

**REGULATORY PARTNERSHIP STATEMENT
OF
THE DEPARTMENT OF NATURAL RESOURCES OF CANADA
AND THE UNITED STATES DEPARTMENT OF ENERGY**

The U.S. Department of Energy (USDOE) and the Department of Natural Resources of Canada (NRCan), following on the commitments outlined in the Canada-United States Regulatory Cooperation Council (RCC) *Joint Forward Plan*, published in August 2014 and the *Memorandum of Understanding Between the Department of Energy of the United States of America and the Department of Natural Resources of Canada Concerning Cooperation on Energy* signed on the 18th of September 2014, have reached an understanding on the following key elements necessary for an ongoing regulatory partnership.

NRCan and USDOE have:

- **Established high-level regulatory partnership governance between the organizations' senior officials, which is supported by technical-level working groups to review and track progress against medium and longer-term regulatory alignment opportunities.**
- **Implemented a bi-national work planning process that includes annual review of work plans to consider stakeholder input and update senior officials on progress for regulatory cooperation initiatives.**
- **Regularized stakeholder engagement to inform senior officials of opportunities for regulatory alignment and provide input on future work.**

Given that Canada and the United States share a seamless transportation network, where vehicles operate and refueling equipment can be deployed in a common market, and that both similar consumer preferences and the globalized nature of equipment manufacturing underpin their collaboration on energy efficiency standards, NRCan and USDOE recognize that by acting together, they may address individual national interests while achieving shared goals of greater energy security, environmental responsibility and sustainability. NRCan and USDOE are to be guided in this regulatory partnership work by a mutual desire to promote responsible energy use, expand energy collaboration, and work together regionally and globally.

GOVERNANCE

High-level governance

- The overall leadership and responsibility for implementing and managing this regulatory partnership, including its associated activities is the purview of the Assistant Deputy Minister (Energy Sector) at NRCan and the Assistant Secretary for Energy Efficiency and Renewable Energy at USDOE.
- NRCan and USDOE intend to convene at least one annual senior-level bilateral meeting, with venues alternating between their two countries, to discuss sector trends, other

factors influencing the overall design of regulatory systems, and barriers to regulatory cooperation, the first of which is planned for spring 2016.

- Participants in this annual senior-level bilateral meeting may also review and approve annual work plans, share information, review progress against work plan items, and set medium-term priorities for the conduct of collaborative work.
- Senior-level stakeholder representatives are to be invited to attend a portion of the annual senior-level bilateral meeting to hear stakeholder views on sector trends and overall costs imposed by each of the regulatory systems, and may also be requested to comment on the proposed content of the annual work plans, and to inform its priorities, which are to be mutually decided by USDOE and NRCan.

Technical expert groups

- Technical expert groups are to be organized for each activity under the scope of this regulatory partnership and are expected to meet at least once annually, shortly after the senior-level bilateral meeting, in person or via teleconference/videoconference, to develop the content of the annual work plans, exchange technical information and data, and otherwise assist in the effective implementation of joint work.
- These technical expert groups are to be led by the Director General (Office of Energy Efficiency) at NRCan and the relevant Deputy Assistant Secretaries at USDOE.
- Technical expert-level stakeholders are to be invited to participate in the technical expert group meetings to inform priorities for the annual work plans mutually decided by USDOE and NRCan.

ANNUAL REVIEW OF WORK PLANS

As outlined in the *RCC Joint Forward Plan*, NRCan and USDOE have established two working groups to address the goal of aligning, to the extent practicable and permitted by law, energy efficiency standards and standards¹ for the use of natural gas in transportation.

1. Energy efficiency standards

The collaborative work in the area of energy efficiency standards, which includes minimum energy performance standards and test procedures for energy-using equipment (e.g. appliances, industrial and commercial equipment),² is expected to include:

¹ For the natural gas as a transportation fuel initiative described in this document, the word “standard” is used in reference to both Codes and Standards.

² The governments of the United States and Canada use different terminology where the same meaning is intended. The Canadian Government uses the term “minimum energy performance standards”, while the Government of the United States uses the term “energy conservation standards”; these terms have the same meaning. Similarly, “testing standards” is the term used in Canada, while the Government of the United States

- i. Work plans and schedules for product regulation of energy-using equipment;
- ii. Data, information and analysis that informs framework documents, cost-benefit considerations and market studies;
- iii. Methodologies and rationales for test method development;
- iv. Policy reviews or other initiatives to enhance regulatory cooperation (e.g., information sharing);
- v. Sharing regulatory best practices (e.g., public participation, flexible approaches, scientific integrity, integration/innovation and identifying legislative and policy barriers to regulatory cooperation);
- vi. Where warranted and practicable, the co-development of standards, test methods and joint stakeholder consultations;
- vii. Sharing stakeholder submissions and statements;
- viii. Industry, consumer or technological trends that may impact regulatory systems;
- ix. Regulatory cooperation initiatives that could include the Provinces of Canada; and
- x. Existing or future international regulatory cooperation initiatives with third countries.

2. Standards for the use of natural gas as a transportation fuel

Collaboration on the development of codes and standards³ and sharing of best practices for the use of natural gas as a transportation fuel is expected to include:

- i. Sharing of work plans and schedules for codes and standards development, pertaining to natural gas vehicles and refueling stations;
- ii. Sharing data, information, best practices and analyses that informs framework documents, cost-benefit considerations and market studies, at the national and sub-national level;
- iii. Co-development of codes and standards, where warranted and practicable;
- iv. Hosting joint stakeholder consultations;
- v. Sharing stakeholder submissions and statements; and
- vi. Discussing industry or consumer trends that may impact codes and standards priorities.

uses the term “test procedures”; these terms also have the same meaning. Also, Canada’s *Energy Efficiency Act* uses the term “energy-using product” which is intended to have the same meaning as the term “energy-using equipment” used in this document.

³ The ultimate adoption and enforcement of the standards is under the jurisdiction of the appropriate authorities in each country.

NRCan and USDOE could also consider other areas of regulatory cooperation, based on stakeholder-identified priorities and regulator-led initiatives, and considering these critical objectives and outcomes:

- Energy security, energy conservation, environmental responsibility and sustainability;
- Integrated markets, greater cross-border trade and economic growth; or
- Where possible, reduction of unnecessary costs on businesses associated with different regulatory systems or increase in consumer benefits in terms of greater product choices and reduced prices.

STAKEHOLDER ROLE

NRCan and USDOE intend to consult stakeholders on the content of the annual work plans to help inform regulatory priorities. These consultations are expected to take place primarily through the activities of the technical expert groups. An annual schedule of planned meetings is to be provided to stakeholders.

Stakeholders are encouraged to provide information on industry and consumer trends that may impact the regulatory systems covered within the scope of the joint work under this Regulatory Partnership Statement. Stakeholders are also expected to make the case for regulatory priorities by sharing data on the costs and benefits of regulatory cooperation. Stakeholders are also encouraged to raise future areas of regulatory cooperation not specifically outlined in the *RCC Joint Forward Plan*.

To the extent practical, stakeholders are encouraged to organize themselves bi-nationally and provide common views and opportunities.

POINTS OF CONTACT

The appropriate contact for USDOE is the Deputy Assistant Secretary for Energy Efficiency in the Office of Energy Efficiency and Renewable Energy, 1000 Independence Avenue – Mailstop EE-5, Washington, DC 20585, U.S.A.

The appropriate contact for NRCan is the Director General for the Office of Energy Efficiency, 580 Booth Street, Ottawa, Ontario, K1A 0E4, Canada.