

MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

BRIEFING NOTE FOR DECISION

PREPARED FOR: Honourable Bruce Ralston, Minister of Energy, Mines and
Low Carbon Innovation
Honourable Lana Popham, Minister of Agriculture and Food

ISSUE: s.12

BACKGROUND:

Following the 2017 decision to proceed with the Site C Project (Site C, the Project), Government announced its intention to implement three initiatives to mitigate concerns stemming from the decision to continue with it (Continuation Measures):

- The Indigenous Clean Energy Procurement Program (ICEPP) – a competitive procurement process for energy from Indigenous peoples-led projects and options for delayed delivery of power until BC Hydro required new energy and/or capacity.
- The Peace River Legacy Fund (PRLF) – joint exploration by local governments, residents, and Treaty 8 First Nations on the creation of a fund to address long term environmental, social and/or economic issues in the Peace region.
- The BC Food Security Fund (BCFSF) – support for farming and enhancing agricultural innovation and productivity throughout rural British Columbia (BC).

s.12; s.13

DISCUSSION:

In 2021, Government announced its decision to continue Site C with an approved budget of \$16 billion (B), and a one-year delay to the in-service date. At that time, the Ministry of Energy, Mines, and Low Carbon Innovation (EMLI) noted that given the shift in the Province's fiscal outlook due to the COVID-19 pandemic (pandemic), and higher-than anticipated costs for Site C, s.12; s.13

s.12; s.13

Since then, Government has supported British Columbians through the pandemic with continued investments in measures, activities, and programs. There were significant costs incurred through the Province's response to wildfires and flooding in 2021/22. s.13; s.16

s.13; s.16

s.13; s.16

s.13; s.16

Indigenous Clean Energy Procurement Program (ICEPP)

BC Hydro's Standing Offer Program (SOP) encouraged the development of small clean or renewable energy projects and had become an economic development vehicle for First Nations. As an outcome of Phase 1 of the Comprehensive Review of BC Hydro, government indefinitely suspended the SOP and engaged with Nations on the impact of that decision. s.12; s.13; s.16
s.12; s.13; s.16

The Indigenous Clean Energy Opportunities (ICEO) is a collaborative process between EMLI and the First Nations Leadership Council (FNLC). Through the ICEO process, EMLI is engaging and collaborating with First Nation rights holders and organizations on seeking new Indigenous opportunities in the clean energy sector.

s.13

Peace River Legacy Fund (PRLF)

s.13; s.16

s.13; s.16

In May 2019, the then-Minister of EMLI asked the Chief of Saulteau First Nation (SFN), and the Mayor of Dawson Creek to undertake a community-led process to develop a proposal for a PRLF through the establishment of a regional steering committee that would work in collaboration with First Nations, local governments, stakeholders, and residents. The recommendations from the Phase 1 Workplan, developed jointly between local governments and Indigenous Nations, included the creation of the Peace River Trust with joint governance by Indigenous and non-Indigenous residents of the Peace region, and that the Trust be capitalized by a "significant portion of the Site C [and possibly other Peace River] water rents".

The development of Phase 2 of the PRLF Workplan would increase the collaboration between the two groups s.16

s.16 continued
development of the PRLF Workplan by local governments and the Nations could showcase successful collaboration between the two groups on effecting outcomes in their joint interest.

s.16; s.17

s.16; s.17

BC Food Security Fund (BCFSF)

As a condition of its Environmental Assessment Certificate, BC Hydro's \$20 M Peace River Agricultural Compensation (PAC) Fund is aimed at offsetting lost sales and stimulating agriculture enhancements in the Peace region. As of March 2022, approximately \$1.7 M of the PAC has been allocated to 73 projects. In addition to the PAC, and to further address concerns raised about BC's food security, Government in 2017 committed to establishing the BCFSF that was envisioned to provide broad Province-wide benefits by supporting farming and enhancing agricultural innovation and productivity. s.13

s.13

OPTIONS:

s.12; s.13; s.16

s.12; s.13

s.12; s.13

RECOMMENDATION:

s.12; s.13

Approved / Not Approved

Honourable Bruce Ralston
Minister of Energy, Mines and
Low Carbon Innovation

Date

Honourable Lana Popham
Minister of Agriculture and Food

Date

DRAFTED BY:

Zackary Merilovich, Mgr, EPB
778-405-3112

Scott Cutler, A/Dir, EPB
778-698-7256

APPROVED BY:

Amy Sopinka, A/ED, EPB ✓
Simon Coley, ADM, SIAD ✓
Les MacLaren, ADM, EAED ✓
Fazil Mihlar, DM, EMLI ✓

Ministry of Agriculture and Food
BRIEFING NOTE FOR MINISTER FOR INFORMATION FOR MEETING WITH MINISTER
ENERGY MINES LOW CARBON INNOVATION

Ref: 198048

Date: August 26, 2022

Title: Future of the BC Food Security Fund - UPDATE

Issue: s.12

s.12

Background:

Following the 2017 decision to proceed with the Site C Project (Site C, the Project), Government announced its intention to implement three initiatives to mitigate concerns stemming from the decision to continue with it (Continuation Measures):

- The **Indigenous Clean Energy Procurement Program (ICEPP)** – a competitive procurement process for energy from Indigenous peoples-led projects and options for delayed delivery of power until BC Hydro required new energy and/or capacity.
- The **Peace River Legacy Fund (PRLF)** – joint exploration by local governments, residents, and Treaty 8 First Nations on the creation of a fund to address long term environmental, social and/or economic issues in the Peace region.
- The **BC Food Security Fund (BCFSF)** – support for farming and enhancing agricultural innovation and productivity throughout rural British Columbia (B.C.).

