



**MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN
THE CANADA ENERGY REGULATOR (“CER”)**

AND

**THE OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS
 (“OROGO”)**

(HEREINAFTER REFERRED TO COLLECTIVELY AS THE “PARTICIPANTS”)

WHEREAS, pursuant to the *Canadian Energy Regulator Act S.C. 2019 (CER Act), c. 28*, the *Canada Oil and Gas Operations Act R.S.C., 1985, c. O-7 (COGOA)*, the *Canada Petroleum Resources Act R.S.C. 1985, c. 36 (2nd Supp.) (CPRA)*, the *Oil and Gas Operations Act S.N.W.T. 2014, c.14 (OGOA)*, and the *Petroleum Resources Act S.N.W.T. 2014, c.15 (PRA)*, the CER regulates aspects of the energy industry in Canada including the construction and operation of interprovincial and international pipelines; pipeline traffic, tolls and tariffs; the construction and operation of international and designated interprovincial power lines; the export and import of natural gas; the export of oil and electricity; offshore renewable energy projects, and the exploration for and drilling, production, conservation, processing and transportation of petroleum in the non-Accord Frontier⁶ offshore areas; and the CER studies and reviews energy production, recovery, manufacture, processing, transmission, transportation, distribution, sale, purchase exchange, and disposal of energy and sources of energy in and outside Canada;

AND WHEREAS, pursuant to section 121 of OGOA, the Northwest Territories Regulator is responsible for the regulation of exploration for and drilling, production, conservation, processing and transportation of petroleum in the Northwest Territories, outside of the onshore part of the Inuvialuit Settlement Region (ISR) and federal areas, pursuant to OGOA and the PRA;

AND WHEREAS, OROGO has been established to support the Northwest Territories Regulator in fulfilling its responsibilities under OGOA and the PRA.

¹ The CER has regulatory responsibilities for exploration for and drilling, production, conservation, processing or transportation of oil or gas related work or activities in frontier lands not otherwise regulated under joint federal/provincial accords under COGOA and CPRA, and the onshore parts of the ISR in the Northwest Territories under OGOA and PRA.

AND WHEREAS, pursuant to OGOA, PRA, COGOA and CPRA, the CER and the Northwest Territories Regulator have concurrent regulatory responsibilities in respect of the ISR and federal areas within the onshore, in the case of the CER, and in respect of the Northwest Territories other than the onshore parts of the ISR and federal areas, in the case of OROGO;

AND WHEREAS, pursuant to OGOA and PRA, the CER and the Northwest Territories Regulator have concurrent powers to establish guidelines and interpretation notes relating to the application of these acts, for the area in which each exercises jurisdiction;

AND WHEREAS, it is desirable that there be a mechanism for cooperation between the CER and the Northwest Territories Regulator through OROGO in the regulation of areas within their respective jurisdiction, and in the development of consistent information requirements, guidelines and interpretation notes under territorial legislation, to the extent practicable and desirable;

AND WHEREAS the Participants came together to develop an MOU to share information and promote effective cooperation in areas of mutual interest and benefit, and, through the sharing of information and cooperative activities, support the Participants in their respective mandates together to efficiently and consistently carry out their respective responsibilities and exercise their respective powers under OGOA and PRA.

NOW THEREFORE, for the purposes of this MOU, the Participants concur as follows:

1. Purpose

The purpose of this MOU is to establish a mechanism for and promote collaboration, cooperation, information sharing, and dialogue between the Participants with respect to the exercise of their respective regulatory responsibilities under OGOA, PRA, COGOA, CPRA and the CER Act, as applicable. Nothing in this MOU shall derogate from or fetter the Participants' respective independent decision-making authorities under their operating legislation or its regulations. The Participants intend to cooperate in order to minimize to the extent practicable regulatory gaps, inconsistent regulatory requirements, and divergent guidance.

