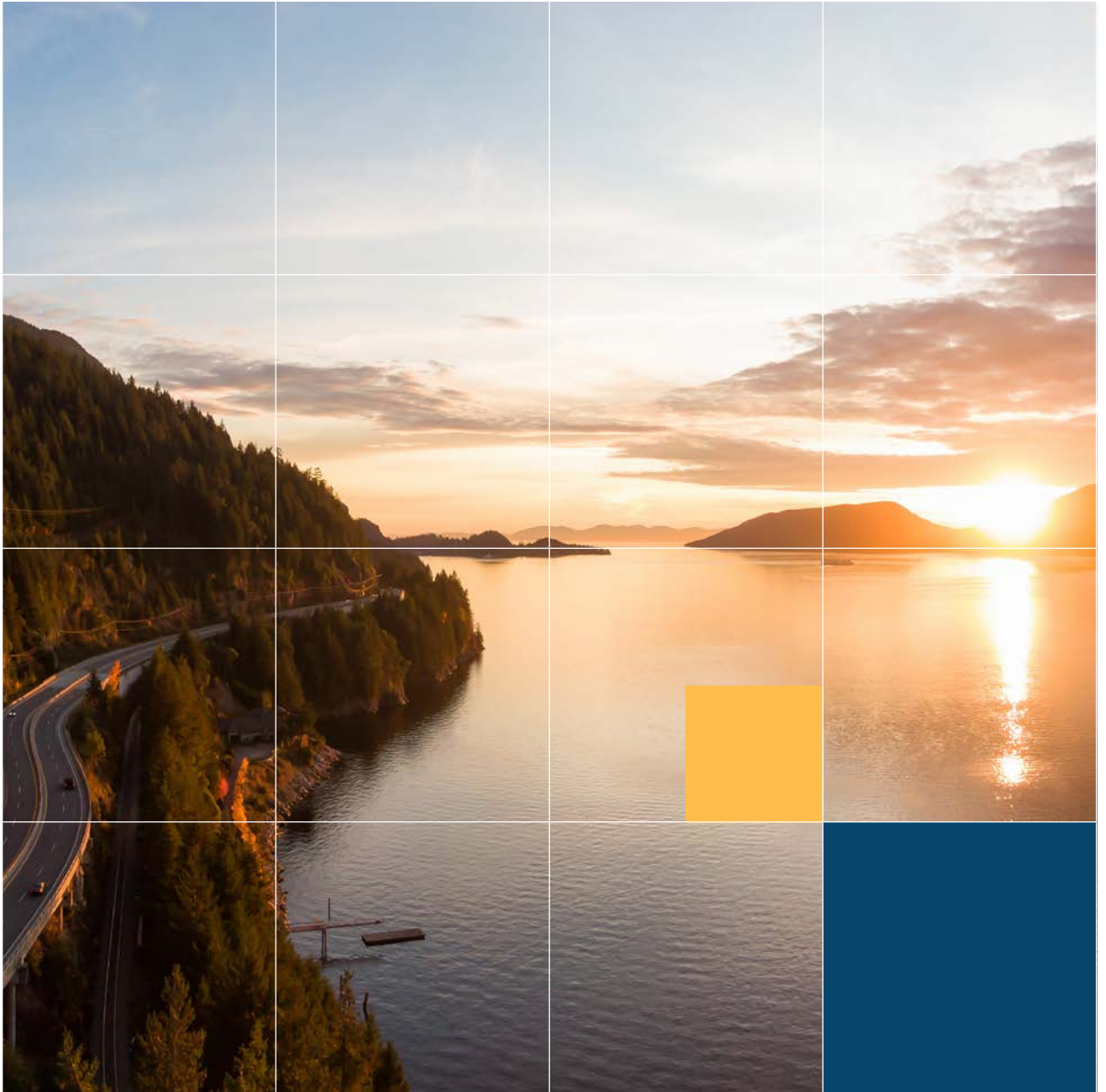




Canada Energy
Regulator

Régie de l'énergie
du Canada

2023-24 Annual Report of the Canada Energy Regulator



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Executive Summary

The Canada Energy Regulator (CER) is Canada's federal energy regulator. We regulate more than 71,000 kilometres of pipeline in Canada. The CER also regulates 86 international power lines, pipeline tolls and tariffs, energy exports as well as oil and gas exploration and drilling, and offshore renewable energy in certain northern and offshore areas of Canada.

The CER is guided by a Strategic Plan that includes a Mission, Vision and four interconnected Strategic Priorities: Trust and Confidence, Reconciliation, Competitiveness and Data and Digital Innovation. In 2023-24, we launched a National Engagement Plan, advanced our Diversity and Belonging Roadmap, and carried out an internal culture assessment. We co-developed a measure in the Government of Canada's Action Plan to achieve the objectives of the United Nations Declaration on the Rights of Indigenous Peoples. We are engaging directly with industry and piloting new ways to improve the predictability and efficiency of regulatory processes. Digital solutions and data-driven insights are now integral to how we deliver CER programs.

The CER enforces some of the strictest safety and environmental standards in the world. In 2023-24, we completed 104 inspections, 20 emergency response exercises and 6 Management System Audits, among other activities. Much of this work was completed alongside Indigenous Monitors. Last year, we launched a new cyber security compliance program and we also issued an [Information Advisory](#) regarding emergency preparedness and response at liquid storage facilities. As part of our prevention work, we developed Human and Organizational Performance guidance and tools for use by industry.

Over the last year, there has been considerable attention on the Trans Mountain Expansion Project. In 2023-24, the CER held the company accountable for fulfilling project conditions and for meeting its regulatory obligations and commitments. CER staff completed 51 compliance verification activities on the project. Trans Mountain reported five serious injuries, a 69 percent reduction from the previous year. The CER issued five Inspection Officer Orders to the company.

Last year, the Commission of the CER reviewed 48 infrastructure applications, including one large infrastructure application and 11 small infrastructure applications - all within service standards and legislated time limits. The Commission considered Trans Mountain applications for a route deviation and a change in the size and thickness of a segment of pipeline. The Commission also ruled on several toll settlement applications and reviewed 38 applications for exploration and production-related activities in the Northwest Territories.

The CER consults with Indigenous communities early and throughout our review process. We completed Crown consultation activities on the NorthRiver Midstream NEBC Connector Project to support a Governor in Council (GIC) decision within the established 90-day time limit. This marked the first time since 2015 that a major pipeline project with supplemental Crown consultation was approved with no extensions to the 90-day GIC time limit.

In June 2023, the CER released *Canada's Energy Future 2023: [Energy Supply and Demand Projections to 2050](#)*. The report focuses on the challenge of achieving net-zero greenhouse gas emissions by 2050 and was widely shared around the world.

Message from the Chairperson

As the Chairperson of the Canada Energy Regulator (CER) Board of Directors, I am pleased to share the CER's Annual Report for 2023-24. The Board is responsible for the governance of the CER, including providing strategic direction and advice to the CER. This responsibility includes the privilege of presenting the Annual Report of the organization.

The CER, Canada's federal energy regulator, plays a critical role in keeping energy moving safely across the country and sharing important energy information in the public interest. This report provides an overview of the CER's activities and achievements from the past year, which marks the final year of the CER's inaugural, three-year Strategic Plan.

Over the past year, the CER has continued to effectively deliver on its mandate and made significant progress towards delivering on its strategic priorities. This includes, for example, the CER releasing its flagship Energy Futures Report, *Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050* and the Board and the Indigenous Advisory Committee (IAC) continuing to work together towards an agenda of change to advance Reconciliation.

The achievements of the organization reflect the commitment, support, and technical excellence of the CER's staff, who are recognized in Canada and worldwide as experts in their fields. They bring their very best to the CER every day, in service to Canadians. The Board offers its sincere thanks to all the CER's staff for their dedication.



While work continued over the past year to complete the final deliverables identified in the plan, the Board turned its attention to developing and approving the 2024–2027 Strategic Plan. This new plan benefited from advice of the IAC and thoughtful input from staff, the Commission of the CER, as well as Natural Resources Canada leadership. I am proud of the work that has gone into the 2024-2027 Strategic Plan and look forward to the implementation of our four Strategic Priorities: Trust and Confidence, Reconciliation and Implementation of the United Nations Declaration, Competitiveness and Regulatory Excellence and Preparing for the Energy Future. I am confident this is the right plan to help focus on the key actions and impacts required to meet the CER's regulatory mandate.

In addition, I would like to acknowledge the contributions of Cassie Doyle. Cassie served as the founding Chairperson of the Board of Directors until 2023 and has stayed on as a Director to support the strong continuity of governance. I am grateful for Cassie's leadership, strategic advice and steady hand as the organization transitioned to become the CER.

On behalf of the Board of Directors, I respectfully submit the CER's 2023–24 Annual Report to the Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources.

Original signed by

George Vegh
Chairperson
Board of Directors of the Canada Energy Regulator

Message from the Chief Executive Officer

As CEO of the Canada Energy Regulator, I am very proud of this organization and what we have accomplished over the past year. We are a safety and an economic regulator. Safety and environmental protection are at the core of what we do, and we have some of the highest safety standards in the world. We also have an important economic regulatory role with respect to energy tolls, tariffs, exports, as well as an energy information mandate to provide data and analysis that informs decision-making. This year, we will celebrate the five-year anniversary of becoming the CER, a modern regulator focused on preventing harm – in all its forms – while enabling the safe and efficient transmission of energy across the country. Our fifth anniversary offers us a chance to both take stock of where we've been and look forward to what's ahead.

To meet the needs of Canadians, a regulator must evolve and change. At the CER we are committed to working differently than we have in the past. As part of the CER's first strategic plan, we focused on four Strategic Priorities: Trust and Confidence; Reconciliation; Competitiveness; and Data and Digital Innovation. As we look ahead to the next three years, we will continue to prioritize activities that build Trust and Confidence; advance Reconciliation and Implement the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration); demonstrate Regulatory Excellence and Competitiveness; and support the Energy Future.

We understand that effective and efficient regulatory and permitting processes are critical in supporting Canada's competitiveness and the energy transition – and we're doing our part. For example, last year, we cut the timelines for our initial reviews of small infrastructure applications from an average of 80 days to 30 days. We were also pleased to complete Crown consultation activities on the NorthRiver Midstream NEBC Connector Project to support a Governor in Council (GIC) decision within the established 90-day time limit. This marked the first time since 2015 that a major pipeline project with supplemental Crown consultation was approved with no extensions to the 90-day GIC time limit. This was due, in large part, to the approach taken on engagement and consultation to ensure issues were identified and addressed early



and throughout the Commission of the CER's robust hearing process - including new and innovative steps.

We know that the energy system is changing, and we will ensure we are ready to regulate in that changing environment, with the technical expertise, technology, workforce, and partnerships we need to position us as a modern regulator and leader. Timely and efficient regulatory processes and decisions are based on having an effective regulatory framework, and wise practices in engagement and consultation – notably recognizing the rights of First Nations, Inuit and Métis communities and our deep commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples.

We are proud of our commitment to *United Nations Declaration on the Rights of Indigenous Peoples Act* (UN Declaration Act) Action Plan Measure 34,

which was announced last June, and our continued partnerships with, and support for, the Trans Mountain Expansion and Line 3 Indigenous Advisory Monitoring Committees (IAMCs). We recently issued a report on our work to co-develop a collaborative mechanism aimed at increasing Indigenous involvement in the CER's compliance and oversight activities for the NOVA Gas Transmission Ltd. (NGTL) System. There is more intensive engagement work to be done, and these activities are all important steps forward on the CER's journey of Reconciliation and building partnerships with First Nations, Inuit and Métis communities, governments, and organizations across Canada.

The CER's commitment to doing things differently extends to all aspects of its work, including our role in providing timely and relevant energy information. In 2023-24, we produced *Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050* which marked the first time the CER fully modeled net-zero GHG emissions by 2050. The report received extensive public attention and in December, our Chief Economist and I joined the Canadian delegation at COP28 in Dubai to be part of the global conversation about energy transition.

