



Canada Energy  
Regulator

Régie de l'énergie  
du Canada

# Canada Energy Regulator (formerly National Energy Board)

2019–20

## Departmental Results Report

*The original version was signed by*

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Gitane De Silva  
Chief Executive Officer  
Canada Energy Regulator

*The original version was signed by*

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The Honorable Seamus O'Regan, P.C., M.P.  
Minister  
Natural Resources

Canada 

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## Message from the Chairperson

Launched in August 2019, the Canada Energy Regulator (CER) works to keep energy moving safely and efficiently through Canada’s pipelines and powerlines. The CER’s [enabling legislation](#)<sup>i</sup> gave the organization an expanded mandate and a modern [governance structure](#)<sup>ii</sup> that provides a clear separation between the roles of its Board, CEO and Commission.



The challenge that the CER has been tasked with is to build an energy regulatory system that inspires trust and public confidence on the part of Canadians, in particular Indigenous Peoples impacted by CER-regulated infrastructure. The Board of Directors believes that the CER will successfully meet that challenge when the organization fully realizes the commitments of the [Canadian Energy Regulator Act](#)<sup>iii</sup> (CER Act) to enhance Canada’s global competitiveness and achieve reconciliation with First Nations, the Metis and the Inuit while ensuring safety and protecting people, property and the environment.

Enhancing Canada’s economic competitiveness is now core to the CER’s mandate. The organization is committed to making decisions in a predictable way and within time limits, providing certainty to investors and stakeholders, driving innovation and enabling infrastructure projects that create jobs for Canadians.

The CER has been striving to transform all aspects of its work to advance reconciliation with Indigenous Peoples. In August 2020, the CER announced the establishment of its first [Indigenous Advisory Committee](#)<sup>iv</sup>. This Committee will advise the Board of Directors on how the CER can build a new relationship with Indigenous Peoples and integrate Indigenous knowledge and perspectives into all facets of the CER’s work.

The CER has been expanding its Indigenous Monitoring program so that more CER-regulated projects are benefiting from Indigenous knowledge. Transforming how it works with Indigenous Peoples will help the CER be a better regulator, improve safety and environmental outcomes, and deliver a more predictable, coherent, and transparent regulatory environment.

Preventing harm is the foundation of how the CER keeps people safe and protects the environment. Over this past year of change, CER has continued to develop and enforce rules to protect people, the environment, energy markets and the economy.

The inauguration of the CER came after years of planning and hard work by the exceptional professionals who now work for the organization. In my time as Chairperson, I have been continually impressed by the values, commitment and deep expertise of the CER's employees. Their passion is what makes the Canada Energy Regulator so compelling and relevant. They are our greatest attribute and provide an essential public service to Canada.

I want to express my appreciation and gratitude to Peter Watson, who retired as the CER's Chief Executive Officer this year. Peter was the right person with the right background to lead the organization through its transformation over the past several years. His leadership on reconciliation and commitment to meaningful Indigenous engagement are his lasting legacy to the Canada Energy Regulator.

With Peter Watson's departure, the CER was fortunate to have Sandy Lapointe step in as Acting CEO in March. Her deep knowledge of the CER and her experience as a service leader within the organization made the transition in leadership seamless. Just days later, that leadership proved invaluable as the reality of the COVID-19 pandemic changed the daily lives of everyone in Canada. Thanks to sound business continuity planning, the organization was able to maintain business operations even as employees transitioned to working from their homes. This major shift allowed the CER to continue to deliver its mandate without interruption.

Finally, I have the pleasure of welcoming our new CEO, Gitane De Silva, to the CER. Gitane brings to us a wealth of leadership experience, having served in several senior executive roles in the governments of Canada and Alberta, including at Global Affairs Canada and as Deputy Minister of International and Intergovernmental Relations for Alberta. She has also held senior diplomatic roles, including Consul General for Canada in Chicago, Head of Environment and Fisheries Section at the Canadian Embassy in Washington and most recently as Alberta's Senior Representative in the United States. Gitane has a deep knowledge of and experience in navigating Canada's energy sector. She knows the background and issues. I am confident that Gitane is well-equipped to oversee the implementation of the CER's strategy, run the organization's day-to-day business and affairs, and lead the CER's exceptional staff.

I am proud to chair the CER Board, and to support the work being done within the organization on behalf of Canadians. Once again, I want to thank the remarkable professionals who work at the CER for their unwavering commitment to public service.

Cassie J. Doyle  
Chairperson  
Board of Directors of the Canada Energy Regulator

## Message from the Chief Executive Officer

I am honoured to join the Canada Energy Regulator as its Chief Executive Officer. Since taking on this role, I have been consistently impressed with the high level of technical expertise and regulatory experience that exists within this organization - attributes that have proven instrumental in successfully navigating a year of unprecedented change at the CER.

As a part of the CER's mandate, the organization welcomed a new Board of Directors and Commission. Under the leadership of Chairperson Cassie Doyle and Lead Commissioner Damien Côté (respectively), the Board and Commission have made great strides in defining how to work effectively within the CER's new governance structure. Their vision and strategic leadership is already evident in the work I see going on throughout the organization to increase the confidence of Canadians in our work, advance reconciliation, and build lasting relationships with the people we serve.



Both the Board and Commission are well-supported by CER staff who planned, listened and worked together to transition the organization smoothly through legislative change. Through our staff's efforts, the CER has strengthened and deepened our commitment to regulatory excellence.

2019-20 was a remarkable year for another reason: the COVID-19 global pandemic. Under the very capable leadership of Acting CEO Sandy Lapointe, the CER successfully moved 500 staff out of the office overnight and equipped them with the tools needed to work with effectively from home. Sandy, the executive team, and the CER staff accomplished this while continuing to deliver on our mandate of keeping energy moving safely and efficiently, while preventing harm and respecting the rights of Indigenous Peoples, all with minimal disruptions to CER services or operations. This is an excellent example of teamwork and an amazing accomplishment.

Like many of my colleagues at the CER, I have spent most of my career as a public servant and know that serving Canadians is so much more than a job. I take my obligation as a steward of the public trust very seriously and look forward to further growing Canadians' confidence in the CER.

I recognize the CER’s reputation as a world class regulator and I look forward to listening and learning from the CER’s Board, Commission and staff. Together, we will continue to fully implement and realize the commitments of the CER Act, remaining focused on overseeing a strong, safe and sustainable Canadian energy sector.

Gitane De Silva  
Chief Executive Officer  
Canada Energy Regulator



## Results at a glance and operating context



**Funds used: 97.8 Million**



**Number of staff: 494**

### Results

#### Reconciliation with Indigenous Peoples

The CER is fundamentally transforming the way it works to advance reconciliation with Indigenous Peoples, basing its approach upon the recognition of rights, respect, cooperation and partnership.

One of the key initiatives for the CER in 2019–20 was its work with several Indigenous organizations to develop an IAC, which was established in August 2020. The IAC will play a critical role in providing strategic advice to the CER’s Board of Directors, on the regulatory work of the CER and on developing the framework for an enduring relationship between Indigenous Peoples and the organization.

Another important initiative was the CER’s work with two [Indigenous Advisory Monitoring Committees](#)<sup>v</sup> (IAMCs). The organization worked with Indigenous leaders involved in the [Enbridge Line 3](#)<sup>vi</sup> and [Trans Mountain](#)<sup>vii</sup> IAMCs to co-design improvements to its regulatory oversight and monitoring programs. The CER expanded its Indigenous monitoring program so that more CER-regulated projects would benefit from Indigenous knowledge during their construction and operation. Additionally, the organization adjusted its processes for informing Indigenous communities about emergency response activities relating to incidents on pipelines.

To assist the organization in working more effectively with Indigenous Peoples, the CER invested heavily in building the skills and cultural competencies of its employees in 2019–20. The CER delivered training to staff to equip them to better understand Indigenous issues and concerns and to identify ways to co-design regulatory approaches with Indigenous Peoples.

