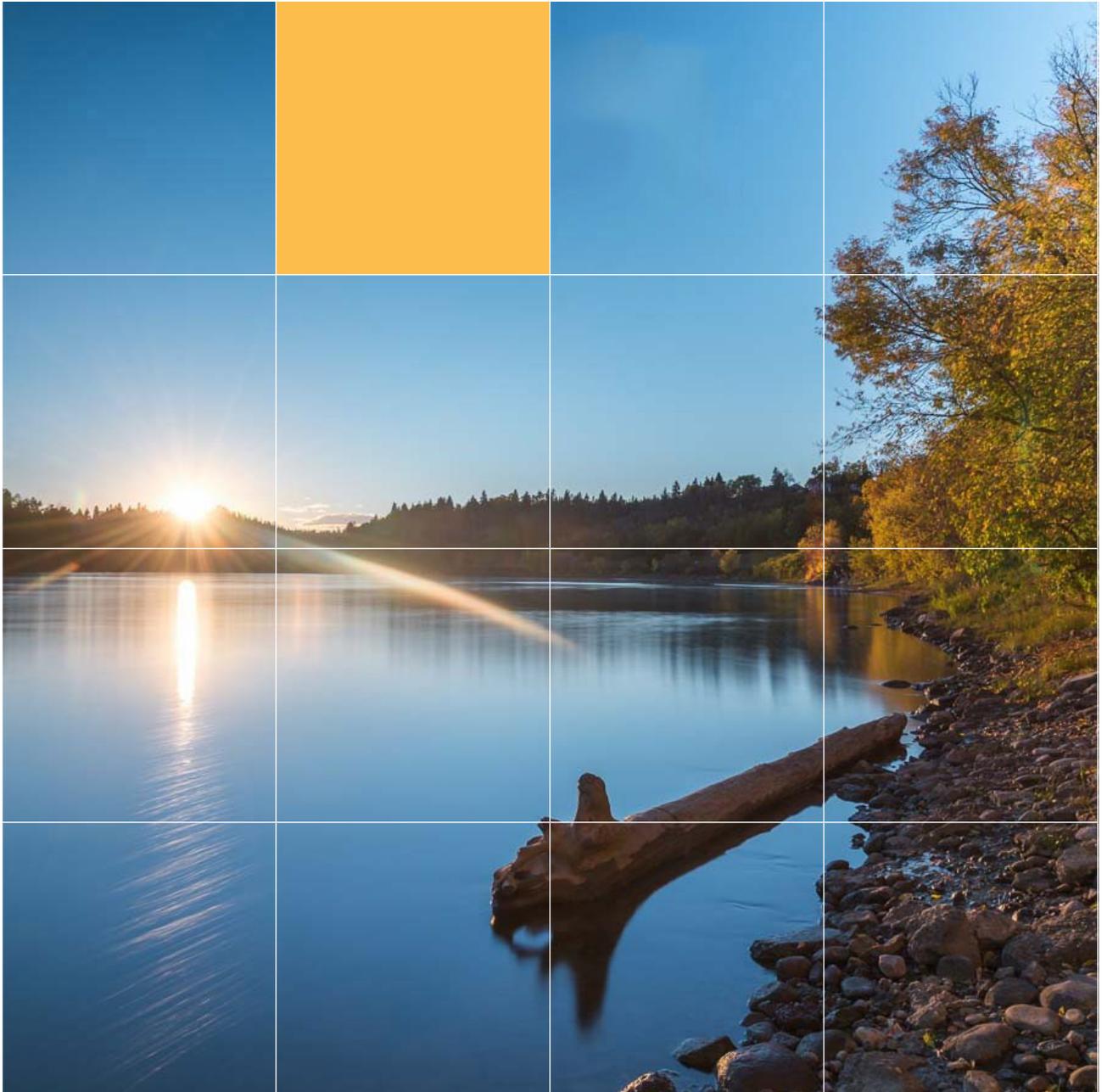




Canada Energy
Regulator

Régie de l'énergie
du Canada

2019-20 Annual Report of the Canada Energy Regulator



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Note:

The 2019-20 Annual Report of the Canada Energy Regulator is one of two Annual Report documents that summarize the Canada Energy Regulator’s achievements of the past year. To learn more about the adjudicative work of the Canada Energy Regulator, please see the 2019-20 Annual Report of the Commission of the Canada Energy Regulator

Message from the Chairperson

It is an honour to present the Canada Energy Regulator's inaugural Annual Report. It has been nearly one year since the legislation that established the Canada Energy Regulator (CER), the country's new federal energy regulatory body, came into force.

Launched in August 2019, the CER works to keep energy moving safely and efficiently through Canada's pipelines and powerlines. The CER's enabling legislation gave the organization an expanded mandate and a modern governance structure that provides a clear separation between the roles of its Board, CEO and Commission.

The challenge that the CER has been tasked with is to build an energy regulatory system that inspires trust and public confidence on the part of Canadians, in particular Indigenous peoples impacted by CER-regulated infrastructure. The Board of Directors believe that the CER will successfully meet that challenge when the organization fully realizes the commitments of the *Canadian Energy Regulator Act* (CER Act) to enhance Canada's global competitiveness and achieve reconciliation with First Nations, the Metis and the Inuit while ensuring safety and protecting people, property and the environment.

Enhancing Canada's economic competitiveness is now core to the CER's mandate. The organization is committed to making decisions in a predictable way and within time limits, providing certainty to investors and stakeholders, driving innovation and enabling infrastructure projects that create jobs for Canadians.

The CER has been striving to transform all aspects of its work to advance reconciliation with Indigenous peoples. Within our first year of operation we will establish an Indigenous Advisory Committee. This Committee will advise the Board of Directors on how the CER can build a new relationship with Indigenous peoples and integrate Indigenous knowledge and perspectives into all facets of the CER's work.

The CER has also been expanding its Indigenous Monitoring program so that more CER-regulated projects are benefiting from Indigenous knowledge. Transforming how it works with Indigenous peoples will help the CER be a better regulator, improve safety



and environmental outcomes, and deliver a more predictable, coherent, and transparent regulatory environment.

Preventing harm is the foundation of how the CER keeps people safe and protects the environment. Over this past year of change, it has continued to develop and enforce rules to protect people, the environment, energy markets and the economy.

The inauguration of the CER came after years of planning and hard work by the exceptional professionals who now work for the organization. In my time as Chairperson, I have been continually impressed by the values, commitment and deep expertise of the CER's employees. Their passion is what makes the Canada Energy Regulator so compelling and relevant.

They are our greatest attribute and provide an essential public service to Canada.

I want to express my appreciation and gratitude to Peter Watson, who retired as the CER's Chief Executive Officer this year. Peter was the right person with the right background to lead the organization through its transformation over the past several years. His leadership on reconciliation and commitment to meaningful Indigenous engagement are his lasting legacy to the Canada Energy Regulator.

With Peter Watson's departure, the CER was fortunate to have Sandy Lapointe step in as Acting CEO in March. Her deep knowledge of the CER and her experience as a service leader within the organization made the transition in leadership seamless.

Just days later, that leadership proved invaluable as the reality of the COVID-19 pandemic changed the daily lives of everyone in Canada. Thanks to sound business continuity planning, the organization was able to maintain business operations even as employees transitioned to working from their homes. This major shift allowed the CER to continue to deliver its mandate without interruption.

I want to thank the remarkable professionals who work at the CER for their unwavering commitment to public service.

On behalf of my colleagues on the Board of Directors, I respectfully submit to the Honourable Seamus O'Regan, Minister of Natural Resources, and provide to Canadians the 2019-20 Canada Energy Regulator Annual Report

The original version was signed by

Cassie J. Doyle
Chairperson
Board of Directors of the Canada Energy Regulator

Message from the Chief Executive Officer

The regulation of energy infrastructure in Canada reached a significant milestone in 2019, with the creation of the Canada Energy Regulator. The CER is a new organization that takes a modern approach to energy regulation. I am honoured to provide this forward to the Canada Energy Regulator's 2019-20 Annual Report.

2019-20 was a year of change for the organization. With the coming-into-force of the *Canadian Energy Regulator Act*, we implemented a modernized mandate. As part of that, the organization welcomed a new Board of Directors and Commission. Under the leadership of Chairperson Cassie Doyle and Lead Commissioner Damien Côté, respectively, the Board and Commission have integrated seamlessly into the CER. I would like to thank the Board for its vision and strategic leadership; and the Commission for its dedication and commitment to adjudicative excellence during this inaugural year of the CER. We are, together, making significant strides towards realizing the commitments of the CER Act.

I would also like to thank the CER's staff who planned, listened and worked together to seamlessly transition the organization from the National Energy Board (NEB) to the CER. Their professionalism, values and passion – and their commitment to making the CER an effective and responsive organization is evident in our accomplishments. Not only did the organization manage this transition seamlessly, we strengthened and deepened our commitment to regulatory excellence, employing new legislative tools, clear policy objectives, and a new governance structure. We also worked hard with stakeholders and Indigenous peoples, who have provided advice and wisdom that drives us to continually improve.

