

Oil and Gas Processing Facility Regulation

Frequently Asked Questions

This document compiles some of the most common questions received by Commission staff since the [Oil and Gas Processing Facility Regulation](#) (Regulation) came into effect on March 4, 2021. Please note this document and any other subsequent guidance documents are not intended to replace regulation. For more information about the regulation, please visit <https://www.bcogc.ca/how-we-regulate/legislative-framework/regulatory-update/>.

1.1 Overview

1.1.1 Will the Commission issue guidance?

Yes, the Commission develops guidance to support its decision-makers and to ensure transparency in the administration of oil and gas activities. Proponents are already looking ahead to ensure their new, contemplated developments, and amendments to existing ones, meet the expectations of the Commission under this new regulation. The Commission is in the process of engaging in advance of the issuance of this new guidance with First Nations who have existing or proposed facilities within their territories.

1.1.2 What are some of the key highlights in the Regulation?

The Regulation sets out pre-application requirements, regulates operations by emphasizing safety, addresses the end-of-life stage requirements for safety and the surrounding environment and requires consistent methane reduction provisions, as described in the [Drilling & Production Regulation](#) for other facilities. It also contains new requirements for the completion of social and cultural effects assessments and the incorporation of Indigenous knowledge in permit applications.

[Industry Bulletin INDB 2021-10](#) sets out a further summary of the Regulation's key points.

2.1 Application for Processing Facility Permit:

2.1.1 How have expectations for engagement with First Nations changed under the Regulation?

The new requirements have formalized expectations for including Indigenous knowledge in environmental, social and cultural effects assessments and related reports. These expectations are likely to evolve as the Province works toward reconciliation with Indigenous People to ensure a modern interpretation for the respect of existing agreements and treaties.

Reference documents regarding the First Nation consultation process and the applicant's role are available on the Commission's [website](#). Applicants may also refer to the Ministry of Indigenous Relations

and Reconciliation's [Building Relationships with First Nations: Respecting Rights and Doing Good Business](#) and [Guide to Involving Proponents When Consulting First Nations](#).

2.1.2 How should proponents identify which First Nations should be engaged with?

Proponents can use the Province's tool for guidance ([Welcome to PIP: Consultation Areas \(gov.bc.ca\)](#)). However, proponents are encouraged to contact the Commission for recommendations about pre-engagement with First Nations.

2.1.3 How far in advance should proponents begin pre-engagement with Indigenous nations?

In an effort to include Indigenous knowledge in project planning, pre-engagement with First Nations should start as early in the planning stages as possible. A reasonable timeframe is at least 90 days before an application is submitted to the Commission but may vary by project and Nations.

2.1.4 How can Indigenous knowledge be incorporated into the planning of a project?

Proponent's pre-engagement with First Nations will guide how Indigenous knowledge is potentially incorporated into project planning. While proponents may be aware of certain pieces of Indigenous knowledge through past conversations, First Nations are the holder of this knowledge, so proponents should work directly with them to determine the appropriate way to apply available Indigenous knowledge to a specific project. If a First Nation does not agree to share Indigenous knowledge or such knowledge is not available after reasonable efforts to work with local communities, the proponent is not required to incorporate that First Nation's Indigenous knowledge in the assessment. Proponents should document their efforts working with First Nations and their Indigenous knowledge within their pre-engagement report.

2.1.5 Are separate documents required for pre-engagement, environmental and social and cultural reports?

No. The pre-engagement report is key to understanding the Indigenous knowledge that was brought forward. Available Indigenous knowledge should be incorporated into the environmental and social and cultural assessments (when and where available) and can be included in one report.

2.1.6 What should be included in the social and cultural effects assessments?

Social and cultural effects are a project's impacts on people and on the ways in which people and communities interact with their social, cultural and biophysical surroundings. These types of effects can be directly attributable to a project or can arise indirectly from a project's activities; they can also be driven by project-related changes in the natural or biophysical environment. Some specific social or cultural effects that may be associated with a processing facility could include, but are not limited to:

- o Loss of an area with specific cultural or recreational value through conversion to a facility site and/or loss of access.

- Increased hunting or fishing pressure caused by new access leading to reduced wildlife populations.
- Noise, light, vibration, or odour that affect adjacent lands valued by people.
- Alteration (e.g., avoidance, displacement) of First Nations harvesting activities, such as hunting, fishing, gathering, and trapping and/or changes in availability and utility of preferred harvested species and occupation sites.
- Alteration/removal of/increased access to archaeological/cultural heritage sites, sacred sites, trails and culturally/spiritually important sites and culturally modified trees.
- Increased traffic that significantly affects other road users and/or nearby people.
- Visual impacts that are likely to appreciably alter the character of the visual landscape as seen from viewpoints.

3.1 Design and Construction of Processing Facility:

3.1.1 Are Piping & Instrumentation Diagrams (P & IDs) required for the permit application to be accepted?

No. Preliminary engineering design information and drawings (PFDs and preliminary plot plans) are required for the oil and gas processing facility permit application. If P & IDs are available, they can be included in the permit application and will assist in the Commission's engineering review process.

