



ALBERTA  
ENVIRONMENT AND PROTECTED AREAS

*Office of the Minister*

Thank you for your letter on behalf of Ponoka County residents and landowners about water management efforts in Lloyd Creek, and the oil and gas industry's water use during provincewide water shortages and restrictions.

The Government of Alberta is working closely with communities, water users, and all our partners to take strong action for drought preparation. We continue to carefully monitor snowpack, rainfall, river levels, and water use to ensure drought conditions are well understood and that Albertans have the information they need to be prepared. Major water users in the South Saskatchewan River Basin have signed water sharing agreements to help mitigate the risk of severe drought. These agreements are the largest water sharing initiative in Alberta's history and the most effective tool for conserving water and managing drought. As of May 2, 2024, the Government of Alberta's new Drought Response Plan is also in place and guiding the province through drought. Finally, by providing \$125 million over five years for the Drought and Flood Protection Program, Alberta is helping municipalities and Indigenous communities improve their long-term resilience to drought and floods events.

Environment and Protected Areas (EPA) collaborates with the Alberta Energy Regulator (AER) in the administration and regulation of legislation, including the *Water Act*. The current drought situation emphasizes the importance of a collaborative relationship to closely monitor the situation to ensure water is available for all users. The AER approves a licence application if sufficient water is available from the desired source. The licence specifies the withdrawal rate, the timing, the total allowable volume, and the water level where pumping must stop, plus any other conditions the AER specifies. This is to ensure there is enough water to support existing users and the environment.

The AER is working with the upstream oil and gas industry and has requested stakeholders to prepare contingency plans for water shortages this year. When making decisions, the AER follows a comprehensive process, which includes following mandatory regulatory water management plans such as the Red Deer River Water Conservation Objective and the Approved Water Management Plan for the South Saskatchewan River Basin. These water management plans regulate water diversion restrictions and are conditioned into both AER and EPA water licences. When applying for a licence, applicants must demonstrate that they have considered alternatives to freshwater, and any licence issued contains various enforceable conditions, including the maximum rate of water diversion and the water course flow rate at which diversion must cease.

License holders are required to monitor flows and adhere to licence conditions, which are monitored. In April 2024, both the AER and EPA conducted separate site visits and verified that licence holders were in compliance with the conditions of their licences, as referenced in your letter. Both regulatory bodies will continue to monitor licence holders to ensure compliance with the conditions of their licences and that regulated water diversion restrictions in Lloyd Creek and the Blindman River are met. The Blindman River is currently under a water shortage advisory where new surface water temporary diversion licence (TDL) applications are considered on a case-by-case basis, based on current flow conditions.

I share your concerns about future water availability; however, we also need to consider stakeholders' water needs, which includes the energy development sector. Only 13% of nonsaline water allocated to all industries in Alberta is allocated to oil and gas extraction, and the energy industry typically only uses about 21% of this allocation. Furthermore, over 80% of the water used by the oil and gas industry is recycled. When water availability is constrained due to dry conditions, the AER or EPA may place greater restrictions on water withdrawals, depending on the specific circumstances. Although surface water withdrawals are most affected in the short term by drought, groundwater sources may also be affected in the longer term. If water flow remains low, advisories issued by EPA could go as far as restricting the issuance of new TDLs, mainly from flowing water bodies. The department could issue direction or guidance not to issue any further TDLs in restricted water basins, and the AER would apply that direction to the energy industry.

The AER is working directly with industry and asking them to prepare contingency plans for water shortages this year. In December 2023, the AER released Bulletin 2023-43: "Water Shortage Advisories in Alberta – Important Information for Water Licence Holders," to remind water licence holders of their responsibility to understand and follow the conditions of their water licences, particularly those conditions involving low-flow restrictions. For more information, visit [aer.ca](http://aer.ca) and search for "water use performance."

You can find more information at [open.alberta.ca/publications](http://open.alberta.ca/publications) by searching for "Water Act," "Red Deer River Water Conservation Objective," and "Approved Water Management Plan for the South Saskatchewan River Basin." For the most up-to-date information on current drought conditions and the Government of Alberta's most recent drought management activities, please continue visiting [alberta.ca/drought](http://alberta.ca/drought).

Thank you again for writing. I appreciate your perspective on this matter.

Sincerely,



Rebecca Schulz  
Minister of Environment and Protected Areas

cc: Honourable Danielle Smith, Premier of Alberta  
Honourable Brian Jean, KC, Minister of Energy and Minerals  
Honourable Rick Wilson, MLA, Maskwacis-Wetaskiwin  
Honourable Jason Nixon, MLA, Rimbey-Rocky Mountain House-Sundre