All of our work is done by people, and our focus on continuing to build and deliver a positive organizational culture and high-performing organization is driven by our commitment to ensuring we have an inclusive and supportive workplace. In 2023-24, we released our progress report on the actions identified in the Clerk's Call to Action on Anti-Racism, Equity, and Inclusion in the Federal Public Service. We have made significant strides forward, while acknowledging there is still more work to do. We also introduced new policies and guidelines to fully implement a long-term hybrid approach at the CER – as we, along with all other places of work, develop new ways of working with purposeful flexibility.

It has been a year of change at the CER. In addition to my appointment as CEO on 15 December 2023, last year we welcomed a new Chair of our Board of Directors, new members to our Board of Directors and Indigenous Advisory Committee, and several new senior executives – all with new and complementary talents, experiences, and perspectives. Proud to be part of this outstanding team, I look to the year ahead with optimism, determination, and a sense

of confidence that we have what we need to be the regulator we want to be.

Lastly, I would like to acknowledge Gitane De Silva, who left the CER in 2023. Gitane was the CER's first permanent CEO, appointed amid the global COVID-19 pandemic, who guided the organization with a steady hand for three years. I would also like to thank Cassie Doyle, the first chair of the CER's Board of Directors, who stepped down from that role last summer. On behalf of the CER, I would like to express our deep appreciation for their commitment to public service. And of course, none of our accomplishments would be possible without the expertise, creativity, and commitment of the CER's 550 staff nor the partnerships and advice we receive from those with whom we work every day.

With my thanks and appreciation,

Original signed by

Tracy Sletto
Chief Executive Officer
Canada Energy Regulator

Message from the Indigenous Advisory Committee Chairperson

When the *Canadian Energy Regulator Act* came into force in 2019, the Regulator was required to establish an advisory committee for the purpose of enhancing the involvement of Indigenous Peoples and Indigenous organizations in the CER's regulatory oversight. Since its inception, the Indigenous Advisory Committee has provided strategic advice to the CER on building new relationships with First Nations, Inuit, and Métis communities and meaningfully advancing Reconciliation.

Working together, the IAC, the CER's Board of Directors and its senior executive team have identified and embraced structural and systemic changes that reflect a deepened understanding of First Nation, Inuit, and Métis rights as they pertain to the mandate of the CER.

Following the initial formation of the IAC, we began with a very ambitious and robust three-year Work Plan. During 2023, we wrapped up the third year of our Work Plan and began shifting our attention towards its next iteration. In reflecting back on the original Work Plan, we decided to take a higher-level strategic approach. This will help us to leverage and utilize the different strengths that each Committee member possesses. In our fourth year as a committee, we see the tangible impacts of our advice on how the CER does its work.



The IAC's work is grounded by meaningful relationships. We are particularly proud of our contributions to help shape and guide the development of Action Plan Measure (APM) 34. APM 34 is one of 181 specific measures included in the action plan that will guide the Government of Canada's implementation of the *United Nations Declaration on the Rights of Indigenous Peoples Act*. The goal of this measure is to enhance the involvement of Indigenous Peoples in the CER's regulatory work. Developed in collaboration with Natural Resources Canada and the Trans Mountain Expansion – Indigenous Advisory and Monitoring Committee (TMX-IAMC), the IAC provided crucial advice for both the creation of this measure and continues to help shape the principles that will guide its implementation.

As the CER continues to develop and enhance its approach to Crown consultation for energy projects, the IAC has focused its advice on the importance of co-developing solutions and incorporating Indigenous worldviews. Underlining this work is a commitment to developing meaningful and ongoing relationships with Indigenous Peoples. Supported by the expert guidance and advice of the IAC, it is these relationships that will drive continued transformational change at the CER.

Throughout 2023, the IAC has been closely involved in the CER's strategic planning process for the organization's next three-year plan. On advice from the IAC, the CER considered how Indigenous nations, peoples and communities are recognized, respected, and included in the work to advance the CER's Strategic Priorities. The Committee is pleased to see elements of cultural intelligence, including a recognition of the importance of taking a distinctions-based approach for considering First Nations, Inuit, and Métis perspectives, woven throughout the Strategic Plan.

The CER has listened and taken to heart the advice of the IAC to systemically increase the cultural intelligence of the regulator across all elements and levels of its structure. Change takes time, and it is not always easy. We know there is more to do – but we are moving ahead in a good way, together.

Looking back, I am proud of what we have accomplished over the past year and since the IAC was created. I look forward to continuing this work of enhancing the involvement of Indigenous Peoples in the CER's regulatory processes. We have a continued opportunity to make a real and positive difference, and we intend to pursue it.

Original signed by

Tribal Chief Tyrone McNeil
Chairperson
Indigenous Advisory Committee



Overview of the Canada Energy Regulator

Context

The CER regulates federal infrastructure to ensure the safe and efficient delivery of energy to Canada and the world, protecting the environment, recognizing and respecting the rights of Indigenous Peoples, and providing timely and relevant energy information and analysis.

Preventing harm is the foundation of how the CER keeps people safe and protects the environment. The CER enforces some of the strictest safety and environmental standards in the world, and this oversight goes beyond simple compliance. The CER expects companies to adopt new technologies and innovative approaches to improve the effectiveness and efficiency of their management system in preventing harm.

Expected Results

- There is no harm to people and the environment throughout the lifecycle of energy-related activities.
- Energy adjudication processes are fair, timely, transparent, and accessible.
- Canadians have access to relevant energy and pipeline information for knowledge, research or decision-making.
- Feedback provided by stakeholders and Indigenous Peoples informs the CER's decisions and work.
- The right governance, resources, management systems, programs and services are in place to deliver on program results.

Governance

Chief Executive Officer

The [CEO](#) is responsible for the management and daily operations and affairs of the organization, including the supervision of its employees and their work, and has the responsibilities of a deputy head.

Board of Directors

The [Board of Directors](#) (Board) is responsible for governance and strategic advice and direction, and is focused on organizational results and outcomes.

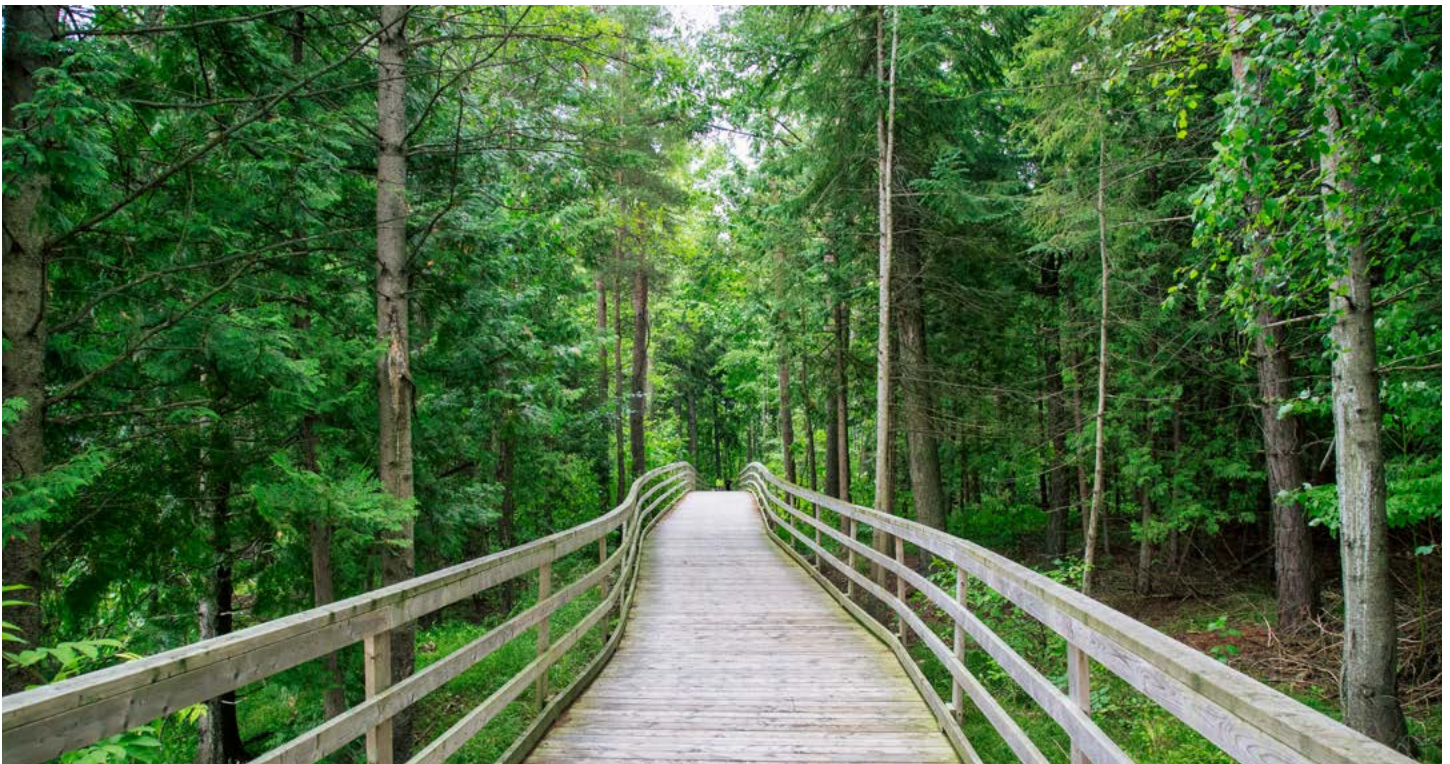
Indigenous Advisory Committee

The [IAC](#) advises the CER on building a new relationship with Indigenous Peoples. The IAC also advises on strategic, systemic, policy, and program development relevant to the CER mandate, including the CER's oversight, expectations, and requirements of regulated industry.

Commission

The [Commission of the CER](#) (Commission) is responsible for adjudicative decisions and recommendations pursuant to the *Canadian Energy Regulator Act* (CER Act) and other legislation. The Commission is part of the CER and, although its adjudicative role is independent, it contributes to the overall effective delivery of the CER's mandate and corporate outcomes.

Further information about the Commission can be found in the 2023-24 Annual Report of the Commission of the Canada Energy Regulator.





Indigenous Advisory Committee

The IAC was established in August 2020, in accordance with the CER Act, to provide strategic advice to the CER on building a renewed relationship with First Nations, Inuit, and Métis communities. The IAC's work is guided by a robust work plan and terms of reference co-endorsed by the IAC and the Board. It has grown from developing relationships between the IAC, Board, and CER, and influencing the [Strategic Plan](#), to impacting the entire organization's work. The IAC, and its advice, are helping advance Reconciliation throughout the CER.

The ambitious IAC work plan identified five priorities for the IAC in 2021-2024, which included: i) relationships and governance; ii) the UN Declaration; iii) cultural competency and change management; iv) Indigenous Peoples' involvement in regulatory oversight; and v) Crown consultation and accommodation.

Over the last three years of the work plan, the IAC's advice has directly influenced the work of the CER in a variety of areas, including:

- the CER's [Crown consultation](#) and accommodation approach;
- the development of the CER's Indigenous Cultural Intelligence and Change Management Framework as the foundation for building and supporting a culturally competent workforce that has the skills needed to enable meaningful engagement and implementation of the UN Declaration;
- the engagement approach for the [review of the Onshore Pipeline Regulations](#) and [NGTL Indigenous collaborative oversight mechanism](#); and
- the development process for the implementation of the [UN Declaration Action Plan Measure 34](#), and how the CER shapes and implements its Indigenous Cultural Intelligence and Change Management Framework.

Throughout all this work at the CER, there is an emphasis on taking a distinctions-based approach to ensure that the perspectives of First Nations, Inuit, and Métis communities are incorporated.

As the IAC wraps up the final year of its three-year work plan and moves into its next iteration, IAC Members have taken a higher-level strategic approach to working with the CER to leverage and use the different strengths that each Committee member possesses. The new IAC work plan will also closely align with the CER's new 2024-2027 Strategic Plan.



What the CER regulates: Energy in Canada

The CER works to keep energy moving in Canada while enforcing some of the strictest safety and environmental standards in the world.

