

Odour issues in Alberta

Contrasting the response in Peace River and Fort McKay

by Andrew Read

Alberta odour issues

There has been a recent surge of odour and air quality concerns in northern Alberta associated with the expansion of oilsands development. The specific cause of these odours varies in the different regions, but the concern from the public is the same: the odours reduce residents' quality of life, and in some cases result in impacts to both mental and physical health.

Peace River experience

The Alberta Energy Regulator recently held an inquiry regarding odour concerns around the community of Peace River.¹ Between 2010 and 2013 the Alberta Energy Regulator (and its predecessor, the Energy Resource Conservation Board) received 860 complaints about odours from residents related to local oilsands operations.² Without an effective multi-stakeholder forum for residents to raise and address their concerns — as well as a lack of meaningful and timely enforcement — this issue became highly politicized, leading to the 2013 public inquiry.

The inquiry reviewed and scrutinized claims by residents and industry, and provided formal recommendations to address these concerns in March of 2014.³ The regulator accepted all recommendations within their purview, and set about implementing the required changes. Ultimately the recommendations that were implemented have reduced odour complaints so far, and the regulator has taken the landmark step of shutting-in wells that did not adhere to the agreed-upon implementation schedule.⁴ However, it is possible to question whether such a time-consuming and costly inquiry was necessary.

Fort McKay experience

The Fort McKay community, situated in the heart of the Athabasca oilsands minable region, has experienced noxious odours for many years and has been working diligently to identify the source of these odours. Unlike Peace River, however, Fort McKay is a member of the Wood Buffalo Environmental Association — a multi-stakeholder organization responsible for air monitoring in the region. With the support of WBEA and the combined efforts of community members, scientists and other experts, Fort McKay has diligently worked to have programs established that monitor the frequency and intensity of these events, in order to provide the evidence of the issue to Alberta. Most recently, Fort McKay was successful in establishing a Fort McKay Air Quality Index that expands on the provincial Air Quality

¹ Carol Crowfoot, "Taking action in Peace River," *Alberta Energy Regulator*, May 1, 2014. <http://www.aer.ca/may-2014>

² Alberta Energy Regulator, *Odours and Emissions from Heavy Oil Operations in the Peace River Area: Backgrounder*, Proceeding No. 1769924. http://www.aer.ca/documents/applications/hearings/1769924_Backgrounder.pdf

³ Alberta Energy Regulator, *Report of Recommendations on Odours and Emissions in the Peace River Area* (2014). <http://www.aer.ca/documents/decisions/2014/2014-ABAER-005.pdf>

⁴ Alberta Energy Regulator, "Alberta Energy Regulator shuts in wells following compliance sweeps in the Peace River area," news release, July 3, 2015. <https://www.aer.ca/about-aer/media-centre/news-releases/news-release-2015-07-03>

Health Index by including additional pollutant measurements believed to be causing or contributing to the odours experienced (i.e. sulphur dioxide, reduced sulphur compounds, and airborne hydrocarbons).⁵ The new index is still being piloted, but efforts are being made to enhance the community’s ability to identify and respond to odour events.

Outcomes

Peace River

The years of inaction on the odour issue resulted in persistent mistrust of the regulator. If an issue gets to an extreme level before any mitigation actions are undertaken, then the damage has already been done. Rebuilding that lost trust takes much more effort than taking action promptly.

In the case of Peace River, the damage had already been done by the time the public inquiry process was completed. Families had abandoned their homes after years of suffering from the odours, with some operators in the region more concerned about their specific regulatory requirements than with addressing an important public health concern.⁶ If Albertan operators truly want to retain and improve their social license,⁷ this was clearly not the correct approach to take.

Fort McKay

Fort McKay’s odour concerns remain unresolved. However, engagement in the multi-stakeholder organization established to undertake air monitoring (the WBEA) has allowed the community to enhance monitoring of the issue and collect useful data for the community, the regulator and policy makers. Fort McKay has also had a direct partnership with Environment Canada since 2013 that has allowed a sophisticated suite of air-monitoring equipment to operate in the heart of the community, which has further outlined the air quality and odour concerns.

To prove effective, this monitoring must ultimately translate into management actions — a continuing challenge for the community surrounded by the most intensive oilsands processes. However, the evidence being collected is essential to demonstrate the challenges and impacts faced by Fort McKay. Ideally this body of evidence will allow the province to avoid the costly, time-consuming and reputation-damaging public inquiry process that was necessary in Peace River, while still delivering on the community’s expectations.

Our full comparative assessment of the differences between the two approaches to issue resolution is provided in Table 1.

Table 1: Issue resolution through multi-stakeholder dialogue or public inquiry hearing

	Multi-stakeholder dialogue	Public inquiry hearing
Transparency	All information is shared with all participants. Not all information is shared publicly — usually that is limited to formal reports, minutes, etc. Proposals/straw-dogs are shared, allowing all parties to understand and discuss competing interests.	All information is shared with all participants and all information is on the public record.