In addition to the establishment of the CER, I am proud of the work that is done every day to ensure that projects are constructed, operated and abandoned in a safe and secure manner that protects people, property and the environment. Some highlights of this past year include:

- In the summer of 2019, the Trans Mountain Expansion (TMX/TMEP) Project was restarted and significant resources and efforts were dedicated to the issuance of regulatory decisions and oversight of construction of the Trans Mountain Expansion
- Our work with both the TMX and Enbridge Line 3 (Line 3) Indigenous Advisory Monitoring Committees (IAMC) shapes and guides our broader approach to incorporating Indigenous perspectives in our monitoring and oversight activities, and



Project. This includes consideration of Project condition-compliance, in-field inspections carried out with Indigenous monitors, and detailed route hearings. The CER significantly improved the ability of the public to explore, learn and research CER-regulated project conditions for the Trans Mountain Expansion Project through interactive and downloadable Project Condition information on our website.

enhancing our communication and engagement with Indigenous communities. We recognize the importance of maintaining Indigenous communities' involvement in the oversight of these projects and incorporating Indigenous perspectives through the IAMC Indigenous Monitors. We are grateful for the opportunities that the IAMC provides and we had Indigenous Monitors participate in 27 inspections, emergency response exercises or compliance verification meetings with the CER.

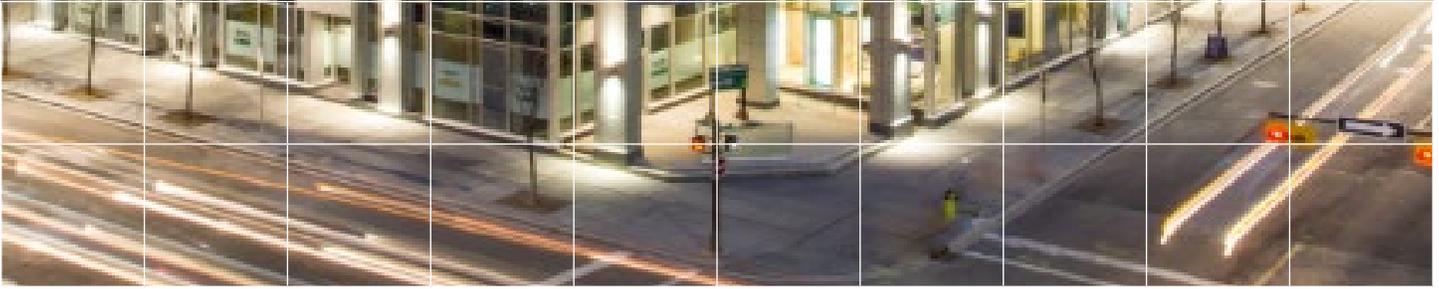
This Report provides a detailed summary, in each of our core responsibilities, of our achievements in 2019-20.

2020 also marked the retirement of CER Chief Executive Officer Peter Watson. I want to thank Peter for the knowledge he shared with the organization over the past several years. His unwavering commitment to creating systematic improvements in the way the CER approached its work - striving to be a modern and excellent regulator - kept our focus on the path forward.

Lastly, 2019-20 was a remarkable year for another reason. On March 16, I wrote an email to all of the 500+ dedicated public servants who work at the CER to tell them not to come to the office the next day because of the COVID-19 pandemic. The pandemic dramatically changed the way we all lived and worked. While it may not have been business as usual, the extraordinary professionals of the CER transitioned seamless to working from home and responded with innovation, creative solutions and commitment to ensure business continuity and the safety of our employees and those we work with.

The original version was signed by

Sandy Lapointe
Acting Chief Executive Officer,
Canada Energy Regulator



CER Overview

GOVERNANCE

Board of Directors

The Board of Directors oversees the CER at the level of governance and strategic advice and direction, and is focused on results and outcomes.

CEO

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.

Commission

The Commission is responsible for making independent adjudicative decisions and recommendations pursuant to the 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.

CONTEXT

Preventing harm is at the heart of what a regulator does. People count on us to keep them safe, to protect the environment, to prevent market inefficiencies and to listen to what they have to say so that we can make informed decisions and recommendations in the Canadian public interest.

We do this using a whole-system approach based on evidence, input and data, and a commitment to effective and efficient infrastructure delivery. We share information and operate transparently in order to build public confidence in the regulatory process.

EXPECTED RESULTS

- Energy adjudication processes are fair, timely, transparent, and accessible.
- We prevent harm to people and the environment throughout the lifecycle of energy-related activities.
- Canadians have access to relevant energy and pipeline information for knowledge, research or decision-making.
- Feedback provided by stakeholders and Indigenous peoples informs our decisions and our work.
- The right governance, resources, management systems, programs and services are in place to deliver on our program results.



Transition to the Canada Energy Regulator

The *Canadian Energy Regulator Act*, which was passed by Parliament in the summer of 2019, established the Canada Energy Regulator as the country's new federal energy regulator.

Along with a new name, the legislation put in place a modern governance structure. A Board of Directors, led by a Chairperson, provides strategic oversight. An independent Commission, headed by a Lead Commissioner, makes adjudicative decisions. A Chief Executive Officer leads the CER's day-to-day business and affairs and has the responsibilities of a deputy head.

The legislation also brought a clear emphasis on safety and environmental protection, reconciliation with Indigenous peoples, enhancing Canada's global competitiveness, driving innovation, and strong oversight of pipelines, powerlines and future offshore renewable energy projects.

Planning for the implementation of the CER Act began within the organization well in advance of August 2019. The goal was to foster integrated leadership across all CER programs to ensure successful implementation of the legislation and all related policy changes.

The Canadian Energy Regulator Act...established the Canada Energy Regulator as the country's new federal energy regulator

In addition to a modernized governance structure, the key themes for change in becoming the CER include:

Timely and predictable decisions

The CER Act introduces a number of changes to federal processes for project review and decisions. Non-designated pipeline projects that are less than 40 km in length will be reviewed by the CER and go through a full impact assessment within 10 months. Projects that are between 40 km and 75 km in length will be reviewed by the CER and be subject to a full impact assessment within 15 months, after which Cabinet can decide whether a Certificate should be issued. Projects requiring more than 75 km of new right of way are designated under the *Impact Assessment Act* and will be reviewed by a panel under that legislation, which results in a recommendation to Cabinet as to whether a Certificate should be issued.

Designated projects, such as those consisting of pipeline projects with more than 75 km on new right-of-way will go through an integrated review process led by the Impact Assessment Agency of Canada (IAAC) with the support of the CER, and are approved by Cabinet.

Project reviews include a more robust early engagement phase, to better identify and respond to project-related concerns of Indigenous peoples and stakeholders. They also include new or updated factors to be considered in impact assessments, including consideration of gender-based analysis, climate change, Indigenous knowledge and impacts to Indigenous rights.

Strengthened safety and environmental protection

The CER continues to enforce conditions, inspect facilities and conduct other oversight activities to protect people and the environment. The CER Act enhances inspection and investigation powers. It also provides the authority to create an orphan pipeline account and take action to safely cease operation of a pipeline if the owner cannot be located or is in receivership, insolvent, or bankrupt. The CER will also be the lifecycle regulator for future offshore renewable energy projects.

Greater Indigenous participation

The CER Act ensures greater Indigenous participation through recognition of Indigenous rights and confirmation of the Government's duty to consult, including a requirement to assess impacts on these rights and consider Indigenous knowledge in decision making.

The CER Act ensures greater Indigenous participation in the CER through its requirement that at least one member of its Board of Directors and one Commissioner be Indigenous.

The Act also calls for the establishment of an Indigenous Advisory Committee (IAC), which will be launched in 2020-21. The IAC will play a critical role, providing strategic advice to the Board of Directors on the regulatory work of the CER and on developing the framework for an enduring relationship between Indigenous peoples and the organization.

More inclusive public participation

Public participation in CER processes will be inclusive and any member of the public will have an opportunity to express their views during a hearing. In addition, the participant funding program is updating funding maximums to align with participation levels for eligible hearings, and will be expanded to include CER led early engagement activities with Indigenous peoples.

The transition to the CER has been a significant achievement as it helped develop momentum for the organization as it began its journey to build an energy regulatory system that inspires trust and public confidence on the part of all Canadians.



CER Pandemic Response

As the 2019-20 fiscal year drew to a close, the COVID-19 pandemic began to have impacts throughout the world. The response to the pandemic had an effect on the work of the CER, as nearly all of its staff transitioned from working at the organization's head office and three Regional Offices to working from home all in a period of just a few days.

Due to a massive team effort and solid business continuity planning, the shift was virtually seamless and employees were able to maintain CER business operations even as they worked from about 500 locations across the country.

In subsequent days, the work of the CER continued, applications were processed, energy information was compiled, analyzed and released, and communication with the public continued.

