

MEMO

In preparation for the implementation of the *Canada-Newfoundland and Labrador Offshore Area Petroleum Operations Framework Regulations, SOR/2024-25* and the *Canada-Nova Scotia Offshore Area Petroleum Operations Framework Regulations, SOR/2024-26* (the *Framework Regulations*), the Canada-Newfoundland and Labrador Offshore Petroleum Board and the Canada-Nova Scotia Offshore Petroleum Board (the Regulators) conducted a detailed review of the *Physical Environmental Guideline* (PEG) to ensure that:

- the requirements of the *Framework Regulations* were captured;
- the PEG reflected best practice in the Canadian and International context;
- the PEG did not create expectations that were not in line with the requirements of the *Framework Regulations*;
- the PEG did not duplicate content that should be in the *Guideline for the Framework Regulations* or the *Contingency Plan Guideline*; and
- the PEG did not intrude into the jurisdiction of Transport Canada or other regulators.

Following that review, the Regulators agreed that incorporation into the *Guideline for the Framework Regulations* and the *Contingency Plan Guideline* would be the best approach to deliver guidance on requirements for forecasting, observation, recording and disseminating information about physical and environmental conditions relating to regulated activities in the Canada-Nova Scotia and Canada-Newfoundland and Labrador Offshore Areas. Therefore the Regulators have withdrawn the PEG and guidance for the forecasting, observation and reporting of physical and environmental conditions has been incorporated into the *Guideline for the Framework Regulations* and the *Contingency Plan Guideline* published by the Regulators in support of the implementation of the *Framework Regulations*.

Background

The original *Guidelines Respecting Physical Environmental Programs during Petroleum Drilling and Production Activities on Frontier Lands* were published in 1994. These guidelines were developed to clarify requirements for the operators of petroleum drilling or production installations concerning the observing, forecasting, and reporting of physical environmental data in the federal, *Nova Scotia, and Newfoundland and Labrador Frontier Lands Regulations*, as well as the requirements of the *Aeronautics Act, Air Regulations* and accompanying Air Navigation Orders under the jurisdiction of Transport Canada. The 2008 PEG replaced the 1994 version and incorporated many regulator expectations that addressed the limitations of the regulations and issues raised through consultative process that included representation from industry, government departments, consultants and the International Ice Patrol.

Since the 2008 PEG were published, the *Canadian Aviation Regulations* have undergone updates, and requirements for forecasting, observation, recording and disseminating information about physical and environmental conditions to support safe aviation have changed. Transport Canada has well developed pathways for dissemination of information to aviation service providers regarding updates to requirements around aviation safety, including expectations around physical and environmental condition forecasting, observing, recording and dissemination.

As well, since 2008 the Frontier and Offshore Regulatory Renewal Initiative (FORRI) has been engaged in modernization of the regulations that apply to entities authorized to explore, drill, produce, conserve, process and/or transport oil and gas in Canada's frontier and offshore areas. Led by Natural Resources Canada, FORRI is an intergovernmental partnership between the federal and provincial departments that have responsibilities with respect to oil and gas development in frontier and offshore areas, along with the Boards and the Canada Energy Regulator. During this process, there was an extensive engagement with stakeholders, Indigenous groups, and the public to obtain input on the development of policy intent and on the proposed regulatory requirements.

One of the outcomes of the FORRI was increased regulatory clarity around the requirements for forecasting, observation, recording and disseminating information about physical and environmental conditions in the offshore area for not only production projects and drilling programs, but also for all petroleum-related works or activities conducted. Requirements around the consideration of hazards arising from physical and environmental conditions were integrated into the requirements for Safety Plans and Environmental Protection Plans, Concept Safety Analysis, design of installations and of vessels used in diving projects, and into the more specific requirements around various installation systems. Requirements for forecasting, observation, recording and disseminating information about physical and environmental conditions were made explicit in Sections 42 and 109 of the *Framework Regulations*.

If you have any questions please contact the C-NLOPB at information@cnlopb.ca or the CNSOPB at info@cnsopb.ns.ca.