

Quarterly Annual Compliance Plan Summary

Third Quarter 2023/24 (October - December)



PURPOSE

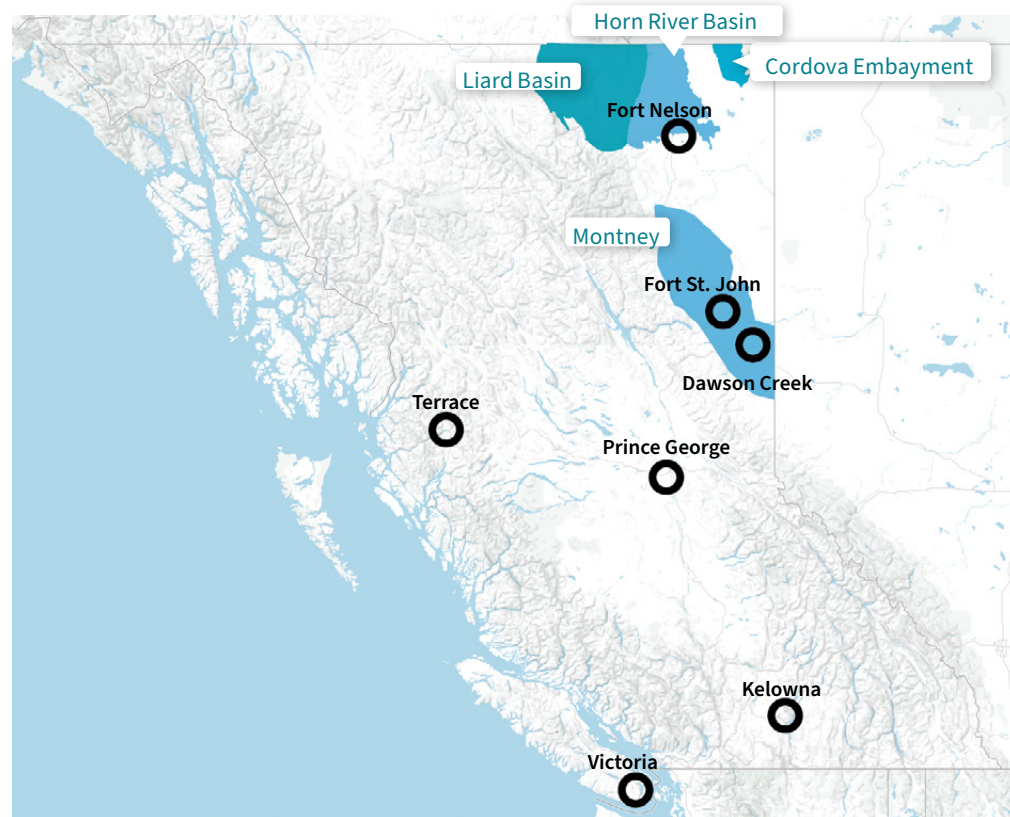
This report provides a summary of activities carried out under the British Columbia Energy Regulator's Annual Compliance Plan for fiscal year 2023/24 and progress made towards achieving our associated targets.

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

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 restoration. We ensure activities are undertaken in a manner that protects public safety and the environment, supports reconciliation with Indigenous peoples, conserves energy resources and fosters a sound economy and social well-being. We work collaboratively across government and industry sharing policy and technical expertise in support of B.C.'s transition to low-carbon energy and helping meet future global energy needs.

BCER Office Locations Throughout B.C.



We acknowledge and respect the many Indigenous Territories and Treaty areas, each with unique cultures, languages, legal traditions and relationships to the land and water, which the British Columbia Energy Regulator's work spans. We also respectfully acknowledge the Métis and Inuit people living across B.C.

COMPLIANCE MANAGEMENT AND OVERSIGHT

The BCER's mandate to regulate energy resource 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's Compliance Management System (CMS) includes the principles, roles, responsibilities, requirements, and methodologies - established in a Compliance Management Policy - through which the BCER assures compliance of energy resource activities with the regulatory framework.

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 or not regulatory requirements have been met by energy resource permit holders. These activities include, but are not limited to, audits, inspections, administrative monitoring, as well as 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. Some administrative monitoring mechanisms may consist of or be aided by automated tools to identify alleged non-compliances, such as reports.
- **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

The Aboriginal Liaison Program (ALP), established in 2014 is a partnership between Indigenous communities, the BCER, the BC Oil and Gas Research and Innovation Society (BCOGRIS) and other natural resource agencies. Through this partnership, participating Indigenous communities and agencies work to develop collaborative compliance oversight processes that incorporate Indigenous land values, interests and perspectives while fostering opportunities for two-way information sharing.

