

## **MINISTRY OF ENERGY AND MINES**

### **BRIEFING NOTE FOR INFORMATION**

#### **I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines

**ISSUE:** Meeting with representatives from the Member States Cooperation Council for the Arab States of the Gulf. His Excellency Mohammed Saif Helal Al Shehhi, Ambassador of United Arab Emirates to Canada, His Excellency Fahad Mohamed Yousef Kafoud Ambassador of the State of Qatar to Canada, and His Excellency Ahdulhamid A M A Alfaiakawi, Ambassador of Kuwait to Canada.

#### **II BACKGROUND:**

The Gulf Cooperation Council (GCC) is a regional intergovernmental political and economic union comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The visiting delegation has expressed an interest in learning of investment opportunities for the GCC in BC's energy and mine sectors.

The three Ambassadors will attend a breakfast roundtable on February 24 in Vancouver. They will hear investment-focused presentations from BC government officials from the Ministry of Energy and Mines (mining), Ministry of Natural Gas Development (LNG), the Major Investments Office, Ministry of Finance and Partnerships BC. The meeting will be chaired by Mr. Clark Roberts, Deputy Minister of the Ministry of International Trade.

**United Arab Emirates (UAE)** – The United Arab Emirates (UAE) is the second-largest producer of petroleum and other liquids and holds some of the largest resources of oil and natural gas in the world. The UAE is also one of the highest electricity consumers per capita in the world. It is estimated that electricity demand could grow by 50 per cent by 2020. As a result, the UAE is investing in renewable energy technologies, and have committed to produce at least 7 per cent of total power generation from renewable sources by 2020, and 44 per cent by 2050. The UAE has enormous solar energy potential and a number of large ongoing projects. In 2013, the 100 MW Shams 1, concentrated solar power plant, the largest-ever renewable energy project in the Middle East was commissioned, and the 13 MW first phase of the eventually 1000 MW Mohammed Bin Rashid Al-Maktoum Solar Park was inaugurated.

**Qatar** – Qatar is the largest exporter of liquefied natural gas (LNG) in the world. Oil and gas exports have made Qatar the world's highest per-capita income country, and the country with the lowest unemployment. Having one of the fastest growing economies in the world has caused a significant rise in domestic electricity demand. Currently all of Qatar's current generating capacity is natural gas-fired, but the potential of solar power projects have been discussed over the past several years. Qatar is not currently pursuing coal or nuclear generation capacity, unlike other countries in the region.

The Qatar Mining Company (QM) is wholly owned by the State of Qatar. Its purpose is to undertake targeted, value accretive investments in the mining and metals sector and to become

an international, multi-commodity mining company by 2024. QM is open to investment opportunities around the world.

**Kuwait** – Kuwait is the 10th-largest producer of petroleum and other liquids and holds the world's sixth-largest oil reserves. Kuwait's economy is heavily dependent on revenue received from petroleum exports, yet the country relies on oil and natural gas to generate electricity. Due to the focus on export income, there is significant incentive to stop using it for domestic electricity generation.

Renewable energy is in early stages in Kuwait, there has been heightened activity in recent years mainly on account of the need for diversification of energy resources, climate change concerns and greater public awareness. Kuwait has committed to meet 15 per cent of its energy requirements from renewable resources by 2030.

### III DISCUSSION:

**Mining and Minerals** – Mining is a key driver of BC's economy, with mining production forecasted for 2016 at \$7.15 billion. More than 30,000 people in BC work in the mineral exploration, mining-related sectors. Between 2011 and 2014, nearly \$2 billion was spent on BC exploration projects. BC is Canada's largest producer of copper and is Canada's largest exporter of coal. BC accounts for 14 per cent of Canada's total exploration expenditures and 2 per cent of the world's exploration expenditures.

BC is internationally recognized as a center of excellence for exploration, financing, geoscience, environmental engineering, metallurgy and mine safety. The province is home to the world's largest concentration of exploration companies and mining professionals, with more than 800 mining and mineral firms and 400 service suppliers choosing Vancouver as their base of global operations. More than half of Canada's exploration companies are headquartered in Vancouver.

BC investment opportunities include operating mines, advanced or proposed mine projects and explorations projects. Extractive industries benefit from low corporate tax rates, generous incentives, and tax or royalty credits and low-cost power – doing business in BC is good for the bottom line. BC benefits from Canada's sound financial system and enjoys an AAA-plus credit rating and stable economy that makes it a favoured port of call for investors.

**Electricity Generation** – BC's electricity generation comes from a mix of public and private utilities, industrial self-generators, and independent power producers. BC Hydro, a Crown corporation, generates over 43,000 gigawatt hours of electricity annually to supply more than 1.9 million residential, commercial and industrial customers.

In 2014 the Province decided to develop the Site C Dam in order to meet targets that commit BC to having at least 93 per cent of electricity generated from clean or renewable resources. Construction of the \$8.335 billion project is currently underway, and will be completed in 2024. Site C is expected to be a source of renewable and cost-effective electricity for more than 100 years, adding 5,100 Gigawatt hours per year of energy and 1,100 megawatts to BC's generation capacity. BC Hydro will likely not need to acquire electricity until the late 2020's, assuming an initial LNG load of 3,000 GWh per year.