2. Areas of Cooperation and Collaboration

2.1 Regulatory Matters

- 2.1.1 The Participants will cooperate through ongoing dialogue and information exchange on regulatory matters in relation to their respective responsibilities under OGOA and PRA, in order to facilitate, where practicable, the consistent and efficient development of regulatory tools, such as:
 - requirements and additional approvals for authorizations;

- requirements for development plans, significant discovery declarations or commercial discovery declarations; and
 - guidelines and interpretation notes or other guidance for the benefit of applicants and operators.
- 2.1.2 The Participants will notify each other, at the earliest possible opportunity, of their intent to develop any of the regulatory tools described at subparagraph 2.1.1 above.
- 2.1.3 The Participants may cooperate to jointly develop the regulatory tools described in subparagraph 2.1.1 and may jointly consult and communicate with external stakeholders or the public on these matters.
- 2.1.4 The Participants will cooperate and coordinate with each other in exercising their respective regulatory responsibilities for projects that cross the jurisdictional boundaries between the ISR or federal areas, as regulated by the CER, and the Northwest Territories outside of the onshore ISR and federal areas, as regulated by OROGO.
- 2.1.5 The Participants will regularly exchange information on their respective regulatory practices, oversight approaches, and processes.
- 2.1.6 Activities to be coordinated under this MOU may also include any other activity that is of mutual benefit and interest to the Participants.

2.2 Emergency Management

- 2.2.1 The Participants may coordinate emergency management activities by participating in, and sharing information on, emergency management planning, exercises and response, joint training initiatives, staff exchanges, and meetings.
- 2.2.2 The Participants may provide support to each other in the form of staff and technical resources in an emergency response situation.
- 2.2.3 The Participants may cooperate on emergency preparedness and response as detailed in Annex I.

3. General

- 3.1 This MOU is not legally binding and does not impose, nor is it intended to impose, any legal commitments on, or give rise to any legal rights not otherwise held by the Participants. This MOU is not intended to derogate from or fetter the Participants' respective authorities under the OGOA, PRA, COGOA, CPRA or CER Act nor to supersede or modify any binding arrangement between the Participants.
- 3.2 Each Participant will pay for its own costs related to the activities under this MOU. Activities carried out under this MOU are subject to the availability of each Participant's staff and financial resources.

- 3.3 To maintain and strengthen communication between Participants, the Participants will phone, e-mail, and/or meet as needed, for the purposes of identifying potential future opportunities for collaborating, cooperating, and sharing information.
- 3.4 The Participants encourage staff within their respective organizations to informally exchange information, as appropriate, and subject to any applicable law, within their specific areas of responsibility, on an ongoing basis.
- 3.5 The Participants will jointly determine, in writing and either formally or informally, activities to be carried out under this MOU before their realization, and jointly review and coordinate these activities.

4. Expected Benefits of Cooperation and Collaboration

The Participants expect the following benefits from their cooperation:

- 4.1 Timely exchanges of information, subject to any applicable law, on exploration and drilling for and production, conservation, processing and transportation of oil and gas and related work or activity in the Northwest Territories.
- 4.2 Timely exchanges of information, subject to any applicable law, on each Participant's intention to develop any of the regulatory tools described in subparagraph 2.1.1 and regular updates on the development process.
- 4.3 Increased understanding of each Participant's activities and processes related to its statutory responsibilities in its jurisdiction.
- 4.4 Cooperation and information sharing, subject to any applicable law, in emergency management situations, including emergency preparedness.
- 4.5 Timely exchanges of information, subject to any applicable law, related to promotion of safety, protection of the environment, and conservation of resources.

5. Disclosure and Use of Information

- 5.1 The Participants plan to exchange information on energy and regulatory matters that are in the public domain or for which exchange of information is otherwise contemplated in accordance with various legislation.
- 5.2 The Participants will treat information exchanged pursuant to this MOU in accordance with all applicable laws, including provisions of privilege in the COGOA and confidentiality in the OGOA and PRA, and Government of Canada and Government of the Northwest Territories

standards, as these laws or standards relate to the collection, use, disclosure, retention and disposal of such information.

5.3 The Participants will make this MOU and any amendments publicly available.

6. Administration of this MOU:

6.1 The following are the titles of each Participant's designate and their contact information for the purposes of carrying out this MOU:

For the CER

Vice President,
Energy Adjudication Business Unit

Unit 210, 517 10th Ave SW
Calgary, Alberta,
T2R 0A8
Phone: 403 292 4800

For OROGO

Executive Director

P.O. Box 1320
Yellowknife, Northwest Territories X1A
2L9
Phone: 867 7679097

7. Withdrawal and Termination

7.1 Either Participant may withdraw from this arrangement at any time, by providing at least sixty (60) days' written notice to the other Participant.

7.2 This MOU may be terminated at any time, prior to the explicit termination date stipulated in 7.3, with the mutual written consent of the Participants.

7.3 This MOU shall expire on: March 4, 2026

8. Periodic Review & Amendments

8.1 The Participants intend to jointly review this MOU every year, prior to the anniversary date of the signing of this MOU.