#### Transforming Data and Information Management

The CER is home to a wealth of environmental, socioeconomic and Indigenous records acquired through sixty years of operation by its predecessor regulator, the National Energy Board.

Modern innovations in big data, text mining and other data science techniques have given the CER new opportunities to combine these decades worth of information in order to draw insights that will enable it to gain enterprise-wide efficiencies. This helps build an energy regulatory system that inspires public trust.

In its first year, the CER created a foundation for its three-year Focus Area on Data and Information Management by concentrating on several key initiatives. These included enhancing the skills and competencies of the organization through the recruitment of twenty experts in data science; developing collaborative relationships between the CER, not-for profits and universities to pilot projects and deliver on data and information management ventures; experimenting with automating administrative heavy processes in order to improve competitiveness; and, unlocking data trapped within the text of CER documents – a process that will help prevent future harm, enhance regulatory transparency, facilitate future analytical projects and enhance engagement.

### **People and Workforce Excellence**

The CER’s greatest attribute is its people. 2019–20 was a year of significant change for the organization and the need to support its people was essential to the success of the transition to the new CER.

The CER introduced the People and Workforce Focus Area in 2019–20 to enhance how its people engage and work with each other as part of an agile, inclusive, and better equipped workplace. These principles were developed through a mutual understanding that corporate and culture change within an organization is a shared responsibility, accomplished through meaningful collaboration.

In the inaugural year of the three-year People and Workforce Excellence Focus Area, the CER established several key priorities including: agility in delivering results and decisions, ensuring employees are equipped for excellence and inclusivity in developing ideas. Initiatives that the organization rolled out as part of this approach included an organization-wide review of the CER Performance Management System, a review and update of several internally-focused CER policies, and the creation of the Catalysts – an employee led group endorsed and supported by management to strengthen inclusion and collaboration.

### **Operating context: the Creation of the CER**

Upon Coming into Force of *Bill C-69: An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act* in August 2019, the NEB became the CER. Over 2019–20, the CER embraced an updated mandate and structure, implemented regulatory processes that are even more focused on increasing Indigenous and public participation, and updated our systems, website, physical and digital assets.

Along with a new name, the legislation put in place a modern [governance structure](#)<sup>viii</sup>. A Board of Directors, led by a Chairperson, provides strategic oversight<sup>1</sup>. An independent Commission, headed by a Lead Commissioner, makes adjudicative decisions. A Chief Executive Officer leads the CER's day-to-day business and affairs and has the responsibilities of a deputy head.

The legislation also brought a clear emphasis on safety and environmental protection, reconciliation with Indigenous Peoples, enhancing Canada's global competitiveness, driving innovation, and strong oversight of pipelines, powerlines and offshore renewable energy projects.

Planning for the implementation of the [CER Act](#)<sup>ix</sup> began within the organization well in advance of August 2019. The goal was to foster integrated leadership across all CER programs to ensure successful implementation of the legislation and all related policy changes. In addition to a modernized governance structure, the key themes for change in becoming the CER include:

- **Timely and predictable decisions:** The CER Act introduces a number of changes to federal processes for project review and decisions. Non-designated projects will be reviewed by the CER. Designated projects will go through an integrated review process led by the [Impact Assessment Agency of Canada](#)<sup>x</sup> (IAAC) with the support of the CER. Both designated and non-designated projects will be approved by the Governor in Council. Project reviews include a more robust early engagement phase, to better identify and respond to project-related concerns of Indigenous Peoples and stakeholders. They also include new or updated factors to be considered in impact assessments, including consideration of gender-based analysis, climate change and impacts to Indigenous rights.
- **Strengthened safety and environmental protection:** While the CER continues to enforce conditions, inspect facilities and conduct other oversight activities to protect people and the environment, the CER Act enhances inspection and investigation powers. It also provides the authority to create an orphan pipeline account and take action to safely cease operation of a pipeline if the owner cannot be located or is in receivership, insolvent, or bankrupt. The CER will also be the lifecycle regulator for offshore renewable energy projects.
- **Greater Indigenous participation:** The CER Act ensures greater Indigenous participation through recognition of Indigenous rights and confirmation of the CER's role in relation to the Government's duty to consult, including a requirement to assess impacts on these rights and consider Indigenous knowledge in decision making. The CER Act also calls for the establishment of an [Indigenous Advisory Committee](#)<sup>xi</sup> (IAC). The IAC will play a critical role, providing strategic advice to the Board of Directors on the regulatory work of the CER and on developing the framework for an enduring

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<sup>1</sup> For more information about the CER's Board of Directors, please see [the Annual Report of the Canada Energy Regulator](#).

relationship between Indigenous Peoples and the organization. The IAC advises on strategic, policy and program matters of systemic impact; it does not engage in CER operational matters or provide advice on specific adjudicative matters.

- **More inclusive public participation:** Public participation in CER processes will be inclusive and any member of the public will have an opportunity to express their views during a hearing. In addition, the participant funding program is updating funding maximums to align with participation levels for eligible hearings, and will be expanded to include CER led early engagement activities with Indigenous Peoples.

The transition to the CER has been a significant achievement. The CER's enabling legislation provides momentum for the organization to begin its journey to build an energy regulatory system that inspires trust and public confidence on the part of all Canadians.

For more information on the CER's plans, priorities and results achieved, see the "Results: what we achieved" section of this report.

## Results: what we achieved

### Energy Adjudication

**Description:** Making decisions or recommendations to the Governor in Council on applications, which include impact assessments, using processes that are fair, transparent, timely and accessible. These applications pertain to pipelines and related facilities, international power lines, offshore renewable energy, tolls and tariffs, compensation disputes resolution, energy exports and imports, and oil and gas exploration and drilling in certain northern and offshore areas of Canada.

#### Results:

##### Gender-based analysis plus

There are GBA+ requirements for assessment in the [CER Act, Section 183.2 \(c\) of CER Act](#)<sup>xii</sup> outlines what factors need to be considered in Commission recommendations to the Minister such as health, social and economic effects, including with respect to the intersection of sex and gender with other identity factors. Filing guidance has been issued on assessing GBA+ requirements in applications and staff have started assessing applications using this guidance. The CER's Socio-Economic Specialists focus on ensuring that public participation in the CER's adjudicative processes respond to the needs of Canadians, including gender-based matters.

##### Experimentation

The CER has worked with [Code for Canada](#), a not-for-profit organization that connects government innovators with the technology and design community, to update its REGDOCS platform. Outcomes of this experimental work are detailed in the Results section.

The CER Act brought forward changes to the way resource projects are assessed by the CER<sup>2</sup>. These changes include early planning and engagement during project reviews; enhanced Indigenous engagement and the incorporation of Indigenous knowledge; consideration of adverse effects on the rights of Indigenous Peoples; and increased public participation opportunities. Advancing Canada's global competitiveness is now core to the CER's mandate. The organization is committed to making decisions in a predictable way and within time limits, providing certainty to investors and stakeholders, driving innovation and enabling the carrying out of sound projects that create jobs for Canadians.

Over the past year, the CER has focused efforts on sharing information and supporting potential participants in the adjudicative process, while both establishing new processes to reduce barriers to participation, and maintaining procedural fairness and efficient, timely completion of

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<sup>2</sup> For detailed information on projects assessed by the CER in 2019–20, please see the Annual Report of the Commission of the Canada Energy Regulator.

processes. The CER met its targets for fairness, timeliness, transparency and accessibility in 2019–20, and advanced work on key program initiatives:

- **Enhancing the CER’s Online Adjudication Information:** In March 2020, the organization delivered on a multi-year project to update the [REGDOCS system](#)<sup>xiii</sup> to a more user-friendly digital platform. REGDOCS provides the public with the information they seek in relation to the organization’s adjudication work. It contains over 300,000 documents and received more than one million page views in 2019–20, making the system the most-accessed page on the CER’s website.