#### **IV CONCLUSION:**

BC offers significant investment opportunities related to its mining sector. Competitive taxes, an ample supply of low-cost power and government's commitment to the industry make this province an ideal place to invest.

#### **ATTACHMENTS:**

1. Biography of Mohammed Saif Helal Al Shehhi
2. Biography of Fahad Mohamed Yousef Kafoud
3. Biography of Ahdulhamid A M A Alfaiakawi

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## **MINISTRY OF ENERGY AND MINES**

### **BRIEFING NOTE FOR INFORMATION**

- I PREPARED FOR:** Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training
- II ISSUE:** Minister's meeting with representatives of the International Union of Operating Engineers (IUOE)
- III BACKGROUND:**

Site C is being built with a managed open site labour model. BC Hydro's managed open site labour model for the project is inclusive and allows for access to the largest pool of skilled and experienced labour. It does so by allowing all qualified contractors, regardless of union affiliation or status, to participate in the construction of the project. The British Columbia Building Trades, including the IUOE, advocated for a site-wide project labour agreement, and were displeased with BC Hydro's managed open site labour model. The IUOE Local 115 is one of the ten unions affiliated with the British Columbia Building Trades and will be working on the installation of turbines and generators.

BC Hydro's main civil works contractor for Site C is Peace River Hydro Partners (PRHP), whose workforce is currently represented by the Christian Labour Association of Canada (CLAC).

**IV DISCUSSION:**

**IUOE request for access to Site C project site:**

- On December 22, 2016, the IUOE Local 115 filed the application before the Labour Relations Board (LRB) requesting an order to require PRHP to grant them access to the Site C project site for the purpose of organizing. This included a request for a room at the worker lodge for information meetings, as well as lodging for two union representatives.
- An LRB hearing on the matter was held on Thursday, January 19, 2017.
- On January 25, the LRB made a decision to grant the IUOE Local 115 access to the Site C project site (specifically the camp) for the purpose of organizing.
- BC Hydro has also granted access to CLAC under the same conditions for access as the IUOE, as outlined in the LRB Decision.

**Union "raiding" activities:**

- Under the British Columbia Labour Relations Code, raiding applications to displace an existing union can only be filed in the seventh and eighth month of each collective agreement year, also referred to as the "raiding period" or the "open period". In British Columbia, these periods occur every year.

- A raiding campaign usually takes place prior to and/or during the “open period”. However, the application must be filed during the applicable raiding period. For PRHP, this period is from February 20th – April 20th.
- The IUOE must file an application at the LRB and present the LRB with evidence of membership support (membership cards) to show that it has majority support among the affected workers, to displace CLAC as the bargaining representative for PRHP employees.
- If they are successful in attaining the requisite membership support (50% of the affected workers), and this support is confirmed by the LRB, the LRB will order a secret-ballot vote.

#### **British Columbia Labour Relations Board Decision:**

- BC Hydro was granted interested party status at the LRB because any decision made on union access would have a direct and material effect on BC Hydro, as owner of the Site C project.
- The British Columbia LRB has decided that conditional access should be granted to the ATCO Two Rivers Lodge for the IUOE Local 115 to discuss union representation with employees of PRHP.
- This access is specific to the camp, and does not extend to the construction site.
- BC Hydro has granted access to CLAC under the same conditions as the IUOE, as outlined in the LRB Decision.

#### **BC Hydro’s Response to the LRB Decision:**

- BC Hydro respects the decisions and practices of the British Columbia LRB and takes no position as to whether the IUOE should have been granted access to employees for the purposes of raiding.
- BC Hydro's concerns are with respect to site safety, security, worker productivity, and the protection of privacy interests of employees who reside in camp.
- BC Hydro and its contractors will continue to maintain and enforce their comprehensive safety and security protocols to ensure a safe, secure, orderly and non-confrontational work and camp environment.

#### **Site C Labour Model:**

- Site C is being built with a managed open site labour model.
- The managed open site model is inclusive, and allows for access to the largest pool of skilled and experienced labour by allowing all qualified contractors, regardless of union affiliation or union status, to participate on the project, while maintaining their existing bargaining relationships.
- It helps ensure the project is delivered in a way that is cost-effective for ratepayers and taxpayers. It also allows contractors choice as to how the work will be carried out.
- The model supports BC Hydro’s procurement strategy with respect to providing First Nations with economic opportunities to accommodate their interests. First Nations companies that are working on site are able to choose their own labour affiliation, if any.

