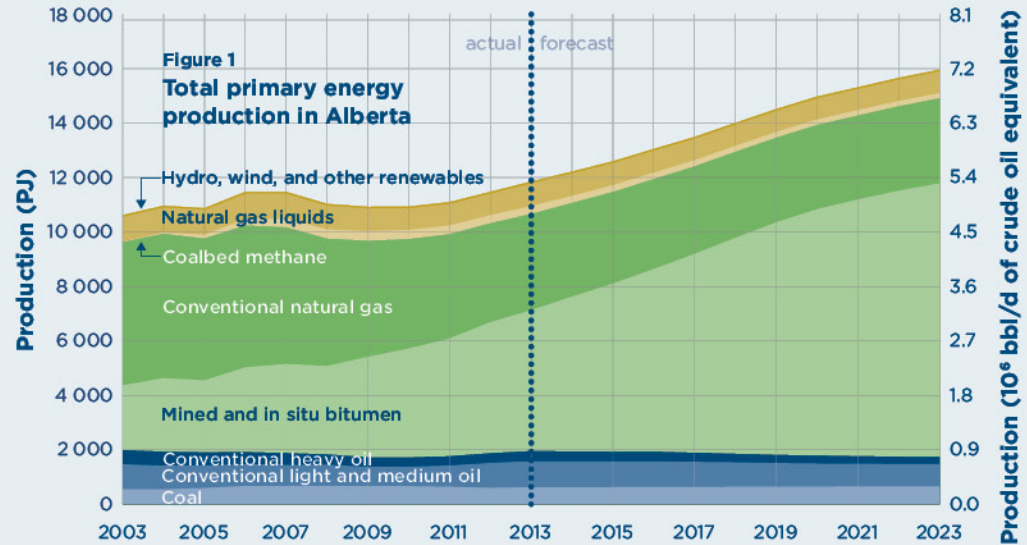




# AER and Strategic Foresight

Richard Dixon, Chief of Strategic Foresight,  
July 24, 2015

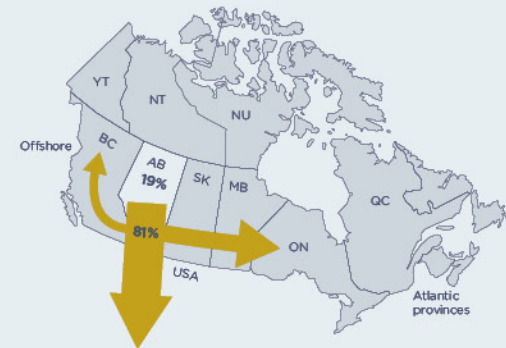
# ENERGY IN ALBERTA



## Deliveries of Gas



## Deliveries of Crude Oil



# THE AER REGULATES

MORE THAN  
**50**  
thermal/enhanced  
in situ projects

**9**  
oil sands  
mines

**5**  
bitumen  
upgraders

**4**  
coal processing  
plants



**11**  
producing  
coal mines

OVER **200** AND **16**  
primary/enhanced  
recovery projects  
(in situ) experimental  
projects



OVER **421 000**  
kilometres of pipelines

**785**  
gas processing plants



OVER **178 000**  
operating natural gas and oil wells

MORE THAN **29 000** AND CLOSE TO **20 000**  
oil facilities gas facilities

ONE  
PROVINCE.  
ONE  
REGULATOR.

- » The Government of Alberta created the first regulator 76 years ago.
- » Our mandate has evolved over time.
- » Our responsibilities and functions have expanded.
- » The AER is Alberta's single regulator of energy development.

## OUR VISION

The Alberta Energy Regulator is recognized as best in class, ensuring the safe, environmentally responsible development of energy resources for the benefit of all Albertans.

## OUR STRATEGIC PLAN

### *protective*

Develop an integrated, whole-system regulatory approach to safety, environmental protection, and risk management

### *effective*

Strengthen risk-based regulation

### *efficient*

Transform Alberta's energy regulatory system to improve efficiency

### *credible*

Increase trust and confidence in how energy is developed in Alberta



WHAT  
BUSINESS  
ARE  
REGULATORS  
IN

SAFETY



ENVIRONMENTAL  
PROTECTION



ENFORCEMENT



- **Fairness (cultural changes)**
- **Safety**
- **Fun**

# A Warning about Scenarios & Strategic Foresight

*Successful Scenarios: A precondition for any scenario studies is a genuine interest in the unknowable future and challenging assumptions about it. Cultures of curiosity are environments driven by inquisitiveness and imaginative thinking. Cultures of curiosity are not usually found in client-based research. **Nor are they usual in regulatory institutions whose interest is the optimal functioning of the existing system.***

- OECD, *Schooling for Tomorrow* based on *Probing the Future: Developing Organizational Foresight in the Knowledge Economy*, Philip van Notten



STRATEGIC  
FORESIGHT IN  
AER IN ITS  
FIRST YEAR

- 》 SF not in the DNA of Regulators
- 》 Early Days
  - 》 Socialization – allies
  - 》 Teaching Managers, Directors, Executive – Day-long workshop
  - 》 Strategic Planning Cycle
  - 》 KITS
  - 》 Deep Listening – Anticipating decisions that need to be made
  - 》 Clarity on what business we are in and those we regulate
  - 》 Foresighting more immediate key issues by giving context

- ❑ Ignore the campaign
  - no one will believe them, the problem will go away
- ❑ Overtly challenge ENGO credibility / reputation
  - if people know the truth about ENGOs, the problem will go away
- ❑ Performance based communications
  - if people understand how good our practices are, and if we continually improve our performance, the problem will go away
- ❑ Inform / consult ENGOs
  - if ENGOs understand me better, and I understand their issues better, I can adjust my actions and they will go away
- ❑ Limited engagement /negotiation
  - let's take a limited set of issues and road test if negotiation with ENGOs can effective
- ❑ Full engagement / negotiation
  - let's see if we can find an integrated solution to the conflict as a whole that ENGOs, government and industry can support
- ❑ Full engagement / negotiation based on "game changers"
  - let's see if we can expedite / facilitate a resolution on more favourable terms by taking unexpected action that fundamentally changes the dynamic of a conflict

## FORESIGHT IN THE AER

- 》 Regulatory Diplomacy
  - 》 The new battleground
    - 》 State vs Regulatory Capitalism
  - 》 MOUs with various countries
- 》 Corporate Universities / AER Campus
  - 》 Over 2,500 corporate universities in NA
  - 》 Tie to their organizations' strategies and strategic foresight functions
- 》 Energy Transitions
  - 》 Qualitative / Quantitative
  - 》 Probable and Plausible

**NEXT STEPS  
STRUCTURES**

- » CoRE (AER Campus)
- » Regulatory Failure & Foresight
- » Innovation Office
- » Horizon Scanning Centre
- » Paris
- » Reports and Updating
- » Collaborative worksites

# Leading the next era in energy regulation

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