The CER partnered with Code for Canada, a not-for-profit organization that connects government innovators with the technology and design community, to update REGDOCS. The recently completed upgrades make the system more navigable and intuitive for the public. REGDOCS now features consolidated search functions and capability, a mobile-friendly filter function, search result descriptions and downloadable, open-information datasets. This gives Canadians better access to the many reports, environmental assessments, transcripts and decisions kept in its database.

- **Working with the Impact Assessment Agency:** In June 2019, the Government of Canada passed legislation that put in place a ‘one project, one assessment’ approach for resource development proposals. Staff from the CER and [Impact Assessment Agency](#)<sup>xiv</sup> predecessor organizations worked closely together to ensure their future integrated reviews would be coordinated and effective.

Later in the year, the Impact Assessment Agency and the CER began their first collaboration on a project under the new legislation, the [Gazoduc](#)<sup>xv</sup> pipeline, a proposed 780 kilometre natural gas line which would run from Ontario to Quebec. The Impact Assessment Agency is leading the review with technical support from the CER. The review must satisfy the requirements under both the *Impact Assessment Act* and CER Act.

- **Developing a Crown Consultation Process:** Over 2019–20, the CER rolled out a process for its new [Crown Consultation](#)<sup>xvi</sup> responsibility. The CER strives to build meaningful relationships with Indigenous Peoples across the country who are potentially impacted by the infrastructure it regulates. Crown Consultation is a new component of that relationship with Indigenous Peoples.

The new Crown Consultation approach will see the organization engage with potentially affected Indigenous Peoples early in the CER’s adjudicative process. The CER’s new Crown Consultation responsibilities will be part of project reviews for new pipelines, powerlines or offshore renewable energy projects, as well as for activities it regulates over the lifecycle of energy infrastructure.

**Results achieved**

Departmental results	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2018–19 Actual results	2017–18 Actual results
Energy adjudication processes are fair.	Percentage of adjudication decisions overturned on judicial appeal related to procedural fairness.	0%	Annually	0%	0%	0%
Energy adjudication processes are timely.	Percentage of adjudication decisions and recommendations that are made within legislated time limits and service standards.	100%	Annually	100%	100%	100%
Energy adjudication processes are transparent.	Percentage of surveyed participants who indicate that adjudication processes are transparent.	75%	Annually	79%	73%	88%
Energy adjudication processes are accessible.	Percentage of surveyed participant funding recipients who agree that participant funding enabled their participation in an adjudication process.	90%	Annually	100%	100%	94%

**Budgetary financial resources (dollars)**

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
22,763,624	21,168,557	28,634,190	21,550,144	381,587

**Human resources (full-time equivalents)**

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
119.8	119.2	(0.6)

Financial, human resources and performance information for the CER's Program Inventory is available in the [GC InfoBase](#).<sup>xvii</sup>

## Safety and Environment Oversight

**Description:** Setting and enforcing regulatory expectations for regulated companies over the full lifecycle—construction, operation and abandonment— of energy-related activities. These activities pertain to pipelines and related facilities, international power lines, offshore renewable energy, tolls and tariffs, energy exports and imports, and oil and gas exploration and drilling in certain northern and offshore areas of Canada.

### Results:

#### Gender-based analysis plus

Safety and oversight activities are not expected to negatively impact Canadians from identifiable groups. Specific conditions placed on an applicant relating to GBA+ matters in the application assessment process are enforced in subsequent safety oversight activity and the CER assesses the need to address data gaps related to gender disaggregated data.

The CER conducts a GBA+ analysis pursuant to [the Cabinet Directive on Regulation](#)<sup>xviii</sup> for its regulation development projects. The CER works to strengthen its regulatory framework by assessing the impact that proposed regulations could have on Canadians from identifiable groups. Communications with regulated industry uses gender-neutral terms and promotes gender-neutral terminology.

#### Experimentation

Over 2019–20, the CER conducted the ‘[Safety Culture Signals Pilot](#)’<sup>xix</sup> project, which focused on testing how the CER can use data from compliance activity observations to better understand the safety culture of its regulated companies.

The CER aims to achieve the target of zero incidents that harm people or the environment on the 73,000 km of pipeline it regulates. When the activities of regulated companies have the potential to pose greater harm to people or the environment, the CER focuses increased oversight through engagement, inspections, investigations, audits and enforcement, when necessary.

The CER remained focused on incident prevention throughout 2019–20. There were eight incidents that harmed people or the environment over the year, down from 26 in 2018–19, with a 13% decrease on the specific incident types targeted by regulatory oversight and actions. The difference year-over-year correlates with lower construction rates (resulting in less serious injuries), as well as the CER’s continued compliance oversight on major pipeline projects:

- **Trans Mountain Expansion Project**<sup>xx</sup> (TMX): Trans Mountain proceeded with construction activities on its TMX pipeline in 2019–20. Throughout each of Trans Mountain’s activities, the CER held the company accountable and verified that it was meeting its requirements and commitments through rigorous compliance verification



activities, informed by the CER’s participation in the TMX Indigenous Advisory Monitoring Committee, and in collaboration with Indigenous Monitors.

The CER undertook over 40 Compliance Verification Activities (CVA) covering pipeline integrity, safety, environmental protection, damage prevention, and emergency management. The activities included 24 field inspections, 14 formal compliance meetings and four activities focused on ensuring appropriate emergency preparedness. Twenty-one of those CVAs involved Indigenous Monitors.

- **Line 3 Replacement Project<sup>xxi</sup> (Line 3):** Construction of the Line 3 replacement project was largely completed during the 2018–19 fiscal year, therefore the CER’s compliance oversight in 2019–20 focused on post-construction reclamation and operational matters.

The CER’s regulatory oversight of the new Line 3 and legacy Line 3 in 2019–20 included nine compliance verification activities. Six of these activities were related to safety and environment. Five of these activities were carried out in the field with Indigenous Monitors, and were informed in part through feedback provided by the Line 3 Indigenous Advisory Monitoring Committee.

- **Keystone XL<sup>xxii</sup> (KXL):** In 2019–20, there was no construction activity on the Keystone XL Project. Although there was no right-of-way construction to inspect, the CER undertook five compliance activities, related to safety, integrity, and environmental protection of the existing Keystone pipeline.

The CER also issued its pre-construction audit of the KXL Project in March 2020. The company filed its corrective and preventative action plan, including an analysis of deficiencies, which was approved by the CER.

#### 2019–20 CER-Indigenous Monitor Activity

In 2019–20, the CER expanded its Indigenous Monitors approach so that more CER-regulated projects could benefit from Indigenous knowledge during their construction and operation.

Indigenous Monitors participated in 27 inspections, emergency response exercises or compliance verification meetings with the CER. Indigenous Monitors and CER Inspection Officers also participated in three joint training sessions for the TMX IAMC Indigenous Monitoring program.

The CER was an active participant in the TMX IAMC Emergency Management Working Group, and one of that Group’s initiatives in 2019–20 was an Incident Command System (ICS) Pilot Project, which provided training to Indigenous persons in ICS processes. Fifteen Indigenous trainees attended Trans Mountain’s full-scale emergency response exercise as part of the training program.

Since the global COVID-19 pandemic began in March 2020, the CER and the IAMC have worked together to include Indigenous Monitors in desktop Compliance Verification Activities and in the development of new field guidance in accordance with federal and provincial health authorities.

Unauthorized Activity (UA) reporting was up 23% over last year with most of the increased reporting coming from Ontario. The increased reports of these “near-misses” occurred across all types of UAs, involved all types of workers (such as contractors and landowners), and all types of land uses. Rather than pointing to a specific problem, this trend is consistent with a general increase in detection and reporting.

