

**Speaking Notes for Scott Tessier, CEO, C-NLOPB**  
**Regulating in the Public Interest During a Global Energy Evolution**  
**2022 Energy NL Conference**  
**May 31, 2022**

- Thank you to the conference organizers for the invitation to speak this morning. It's so nice to be here in person with an update from the C-NLOPB. It's nice as well to be here with Jennifer and Caron, and to follow on this morning's good news. We look forward to continued engagement with Cenovus on the West White Rose Project.
- Congratulations to Energy NL on your expanded mandate and rebranding, and the work of Newfoundland and Labrador Hydro.
- I'd also like, on behalf of all of us at the C-NLOPB, to congratulate this year's Energy NL Achievement Award recipients, and especially Max Ruelokke.
- Max, of course, is a former Chair and CEO at the C-NLOPB. He continues to be a terrific supporter and a valued resource for me and our entire organization, and his contributions to offshore safety and the regulatory regime are many and notable.
- Thinking about Max does lead me to reflect on the fact that I am now into my tenth year as CEO.
- And so, before I look towards the future, I'm going to reminisce just a little about my time to date with the Board.
- The C-NLOPB's priorities have evolved with the times, but the pillars of our regulatory mandate have held steady:
  - worker health and safety;
  - environmental protection;
  - wise use of our natural resources; and
  - ensuring optimal local benefits.
- In regulating in the public interest, we hold true to our core values of accountability, competence, diversity, inclusion and integrity.
- I returned home to Newfoundland and Labrador in early 2013 to take on the then-combined role of Chair and CEO, after 17 years living in other parts of Canada.
- It was my family's second move across the country in less than a year – from Ottawa to Calgary to St. John's, with three kids under three years of age at the time.

- Although most of my time on the mainland was spent working with the federal government, I had also worked in the private sector just long enough to be cast by critics of the Board as an “oil industry executive, coming to run an already captured regulator”.
- As an aside, I’m not sure the local industry has ever felt they’ve been very effective in “capturing” the C-NLOPB.
- And in reality, at the time of my arrival:
  - The Board’s response to Judge Wells’ Inquiry into the Cougar 491 crash was front and centre.
  - The issue of whether we needed a separate safety regulator was a regular topic.
  - The Commissioner of the Environment and Sustainable Development had just tabled a new report on offshore spill response capability.
  - Strategic Environmental Assessments were well underway in the Western and Eastern Newfoundland Regions.
  - A new scheduled Land Tenure System was being considered.
  - Construction of the Hebron project was well underway.
  - And there was an awful lot of discussion about “rig intake”.
- My colleague at the CNSOPB in those days, Stuart Pinks, gave me important advice – it’s okay to disagree with industry, governments, staff, and even your own Board sometimes...but if they’re all mad at you about the same thing at the same time, then you’re in trouble!
- I also got great advice from our then Board member Reg Anstey, who had survived a career in the fishery that continues today...and if you can make it there, you can make it anywhere.
- I asked Reg what was going to be the key to success in my new role, and his answer was “Scott, you’ve got to tell the same story on every wharf.”
- Words to live by...and certainly to regulate by.
- On the anniversary of the Cougar 491 helicopter crash earlier this year, I wrote about the indelible impression my first memorial service, in March 2013, made on me:
  - I arrived at the service that evening, fresh into the new role and not knowing too many of the attendees.
  - I was directed to an empty seat that turned out to be among the families of those lost and being remembered.
  - The service was well underway by the time I realized this. There was no way to move to another seat without being disruptive, nor was there anywhere else to sit for that matter.