3.1.2 The Regulation refers to CSA Z767 in section 2(2)(k). Is this standard mandatory to follow? What is new in this standard that hasn't been required for gas processing facilities in B.C. up to this point?

Yes, except for clause 7.4 in CSA Z767, the standard will be mandatory to follow for all new and operating oil and gas processing facilities in B.C. as of March 4, 2022. This standard includes the following examples of new requirements that were historically followed by many permit holders as industry best practices, but now are mandatory for all permit holders of processing facilities:

- Maintaining up-to-date Process Safety information and documentation.
- Process Safety hazard and risk assessment throughout a project and during operations.
- Alarm and instrument management processes.
- Pre-Startup-Safety-Reviews before starting up new or modified processes and equipment.
- Continual improvement practices for Process Safety management.

3.1.3 How do we submit the details for modular units constructed outside of British Columbia?

The description and construction plan for the module are required, if the applicant intends to construct a modular unit outside B.C., and can be included in the project description and consist of a preliminary overview.

3.1.4 What does the modular unit verification report include? Does it have to be submitted to the Commission?

The report must verify all modular units in the processing facility have been constructed and tested in accordance with the management system and prepared by a qualified professional or a third party acceptable to the Commission. The report does not have to be submitted to the Commission but must be made available upon request during facility construction, at start-up or at a future audit. The modular verification report should include all modular unit inspection and verification documentation, including those for pressure piping and pressure vessel fabrication.

3.1.5 Are there any new requirements as part of the pre-start-up inspection process of a newly constructed processing facility from the previous gas processing facilities pre-start-up inspection?

Yes. There is a new process that mirrors most of the previous pre-start-up inspection process. Under section 14 (pre-operation testing), the updated process requires submission to the Commission of a schedule outlining when inspections and tests are to be conducted by the permit holder. The Commission will respond within seven and 14 days identifying which inspections and tests are to be witnessed by the Commission prior to the commencement of facility operations.

4.1 Operation of Processing Facility and Suspension of Operations and Decommissioning

4.1.1 Has the start-up process of a processing facility changed with the Regulation? Are there any new requirements?

Yes, the process has changed. While the general protocol and notification timeline has not changed, the permit holder must submit the following to the Commission prior to commencing facility operations:

- o A notice stating they have implemented the management system,
- o A copy of the security management system referred to in section 6(2)(b) of the Regulation, and
- o A list, completed by a qualified professional as defined in the Regulation, of all safety critical devices at the processing facility.

4.1.2 What has changed with the requirements for section 23 (suspension) and section 24 (decommissioning) of a processing facility?

The new processing facility suspension requirements include the preparation, implementation and submission to the Commission of a suspension plan prepared by a qualified professional. There are new decommissioning requirements based on the processing facility not resuming operations within two years after a suspension of operations begins. This includes the requirement to carry out a contaminated sites assessment, and have a qualified professional prepare a plan to remove facilities and equipment on the facility area and remediate and restore the site. The plan must be submitted with a

schedule of activities and approved by the Commission before being implemented by the permit holder.

4.1.3 Does the management system referred to in Section 6 have to be submitted to the Commission? Is a corporate plan acceptable versus a separate system for each processing facility?

The management system does not have to be submitted to the Commission unless it is requested as part of an audit or review. A typical management system includes corporate level components and objectives along with the management of potential hazards throughout the life cycle of each processing facility.

4.1.4 What are the expectations of the environmental management program component of the management system?

The environmental management program must detail the processes and procedures in place to minimize the adverse effect the processing facility could have on the environment over the facility's life cycle. Some of the environmental management program expectations include, but are not limited to:

- o Leak detection plan
- o Flaring management plan
- o Industrial wastewater and surface runoff control plan
- o Ground water management plan
- o Wildlife management planning and operational measures
- o Soil monitoring plan

4.1.5 Are there any changes to requirements related to flaring at processing facilities?

The Regulation, section 21(2), includes a new requirement for flaring activities and related emissions that follows the EPA Method 22 protocol. During emergency/maintenance operations emissions are to be visible for no more than five minutes in any two-hour period, are not a material threat to life or health and do not cause off-lease odours or injury to vegetation or wildlife.

4.1.6 What changes are there for the submission of record drawings for processing facilities?

The requirements have changed from what the Drilling & Production Regulation has historically required for gas processing facilities. Record drawings must now be submitted within nine months after the permit holder begins to operate the processing facility. The record drawings must include piping and instrumentation diagrams, process flow diagrams, metering schematics and plot plans.

5.1 Additional Information

5.1.1 Where can I find other resources?

- o [Glossary and acronym listing](#) on the Commission website.
- o [Documentation and guidelines](#) on the Commission website.
- o [Frequently asked questions](#) on the Commission website.
- o [Advisories, bulletins, reports and directives](#) on the Commission website.
- o [Regulations and Acts](#) listed on the Commission website

If you have further questions about the Regulation, please contact any of the following:

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