### Results achieved

Departmental result	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2018–19 Actual results	2017–18 Actual results
Harm to people or the environment, throughout the lifecycle of energy-related activities, is prevented.	Number of incidents related to regulated infrastructure that harm people or the environment.	0	Annually	8	26*	19
	Percentage change of specific incident types on regulated infrastructure.	10% decrease	Annually	13% decrease	3%* increase	13% increase
	Percentage change of near misses on regulated infrastructure.	5% decrease	Annually	23% increase	22%** decrease	15% increase

\* Revised from 25 in Departmental Results Report 2018–19. As a part of routine reporting and assessment procedures, quarterly and annual numbers can vary slightly as companies or CER employees validate data that has been submitted.

\*\*Result reported incorrectly in 2018–19 DRR.

### Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
22,231,657	29,865,211	27,450,097	24,588,408	(5,276,803)

### Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual FTE minus Planned FTE)
159.2	131.0	(28.2)

Financial, human resources and performance information for the CER’s Program Inventory is available in the [GC InfoBase](#).<sup>xxiii</sup>

## Energy Information

**Description:** Collecting, monitoring, analyzing and publishing information on energy markets and supply, sources of energy, and the safety and security of pipelines and international power lines.

### Results:

#### **Gender-based analysis plus**

Energy Information products are designed not to discriminate. We ensure our energy information products meet all Government of Canada accessibility guidelines.

#### **Experimentation**

Collaboration with other organizations to enhance energy information and data for Canadians was a focus in 2019–20, along with relevant data analysis to meet their needs. Experimentation methods are considered as a part of this work.

Energy Information did leverage investments in data, analytics and information management systems to improve the accessibility of information about energy systems in Canada and the energy infrastructure regulated by the CER.

The CER plays a vital role in conveying objective and neutral information to Canadians and is at the forefront on energy markets monitoring and analysis. Staff analysis supports assessment of energy infrastructure projects and applications, provides analysis on important policy developments, models Canada’s energy supply and demand projections, and provides Canadians with reports and dashboards to help make informed choices on energy matters.

Stakeholders continue to rely on the CER’s specialized expertise on energy matters. Program measures indicate that 92% of surveyed web users agree that energy information is useful for knowledge, research or decision-making.

The main external stakeholder groups who contacted the CER seeking energy information included industry, think-tanks, and other government departments. Energy Information staff have noted a growing trend of more complex and sophisticated information requests (for example, pertaining to modeling assumptions) which indicates a high level of engagement with the data and information.

Over 2019–20, the CER focused on improving the suite of products for Canadians, using more granular data and deeper analysis to understand which energy information products are most valued by users. The CER also initiated engagement with more external stakeholders, to seek input on and test approaches to energy research and analysis. For the *CER’s Energy Futures 2020*<sup>xxiv</sup> (EF2020), we undertook consultation with diverse communities of experts, including Environment and Climate Change Canada, Natural Resources Canada, Pembina Institute,

Canadian Institute for Climate Choices, the Energy Modelling Initiative community, and academics at universities across Western Canada. This engagement yielded valuable feedback that will be considered in the final EF2020 modeling.

More focused analysis of how CER energy products are being used and by whom, as well efforts to broaden and deepen stakeholder engagement, increased the scope of CER energy information expertise and improved the Canadian energy information landscape:

- **One-point access to relevant, accurate energy information:** The CER collaborated with Natural Resources Canada, Environment and Climate Change Canada, and Statistics Canada on the [Canadian Energy Information Portal](#)<sup>xxv</sup>, centralizing all national energy data into a single online space. The portal offers a single point of access to a wide variety of statistics and measures of the country’s energy sector. Users can access an array of information on topics such as energy production, consumption, international trade, transportation and prices.
- **More information on energy and energy infrastructure in communities:** The CER continued to develop its Pipeline Information program, applying more focus on the safety and security performance of CER-regulated energy infrastructure. The online [CER Pipeline Portal](#)<sup>xxvi</sup> complements information already published by the organization. It includes an interactive Pipeline Map, a Safety Performance Dashboard and detailed financial analysis of Canada's Pipeline Transportation System. The CER’s [Pipeline Profiles](#)<sup>xxvii</sup> are frequently relied upon by participants in CER adjudication processes.
- **Provision of expert energy analysis to benefit the public:** When the British Columbia Utilities Commission (BCUC) established an inquiry into gasoline and diesel prices in that province in the spring of 2019, Energy Information staff were asked to participate in the inquiry by the BCUC and the federal Minister of Natural Resources. The CER provided in-person and written submissions to the BCUC panel, supplying information on regulated pipeline transportation service and capacity allocation, the supply of gasoline and diesel in B.C., and transportation service on the Trans Mountain Pipeline. The [final report of the inquiry](#)<sup>xxviii</sup> was issued on August 2019, relied extensively upon graphs and statistics taken from the CER’s energy information products.



**Results achieved**

Departmental results	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2018–19 Actual results	2017–18 Actual results
Canadians have access to and use energy information for knowledge, research and decision making.	Number of times energy information is accessed.	750,000	Annually	1,273,727	1,216,873	986,347
	Percentage of surveyed web users who agree that energy information is useful for knowledge, research or decision making.	75%	Annually	92%	90%	84%
Canadians have access to community-specific regulated infrastructure information.	Increased information specific to regulated infrastructure in communities.	5 new datasets	Annually	6	15	5
Canadians have opportunities to collaborate and provide feedback on information products.	Number of opportunities that Canadians have to collaborate and provide feedback on energy information products.	42	Annually	56	105	76

**Budgetary financial resources (dollars)**

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
9,388,697	6,031,164	9,990,519	9,235,424	3,204,260

**Human resources (full-time equivalents)**

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
34.2	43.8	9.6

Financial, human resources and performance information for the CER's Program Inventory is available in the [GC InfoBase](#).<sup>xxix</sup>

## Engagement

**Description:** Engaging with stakeholders and Indigenous Peoples on topics within the CER’s mandate and role, beyond engagement on specific projects.

**Results:**

**Gender-based analysis plus**

The CER assesses how groups of women, men and gender-diverse people may experience engagement on policies, programs and projects differently. The CER seeks to understand and build better and more enduring relationships with Indigenous Peoples and stakeholders, and will continue to build its capacity to collect and test feedback from engagement efforts to support its GBA+ approach. This work will be carried out in a respectful manner, ensuring that the privacy of Canadians is protected.

**Experimentation**

The CER did explore and expand use of data-mining techniques to help better identify and share information at the community level, so that we have the right information when meeting with Indigenous communities and stakeholders about community-specific issues.

In 2019–20, the CER focused on delivering an engagement model that emphasized building relationships - committing to listen to what Canadians had to say and sharing the unique information the CER has as a regulator. Particular emphasis was given to engaging regularly with impacted Indigenous groups, landowners and municipalities through the use of the IAMC’s and other multi-stakeholder round tables to share information and seek input on regulatory improvements undertaken as part of the implementation of the CER Act.

The organization continually worked to earn the confidence of Canadians by engaging people on decisions that directly affected them, and acting on the feedback it received. Results demonstrated a high level of interaction with Indigenous Peoples and stakeholders, and indicate that surveyed participants felt that those interactions were meaningful. That two-way dialogue assisted the CER in making better decisions and recommendations to support safety and environmental protection, regulatory efficiency, energy literacy and transparency across every aspect of its work:

- **Increasing Indigenous Involvement in Monitoring of Energy Infrastructure:** The CER’s work with the IAMCs over 2019–20 continues to shape its broader approach to incorporating Indigenous perspectives in its monitoring and oversight activities, and enhancing its engagement with Indigenous communities. The CER recognizes the importance of maintaining Indigenous involvement in the oversight of major projects and the significant contribution provided by the Indigenous Monitors.

