

The Liabilities Go Up and the Security Stays the Same: The Oilsands Mine Financial Security Program in 2024

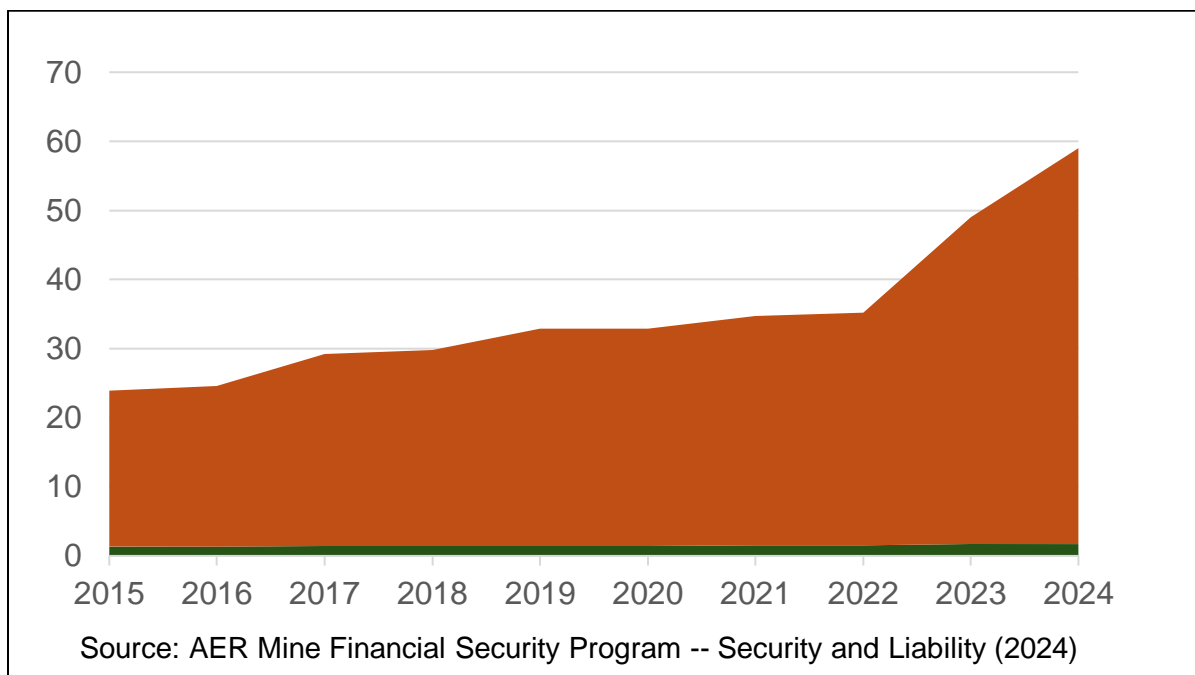
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Documents Commented on: [Mine Financial Security Program – Security and Liability \(2024\); Annual Mine Financial Security Program Submissions 2024 Submissions for 2023 Reporting Year](#)

This is our annual update post in response to the Alberta Energy Regulator (AER) posting the annual submissions for the Mine Financial Security Program (MFSP). The MFSP is ostensibly Alberta’s system for obtaining financial security for the closure of oilsands and coal mines. See last year’s post [here](#), and a lengthy discussion of the problems with the MFSP in our 2023 paper coauthored with Andrew Leach, “[Not Fit for Purpose: Oil Sands Mines and Alberta’s Mine Financial Security Program](#)”.

This year’s updated numbers contain the same odd surprise that last year’s numbers did – another huge jump in the MFSP estimate for mine closure liability. This year going from \$47.31 billion on June 30, 2023 to \$57.3 billion on June 30, 2024, a \$10 billion increase. Alberta now has security worth 2.9% of the total estimated cost of mine closure (Figure 1, below).

Figure 1: Mine Financial Security Program (MFSP) Security (Green) and Liability (Orange) (\$ Billions)



The AER continued their tradition of providing minimal explanation for what amounts to a 60% increase in estimated liability in just two years:

Increases in liability and security amounts from year to year are due to

- changes to coal and oil sands mine approval holder's costs associated with water treatment, surface reclamation, environmental monitoring and maintenance, mine reclamation plan changes, and
- third-party equipment rate increases

(Mine Financial Security Program – Security and Liability (2024))

As we noted last year when estimated liabilities jumped \$13 billion (from \$34 to \$47 billion), that is not enough detail for a \$10 billion increase.

The Annual MFSP Submissions tell us that, for the ninth year in a row, the MFSP collected 0\$ in security from oilsands mine operators. This is despite the Kearl Oil Sands mine completing negative 3.2 hectares of reclamation for some reason.

The MFSP collected a total of \$35.1 million for the closure liabilities of six coal mining sites (Paintearth & Vesta Mine, Sheerness & Montgomery Mine, Coal Valley Mine, Grand Cache Coal Mine, Highvale Coal Mine, and Genesee Coal Mine).

With Alberta's *official* estimate of mine closure liabilities at \$57.3 billion, and conventional field liabilities at \$36.3 billion (after the [June 2024 updates to Directive 011](#)), the *official* total is now \$96.3 billion. The conventional field liability estimate will rise again soon with another round of updates to Directive 011 planned for October.

Marginal changes to the MFSP – following consultations done in 2022 – [were announced on October 2, 2024](#), but those are deserving of their own post.

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