Oversight of CER-regulated energy infrastructure was also maintained as compliance verification activities continued in a modified form in order to reduce in-person contact. Additionally, the organization began to identify and pursue administrative flexibilities that would help streamline what was needed from CER-regulated companies - without compromising safety, oversight or environmental monitoring.

The CER also informed regulated companies that they were to commit the necessary resources to plan for and respond to the impacts caused by the pandemic. The CER stated that it expected regulated companies to consider the potential challenges that the pandemic would present in the event of an incident or emergency situation and that the appropriate resources needed

to be dedicated to planning and preparing for this potential scenario.

The CER continued its engagement with Indigenous peoples during this time. Concerns were raised by a number of Indigenous communities about pandemic related risks associated with major project construction, the CER recognized the need for additional clarity on company health and safety practices and CER authority and oversight of those practices.

The response of the organization's employees to the extraordinary circumstances of the pandemic is a reflection of their resilience and passion for public service. Their actions prove once again that the CER's greatest attribute is its people.



What we regulate: Energy in Canada

Energy continues to play a fundamental role in the lives of all Canadians. From health care to agriculture to the clothes we wear, every product and service in our country requires energy.

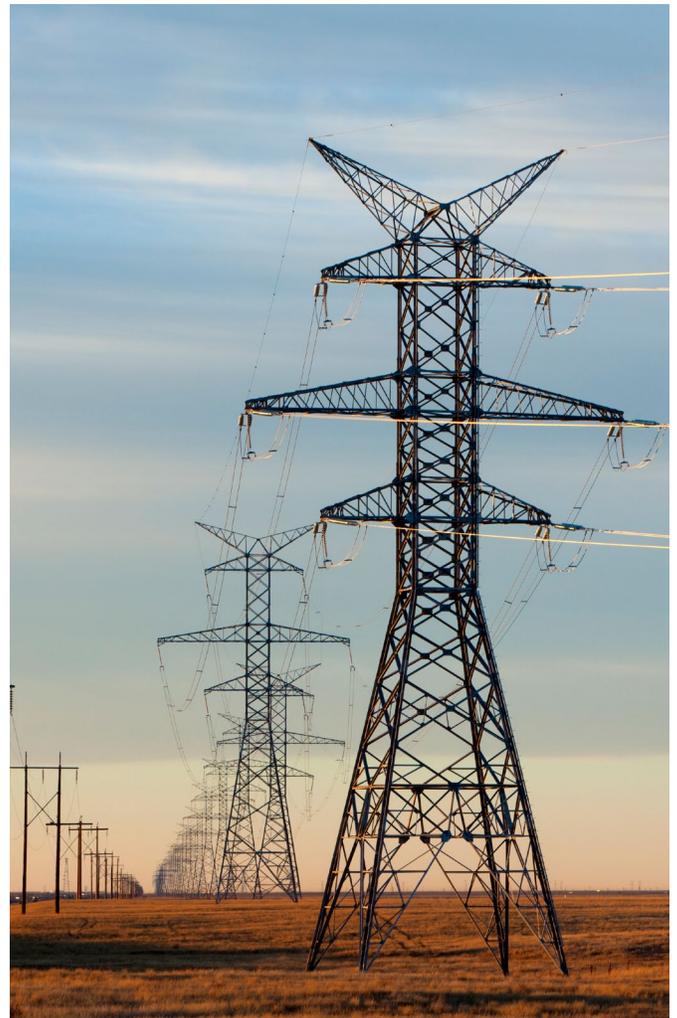
In 2018, the energy sector made up 10.6%, or \$221 Billion, of Canada's Gross Domestic Product (GDP). The energy sector directly employed 282,000 jobs of the national workforce and [total employment](#), including indirect jobs, was estimated at 4.5% (or 832,500 jobs). Energy products made up 23% of Canada's total exports and were [valued at \\$132.2 billion](#)

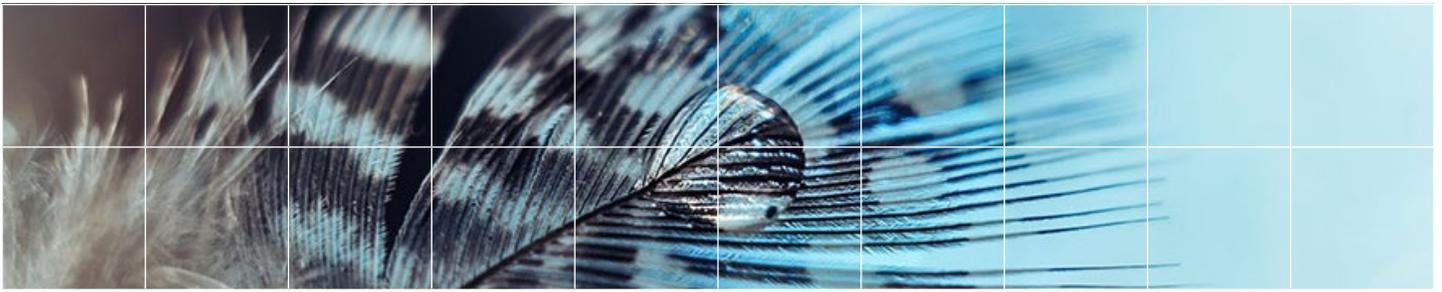
The CER regulates over 73,000 km of pipeline. If a pipeline system crosses provincial or international boundaries, it is regulated by the CER.

The CER also regulates 85 international power lines that total 1,462 km in length. Those transmission lines transport power generated mainly from renewable hydro sources.

In addition, the CER regulates pipeline tolls and tariffs, energy exports and imports, oil and gas exploration and drilling in certain northern and offshore areas of Canada as well as offshore renewable energy.

Canada remains a country with massive natural resources - and that is a great advantage for Canada - both today and for decades to come.





Focus Areas

The CER identifies areas in which it strategically focuses program activities. These Focus Areas extend beyond the outcomes of any one program. They require cross organizational focus and leadership to drive a systematic shift in the way the CER works. In addition to a major focus on implementing Bill C-69 and transitioning to the CER in 2019-20, the CER also identified the three following Focus Areas:

Reconciliation with Indigenous Peoples

The Canada Energy Regulator is fundamentally transforming the way it works to advance Reconciliation with Indigenous peoples, basing its approach upon the recognition of rights, respect, cooperation and partnership.

One of the key initiatives for the CER last year was its work with several Indigenous organizations to develop an Indigenous Advisory Committee (IAC), which will be established in 2020-21. The IAC will play a critical role in providing strategic advice to the CER's Board of Directors, on the regulatory work of the CER and on developing the framework for an enduring relationship between Indigenous peoples and the organization. Members of the IAC will also provide counsel on how Indigenous peoples will be engaged in the regulatory oversight of energy infrastructure projects.

Another key part of this focus area is the CER's work with two Indigenous Advisory Monitoring Committees (IAMCs). Last year, the organization co-designed improvements to its regulatory oversight and monitoring programs, working with Indigenous leaders involved in the Enbridge Line 3 and Trans Mountain IAMCs.

Benefiting from the advice and input from those IAMCs, the CER began to experiment with different approaches to increase the participation of Indigenous peoples in the organization's regulatory work. The CER expanded its Indigenous monitoring program so that more CER-regulated projects would benefit from Indigenous knowledge during their construction and operation. Additionally, the organization adjusted its processes for informing Indigenous communities about emergency response activities relating to incidents on pipelines.

To assist the organization in working more effectively with Indigenous peoples, the CER invested heavily in building the skills and cultural competencies of its employees in 2019-20. The CER delivered training to staff to equip them to better understand Indigenous issues and concerns and to identify ways to co-design regulatory approaches with Indigenous peoples. Over the year, more than half of the organization participated in cultural competency or Indigenous awareness training.

The IAC will play a critical role in providing strategic advice to the CER's Board of Directors...

There is more to come in this focus area, and every aspect of the organization is engaged in incorporating meaningful ways to involve and benefit from the advice of Indigenous peoples in its work. As a result of the CER's commitment to this area, it aims to have Indigenous peoples both shape, and experience, a difference in their relationship with the Canada Energy Regulator.



People and Workforce Excellence

The Canada Energy Regulator's greatest attribute is its people. 2019–20 was a year of significant change for the organization and the need to support its people was essential to the success of the transition to the new CER.

Embracing its place within the broader federal public service, the CER adopted the Privy Council Office's Beyond 2020 framework to help guide the people aspects of the organization's transition.

Beyond 2020 focuses on the mindsets and behaviours of public servants and reminds federal organizations that, "In a time increasingly characterized by data, digital, new workplace designs, flatter work cultures, and multiple generations working together, it is critical to examine and adopt the mindsets and behaviours that will meet the changing expectations of Canadians. The desired outcome is a Public Service that is more agile, more inclusive, and better equipped."