The CER has worked closely with the [TMX-IAMC<sup>xxx</sup>](#) to deliver joint training for IAMC Indigenous Monitors, as well as involving the IAMC and Monitors in emergency management and preparedness activities. The CER was an active participant in the TMX-IAMC Emergency Management Working Group, and one of that Group’s initiatives in 2019-20 was an Incident Command System Pilot Project, which provided training to Indigenous persons in ICS processes. Subsequently, fifteen Indigenous trainees attended Trans Mountain’s full-scale emergency response exercise in British Columbia as part of the Pilot training program.

The value of this collaborative work cannot be overstated. Since the global COVID-19 pandemic began in early March 2020, the CER and the IAMC have worked together to include Indigenous Monitors in desktop Compliance Verification Activities and in the development of new field guidance in accordance with federal and provincial health authorities. Going forward, CER inspections will be conducted with enhanced safety protocols informed by best practices and advice from the IAMCs. Where field activities are needed, they will be done safely, with appropriate safeguards in place to protect Indigenous Monitors, their communities and the CER inspectors working alongside them.

- **Forging a new path with the Indigenous Advisory Committee:** The CER is fundamentally transforming the way it works to advance reconciliation with Indigenous Peoples, basing its approach upon the recognition of rights, respect, cooperation and partnership. In 2019–20 the CER worked with several national Indigenous organizations IAC that includes First Nations, Inuit and Métis representatives.

The IAC was established and announced in August 2020. It will play a critical role in working with the CER’s Board of Directors, providing strategic advice on the work of the CER and on developing the framework for an enduring relationship between Indigenous Peoples and the organization. The advice provided by the Committee will not be project-specific, but will focus on perspectives related to various environmental, social, cultural, and spiritual matters associated with the CER’s mandate in order to help us advance reconciliation.

- **Building Engagement Capacity and Competency:** The CER is continually building its capacity to engage with Canadians and Indigenous Peoples. The organization invested heavily in the skills and cultural competencies of its employees in 2019–20, by establishing an Intercultural Competency Training Framework for its staff, investing in processes and its management system, and supporting staff from across the organization to engage with Canadians on a more regular basis. The focus of the training was to equip staff to better understand Indigenous history, issues and concerns, understand cultural differences and communications styles and to more effectively identify ways to co-design regulatory approaches. Over the year, more than half of the organization participated in at least one cultural competency or Indigenous awareness training activity.
- **Engaging Landowners in Program Improvement and Issues Resolution:** The CER’s [Land Matters Group](#)<sup>xxxii</sup> provides a multi-stakeholder forum for the exchange of insights and advice regarding the protection of landowner rights and interests. Group members from across the country share points of view, experience and information to build awareness and relationships across a network of people with diverse backgrounds – all aimed at working together to resolve issues, prevent harm, and strengthen the regulatory oversight of industry activities under the CER’s mandate.

In 2019–20, an Advisory Committee of the Land Matters Group was established to provide input on matters relating to the implementation of the CER Act. The Committee provided advice on the development of the CER’s Early Engagement model, attracting broader participation in the CER’s hearing process, building a Land Matters Advisory Service, and creating processes for resolving compensation disputes. The advice directly informed, shaped and guided the CER’s current regulatory approach in these areas.



**Results achieved**

Departmental results	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2018–19 Actual results	2017–18 Actual results
Stakeholders and Indigenous Peoples share their perspectives and provide feedback regarding the CER mandate and role.	Number of participants in engagement programs.	5,000	Annually	11,621	9,269	4,270
Engagement activities with stakeholders and Indigenous Peoples are meaningful.	Percentage of surveyed stakeholders who engaged with the CER who indicate that the engagement was meaningful.	75%	Annually	92%	84%	76%
	Percentage of surveyed Indigenous Peoples who engaged with the CER who indicate that the engagement was meaningful.	75%	Annually	80%	80%	80%

**Budgetary financial resources (dollars)**

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
5,088,269	9,549,898	6,875,335	7,611,046	(1,938,852)

**Human resources (full-time equivalents)**

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
44.0	37.8	(6.2)

Financial, human resources and performance information for the CER's Program Inventory is available in the [GC InfoBase](#).<sup>xxxii</sup>

## Internal Services

**Description:** Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the ten distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The ten service categories are:

- ▶ Acquisition Management Services
- ▶ Communications Services
- ▶ Financial Management Services
- ▶ Human Resources Management Services
- ▶ Information Management Services
- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Materiel Management Services
- ▶ Management and Oversight Services
- ▶ Real Property Management Services

Internal services programs played an overarching and integral role in ensuring the smooth transition of the NEB to the CER. From the creation of processes to support new business operations and preparing the organization to support a new Board of Directors and Commissioners, to transitioning the organization’s financial systems and providing timely, transparent communications – the internal services rose to the challenge of providing seamless support through a year of intensive change.

Improvements in the CER’s ability to deliver results in both its internal services and regulatory programs was enhanced by two strategic organizational initiatives - People and Workforce Excellence, and Data Transformation – which were established as Focus Areas going into 2019–20. Embracing its place within the broader federal public service, the CER adopted the [Privy Council Office’s Beyond 2020<sup>xxxiii</sup>](#) framework to help guide the people aspects of the organization’s transition. The desired outcome is “a Public Service that is more agile, more inclusive, and better equipped” meet the changing expectations of Canadians.

The CER invested in its data, analytics and information management systems to ensure that the organization’s analysis, reports and statistical trends are optimized and more accessible to Canadians. The CER has a wealth of environmental, socioeconomic and Indigenous records acquired through 60 years of operation by its predecessor regulator. Modern innovations in big data, text mining and other data science techniques have given the CER new opportunities to combine these decades worth of information to draw insights that will enable it to gain

enterprise-wise efficiencies. This helps build an energy regulatory system that inspires public trust.

### Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
32,212,504	25,069,921	37,023, 195	35,011,968	9,942,047

### Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
161.3	162.2	0.9

Financial, human resources and performance information for the CER’s Program Inventory is available in the [GC InfoBase](#).<sup>xxxiv</sup>

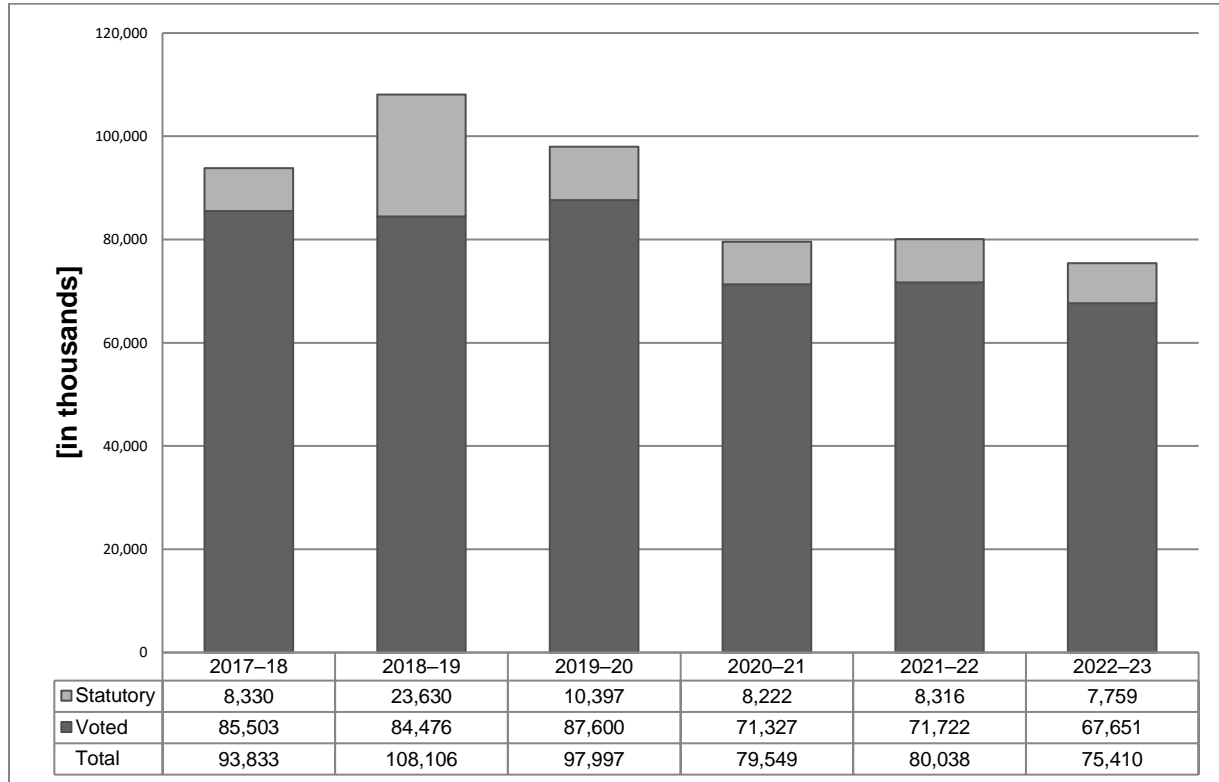
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## Analysis of trends in spending and human resources

