



February 25, 2026



CC: opr_rpt@cer-rec.gc.ca

Re: Phase 2 Review of the Onshore Pipeline Regulations and Filing Manuals



The Canadian Association of Petroleum Producers (CAPP) appreciates the opportunity to participate in the Phase 2 review of the Onshore Pipeline Regulations (OPR) and associated Filing Manuals (FM). As part of the engagement process, which concluded on March 31, 2025, CAPP submitted a high-level recommendation letter to the Canada Energy Regulator (CER), having paused advocacy activities during the federal election period. With the federal government's second phase of the Red Tape Review now underway until February 28, 2026, CAPP recognizes this as an opportune time to provide more comprehensive technical feedback on the OPR and FM to support ongoing regulatory modernization efforts.

Federal pipeline regulation plays a critical role in enabling market access for Canadian energy. Modernizing this regulatory framework is essential to strengthening Canada's position in an increasingly uncertain global landscape and must align with the federal government's objectives to safeguard Canada's energy autonomy, economic resilience, long-term competitiveness, and sovereignty. To attract and sustain investment in Canada's energy sector, regulations must be clear, proportionate to risk, and prioritize timely and predictable approval processes.

In this context, CAPP's top-line recommendation is to adopt a streamlined, risk-based approach to pipeline regulation. The principles outlined below are reflected in CAPP's detailed feedback on the CER's 13 Topic Papers, provided in the appendix.

Risk-based distinction between Group 1 and Group 2 pipelines: To foster a modern regulatory environment that supports Canada's energy competitiveness, CAPP recommends that the CER adopt a regulatory framework that differentiates between pipeline types based on risk and operational context. Specifically, CAPP recommends establishing separate regulatory pathways for large transmission pipelines (Group 1 companies) and smaller, lower-risk pipelines (Group 2

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companies). A uniform approach does not adequately account for the disparate risk profiles and operational realities within the sector.

Alignment with CSA Z662: CAPP further encourages the CER to amend the Onshore Pipeline Regulations to streamline processes by aligning requirements with CSA Z662: Oil and Gas Pipeline Systems. By incorporating CSA Z662's risk-differentiated approach, the CER can focus oversight and decision-making on higher-risk pipelines, while enabling more proportional oversight for lower-risk pipelines typically managed within area-based operational models.

Provincial oversight for Group 2 pipelines: Additionally, CAPP recommends that Group 2 pipelines be regulated provincially where appropriate. This approach would reduce unnecessary duplication, improve regulatory efficiency, and better align with established provincial oversight systems. Such coordination may be accomplished through a mechanism like a Memorandum of Understanding, ensuring clarity of roles and responsibilities between federal and provincial regulators.

Indigenous engagement: CAPP recognizes that several Topic Papers and proposed Filing Manual updates raise broader considerations related to Indigenous engagement, assessment processes, and regulatory clarity. While high-level comments on these matters are provided in the appendix, CAPP will engage directly with the CER to offer more detailed feedback. This follow-up engagement is intended to support regulatory approaches that enhance clarity, reduce unnecessary complexity, and enable timely, predictable project development in the public interest – objectives that align with the Government of Canada's commitment to strengthening the country's position as a globally competitive energy producer.

In closing, Canada benefits from long-standing and robust federal and provincial pipeline regulatory frameworks, but rapidly shifting global dynamics demand swift action to advance energy egress as a strategic national priority. Significant opportunities remain to reduce duplication, modernize and simplify requirements, and enhance regulatory clarity to ensure Canada's energy industry can remain competitive. We are committed to working collaboratively with the CER to deliver meaningful regulatory change that strengthens Canada's energy future.

Sincerely,



The Canadian Association of Petroleum Producers (CAPP) is a non-partisan, research-based industry association that advocates on behalf of our member companies, large and small, that explore for, develop, and produce oil and natural gas throughout Canada. CAPP's members produce nearly three quarters of Canada's annual oil and natural gas production, and our associate members provide a wide range of services that support the upstream industry.

Canada's upstream oil and natural gas industry provides approximately 450,000 direct and indirect jobs in nearly all regions of Canada. Last year, the industry contributed over \$85 billion to Canada's GDP, delivered over 20 percent of the country's value of exports, and between 2022 and 2024 generated \$116 billion in taxes and royalties for governments nationwide.

CAPP is a solution-oriented partner and works with all levels of government to ensure a thriving Canadian oil and natural gas industry. We strive to meet the need for safe, reliable, affordable, and responsibly produced energy, for Canada and the world. We are proud to amplify industry efforts to reduce GHG emissions from oil and gas production and support Indigenous participation and prosperity.