The CER introduced the People and Workforce Focus Area in 2019-20 to enhance how its people engage and work with each other as part of an agile, inclusive, and better equipped workplace. These principles were developed through a mutual understanding that corporate and culture change within an organization is a shared responsibility, accomplished through meaningful collaboration.

In the inaugural year of the three-year People and Workforce Excellence Focus Area, the CER established several key priorities including: agility in delivering results and decisions, ensuring employees are equipped for excellence and inclusivity in developing ideas.

Initiatives that the organization rolled out as part of this approach included an organization-wide review of the CER Performance Management System, a review and update of the CER's Code of Conduct and Respectful Workplace and Violence Prevention programs, and the creation of the Catalysts – an employee led group endorsed and supported by management to strengthen inclusion and collaboration. Some of the priorities addressed by the Catalysts included establishing an understanding of how to improve employee engagement, making effective and timely decisions, building trust and doing more with fewer resources.



Data and Information Management

The CER is home to a wealth of environmental, socioeconomic and Indigenous records acquired through sixty years of operation by its predecessor regulator.

Modern innovations in big data, text mining and other data science techniques have given the CER new opportunities to combine these decades worth of information to draw insights that will enable it to gain enterprise-wise efficiencies. This helps build an energy regulatory system that inspires public trust.

By transforming this information to become more structured and searchable, scientists, academics, students, industry, municipalities, Indigenous peoples and the public will be able to access the data for their own purposes – such as preservation, scholarship and decision making. This in turn will enable these communities and the CER to use the data to gain insights on issues ranging from better ways to protect people and the environment to better understanding energy markets and trends.

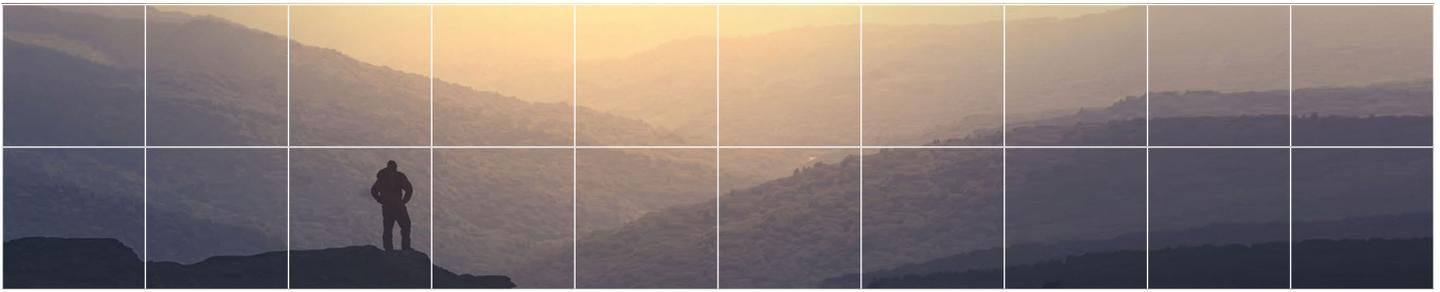


the CER's aim is to transform how it works with data-for its own decision making and for its commitment to Open Government

In its first year, the CER created a foundation for its three year Focus Area on Data and Information Management by concentrating on several key initiatives.

- Enhancing the skills and competencies of the organization through the recruitment of twenty experts in data science, advanced analytics, interaction and visual design, data engineering and geographic and information systems. A world class workforce is needed to meet Canadians' expectation of a modern energy regulator in the 21st century.
- Developing collaborative relationships between the CER and six outside organizations. This engagement initiative saw the development of relationships with not-for profits and universities to pilot projects and deliver on data and information management ventures.
- Experimenting with automating administrative heavy processes in order to improve competitiveness.
- Unlocking data trapped within the text of CER documents - this process will help prevent future harms, enhance regulatory transparency, facilitate future analytical projects and enhance engagement.

The CER is now building upon the success of its recent award-winning data visualizations, which are now being used by Canadians from all walks of life, including students – who can navigate those visualizations as part of [school curricula on Canada's energy future](#), which is sponsored by the federal government. The CER's aim is to transform how it works with data – for its own decision making and for its commitment to Open Government.



Core Responsibilities: What we achieved

Safety and Environment Oversight

The Canada Energy Regulator works for Canadians to keep energy moving safely and efficiently through our country’s pipelines and powerlines. The organization carries out this function by setting and enforcing regulatory expectations for companies over the full lifecycle - construction, operation and abandonment - of energy related activities.

Regulated companies are also required by the CER to anticipate, manage, and mitigate any potential harm to safety and the environment that may occur through the full lifecycle of their energy facilities.

The CER also promotes best practices to reduce the potential for harm and engages with the public, contractors, landowners, and municipalities to promote actions they can take to prevent damage to pipelines.

Our Commitment:

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

Performance Results – Safety and Environment Oversight Results Summary:

Performance Measure:	Target:	Results 2018-19:	Results 2019-20:
Number of incidents related to CER-regulated infrastructure that harm people or the environment.	0	26 ¹	8
Percentage change of specific incident types on CER-regulated infrastructure.	10% decrease in incidents	3% increase	13% decrease
Percentage change of near-misses on CER-regulated infrastructure.	5% decrease	22% decrease	23% increase

¹ Revised from the 2018-19 Annual Report of the National Energy Board. As a part of routine reporting and assessment procedures, quarterly and annual data can vary slightly as companies or CER employees validate data that has been submitted.

Compliance Activities

Preventing harm is the foundation of how the CER keeps people safe and protects the environment.

The CER aims to achieve zero incidents that harm people or the environment on the 73,000 km of pipeline it regulates. When the activities of regulated companies have the potential to pose greater harm to people or the environment, the CER focuses increased oversight through engagement, inspections, investigations, audits and enforcement, when necessary.



In 2019-20, the CER conducted 295 Compliance Verification Activities (CVAs), which included:

- 114 Inspections
- 20 Emergency Response Exercises
- 7 Management System Audits
- 2 Financial Regulatory Audits

Preventing harm is the foundation of how the CER keeps people safe and protects the environment

The CER also continued its compliance oversight on a number of major pipeline projects in 2019-20.

Trans Mountain Expansion Project (TMX/TMEP)

The Trans Mountain Expansion Project Reconsideration report was issued by the National Energy Board in February 2019. Four months later, the Government of Canada approved the Project. Following the approval, the CER resumed work to ensure the company satisfied all 156 conditions contained within that approval.

Trans Mountain proceeded with construction activities on its TMX pipeline in 2019-20. Throughout each of Trans Mountain's activities, the CER held the company accountable and verified that it was meeting its requirements and commitments through rigorous compliance verification activities, informed by the CER's participation in the TMX Indigenous Advisory Monitoring Committee, and in collaboration with Indigenous Monitors.

In 2019-20, the CER undertook over 40 Compliance verification activities covering pipeline integrity, safety, environmental protection, damage prevention, and emergency management. The activities included 24 field inspections, 14 formal compliance meetings and four activities focused on ensuring appropriate emergency preparedness. Twenty-one of those CVAs involved Indigenous Monitors.

Enbridge Line 3 Replacement Project

Construction of the Line 3 replacement project was largely completed during the 2018-19 fiscal year, therefore the CER's compliance oversight in 2019-20 focused on post-construction reclamation and operational matters. The CER's regulatory oversight of the new Line 3 and legacy Line 3 in 2019-20 included nine compliance verification activities. Six of these activities were related to safety and environment. Five of these activities were carried out in the field with Indigenous Monitors, and were informed in part through feedback provided by the Line 3 Indigenous Advisory Monitoring Committee.

Keystone XL Pipeline (KXL)

In 2019-20, there was no construction activity on the Keystone XL Project. Although there was no right-of-way construction to inspect in 2019-20, the CER undertook five compliance activities, related to safety, integrity, and environmental protection of the existing Keystone pipeline.

The CER also issued its pre-construction audit of the KXL Project in March 2020. The audit evaluated Keystone's preparedness to manage construction of the Project in a way that assured worker safety, protection of the environment, and prevention of incidents.

Nova Gas Transmission Ltd.-North Montney (NGTL)

The NGTL North Montney Project involved the construction of 206 km of pipeline in the Peace River Regional District, and related facilities including 2 Compressor Stations and 5 Receipt Meter Stations. Construction on the Aitken Creek section was completed and granted Leave to Open. The system was placed into operation on 31 January 2020. The Kahta section was still under construction at the end of 2019-20, and is expected to be completed and in operation in the first quarter of 2020-21. The remainder of project consists of the construction of two receipt meter stations and final clean-up that will be done in the fall and winter of 2020-21.



Managing Emergencies

CER staff are on call and prepared to respond to an incident in the field 24/7/365. Whenever an emergency occurs at a CER-regulated facility, the organization's well trained, on-call staff take quick action by overseeing and participating in the field response and by standing up the Emergency Operations Centre.

The focus of the organization's emergency management work is to ensure that the CER and the companies it regulates are ready to respond to an incident of any size or duration anywhere in the country.

