

FUEL GAS EFFICIENCY COMMITTEE

TERMS OF REFERENCE

BACKGROUND

A significant amount of fuel gas is used by the Alberta upstream oil and gas industry; in 2004, approximately 11.2 billion cubic metres of gas was used as fuel at batteries, gas gathering systems and gas plants. Straddle plants and injection facilities use an additional 3 billion cubic metres of gas.

Site-specific studies indicate the potential to reduce fuel gas use in the upstream oil and gas industry. An initiative designed to optimize and reduce fuel gas consumption would likely have broad economic benefits. Industry participation in shaping government direction on this issue benefits all parties and provides an opportunity for industry leadership on a global scale.

MISSION STATEMENT OF FUEL GAS EFFICIENCY COMMITTEE (the Committee)

To set direction and provide leadership to improve the upstream industry's petroleum energy efficiency per unit of production through the reduction of fuel gas use in oil and gas production, pipeline and gas processing facilities regulated by the EUB.

PURPOSE AND AUTHORITY

The purpose of the Committee is to:

- identify strategies,
- suggest development of appropriate policies and requirements,
- develop tools for industry, and
- share findings with industry and government

to facilitate fuel gas efficiencies in upstream oil and gas processing.

The Committee will make consensus based recommendations to the provincial regulators.

SCOPE

The scope of the Committee work will include:

- development of industry Best Management Practices including, but not limited to; tools to maximize efficient use of fuel, efficiency targets and/or benchmarks, and; case studies of success stories.
- gathering of industry information to better understand where and how much fuel gas is being used and examining whether current fuel gas information collected is sufficient.

- sharing of fuel gas efficiency findings and information with government and industry to help promote change.
- recommending policy or regulation changes, as required.

OUT OF SCOPE

The scope of the committee's work will not include review of fuel gas efficiency opportunities at:

- oilsand facilities
- injection facilities
- and other facilities which, for the most part, purchase their fuel gas.

RESPONSIBILITIES

Responsibilities of the Chair

The Chair, from Alberta Energy, will:

- present the expectations of government
- help ensure the Committee remains on topic with their discussions.
- poll agreement when necessary.
- participate in meetings as a Committee member.

Responsibilities of the Vice-Chair

The Vice-Chair, from Industry, will:

- take on the role and responsibilities of the Chair when the Chair himself is unable to attend Committee or other meetings.
- ensure the Chair is updated and advised of any actions or decisions, as necessary.

Responsibilities of Committee Members:

The Committee Member's responsibilities include:

- being informed about issues relating to fuel gas efficiencies.
- sharing this information through attendance at Committee meetings and participation in other related activities as required.
- actively participating in and attending Committee meetings while listening to and respecting the opinions of their co-Committee members.
- reading the minutes and reviewing other materials provided.
- representing the interests and concerns of their organizations.
- establishing sub-groups, as required, to address specific needs or requirements of the Committee.
- sharing the Committee's information, outcomes and findings on fuel gas efficiencies with their own organizations and the public, as and when appropriate.

Responsibilities of the Secretary

The Secretary, from Alberta Energy, will

- coordinate and book meetings for the Committee.
- take notes during meetings, prepare minutes and agendas ensuring these and any other supporting documentation are distributed to Committee members in a timely manner.
- participate in meetings as a Committee member.

CONFIDENTIALITY

All documents prepared for the Committee are solely for the use of the Committee. Documents will be publicly released after the Committee's approval is given, unless otherwise specified.

All documents will be subject to access and privacy provisions of the *Freedom of Information & Protection of Privacy Act*.

STRUCTURE AND REPORTING OF THE COMMITTEE

Representation from the provincial government will include Committee members from the Department of Energy and the Alberta Energy & Utilities Board, totally approximately nine members.

The balance of the Committee will be composed of non-government stakeholders, totalling approximately nine members.

TIMEFRAME

The Committee will complete work on the Best Management Practices in the 2007/08 fiscal period at which point they will revisit expected timelines and deliverables.

The Committee will complete all other work by the end of the 2007/08 fiscal period.

DISCUSSION PROCESS

Open and supportive participation is essential to the success of the Committee and its objectives. Committee members will be asked to actively participate in discussions, sharing ideas while also respecting the position of other co-workers. Committee members will work towards consensus where possible. If consensus cannot be reached these items will be captured and explained in meeting minutes.

MEETINGS

Meetings will be scheduled as required, usually once per month.