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The estimated cost to clean up Alberta's mines, mostly oil sands operations, has jumped in recent years – to $23.2-billion as of 2016.

According to new figures from the Alberta Energy Regulator, the total cleanup liability increased almost 12 per cent, from $20.8 billion in 2014, due to an uptick in oil sands mining activity.

The province's energy watchdog calculates the figure, which looks at end costs once mines are done their productive lives, based on data provided by the companies themselves. A significant portion of the costs are related to the management of tailings. Although increasing greenhouse gases coming from the oil sands have garnered most of the environmental attention in recent years, the issue of tailings ponds hasn't disappeared from the Alberta landscape. Tailings ponds hold the leftovers from the oil sands mining process – a sometimes-toxic liquid mixture of sand, water, clay and residual bitumen. What to do with the ponds is a thorny question for both the Alberta government and oil companies.

Previous Alberta governments have promised the buildup of tailings would be halted, but the volumes – and the liabilities for companies, and potentially the public – continue to grow. Oil sands operators collectively held more than 1.13 billion cubic metres of fluid tailings in 2015, compared to 725 million cubic metres in 2009. The liability related to coal mines is just a small portion of the $23.2 billion reckoning – oil sands obligations account for $22.75 billion of the total figure. To help with the cleanup costs, about $1.38 billion is held in deposit by the Mine Financial Security Program (MFSP), as stipulated under Alberta's Environmental Protection and Enhancement Act. The program doesn't require that companies post more onerous security deposits until mines have less than 15 years of life left – or if operators don't keep their reclamation plans current, or if the company has less than three times as many assets as liabilities. But Alberta Auditor General Merwan Saher has warned of a long-term risk to taxpayers, saying in a 2015 report that if the program does not ensure that enough financial security is provided by mine operators, "the province is at risk of having to pay substantial amounts of public money" for the eventual cleanup. "Improvements are needed to both how security is calculated and how security amounts are monitored," he wrote.

In a period of volatile and low crude prices, Mr. Saher said the rules could allow companies to overestimate the value of their resources, which allows them to delay increases to the amount of money they must post as security. He noted the program allows companies to calculate their own cleanup liabilities, subject to government audits – which he said need to be done more often. Last year, the AER brought Directive 85 into force, which is meant to manage fluid tailings both during and after mine operation, with the goal of limiting liability and environmental risk. The goal is to make sure fluid tailings sites are ready to reclaim within a decade of an oil sands mine closing.

The energy regulator says Directive 85 is more comprehensive than previous policies, requires more of the cleanup to be done while oil sands mines are still in operation, and is designed to encourage innovation. In March the AER rejected Suncor Energy Inc.'s tailings first draft of a cleanup plan, sending it back to the drawing board because it the regulator said the company had not proved its "water-capping" plan would work. The regulator is in the process of vetting other oil sands operators' plans.