Examples of the CER's emergency preparedness work in 2019-20 included conducting compliance verification activities and assessing company Emergency Management Programs, delivering business continuity and emergency preparedness planning in response to the COVID-19 Pandemic; and participating in the Canadian Council of Ministers of the Environment Emergency Management Working Group and in Arctic Council Emergency Prevention, Preparedness and Response Working Group initiatives.

Remediation of Contaminated Sites

One of the priorities of the CER's Safety and Environment Oversight Core Responsibility in 2019-20 was investigating potentially contaminated sites and promoting responsible remediation activities.

The CER achieved an important milestone regarding the remediation of contaminated sites in 2019-20 when it released its draft [Remediation Process Guide](#) for stakeholder comment. The Guide is applicable throughout all phases of a project's lifecycle and it provides clarity on expectations for risk management, criteria selection and engagement; and has new reporting requirements using the CER's Online Event Reporting System.

Energy Adjudication

The CER regulates and adjudicates upon applications, which include environmental assessments, using processes that are fair, transparent, timely and accessible. These applications pertain to pipelines and related facilities, international power lines, tolls and tariffs, energy exports and imports, oil and gas exploration and drilling in certain northern and offshore areas of Canada as well as future offshore renewable energy projects.

Additionally, the CER regulates Canada's federal energy infrastructure over its complete lifecycle. During the design and applications assessment phase of projects, it reviews and imposes conditions. Companies must satisfy the CER that they are fulfilling the conditions set in application review, and that they are taking every available action to anticipate, prevent, and mitigate any potential harms associated with their activities. When a project has reached the end of its useful life, the CER reviews abandonment applications to ensure that they are abandoned in a safe and environmentally responsible manner.

The CER Act brought forward changes to the way resource projects are assessed by the Canada Energy Regulator. These changes include early planning and engagement during project reviews, Indigenous engagement and the incorporation of Indigenous knowledge and rights, as well as increased public participation opportunities.

Advancing Canada's global competitiveness is now core to the CER's mandate. The organization is committed to making decisions in a predictable way and within time limits, providing certainty to investors and stakeholders, driving innovation and enabling the carrying out of sound projects that create jobs for Canadians.

For further details on adjudicative decisions and recommendations to the Governor in Council from the CER, please see the 2019-20 Annual Report of the Commission of the Canada Energy Regulator.

Our Commitment

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

Performance Results-Energy Adjudication Results Summary:

Performance Measure:	Target:	Results 2018-19:	Results 2019-20:
Percentage of adjudication decisions overturned on judicial appeal related to procedural fairness.	0%	0%	0%
Percentage of adjudication decisions and recommendations that are made within legislated time limits and service standards.	100%	100%	100%
Percentage of surveyed participants who indicate that adjudication processes are transparent.	75%	73%	79%
Percentage of surveyed participant funding recipients who agree that participant funding enabled their participation in an adjudication process.	90%	100%	100%

CER Commission

One of the highlights of the modern governance structure of the Canada Energy Regulator is the establishment of an independent Commission to adjudicate upon energy projects.

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 Departmental Results Framework, in particular the CER's Core Responsibilities of Energy Adjudication and Safety and Environment Oversight.

Improving the CER's Online Adjudication Information

The CER's REGDOCS system provides the public with the information they seek in relation to the organization's adjudication work. It contains over 300,000 documents and receives over 1.3 million page views annually. The system is the most visited page on the CER's website and has been in need of an upgrade to become a more user-friendly digital platform.

In 2019-20, the CER partnered with Code for Canada, a not-for-profit organization that connects government innovators with the technology and design community, to update REGDOCS.

The upgrades will make the system more navigable and intuitive for the public. It will have an advanced search capability and downloadable, open-information datasets. This will give Canadians better access to the many reports, environmental assessments, transcripts and decisions kept in its database.

Working with the Impact Assessment Agency

In June 2019, the Government of Canada passed legislation that put in place new rules and guidance for resource development proposals. The new approach is 'one project, one review' and allowed integrated review panels that involve several federal regulators, making it possible to have just one assessment that meets all requirements. This meant that the CER would work with the new federal Impact Assessment Agency on designated project reviews.

Staff from both the CER and Impact Assessment Agency predecessor organizations worked closely together in the lead up to the passing of the government's legislation to ensure their future integrated reviews would be coordinated and effective.

That work included reviewing guidance documents, engaging in regular meetings and information sharing, dealing with complex issues relating to the new process and holding several tabletop exercises.



Later in 2019-20, the Impact Assessment Agency and the CER began their first collaboration on a project under the new legislation, the Gazoduq pipeline, a proposed 780 kilometre natural gas line which would run from Ontario to Quebec.

The Impact Assessment Agency is leading the review with technical support from the CER. The review must satisfy the requirements under both the *Impact Assessment Act* and CER Act.

The CER regulates and adjudicates upon applications, which include environmental assessments, using processes that are fair, transparent, timely and accessible

Crown Consultation Process

In 2019-20, the Canada Energy Regulator rolled out a process for its new Crown Consultation responsibility.

The CER strives to build meaningful relationships with Indigenous peoples across the country who are potentially impacted by the infrastructure it regulates. Crown Consultation is a new component of that relationship with Indigenous peoples.

The new Crown consultation approach will see the organization engage with potentially affected Indigenous peoples early in the CER's adjudicative process.

The duty to consult and, when required, accommodate, will be triggered when there is a potential impact to Indigenous or treaty rights and where a decision of the Government might adversely affect the exercise of those rights.

The CER's new Crown consultation responsibilities will be part of project reviews for new pipelines, powerlines or offshore renewable energy projects, as well as for activities it regulates over the lifecycle of energy infrastructure.



Energy Information

The CER collects, monitors, analyzes and publishes information on energy markets and supply, sources of energy and the safety and security of pipelines and international power lines.

The increasing pace of change in Canadian and global energy markets and climate policy suggest that the need for up-to-date analysis on energy trends is greater than ever.

The CER plays a vital role in conveying objective and neutral information to Canadians and is at the forefront on energy markets monitoring and analysis. Staff work feeds into regulatory hearings on pipeline projects in Canada, provides analysis on important policy developments, models Canada's energy supply

and demand projections, and provides Canadians with reports and dashboards to help make informed choices on energy matters.

Our Commitment

- Canadians have access to and use energy information for knowledge, research and decision making.
- Canadians have access to community specific information about CER-regulated pipelines, powerlines and other energy infrastructure.
- Broader and deeper collaboration with stakeholders and partners.

Performance Results – Energy Information Results Summary:

Performance Measure:	Target:	Results 2018-19:	Results 2019-20:
Number of times CER Energy Information is accessed	750,000	1,216,873	1,273,727
Increased information specific to CER-regulated infrastructure in communities	5 new data sets	15	6
Percentage of surveyed web users who agree that energy information is useful for knowledge, research and decision-making	75%	90%	100%
Number of opportunities that Canadians have to collaborate and provided feedback on energy information products	42	105	56

Timely, Relevant and Accurate Energy Information Products

The CER is committed to providing Canadians with access to energy information for knowledge, research and decision making.

Policymakers, regulators and stakeholders need high quality energy information for a modernized energy system to work well. For that reason, the CER is committed to helping Canadians understand these complex interactions through its analysis, reports, and statistics.

The CER is working with other departments and agencies within the Government of Canada, as well as international institutions, to provide Canadians with greater access to data and data sets. By giving the public access to the information that the CER possesses, Canadians are able to dig into the data for their own purposes, such as scholarship, forecasting or decision making.

The CER is also committed to increasing the amount of community-specific energy and pipeline information available to the public. The online CER Pipeline Portal complements information already published by the organization, it includes an interactive Pipeline Map, a Safety Performance Dashboard and detailed financial analysis of Canada's Pipeline Transportation System.

During the 2019-20 fiscal year, the CER's Energy Information products, reports and statistics included:

- 57 new online energy information products: 13 Reports and 44 Market Snapshots.
- More than 1.2 million energy information web page views.
- 256 information request responses.
- 56 collaborative engagements with energy stakeholders.

The Canadian Energy Information Portal – Developing a Single Point of Access

To enhance its commitment to Canada's global competitiveness, the CER collaborated with Natural Resources Canada, Environment and Climate Change Canada, and Statistics Canada on the Canadian Energy Information Portal, a project which will centralize all national energy data into a single online space.

The goal of the portal is to provide Canadians with a single point of access to a wide variety of statistics and measures of the country's energy sector. The portal offers an array of information on topics such as energy production, consumption, international trade, transportation and prices.

The initiative will benefit anyone interested in obtaining data on energy who may not have prior knowledge of where or how to find that information. It will also create a more efficient mechanism for both the CER and Canadians who regularly use energy data.

Increasing Collaboration – Broadening the CER's Reach

Broader and deeper collaboration with stakeholders and partners was one of the key commitments the CER Energy Information team focused on in 2019-20. The intent of this goal was to increase the scope and reach of CER energy information expertise, as well as improve the Canadian energy information landscape.

