



Alberta Wilderness Association
"Defending Wild Alberta through Awareness and Action"

April 10, 2026

Alberta Energy Regulator
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Statement of Concern for Northback Holdings Corporation Water Term Licence (Application #: 33861750)

Dear Alberta Energy Regulator,

Alberta Wilderness Association (AWA) appreciates the opportunity to provide this Statement of Concern (SOC) on the [Application \(#: 33861750\)](#) submitted by Northback Holdings Corporation ("Northback") on March 13, 2026, for a new water term licence under the *Water Act* on SW-24-008-04W5.

AWA represents over 10,000 members of the public, and is dedicated to conserving and protecting water, wildlife, and wild spaces in Alberta. Since 1965, AWA has strived to help Canadians understand the intrinsic values that the environment provides and encourage communities to participate in conservation initiatives that will ensure a legacy for future generations.

The requested licence is part of the Integrated Application for the Grassy Mountain Project ("the Project"), an open-pit surface mine, coal processing plant, and rail load-out facility proposed by Northback, located 7 km from Blairmore, AB, within the Municipal District of Ranchland.

AWA opposes this Application and asks that the AER reject this request for a water term licence and any subsequent submissions due to the ecological realities and legislative constraints on water allocation and management within the South Saskatchewan River Basin (SSRB).

AWA's interest in this matter is multifaceted. While headquartered in Calgary, AWA works throughout the province to increase awareness, advocacy, and action for the environment. As an organization, we have a long history of fighting for better protections for the Oldman River and Eastern Slopes, having participated in the original land use and resource development hearings in the 1970s that produced [A Policy for Resource Management of the Eastern Slopes](#) and [A coal development policy for Alberta](#). Our efforts since have helped establish protected areas in the Whaleback and Castle areas, conserving important ecosystems and headwaters within the Oldman basin.

AWA seeks the completion of a connected, ecologically representative protected areas network in Alberta. To achieve this goal, we have identified Areas of Concern (AOC) throughout the province,

which are places of largely intact wilderness or critical corridors that still require formal protection. Northback's Application is located within AWA's Livingstone-Porcupine AOC, an area which AWA believes "must be managed in a way that ensures healthy watersheds that support the unique biodiversity of this region for generations to come." As outlined in greater detail below, this Application risks negative impacts to the watershed, which adversely affects AWA's work and goals in the area. We therefore have an organizational obligation to share our concerns and participate through the regulatory process.

Additionally, Section 2(d) of the *Water Act* states that it is "the shared responsibility of all residents of Alberta for the conservation and wise use of water and their role in providing advice with respect to water management planning and decision-making." As a representative for thousands of residents, and as residents of Alberta ourselves, AWA has a responsibility to submit a SOC on this Application and support the purposes of the *Water Act*.

In 2006, following public consultation and scientific input, the [Water Management Plan for the South Saskatchewan River Basin](#) ("the Plan") was approved. The Plan made the "explicit recognition that limits for water allocations had been reached or exceeded on the Bow, Oldman, and South Saskatchewan River sub-basins" and closed the entire SSRB to new water licences as a protective and preventative measure. Further clarity on how water was to be managed moving forward was provided a year later through the [Bow, Oldman, and South Saskatchewan River Basin Water Allocation Order](#) (Alta Reg 171/2007). The regulation reserved all remaining unallocated volumes in the SSRB to the Crown and outlined the limited number of circumstances where water could be licensed from this reserve.

While Northback's predecessor Benga Mining has previously pointed to the [Oldman River Basin Water Allocation Order](#) (Alta Reg 319/2003) to support their request for 150 acre-feet (185,022 cubic metres) of water annually, the [Water Allocation Policy for Closed River Basins in the South Saskatchewan River Basin Directive](#) ("the Directive") published in 2016 reaffirms that Alta Reg 171/2007 takes precedent over Alta Reg 319/2003.

The Directive "**is mandatory for decision-makers with jurisdiction to allocate water in Alberta,**" "provides clarification to Environment and Parks **and the Alberta Energy Regulator,**" and "affirms the government's expectation... that applications for **any new water withdrawals from the closed sub-basins will not be considered** unless the applications fit within the specific exceptions in the [2007] Regulation" (emphasis added). The Directive lists the specific purposes for which reserved water can be allocated, which include:

- For use by a First Nation (as defined in the Regulation) on a First Nation Reserve or for a project that is partially or wholly owned and operated by the First Nation on land that is owned and controlled by the First Nation and capable of being served by the basin in question;
- For a water conservation objective;
- For storage for the protection of the aquatic environment and for improving the availability of water to existing license holders or registrants; or

- When a complete application for a license was filed with the Director prior to the Order being filed under the *Regulations Act*.

