

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

**NATIONAL ENERGY BOARD AS AN OIL AND GAS REGULATOR IN THE
INUVIALUIT SETTLEMENT REGION**

February 26, 2019

MR. O'REILLY: Merci, Monsieur le President. When GNWT negotiated devolution in 2014, there was an interesting arrangement whereby the federal government's National Energy Board remained as the oil and gas regulator in the Inuvialuit Settlement Region onshore areas. In other onshore areas of the NWT, the GNWT had the ability to create its own regulator and has done so through the Office of the Regulator of Oil and Gas Operations.

It is not clear why the federal government of the day and our government, led by the current Premier, would agree to such an arrangement. Why should a regulator established under federal legislation with no northern representation and no significant presence in the NWT be permitted to manage oil and gas exploration and development in the region with the highest potential? What an odd arrangement.

Some might speculate that this arrangement may have been put in place to protect the corporate interests of the Mackenzie Gas Project, which has since folded.

The arrangement with the National Energy Board is to prevail for at least 20 years after devolution unless Canada and GNWT agree otherwise, according to section 12.1(2) of the federal National Energy Board Act and the devolution agreement.

Rather than focus on trying to assume legislative responsibility for the Mackenzie Valley Resource Management Act, why not go after this residual outpost of federal colonialism and allow for OROGO to manage oil and gas exploration in the Inuvialuit Settlement Region? Our government will have a very difficult time trying to convince the federal government, let alone the residents of the NWT, that it has demonstrated responsible resource development. We couldn't even get around to something as basic as reviewing the revenues we get from the extractive sector during the five years following devolution.

I will have questions later today for the Minister of Justice, who also serves as the regulator for oil and gas in parts of the NWT not under the jurisdiction of the National Energy Board. Mahsi, Mr. Speaker.