

Alberta's "Integrated Resource Management System": Where Are We Now?

By: Giorilyn Bruno

The Government of Alberta is implementing major changes in the management of natural resources. The ultimate ambitious goal of the Government is to develop an "Integrated Resource Management System" (IRMS) for the province in order to meet development objectives without sacrificing environmental sustainability. The IRMS has been on the political agenda for several years and includes significant initiatives such as the *Land-Use Framework* and the *Regulatory Enhancement Project*.

The purpose of this blog is to provide a basic understanding of the new system, the extent to which the Government has implemented it, and some of the challenges of a fully functioning IRMS.

What is the Integrated Resource Management System?

The [Integrated Resource Management System](#) is a holistic approach to natural resource management. It attempts to achieve the environmental, economic and social outcomes that Albertans expect from resource development. Traditionally, the adverse impacts of human development on the environment were considered only on a project-by-project basis. By contrast, the IRMS incorporates the management (i.e., conservation and wise use) of all resources, including energy, minerals, forestry, agriculture, land, air, water and biodiversity. This new system aims to examine the cumulative impacts of development on the environment and communities as a whole, and to proactively plan for the needs of the current and future generations.

In order to accomplish these goals, the IRMS relies on regional planning. The [Land-Use Framework](#) (LUF), subsequently implemented by the [Alberta Land Stewardship Act](#) (ALSA) (SA 2009, c A-26.8), divided the province into seven regions. Each region is to be subject to its own plan (LUF at 19, 24). The role of a regional plan is to serve as a binding guide on the Crown, local government bodies, decision-makers, and all other persons (ALSA s. 15(1)). A regional plan must describe a vision and identify objectives for the planning region (ALSA s. 8). It may also set thresholds for air, land and water to limit disturbance within ecological limits, and may identify protected areas where development is to be limited or prohibited (ALSA s. 8). Each plan must be reviewed at least once every ten years (ALSA s. 6), and public consultation is mandatory when a plan is either developed or amended (ALSA s. 5).

The IRMS relies on the contributions of seven main key players. Each of these players has an important role, but it is the interdependent relationship binding the various activities together that make the IRMS an "integrated" system.

The first player is [Alberta Environment and Parks](#) (AEP), formerly Environment and Sustainable Resource Development. AEP is a ministry of the Government of Alberta which stewards Alberta's land, air, water and biodiversity towards the achievement of desired outcomes and the

sustainable development of natural resources. It has three main functions within the IRMS. First, it regulates non-energy activities related to public land, water, forestry and environment in accordance with regional plans. Second, it contributes to the development of regional plans with management frameworks that set environmental limits. Third, it contributes to the development of sub-regional planning activities when a detailed plan is necessary to address specific concerns within a region.

The second player of the IRMS is [Alberta Energy](#). Similarly to AEP, Alberta Energy is also a ministry of the Government of Alberta. Alberta Energy is responsible for managing the development of Alberta's renewable and non-renewable energy resources, including coal, minerals, natural gas, conventional oil, oil sands, electricity, wind, bioenergy, solar, hydro and geothermal. It has two main functions within the IRMS. First, it grants industry the right to explore and develop energy and mineral resources in accordance with regional plans. Second, it contributes to the development of regional plans through strategy development that ensures Alberta's long-term economic prosperity.

The third player of the IRMS is the [Alberta Energy Regulator](#) (AER). The AER was established under the [Responsible Energy Development Act](#) (REDA) (SA 2012, c R-17.3) and is part of the [Regulatory Enhancement Project](#). It reports to both Alberta Energy and AEP, but it operates at arm's length to the Government (REDA s. 4; *Designation and Transfer of Responsibility Regulation*, Alta Reg 80/2012 s. 6(1.1)). As of April 1, 2014, the AER has full-lifecycle regulatory oversight of upstream coal, oil sands, and oil and gas development in Alberta, from projects application to abandonment and reclamation (REDA s. 2). Its role within the IRMS is twofold. First, the AER regulates the technical aspects of energy resource development in accordance with the policies developed by the Government and the limits set by regional plans (REDA s. 20, ALSA s. 13). Second, the AER oversees the enforcement of environmental legislation related to energy resources (REDA s. 2), including the *Public Lands Act* (RSA 2000, c P-40), the *Environmental Protection and Enhancement Act* (RSA 2000, c E-12) and the *Water Act* (RSA 2000, c W-3). The AER has broad compliance and enforcement powers, and may impose administrative penalties on companies who are not operating in accordance with environmental legislation (REDA ss. 69, 70, 75).