An example of this commitment to collaboration occurred in early spring 2019 when the British Columbia Utilities Commission (BCUC) established an inquiry into gasoline and diesel prices in that province.

The CER (NEB then) was asked to participate in the inquiry by the BCUC and the federal Minister of Natural Resources. The CER attended the Workshop and answered questions from the BCUC panel and also filed a written submission which described how it regulated pipeline transportation service and capacity allocation, the supply of gasoline and diesel in B.C., and transportation service on the Trans Mountain Pipeline.

The final report of the inquiry was issued on August 30, 2019 and the 114 page document relied heavily upon graphs and statistics taken from the CER's energy information products.

The CER is committed to providing Canadians with access to energy information for knowledge, research and decision making



Engagement

The CER engages with stakeholders and Indigenous peoples on topics within the Canada Energy Regulator's mandate and role, beyond the engagement that occurs on specific projects.

To prevent harm, keep Canadians safe, protect the environment and prevent market inefficiencies, the CER is committed to listening and sharing the unique information it has as a regulator.

Engagement leads to more informed decisions and recommendations that prevent harm, keep people safe and the environment protected. Engagement also supports energy literacy and public transparency across every aspect of the CER's work.

Put simply, when the CER incorporates feedback and advice from Canadians, it improves its own work and directly contributes to regulatory excellence. When the CER engages, it builds relationships and awareness. When the CER listens and acts on what it hears, it builds confidence in its work as a regulator.

Our Commitment

- Stakeholders and Indigenous peoples share their perspectives and provide feedback regarding the Canada Energy Regulator mandate and role.
- CER engagement activities with stakeholders and Indigenous peoples are meaningful.

Performance Results-Engagement Results Summary:

Performance Measure:	Target:	Results 2018-19:	Results 2019-20:
Number of participants in Canada Energy Regulator engagement programs.	5,000	9,269	11,621
Percentage of surveyed stakeholders who engaged with the Canada Energy Regulator who indicate that the engagement was meaningful.	75%	84%	92%
Percentage of surveyed Indigenous peoples who engaged with the Canada Energy Regulator who indicate that the engagement was meaningful.	75%	80%	80%

Building Better Relationships

In 2019-20, the Canada Energy Regulator focused on delivering an engagement model that emphasized building relationships - committing to listen to what Canadians had to say and sharing the unique information the CER has as a regulator. The organization continually worked to earn the confidence of Canadians by engaging people on decisions that directly affected them, and acting on the feedback it received.

That two-way dialogue assisted the CER in making better decisions and recommendations to support safety and environmental protection, regulatory efficiency, energy literacy and transparency across every aspect of its work.

In 2019-20, the Canada Energy Regulator focused on delivering an engagement model that emphasized building relationships...

Increasing Indigenous Involvement in Monitoring of Energy Infrastructure

The CER's work with the IAMCs shapes its broader approach to incorporating Indigenous perspectives in its monitoring and oversight activities, and enhancing its engagement with Indigenous communities. The CER recognizes the importance of maintaining Indigenous involvement in the oversight of major projects and the significant contribution provided by the Indigenous Monitors.

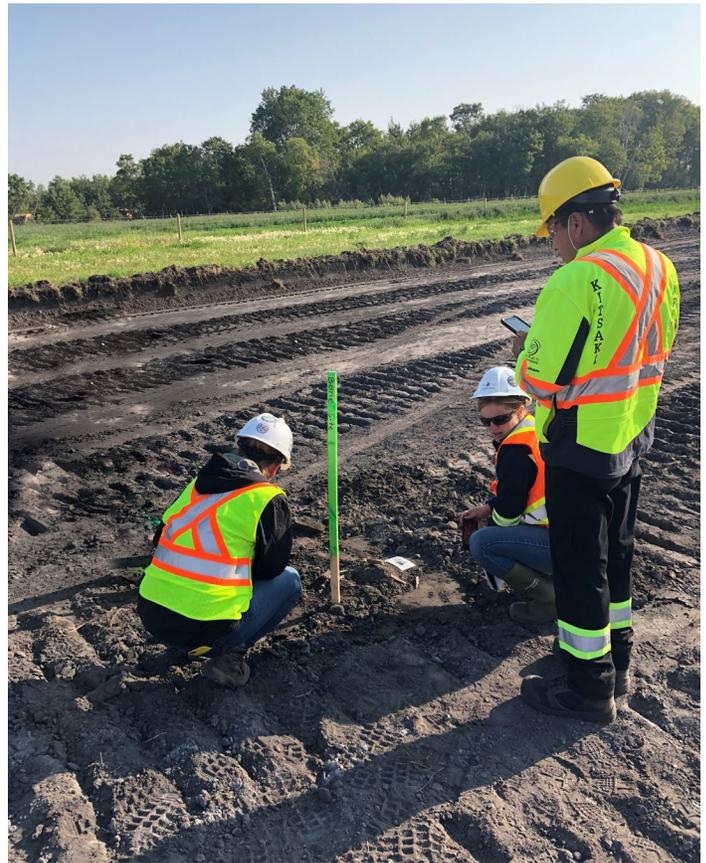
The Canada Energy Regulator is particularly appreciative of the work this past year with the Indigenous Caucus of the IAMC and Trans Mountain Corporation (TMC) on the IAMC-CER-TMC Indigenous Monitoring Co-development Initiative. Working together, opportunities were identified for concrete improvements to both the company and IAMC Indigenous monitoring programs – and these improvements are all being implemented.

The CER has also worked closely with the TMX-IAMC to deliver joint training for IAMC Indigenous Monitors, as well as involving the IAMC and Monitors in emergency management and preparedness activities.

In 2019-20, the CER expanded its Indigenous Monitors program so that more CER-regulated projects could benefit from Indigenous knowledge during their construction and operation.

Indigenous Monitors participated in 27 inspections, emergency response exercises or compliance verification meetings with the CER. Indigenous Monitors and CER Inspection Officers also participated in three joint training sessions for the TMX-IAMC Indigenous Monitoring program.

The CER was an active participant in the TMX-IAMC Emergency Management Working Group, and one of that Group's initiatives in 2019-20 was an Incident Command System (ICS) Pilot Project, which provided training to Indigenous persons in ICS processes. Subsequently, fifteen Indigenous trainees attended Trans Mountain's full-scale emergency response exercise near Valemount, BC as part of the Pilot training program.



The value of this collaborative work cannot be overstated. Since the global COVID-19 pandemic began in early March 2020, the CER and the IAMC have worked together to include Indigenous Monitors in desktop Compliance Verification Activities and in the development of new field guidance in accordance with federal and provincial health authorities.

Going forward, CER inspections will be conducted with enhanced safety protocols informed by best practices and advice from the IAMCs. Where field activities are needed, they will be done safely, with appropriate safeguards in place to protect Indigenous Monitors, their communities and the CER inspectors working alongside them.

The Indigenous Advisory Committee: Transforming the CER

The Canada Energy Regulator is fundamentally transforming the way it works to advance reconciliation with Indigenous peoples, basing its approach upon the recognition of rights, respect, cooperation and partnership. In 2019-20, the CER worked with several Indigenous organizations to develop an Indigenous Advisory Committee (IAC), which will be established in 2020-21.

The CER Act specified the establishment of an Indigenous Advisory Committee and it will include representatives from First Nations, Inuit and Metis.

The IAC will play a critical role in providing strategic advice to the CER's Board of Directors, on the work of the CER and on developing the framework for an enduring relationship between Indigenous peoples and the organization.

The Committee will provide advice on how the CER can build relationships with Indigenous peoples in Canada, address issues, and incorporate Indigenous perspectives in the organization's work. The advice provided by the Committee will not be project-specific but will focus on perspectives related to various environmental, social, cultural, and spiritual matters associated with the CER's mandate.

Building Engagement Capacity and Competency

The CER is investing in its capacity to engage with Canadians and, more specifically, Indigenous peoples. The organization invested heavily in building the skills and cultural competencies of its employees in 2019-20 by establishing an Intercultural Competency Training Framework for its staff, investing in processes and its management system, and supporting staff from across the organization to engage with Canadians on a more regular basis.

The focus of the training was to equip staff to better understand Indigenous issues and concerns, as well as to identify ways to co-design regulatory approaches with Indigenous peoples. Over the year, more than half of the organization participated in at least one cultural competency or Indigenous awareness training activity.