In 2022, the direct energy sector made up [9.4 percent](#), or \$245 billion, of Canada's Gross Domestic Product.¹ The sector directly employed nearly 290,000 jobs in Canada, and its share of total employment, including indirect jobs, was estimated at 3.5 percent (or 696,100 jobs). The sector is estimated to directly employ nearly 16,000 Indigenous People. In that same year, energy exports represented 33 percent of Canada's goods exports, valued at \$240.5 billion.

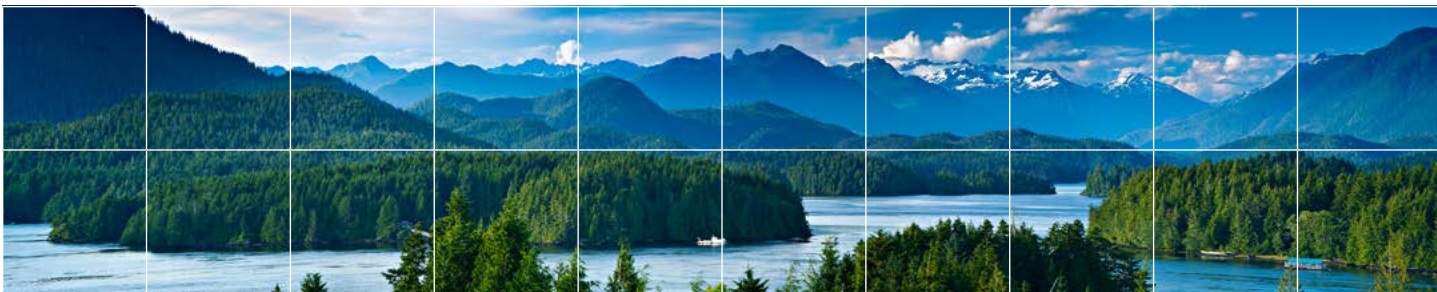
The CER regulates over 71,000 kilometres (km) of pipeline in Canada.² If a pipeline system crosses provincial or international boundaries, it is regulated by the CER. If a pipeline system is contained within a province, it is generally under the jurisdiction of a provincial regulator.

The CER also regulates 86 operating international power lines that total 1,546 km in length, many of which transport power generated from renewable sources.

Additionally, the CER regulates pipeline tolls and tariffs, energy exports, oil and gas exploration and drilling, and offshore renewable energy in certain northern and offshore areas of Canada.

1 With respect to these statistics, energy industries are generally considered to include oil and gas extraction; coal mining; uranium mining; electric power generation, transmission and distribution; pipeline transportation; natural gas distribution; biofuels production; petroleum refineries; and support activities for oil and gas extraction. The petroleum sector is a subset of these industries, and for the purposes of these statistics consists of oil and gas extraction and support activities, pipeline transportation and distribution of oil and gas, and petroleum refineries.

2 This includes operating, abandoned and decommissioned pipelines. This number can vary over time due to factors such as data quality, changes in pipeline status, and applications received.



Canada Energy Regulator – Strategic Plan

2023-24 was the final year of the CER’s three-year [Strategic Plan](#), a document which set out a clear path forward for the organization. The Strategic Plan has three parts:

- The **Mission** guides the organization’s everyday actions under the *Canadian Energy Regulator Act* (CER Act), with safety remaining at the core of its mandate.
- The **Vision** is aspirational and sets a clear path for where the organization is headed.
- The four interconnected Strategic Priorities reflect areas of cross-organizational focus and improvement to help better deliver on the Mission and reach the Vision.

The four interconnected Strategic Priorities were Trust and Confidence, Reconciliation, Competitiveness and Data and Digital Innovation.

The following is a summary of activities and results from the last year of the Strategic Plan.



Trust and Confidence

The focus of this strategic priority was to foster the trust and confidence of Canadians through robust communications, transparency, collaboration and inclusive engagement. Staff and leaders concentrated on engaging respectfully with Indigenous Peoples and Canadians, and developing an even more engaged and empowered workforce.

Accomplishments from this past year include:

- **National Engagement Plan:** The CER approved and launched the National Engagement Plan, a key deliverable under the Engagement Core Responsibility.
- **Engagement Initiatives:** The CER supported several engagement initiatives designed to gather the input of Canadians and influence the CER's decisions and work. These initiatives provide insight and information to enhance damage prevention and safety outcomes. These included delivering initiatives with safety at the forefront and collaborating with and representing regulatory stakeholders on the Canadian Common Ground Alliance Damage Prevention Senate. It also included presenting the CER "big picture" aggregate data analytics from contravention reports to identify trends, issues and focus areas, and holding damage prevention workshops with industry participants. The CER hosted four virtual workshops in the past two years aimed at improving safety outcomes and creating meaningful dialogue, with over 100 people attending each workshop.
- **Diversity and Belonging Roadmap:** CER staff led advancements on the Diversity and Belonging Roadmap, including the launch of new coaching and mentoring programs, updates to Human Resources policies and tools to remove barriers in recruitment practices, and mandatory training for leaders on Duty to Accommodate responsibilities.
- **Accessibility Plan:** The CER delivered its first progress report on the [Accessibility Plan](#), highlighting the completion of 11 actions in support of a barrier-free Canada by 2040, to the Accessibility Commissioner.
- **Hybrid Workplace Approach:** The CER implemented its long-term Hybrid Workplace Approach and new Telework and Hybrid Work Guidelines.
- **Culture Assessment:** In 2023-24, the CER assessed its organizational culture to encourage an engaged, empowered workforce and to support its mission as an effective, efficient, and trusted regulator. The objectives of the assessment were to determine key aspects of the current and desired culture, conduct a gap analysis, and identify and define behaviors that represent the desired culture.



Reconciliation

The CER is committed to Reconciliation with Indigenous Peoples, including the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration), and the meaningful involvement of Indigenous Peoples in its work. While the organization knows that its commitments are important, it also knows that actions matter most.

The *United Nations Declaration on the Rights of Indigenous Peoples Act* (UN Declaration Act) became law in Canada in June 2021. Part of implementing this new law included the development of an Action Plan to achieve the objectives of the UN Declaration. Implementation of the UN Declaration Act is transformational and generational work. It is a whole-of-government responsibility, and the CER is committed to being a part of it.

Accomplishments from this past year include:

- **Continuing to implement the UN Declaration Act:** With the support and leadership of our Board of Directors and Indigenous Advisory Committee, the CER worked alongside the Trans Mountain Expansion – Indigenous Advisory and Monitoring Committee (TMX-IAMC) and Natural Resources Canada (NRCan) to co-develop a measure in the [Action Plan](#) that was released on 21 June 2023. The CER has been dedicated to implementing the UN Declaration and Action Plan Measure 34 (APM 34) will help advance these efforts in a focused and coordinated way.

Work has begun to create a shared vision, co-develop governance frameworks and plan next steps in the short- and long-term. The CER will collaborate with Indigenous partners and NRCan to renew relationships grounded in recognizing rights, showing respect, fostering cooperation, and forming partnerships for transformative change.

Action Plan Measure 34

This action plan measure calls for working in consultation and cooperation with First Nation, Métis, and Inuit communities, governments and organizations to (i) enhance the participation of Indigenous Peoples in, and (ii) set the measures that could enable them to exercise federal regulatory authority in respect of, projects and matters that are currently regulated by the Canada Energy Regulator.



- **Building the CER’s Indigenous cultural intelligence:** Building Indigenous cultural capacity is essential for the CER to fulfill its Reconciliation and APM 34 commitments. CER employees’ interactions with Indigenous Peoples are guided by their specific rights- and interests-based concerns regarding the CER’s regulatory work. Fostering cross-cultural dialogue as the foundation for building relationships contributes to advancing Reconciliation.

The Indigenous Cultural Intelligence and Change Management Framework (ICICMF) is the cornerstone for individual and organization-wide transformative change; it supports the CER in building strong relationships with Indigenous Peoples. Its components include:

- **National Indigenous Engagement Blueprint:** Guiding the CER’s engagement approach with Indigenous Peoples organization wide.
- **Indigenous Procurement Strategy:** Supporting Indigenous businesses and economic Reconciliation.
- **Indigenous Recruitment, Retention, and Advancement Strategy:** Building a robust Indigenous workforce within the CER.
- **Elders In-Residence Program:** Integrating Indigenous knowledge and ceremony into CER operations.

The ICICMF also educates CER staff to be proactive change agents in an evolving relationship with Indigenous Peoples. This is achieved through training sessions, Indigenous Art Markets, guest speakers for the National Day for Truth and Reconciliation, and ceremonial participation with Indigenous groups like the Trans Mountain Expansion and Line 3 Indigenous Advisory Monitoring Committees (IAMCs), furthering our commitment to the meaningful advancement of Reconciliation.

- **Indigenous involvement in oversight:** In 2023-24, the CER continued to demonstrate its commitment to co-developing a broader systemic model for Indigenous Peoples’ involvement in compliance and oversight of new major CER-regulated projects and existing infrastructure by including language in APM 34: “[The CER will] Develop a systemic model to enhance Indigenous peoples’ involvement in compliance and oversight over the lifecycle (design, construction, operation and abandonment) of CER-regulated infrastructure. The model should integrate learnings from existing structures and relationships.” In 2023-24, Indigenous Monitors participated in 54 CER compliance verification activities.
- **CER’s relationship with the IAMCs remains a top priority:** The CER’s relationship with the IAMCs for the Trans Mountain Expansion and Line 3 Replacement Projects remained a top priority throughout 2023-24. The IAMCs help provide for better oversight of the Trans Mountain Expansion and Line 3 Projects in a manner that aligns with the UN Declaration to achieve the Government of Canada’s commitment to Reconciliation. They also lead to a partnership-based approach to oversight among federal and Indigenous Committee members, support Indigenous engagement, and the provision of advice and recommendations grounded in technical expertise. The IAMCs provide a forum for Indigenous communities, regulators, and the federal government to work collaboratively with proponents to better understand industry standards and technical matters associated with pipeline and marine safety, emergency planning and response, and socio-economic impacts. Key achievements accomplished over the past year with the IAMCs are reflected in this report under [Indigenous Engagement](#).

Competitiveness

One of the CER's goals over the past three years has been to improve the transparency, predictability, and efficiency of its regulatory work; drive innovation that contributes to the transition to a low carbon economy; and research the future Canadian energy landscape to help prepare in the transition to a new low carbon economy.

Accomplishments from this past year include:

- **Engaging directly with regulated industry:**

The CER is committed to enhancing its ongoing dialogue with regulated companies. This dialogue directly supports the CER's continuous improvement work and industry innovation to meet the changing needs of Canadians and the energy sector. After developing and launching the Regulated Industry Engagement Group in October 2022, two meetings were held in 2023 with regulated industry building momentum behind this engagement initiative. Participants in those meetings discussed best practices, regulatory efficiency initiatives and upcoming regulatory changes. These types of discussions foster a predictable regulatory environment and support regulatory innovation.

- **Improve transparency and predictability in regulatory processes:** The predictability and timeliness of completeness decisions for regulatory applications had been identified as an area needing improvement. The decision on NorthRiver Midstream's NEBC Connector Project marked the first time since 2015 that a pipeline project with supplemental Crown consultation was approved with no extensions to the 90-day time limit for a Governor in Council (GIC) decision. The CER's approach taken on engagement and consultation to ensure issues were identified and addressed early and throughout the hearing process enabled the GIC to meet this time limit. The increased predictability and timeliness in supporting such decisions has been a noticeable improvement in the way that assessment processes are executed, without compromising the integrity of the CER's regulatory oversight.

- **Onshore Pipeline Regulations and Filing**

Manuals Review: The CER continued its comprehensive review of the *Onshore Pipeline Regulations* (OPR) and Filing Manuals in 2023-24. The review is part of how the CER will deliver on commitments to enhance competitiveness and regulatory excellence and transform the way it and regulated companies work with Indigenous Peoples across the lifecycle of regulated facilities.

In 2023-24, the CER published a What We Heard Report based on key themes from the first phase of engagement. The organization also held a pilot workshop with the Trans Mountain Expansion and Line 3 IAMCs to discuss measures to prevent and address impacts to the Rights and Interests of Indigenous Peoples. Lessons learned from this pilot workshop are being integrated into planning for the CER's next phase of engagement. Phase 2 of engagement will be structured around issue-specific topic papers, which are based on input received to date and present specific options for 'how' the CER will update the OPR and Filing Manuals. Funding will be available to support the continued participation of Indigenous Peoples in the review.