8.2 The Participants may jointly modify or amend this MOU at any time with the written approval of both Participants. Any amendment to the MOU becomes effective upon the date of the last Participant's signature, unless otherwise indicated.

8.3 Each Participant will notify the other Participant of any change to its enabling legislation, related regulations or policies that may impact this MOU as soon as practicable after having discovered the change.

8.4 In the event of a name change of a Participant prior to the termination of the signed MOU, the MOU will remain valid until the termination date.

9. Languages

9.1 This agreement is written in English and French, each text being equally valid.

10. Effective Date and Signature

10.1 This MOU will commence and take effect upon the date of the last Participant's signature.

10.2 This MOU may be signed in one or more counterparts, each of which is deemed an original, and all of which together constitute the same arrangement.

FOR THE CER	For OROGO
Original signed by: Gitane De Sliva	Original signed by: Pauline de Jong
Chief Executive Officer	Executive Director
Date: 26 February 2021	Date: 4 March 2021

Annex I – Cooperation on Emergency Preparedness and Response

Introduction

In order to facilitate seamless coordination on day-to-day matters related to Emergency Management, this annex will guide how CER and the Northwest Territories Regulator through the OROGO (collectively the regulators or Participants) will support each other in emergency preparedness and response⁷ activities, including what we will do, how we will communicate and how we share information. The goal is to collaborate on approaches that build capacity in emergency management oversight in the onshore Northwest Territories. A unified approach should also benefit companies that are regulated by both CER and OROGO.

Companies Subject to Oversight by both Regulators

As of 31 December 2020, the following companies are subject to oversight by both regulators:

- Utility Group Facilities Inc.
 - CER-regulated wells and facilities: KP 0 (Ikhil plant) to KP 42+371
 - OROGO-regulated facilities: KP 42+371 to KP 50+268.2 and the Inuvik metering and monitoring station.
- Strategic Oil and Gas Ltd. (Court-appointed receiver is Alvarez and Marsal Canada Inc.)
 - CER-regulated facilities: The Cameron Hills Pipeline from H-03 60-ION 117-30W to LSD 5-24-126-22w5m or from Cameron Hills H-03 Battery to an AER-regulated pipeline connecting to the Bistcho Gas Plant (currently deactivated).
 - OROGO-regulated facilities: 44 suspended wells and associated infrastructure (e.g. tanks, separator shacks, etc.), and the H-03 battery (all suspended) as well as 60+ km of gathering system pipelines (deactivated)

Accountability

Responsibility for implementation of this Annex lies with the following positions for each regulator. These are the individuals with the authority to make decisions and who have the responsibility to deliver on matters affecting their respective participation in preparedness activities and during incident response. Protocol leads are responsible to ensure respective agency staff and executive are briefed.

- OROGO: Chief Safety Officer (Lead), Safety/Conservation Officer (Alternate)
- CER:

⁷ Note that there are other provisions for cooperation in response, namely the Northwest Territories - Nunavut Spills Working Agreement to which both CER (formerly NEB) and OROGO are signatory.

- For incident response: Chief Conservation Officer (Lead), Chief Safety Officer (Alternate)
- For emergency preparedness: Director, Emergency Management & Security (Lead), Vice President, Field Operations (Alternate)

Mutual Support in an Emergency Response Situation

CER and OROGO, being responsible for very similar regulatory provisions, are in an ideal position to provide each other with technical and operational support in the event of an emergency at an OGOA or COGOA-regulated facility.

Each organization will respond in accordance with its existing response processes, which consider federal and territorial response systems.

If the Lead (as defined above) of the party in whose jurisdiction the incident occurred determines that assistance is required, the request will be sent to the Lead of the other party through that party’s 24x7 contact number.

	24 x 7 contact number
CER On Call Responder	(403) 299-2773
OROGO Duty Officer	(867) 445-8551

In order to maintain situation awareness, in the event of one Party requesting assistance from the other in responding to an incident, the Party in whose jurisdiction the incident occurred will provide Situation Reports (SitReps) to the other Party by any mechanism that is mutually agreed upon.

Coordination of emergency preparedness activities

CER and OROGO will endeavor to support each other in emergency preparedness activities by participating in and sharing information (in accordance with the MOU and section 5 of the MOU) on emergency management planning, emergency response exercises and relevant training opportunities.

Sharing information on emergency management initiatives will occur on an as-needed basis. In addition, a planning meeting will be held annually to discuss activities of mutual interest, focused on meeting the intent of the MOU.