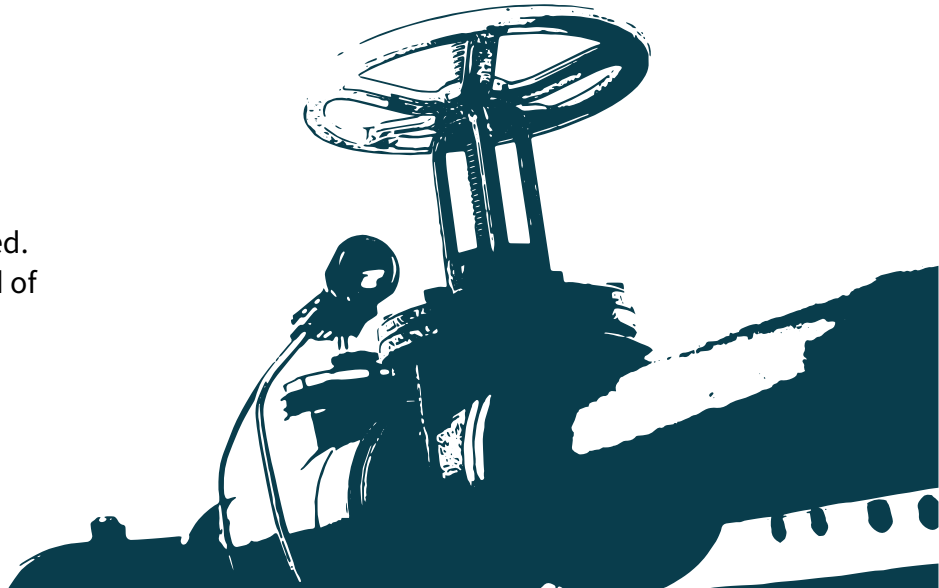


TABLE 1: QUARTERLY AUDIT PROGRAM PERFORMANCE

Audit Program	Total Audits Planned (Fiscal)	Q1					Q2					Q3					Q4					Total Number of Audits Completed
		Not Started	Cancelled	In Progress	Completed	Overall Status	Not Started	Cancelled	In Progress	Completed	Overall Status	Not Started	Cancelled	In Progress	Completed	Overall Status	Not Started	Cancelled	In Progress	Completed	Overall Status	
Audit of Reclaimed Pipelines in the ALR	**8**	0	0	8	0	In Progress	0	0	8	0	In Progress											0
Dam Safety Audits for PNG Sector's Dams	**4**	0	0	4	0	In Progress	0	*1	0	3	In Progress											3
Damage Prevention Program	**9**	0	0	9	0	In Progress	0	0	4	5	In Progress											5
Facilities Integrity Management Program	**9**	0	0	9	0	In Progress	0	0	4	5	In Progress											5
LNG Facility Audit	**1**	1	0	0	0	Not Started	1	0	0	0	Not Started											0
Methane Emissions	**5**	5	0	0	0	Not Started	0	0	3	2	In Progress											2
Pipeline Integrity Management Program	**9**	0	0	9	0	In Progress	0	0	4	5	In Progress											5
Restoration Verification Audit Program	**10**	0	0	10	0	In Progress	0	0	10	0	In Progress											0
Road Operations Audit	**5**	0	0	5	0	In Progress	0	0	5	0	In Progress											0
Security Management Program Audit	**2**	0	0	2	0	In Progress	0	0	2	0	In Progress											0
Water Use Audit	**10**	10	0	0	0	Not Started	0	0	10	0	In Progress											0
Total Audits Planned	**72**																				**Total Audits**	**20**
																						28%

Legend
Cancelled = Audit program has been cancelled
Completed = Audit program objectives are complete (does not include corrective actions phase)
In Progress = Audit program has been initiated and is on track
Not Started = Audit program is planned but not yet initiated

[1]The number of Dam Safety Audits for PNG sector dams was reduced by one because the selected dam had not yet commenced operations.

TABLE 2: QUARTERLY EMERGENCY MANAGEMENT PERFORMANCE

Exercise Assessments	Total Assessments Planned (Fiscal)	Q1				Q2				Q3				Q4				Total Number of Assessments Completed
		Not Started	In Progress	Completed	Overall Status	Not Started	In Progress	Completed	Overall Status	Not Started	In Progress	Completed	Overall Status	Not Started	In Progress	Completed	Overall Status	
Operator Evaluation Program	40	22	2	16	In Progress	10	4	10	In Progress									**26**
Total Assessments Planned	**40**															**Total Assessments**		**26**
																		65%



TABLE 3: QUARTERLY INSPECTION PROGRAM PERFORMANCE

				Annual Compliance Plan Implementation vs. Targets									
				Q1 Reporting		Q2 Reporting		Q3 Reporting		Q4 Reporting		Year-to-Date Summary	
Inspection Program	**Target**	**Annual Target**	**Quarterly Target**	Number Completed	+/- Quarterly Target	Number Completed	+/- Quarterly Target	Number Completed	+/- Quarterly Target	Number Completed	+/- Quarterly Target	Number Completed	+/- Annual Target
Risk & Data Informed	**Target**	**2,800**	**700**	**961**	**261**	**1,013**	**313**					**1,974**	
Event Driven	-	-	-	12	-	11						**23**	
Officer Selected	-	-	-	150	-	160						**310**	
Responsive	-	-	-	2	-	5						**7**	
Quarterly Inspections Summary		-	-	**1,125**		**1,189**						**2,314**	

Risk & Data Informed Inspection Performance	**Q1 Reporting**		**Q2 Reporting**		**Q3 Reporting**		**Q4 Reporting**		**Year-to-Date Summary**	
Annual Performance Target: Greater than 90 per cent completion of Risk & Data Informed Inspections	137%	On Target	141%	On Target					94%	
Annual Performance Target: Greater than 60 per cent of the annual inspection plan will be Risk & Data Informed	85%	On Target	85%	On Target					85%	

Quarterly inspection totals may be retroactively adjusted to maintain accuracy. Previous ACP publications are available at bc-er.ca.

The Risk & Data Informed Inspection Plan is developed with a surplus of candidate inspection sites to address the variable nature of seasonal access in the Northeast. As a result, the inspection selection stream may deliver more than 100 per cent on annual inspection planning targets. Additionally, planned inspections may be added during a cycle, increasing the number completed.

For specific questions or enquiries regarding this data, please contact:
Communications@bc-er.ca



BRITISH COLUMBIA **ENERGY REGULATOR**

This report was published November 2026.