- **Transition to a low carbon economy:** The CER's Market Snapshot series furthered the CER's goal of providing Canadians with a neutral source of timely and relevant energy information and analysis. In 2023-24, the focus of this work remained broad with an increase in data and analysis focused on the transition to lower carbon energy alternatives with eight Market Snapshots highlighting renewable energy.

The CER has been instrumental in updating the Canadian Standards Association's CSA Z662 to now include hydrogen in the standard. Such an update provides clarity for pipeline companies to innovate in this space. Providing this degree of clarity is part of the journey in driving innovation which will include in the future, consideration of regulatory requirements for transportation of ammonia and carbon dioxide.

The CER is committed to building on what has been accomplished over the past three years, while recognizing that Canadian energy systems will continue to evolve in light of new supply and demand dynamics, the suite of policies at the federal and provincial levels, and consumer preferences. This is why the CER will maintain its strategic focus initiated under Competitiveness to now be further advanced by both the Competitiveness and Regulatory Excellence Strategic Priority as well as the Preparing for the Energy Future Strategic Priority, both of which are detailed in the [What the Future Holds](#) section of this report.

Canada's Energy Future 2023

In June 2023, the CER published *Canada's [Energy Future 2023: Energy Supply and Demand Projections to 2050](#)*. The report was the CER's first long-term energy outlook to include fully modelled net-zero scenarios. The report explores a key question about Canada's energy future: what could reaching net-zero emissions by 2050 look like? This report is not a prediction or a recommendation but presents net-zero scenarios that can help Canadians and policy makers see what a net-zero world could look like, visualize the goal, and make informed decisions. Providing neutral and evidence-based energy information and data like the Canada's Energy Future report helps inform the transition to a low-carbon economy.



Data and Digital Innovation

In 2021, the CER identified Data and Digital Innovation (DDI) as a key strategic priority for 2021-24. The goal was to foster a culture and develop systems of data and digital innovation that would support the effective execution of the CER's mandate. This initiative aimed to enhance public access to accurate data and energy information, thereby facilitating meaningful engagement and informed decision-making. It also sought to improve opportunities for digital interaction.

Over the last three years, this strategic priority has been instrumental in driving numerous projects that have contributed significantly to the organization's achievements. Efforts have included providing training and tools to elevate data competencies within the CER, establishing a robust data foundation for analytics and decision-making, and broadening our data usage to better serve Canadians with vital energy information. Furthermore, we have made strides in integrating data and information systems both internally and externally, which has led to greater access to dependable data and energy insights. This has resulted in more support for informed decision making, enhanced process transparency, increased digital engagement, greater efficiency, and more impactful public involvement.

While the CER has completed the final year of this strategic priority, the organization remains committed to nurturing a culture of data and digital innovation that underpins all facets of its mandate. Digital solutions and data-driven insights have become integral components of the CER's program delivery framework. The robust groundwork laid down by the DDI strategic priority, coupled with the development of exciting technologies, will continue to propel innovation forward, enhance trust and confidence, bolster competitiveness, and facilitate Reconciliation efforts within the CER.

Accomplishments from this past year include:

- **Providing insights with data:** The CER has made energy information more accessible to Canadians by launching the Energy Futures Net-Zero Data Visualization. This platform transforms complex data into an easy-to-understand visual format.
- **Increasing efficiency with digital tools:** The CER has delivered the first pilot release of the CER Portal, which includes functionality and features for CER staff. The CER Portal is a secure and integrated access point for the CER's adjudication tools and, eventually, all aspects of the CER-regulated facility lifecycle. When completed, this portal will be used by companies for application and document submissions, as well as by CER staff, the Commission, and participants in CER processes. The CER Portal is designed to streamline processes by automating workflows, collecting structured information, enhancing data accuracy, saving time, and ensuring consistent decisions.
- **Improving accuracy with innovation:** CER staff has built a Geographic Information System-based method to support the Abandonment Cost Estimate calculation to reduce processing time and human error. This standardizes the calculation method and enhances the transparency of the formulas and data used for estimations.
- **Enhancing accessibility of digital products:** The CER is advancing accessibility for information communications technology to ensure access to digital products for all Canadians, in line with the CER Accessibility Plan. The plan includes the Information and Communication Technology Accessibility Initiative, which evaluated and provided recommendations for improving the accessibility of the CER's digital products.



Core Responsibilities: The CER's Achievements in 2023-24

Safety and Environment Oversight

The CER works for Canadians to keep energy moving safely and efficiently through the country's pipelines and powerlines. The organization performs this function by setting and enforcing regulatory expectations for companies over the entire lifecycle of federally regulated energy infrastructure - construction, operation, and abandonment.

The CER enforces some of the strictest safety and environmental standards in the world, and its oversight goes beyond simple compliance. The organization promotes best practices to reduce the potential for harm, adopting new technologies and innovative approaches to improve the effectiveness and efficiency of a company's management system to prevent harm.

Regulated companies must have emergency management programs, including a robust continuing education program for the police, fire departments, medical facilities, other agencies, and people who live or work near the pipeline. The CER also expects companies to engage with all people living and working near pipelines, including Indigenous Peoples, the public, contractors, landowners, and municipalities, to promote safe work practices and actions they can take to prevent damage to pipelines.

The CER's Commitment

- Harm to people and the environment, through the lifecycle of energy-related infrastructure, is prevented.



Performance Results Summary 2023-24 – Safety and Environment Oversight

PERFORMANCE MEASURE	TARGET	RESULTS 2021-22	RESULTS 2022-23	RESULTS 2023-24
Number of serious injuries and fatalities related to regulated infrastructure.	0	22 ³	21 ³	9 ³
Number of incidents related to regulated infrastructure that harm the environment.	0	20 ³	28 ³	26 ³
Percentage of unauthorized activities on regulated infrastructure that involve repeat violators.	<15%	10%	16%	11%

Compliance Verification Activities

The CER aims to achieve zero incidents, meaning there is no harm to people or the environment on the energy infrastructure it regulates. The CER follows a risk-based approach in planning and conducting [Compliance Verification Activities](#) (CVAs). When the activities of regulated companies have the potential to pose greater harm to people or the environment, the CER increases oversight through engagement, inspections, investigations, audits, and enforcement, when necessary.

In 2023-24, the CER conducted 204 CVAs, which included:

104

Inspections

20

Emergency Response Exercises

6

Management System Audit Reports

68

Compliance Meetings

6

Manual Reviews



³ The majority of serious injury incidents reported were related to pipeline construction and involved worker contact with equipment/uncontrolled energy sources. The CER followed up on all serious injuries to ensure adequate investigation and corrective and preventive action. Most incidents that harmed the environment were related to pipeline construction and involved sedimentation events, inadvertent fluid releases, and physical alterations resulting in impacts to watercourses and fish.

In addition to CVAs, the CER provides oversight in other ways, such as:

- analyses of the root causes of incidents to ensure appropriate corrective actions or to identify preventive actions;
- examination of conditions of authorizations (e.g. orders and certificates) to verify that companies are taking the necessary steps to comply with these conditions;
- responses to emergencies when they happen to verify that companies are protecting the safety of people and minimizing and remediating any environmental damage;
- reviews of Operations and Maintenance notifications as part of ongoing oversight of operating facilities; and
- reviews of contaminated sites documentation to oversee companies' management of contamination and remediation activities.

In 2023-24:

- 487 conditions were closed.
- 527 new project specific conditions were issued.
- 1161 post-approval documents were filed with the CER.
- 534 Operations and Maintenance notifications were reviewed as part of ongoing oversight of operating facilities.





Construction Oversight of the Trans Mountain Expansion Project

In 2023–24, construction activities on the Trans Mountain Expansion Project (TMEP) continued across all areas of the Project. The CER continues to hold the company accountable for fulfilling project conditions and for meeting its regulatory obligations and commitments, including as it transitions to the operational phase in 2024-25.

The CER completed 51 CVAs on TMEP in 2023–24, including inspections, emergency response exercises, and compliance meetings. Indigenous Monitors from the Trans Mountain Expansion - Indigenous Advisory and Monitoring Committee participated in 41 CVAs with CER staff. Review of project condition compliance filings continued throughout the year, and consideration of various relief requests, primarily related to the timing of compliance submissions, but also to variance applications and route deviations.

During 2023-24, the company received 18 Leave to Open authorizations from the CER, resulting in the company being able to begin operating portions of the Project such as pump stations and expanded terminals. The Leave to Open process is the final determination by the CER that the pipeline or facilities are safe to use and to begin to transport crude oil.

The company was required to report serious injuries that occurred during construction, near-miss events, and incidents that harmed the environment. Trans Mountain reported five serious injuries in 2023-24, a 69 percent reduction from the previous year. Over half of the injuries reported in 2023-24 involved contact with equipment or materials. The CER followed up on all serious injuries to ensure the company identified causes, corrective actions and preventative actions. Environmental incidents this year were largely construction related, primarily within the themes of sedimentation events, inadvertent fluid releases, and physical alterations related to construction resulting in impacts to watercourses and fish.

CER Inspection Officers issued five Orders to Trans Mountain during 2023–24 in cases where non-compliances related to Safety, Environmental Protection, or Socio-Economic matters warranted enforcement action. See [Appendix F](#) for more information on Inspection Officer Orders issued in 2023–24.

Remediation Oversight

Remediation oversight activities in 2023–24 focused on expanding the efficiency of oversight of the 475 active contaminated sites under CER jurisdiction. Staff conducted 10 CVAs (meetings and field inspections) focused on contaminated sites themes, reviewed 460 annual updates and completed review of 28 Remedial Action Plans, Risk Management Plans and Closure Reports.

As part of the continual evolution of the Remediation Process, the CER published a bulletin that clarifies its expectations for contents of Remediation Closure Reports called a [closure checklist](#).

Indigenous Monitoring

The CER is committed to advancing Reconciliation with Indigenous Peoples and finding new ways to include Indigenous Peoples in the oversight of federally regulated infrastructure, as it builds trust and confidence while strengthening environment and safety oversight. The CER continues to increase the involvement of Indigenous Monitors through several aspects of its compliance verification activities.

Security

The CER's Security team conducted 16 CVAs in 2023-24, seven of which focused on cyber security. The CER launched a new cyber security CVA process focused on the cyber security measures that regulated companies have implemented on their operational technology system. Significant work was undertaken to mature the cyber security CVA process, including strengthening the CER's relationships with stakeholders to better understand the cyber security threats regulated companies are facing, participating in formalized cyber security training, and soliciting feedback from partners on how to continue to mature the CER's cyber security oversight of regulated companies.

Emergency Management

The Emergency Management Program conducted 41 CVAs in 2023-24. This included 12 compliance meetings, 20 exercise evaluations, 3 inspections, and 6 emergency procedures manual reviews. Identified trends in emergency response inform updates to internal emergency management work instructions and processes, helping the CER to prepare for and operate effectively during an emergency and to continually improve response readiness.

An [Information Advisory](#) regarding emergency preparedness and response at liquid storage facilities was issued in January 2024. The advisory applies specifically to the processes for hazard identification and analysis, and for the evaluation of risks essential to the development and implementation of controls. This includes pre-fire planning and determining resource requirements for responding to fire incidents that could occur at liquid storage tank facilities. Information advisories are shared directly with regulated companies and published on the [CER's website](#).

“Working alongside Indigenous Monitors is one of the most rewarding parts of my job as an Inspection Officer. Whether participating in collaborative events and learning about Indigenous culture or working together in the field during compliance verification activities in environmental protection, the experiences always broaden my perspectives. An inspection from this year that has stuck with me is when our joint CER Inspection Officer and Indigenous Monitor team identified an inappropriately mitigated and active red-tailed hawk nest adjacent to a project construction site. Together, we confirmed the company's non-compliance and took the necessary steps to make sure the nest remained safe. That's truly purposeful teamwork in environmental protection, and I would like to think the hawks appreciated it too!”