- The multi-faith program included a reading of the names as the family members were asked to stand, and the only two left sitting in our section once all the names had been called were me and an industry executive who had arrived at the same time as me.
  - It was by far among the most powerful, saddest moments of my life to be seated among those standing, grieving loved ones, and to witness first-hand and feel the heartbreak of family members.
  - I later left the service walking alongside Ed Williams, who had also just started his term as Vice-Chair of the Board. I had only known Ed for a couple of weeks but we made the briefest, most knowing eye contact as we walked silently together out to the parking lot.
  - Like me, he'd clearly been struck by the most poignant of statements of the fundamental responsibility of an offshore oil and gas regulator.
  - I still use that night as a touchstone with respect to the importance of offshore safety and the risks of the work that we regulate.
- The panels we organized over the years to commemorate the *Ocean Ranger*, which featured stories from Max and others who were directly involved, had a similar impact on me.
  - Those events are part of the culture and the fabric of the C-NLOPB, the local offshore, Newfoundland and Labrador and the rest of Canada.
  - Safety is one area where people like Max and the staff of the C-NLOPB have made a real difference.
  - Issues of the day will come and go, but the fundamental and absolute priority of offshore worker safety has not -- and will never -- change at the C-NLOPB.
  - Indeed, a lot of improvements have taken place in offshore helicopter travel, as well as other areas of our regulatory oversight of offshore worker safety.
  - We've hosted and co-hosted multiple, international safety conferences and we continue to conduct regular worker safety forums and ongoing engagements with operators, the supply and service community, certifying authorities and the offshore workforce.
  - The focus of our events and conferences have varied – helicopter safety as mentioned, incident learnings, risk management, process safety, digitalization, mental health, and many others.
  - We've also taken on a leadership role in the International Regulators' Forum over the past few years, and late last year we handed over the reins as IRF Chair to our colleagues from Australia.

- The eleven IRF member countries have embarked on an agenda of strategic engagement with one another and with international industry associations in recent years, tracking industry performance and seeking improvements in areas such as well control, learning from incidents, and digitalization.
- I've been honoured and privileged to have had an opportunity to lead that group and that work on Canada's behalf, with my colleagues at the Board, the CNSOPB and the Canada Energy Regulator.
- Closer to home, we're working with governments, the CNSOPB and stakeholders to prepare for a more performance-based regulatory regime, having completed a smooth, albeit very lengthy transition to new, permanent occupational health and safety regulations at the start of 2022.
- We also expect to see new framework regulations in the very new future, which will be less prescriptive than the current regulations and thereby enable further modernization and innovation.
- Many in this room will recall very well that 2018 and 2019 featured multiple, significant safety and environmental incidents in our offshore. A number of those are the subjects of formal follow up processes today.
- A continuous improvement plan was developed by industry in response to those events, with good progress having been made to date.
- I'm pleased to say we've seen improved safety and environmental performance by operators in our offshore in the subsequent three years, but obviously those are areas where operational excellence every day is the only acceptable result.
- In addition to overseeing the response of respective operators and related, collective efforts on the industry's part, we have also taken action within the Board to improve our performance over the last couple of years:
  - We've modernized our governance structure with a more diverse management team and through better focusing the roles of our Chief Safety Officer and Chief Conservation Officer on the offshore;
  - My former Chair and CEO positions were split by governments, with my full support and we've welcomed Roger Grimes into the role of Chair as I've focused solely on my CEO duties;
  - We created a new Enforcement Unit, including a Lead Investigator, along with the issuance and publication of several Administrative Monetary Penalties;
  - We've implemented an improved Policy on the Public Disclosure of Incidents;
  - We've provided regulatory roadmap presentations to Operators proposing various activities, such as exploratory drilling rig intake, to ensure clarity on the regulatory process

well in advance of applications being submitted. Rig intake times having been significantly reduced through collective effort;