The fourth player of the IRMS is the [Alberta Environmental Monitoring, Evaluation and Reporting Agency](#) (AEMERA). AEMERA was established under the [Protecting Alberta's Environment Act](#) (PAEA) (SA 2013, c P-26.8), which came into force on April 28, 2014 (for a commentary on this Act see post by Shaun Fluker, [here](#)). AEMERA reports to the Minister of AEP but operates at arm's length to the Government (*Designation and Transfer of Responsibility Regulation*, s. 8(1.1); PAEA s. 2). Its key role is to improve our understanding of the current state of the environment and enhance our ability to make informed decisions. It has four main functions within the IRMS. First, it is responsible for collecting credible and relevant scientific data on the conditions of air, water, land, and biodiversity in Alberta (PAEA s. 3 and 4). Second, it is responsible for developing standards on environmental monitoring (PAEA s. 3). Third, it must advise the Government on the status and trends of the provincial environment based on the data collected (PAEA s. 3). Last, it must report to the public in an open and transparent manner on the conditions of the provincial environment (PAEA ss. 3(1)(b) and 4).

The fifth player of the IRMS is the Policy Management Office (PMO). The PMO was established in 2012 following the recommendation of the *Regulatory Enhancement Task Force* in its [Technical Report](#) (for a summary of these recommendations, see [here](#)). The PMO reports to both Alberta Energy and AEP but there is no statute that establishes it. Presumably, the PMO

was established under s. 7(1) of the *Government Organization Act* (RSA 2000, c G-10) which confers on the Minister the power to “establish any boards, committees or councils that the Minister considers necessary or desirable to act in an advisory or administrative capacity in connection with any matter under the Minister’s administration”. The PMO has two main functions within the IRMS. First, it ensures the integration of policies between AEP and Alberta Energy for upstream oil and gas, oil sands and coal, and that the policies are clearly communicated to the AER (Technical Report at 11 and 55). As the IRMS evolves, the PMO’s role may extend to other natural resources (Technical Report at 55). Second, the PMO deals with policy concerns not related to the approval of a specific project (Technical Report at 54). The PMO will report these policy concerns to the Government and they will serve as a guide to review and modify regional plans. The goal is to enhance public participation at the policy-making stage and streamline regulatory approvals (Technical Report at 54, 55). Given these functions, it is often said that the PMO acts as interface between policy development and policy assurance (Technical Report at 14, 54, 55). In other words, the PMO provides the link (i) between the AER and the Government, (ii) among government departments, and (iii) between the Government and the general public.