Engaging Landowners in Program Improvement/ Issues Resolution: Land Matters Group

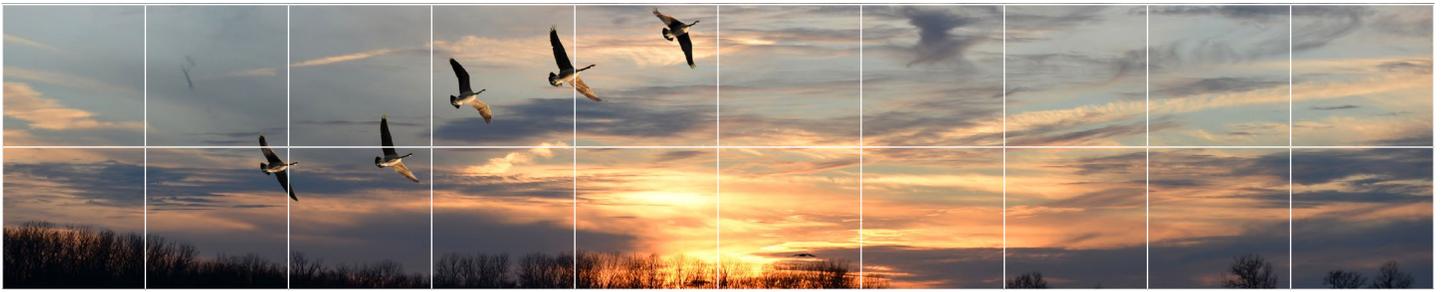
The CER's commitment to engaging Canadians on land issues is demonstrated through its work with the Land Matters Group (LMG).

The LMG is made up of CER representatives, landowners, representatives from the farming and agriculture sector, industry, and other stakeholders who have an interest in, and perspectives on, regulatory matters related to lands.

The Land Matters Group provides a Forum for the exchange of insights and advice regarding the protection of landowner rights and interests. Group members share points of view, experience and information to build awareness and relationships across a network of people with diverse backgrounds – all aimed at working together to resolve issues, prevent harm, and strengthen the regulatory oversight of industry activities under the CER's mandate.

In 2019-20, an Advisory Committee of the Land Matters Group was established to provide input on matters relating to the implementation of the *Canadian Energy Regulator Act*. The issues the Group provided advice on included the development of the CER's Early Engagement model, attracting broader participation in the CER's hearing process, building a Land Matters Advisory Service, and creating processes for resolving compensation disputes.

The advice helped shape and guide the CER's current regulatory approach – and the regulatory oversight system has been made better for it.



What the Future Holds

What does the future hold for the Canada Energy Regulator? Over the course of 2020-21, the Board of Directors will continue to execute upon its oversight role and further that work that began in the inaugural year of the Canada Energy Regulator, which includes: overseeing the onboarding of a new Chief Executive Officer; establishing an Indigenous Advisory Committee; and completing a three-year planning exercise to set the strategic direction of the organization and truly deliver on the intent of the CER Act.

The Board of Directors will oversee a transition of the CER's new Chief Executive Officer (CEO) during the 2020-21 fiscal year. The CEO will work closely with the Board and provide both the Board and the Commission with the support needed to carry out their responsibilities. The new CEO will also be responsible for the management and daily operations of the organization, including leadership of the exceptional professionals who work at the CER.

In 2020, an Indigenous Advisory Committee (IAC) to the CER will be established. The IAC will advise the Board and the CER on how to build better relationships with Indigenous peoples, address issues and integrate Indigenous perspectives into all aspects of its work.

The completion of a three-year planning exercise to set the strategic direction of the organization and truly deliver on the intent of the CER Act will also occur in the coming years. The intent of this initiative is to make the legislation come alive.

Delivering on this aggressive set of initiatives will further set the tone for the Canada Energy Regulator and it will take the organization closer to establishing an energy regulatory system that inspires trust and public confidence on the part of all Canadians.



Appendix A: Board of Director's Biographies



Cassie Doyle, Chairperson

Cassie Doyle has had a distinguished career in the public service, where she served at the executive level in all three levels of the Government in Canada, including as Deputy Minister of Natural Resources Canada. She has gained a deep understanding of natural resource and environmental governance and management and has a strong track record of effective partnerships with non-governmental organizations, industry, First Nations, governments and academia. Ms. Doyle was recently the Chair of the Expert Panel on Integrated Natural Resource Management conducted by the Council of Canadian Academies and a Board Member of the Alberta Energy Regulator



George Vegh, Vice-Chairperson

Mr. Vegh is the Head of McCarthy Tétrault's Toronto energy regulation practice and co-leader of the firm's national energy regulatory practice. George is an Adjunct Professor of energy law and regulation at the Munk School of Global Affairs and Public Policy as well as the University of Toronto Law School, Mr. Vegh was previously General Counsel at the Ontario Energy Board.



Alain Jolicoeur, Director

Alain Jolicoeur has served as a temporary member on the National Energy Board since 2016. He has more than 30 years of experience as an executive in the federal public service, including as the former President of the Canada Border Services Agency. Mr. Jolicoeur holds a Master of International Law and Customs from the University of Canberra, as well as degrees in Physics Engineering and Meteorology. He also holds an Institute of Corporate Directors Certificate from the Rotman School of Management.



Ellen Barry, Director

Ellen Barry is a former Deputy Minister with the Province of New Brunswick. As a career public servant she served as Deputy Minister with the Departments of Tourism & Parks, Wellness, Culture and Sport and the Department of Human Resources. Previous to these assignments, she served as Assistant Deputy Minister in the Department of Natural Resources and Finance. Her public service experience has provided her the opportunity to work extensively with multi-stakeholder groups. Since her retirement, Ms. Barry has worked on consulting assignments in New Brunswick as well as with the Institute of Public Administration (IPAC). She is a graduate of the University of New Brunswick.



Melanie Debassige, Director

Melanie Debassige has over 20 years of experience in Indigenous Economic Development and is a certified corporate director. She is currently employed as the Executive Director of the Ontario First Nations Technical Services Corporation and serves on the Board of Directors of the Ontario Clean Water Agency. She previously served as Chief of Staff for the British Columbia Assembly of First Nations and was an elected official with the M’Chigeeng First Nation. Ms. Debassige holds a Master of Business Administration from Cape Breton University and is a graduate of the Directors Education Program at the Institute of Corporate Directors and Rotman School of Management

Appendix B: Financial Overview²:

The CER and its predecessor, the NEB, is funded through parliamentary appropriations with approximately 99% 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 (OAG). The table below provides an overview of NEB and CER financial and human resources, as reported in the public accounts.

Fiscal Year (1 April to 31 March)	Expenditures (Million \$)	Staff (Full-time Equivalents)
2015-16 ³	82.4	457.6
2016-17	84.6	474.5
2017-18	93.8	481.3
2018-19	108.1	476.5
2019-20 ^{4,5}	98.0	494.0

2 Detailed information for fiscal year 2019-20 expenditures and human resources can be found in the CER's 2019-20 Departmental Results Report (DRR). The DRR is expected to be tabled in Parliament in the fall of 2020. Once tabled, the report will be posted on the CER's website.

3 Since the CER came into existence on 28 August 2019, information shown for fiscal years 2015-16 through 2018-19 are for the NEB only

4 The data presented for 2019-20 fiscal year includes both NEB and CER totals and is unaudited. Pandemic response has delayed OAG audit completion and audited financial information is not available at the time of this report release.

5 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.

2019-20 Service Standard Results:

Service Standard	Measure	Target	2019-20 Result
Participant Funding	80% of funding decisions are provided within 30 days of a complete application or application deadline.	80%	100%
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%	81%
Export/ Import Authorizations	80% of short-term order decisions made within two working days (excludes renewals) of receipt of a complete application	80%	95%
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%	100%
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%	85%
Onshore Pipeline Regulations and Processing Plant Regulations Audits	80% of draft audit reports will be sent to the audited company within 12 weeks of field work completion	80%	50%
	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%	75%
Financial Audits	80% of draft financial audit reports will be sent to the audited company within eight weeks of field work completion	80%	100%
	80% of final financial audit reports will be sent to company within three weeks of receiving the audited company's comments on the draft report	80%	100%

Service Standard	Measure	Target	2019-20 Result
Non-hearing: NEB Act Section 58 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 - Category C within 120 calendar days	80%	84%
Canada Oil and Gas Operations Act Applications	Decisions are made by target date: -80% within 21 calendar days of receiving complete application to drill or alter condition of a well - 80% within 30 calendar days of receiving complete application for geological or geophysical	80%	100%
Canada Petroleum Resources Act 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%	89%

To learn more about the CER's Service Standards refer to the website under [CER Time Limits and Service Standards](#).

Appendix D: Regulations

The Canada Energy Regulator operates under a variety of acts, regulations, rules and guidance notes. The authority to make regulations, as specified in various sections of the CER Act, may be the Governor in Council (GIC), the Minister of Natural Resources (Minister), or the CER.

Note that regulations made pursuant to the National Energy Board Act (NEB Act) continue to apply until they are repealed or replaced, to the extent that they are consistent with the CER Act. In some cases, as indicated in the table below, regulations made under the NEB Act have been amended to replace certain terms with others specific to the CER Act.

