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**Final Report from Canadian Water Network to
Canadian Association of Petroleum Producers
Re: Recipient Agreement 15-WIPC-10**

Western Canadian Forum and Strategic Research Agenda – Hydraulic Fracturing

April 28, 2016

Introduction

This final report from Canadian Water Network (CWN) provides an update on the expenditures and disbursements from the Canadian Association of Petroleum Producers recipient agreement and a brief summary of the use to which the expenditures and disbursements were put for the period of January 4, 2016 to April 28, 2016.

Background

Canadian Water Network (CWN) has undertaken a national initiative to identify, prioritize, and strategically address the most critical knowledge gaps related to the management of risks and impacts of hydraulic fracturing, particularly related to water issues. As a first step in this initiative, CWN funded five national multi-disciplinary research projects to identify key knowledge gaps and the best options to advance them to enable effective decisions related to management of risks and impacts of hydraulic fracturing on water. Based on the gaps identified in the research projects, recent national, provincial and territorial reports and other international studies, CWN released an overview report in October 2015 identifying the most relevant knowledge gaps and research approaches to address these knowledge gaps.

Given the range and complexity of the knowledge needs and opportunities identified through the research projects and presented in the overview report, there remained a need to determine national and regional priorities, and begin to identify the best opportunities to advance knowledge through a shared investor approach. To accomplish this, CWN launched a two-part prioritization process, consisting of a national prioritization survey and a Western Canadian Forum on Water and Hydraulic Fracturing. (Note that the national prioritization survey was conducted with support from Environment and Climate Change Canada and was outside the scope of the contribution from the Canadian Association of Petroleum Producers, but has been included in this report for completeness and context.)

These steps will identify which gaps are of most interest to decision makers and can best support their collective decision needs to enable advancement of the regulation and management of hydraulic fracturing and achieve important citizen engagement and support for decisions. CWN's prioritization process will ensure that results can be used to achieve success through broad collaboration across jurisdictions, while recognizing the significant differences in regulatory and geographic context across the country.

Report on the prioritization process

1. National prioritization survey (COMPLETE)

The national prioritization survey engaged 105 key decision makers in government (provincial, territorial, federal), Indigenous communities and industry, as well as research providers in government and academia, and influencers in industry associations and Indigenous organizations across the country. As a result of the survey, shared priority knowledge needs, opportunities to advance knowledge through research, and opportunities with best potential to be addressed through a shared investor approach were identified. A report of the survey results was provided to program partners in February 2016 and published on CWN's website in April 2016.

2. Western Canadian Forum on Water and Hydraulic Fracturing (COMPLETE)

Following the survey, CWN hosted the Western Canadian Forum on Water and Hydraulic Fracturing in Edmonton Alberta. This one-day meeting brought together over 50 key decision makers in government, industry, Indigenous communities and NGOs, as well as several leading researchers in the field of water and hydraulic fracturing.

The forum discussions served to:

- Confirm and refine the group's understanding of priority knowledge needs and opportunities identified by the CWN report and survey,
- Identify ongoing work or existing commitments to advancing priority areas identified through the survey, and
- Identify best near-term opportunities to address priority areas through shared research.

Forum participants were also asked to generate a list of "criteria" that they felt were most important in evaluating the feasibility of potential research approaches that would help identify the best options for research. These criteria were applied in the generation of a strategic research options analysis, described below.

3. Meeting capture and outcomes of forum (COMPLETE)

A report was developed to capture the discussions and outcomes of the Western Canadian Forum on Water and Hydraulic Fracturing, including identifying national and regional priorities, the best near-term opportunities to address the priority areas through shared research, and the criteria that forum participants felt were most important in evaluating the feasibility of potential research approaches in identifying preferred options for research. The meeting capture and outcomes report was provided to program partners and published on CWN's website in April 2016.

4. Strategic research options analysis (DRAFT COMPLETE)

Given the potentially wide range of research approaches (and associated costs) that could be applied to address the regional and national priority opportunities identified for shared investment in research, it was agreed with partners to produce an initial list of options that were best suited to develop initial collaborative work over the short term. A draft strategic research options analysis has been prepared to provide a basis for selecting preferred approaches in the short term from among the many options that may be developed into a more comprehensive research agenda in summer 2016. This options analysis reflects the strongest potential for shared project development in the near term. The recommended options draw on the criteria that forum participants felt were most important in evaluating the feasibility of potential research approaches in identifying preferred options for research. The draft strategic research options analysis was provided for the consideration of CWN's water and hydraulic fracturing program partners in April 2016.

Next steps

The opportunities for shared investment in initial projects outlined in the strategic research options analysis represent those areas that CWN has identified as the strongest candidates to benefit partners through a shared research approach starting in 2016. CWN will confer with the interested partners in May 2016 to determine which of these areas there is shared interest in advancing. Dependent on partner responses to these options and ability to invest in the process and potential research projects, development of a shared research agenda is proposed for mid-2016, with further development and scoping of research projects to follow.

Table 1: Actual financial disbursements for project, January 4 to April 29, 2016

Activity	Cost
1. Western Canadian Forum on Water and Hydraulic Fracturing – workshop design and material development	\$10,000.00
2. Strategic research options analysis report development	\$15,000.00
TOTAL	\$25,000.00