None of the identified uses include water for extractive, industrial purposes like Northback’s Grassy Mountain Project.

While AWA appreciates the *Assessment of 150 acre-feet diversion scenarios on the instream thresholds of Blairmore Creek and Crowsnest River* (“the Assessment”) undertaken to support the Application, the SSRB was not closed to new water licences because of overallocation issues in the upper reaches of the watershed. Although the Assessment suggests Northback’s requested allocation may not impact the instream flow needs of Blairmore Creek and the Crowsnest River, it will still contribute to the issue of overuse and cumulative impacts on the receiving waterbodies downstream, removing flows that would otherwise be in the river.

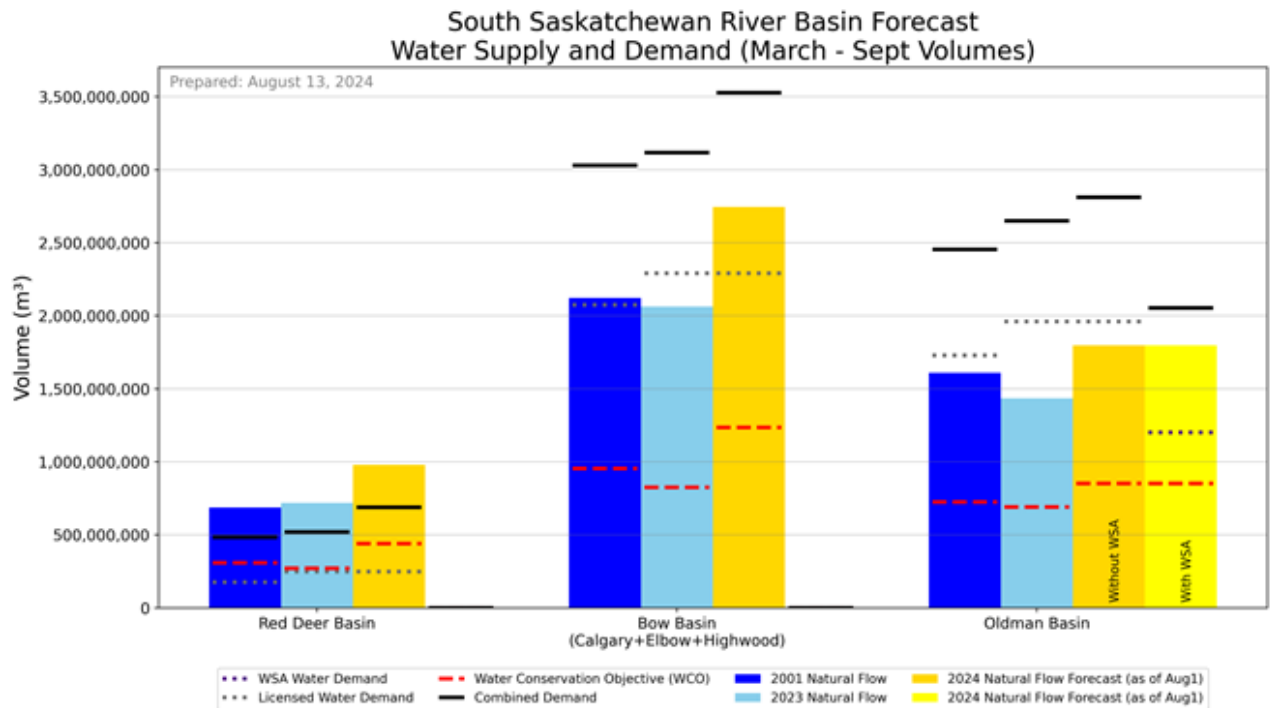


Figure 1: The demand from water license users and the volumes required to meet the province's Water Conservation Objectives exceeded the annual natural flow of most major tributaries in the South Saskatchewan River Basin. Figure provided by Alberta Environment and Protected Areas, Strategic and Integrated Services, Engagement and Indigenous Initiatives division in September 2024.