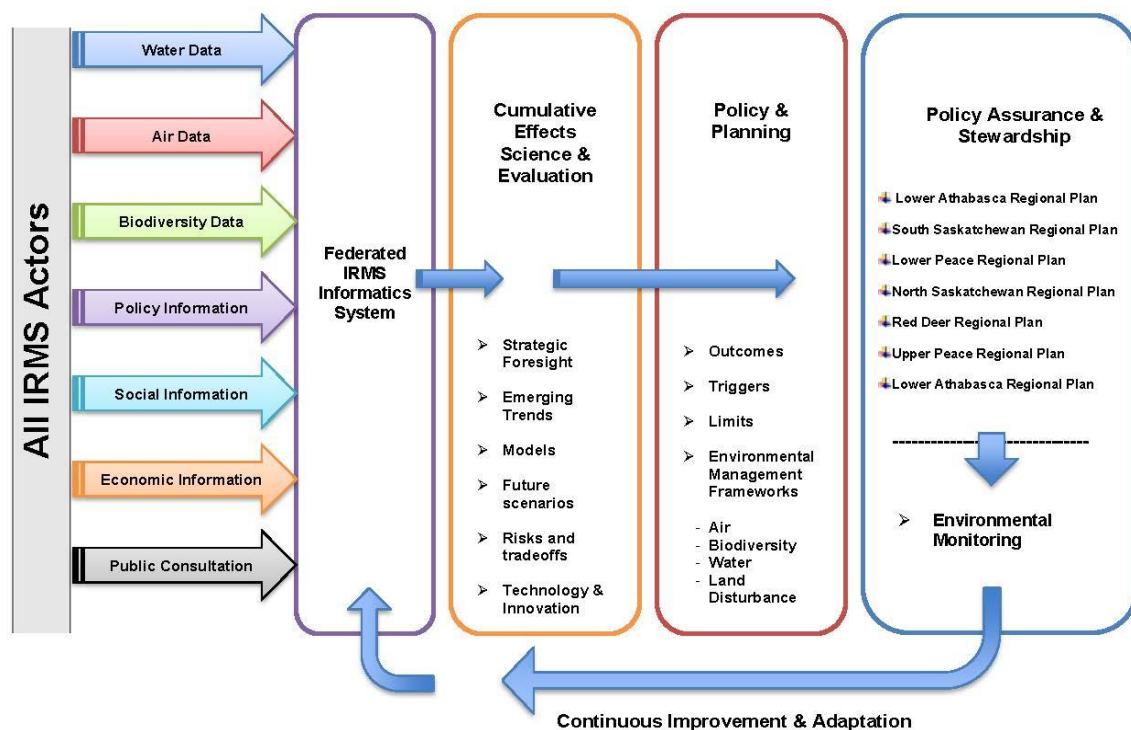
The sixth pillar of the IRMS is the Aboriginal Consultation Office (ACO). The ACO was established under the Aboriginal Relations Department in 2013. Similarly to the PMO there is no statute that establishes it, and the establishment of the ACO is merely referenced in the recent [Government of Alberta’s Policy on Consultation with First Nations on Land and Natural Resource Management, 2013](#). Presumably, also the ACO was established under s. 7(1) of the *Government Organization Act*. The ACO has two main functions within the IRMS. First, it develops policies on Aboriginal consultation in Alberta and guides the Government, Aboriginal communities and industry. Second, it is responsible for all aspects of Aboriginal consultation in regulatory approval processes concerning resource development. In particular, it is responsible for pre-consultation assessment, management and execution of the consultation process, and assessment of consultation adequacy (*Policy on Consultation with First Nations* at 5; see ACO website, [here](#)). Since the AER does not have the jurisdiction to assess the adequacy of Crown consultation when reviewing energy applications (REDA s. 21), the ACO is also required to collaborate with the AER in accordance with the procedure set out in the *Aboriginal Consultation Direction* (for a commentary on this *Direction* see post by Giorilyn Bruno & Nigel Bankes, [here](#)).

The last player of the IRMS is the Land Use Secretariat (LUS). The LUS was established under ALSA as part of the public service of Alberta but not as part of a government department (ALSA, s. 57). It reports to and is subject to the directives of a Stewardship Commissioner (ALSA ss. 57, 57.1). The LUS has three main functions within the IRMS. First, it is responsible for leading the preparation of regional plans and reviewing them at least every ten years (ALSA s. 58). However, the plans are an expression of the public policy of the Government; thus, the Lieutenant Governor in Council has exclusive and final jurisdiction over their contents (ALSA s. 13). Second, the LUS supports the implementation of regional plans by communicating with planning bodies to clarify and interpret plans, and supports policy reconciliation among government departments (ALSA s. 59). Last, the LUS monitors progress and the effectiveness of the existing policies to achieve or maintain the objectives set by the regional plans. It may also make recommendations to local bodies and government departments (ALSA s. 61).

How Should the Integrated Resource Management System Work?