CER Inspection Officer Jeremy Demytruk

Audits and Enforcement

Management System Audits

The CER's operational audits evaluate how a company manages its activities. The CER requires all regulated companies to have effective management systems and protection programs.

In 2023-24, the CER conducted six operational audits: three addressing control room management and three covering damage prevention.

The CER publishes management system audit reports and related documents on its [Compliance and Enforcement](#) webpage.

Further information on Audits is found in [Appendix E](#).

Administrative Monetary Penalties

Administrative Monetary Penalties (AMPs) provide the CER with a flexible enforcement tool to promote compliance with legislation, regulations, decisions, permits, orders, licenses or certificate conditions.

The CER issued one AMP in 2023-24.

Further information is found in [Appendix G](#). The CER also publishes all of its AMPs and related documents on its [Compliance and Enforcement](#) webpage.

Safety Culture

The CER has committed to building an improved understanding of safety culture across the pipeline industry. In 2023-24, the CER developed and implemented its latest three-year Safety Culture strategy and [workplan](#). Efforts through 2026 will continue to focus on two goals:

- System-wide influence - The CER will take a system-wide approach to influencing a positive safety culture across industry that supports effective management of threats to people and the environment.
- Company performance - The CER will enhance company understanding and detection of underlying human and organizational factors to support improved risk management and safety culture maturity.

This year, the CER developed and published Human and Organizational Performance guidance and tools for use by industry with work underway to launch complementary interactive e-learning modules ([CER Safety Culture Learning Portal](#)). The CER also facilitated industry-wide learning through annual workshops with regulated companies, including two sessions designed specifically for Chief Executive Officers and executive leaders. This year, the CER continued its outreach activities, including leadership and participation in the North American Regulators Working Group on Safety Culture.

Regulatory Framework Program

The Regulatory Framework Program delivers the CER's regulatory policy functions and is dedicated to implementing a Regulatory Framework that is robust, clear, transparent, coherent and consistent. To achieve this goal, the CER works with a broad range of stakeholders to continually improve regulatory tools; ensuring regulations that are in force remain appropriate and regulatory documents, policies and guidance achieve their intended purpose.

Further information on Regulatory Framework Projects is found in [Appendix D](#).

Abandonment Cost Estimates and Set Aside and Collection Mechanism Review

As part of the CER's financial compliance program, the second five-year review of Abandonment Cost Estimates (ACE) and first Set Aside and Collection Mechanism review was initiated in 2021. In Part 1 of the review, the Commission applied a new CER-developed method based on Geographic Information Systems to calculate Base Case 2021 ACEs for each company. On 15 June 2023, at the conclusion of Part 1 of the review, the Commission issued its report and each company's Base Case 2021 ACE. On 27 March 2024, the Commission released its reasons and approved new ACEs for companies with CER-regulated pipeline systems.⁴ The Commission provided higher, future-proofed dollar values for company ACEs for companies holding letters of credit or surety bonds.

4 Trans Mountain ULC ACE is not yet approved.

Energy Adjudication

The CER's mandate includes making decisions and providing recommendations to the Minister on applications and environmental assessments through predictable and timely processes. These applications relate to pipelines and connected facilities, international power lines, tolls and tariffs, energy exports, oil and gas exploration and drilling in certain northern and offshore areas of Canada, and future offshore renewable energy projects. Decisions and recommendations use fair and inclusive processes, supported by the CER's provision of participant funding, land matters complaint resolution services, and supporting Crown consultation. When a project has reached the end of its useful life, the CER reviews abandonment applications to ensure that companies abandon the energy projects in a safe and environmentally responsible manner.

The Commission's responsibilities include decisions on tolls and tariff applications and applications for pipelines under 40 kilometres (km). Applications for pipelines over 40 km require Governor in Council (GIC) approval based on a Commission recommendation. Any project that proposes more than 75 km of new right-of-way requires an integrated review process led by the Impact Assessment Agency of Canada.

While the Commission carries out its responsibilities independently, it is part of the CER and contributes to the overall delivery of the CER mandate. The CER Act outlines how the Commission assesses applications. The legislation focuses on early engagement, and inclusive and meaningful participation, particularly with Indigenous Peoples, in project assessments and includes the mandatory consideration of Indigenous knowledge and a project's potential impacts on the rights of Indigenous Peoples.

For further details on adjudicative decisions and recommendations submitted to the Minister, please see the 2023-24 Annual Report of the Commission of the Canada Energy Regulator.

The CER's Commitment

Energy adjudication processes are fair, timely, transparent, and accessible.

Performance Results Summary 2023-24 – Energy Adjudication

PERFORMANCE MEASURE	TARGET	RESULTS 2021-22	RESULTS 2022-23	RESULTS 2023-24
Percentage of adjudication decisions overturned on judicial appeal related to procedural fairness.	0%	0%	0%	0%
Percentage of adjudication decisions and recommendations that are made within legislated time limits and service standards.	100%	83%	100%	100%
Percentage of surveyed participants who indicate that adjudication processes are transparent.	75%	89%	83%	85%
Percentage of surveyed participant funding recipients who agree that participant funding enabled their participation in an adjudication process.	90%	94%	94%	95%

Infrastructure Applications

This past fiscal year, the Commission adjudicated 48 infrastructure applications. This included one large infrastructure application – NorthRiver Midstream’s NEBC Connector Project. The Commission recommended that the project be approved, subject to 49 conditions. The Commission also held hearings for Trans Mountain’s applications for a route deviation in the Pípsell (Jacko Lake) area, and for a change in the size and thickness of a 2.3 km segment of pipeline in the Fraser Valley. The Commission also adjudicated on 11 small infrastructure applications, and 19 *Onshore Pipeline Regulations* applications (i.e., Reactivation, Deactivation, Decommissioning). All infrastructure applications met service standards and legislated time limits. For a complete breakdown of Commission decisions and recommendations, please see the 2023-24 Annual Report of the Commission of the Canada Energy Regulator.

Tolls and Tariffs Applications

The Commission adjudicated several tolls and tariffs applications in 2023-24, including an application from Trans-Northern Pipelines Inc. for a new Incentive Tolls Settlement Agreement, and an application from NOVA Gas Transmission Ltd. to affirm the toll methodology applicable to the North Montney Mainline. The Commission also ruled on several toll settlement applications, including approving Enbridge’s application for the Mainline Tolling Settlement which determined the calculation of tolls for shippers to move their products on the pipeline through December 2028. Through its toll and tariff process improvement initiative, the Commission finalized several processes, procedures, and templates - resulting in more consistent processes for efficient and transparent adjudication based on best practices. The Commission continues to be occupied with several toll applications, including an application from Trans Mountain to set interim tolls on the Trans Mountain system, post-expansion.

Exploration and Production Applications

This past fiscal year, the Commission adjudicated 38 applications related to exploration and production. Among these decisions were the first approvals issued under the Northwest Territories’ *Oil and Gas Operations Act* and regulations since the CER’s establishment in 2019. A total of five authorizations under this act were provided in relation to the Inuvialuit Energy Security Project Ltd.’s development project in the Inuvialuit Settlement Region.

Crown Consultation

The CER’s approach to Crown consultation occurs primarily through the Commission’s adjudication processes. Indigenous Peoples are encouraged to participate for their views to be heard directly by the Commission. For project applications where the Governor in Council is the final decision-maker, the CER (in its capacity as Crown Consultation Coordinator) conducts supplemental Crown consultation activities with Indigenous communities before, during, and after the Commission’s assessment process. Crown consultation reports are prepared, including recommendations on how to avoid or mitigate the project’s impacts on the rights of Indigenous Peoples, and submitted to the Commission for consideration during the hearing. This helps inform the Commission’s assessment of a project, including a project’s impacts to rights and any accommodation measures, including conditions. The CER also consults Indigenous communities on the Commission’s Recommendation Report to understand if there are any outstanding impacts to rights and whether further accommodation is needed. This helps inform the GIC’s decision on the project application.

Throughout 2023, the CER conducted supplemental Crown consultation activities for NorthRiver Midstream's application for the NEBC Connector Project. Crown consultation highlights include:

- For the first time since 2015, the GIC decision on a major infrastructure application with supplemental Crown consultation was completed on time, without any extensions to legislative timelines. The GIC approved the project and determined that the duty to consult was adequately met and there were no legal challenges to the GIC's decision.
- The Crown Consultation Coordinator held a total of 71 consultation meetings with Indigenous communities and filed eight substantive consultation submissions during the Commission's hearing process, including 11 recommendations to the Commission for its consideration based on what the CER, in its role as Crown Consultation Coordinator, heard from Indigenous communities.

The CER initiated supplemental Crown consultation activities for Pouce Coupé Pipe Line Ltd.'s Taylor to Gordondale Project in December 2023 and for Westcoast Energy Inc.'s Sunrise Expansion Program in January 2024. These early Crown consultation activities will help identify areas of concern, as well as opportunities, for Indigenous communities and ways in which the Commission's hearing process can deepen Indigenous communities' involvement and input.

Dispute Resolution

The Dispute Resolution Process plays a vital role in how the CER fulfills its mandate to help balance the interests of all Canadians in the stewardship of pipelines and energy development in Canada. Dispute resolution refers to the processes and methods (i.e., the Complaint Resolution Process and Alternative Dispute Resolution Process) used to resolve disputes between companies and rights holders, owners and users of lands, Indigenous Peoples, other orders of government, and nongovernmental organizations. By participating in Dispute Resolution Processes, parties can directly address their specific concerns about the CER's regulated facilities.

Disputes pertain to CER regulated facilities and activities, such as pipeline maintenance and pipeline application hearings. Most of these issues are related to compensation, access to land, damage to property, crossings, construction noise, notification, applications, and detailed route hearings.

Dispute Resolution: Highlights from 2023-24

- 30 disputes received, 100% of which the CER responded to within the ten-calendar day service standard.
- 21 disputes resolved, 100% of which were resolved within the service standards. Of those resolved, 17 were resolved using Alternative Dispute Resolution processes outside of the formal regulatory process.



Early Engagement with the Public

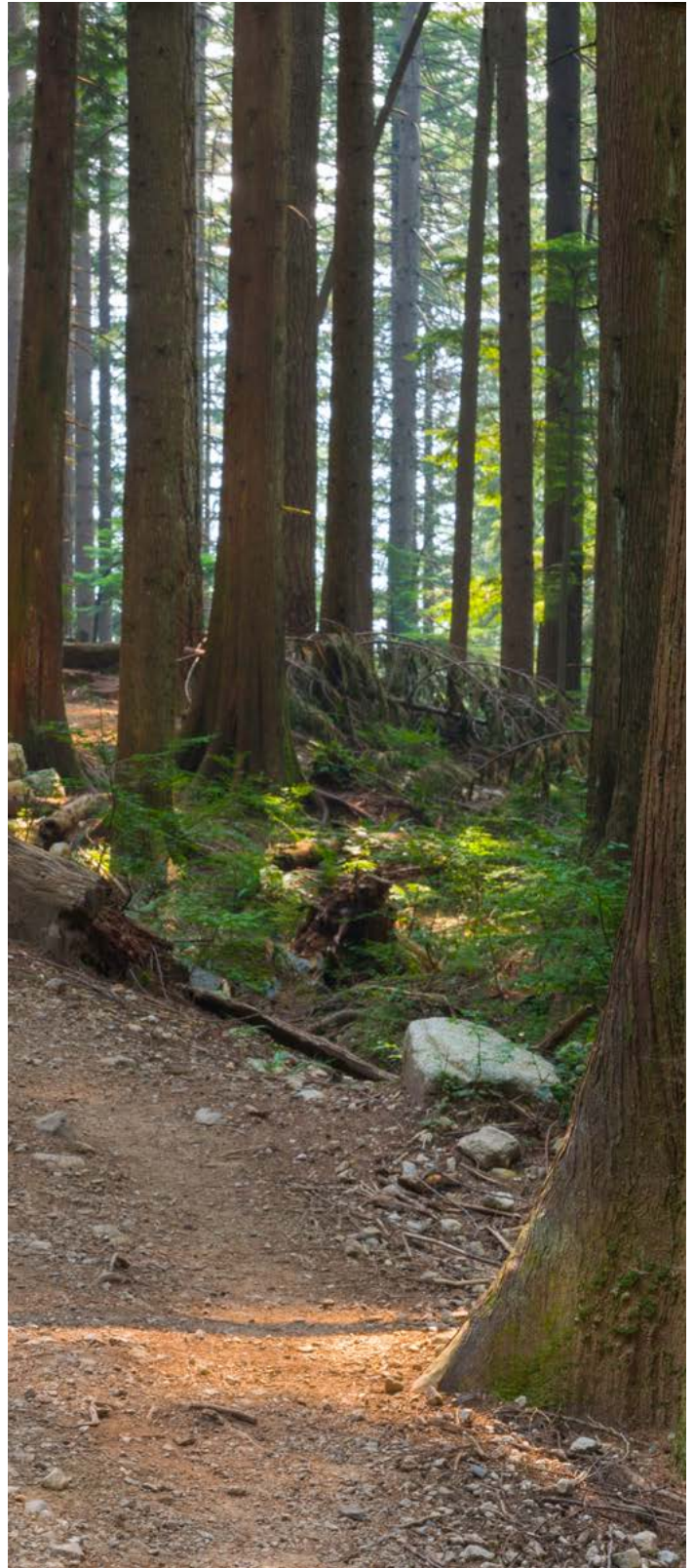
In March 2024, the CER undertook early engagement activities with the general public related to Pouce Coupé Pipe Line Ltd.'s Taylor to Gordondale Project and Westcoast Energy Inc.'s Sunrise Expansion Program. The CER's early engagement activities focus on educating the public on the CER's role as a regulator and providing information on the proposed projects and how to participate in the upcoming hearings, including participant funding.

