

**ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE**  
**QUESTION 149-19(2): CAP ON OIL AND GAS OPERATIONS LIABILITY**

**March 4, 2020**

**MR. O'REILLY:** Merci, Monsieur le President. My questions are for the very agreeable Minister of Industry, Tourism and Investment, who sets regulations for onshore oil and gas resources and also promotes such development. The Oil and Gas Spills and Debris Liability Regulations set absolute liability limits of between \$10 and \$40 million, depending on the location of the spill or debris caused by oil and gas exploration and development. Can the Minister explain why there are these liability caps in place and what public purpose they serve? Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Member for Frame Lake. Minister of Industry, Tourism and Investment.

**HON. KATRINA NOKLEBY:** Thank you, Mr. Speaker. As the Member mentioned, there is only a cap on liability when the person or entity who holds the authorization is not proven to be at fault for the spill or discharge, or other similar event. The cap balances the right to swift compensation against the lack of proof of responsibility, and ensures that funds can be accessed promptly, without having to prove fault or negligence on the part of the operator. If an operator or any person is proven to be at fault for a spill, there is no legislated limit on its financial liability and no cap on what they would need to pay to rectify the situation and compensate those affected, to the extent of the fault or negligence proved against them. Thank you, Mr. Speaker.

**MR. O'REILLY:** I want to thank the Minister for that, but she didn't actually explain what public purpose they serve. Basically, they shield private companies from liability and, in this day and age, we need to be adopting a "polluter pays" approach. I'd like to know if the Minister can explain whether Cabinet intends to respond to the recommendations from the Standing Committee on Economic Development and Environment from the last Assembly. That committee recommended "a comprehensive review of oil and gas related regulation with the expressed purpose to increase the cap for absolute liability." Can the Minister explain: is she or the Cabinet actually going to respond to that recommendation?

**HON. KATRINA NOKLEBY:** As the Member stated, in the 18th Legislative Assembly, ITI committed to such a comprehensive review of the PRA and the OGOA. I am pleased to confirm that the review has begun, and it is ongoing. The results of that review will inform our next steps regarding this suite of regulations. In addition, we are working with the Office of the Regulator of Oil and Gas Operations on implementing the statutory

measures that were passed by the 18th Assembly aimed at making the industry more transparent and responsive to the needs of our territory.

**MR. O'REILLY:** I think that was actually a yes. Just as we have millions of dollars of environmental liability from Cameron Hills hurtling towards us, because we failed to make sure that there was proper financial security in place, these regulations that the Minister is talking about are one page long. She doesn't have to do a big review. She can change them tomorrow if she wants, just gazette the new limits. Can the Minister tell us: is she clearly committed to increasing the absolute liability caps in the Oil and Gas Spills and Debris Liability Regulations?

**HON. KATRINA NOKLEBY:** As mentioned, the cap in the regulations relates to the nofault portion that an operator would be required to pay. Those regulation provisions will be part of the review that the department is undertaking. Without having had their input on that review, I do not want to make that commitment at this time to the Member.

**MR. SPEAKER:** Thank you, Minister. Final supplementary, Member for Frame Lake.

**MR. O'REILLY:** Merci, monsieur le President. I want to thank the Minister for that. I am not sure what the problem is. This is a one-page regulation; one page. These limits are in there. Let's just fix it. The Minister can fix it tomorrow, if she wants. Can the Minister explain when and how long this review is that she is going to undertake? Mahsi, Mr. Speaker.

**HON. KATRINA NOKLEBY:** I do not have the authority to make that change on my own. It is a Cabinet decision to change regulations. I would need to bring that to my Cabinet colleagues. As the Member is aware, we have many things going on, but I will commit to the Member to do so in a timely manner. Thank you, Mr. Speaker.