

Mine Financial Security Program – Security and Liability

The Mine Financial Security Program (MFSP) security held by the AER and the MFSP liability for oil sands and coal mines with approvals under the *Environmental Protection and Enhancement Act (EPEA)* are provided in the table below.

The AER updates the liability and security amounts annually. Oil sands and coal mine approval holders are required to provide liability estimates to the AER by June 30 every year.

MFSP liability and security, in billions of dollars

| | Reported by June 30, 2014 | Reported by June 30, 2015 | Reported by June 30, 2016 | Reported by June 30, 2017 |
|--------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| MFSP liability | 20.82 | 22.60 | 23.19 | 27.79 |
| MFSP security held | 1.57 | 1.36 | 1.38 | 1.39 |

The following explains the changes in the liability and security amounts from year to year:

- The estimated liability increased every year due to mining operations and the related disturbance.
- In 2015, the security held by the AER decreased. An oil sands approval holder became eligible to use a deemed netback in accordance with the program. As a result, the approval holder switched from paying full financial security to paying the base security deposit.
 - Base security deposit is \$30 000 000 for a new oil sands mine with no upgrader or \$60 000 000 for a new oil sands mine with an upgrader.
 - For oil sands mines with an *EPEA* approval in effect as of December 31, 2010, the base security deposit equals the security held by the government to cover disturbances up to that date.
 - Additional financial security above the base security is not required if the mine
 - has MFSP assets at least three times greater than the MFSP liability,
 - is 15 years or more from the end of its reserves, and
 - is keeping current with its reclamation plans.
- Since 2014, additional security has been collected from coal mine approval holders based on an increase in disturbance at mining operations.

For more information about the MFSP, see the [Guide to the Mine Financial Security Program](#).