

KITIMAT CLEAN: OIL REFINERY

Description: Oil refinery using Alberta bitumen to make products for the Asian market.

Location: Approximately 25 km north of Kitimat and 25 km south of Terrace on a 3,000 hectare site known as the Dubose site.

Provincial Benefits: \$25 billion investment; 5000-7,000 construction jobs and 3,000 operational jobs.

Partner Ministries: MEM, MNGD, OGC, MARR, EAO, FLNRO

Issues and Background

Kitimat Clean is a Victoria-based company led by David Black. The refinery would process diluted bitumen from the oilsands region in Alberta, creating “value added” fuel products such as gasoline, jet fuel and diesel fuel. The refined products would be shipped to market in Asia via tanker vessels. The proponent estimates the project would create 5,000-7,000 construction jobs and 3,000 operational jobs. The proposed refinery, with a processing capacity of 550,000 barrels per day of diluted bitumen, would be the largest refinery on the west coast of North America.

**Ministry of Jobs, Tourism and Skills Training
and Ministry Responsible for Labour
CONFIDENTIAL INFORMATION NOTE**

Cliff #:98321
Date: June 28, 2013

PREPARED FOR: Dan Doyle, Chief of Staff; John Dyble, Deputy Minister to the Premier and Secretary to Cabinet; and Dave Byng, Deputy Minister of Jobs, Tourism, Skills Training and Labour

ISSUE: Kitimat Clean Ltd. Current Status

BACKGROUND:

Kitimat Clean Limited (KCL) is a company owned by BC entrepreneur and newspaper publisher David Black. The proposed \$25-billion refinery would refine oil shipped via pipeline or railway from Alberta to produce lighter petroleum products such as gasoline and diesel fuel. These value-added products would potentially be shipped to various domestic and continental markets, as well as to overseas markets via the port at Kitimat. Navigant Consulting was commissioned to consider the potential for a trading refinery on BC's west coast and concluded that such a refinery be "seriously considered by the Government of BC".

The proposed refinery with a processing capacity of 550,000 barrels per day of diluted bitumen will be the largest refinery by far on the west coast of North America, employing approximately 3,000 people on a long-term basis.

s13, s16, s17, s21

DISCUSSION:

The KCL project is an important prospective major investment for the new government. Direction for KCL is contained within mandate letters from the Premier to the Deputy Premier and Minister of Natural Gas Development, as well as the Minister of Aboriginal

Relations and Reconciliation. Three other Ministerial mandate letters have deliverables that support the progress of the project (see Appendix A). The Premier has set out five conditions for supporting the construction of new heavy oil pipelines in BC. KCL has the potential to address a number of these conditions, especially the requirement for BC to realize economic benefits from new heavy oil pipelines.

s13, s16, s17, s21

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s13, s16, s17, s21

s17, s21

NEXT STEPS/ISSUES:

s13, s17

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Reviewed by		
ED:	Senior ED: RB	Assoc DM: TM

Appendix A
Ministerial Mandate Letter Direction related to, or impacting upon the KCL Project

Minister	Mandate Direction
Honourable Rich Coleman Deputy Premier and Minister of Natural Gas Development and Minister Responsible for Housing	“Work with Heavy oil and refinery proponents to ensure clarity on provincial expectations with respect to the five requirements in order for BC to consider supporting heavy oil pipelines or projects in our Province.”
Honourable John Rustad Minister of Aboriginal Relations and Reconciliation	“Work with BC First Nations that are in the area of a new proposed refinery to ensure they are provided with the opportunity to participate in and benefit from this economic opportunity.”
Honourable Shirley Bond Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour	“It will be essential that your Major Investments Office continues to assist global investors in taking their projects from an idea to completion.”
Honourable Mary Polak Minister of Environment	“Complete the Marine and land-based heavy oil spill response studies for our governments five conditions for proposed heavy oil pipeline projects in BC.”
Honourable Todd Stone Minister of Transportation and Infrastructure and Deputy House Leader	“Develop and implement a Kitimat port structure and governance model in anticipation of a number of LNG marine terminals being sited on the Douglas Channel.”

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MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
AND MINISTER RESPONSIBLE FOR LABOUR
INFORMATION NOTE

Cliff #:101424

Date: October 8, 2013

PREPARED FOR: Honourable Rich Coleman, Deputy Premier, Minister of Natural Gas Development and Minister Responsible for Housing

ISSUE: In advance of Minister Coleman's Asian mission, this note provides an overview of projects

s16, s17

s16, s17

BACKGROUND:

The Major Investments Office (MIO), within the Ministry of Jobs, Tourism and Skills Training, is a priority commitment of *The BC Jobs Plan*. It works directly with major investors to advance projects with the potential to provide significant economic and job creation benefits to British Columbia. The MIO's mandate was affirmed in Minister Bond's June 2013 mandate letter which states: "it will be essential that your Major Investments Office continues to assist global investors in taking their projects from idea to completion".

The MIO's priority projects represent approximately 32,000 jobs and over \$35 billion in prospective investment across a variety of sectors. The MIO, working in partnership with other government ministries and agencies, has been successful in accelerating a number of significant projects in B.C. while at the same time ensuring that First Nations obligations and all public health, safety, and environmental considerations are met.

DISCUSSION:

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ATTACHMENTS:

s13, s17, s21

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ADVICE TO MINISTER

**CONFIDENTIAL
ISSUES NOTE**

**Ministry of Jobs, Tourism and Skills Training,
and Responsible for Labour**

Date: June 20, 2013

Minister Responsible: Hon. Shirley Bond

Kitimat Clean Limited Oil Refinery and First Nations Consultation

BACKGROUND:

Kitimat Clean Limited (KCL) is a company owned by B.C. entrepreneur and newspaper publisher David Black. The proposed \$25-billion refinery would refine bitumen shipped via pipeline or railway to produce lighter petroleum products such as gasoline and diesel fuel. These value-added products would potentially be shipped to various domestic and continental markets, as well as to overseas markets via the port at Kitimat.

s13, s16, s17, s21

June 10, 2013 letter from Premier Christy Clark to Honourable John Rustad, Minister of Aboriginal Relations and Reconciliation also includes the following requirement to

“Work with BC First Nations that are in the area of a new proposed refinery to ensure they are provided with the opportunity to participate in and benefit from this economic opportunity.”

MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
AND MINISTER RESPONSIBLE FOR LABOUR
MEETING NOTE

Cliff #: 97970

Date: May 24th, 2013

PREPARED FOR: Deputy Minister Dave Byng

DATE AND TIME OF MEETING: June 11, 2013 at 4:00pm @ Canada Place Room

ATTENDEES:

- David Black, President, Kitimat Clean
- Ming XU, President of China Development Bank Beijing Branch
- Jianwei SUN, Director of Approval Department
- Xiaojin CHEN, Director of Accounting Department
- Bin WANG, Director of Financial IT Department

ISSUE(S): Meeting with China Development Bank Beijing Branch delegation s13, s16, s17, s21

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s13, s16, s17, s21

ATTACHMENTS: .

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