

Topic Paper

B. OPR – Deactivation and End of Lifecycle Topic Paper

Subtopic 1: Definitions

Objectives for Improvement

The objective of the new requirements will be to help companies, Indigenous Peoples, and the public understand what constitutes an end of lifecycle activity. For example, under what circumstances are deactivation, decommissioning, or abandonment appropriate for a pipeline?

Proposed Option

The CER is considering the following options to meet the objective outlined above:

- Adding definitions for:
 - In-service – when the pipeline is actively flowing, including the delivery or transport of oil, gas or other commodity by pipeline, as a whole, to an end point, and
 - Lifecycle - refers to the phases and activities involved in building, operating, and retiring energy infrastructure. For a pipeline, these would include design, construction, operation, decommissioning and abandonment (whether abandoned in-place or removed), including reclamation/restoration as well as monitoring of an abandoned pipeline.
- Amending the definitions of:
 - Decommission - means to permanently cease active flow of a pipeline or part of one where the pipeline, or part of one, is located in a shared right of way, with other pipelines in active flowing service, and
 - Operate - includes repair, maintain, deactivate, and reactivate.

Response

B1. Are there any comments on, or further suggestions regarding the new or amended definitions above?

There could be confusion with the definition of in-service. There may be instances where equipment is in-service (relief valves) but not currently ‘actively flowing’. Refinements are needed to ensure precise application and understanding. The lifecycle definition is comprehensive, but care must be taken to avoid overlap or contradiction with existing industry standards.

Subtopic 2: Decommissioning

Objectives for Improvement

The objectives of new requirements will be to help ensure that companies:

- Have clarity regarding when it is appropriate to decommission a pipeline, and working towards eventual abandonment when feasible;
- Take into account impacts to the rights and interests of Indigenous Peoples when planning and undertaking decommissioning activities; and
- Plan their decommissioning activities in a manner that is safe and restores the environment appropriately, recognizing there are other active pipelines in the right-of-way.

Proposed Option

The CER is considering making changes to section 45.1 of the OPR, in addition to changes to the definition, discussed above.

Response

B2. Do you have feedback on how section 45.1 could be improved to address the comments received; for example, what elements should be included in a decommissioning plan?

The elements of the decommissioning plan should be consistent with the technical requirements within CSA Z662. Any specifics relating to the required elements of a decommissioning plan should be provided through Guidance documents and not included in the OPR. Guidance documents are enforceable, with flexibility over the longer term as industry best practices evolve.

Subtopic 3: Management System

Objectives for Improvement

The objective of new requirements will be to help ensure that companies:

- Maintain appropriate oversight through the implementation of relevant management system processes in relation to their decommissioned and abandoned pipelines.

Proposed Options

The CER is considering the following option to meet the objective outlined above:

- Changes to section 6.5 of the OPR to include decommissioned and abandoned pipelines; that is, incorporating the establishment and implementation of management system processes, as appropriate, to decommissioned and abandoned pipelines.

Response

B3. What is your feedback on requiring companies to establish, implement and maintain a management system for decommissioned and abandoned pipelines?

Management systems apply to the lifecycle of the pipeline including decommissioned and abandoned pipelines. If the changes to the OPR allow for scalability and flexibility in the selection of the appropriate management system processes that would be applicable to decommissioned and abandoned pipelines, we have no concerns with its this addition to the OPR.

B4. What should the scope of the management system be for decommissioned and abandoned pipelines?

Objectives for Improvement

The objective of new requirements will be to help ensure that companies can:

- Deactivate their pipelines in an efficient manner. Changing the requirement from an application to a notification proactively informs the CER of plans to manage pipelines which will not be in service for a period of 12 months or more, but which may be needed for future service.

Proposed Options

The CER is considering the following option to meet the objective outlined above:

- Companies would be required to submit notifications rather than applications for deactivations.
- Such notifications must be submitted prior to the end of a twelve (12) month deactivation period and provide reasons for the deactivation.
- For pipelines that will be deactivated for prolonged periods, companies would be required to submit notifications to the CER before the end of every two (2) year deactivation period confirming the status of the deactivated pipeline. This requirement must be fulfilled until an application for change of status (application to reactivate, decommission or abandon the pipeline) is made to the CER.

Response

B5. Are there risks associated with requiring companies to file a notification for deactivation activities instead of filing an application, and if so, how could they be mitigated?

The process provided above is cumbersome and results in significant additional administrative burden for deactivated pipelines. It is recommended that a notification to the CER be the requirement for deactivation of a pipeline, however, the need to submit further notifications is unnecessary.

B6. Are there any concerns with the requirement to provide notifications on status to the CER every two (2) years during which the pipeline is deactivated to confirm that it is still being safely maintained in an operating state?

This requirement is unnecessary and creates undue burden. Pipeline companies are required under Z662-23 to maintain deactivated pipelines to a certain standard, having to notify the CER every two years that companies are compliant is an undue burden. If companies are not complying with their technical requirements the CER should be utilising the audit and inspection processes to target non-compliance and not creating blanket requirements.

Subtopic 5: Surveillance and Monitoring

Objectives for Improvement

The objectives of new requirements will be to help ensure that companies:

- Effectively monitor decommissioned and abandoned pipelines;
- Involve Indigenous Peoples in the planning of surveillance and monitoring activities for decommissioned or abandoned pipelines.

Proposed Options

The CER is considering the following option to meet the objectives outlined above:

- Expansion of section 39 to include surveillance and monitoring for decommissioned and abandoned pipelines.

Response

B7. Do you have feedback regarding the applicability of section 39 of the OPR (surveillance and monitoring) to include provisions around monitoring of abandoned pipelines?

Monitoring of abandoned pipelines could create significant expense to companies with limited environmental and safety benefits. Any requirements must be scalable and flexible and should be directed within Guidance documents.

B8. Do you have feedback on how Indigenous Peoples can be involved in the monitoring of decommissioned and abandoned pipelines.

Involvement of Indigenous Peoples in the monitoring of decommissioned and abandoned pipelines should not be mandated through the OPR but should be based on interest and availability of Indigenous Peoples in the pipeline areas. For smaller pipeline companies with assets within predominantly freehold land, it can be challenging to resource monitors for smaller, short-term projects.

Subtopic 6: Records Retention

Objectives for Improvement

The objective of new requirements will be to help ensure that companies:

- Retain records for decommissioned and abandoned pipelines.

Proposed Options

The CER is considering the following option to meet the objectives outlined above:

- Expanding section 56 to ensure that records relating to decommissioned and abandoned pipelines are maintained.

Response

B9. Do you have feedback on including decommissioned and abandoned pipelines in section 56 of the OPR? For example, what is the appropriate record retention duration for these pipelines?

No concerns with the requirements to include decommissioned and abandoned pipelines in section 56 of the OPR, for projects moving forward.