

# News Release

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## Supreme Court of Canada to hear AER appeal of the Redwater decision

*For immediate release.*

*Calgary, Alberta (November 9, 2017)*...The Supreme Court of Canada has confirmed it will hear the expedited appeal of the Alberta Energy Regulator (AER) and Orphan Well Association on the Redwater decision.

“For the past two years, we have worked very hard at all levels of court to ensure the consequences of the Redwater decisions are fully understood,” said AER president and CEO Jim Ellis. “The decision has already had a significant impact in Alberta – and its consequences will go well beyond our borders to all other provinces. All Canadians are impacted by the Redwater decision.”

The Redwater decision allows receivers and trustees of insolvent oil and gas companies to disclaim unprofitable assets, permitting them to avoid the responsibility of reclaiming the land used for energy development. Disclaiming unprofitable sites allows creditors to avoid legislative requirements that licensees would have to follow if they were not in receivership or bankruptcy.

“The decision allows creditors to benefit at the expense of the environment and responsible companies by permitting receivers to avoid regulatory requirements that were put in place to protect the public and environment,” said Ellis. “It allows owners of industrial facilities to walk away from their environmental responsibilities.”

Since the decision in May 2016, about 1 600 AER-licensed sites have been disclaimed by receivers with estimated liabilities of more than \$100 million.

“That impact cannot be undone,” said Ellis. “But we are looking forward to presenting our arguments and are optimistic we may convince the Supreme Court to reverse the lower courts’ decisions.”

In July 2017, the AER and the Orphan Well Association filed for leave to appeal the Redwater decision to the Supreme Court of Canada. The governments of Alberta, British Columbia, and Saskatchewan; the Farmers’ Advocate Office; and the Dene Tha’ First Nation support the application.

The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

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