### Actual expenditures

#### Departmental spending trend graph

The following graph presents planned (voted and statutory spending) over time.



The CER and its predecessor, the NEB, are funded through Parliamentary appropriations with approximately 99% of its costs recovered by the Government of Canada from the industry that the CER, and formerly the NEB, regulates. All collections from cost recovery invoices are deposited to the account the Receiver General for Canada and credited to the Consolidated Revenue Fund.

Pipeline and power line companies that hold authorizations under the *Canadian Energy Regulator Act* are subject to cost recovery. Applications before the CER for new facilities are not subject to cost recovery until the facility is placed into service, unless the company does not have any prior facilities regulated by the CER in which case a one-time levy is assessed following the authorization of construction.

Cost recovery is carried out on a calendar year basis.

### Budgetary performance summary for Core Responsibilities and Internal Services\* (dollars)

Core responsibilities and Internal Services	2019–20 Main Estimates	2019–20 Planned spending	2020–21 Planned spending	2021–22 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2018–19 Actual spending (authorities used)	2017–18 Actual spending (authorities used)
Energy Adjudication	22,763,624	21,168,557	19,870,310	20,094,039	28,634,190	21,550,144	23,372,250	24,293,849
Safety and Environment Oversight	22,231,657	29,865,211	17,875,000	18,449,404	27,450,097	24,588,408	22,648,545	23,004,346
Energy Information	9,388,697	6,031,164	4,459,939	4,554,897	9,990,519	9,235,424	9,554,137	10,444,458
Engagement	5,088,269	9,549,898	7,898,891	7,843,943	6,875,335	7,611,046	5,811,773	4,898,235
Budget Implementation – unallocated authorities	3,670,000**	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>63,142,247</b>	<b>66,614,830</b>	<b>50,104,140</b>	<b>50,942,283</b>	<b>72,950,141</b>	<b>62,985,022</b>	<b>61,386,705</b>	<b>62,640,888</b>
Internal Services	32,212,504	25,069,921	29,445,190	29,096,036	37,023,195	35,011,968	32,009,262	31,192,102
Internal Services – GIC Remission Levy	-	-	-	-	-	-	14,710,000	-
<b>Total</b>	<b>95,354,751</b>	<b>91,684,751</b>	<b>79,549,330</b>	<b>80,038,319</b>	<b>109,973,336</b>	<b>97,996,990</b>	<b>108,105,967</b>	<b>93,832,990</b>

\*Fiscal years 2017–18 to 2019–20 reflect the department’s actual expenditures as reported in the Public Accounts. Fiscal years 2020–21 to 2021–22 represent planned spending as provided in the 2020–21 DP.

\*\* This amount is related to Budget 2019 provided one time to cover the CER transition cost.

#### Variance between 2017–18 Actual spending and 2018–19 Actual spending

The NEB 2018–19 actual spending is \$14.27 million higher than the 2017–18 actual spending primarily due to Governor in Council’s remission of levy to Northern Gateway Pipelines Limited Partnership that occurred in 2018–19.

#### Variance between 2018–19 Actual spending and 2019–20 Actual spending

A decrease of \$10.11 million from 2018–19 actual spending to 2019–20 actual spending is primarily due to:

- a decrease of \$14.71 million related to a levy remission to Northern Gateway Pipelines Limited Partnership;
- a decrease of \$4.51 million related to TMX Project reconsideration;
- a net decrease of \$2.03 million related to compensation adjustments made to terms and conditions of service or employment of the federal public administration;
- an increase of \$2.35 million related to Budget 2019 CER transition cost; and,

- an increase of \$9.19 million mainly related to Budget 2018 transition to new impact assessment and regulatory processes.

### **Variance between 2020–21 Planned spending and 2019–20 Main Estimates**

The 2020–21 planned spending is \$15.81 million lower than the 2019–20 Main Estimates primarily due to:

- a decrease of \$3.67 million related to Budget 2019 CER transition cost;
- a decrease of \$0.22 million related to TMX Project reconsideration;
- a decrease of \$5.25 million related to Budget 2017 pipeline safety lifecycle oversight;
- a decrease of \$0.58 million related to Budget 2017 communication and access to information capacity;
- a decrease of \$13.29 million related to Budget 2015 energy transportation infrastructure;
- a decrease of \$0.34 million related to Budget 2017 indigenous advisory and monitoring committee; and,
- an increase of \$7.54 million related to collective agreement renewal.

### **Variance between 2020–21 Planned spending and 2019–20 Actual spending<sup>3</sup>**

The 2020–21 planned spending is \$18.45 million lower than the 2019–20 actual spending primarily due to:

- a decrease of \$13.29 million related to Budget 2015 energy transportation infrastructure;
- a decrease of \$5.83 million related to Budget 2017 pipeline safety lifecycle oversight and communication and access to information capacity;
- a decrease of \$2.35 million related to Budget 2019 CER transition cost;
- a decrease of \$0.87 million related to Budget 2018 transition to new impact assessment and regulatory processes;
- a decrease of \$2.18 million related to employee benefit plan; and,
- a net increase of \$6.07 million mainly related to compensation adjustments made to terms and conditions of service or employment of the federal public administration.

<sup>3</sup> On 8 July 2020, Finance Minister released a Fiscal and Economic Snapshot in lieu of the normal Budget, which was postponed because of the COVID-19 crisis. The Snapshot announced funding for the CER, including \$23.87 million in sunsetting funding that has been continued and made permanent. The amount covers temporary funds received for energy transportation infrastructure, pipeline safety lifecycle oversight and communication and access to information capacity.

**Variance between 2019–20 Total authorities available for use and 2019–20 Main Estimates**

The 2019–20 total authorities available for use is \$14.62 million higher than the 2019–20 Main Estimates primarily due to:

- an increase of \$3.15 million related to operating budget carry forward from 2018–19 to 2019–20;
- an increase of \$7.61 million related to compensation allocation as a result of adjustments made to terms and conditions of service or employment of the federal public administration;
- an increase of \$2.61 million mainly related to Budget 2018 re-profiling funding to establish the organization; and,
- an increase of \$1.25 million related to 2019-20 employee benefit pension.

**Variance between 2019–20 Total authorities available for use and 2019–20 Actual Spending**

The 2019–20 actual spending is \$11.97 million lower than the 2019–20 total authorities is primarily due to:

- a decrease of \$1.32 million related to Budget 2019 CER transition cost;
- a decrease of \$3.71 million related to Budget 2018 transition to new impact assessment and regulatory processes;
- a decrease of \$5.34 million related to compensation allocation as a result of adjustments made to terms and conditions of service or employment of the federal public administration adjustment; and,
- a net decrease of \$1.6 mainly related to some project delays.