Ministry of Agriculture and Food (AF) staff had been working collaboratively with Ministry of Energy, Mines and Low Carbon Innovation (EMLI) since 2017. s.12; s.13

s.12; s.13

As part of the Site C Agricultural Mitigation and Compensation Plan, BC Hydro established a \$20 million BC Hydro Peace Agricultural Compensation Fund (PAC). Distribution of the Fund began in 2019, with 72 projects approved and valued at ~ \$1.7M. The intent of the PAC is to provide the Peace Region with financial supports to reduce local economic instability resulting from the loss of farming operations resulting from Site C.

The intent of the BC Food Security Fund is to increase food security across the province by enhancing agricultural innovation and productivity. It was acknowledged that the province would need to invest in the agricultural sector at a provincial scale to offset the loss of agriculture production and associated food security.

First Nations Considerations:

AF is currently supporting the B.C. Indigenous Advisory Council on Agriculture and Food (IACAF) and other Indigenous partners to identify opportunities to strengthen Indigenous food systems and increase Indigenous participation in the agriculture and food sector. IACAF is a key AF deliverable within the *Declaration on the Rights of Indigenous Peoples Act and Draft Action Plan: Action 4.48*:

- New Co-develop and implement an Indigenous Agriculture and Food Systems Strategy with the BC Indigenous Advisory Council on Agriculture and Food (IACAF).
- Work in partnership with Indigenous peoples to strengthen and rebuild resilient, sustainable Indigenous agriculture and food systems that support self-determination and empower Indigenous peoples to achieve their food security, food sovereignty and economic development objectives.

Indigenous Food Security across the province, but especially in the north has been identified as a priority issue for AF and IACAF to try to address.

Discussion:

Food security within B.C. is at the forefront of B.C. communities and the agriculture sector. The COVID-19 pandemic, several record setting forest fire season and the impact of the atmospheric river has exposed the vulnerability of the food supply chains, food security and food sovereignty across the province and western Canada.

The development of Site C in the Peace Region is estimated to permanently displace approximately 3,800 hectares of Class 1 to 5 agricultural lands (land capable of crop production) in the Agricultural Land Reserve (ALR). This is significant loss of production capacity for B.C.'s agriculture sector.

The BSFSF would directly support the implementation of Minister mandate priorities that include:

- Expand the Grow BC, Feed BC and Buy BC programs to encourage greater food security and local business growth.
- Take steps to make B.C. a leader in food security and the emerging agri-tech sector, helping B.C. companies that are bringing innovation and agriculture grow, hire more workers and position our province as an agri-tech leader, while protecting farmland in the ALR.
- Develop a new Regenerative Agricultural Network, which will create jobs for workers, opportunities for farmers and greater food security by bringing together natural systems of production with agri-tech ologies that enhance production.

A draft outline for utilization for the BSFSF is included in Appendix 1. Further scoping and consultation is needed to build this out.

s.13

Suggested Response:

- Construction of Site C resulted in the loss of high-quality farmland; the BC Food Security Fund (BCFSF) acknowledges the overall loss of agricultural production and supports food security across the province.
- The Province and Minister Popham received considerable backlash regarding the loss of agricultural land and loss of food production as a result of the Site C announcement. The public announcement of BCFSF was the Province's response to address these concerns.
- s.13
-
- Without access to the BCFSF, AF ability to deliver upon our current Mandate and other food security initiatives such as RAAN, will be limited.
- Food Security is a deliverable within the *DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES ACT ACTION PLAN 2022-2027* Action section 4.48

Contact: Brent Barclay, Director- Regional Development, 250 961 8490

ED MR ADM AL A/DM AL

Appendix 1: Potential Funding Framework / Opportunities for the BCFSE

Draft 2020 Outline of the proposed BCFSE:

Food Production Security (FPS): (Estimated cost: \$5 million per year)

- Initiatives in the FPS program are commercial in nature and focus in rural and remote areas. Technology adoption to enhance food security and infrastructure development to sustain and increase food production area are considered.

Community Food Security Initiatives: (Estimated cost: \$2 million per year)

- Initiatives may be regional or community-based with a focus on food security assessments and projects resulting from assessment to enhance production viability locally as well as mitigate supply interruption. Local governments, organizations, and individuals will be eligible for funding in this category and should demonstrate linkages with partners. Funding may be cost-shared.

Electrification and Energy-efficiency: (Estimated cost: \$2 million per year)

- Initiatives in this category support the development and technical feasibility of transitioning agricultural production and processors to increasingly clean power sources and energy-efficiency. This could include self-sufficient cleaner power systems and equipment.

Research Investment: (Estimated cost: \$2 million one-time endowment and \$1 million per year for project support)

- Creation of a Food Security Chair at a B.C. university as well as funding academic and applied research to further resiliency in agricultural production in British Columbia. Project support could focus on food supply and security, sectoral production resiliency, and food systems.

Current AF opportunities and pressures that could be supported by the BCFSE:

- RAAN Network
- B.C. Indigenous Advisory Council on Agriculture and Food (IACAF)
- BC Agriculture Water Infrastructure Program (Developed under CPAS but not funded)
 - AF has identified >\$100M of investment needed to support community scale irrigation infrastructure for local governments and indigenous communities. There is a provincial and federal funding gap for such requirements.
- s.12; s.13