

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Fazil Mihlar, Deputy Minister, Ministry of Energy, Mines and Petroleum Resources

ISSUE: Teck Resources Limited update to Government on key innovation initiatives

BACKGROUND:

This meeting will involve senior-level representation from both Teck Resources Limited (Teck) and Government. Teck will be providing information on their innovation strategy, key initiatives and thoughts on future actions including:

- Teck's corporate strategy for technology and innovation.
- A project update on RACE21 (to highlight progress to date, next steps, and their approach to rethinking talent acquisition and workforce development to facilitate innovation).
- An overview of emissions reduction pathways and associated technologies to achieve carbon neutrality by 2050.

Following these updates, there will be time for discussion on the intersection of these initiatives with government policies and priorities. See Attachment 1 for a draft meeting agenda and a list of proposed participants.

DISCUSSION:

Teck is making significant investments in mining innovation which they expect to be transformative for the company, their five British Columbia (BC) mines, and global operations. Innovation in mining has the potential to increase safety, accuracy and efficiency in operations while reducing costs. In the current context of the COVID-19 pandemic, innovation is a tool that can be used to improve industry resilience to future crises.

RACE21 and Innovative Technologies

RACE21 is Teck's innovation-driven efficiency program. The concept behind RACE21 is that the mining company of the future will be built on a fully integrated digital platform. It aims to take a company-wide approach to renewing their technology infrastructure, with a goal to make substantive progress by 2021. For example, by looking for opportunities to deploy automation and robotics, and connecting their data systems to enable broad application of advanced analytics. Another element in this work is empowering their employees.

Teck has implemented numerous innovative technologies at their mine sites including the first automated haul truck pilot in the province at Teck's Highland Valley Copper mine. Teck contributes to regulatory approaches to innovation through participation in the Ministry's Standing Code Review Committee.

Emissions Reduction

In early 2020, Teck announced a goal of carbon neutrality by 2050 and is working to reduce emissions of operations through a variety of projects. The CleanBC Industry Fund supported Teck's pilot project to switch from diesel to electric passenger buses for the Elk Valley operations. s.13

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Teck, the Province and the City of Kimberley contributed to funding the SunMine project. SunMine is the largest solar project in BC and the first solar project in the province to sell power directly into BC's power grid. SunMine has been operational since 2015 and is located on fully reclaimed land at Teck's former Sullivan Mine site.

Innovation Roadmap

The Mining Jobs Task Force (including Tom Syer from Teck) identified rapid sector transformation driven by digitization, automation and workforce transformation as a key issue, and recommended the development of a Mining Innovation Roadmap (the Roadmap) to address challenges and capitalize on innovation opportunities for the BC mining industry.

The Mining Association of BC was granted \$1 million to develop the Roadmap and formed an Advisory Committee composed of executives across the mining value chain, government and the technology sector to help guide it. The Advisory Committee includes Kalev Ruberg, Vice President and Chief Innovation Officer of Teck. Teck staff also participated in workshops that informed the development of the Roadmap.

The Roadmap report is nearing finalization and calls for the creation of a BC Mining Innovation Hub to bring ecosystem actors together to fund the research, development and commercialization of innovations to address key BC mining related challenges such as long-term water treatment. Other key recommended actions include establishing an industry and government co-led risk-based regulatory framework.

MINISTRY RESPONSE:

- The Province recognizes the advances being made by Teck in the space of innovation and appreciates efforts that align with CleanBC priorities to reduce overall carbon emissions.
- The Province acknowledges and appreciates Teck's involvement in the development of the BC Mining Innovation Roadmap and looks forward to continuing collaboration to advance the recommendations when the report is finalized.

Attachments: Attachment 1 – Proposed Meeting Agenda and Participant List

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APPROVED BY:

Peter Wijtkamp, A/ED✓
Peter Robb, ADM✓

Attachment 1 – Proposed Meeting Agenda and Participant List

PROPOSED AGENDA

Introductions, Meeting Overview, and Safety Share: *10 minutes*

Overview of Technology and Innovation at Teck: *15 minutes*

Update on Teck's corporate strategy for technology and innovation.

Highlights of trends across the industry.

Race 21 Progress Update: *15 minutes*

- What Race 21 has accomplished between April 2019 and June 2020 and next steps.
- Key project deployments to date.
- Key upcoming projects.
- Re-thinking our approach to talent acquisition and workforce development to accelerate innovation.

Decarbonisation Technology – A Path to Carbon Neutral 2050: *15 minutes*

Overview of potential pathways and associated technologies to achieve carbon neutrality by 2050.

- Corporate direction and goals to achieve carbon neutrality by 2050.
- Emissions profiles of B.C. operations.
- Emissions abatement pathways for BC operations leading up to 2050, with discussion of using technology to address major emissions sources.