The IRMS is based on the recognition that natural resources are the drivers of Alberta’s

economy, but that these resources are finite and need to be preserved for future generations. In this system, development is to be occurred in accordance with regional plans or the environmental, economic, and social outcomes contained in the plans. The purpose of the plans is to establish triggers and limits for air, land, water and biodiversity. The triggers are supposed to provoke a proactive response when exceeded. The limits are supposed to set clear boundaries to development that are not to be exceeded by the AER, Alberta Energy or any other decision-maker. The LUS and AEMERA are responsible for monitoring the system and advising the Government on how the environment is performing. Based on this feedback, ideally regional plans will be revised to ensure that development is sustainable and represents the full range of existing public opinions and interests. This system is by design highly inclusive. The opinions of the public, stakeholders and Aboriginal people should all influence the vision for the planning regions in two ways: (a) through formal public consultation when regional plans are either developed or amended, and (b) through the ACO for Aboriginal people or the PMO for the other stakeholders.



Status Quo

The IRMS is a work in progress and only its basic structure is presently in place. In the last months I have attended several information sessions and a key message I picked up is to moderate our expectations. The transition phase is now complete, but a real transformation in the province is a long-term project.

The LUS is currently leading the planning process under ALSA. The [Lower Athabasca Regional Plan](#) for the oil sands region was approved in 2012 and the [South Saskatchewan Regional Plan](#) for southern Alberta was approved in 2014. The planning process for the North Saskatchewan Region is underway and the first phase of public consultation is now complete (see [here](#)). The planning process for the remaining four regions has not started yet (for further information on the status of regional plans, see [here](#)).

AEP has recently transferred three main functions, namely (i) regulatory functions related to upstream oil and gas, oil sands, coal and other minerals to the AER, (ii) Aboriginal consultation functions associated with regulatory approvals to the ACO, and (iii) environmental monitoring programs related to infrastructures and funding to AEMERA. At the same time, AEP has now an enhanced role within the IRMS in the management of cumulative effects and overall stewardship of air, land, water and biodiversity. This stewardship role involves bringing together all players within the IRMS and combining relevant data and information to inform management responses. It will take time to reorganize and refine these new functions.

The AER is fully established but several representatives have emphasized the magnitude of combining the work of the previous regulators, i.e. Alberta Environment, Sustainable Resource Development and the Energy Resources Conservation Board (see for e.g. introductory presentation to AER-phase 3 of Tristan Goodman, AER's Vice President, Corporate Planning and Enterprise Projects, [here](#)). Part of the challenge is trying to retain the best practices of the previous regulators and combine them into new enhanced practices for the AER (such as integrating the ERCB's [Directive 019: Compliance Assurance](#) and ESRD's [Compliance Assurance Program and Principles Document](#)). There are also other inefficiencies that still need to be tackled, including capacity building and upgrading their information technology. Similar issues concern the ACO, which has assumed responsibility over Aboriginal consultation functions previously managed by both the Stewardship Branch of ESRD and the Consultation and Land Claims Division of Aboriginal Relations.

As to the PMO, there is not much public information available on their activities as they do not have a website yet. In the last year, the PMO has created the [Alberta Responsible Energy Policy System](#), an online portal that provides access to documents used by the Alberta Government and the AER when making decisions related to the development of Alberta's energy resources. In particular, the portal includes legislation, regulations, rules, strategies, plans, directives, information letters and manuals. My understanding is that the PMO is not involved in integrating or coordinating the existing policies, but only in the new policies to be developed. I haven't heard any discussion on how the PMO is acting to enhance stakeholder engagement or how *in practice* public input will inform policy development.

Last, AEMERA is leading the province's involvement in the [Joint Oil Sands Monitoring Project](#). In particular, it is working with the federal government and stakeholders in the oils sands region to coordinate and enhance environmental monitoring activities in the area. Since it is the first time that Alberta has a comprehensive province-wide environmental monitoring system, AEMERA is reorganizing and coordinating a range of existing programs that were set up independently to meet specific needs (including Air Stations, Surface Water Monitoring Network, Hydromet Monitoring Network, Meteorological Monitoring Network, Land Foundation Program, and Alberta Biodiversity Monitoring Institute). AEMERA is also developing new projects and research activities to fulfill its reporting commitments on the frameworks established under the Lower Athabasca Regional Plan and South Saskatchewan Regional Plan (for a summary of the current projects, see [here](#)). Once additional regional plans are developed, AEMERA will need to expand its focus to the other regions of the province.