⁵ Wood Buffalo Environmental Association, “Fort McKay Air Quality Index (AQI).” <http://www.wbea.org/air-monitoring/fort-mckay-aqi>

⁶ CBC News, “Families abandon homes near Alberta bitumen facility,” February 19, 2013. <http://www.cbc.ca/news/canada/families-abandon-homes-near-alberta-bitumen-facility-1.1324552>

⁷ Duncan Kenyon and Andrew Read, “The costs of losing social licence,” Pembina Institute, June 6, 2014. <http://www.pembina.org/blog/the-costs-of-losing-social-licence>

Ultimate decision making	Government/regulator has ultimate decision-making authority. Participants can reasonably expect to know the government's interest and position during the process and ultimate decision would be consistent. Government guides the process or shares that responsibility with other established organizations	Government/regulator has ultimate decision-making authority. Participants may not be aware of the position and interests of the government. This can lead to less useful advice/recommendations from participants.
Resourcing	Funds are provided for honoraria, preparation and travel. Extra funds may be provided for work needed outside of meetings, including engagement with a representative's stakeholder community. Timelines are typically longer, and there is a chance to learn during the process.	Intervener reimbursement for experts/preparation/participation for non-industry/government. Some interveners have resources available to develop and produce information for hearings that supports their stakeholder position, whereas other stakeholders do not.
Improved understanding of the issues, positions, interests, range of possibilities, etc.	Process incorporates education from stakeholder groups, so members involved gain greater understanding of the topic.	Process is adversarial, and does not inherently provide any opportunity for stakeholders to gain an understanding of other stakeholder positions.
Position- versus interest-based negotiation	Dialogue can move beyond statement of positions to understanding of interests and rights.	Restricted to statement of positions. Can result in entrenchment in those positions.
Collaborative discussion	A dialogue about interests combined with a high level of understanding can result in the identification of mutually agreeable outcomes, even on highly contentious issues.	Very little, if any, opportunity for collaborative discussion.
Participation rules (Lobbying)	Discussions occur at the "table" or sub-group level and direct lobbying ceases (any efforts to lobby can be re-directed to process) until the work at the "table" is complete.	Lobbying is strictly forbidden until the decision is announced.
Policymakers are an active participant	The agency that sets, reviews and owns the policy has a direct stake in the outcome of the process. Having them at the table avoids misunderstandings about what the policy maker intends and allows for direct feedback to the policy maker when there are gaps/questions about the policy.	Policy maker may or may not participate. Dialogue between the stakeholders is limited.
Regulator is an active participant	Ideally the regulator owns the process and does the following: <ul style="list-style-type: none"> • outlines its expectations/needs from the process; • drives the process forward; • participates directly; • provides information; • asks questions; and • demonstrates the direction that it wants to go to all the stakeholders. 	Regulator is not active except in cross-examining panels. Stakeholders are not informed of regulator's approach until final decision is released.
Stakeholder selection	Stakeholders must represent their sector. The process is not credible if key stakeholders are excluded or if the representatives are not selected/endorsed by the sector.	Exclusionary process. May result in lack of representation from key interests.
Credibility and durability of the	A regulatory decision that: <ul style="list-style-type: none"> • is based on stakeholder engagement 	A regulatory decision based on a hearing will have high credibility in

decision	<p>(wherein the discussion goes beyond positions to interests, and there is a high level of understanding);</p> <ul style="list-style-type: none"> involves the regulator and the policy makers directly; and has partial or complete consensus <p>would result in highest level of credibility and durability in the eyes of all stakeholders.</p>	<p>the eyes of some stakeholders and the public, but may have low credibility in the eyes of other stakeholders who feel their interests are not reflected in the final decision.</p>
Campaigning in public during the process	<p>Stakeholders speak to the process, not to the substance of the process, until the process is complete. Where there is non-consensus each party can speak directly about their position and the formal position taken by others, but not the positions or ideas tabled during the process.</p>	<p>Campaigning may continue through the process.</p>
Timeliness	<p>Multi-stakeholder dialogues take time; some can be very efficient and some can be very inefficient. In inefficient processes, government spends substantially more time working the issues internally before and after the multi-stakeholder process than in the process itself. These internal government discussions become protracted when there are many divergent views, and a lack of understanding of the issues, versus when there is clarity.</p>	<p>Can be done quickly and held to a schedule.</p>
Closure and final decision making	<p>Government is final decision maker. Process requires clarity about who will make the final decision and how the information from the process will be used and considered. Clarity about how lack of consensus will be handled is important.</p>	<p>Government is final decision maker.</p>

What can we learn?

The comparison of the two approaches points to some key conclusions. If the province wants to gain the social license it has lost from inaction on local concerns, it must continue to enable the work of established and effective multi-stakeholder groups and processes, and establish new ones where necessary.

Facilitating the discussion is just the first step. The key to the success of these processes is acting on their recommendations. Government inaction has been the largest detriment to the outcomes of past multi-stakeholder engagements in Alberta. Until we use the expertise and knowledge of every interested party, Alberta will continue to fall short of gaining public trust.