Discussion: *20 minutes*

Wrap Up: *5 minutes*

PARTICIPANTS – *To be Confirmed*

Teck

- Marcia Smith, Senior Vice-President, Sustainability and External Affairs
- Andrew Milner, Senior Vice-President and Chief Transformation Officer
- Greg Brouwer, Vice-President, Transformation
- Ryan Sword, Director, Value Delivery
- Jackie Scales, Director, Inclusion and Diversity
- Chris Adachi, Manager, Sustainability and Climate Change
- Peter Wan, Lead, Technology and Innovation
- Kal Ruberg, Vice-President and Chief Innovation Officer
- Dean Mackie, Director Technology and Emerging Systems
- Tom Syer, Head of Government Relations
- Eric Wallace-Deering, Leader, Government Relations
- Don Sander, General Manager, Elkview

Government

- Fazil Milhar, Deputy Minister, Ministry of Energy and Mines (EMPR)
- Peter Robb, Assistant Deputy Minister, EMPR
- Nathaniel Aman-Blake, Assistant Deputy Minister, EMPR
- Chris Trumpy, Executive Lead, Regulatory Reform, EMPR
- George Warnock, Executive Lead, Authorizations, EMPR
- Herman Henning, Chief Inspector of Mines
- Kevin Jardine, Deputy Minister of Environment and Climate Change Strategy
- Jeremy Hewitt, Assistant Deputy Minister, Climate Action Secretariat
- Scott Bailey, Assistant Deputy Minister Responsible for the Environmental Assessment Office
- Christine Kennedy, Deputy Minister, Ministry of Jobs, Economic Development and Competitiveness
- Susan Stanford, Associate Deputy Minister, Jobs, Economic Development and Competitiveness
- Bindi Sawchuk Assistant Deputy Minister for Innovation and Responsible for Skills and Training

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Fazil Mihlar, Deputy Minister of Energy, Mines and Petroleum Resources

ISSUE: Meeting with Suncor Energy Inc. to discuss opportunities for economic development under British Columbia's suite of policies

BACKGROUND:

Suncor Energy Inc. (Suncor) operations include oil sands development and upgrading, onshore and offshore oil and gas production, petroleum refining, renewable fuel production, and product sales and marketing under the Petro-Canada brand. In British Columbia (B.C.), Suncor's operations include the Burrard terminal and storage facility, upstream linear operations, and gasoline sales and electric vehicle (EV) charging stations through Petro-Canada.

In May 2020, as a result of the COVID-19 pandemic and unprecedented decline in demand coupled with an oversupply of crude oil, Suncor reported a first-quarter net loss of \$3.525 billion, compared with net earnings of \$1.47 billion in the same quarter of last year. The company is cutting its dividend, capital spending, and operating costs to maintain financial health.

In 2016, Suncor set a greenhouse gas (GHG) reduction goal to reduce the emissions intensity of their operations by 30% by 2030. This goal is to be met through energy efficiency, investments in low carbon power and low carbon fuels, and investments in new technologies. According to Suncor's 2019 climate report, they invested approximately \$635 million in 2018 in technology development and deployment, and digital technologies to optimize current assets and develop next generation facilities. The company also includes climate risk scenario planning as part of its operations.

DISCUSSION:

Cleantech and new technologies to reduce emissions:

As part of Suncor's cleantech investments in 2016, the company launched the Evok Innovations cleantech fund, an initiative between the BC Cleantech CEO Alliance, Cenovus Energy and Suncor. Evok connects the oil and gas industry with entrepreneurs and innovators with new solutions. Portfolio companies include Ekona and Rotoliptic, both of which have been supported by the Ministry of Energy, Mines, and Petroleum Resources (EMPR) through the ICE Fund. Rotoliptic has developed an efficient fluid pumping technology, while Ekona is developing low carbon hydrogen production and clean power from natural gas with CO₂ capture

Low carbon fuels:

Under the B.C. Renewable and Low Carbon Fuel Requirements Regulation (BC-LCFS), fuel suppliers are required to comply by meeting a fuel carbon intensity target through the supply of low carbon fuels. Fuel suppliers can also receive credits for compliance through the Part 3 Agreement program which grants credits for investments that promote the uptake of low carbon fuels. s.13

Federal and provincial renewable fuel standards mandate blending of ethanol into gasoline and blending renewable content into diesel. In addition, the federal government has recently proposed implementing a national Clean Fuel Standard, which remains under development but could be similar in principle to the BC-LCFS.

Suncor owns and operates the largest ethanol plant in Canada, which provides the ethanol blended in Petro-Canada gasoline in eastern Canada. s.13

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In 2019, Suncor invested in and seconded staff to Enerkem Inc. in Edmonton, which manufactures ethanol and renewable chemical products from municipal solid waste that would otherwise be landfilled. s.13

Suncor has also invested in LanzaTech which is developing technology to convert industrial, municipal and agricultural waste into automotive and jet fuels.