**Variance between 2020–21 Planned Spending and 2019–20 Planned spending<sup>4</sup>**

The 2020–21 planned spending is \$12.14 million lower than the 2019–20 planned spending is primarily due to:

- a decrease of \$13.29 million related to Budget 2015 energy transportation infrastructure;
- a decrease of \$5.25 million related to Budget 2017 pipeline safety lifecycle oversight;
- a decrease of \$0.58 million related to Budget 2017 communication and access to information capacity;
- a decrease of \$0.22 million related to the Trans Mountain Expansion Project reconsideration; and,
- a net increase of \$7.2 million related to compensation allocation as a result of adjustments made to terms and conditions of service or employment of the federal public administration adjustment.

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<sup>4</sup> Idem



**2019–20 Budgetary actual gross spending summary (dollars)**

Core responsibilities and Internal Services	2019–20 Actual gross spending*	2019–20 Actual gross spending for specified purpose accounts	2019–20 Actual revenues netted against expenditures	2019–20 Actual net spending (authorities used)
Energy Adjudication	21,550,144	-	-	21,550,144
Safety and Environment Oversight	24,588,408	-	-	24,588,408
Energy Information	9,235,424	-	-	9,235,424
Engagement	7,611,046	-	-	7,611,046
<b>Subtotal</b>	<b>62,985,022</b>	-	-	<b>62,985,022</b>
Internal Services	35,011,968	-	-	35,011,968
<b>Total</b>	<b>97,996,990</b>	-	-	<b>97,996,990</b>

**Actual Human Resources****Human resources summary for core responsibilities and Internal Services**

Core responsibilities and Internal Services	2017–18 Actual full-time equivalents	2018–19 Actual full-time equivalents	2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2020–21 Planned full-time equivalents	2021–22 Planned full-time equivalents
Energy Adjudication	125.7	103.9	119.8	119.2	108.2	108.5
Safety and Environment Oversight	124.5	120.2	159.2	131.0	114.0	114.3
Energy Information	55.5	47.8	34.2	43.8	29.0	29.1
Engagement	24.0	34.0	44.0	37.8	39.3	39.4
<b>Subtotal</b>	<b>329.7</b>	<b>305.9</b>	<b>357.2</b>	<b>331.8</b>	<b>290.5</b>	<b>291.3</b>
Internal Services	151.6	170.6	161.3	162.2	162.5	161.7
<b>Total</b>	<b>481.3</b>	<b>476.4</b>	<b>518.5</b>	<b>494.0</b>	<b>453.0</b>	<b>453.0</b>

The increase of 42.06 FTE from 2018–19 actual to the 2019–20 planned is mainly due to funding related to Budget 2018 transition to new impact assessment and regulatory processes to assist the organization in implementing the transition to the CER.

The decrease of 24.47 FTE from 2019–20 actual to the 2019–20 planned is the net effect of staffing delays related to Budget 2018 as well as a result of implementation of CER Act.

The decrease of 65.5 FTE from 2019–20 planned to 2020–21 planned<sup>5</sup> is mainly attributed to:

- Sunsetting of Budget 2015 energy transportation infrastructure

<sup>5</sup> Idem

- Sunsetting of Budget 2017 for pipeline safety lifecycle oversight

## Expenditures by vote

For information on the CER's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2019–2020](#).<sup>xxxv</sup>

## Government of Canada spending and activities

Information on the alignment of the CER's spending with the Government of Canada's spending and activities is available in [GC InfoBase](#).<sup>xxxvi</sup>

## Financial statements and financial statements highlights

### Financial statements

The CER's [financial statements](#)<sup>xxxvii</sup> (audited) for the period ended March 31, 2020, are available on the departmental website.

### Financial statement highlights

#### Condensed Statement of Operations (unaudited) for the year ended March 31, 2020 (dollars)

Financial information	2019–20 Planned results	2019–20 Actual results	2018–19 Actual results	Difference (2019–20 Actual results minus 2019–20 Planned results)	Difference (2019–20 Actual results minus 2018–19 Actual results)
Total expenses	108,008,880	117,383,336	124,393,406	9,374,456	(7,010,070)
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	108,008,880	117,383,336	124,393,406	9,374,456	(7,010,070)

The actual net cost of operations before Government funding and transfers in 2019–20 was \$9.37 million higher than the planned results for the same fiscal year. The net increase is primarily due to:

- an increase of \$2.35 million related to Budget 2019 CER transition cost;
- an increase of \$0.63 million related to Budget 2018 transition to new impact assessment and regulatory processes;
- an increase of \$2.72 million related to compensation allocation as a result of adjustments made to terms and conditions of service or employment of the federal public administration adjustment;
- an increase of \$0.64 million related to the TMX Project reconsideration; and,

- a net increase of \$3.03 million mainly related to employee benefit pension.

The actual net cost of operations before government funding and transfers in 2019–20 was \$7.01 million lower than the actual results for the previous fiscal year. The net decrease is primarily due to:

- a decrease of \$14.71M levy remission to Northern Gateway Pipelines Limited Partnership;
- a decrease of \$3.86 million related to TMX Project reconsideration;
- a decrease of \$1.69 million related to compensation allocation as a result of adjustments made to terms and conditions of service or employment of the federal public administration adjustment;
- an increase of \$2.35 million related to Budget 2019 CER transition cost;
- an increase of \$9.19 million related to Budget 2018 transition to new impact assessment and regulatory processes; and,
- a net increase of \$1.71 million related to employee benefit plans.

#### **Condensed Statement of Financial Position (unaudited) as of March 31, 2020 (dollars)**

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total net liabilities	26,566,531	25,836,220	730,311
Total net financial assets	15,064,072	16,162,558	(1,098,486)
Departmental net debt	11,502,459	9,673,662	1,828,797
Total non-financial assets	15,294,728	17,649,079	(2,354,351)
Departmental net financial position	3,792,269	7,975,417	(4,183,148)

Departmental net debt in 2019–20 has an increase of \$1.83 million, in comparison to 2018–19. This is mainly due to the increases related to annual leave as well as sick leave.

Departmental net financial assets in 2019–20 has a decrease of \$2.35 million, in comparison to 2018–19. This is mainly due to depreciation associated with leasehold improvements.

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## Additional information

### Organizational profile

**Appropriate minister(s):** The Honourable Seamus O’Regan, P.C., M.P.

**Institutional head:** Gitane De Silva, Chief Executive Officer

**Ministerial portfolio:** Natural Resources

**Enabling instrument:** *Canadian Energy Regulator Act (CER Act)*<sup>xxxviii</sup>

**Year of incorporation / commencement:** 2019

**Other:** The CER Act came into force on 28 August 2019.

### Raison d’être, mandate and role: who we are and what we do

“Raison d’être, mandate and role: who we are and what we do” is available on the [CER’s website](#)<sup>xxxix</sup>, under About Us.

### Reporting Framework

The CER’s Departmental Results Framework and Program Inventory of record<sup>6</sup> for 2019-20 are shown below.