- An open site model is not new. It is commonly used and is an effective model for delivering labour on large projects in British Columbia.
  - This model has been used successfully on Olympic venues, the Port Mann/Highway 1 Project, Canada Line, Sea-to-Sky Highway and BC Hydro projects — including the Ruskin Dam and Powerhouse Upgrade and the Interior to Lower Mainland Transmission Project.
- To date, unions that have participated, or are currently participating in the construction of Site C include:
  - Construction Maintenance and Allied Workers (CMAW);
  - Christian Labour Association of Canada (CLAC Local 68);
  - Canada West Construction Union (CWU);
  - Pile Drivers 2402;
  - International Union of Operating Engineers (IUOE Local 115);
  - Teamsters Local 213; and
  - in addition, the IUOE are one of the ten unions affiliated with the British Columbia Building Trades that will be working on the installation of the turbines and generators.
- With an open site labour model, there may be changes in union representation over the duration of the project.
- To date there has been some success by unions to organize non-union workers; however, it has not disrupted construction.

#### **Jobs for British Columbia:**

- BC Hydro's priority is to ensure that British Columbians are first in line to work on the Site C project.
- It is one of the reasons that Site C is being built with a managed open site model, so that the project and its contractors have access to the broadest possible pool of workers from across the Province.
- While contractors will be responsible for hiring their own workers, BC Hydro expects that contractors will recruit locally and regionally first, then nationally.

## **V CONCLUSION:**

#### **Key Messages:**

- BC Hydro respects the decisions and practices of the British Columbia LRB.
- BC Hydro will continue to respect site safety, security, worker productivity, and the protection of privacy interests of employees who reside in camp.
- The Site C project site is an active construction area. BC Hydro has comprehensive safety and security protocols to ensure a safe, secure and productive work environment.
- BC Hydro and its contractors will continue to maintain and enforce their comprehensive safety and security protocols to ensure a safe, secure, orderly and non-confrontational work and camp environment.

**Supporting Points:**

- BC Hydro's managed open site labour model for Site C is inclusive and allows for access to the largest pool of skilled and experienced labour. It does so by allowing all qualified contractors, regardless of union affiliation or status, to participate in the construction of the project.
- BC Hydro respects employees' rights to make a free choice about which union will represent them, and whether they want to participate in their unions' activities.

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## **MINISTRY OF ENERGY AND MINES**

### **BRIEFING NOTE FOR INFORMATION**

**I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines

**II ISSUE:** Meeting with Association of Consulting Engineering Companies - British Columbia

#### **III BACKGROUND:**

The Association of Consulting Engineering Companies British Columbia, (ACEC-BC) is BC's provincial association of engineering consulting firms. ACEC-BC represents 90 of BC's consulting engineering companies that provide engineering and other technology-based intellectual services to the public and private sectors.

ACEC-BC's member firms employ over 9,900 people in BC comprised of a workforce of engineers, geoscientists, technicians, technologists and other support staff. The consulting engineering business contributes approximately \$3.6 billion in annual revenue to the BC economy.

ACEC-BC has sought a meeting with Minister Bennett to discuss its support of resource projects (including the Site C Clean Energy Project) and to explore ways to mutually encourage strong public support for mining and energy projects.

#### **IV DISCUSSION:**

##### **ACEC- BC Objectives**

Key objectives of ACEC-BC are to publicly support engineering projects (e.g., Site C, LNG, mining and transportation), to provide a positive perspective on these projects, and to promote the consulting engineering business. ACEC-BC has focused on efforts to become more involved with government and to increase its visibility in the media.

The ACEC-BC has aimed to increase awareness of the consulting industry by issuing media releases and opinion editorials on a number of topics, including the presentation of its position paper that made recommendations on corporate practice to the Association of Professional Engineers and Geoscientists of BC (APEGBC), as well as numerous articles supporting the Site C Project.

##### **ACEC-BC and Mining**

ACEC-BC established a mining subcommittee in 2014 that has engaged with mining industry groups including the Association of Mineral Exploration and the Mining Association of BC to identify issues, and provide input on best practices, mining standards and fair procurement practices.



The ACEC-BC executive has met with APEGBC following the Mount Polley reports to discuss the use of terms such as “Best Practices” and “Best Available Technologies” from the legal perspective. ACEC-BC also made recommendations on the regulation of organizations to the APEGBC Task Force on Corporate Practice.

## **Site C**

ACEC-BC has voiced support of the Site C project. In media releases and editorials, the association has indicated Site C is needed to meet future electricity demands and that the consulting engineering industry plays a key role in the planning, design, construction and maintenance of public infrastructure. The association has made a formal submission in support of Site C to the joint review panel that reviewed the environmental assessment application filed by BC Hydro, and made a presentation at one of the public hearings.

## **Legislative Interests**

ACEC-BC has identified other legislative interests that relate to broader government programs and initiatives including infrastructure investments, labour market supply challenges (e.g. immigration programs and increasing spaces for engineering students), and a road pricing “user pay system” (see attachment #2).

## **V KEY MESSAGES:**

- The Province views natural resource development as a key economic driver in BC.
- The Province recognizes the important role that consulting engineers play in development of infrastructure and resource projects in BC.

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**Attachments:** 1. ACEC-BC Executive Overview  
2. ACEC-BC Infographic and Legislative Interests