

**PENDING AMENDMENTS TO THE *SAFETY STANDARDS ACT* UNDER BILL 13 –
*SAFETY STANDARDS AMENDMENT ACT, 2016***

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Topic: Changes to the *Safety Standards Act* will clarify regulatory oversight responsibilities for pipelines and oil & gas facilities

Bill 13, *Safety Standards Amendment Act, 2016* received Royal Assent on May 19, 2016¹ and will come into force on a date to be determined by the Lieutenant Governor in Council. Bill 13 will amend the *Safety Standards Act*². Those amendments are designed to eliminate overlapping jurisdiction between BC Safety Authority (BCSA), responsible for the *Safety Standards Act*, and the BC Oil and Gas Commission (OGC), responsible for the *Oil and Gas Activities Act*³. The elimination of overlap applies to specific types of equipment used in oil and gas settings. Once the changes are brought into force, the changes outlined below will apply.

OGC will have *exclusive* jurisdiction over:

- refrigeration systems that are used in the processing of oil & gas including liquefaction, deep cut, and shallow cut (i.e., subject to BCSA jurisdiction over certain components as detailed below);
- pressure piping used in the processing of oil and gas that is either “process piping” or “refrigeration piping”;
- gas systems and equipment used in the processing of oil & gas or attached to a pipeline (i.e., there is no change for gas systems and equipment in those settings as they are currently exempt from the *Safety Standards Act*).

Please note that no additional requirements have been added for pressure piping or refrigeration systems. Rather, duplication of regulatory requirements for that equipment has been removed such that the *Safety Standards Act* and regulations will no longer apply but the *Oil and Gas Activities Act* and regulations will continue to apply. As such, it is advised that interested parties contact the OGC for information regarding any requirements that OGC may have under the *Oil and Gas Activities Act* with respect to equipment over which they will have exclusive jurisdiction as described above.

¹ <http://bclaws.ca/civix/document/id/bills/billscurrent/5th40th;gov13-3>

² http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_03039_01

³ http://bclaws.ca/civix/document/id/complete/statreg/08036_01

BCSA will have jurisdiction over:

- all pressure vessels in oil and gas facilities, regardless of where or how they are being used, including pressure vessels forming part of a refrigeration system (*status quo* before Bill 13);
- all boilers in oil & gas facilities, regardless of where or how they are being used, (*status quo* before Bill 13);
- all pressure piping that forms part of a “power plant” located at any oil and gas facility (*status quo* for power plant piping before Bill 13);
- all electrical wiring & systems in oil and gas facilities, regardless of where or how it is being used, including the wiring involved in refrigeration systems (*status quo* before Bill 13);
- all elevating devices and passenger ropeways located at oil and gas facilities (new).

The changes are intended to clarify that while BCSA has responsibility over certain safety-critical components and systems *within* oil & gas settings, OGC has primary responsibility over the overall facilities used in oil and gas activities.

To summarize, there are three significant changes in Bill 13 with respect to the application of the *Safety Standards Act* in relation to pipelines and oil & gas facilities. Except as detailed below, all other regulated products under the *Safety Standards Act* will continue to be regulated by BCSA as they were before the introduction of Bill 13:

- the *Safety Standards Act* and regulations will no longer apply to refrigeration systems used in the processing of oil & gas *but will continue to apply* to individual pressure vessels and the electrical wiring used in those refrigeration systems.
- the *Safety Standards Act* and regulations will no longer apply to pressure piping that is used in oil and gas processing *but will continue to apply* to pressure piping that forms part of any power plant located at an oil & gas facility.
- the *Safety Standards Act* will now apply to any elevating devices or passenger ropeways that may be present at oil & gas facilities.

It is important to note that any exemptions from the *Safety Standards Act* detailed above are only applicable when the equipment is being used in the operation of, or in association with, “pipelines” and “facilities” defined in the *Oil and Gas Activities Act* (see below for excerpts). There are no exemptions from the *Safety Standards Act* for any regulated products that are not being used in the operation of, or in association with, a “pipeline” or “facility” as defined.

The following are some (non-exhaustive) examples of when the exemption from the *Safety Standards Act* does not apply:

- air conditioning and other systems using refrigerants not involved in gas processing that are located in oil and gas facilities are *not* exempt from the *Safety Standards Act* and regulations;
- equipment used for ambient heating or other purposes (e.g., gas furnaces not used in processing, gas appliances used for preparing food) are *not* exempt from the *Safety Standards Act* and regulations;
- pressure piping that forms part of any boiler system that is *not* being used in the operation of, or in association with, pipelines or facilities, is *not* exempt from the *Safety Standards Act* and regulations (e.g. pressure piping used for a heating plant to provide ambient heat for a site that is extraneous to gas processing).

Once a date has been determined for Bill 13 to come into force, BCSA will communicate more information with respect to any transitional matters. Until then, potentially affected BCSA stakeholders should continue to comply with any applicable requirements under the *Safety Standards Act* and regulations.



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References:

- Safety Standards Act SBC 2003, Chapter 39
- Safety Standards General Regulation
- Electrical Safety Regulation
- Elevating Devices Safety Regulation
- Gas Safety Regulation
- Power Engineers, Boiler, Pressure Vessel and Refrigeration Safety Regulation

From the *Oil and Gas Activities Act*:

"facility" means a system of vessels, piping, valves, tanks and other equipment that is used to gather, process, measure, store or dispose of petroleum, natural gas, water or a substance referred to in paragraph (d) or (e) of the definition of "pipeline";

"pipeline" means, except in section 9, piping through which any of the following is conveyed:

- (a) petroleum or natural gas;

(b) water produced in relation to the production of petroleum or natural gas or conveyed to or from a facility for disposal into a pool or storage reservoir;

(c) solids;

(d) substances prescribed under section 133 (2) (v) of the *Petroleum and Natural Gas Act*,

(e) other prescribed substances,

and includes installations and facilities associated with the piping, but does not include

(f) piping used to transmit natural gas at less than 700 kPa to consumers by a gas utility as defined in the *Gas Utility Act*,

(g) a well head, or

(h) anything else that is prescribed;

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