Orphan Pipelines

The CER's Designated Officer issued two orders in 2023-24, designating two pipelines as "orphan pipelines," bringing the CER's total number of orphan pipelines to three. Terra Energy's Ladyfern Gas Pipeline, an approximately 5.5 km natural gas pipeline located in northeastern British Columbia, and Glencoe Resources' North Reagan Pipeline, a 215 metre crude oil pipeline located in Alberta, were designated in June and July 2023⁵, respectively. The CER is now working to determine the necessary abandonment works that are required to maintain and improve upon the ongoing protection of the public and environment.

Applications Dashboard

In 2023-24, the CER expanded the use of the external facing Applications Dashboard tool, moving from the pilot phase to a wide deployment. Application Dashboards were launched for all small infrastructure applications and any application associated with a hearing process that was filed this fiscal year. In total, 20 dashboards were created. The Application Dashboard is a tool that improves access to reliable data and information which allows more informed decision-making, better process transparency and efficiency, and more meaningful engagement for all participants.



5 DOD-001-2023 was issued on 22 June 2023 ([C25044](#)) and DOD-002-2023 was issued on 12 July 2023 ([C25487](#)).

Energy Information

The CER collects, monitors, analyzes, and publishes information on energy markets and supply, energy sources, and the safety and security of pipelines and international power lines. The CER plays a vital role in conveying timely and relevant information to Canadians and is at the forefront of energy markets monitoring and analysis. Staff model Canada's energy supply and demand projections, provide Canadians with reports and analysis to help inform daily choices on energy matters and support regulatory hearings on pipeline projects in Canada. The CER also collaborates with the Canadian Centre for Energy Information (CCEI) on a variety of energy data and information initiatives that are prioritized in the CCEI's annual workplan.

The CER's Commitment

- Canadians can access and use energy information for knowledge, research, or decision-making.
- Canadians have opportunities to collaborate and provide feedback on CER information products.

Performance Results Summary 2023-24 – Energy Information

PERFORMANCE MEASURE	TARGET	RESULTS 2021–22	RESULTS 2022–23	RESULTS 2023–24
Evidence that Canadians access and use CER Energy Information products and specialized expertise, including community-specific information, for knowledge, research, or decision-making.	Narrative*	Target achieved*	Target achieved*	Target achieved*
Number of opportunities that Canadians have to collaborate and provide feedback on energy information products.	85	85	166	231

* Refer to the narrative within the Annual Report of the Canada Energy Regulator for the corresponding year.

The CER's Energy Information products in 2023-24:

- 24 new online energy information products
 - 21 Market Snapshots; including 11 on crude oil or natural gas, 7 on renewable energy, and 3 regarding electricity
- More than 1.6M energy and pipeline information web page views
- 230 information request responses
- 231 collaborative engagements with energy stakeholders
- 174 citations of energy and pipeline information sourced as a reference in major online publications

Canada's Energy Future series

In June 2023, the CER released its flagship publication, *Canada's Energy Future 2023: [Energy Supply and Demand Projections to 2050](#)* (EF2023). The report explores how possible energy futures might unfold for Canadians over the long term and is the first to explore fully modelled net-zero scenarios, helping Canadians and policy makers see what a net-zero world could look like. It focuses on the challenge of achieving net-zero greenhouse gas emissions by 2050.

EF2023 benefited from extensive engagement activities throughout its planning and release. Dozens of Canadians and experts provided feedback on the methodology, design, and assumptions underlying the report. After the report's release, it was presented to several external stakeholders and at numerous conferences - including COP28 in Dubai, the Energy and Mines Ministers' Conference and Energy Modelling Hub Annual Forum, among many others. The EF2023 report was viewed just over 62,000 (1,900 for the data supplement) times in the 2023-24 fiscal year.

Anticipating new interest in the modeling behind this report and desire to increase the transparency of the CER's modeling work, an overview of each energy model was newly introduced and shared in the Appendices. This series of information graphics describes the complexities of these models using easy-to-grasp concepts and descriptive text to support machine-assisted readers. Being a relatively new concept in both energy modeling and design, the results were presented at the Relating Systems Thinking and Design conference in Washington, D.C. to the international systemic design community.

Market Snapshots

The Market Snapshot series aims to further the CER's goal of providing Canadians with a neutral source of timely and relevant energy information and analysis. The CER has been publishing Market Snapshots for nearly a decade, including 21 in 2023-24. The focus of the Market Snapshots series is broad, and includes topics ranging from hydrocarbon production and trade, to decarbonization and emerging energy markets. Increasingly, our data and analysis has focused on the transition to lower carbon energy alternatives with eight Snapshots highlighting renewable energy in 2023-24. It is also noteworthy that our Snapshot on [Two Decades of Growth in Renewable Natural Gas](#), was acknowledged by a user as being the only dataset publicly available today on projects of this kind in Canada.

Market Snapshots also allow the organization to showcase data that is collected and managed solely by the CER. In 2023-24, the CER highlighted record-high volumes of crude oil and natural gas moving through CER-regulated pipelines. It also showcased that in 2023 there were [no spills on CER-regulated pipelines](#) related to the 294 reports of unauthorized activity submitted by pipeline companies.

Exploring Innovation with the Provincial and Territorial Energy Profiles

Since their launch in 2017, the Provincial and Territorial Energy Profiles have soared in web traffic pageviews by almost 300 percent, and in recent years, have appeared in the top five traffic rankings of all CER web products.

The CER continues to seek opportunities to enhance these profiles via user research, in alignment with Energy Information's program goals to ensure products are relevant and provide opportunity for feedback. Employing a [continuous improvement](#) approach, results from a user experience study revealed that sources for electricity, and the current energy mix, are top of mind for web visitors. Energy profiles were valued for providing a one-stop overview of their province or territory's energy system. Users expressed a desire for more frequently updated data and requested further breakdowns in fuel demand and the energy mix. These enhancements will be considered for future releases.

Pipeline Profiles

The Pipeline Information Program continued to deliver timely and reliable data and analysis to support delivery of the CER's Energy Information Core Responsibility. Central to the program are the Pipeline Profiles, which support the CER's Competitiveness strategic priority by improving transparency. In the past year, pipeline information products were expanded to include five new interactive maps in the Pipeline Profiles, allowing for more accessible information for areas in which Canadians are interested. Pipeline Profiles are regularly maintained and continue to be referenced in global research and regulatory proceedings.

The Pipeline Information Program has also made progress in innovation by setting up a content management system for all the information on Pipeline Profiles. This allows the profiles to update content and reach audiences in a timely, efficient manner. CER staff has also engaged with many Canadians at tradeshow booths and in stakeholder meetings to raise awareness on pipeline information products and receive feedback for improvements.



Engagement

The CER is accountable to Canadians and Indigenous Peoples for ensuring its decisions and work are informed by engagement. Engagement is integral to the CER’s regulatory effectiveness in shaping CER programs and in delivering on the CER’s strategic priorities.

The CER is committed to exploring ways to improve its approach to engagement planning and execution across the organization. Engagement is guided by the CER’s National Engagement Strategy which includes a framework that provides guidance on the practice of engagement, a national plan that enables coordination and information-sharing, and an Indigenous blueprint that highlights Indigenous-specific engagement guidance.

The application of the National Engagement Strategy is supported by the Engagement Centre of Expertise, a formalized structure designed to support staff in their Indigenous and stakeholder engagement efforts.

The CER’s Commitment

- Input provided by Indigenous Peoples and stakeholders will influence the CER’s decisions and work.
- Indigenous Peoples and stakeholders provide feedback that engagement with the CER is meaningful.

Performance Results Summary 2023-24 - Engagement

PERFORMANCE MEASURE	TARGET	RESULTS 2021–22	RESULTS 2022–23	RESULTS 2023–24
Evidence that input from Indigenous Peoples and stakeholders influence CER’s decisions and work.	Narrative	Target achieved*	Target achieved*	Target achieved*
Percentage of participants in engagement activities who indicate that the engagement was meaningful.	75%	72% ⁶	92%	91%

* Refer to the narrative within the Annual Report of the Canada Energy Regulator for the corresponding year.

Over the past year, the CER conducted engagement that delivered relevant information, met intended objectives, and reduced barriers to participate. The CER recognizes that building trust-based relationships fosters a better understanding of broad perspectives and issues important to Canadians. The CER will continue to use transparent and accountable engagement practices to improve its operations.

⁶ Survey results did not achieve target. Feedback indicated a need to allow more time for engagement, greater transparency of how input would be used, and a desire for more two-way dialogue.

Grants and Contributions

Since April 2023, the CER has expanded the use of grants and contributions beyond Participant Funding to three additional funding streams: Policy Dialogue, Research, and Indigenous Capacity Support. The funding administered this year was in support of the following:

Participant funding – facilitates participation in many adjudication processes and related Crown consultation for energy projects, including:

- Contribution and Post-Decision Grant to participate in hearing and/or Crown Consultation activities for NorthRiver Midstream’s NEBC Connector Project;
- Grant for early engagement with Crown Consultation Coordinator on Pouce Coupé Pipe Line Ltd.’s Taylor to Gordondale Project and Westcoast Energy Inc.’s Sunrise Expansion Program;
- Grant for impacted communities to participate in hearing for Imperial Oil’s Variance Application for Operations Authorization and Application for Line 490 Replacement Activities; and
- Grant to participate in Part 2 of the Abandonment Cost Estimates and Set Aside and Collection Mechanism Review.

Policy Dialogue – supports engagement on regulations, policy and energy information products, including:

- Grants and contributions to enable engagement planning with the Indigenous Advisory and Monitoring Committees on the *Onshore Pipeline Regulations (OPR)* and Filing Manuals Review;
- Contribution to engage on implementing the United Nations Declaration on the Rights of Indigenous Peoples;
- Grant to enable feedback on CER’s Market Snapshot series; and
- Contribution for members of the Indigenous Advisory Committee.

Indigenous Capacity Support - enables involvement in lifecycle oversight activities and related Indigenous monitoring committees.

- Grant for co-writing and technical workshop to co-develop a mechanism aimed at increasing Indigenous involvement in the CER’s compliance and oversight activities for the NOVA Gas Transmission Ltd. (NGTL) System.



Indigenous Engagement

The CER's work with the Trans Mountain Expansion and Line 3 Indigenous Advisory Monitoring Committees (IAMCs) represents essential steps toward building trust and mutual capacity between the CER, Indigenous Peoples and communities impacted by CER-regulated infrastructure. The CER is confident that the enhanced involvement of First Nations, Inuit, and Métis communities will continue to bring meaningful changes to how the CER works.