The ALP provides training and mentoring opportunities to improve Liaisons' knowledge and understanding of development activities and impacts, as well as enabling them to inform their community members with reliable and sound information about development activities on their traditional territories. By working directly with Liaisons, BCER staff are provided with opportunities to deepen their understanding of Indigenous peoples' values and traditional knowledge in relation to energy resource development and learn about the communities and cultures of the people they work with.



ANNUAL COMPLIANCE PLAN DEVELOPMENT

The Annual Compliance Plan establishes the BCER's priorities and targets for inspections and audits for the coming fiscal year. The annual plan consists of an inspection plan and an audit 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 Inspection Plan

The Annual Inspection Plan identifies target or benchmark numbers of inspections to be completed from each inspection selection stream. Targets are established for selection streams where inspections are pre-planned. Benchmarks have been established for selection streams that are triggered by operational events, external requests, etc. Overall, the BCER typically completes in excess of 4,500 inspections annually.

The BCER's inspection selection and planning methodology is made up of several selection streams based on several risk-based and operational drivers.

- **Data and Risk-Informed:** This stream selects inspections based on site characteristics, observed compliance trends and associated risk.
- **Event-Driven:** This stream selects inspections after operational events at energy resource 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 Component: Annual Audit Plan

The BCER performs 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 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 analyses audit and inspection results to identify trends or findings that may inform changes to criteria used in planning future ACP activities.



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	
Certificate of Restoration (COR) Audit Program	10	0	0	10	0	In Progress	0	0	10	0	In Progress	0	0	0	10	Complete						10
Dam Safety Audit	4	0	0	4	0	In Progress	0	0	4	0	In Progress	0	0	0	4	Complete						4
Emergency Management Program Audit	2	2	0	0	0	Not Started	2	0	0	0	Not Started	0	0	2	0	In Progress						0
Facilities Integrity Management Program ¹	12	6	0	6	0	In Progress	0	0	6	6	In Progress	0	1	1	4	In Progress						10
Heritage Conservation Audit Program	5	0	0	5	0	In Progress	0	0	5	0	In Progress	0	0	5	0	In Progress						0
Methane Emissions	18	0	0	3	15	In Progress	0	0	0	3	Complete											18
Pipeline Integrity Management Program ²	14	8	0	6	0	In Progress	0	0	6	8	In Progress	0	1	1	4	In Progress						12
Riparian & Stream Crossing Audit Program	10	9	0	1	0	In Progress	0	0	10	0	In Progress	0	0	0	10	Complete						10
Roads Audit Pilot	4	0	0	4	0	In Progress	0	0	4	0	In Progress	0	0	0	4	Complete						4
Surface Water Audit	10	10	0	0	0	Not Started	0	0	10	0	In Progress	0	0	0	10	Complete						10
Total	89																					78
Legend																					Completed	87.6%
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 Facility Integrity Management Program audits was reduced by one due to a permit holder ceasing operations.
² The number of Pipeline Integrity Management Program audits was reduced by one due to a permit holder ceasing operations.

TABLE 2: QUARTERLY INSPECTION PROGRAM AREA 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	548	(152)	641	(59)	978	278		(700)	2,167	(633)
Event Driven				11		8		4				23	
Officer Selected				205		326		166				697	
Responsive				14		48		10				72	
Quarterly Inspection Summary				778		1,023		1,158				2,959	

Risk & Data Informed Inspection Performance	Q1 Reporting		Q2 Reporting		Q3 Reporting		Q4 Reporting		Year-to-Date Summary	
Annual Performance Target: Greater than 90% completion of Risk & Data informed inspections	19.6%	Behind target ⁽¹⁾	22.9%	Behind target ⁽¹⁾	34.9%	On target			77.4%	
Target of greater than 60% of the annual inspection plan will be Risk & Data Informed	70.4%	On target	62.7%	On target	84.5%	On target			73.2%	

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. Changes in design and terminology in reporting from the first Quarter reflect the updates made to the BCER’s inspection compliance program incorporating the recommendations made from an external audit on the efficacy of the inspection program.

⁽¹⁾ Behind Performance Target: Greater than 90 per cent completion of Risk & Data informed inspections due to staffing turnover and wildfire related access limitations.



This report was published January 2024.

**For specific questions or enquiries
regarding this data, please contact:**

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