

Advisory Bulletin: Micro-refineries

Introduction

The Ministry of Environment and the Ministry of Government Relations are committed to enabling growth and development in Saskatchewan. Both ministries provide assistance to municipalities, professionals and citizens on a variety of land use planning and development matters. This bulletin is intended to provide background and advisory guidelines for the regulation of micro-refineries.

Micro-refineries are a new form of development that may occur in Saskatchewan as the oil and gas industry finds new ways to fill local needs. Micro-refineries are commercial business operations that tap into crude oil from pipelines and produce diesel or other petroleum products. These refineries can also recycle waste oil products.

Background

A micro-refinery serves a different purpose than a large scale refinery. They are significantly smaller in scale, production, and land size. A typical micro-refinery would process approximately 2,000 barrels per day and would operate on an area of 4 hectares (10 acres). To compare, the Co-op Refinery in Regina processes 130,000 barrels per day and operates on over 325 hectares (800 acres) of land.

Municipalities are responsible for protecting the safety of residents while supporting business and economic activity. Planning is required to mitigate potential risks associated with micro-refineries.

Emissions produced as a by-product of micro-refineries may impact human health and/or the environment without proper planning.

Micro-refinery projects are subject to *The Environmental Assessment Act*, *The Environmental Management and Protection Act, 2010*, their respective regulations and the Saskatchewan Environmental Code.

Micro-refineries can be regulated by municipal planning bylaws under *The Planning and Development Act, 2007*, and *The Statements of Provincial Interest Regulations*.

Municipalities have some authority to manage micro-refinery developments. Municipalities may regulate these developments through land use planning bylaws and the issuance of development permits, similar to other forms of commercial development.

Each development project will be designated differently, and it is important to analyze the details of each design. Municipalities may engage professional planners, engineers, and other technical experts to assist with project evaluation.

Currently, there are no provincially required separation distances or setbacks between residences and micro-refineries. It is important for municipalities to establish clear regulations before development proceeds in order to minimize hazards, ensure community health, and provide certainty for development and employment.

Advisory Guidelines

The Ministry of Environment and Ministry of Government Relations have developed the following advisory guidelines for micro-refineries:

1. “Micro-refineries” may be defined as small scale oil refining operations that produce diesel or other petroleum products.
2. Municipalities may designate micro-refineries as either a permitted or discretionary use in the applicable zone of their zoning bylaw. An industrial zone may be best suited for this type of development.
3. Municipalities may manage the development of micro-refineries through the development permit process.
4. Micro-refineries are required to meet the Saskatchewan Ambient Air Quality Standards (SAAQS), pursuant to clause 1-8(2)(b) of Industrial Source (Air Quality) Chapter of *The Environmental Management and Protection Act, 2010*. A separation distance of 1,000 metres is generally sufficient to prevent exceedances of the SAAQS for small facilities like micro-refineries, provided they are built with the best achievable control technology. Therefore, municipalities should establish a minimum 1,000 metre separation distance between a micro-refinery and the nearest residential building.
5. Municipalities may increase the separation distance between a micro-refinery and the nearest residential building beyond 1,000 metres if concentrations beyond 1,000 metres are expected to exceed the SAAQS, or if there are sensitive receptors nearby, such as hospitals or schools.

6. Municipalities may consider prevailing winds and potential impacts to nearby communities when using the proposed 1,000 metre separation distance when evaluating proposed developments.

Municipalities are encouraged to consult with the Ministry of Environment and Ministry of Government Relations in the event a micro-refinery is proposed. Consulting with these ministries will help ensure that the proposed development meets applicable provincial standards and guidelines.

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