The CER continued to work with Indigenous communities to co-develop a mechanism aimed at increasing Indigenous involvement in the CER's compliance and oversight activities for the NGTL System. In 2023-24, the CER published a report that was co-written by Indigenous participants and CER staff summarizing what was discussed during the leadership meetings that took place in 2022-23. Over the last year, the CER also met with technical staff from participating Indigenous communities to define the governance, structure, and approach for the collaborative mechanism. A summary report, co-written with Indigenous participants, will be released in fall 2024 and will guide the drafting of the terms of reference and the implementation of this initiative.

In spring 2023, the CER co-developed a workshop with members from both the Trans Mountain Expansion and Line 3 IAMCs, including the materials, to test an approach for Phase 2 engagement on the OPR. The workshop was held in June 2023 and gave the CER invaluable feedback on its approach to engagement. The CER committed to working with the IAMCs, both to refine future engagement approaches, and on specific regulatory options for the regulations and guidance.

The CER implemented a process to protect historical hearing transcripts and audio files (1977 to the present), upon request from First Nations, Inuit, and Métis communities who participated in hearings. This process was developed with guidance from Elders and Knowledge Keepers from Treaty 7 and urban Elders living in Calgary, as well as from First Nations archivists in Alberta and British Columbia, and best practices emerging in the field of Reconciliation and Information Management. One request for historical protection has been fulfilled, and two others are under way. As recommended in federal policy instruments on Indigenous Data Sovereignty, this returns control to Indigenous Nations over knowledge they shared with the regulator.

Stakeholder Engagement

The CER leads the Land Matters Group Advisory Committee, a forum for members to exchange information on the protection of the rights and interests of landowners while supporting the goal of achieving regulatory excellence. For the first time in four years, the committee met in person to discuss land related initiatives led by the CER, and provide feedback based on the needs and interests of the stakeholder groups they represent. They also reviewed the current terms of reference and work plan for the purpose of developing new priorities for the next three years. By end of fiscal, the issues of access to lands and damage to property will have been addressed with the posting of documentation drafted from the landowner's perspective. The LMG News, a quarterly e-newsletter distributed to the membership, is posted on the [CER website](#).

Internal Services

Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs.

The CER's Internal Services directly enable the other Core Responsibility areas by supporting business and organizational requirements and initiatives.

There are 10 categories of internal services:

- Management and Oversight Services
- Communications Services
- Legal Services
- Human Resources Management Services
- Financial Management Services
- Information Management Services
- Information Technology Services
- Real Property Management Services
- Materiel Management Services
- Acquisition Management Services



Diversity and Belonging

In 2023-24, the CER made progress on the implementation of its Diversity and Belonging Roadmap, with highlights including:

- Adoption and implementation of the Accessibility Passport which allows employees with disabilities to clearly articulate their unique circumstances, experiences, and workplace interactions with their leaders. This passport facilitates a tailored approach to providing the necessary tools and support measures for individual success and to streamline and accelerate the accommodation process when requested.
- Design and development of the Organizational Citizenship Framework which offers employees ways to connect and interact in the workplace and contribute to the enrichment of the CER culture. The Framework includes initiatives, such as forums to help employees meet, network, and exchange ideas and experiences, discuss issues and barriers that their peers are facing, share best practices and propose solutions.

Improving Information Management

During 2023-24, the CER launched GCdocs to improve its management of electronic and paper documents and records, enabling consistent information management processes and solutions through technology and governance. The launch of GCdocs marked a stride forward in information management, improving the CER's ability to provide timely service and meet Government of Canada legal and policy requirements.

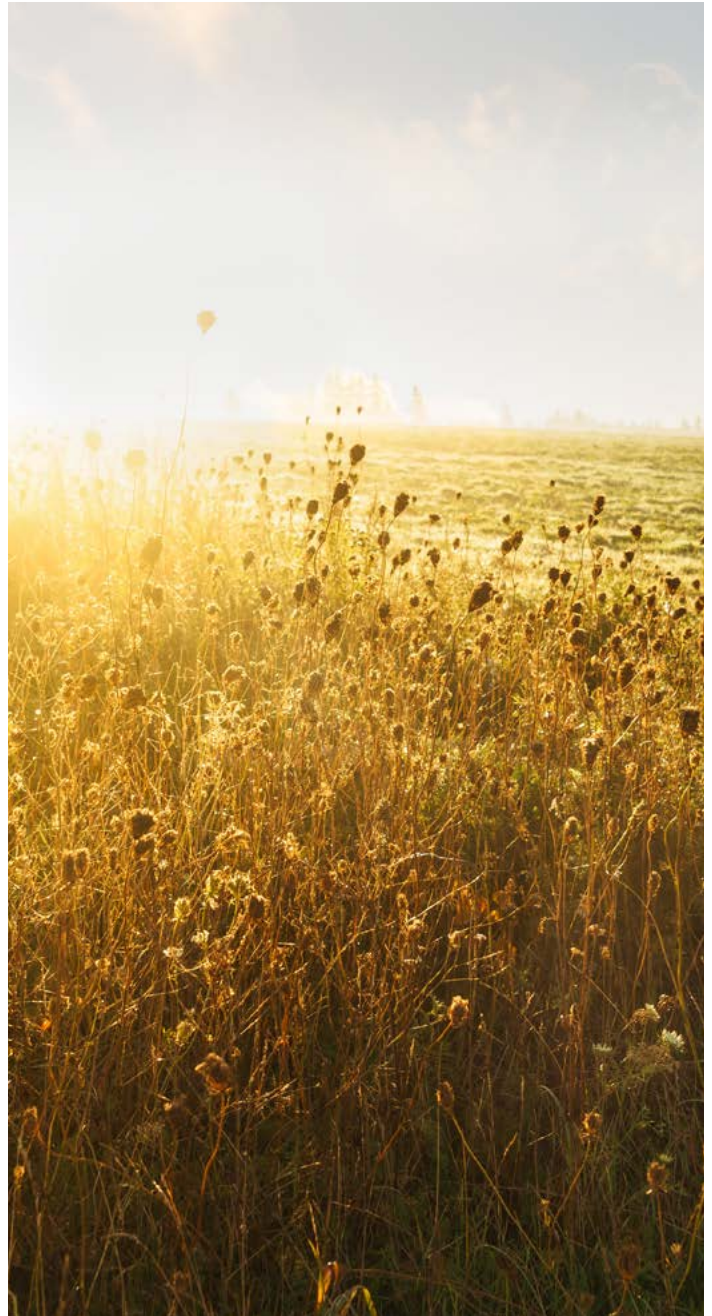
Throughout the year, the CER continued to digitize historical records of business value to enhance access to baseline socioeconomic and environmental data. Staff also digitized previously paper-only publications to increase public access to historical National Energy Board publications containing industry data and analysis.

Gaining Efficiencies

The CER continued to provide staff with digital solutions that reduce manual interventions for routine, low-risk administrative processes. Improvements to the CER's finance and procurement processes included updating reporting and forecasting tools to enable more efficient utilization of funding and fast-tracking payments of acquisition cards, which resulted in rebates of approximately \$14,000 this year and more rebates anticipated next year.

Other Initiatives

- The CER launched a new time-tracking feature allowing status employees to easily track the time they work on reserve lands for tax purposes. Under section 87 of the *Indian Act*, income earned while working on a reserve by status people is exempt from income tax.
- The CER's first 2023-2027 Departmental Sustainable Development Strategy was delivered and tabled in Parliament on 2 November 2023.
- The CER updated four Human Resources policies, optimized processes to enjoy the shortest staffing times in the Government of Canada and successfully completed collective bargaining with the Professional Institute of the Public Service of Canada.
- The CER was named one of [Canada's Top 100 employers](#) and one of [Alberta's Top 100 employers](#).
- The Business Continuity Plan received its first major update since the pandemic. CER staff also completed a ransomware cybersecurity tabletop exercise, as well as holding monthly phishing campaigns.





What the Future Holds

In 2024-25, the CER will focus on implementing the first year of the organization's new three-year [Strategic Plan](#) and continuing to deliver on its Core Responsibilities.

The CER's new strategic plan sets out four strategic priorities. These strategic priorities reflect areas of cross-organizational focus and improvement to help the CER better meet its regulatory mandate.

- **Trust and Confidence:** This strategic priority will focus both externally and internally on building trust and confidence with the CER's various audiences.

Externally, the CER will work to ensure that Canadians, stakeholders, and Indigenous rights holders impacted by CER-regulated infrastructure trust that the organization enables safe, reliable, competitive, and environmentally sustainable energy transmission. The CER will also continue to provide oversight of major projects and compliance verification in its role as a regulator to prevent harm. The organization will communicate transparently and engage meaningfully in all its interactions.

Internally, the CER will strive for an engaged, empowered, and diverse workforce with the skills and competencies to achieve its 2024-2027 Strategic Plan. Staff will implement a variety of initiatives within the CER's Strategic Workforce Plan aimed at ensuring the CER is a workplace where all employees can thrive. Key projects in that plan include the CER Employment Equity, Diversity and Inclusion Plan; the Official Languages

Action Plan; the Indigenous Recruitment, Retention and Advancement Strategy; the Framework for Technical Excellence, a comprehensive Leadership development program; and a revamped Psychological Health and Safety Strategy.

- **Reconciliation and Implementing the United Nations Declaration on the Rights of Indigenous Peoples:** The CER will continue to take steps to implement the UN Declaration and *United Nations Declaration on the Rights of Indigenous Peoples Act* Action Plan and advance the work of the Indigenous Advisory and Monitoring Committees and the CER's Indigenous Monitoring Program under the guidance and advice of the Board and the Indigenous Advisory Committee. It will also progress Action Plan Measure 34, advance collaboration agreements with Indigenous communities, and implement planning, training, other supports and guidance for CER staff for the Indigenous Recruitment, Retention and Advancement Strategy, the Indigenous Procurement Strategy, and the Elders-in-Residence Program.

- **Competitiveness and Regulatory Excellence:**

The CER will enhance Canada’s global competitiveness through leadership in regulatory innovation and best practices, focusing on cost-effectiveness, transparency, predictability, timeliness and efficiency of regulatory processes. This includes enhancing meaningful participation in CER proceedings, founded on early and inclusive engagement.

Building on the momentum of the previous strategic priority of Competitiveness, the CER will focus on ongoing improvement initiatives with longer timelines such as revisions to the *Onshore Pipeline Regulations*, updates to the Filing Manual and the CER Portal project. These projects are a cornerstone of this priority.

- **Preparing for the Energy Future:** The CER will inform the energy transition by offering expertise and insight as the energy system transitions to a net-zero economy across Canada. The CER will also focus on energy innovation, security, competitiveness, and safe and reliable energy transmission infrastructure that is resilient to the effects of climate change.

Further refining aspects of the previous strategic plan, this priority is focused on adapting CER requirements and guidance; improving CER’s readiness to regulate pipelines transporting low-emitting energy forms; support electrification; and enhance climate change resiliency of regulated infrastructure. This priority also aims to identify and implement actions to support industry’s efforts to decarbonize existing CER regulated infrastructure.





Appendix A: Biographies

Board of Directors

George Vegh, Chairperson

Melanie Debassige, Vice-Chairperson

Ellen Barry, Director

Cassie Doyle, Director

Karim Mahmud, Director (term expired in May 2024)

François Tanguay, Director

Karen Leibovici, Director

Dale Eisler, Director

Darlene Halwas, Director

Board of Directors' biographies are available on the [CER website](#).

Indigenous Advisory Committee

Tribal Chief Tyrone McNeil, Chairperson

Kaella-Marie Earle, Vice-Chairperson

Harvey McLeod

Scott Patles-Richardson

Chief Matthew T. Peigan

Marci Riel

Tristan Zachow

Félix Aupalu

Indigenous Advisory Committee biographies are available on the [CER website](#).

Appendix B: Financial Overview⁷

The CER and its predecessor, the National Energy Board (NEB)⁸, is funded through parliamentary appropriations with approximately 99 percent of its costs recovered by the Government of Canada from the industry the CER, and formerly the NEB, regulates. Financial statements are prepared annually and audited by the Office of The Auditor General of Canada.⁹ The table below provides an overview of CER financial and human resources, as reported in the public accounts.