- We conducted an inaugural Spill Prevention and Response Forum, and then participated in the Environmental Forum hosted by CAPP earlier this year;
  - We jointly developed new, Occupational Health and Safety Guidance in cooperation with our colleagues at the CNSOPB, some of whom are here with us today. We thank them for their ongoing support and partnership; and
  - We now have a new Occupational Health and Safety Advisory Council, who we welcome, thank and look forward to working with.
- No sooner had the industry improvement plan and our internal enhancements begun to take root than the global pandemic emerged.
  - The same sort of collaborative approach that was taken by operators in their improvement plan has also served the local industry well in responding to COVID-19.
  - In fact, the local industry demonstrated, in my estimation, unprecedented levels of cooperation and transparency in working together to protect offshore workers from COVID.
  - At the Board, we have worked with operators, governments, public health authorities, other regulators and industry stakeholders to respond effectively to the pandemic.
  - With an abundance of caution, offshore production and exploration were able to safely continue locally as a result, albeit with some program deferrals.
  - We then rolled up our sleeves and did our part to respond to the recommendations of the provincial Oil and Gas Industry Recovery Task Force Report. We thank everyone who has participated in that effort.
  - I'm proud of the efforts of the C-NLOPB and our entire community in getting through and responding to the pandemic to date.
  - We all need to remain vigilant in ensuring there are no negative implications in training and competency, worker health including mental health, corrective and preventative maintenance as the pendulum of industry activity swings back once again, and as new workforce and supply chain challenges arise.
  - As we do in all of our decision making, we have relied on expert advice, evidence, science and proper assessment and mitigation of risk in addressing the challenges of the pandemic.

- Science and evidence-based decision making is another example of a fundamental principle that underpins our regulatory oversight, that does not waiver with the priorities or issues of the day.
- Our staff's good work extends beyond offshore safety, pandemic and incident response.
- Alongside the Nunatsiavut Government, we have Co-chaired an update of the Labrador Strategic Environmental Assessment, through a multi-year effort that concluded this past December.
- We have worked closely with the Impact Assessment Agency of Canada, the province and others to build the regional assessment and other tools in a modernized environmental assessment toolkit.
- We continue to build upon our strong working relationships with DFO and fisheries stakeholders by being fully transparent with respect to planned and approved activities in our offshore, insisting that those we regulate fulfil their obligations to communicate and coordinate with their counterparts in the fishery, and to protect important components of the marine ecosystem.
- We continue to be active participants in One Ocean, which remains an important forum for this province.
- We look forward to working with incoming One Ocean Chair Wayne Follett, and we extend our deepest appreciation to outgoing Chair Bill Wells and the Managing Director of One Ocean, Maureen Murphy Rustad, who has announced her upcoming retirement.
- Bill and Maureen have left an important legacy in the offshore petroleum and fishing sectors.
- The C-NLOPB has also continuously improved in transparency and access to data, including through the development of our new Data and Information Hub and our policy on Disclosure of Digital Data and Information.
- We have also worked recently with Natural Resources Canada to make bilingual services available, so that we can better engage with Canadians in both Official Languages.
- In addition to our colleagues at NRCan, we work closely with our provincial colleagues at Industry, Energy and Technology and Digital Government and Service NL.
- We also recognize the importance of strong working relationships with DFO and the Impact Assessment Agency as mentioned, along with the Canadian Coast Guard, Environment and Climate Change Canada, and Transport Canada.
- And in addition to the aforementioned International Regulators Forum, which focuses on safety, we remain proud members of the International Offshore Petroleum Environmental Regulators, as well as the North Sea Offshore Authorities Forum's Wells Working Group and Health and Safety (Asset Integrity) Working Group.

- Transparency, engagement with and respect for stakeholders, those we regulate, governments, Indigenous communities and our fellow regulators are enduring values that we continue to hold in regulating in the public interest.
- We will need all of those partners as we do our part to address the multiple, massive challenges that confront our world today, not the least of which are: getting through the pandemic, fighting climate change through emissions reduction and the energy transition, and ensuring we contribute to global energy security and affordability.
- The oil and gas sector is prominent in each of these challenges, and it has an obligation and a duty to society to be part of the solution to each of them.
- The C-NLOPB is also committed to being part of those solutions, none of which will be simple or linear, and all of which require new ways of thinking and innovation by regulators.
- As we ramp up a focus on reducing emissions, we are excited by the announcement by governments in April regarding their shared intention to modernize our regulatory mandate in support of the transition to lower carbon and renewable offshore energy sources, and in the process to change our name from the C-NLOPB to the Canada-Newfoundland and Labrador Offshore Energy Board.
- For the time being, we will continue to refer to ourselves as the C-NLOPB, until the necessary machinery of government changes have been made, which will include legislative amendments.
- Our expanded mandate, and that of our colleagues at the CNSOPB, are similar to transformations that are underway with many of our international colleagues.
- We have begun discussing best practices and lessons learned with them.
- Regulators, like the industry, need to quickly figure out the challenges and opportunities being created by areas like offshore wind power, clean hydrogen, and carbon capture and underground storage.
- Disruptions in global markets have also refocused attention on the possibilities of natural gas production from the Canada-Newfoundland and Labrador Offshore Area and its potential place in the energy transition.
- As well, recognizing the increasing importance and focus being put on digitalization within today's industry, we have recently created a new management position, Director of Digitalization and Analytics and initiated a multi-stakeholder Digitalization Forum, which kicked off last week in response to one of the recommendations of the Oil and Gas Industry Recovery Task Force Report.
- We are also looking to modernize the C-NLOPB's current Data Management System, which houses the continuously and exponentially increasing volume of digital information.