Regulations that came into force in 2019-20:

Regulation Title	Made by the	Date Came into Force	Link
<i>Pipeline Financial Requirements Regulations</i>	GIC Pursuant to the NEB Act ss.48.12(6), 48.13(7), and 48.14(3)	11 July 2019 (a) section 2; and (b) section 4, with respect to a company referred to in section 2.	http://gazette.gc.ca/rp-pr/p2/2018/2018-07-11/html/sor-dors142-eng.html
<i>Transitional Regulations for the Purpose of the National Energy Board Cost Recovery Regulations</i>	GIC Pursuant to s.43 of the transitional provisions associated with the CER Act	8 August 2019	http://www.gazette.gc.ca/rp-pr/p2/2019/2019-08-21/html/sor-dors300-eng.html
<i>Regulations Amending the Oil Product Designation Regulations (Miscellaneous Program)</i>	GIC in consultation with the CER Pursuant to s.390 of the CER Act	16 March 2020	http://gazette.gc.ca/rp-pr/p2/2020/2020-04-01/html/sor-dors52-eng.html
<i>Regulations Amending the National Energy Board Pipeline Damage Prevention Regulations – Authorizations (Miscellaneous Program)</i>	CER Pursuant to s.335(5) of the CER Act	6 March 2020	http://gazette.gc.ca/rp-pr/p2/2019/2019-12-11/html/sor-dors349-eng.html
<i>Circumstances for Excluding Periods from Time Limits Regulations</i>	CER Pursuant to ss.216, 291.1 and 312.1 of the CER Act	2 December 2019	http://gazette.gc.ca/rp-pr/p2/2019/2019-12-11/html/sor-dors348-eng.html
<i>International and Interprovincial Power Line Damage Prevention Regulations – Authorizations</i>	CER Pursuant to ss.272(4) and 275(2) of the CER Act	16 March 2020	http://gazette.gc.ca/rp-pr/p2/2019/2019-12-11/html/sor-dors347-eng.html

Regulation Title	Made by the	Date Came into Force	Link
<i>International and Interprovincial Power Line Damage Prevention Regulations – Obligations of Holders of Permits and Certificates</i>	CER with the approval of the GIC Pursuant to ss.96(c)-(f) and 275(3)(b) of the CER Act	16 March 2020	http://gazette.gc.ca/rp-pr/p2/2020/2020-04-01/html/sor-dors49-eng.html
<i>Regulations Amending Certain Regulations Made Under the National Energy Board Act (Miscellaneous Program)</i>	CER with the approval of the GIC Pursuant to ss.96, 335(5)-(6), and 389(1) of the CER Ac	16 March 2020	http://gazette.gc.ca/rp-pr/p2/2020/2020-04-01/html/sor-dors50-eng.html
<i>Regulations Amending Certain Regulations Made Under the National Energy Board Act</i>	CER with the approval of the GIC Pursuant to s.389(1)(c) of the CER Act	16 March 2020	http://gazette.gc.ca/rp-pr/p2/2020/2020-04-01/html/sor-dors51-eng.html

To learn more about the CER's regulatory framework refer to the CER's website under [Driving Regulatory Excellence](#).

Information about the CER's regulatory plan can be found on the CER's website under [Forward Regulatory Plan](#).

Appendix E: Audits

Audits evaluate how a company manages its activities. We expect every company we regulate 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. We expect all companies to consider and review the findings in these reports and use them to improve their management systems.

Management System Audits Conducted in 2019-20:

File Number	Date Report Issued	Issued By	Description	Recipient	Region/Facility
OF-Surv-OpAud-P384-2019-2020-01 [PDF]	28 May 2020	CER	Audit of Control Room Management	Plains Midstream Canada ULC	Canada
OF-Surv-OpAud-T217-2019-2020 01 [PDF]	25 March 2020	CER	Audit of Control Room Management	Trans-Northern Pipelines Inc.	Canada
OF-Surv-OpAud-E101-2019-2020-01 [PDF]	11 March 2020	CER	Audit of Control Room Management	Enbridge Pipelines Inc.	Alberta
OF-Surv-OpAud-T241-2018-2019 01 [PDF]	6 February 2020	CER	Pre-Construction Compliance Audit	TransCanada Keystone Pipeline GP Ltd.	Alberta, Saskatchewan, Manitoba
	*	CER	Audit of Owner Oversight over Contractors	Trans Mountain Pipeline ULC	Alberta, British Columbia
	*	CER	Audit of Owner Oversight over Contractors	Westcoast Energy Inc. doing business as Spectra Energy Transmission	Canada
	*	CER	Audit of Owner Oversight over Contractors	NOVA Gas Transmission Ltd.	Canada

* Note: Audit conducted in 2019-20 fiscal, report not yet finalized.

All operational audit reports and related documents can be found on the CER's website under [Reports on Compliance and Enforcement](#).

The CER considers financial regulatory audits to be an important regulatory tool to ensure compliance with the *Canadian Energy Regulator Act*, regulations, orders, and decisions, as well as documenting companies' current operations, management systems, procedures and internal controls.

Objectives of financial regulatory audits are:

- To determine whether the company has complied with the CER Act, regulations, decisions, toll orders and other accounting and reporting directives.
- To verify that the financial information contained in various company applications or submissions to the CER agrees with the company's records.
- To examine whether cross-subsidies have occurred.
- To obtain information on the company's current operations, management systems, procedures and internal controls.

Financial Regulatory Audits Conducted in 2019-20:

File Number	Date Report Issued	Issued By	Description	Recipient
C05277	17 March 2020	CER	Financial Regulatory Audit of Years 2016-2018	Alliance Pipeline Ltd.
C00658	24 July 2019	NEB	Financial Regulatory Audit of Years 2015-2017	Kinder Morgan Cochin ULC

All financial regulatory audit reports and related documents can be found on the CER's website under [Financial Regulatory Audit Reports](#).

Appendix F:

Inspection Officer Orders in Effect

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 1 or 2 areas of a company's operations.

If a situation requires immediate attention to keep people, property, and the environment safe, we 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 in Effect for 2019-20:

File Number	Date Issued	Issued By	Description	Recipient	Region/Facility
NB-001-2018 (Amendment No. 3)	24 December 2018	NEB	Amendment No.3 issued to temporarily increase Restricted Operating Pressure from Station 2 to Station 9 from 85% to 88% of respective segment's 60 day high pressure prior to the incident until February 28, 2019.	Trans Northern Pipelines Inc.	Prince George, BC
MP-001-2019	2 August 2019	NEB	Deficiencies in the Environmental Remediation & Contaminated Sites Management Program	Trans Northern Pipelines Inc.	Ontario
JJD-001-2019	28 August 2019	CER	Repairs required to the swale system for water surface management	Trans-Northern Pipelines Inc.	Belleville pump station, Ontario
MP-002-2019	2 October 2019	CER	Insufficient information provided in an Information Request on contaminated sites	TC Energy	Richmond Hill, Ontario
TH-001-2019	18 December 2019	CER	Lock-out-tag-out (LOTO) naming and tagging inconsistencies	NOVA Gas Transmission Ltd.	Calgary (AB)
HCA-001-2020	28 January 2020	CER	Multiple non-compliances and/or hazards to the environment, including observations within the Peace Moberly Tract (PMT), a unique, environmentally sensitive area of great significance to local indigenous communities	NOVA Gas Transmission Ltd	North Montney Mainline Project, Spread 1, Chetwynd, BC

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

Sometimes, we may decide that it's 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.

Warning Letters issued in 2019-20:

CER Action	Recipient	Description	Date issued
Warning Letter	Portal Municipal Gas Company of Canada	Non-compliance with ss. 6.6 of the Onshore Pipeline Regulations	2019-09-26 Warning Letter
Warning Letter	Canada Border Services Agency	Non-compliance with ss. 6.2 and 6.6 of the Onshore Pipeline Regulations	2019-09-26 Warning Letter

Administrative Monetary Penalties (AMPS)

Both companies and individuals can get fined for actions that are unsafe.

We may fine 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
- we need to escalate to a higher level of enforcement
- we need to change behavior to prevent an issue from happening again

While there were no AMPS issued in 2019-20, there was a decision review by the NEB on 14 June, 2019. For details on this review, refer to the appendices section of the 2019-20 Annual Report of the Commission of the Canada Energy Regulator.

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



Appendix H: Acronyms and Definitions

CER

Canada Energy Regulator

IAA

Impact Assessment Agency

IAC

Indigenous Advisory Committee

IAMC

Indigenous Advisory Monitoring Committee

LMG

Land Matters Group

NEB

National Energy Board

Cabinet

The body of advisors that sets the federal government's policies and priorities for the country. Together they act in the name of the Queen's Privy Council for Canada. The Governor General appoints the members of Cabinet on the advice of the Prime Minister. Almost all of Cabinet is selected from the House of Commons. From time to time, a Senator may be included to ensure all parts of the country are represented.

Core Responsibility

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

Departmental Results Report

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

Open Government

Open Government is about making government more accessible to everyone. The Open Government Partnership is an international association of more than 60 countries, including Canada, working to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.

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 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.

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