FISCAL YEAR (1 APRIL TO 31 MARCH)	EXPENDITURES (MILLION \$)	STAFF (FULL-TIME EQUIVALENTS)
2018-19	108.1	476.5
2019-20 ¹⁰	98.0	494.0
2020-21	99.83	522.0
2021-22	109.4	558.7
2022-23	112.4	571.2
2023-24	113.7	570.9

7 Detailed information for fiscal year 2023–24 expenditures and human resources can be found in the CER’s 2023–24 Departmental Results Report, which is expected to be tabled in Parliament in fall 2024. Once tabled, the report will be posted on the CER’s website.

8 The NEB became the CER on 29 August 2019.

9 [CER – Auditor’s Reports and CER Financial Statements \(cer-rec.gc.ca\)](https://cer-rec.gc.ca)

10 2019-20 results are \$10.1 M less than 2018-19 results primarily due to an exceptional remission of green field levy in 2018-19 related to Northern Gateway Pipeline Limited Partnership (NGPL) project certificates issued but later quashed. NGPL requested the levy be refunded and the Federal Government provided off-cycle funding in 2018–19 to enable the NEB to remit the \$14,710,000 to NGPL on behalf of the Federal Government.

Appendix C: Service Standards Results

Service standards are not set out in legislation, although some of the CER's service standards apply to applications that are also subject to the legislated time limits.

Service standards are established for service delivery so that applicants and participants know what to expect and the CER's performance can be measured and reported. They identify specific delivery targets or timelines for key services.

The CER met all service standards measures in 2023-24.

Service Standard	Measure	Target	2023-24 Results
Participant Funding	80% of funding decisions are provided within 30 days of a complete application or applications deadline	80%	98%
Recommendation / Decision following a public hearing	80% of Reasons for Recommendation / Decision completed within 12 weeks following the close of record of a public hearing (all)	80%	100%
Export Authorizations	80% of short-term order decisions made within two working days (excludes renewals) of receipt of a complete application	80%	99%
Electricity Export Permits	80% of decisions released within target following the completion of the Notice of Application/Directions on Procedures period Category A within 40 calendar days Category B within 90 calendar days	80%	86%
Landowner Complaints	100% of responses with initial course of action to land matter complaints back to initiator within 10 calendar days	100%	100%
	80% of complaints are resolved or closed by the target date from received date: Level 1: within 21 days Level 2: within 180 days	80%	100%
<i>Onshore Pipeline Regulations and Processing Plant Regulations Audits</i>	80% of draft audit reports will be sent to the audited company within 12 weeks of field work completion	80%	100%
	80% of the final audit reports will be sent to the audited company within 12 weeks of receiving the audited company's comments on the draft report	80%	100%
Financial Audits	80% of draft financial audit reports will be sent to the audited company within eight weeks of field work completion	80%	n/a
	80% of final financial audit reports will be sent to the company within three weeks of receiving the audited company's comments on the draft report	80%	n/a

Non-hearing: CER Act Section 214	80% of decisions released by the target date from the application complete: Category A within 40 calendar days Category B within 90 calendar days	80%	100%
<i>Canada Oil and Gas Operations Act</i> Applications	Decisions are made by target date: 80% within 21 calendar days of receiving complete application to drill or alter the condition of a well 80% within 30 calendar days of receiving complete application for geological or geophysical	80%	100%
<i>Canada Petroleum Resources Act</i> Applications	80% of decisions will be made in 90 days from the day that all information is available to complete the evaluation process	80%	n/a
Library Requests	90% of requests responded to within one working day	90%	98%

Appendix D: Regulatory Framework Projects

The CER's Regulatory Framework provides the structure around which all regulatory activities take place. It includes the system of laws, regulatory documents and guidance used to regulate the parts of Canada's energy industry that fall within the CER's scope of authority.

Regulatory Framework Projects completed in 2023-24:

Regulatory Instrument	Type	Date Published	Link
Expectations for Emergency Preparedness and Response for a Potential Fire Incident at Liquid Storage Tank Facilities	Information Advisory	2024-01-26	CER IA 2024-001
Compliance with reporting requirements for export licenses, export permits, and export orders	Regulatory Guidance	2024-01-04	[File 2880553]
Guidance for Damage Prevention in Municipal Operations and Maintenance Activities	Regulatory Guidance	2023-12-20	Guidance
Pipeline Performance Measures Improvement Project*	Enterprise Improvement	2023-07-11	[File OF-SURV-Gen 0802]
Canadian Standards Association Z662:23 Standard	Information Advisory	2023-07-06	CER IA 2023-001
Order MO-015-2023 Canadian Standards Association Z662:23 Safety Class Method	Regulatory Document	2023-06-28	[Filing C25215]
Abandonment Cost Estimate and Set-Aside and Collection Mechanisms (Five-Year Review)**	Regulatory Document	2023-06-15	[Filing C24949]
Guide A: Facilities – Supplemental guidance on Greenhouse gas (GHG) assessments***	Filing Guidance	2023-04-20	Filing Manual Updates

Information about the CER's planned initiatives to improve the Regulatory Framework can be found on the CER's website under [Regulatory Framework Plan](#).

Notes:

***Pipeline Performance Measures (PPM) Improvement Project.** Following a thorough review of the PPM program, established by the National Energy Board in 2012, the CER determined that internal company measures were inherently more effective, and opted to remove the PPM reporting requirements, alleviating regulatory burden on companies.

****Abandonment Cost Estimate (ACE) and Set-Aside and Collection Mechanism (SAM-COM) Review.**

The Commission applied a new method for estimating the cost to companies of abandoning facilities, based on Geographic Information Systems (GIS) thereby introducing an approach that is more transparent, consistent, efficient and accurate over time, as GIS datasets are updated with data attributes, such as land use changes. The ACE and SAM-COM reviews occur cyclically, every five years.

*****Guide A: Facilities – Supplemental guidance on Greenhouse gas (GHG) assessments.** New content provides predictability to industry on the information the Commission considers in its decision making related to the Government of Canada's environmental obligations and commitments in respect to climate change, as prescribed [in paragraph 183\(2\)\(j\) of the CER Act](#).

Appendix E: Audits

Management System Audits

Audits evaluate how a company manages its activities. The CER expects every company it regulates to have management systems and protection programs that are effective and work well. Companies that manage their activities well can better anticipate, prevent, and mitigate issues that can affect safety, security, and the environment.

After an audit is done, a report is made public. The CER expects all companies to consider and review the findings in these reports and use them to improve their management systems.

Management System Audits completed in 2023-24:

Auditee	Audit Topic	Documents	Last Updated
Westcoast Energy Inc.	Damage Prevention	Audit Report	2024-04-15
PKM Cochin ULC	Control Room Management	Audit Report	2024-03-22
NorthRiver Midstream	Control Room Management	Audit Report	2024-02-17
Trans Mountain Pipeline ULC	Control Room Management	Audit Report	2024-02-15
Trans-Northern Pipelines Inc.	Damage Prevention	Audit Report	2023-11-06
Foothills Pipe Lines Ltd.	Damage Prevention	Audit Report	2023-11-24

Appendix F:

Inspection Officer Orders Issued in 2023-24

Compliance Verification Activities, which include inspections, are a check at one point in time that a company is meeting requirements in acts, regulations, and conditions of a project's approval, certificate, order, or permit. Inspections focus on one or two areas of a company's operations.

If a situation requires immediate attention to keep people, property, and the environment safe, the CER may decide to issue an Inspection Officer Order. The Order will require a company to complete certain actions by a set date.

Inspection Officer Orders issued in 2023-24:

Number	Issued	Recipient	Region	Description
AML-001-2023	2023-07-04	Trans Mountain Pipeline ULC	BC	Non-compliances with Socio-Economic Effects Monitoring Plan for the Project.
PRY-001-2023	2023-08-30	Blue Tec Construction Inc.	ON	Third-party activity within the prescribed area, which included topsoil removal and ground disturbance which had the potential to cause damage to the TNPI federally regulated pipeline.
PRY-002-2023	2023-08-30	Trans-Northern Pipelines Inc.	ON	Third-party activity within the prescribed area, which included topsoil removal and ground disturbance which had the potential to cause damage to the TNPI federally regulated pipeline.
JJD-001-2023	2023-10-25	Trans Mountain Pipeline ULC	BC	Multiple non-compliances with project Environmental Protection Plan at wetland crossing location.
BL-001-2023	2023-11-23	Trans Mountain Pipeline ULC	BC	Requirement for hazard assessment to determine appropriate type of safety headwear.
DBL-001-2024	2024-01-31	Trans Mountain Pipeline ULC	BC	Numerous identified deficiencies related to environmental protection plan compliance and water management.
JJD-001-2024	2024-03-12	Trans Mountain Pipeline ULC	BC	Contractor oversight during nesting bird restricted period.

All Inspection Officer Orders and related documents can be found on the CER's website under [Reports on Compliance and Enforcement](#).

Appendix G: Warning Letters and Administrative Monetary Penalties

Warning Letters

The CER, on occasion, may decide that it is important that a senior person in a company is aware of the seriousness of an issue. This person can then take action to stop it from happening again. This is accomplished through a Warning Letter.

There were no Warning Letters issued in 2023-24.

All warning letters can be found on the CER's website under [Reports on Compliance and Enforcement](#).

Administrative Monetary Penalties (AMPs)

Both companies and individuals can be issued monetary penalties for actions that are unsafe. The CER may issue a penalty to a company or individual if:

- serious harm has been caused or is likely to happen;
- the nature and severity of the non-compliance is significant;
- need to escalate to a higher level of enforcement; or
- need to change behavior to prevent an issue from happening again.

The CER issued one AMP from 1 April 2023 to 31 March 2024:

Reference Number	Last Updated	Recipient	Region	Description	Penalty Amount
AMP-001-2023	2023-09-20	Minell Pipeline Ltd.	McAuley, Manitoba	Section 7 of the <i>Canadian Energy Regulator Pipeline Damage Prevention Regulations - Obligation of Pipeline Companies</i> Failure to identify and notify locations as prescribed	\$52,000

All warning letters, AMPs, and related documents can be found on the CER's website under [Reports on Compliance and Enforcement](#).

Appendix H: Abbreviations and Definitions

ACE

Abandonment Cost Estimates

AMP

Administrative Monetary Penalty

APM 34

Action Plan Measure 34

Board

Board of Directors

CCEI

Canadian Centre for Energy Information

CER

Canada Energy Regulator

CER Act

Canadian Energy Regulator Act

Commission

Commission of the CER

CVA

Compliance Verification Activity

DDI

Data and Digital Innovation

EF2023

Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050

GIC

Governor in Council

GHG

Greenhouse Gas

GIS

Geographic Information Systems

IAC

Indigenous Advisory Committee

IAMCs

Indigenous Advisory Monitoring Committees

ICICMF

Indigenous Cultural Intelligence and Change Management Framework

NEB

National Energy Board

NGPL

Northern Gateway Pipeline Limited Partnership

NGTL

NOVA Gas Transmission Ltd.

NRCan

Natural Resources Canada

OPR

Canadian Energy Regulator Onshore Pipeline Regulations

PPM

Pipeline Performance Measures

SAM-COM

Set-Aside and Collection Mechanism

TMEP

Trans Mountain Expansion Project

TMX-IAMC

Trans Mountain Expansion – Indigenous Advisory and Monitoring Committee

UN Declaration

United Nations Declaration on the Rights of Indigenous Peoples

UN Declaration Act

United Nations Declaration on the Rights of Indigenous Peoples Act

Core Responsibility

An enduring function or role performed by a department or agency. The intentions of the department or agency with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department or agency seeks to contribute to or influence.

Departmental Results Report

A report on an appropriated department's or agency's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Performance Measure

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy, or initiative respecting expected results.

Program

Individual or groups of services, activities or combinations thereof that are managed together within the department or agency and focus on a specific set of outputs, outcomes or service levels.

Results

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead, they are within the area of the organization's influence.

Target

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

To Learn More about the CER

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Regional Pacific - Vancouver	219-800 Burrard St Vancouver BC V6Z 0B9	Office: 604-666-3975 infopacific@cer-rec.gc.ca
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