With the exception of the Red Deer River, all of the SSRB’s major sub-basins have been overallocated; their average natural flow is no longer sufficient to sustain both the instream flow needs of the river and the human demands for water. Water has been licensed out of the Oldman and Bow Rivers to a point where even the Water Conservation Objectives, which are less stringent thresholds water managers aim to retain in overallocated watersheds, are regularly unmet (Figure 1). In dry years like 2023 and 2024, annual demand from licensed water users alone exceeded supply

in the Oldman (Figure 1). Even the Water Sharing Agreements put in place during drought preparations, which greatly reduced the volumes used by major water license holders, were insufficient to meet the combined demand. This context must inform decisions the AER makes about water in the region, as we will undoubtedly experience similar, if not more severe, drought conditions over the 26 years Northback proposes to operate this Project.

The Assessment notes that mitigation measures for the Project will include “returning treated water from the Project into Blairmore Creek to supplement residual flows.” Returning flows may help address water quantity concerns, but until Northback clearly outlines how water will be treated to reduce the concentration of contaminants of concern to safe levels as defined in the [Canadian Water Quality Guidelines for the Protection of Aquatic Life](#), the Project poses a risk to downstream ecosystems, critical habitat for species at risk, and overall water quality.

Compared to other metallurgical coal projects in Alberta, Northback’s anticipated water demands seem insufficient to achieve their output predictions. Since CST Canada Coal Ltd. took over operations at the Grande Cache Coal Mine, they have on average extracted and processed around 905,000 tonnes of raw coal to produce 605,000 tonnes of clean coal each year¹. To do so, they are licensed to use just under 3.2 million m³ annually². While Cardinal River Coals Ltd. mining operations were still active in the Coal Branch area, they produced around 2.6 million raw tonnes and 1.5 million clean tonnes of metallurgical coal per year, with 4.5 million m³ in water allocations.

In contrast, Northback proposes an “average production of 2.0 to 3.75 million tonnes clean coal per year,” and requests just 185,022 m³ to do so. This suggests that at minimum, Northback anticipates using water 32 to 57 times more efficiently than other metallurgical mines in Alberta.

Unless Northback plans to submit additional applications for more allocations (further intensifying water use in the SSRB), how such a feat is to be achieved is unknown. In previous commercial mine applications, [Northback’s predecessors requested 558,770 m³](#) in permanent and temporary diversions and transfers, water the Oldman does not have to spare. Mining is considered a consumptive use of water, creating tailings contaminated with elements, metals, and chemicals at elevated concentrations that cannot be returned to the river; this would represent volumes of water lost from an already overused river system.

As the request for the water term licence was submitted separately from other application documents and the environmental assessment, critical information is missing for the AER to make a fully informed decision; What is the total water balance anticipated for this Project, inclusive of all requirements for the mine site, waste piles, coal processing plant, conveyers, load-out, railyard, and access roads? What is the frequency of release, volume, and quality of return flows anticipated? What is protocol during drought conditions, when no water can be collected through drainage? Why should this Project in particular be exempted from the 20-year basin closure over others?

¹ Based on data from the “[ST26: Alberta Coal Industries Monthly Statistics](#)” Reports published by the AER, 2015 – 2024.

² Based on documents available through the Government of Alberta’s [Electronic Records Viewer - Water Act](#).

This Application is incomplete and cannot be evaluated without addressing the concerns and questions raised herein. Approving this Application would be inconsistent with the Directive, which emphasizes that “prioritizing flow restoration and protecting the aquatic environment is the primary lens through which decisions about water management are to be made” in the SSRB. If this Application is approved, what little remains of the volumes reserved for use by the Crown in the SSRB will be reduced, locking these flows into an activity that only increases risks to the watershed’s health and integrity.

AWA would also like it noted that notice of this Application was not provided to us, despite having participated in previous regulatory proceedings related to this Project. Moving forward Northback must ensure that all parties who have expressed interest in providing input on the Grassy Mountain Project receive sufficient notice when applications are first submitted to the AER. We recommend that the period to accept SOCs on this Application be extended, and at minimum, all who provided feedback on the Project’s Proposed Terms of Reference be notified and given opportunity to respond.

For these reasons, AWA requests that the AER deny Northback’s Application, along with any subsequent submissions associated with the Grassy Mountain Project.

Sincerely,

Alberta Wilderness Association

A handwritten signature in black ink, appearing to read 'Kennedy Halvorson', with a long horizontal flourish extending to the right.

Kennedy Halvorson
Conservation Specialist