	Core Responsibility 1: Energy Adjudication		Core Responsibility 2: Safety and Environment Oversight		Core Responsibility 3: Energy Information		Core Responsibility 4: Engagement		
Departmental Results Framework	Departmental Result: Energy Adjudication processes are fair.	Indicator: Percentage of adjudication decisions overturned on judicial appeal related to procedural fairness.	Departmental Result: Harm to people or the environment, throughout the lifecycle of energy-related activities, is prevented.	Indicator: Number of incidents related to National Energy Board-regulated infrastructure that harm people or the environment.	Departmental Result: Canadians access and use energy information for knowledge, research or decision-making.	Indicator: Number of times the energy information is accessed.	Indicator: Percentage of surveyed web users who agree that energy information is useful for knowledge, research or decision-making.	Departmental Result: Stakeholders and Indigenous Peoples share their perspectives and provide feedback regarding the National Energy Board mandate and role.	Indicator: Number of participants in National Energy Board engagement programs.
	Departmental Result: Energy Adjudication processes are timely.	Indicator: Percentage of adjudication decisions and recommendations that are made within legislated time limits and service standards.							
	Departmental Result: Energy Adjudication processes are transparent.	Indicator: Percentage of surveyed participants who indicate that adjudication processes are transparent.			Departmental Result: Canadians have access to community-specific National Energy Board-regulated infrastructure information.	Indicator: Increased information specific to National Energy Board-regulated infrastructure in communities.			
	Departmental Result: Energy Adjudication processes are accessible.	Indicator: Percentage of surveyed participant funding recipients who agree that participant funding enabled their participation in an adjudication process.					Departmental Result: National Energy Board engagement activities with stakeholders and Indigenous Peoples are meaningful.		
		Indicator: Percentage change of specific incident types on National Energy Board-regulated infrastructure.	Indicator: Number of opportunities that Canadians have to collaborate and provide feedback on energy information products.	Indicator: Percentage of surveyed Indigenous Peoples who engaged with the National Energy Board who indicate that the engagement was meaningful.					
Program Inventory	Program: Infrastructure, Tolls and Export Applications		Program: Company Performance			Program: Energy System Information		Program: Stakeholder Engagement	Internal Services
	Program: Participant Funding		Program: Management System and Industry Performance		Program: Pipeline Information		Program: Indigenous Engagement		
			Program: Emergency Management						
			Program: Regulatory Framework						

<sup>6</sup> The Framework and program inventory of record listed the NEB, now the CER, as the reporting organization at the time of publication of the 2019–20 Departmental Plan

## Supporting information on the Program Inventory

Financial, human resources and performance information for the CER's Program Inventory is available in the [GC InfoBase<sup>x1</sup>](#).

## Supplementary information tables

The following supplementary information tables are available on the [CER's website](#):

- ▶ [Departmental Sustainable Development Strategy<sup>xli</sup>](#)
- ▶ [Gender-based analysis plus<sup>xlii</sup>](#)

## Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures<sup>xliii</sup>](#). This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

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## Appendix: definitions

### **appropriation** (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

### **budgetary expenditures** (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

### **core responsibility** (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

### **Departmental Plan** (plan ministériel)

A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

### **departmental result** (résultat ministériel)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

### **departmental result indicator** (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

### **departmental results framework** (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

### **Departmental Results Report** (rapport sur les résultats ministériels)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

### **experimentation** (expérimentation)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

### **full-time equivalent** (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

**gender-based analysis plus (GBA+)** (analyse comparative entre les sexes plus [ACS+])

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race ethnicity, religion, age, and mental or physical disability.

**government-wide priorities** (priorités pangouvernementales)

For the purpose of the 2019–20 Departmental Results Report, those high-level themes outlining the government's agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the Middle Class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain world.

**horizontal initiative** (initiative horizontale)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

**non-budgetary expenditures** (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance** (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

**performance indicator** (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting** (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

**plan** (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

**planned spending** (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

**program** (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

**program inventory** (répertoire des programmes)

Identifies all the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

**result** (résultat)

A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**statutory expenditures** (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

**target** (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**voted expenditures** (dépenses votées)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.

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## Endnotes

- i Canadian Energy Regulator (CER) Act, <https://laws-lois.justice.gc.ca/eng/acts/C-15.1/page-1.html>
- ii CER Governance, <https://www.cer-rec.gc.ca/en/about/who-we-are-what-we-do/governance/index.html>
- iii CER Act, <https://laws-lois.justice.gc.ca/eng/acts/C-15.1/FullText.html>
- iv Indigenous Advisory Committee (IAC), <https://www.cer-rec.gc.ca/en/about/who-we-are-what-we-do/organization-structure/indigenous-advisory-committee/index.html>
- v Engagement with Indigenous Peoples, <https://www.cer-rec.gc.ca/en/consultation-engagement/indigenous-engagement/indigenous-monitoring.html>
- vi Enbridge Line 3 Project, <https://www.cer-rec.gc.ca/en/applications-hearings/view-applications-projects/line-3-replacement/index.html>
- vii Trans Mountain Project, <https://www.cer-rec.gc.ca/en/applications-hearings/view-applications-projects/trans-mountain-expansion/index.html>
- viii CER Governance, <https://www.cer-rec.gc.ca/en/about/who-we-are-what-we-do/governance/index.html>
- ix CER Act, <https://laws-lois.justice.gc.ca/eng/acts/C-15.1/FullText.html>
- x Impact Assessment Agency, <https://www.canada.ca/en/impact-assessment-agency.html>
- xi IAC, <https://www.cer-rec.gc.ca/en/about/who-we-are-what-we-do/organization-structure/indigenous-advisory-committee/index.html>
- xii CER Act, <https://laws-lois.justice.gc.ca/eng/acts/C-15.1/FullText.html>
- xiii REGDOCS, <https://apps.cer-rec.gc.ca/REGDOCS/Home/Index>
- xiv Impact Assessment Agency, <https://www.canada.ca/en/impact-assessment-agency.html>
- xv Gazoduc TQM, <http://www.gazoductqm.com/en/>
- xvi CER Crown Consultation, <https://www.cer-rec.gc.ca/en/consultation-engagement/crown-consultation/index.html>
- xvii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xviii Cabinet Directive on Regulation, <https://www.canada.ca/en/treasury-board-secretariat/services/federal-regulatory-management/guidelines-tools/cabinet-directive-regulation.html>
- xix Safety Culture Pilot, <https://www.cer-rec.gc.ca/en/safety-environment/safety-culture/safety-culture-indicators-research-project-regulatory-perspective.html>
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- xxi Enbridge Line 3 Project, <https://www.cer-rec.gc.ca/en/applications-hearings/view-applications-projects/line-3-replacement/index.html>
- xxii Keystone XL Project, <https://www.cer-rec.gc.ca/en/applications-hearings/view-applications-projects/keystone-xl/index.html>
- xxiii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxiv Energy Futures, <https://apps2.cer-rec.gc.ca/dvs/?page=landingPage&language=en>
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- xxvi CER Pipeline Portal, <https://www.cer-rec.gc.ca/en/safety-environment/industry-performance/index.html>
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- xxviii BC Utilities Commission – Inquiry into Gasoline and Diesel Prices in British Columbia, Final Report, [https://www.bcuc.com/Documents/Proceedings/2019/DOC\\_55251\\_BCUC-Inquiry-Gasoline-Diesel-Report-FINAL-web.pdf](https://www.bcuc.com/Documents/Proceedings/2019/DOC_55251_BCUC-Inquiry-Gasoline-Diesel-Report-FINAL-web.pdf)
- xxix GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxx TMX IAMC, <https://iamc-tmx.com/>
- xxxi Land Matters Group, <https://www.cer-rec.gc.ca/en/consultation-engagement/stakeholder-engagement/land-matters-group/index.html>
- xxxii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxxiii PCO Beyond 2020 Framework, <https://www.canada.ca/en/privy-council/topics/blueprint-2020-public-service-renewal.html>
- xxxiv GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxxv Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xxxvi GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxxvii CER Financial Statements, <https://www.cer-rec.gc.ca/en/about/publications-reports/auditor-reports-financial-statements/index.html>

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- xxxix CER Web Site, <http://www.cer-rec.gc.ca/index-eng.html>
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- xli 2019–20 Departmental Results Report, <https://www.cer-rec.gc.ca/en/about/publications-reports/departmental-results-reports/index.html>
- xlii 2019–20 Departmental Results Report, <https://www.cer-rec.gc.ca/en/about/publications-reports/departmental-results-reports/index.html>
- xlili Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>