Challenges

The initial reactions to the regional plans currently developed are not entirely positive. In particular, critics note that the *Lower Athabasca Regional Plan* is far from being comprehensive

and only includes partial and unreliable data (for a review of some these criticisms, see Nigel Bankes, Sharon Mascher and Martin Olszynski, [here](#)). The Government has committed to the development of frameworks for tailings management, biodiversity, and surface water quantity (see [here](#)) for the Lower Athabasca Region. In addition, the Government has committed to engage and work with aboriginal communities on initiatives to incorporate traditional knowledge into environmental planning (see [here](#)). A revised [Surface Water Quantity Management Framework](#) for the Lower Athabasca River and [Tailings Management Framework](#) were recently released. However, the only progress report on the *Lower Athabasca Regional Plan* was issued in 2013 (see [here](#)), which makes it difficult to assess the actual progress made in the last 3 years. It seems that there are still no frameworks for many water bodies in the region, and that the existing ones need to be revised and coordinated. In addition, it seems that there are still no frameworks for biodiversity, caribou habitat needs, or measures to protect Aboriginal peoples' ability to exercise their treaty and constitutional rights.

Why is the *Lower Athabasca Regional Plan* currently not comprehensive or sufficient to address cumulative impacts? The short answer is because the IRMS is not fully functioning yet. When the *Lower Athabasca Regional Plan* was approved in 2012, the basic structure of the IRMS was not even in place yet, and science capacity within the previous system was scarce. Even though AEMERA is currently recruiting additional science resources to address those inefficiencies, it has been running only for the last year. It will take time to have comprehensive and reliable science-based data, especially since environmental monitoring typically requires measuring variables over decades (for a commentary on some of these challenges, see post by Martin Olszynski, [here](#)). The lack of adequate scientific information is just one of the causes that is delaying proper management strategies and frameworks. Additional difficulties are caused by (i) lack of a federated database system, (ii) lack of clear processes or mechanisms to identify and address policy gaps, and (iii) lack of clear processes to undertake policy analysis that considers social, economic and environmental realities in a timely fashion.

As Alberta keeps working towards the implementation of the IRMS, the challenges of this approach to resource management are becoming apparent. We are moving from a system based on specific agencies and ministries fulfilling their individual mandates to an interdependent system that relies on players working together to carry out their functions. No organization within the IRMS can operate independently of one other. By design, each is highly dependent on the functions of others to achieve its mandate. Any unilateral action by one can significantly impact the success of others, and for the IRMS to be successful each individual player must be successful. The IRMS requires clarity of roles and governance structure to ensure common understanding of the intent and core functionality of the IRMS. In addition, each organization needs to be capable of fulfilling its own mandate and collaborate with the other key players of the IRMS. Thus, each organization must have adequate capacity and sufficient overlapping expertise to effectively communicate with the other players and understand the value that each organization brings to the system.

As the system continues to evolve, the necessity of integration becomes even more pronounced to prevent development from occurring in areas that have already reached their ecological limits. Regional plans and frameworks are supposed to address broad-scale land use decisions and guide decision-makers. However, until they are fully finalized and implemented, decision-makers

cannot speculate on what these plans and frameworks will contain (for a discussion on this point, see *Prosper Petroleum Ltd.*, 2014 ABAER 013). Rather, they are required to act in accordance with the regional plans as they exist today (s. 20 REDA, s. 7(3) Regulatory Details Plan of the *Lower Athabasca Regional Plan*, and s. 4(2) Regulatory Details Plan of the *South Saskatchewan Regional Plan*).

The relationship existing among the players of the IRMS does not in itself sustain integration. Similarly, it has been noted that “the creation of regional plans does not, in and of itself, mean that the environmental goals of ALSA will be delivered” (see [here](#)), as the *Lower Athabasca Regional Plan* indeed confirms. The IRMS has the potential to achieve sustainable development and address cumulative impacts, but it is a very complex approach to resource management. While the province is moving in the right direction, considerable effort is still required to fully implement this new system.

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