- Over the last 15 years, Newfoundland and Labrador residents have comprised approximately 80% of employment in the local oil and gas industry and there have been over \$20 billion spent locally by operators and contractors in that time.
- As the world shrinks and globalization presses forward, we need to continue to ensure operators, contractors and sub-contractors provide full and fair opportunity and first consideration to Newfoundland and Labrador residents and businesses to participate in all offshore programs, including the multiple programs underway or planned for this year.
- We are publicly posting quarterly benefits reports for the first time, which is an increased level of transparency.
- We are also in the process of refreshing our Benefits Plan Guidelines, and recently held a consultation session with Energy NL members on those guidelines as well as revisions to our Development Plan Guidelines.
- The objectives and obligations of local content remain as valid today as they were in the early days of the Atlantic Accord, over three decades ago.
- For over 35 years, the C-NLOPB has regulated in the public interest – a sometimes complicated concept which sees lots of inputs coming at us, some of which are competing in the eyes of our various stakeholders.
- We know that climate change is real, caused by human activity, and requires urgent changes in how we live.
- We also know that safe, environmentally responsible oil and gas exploration and production are necessary for an orderly, secure and just energy transition.
- We need to decrease our economic dependence on petroleum.
- But realistically, we will need oil and gas for decades to live safely and prosperously, and to fund health care, our social safety net, our schools, infrastructure, our arts, and yes, even energy sector innovation.
- That is why we continue to issue Calls for Bids, with the support of the federal and provincial governments, including the ones that will close this November in the Eastern and Southeastern land tenure regions.
- There is no question that the priorities of the public interest have evolved since I joined the C-NLOPB in 2013, and the next 35 years of offshore regulation will surely look a lot different than the last 35.

- This week's conference agenda, Energy NL's expanded focus, our rebranding and our soon-to-be modernized mandate are all part of an exciting, unmistakable shift that is well underway through the global energy evolution.
- The best regulators have always been the ones that are able to anticipate difficult problems and work with others to help to solve them, or even better to prevent them.
- On the other hand, those that unilaterally create policy or act without proper authorities, or refuse to acknowledge the realities of their authorizing environment, are going to run into difficulty and lose the confidence of governments, the public and/or those we regulate.
- Today, there are many difficult, daunting problems. The C-NLOPB stands ready to address them head on because of the experience and depth and breadth of competencies of our professional staff, as well as the leadership of our Board and our network of supportive partners and colleagues.
- The C-NLOPB remains steadfastly committed to our core values and to making decisions based on science, evidence and the public interest.
- I would like to close by thanking our staff, our Board and our partners.
- I'll even thank the critics who think we're either too tough or too lenient. Your opinions are heard and they matter...even if you're wrong!
- By all means, keep holding us and all public institutions accountable for our decisions.
- Just make an effort to be fair and honest in your assessments, constructive in your criticisms, open-minded in our discussions, and realistic in your expectations.
- You have my commitment that we'll in turn do likewise.
- We look forward to working with all of you to help Newfoundland and Labrador, Canada and the international community solve those difficult problems.
- Once again, I'd like to thank Energy NL for the opportunity to speak, Jennifer Williams, Newfoundland and Labrador Hydro for sharing this morning's session with me and thank all of you for your attention this morning.
- I look forward to your questions as well as the rest of the week's discussions.