Electric vehicles and charging infrastructure:

In December 2019, Petro-Canada completed "Canada's Electric Highway," a network of 50 fast-charging stations across the country—including 13 locations in B.C. The stations were funded in part with \$4.6M in support from the federal government, \$500,000 in GoElectric program funding as well as Part 3 Agreement support from the BC-LCFS. EMPR has a Special Purpose Agreement with the federal government whereby stations in B.C. apply for both the federal and B.C. station funds through one application process. This allows the Province to leverage additional federal infrastructure funding for EV charging into B.C. The B.C. government's GoElectric Public Fast Charging Program funds 25 percent of the total project costs up to a maximum of \$25,000 per EV fast charger.

Businesses who are not otherwise public utilities, are now exempt from many of the current regulatory requirements imposed under the Utilities Commission Act on persons providing EV charging services. This enables private investment in charging infrastructure to get more stations faster.

B.C. Budget 2019 and 2020 included a total of \$22M to expand the Zero Emission Vehicle infrastructure network with new public fast-charging and hydrogen fuelling stations. These funds are distributed through competitive calls. The 2019 and 2020 Budgets also included \$10M in funding for home and workplace charger rebates. Support through Part 3 Agreements will also continue to be available.

The CleanBC Communities Fund supports cost-sharing of infrastructure projects in communities across the province. Projects will include Level 2 charging infrastructure or hydrogen fuelling infrastructure that is owned by a public body and is for public use. Part 3 Agreements have also provided significant support for hydrogen fuelling infrastructure and will continue to do so.

CONCLUSION:

Ministry staff support Suncor's efforts to invest in low carbon technologies and low carbon fuel supply in B.C. Achieving the targets under CleanBC will require sustained effort from the fuels sector to lower their emissions intensity. Suncor should continue to leverage funding and opportunities from EMPR programs to promote domestic economic development and lower GHG emissions.

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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Fazil Mihlar, Deputy Minister of Energy, Mines and Petroleum Resources

ISSUE: Pacific Northern Gas Company Information and Update

BACKGROUND:

Pacific Northern Gas (PNG) owns and operates a natural gas transmission and distribution system in west-central British Columbia (BC), and, through its subsidiary PNG (NE), owns and operates natural gas distribution systems and a gas processing plant in the province's northeast. This includes approximately 3,000 km of distribution mains and services pipelines and 1,200 km of transmission pipelines.

PNG distributes gas to over 20,400 residential, commercial and industrial customers in communities in northwestern BC via its PNG-West division. PNG (NE) is also a natural gas distribution utility, providing sales and transportation services to approximately 21,000 residential, commercial and industrial customers in the north eastern BC communities of Fort St. John, Dawson Creek, and Tumbler Ridge.

PNG had been a wholly-owned subsidiary of AltaGas Canada, but is now owned by TriSummit Utilities Inc., which is 100% privately owned by the Public Sector Pension Investment Board and the Alberta Teachers' Retirement Fund Board. PNG is regulated by the British Columbia Utilities Commission (BCUC).

DISCUSSION:

All energy companies are facing challenges due to COVID-19. As a part of the response, Ministry staff formed a provincial regulator working group comprised of the BCUC, the Oil and Gas Commission (OGC), Emergency Management BC, and Technical Safety BC. This working group has identified the following risks faced by companies like PNG:

- Need for access to personal protection equipment and fast testing for work crews;
- Impacts of imposing cross border restrictions on crew mobility to maintain the safety of critical energy infrastructure; and
- Respect for utility workers as they continue to perform essential tasks and the requirement for social distancing. On April 9, 2020, the Commission issued a public release encouraging energy utility customers to be respectful and considerate of energy utility workers.

The BCUC has also requested updates from all utilities it regulates on changes being made to their Emergency Response Plans, in light of COVID-19, and to address flooding and wildfire mitigation. The OGC issued a Seasonal Hazards Reminder in April 2020, requesting that permit

holders provide current, up-to-date site-level emergency contact information to ensure direct point of contact, if needed, during a natural disaster event.

COVID-19

Following the onset of the COVID-19 pandemic, PNG triggered its Incident Command System, which is its standardized approach to control and co-ordinate activities during an emergency response. The Emergency Operations Centre (EOC) has been activated. The EOC team meets daily and has enacted a plan for the continuing operations during this period of pandemic that also takes into consideration risk mitigation plans. Natural gas demand has not yet been noticeably impacted by COVID-19.

Since mid-March 2020, PNG has been working to help its customers who have been financially impacted as a result of COVID-19. On April 9, 2020, PNG filed an application with the BCUC for approval to establish a new COVID-19 Deferral Account for each of PNG-West and PNG(NE). This account would include:

- any bad debt resulting from customers in any rate class who do not pay their bills due to the impacts of COVID-19 on their financial circumstances; and
- any unplanned expenses due to the COVID-19 pandemic that PNG-West has incurred related to continuing operations.

PNG also implemented a bill payment deferral program that will allow for up to a three month deferral of energy bill payments for residential customers served under Rate Schedule 1 and small commercial customers served under either RS 2 (Small Commercial) or RS 22 (Small Commercial Transportation) that are unable to pay their energy bills due to impacts from the COVID-19 pandemic. On a consolidated basis, as of May 31, 2020, PNG received 95 applications and 56 customers had enrolled in the Deferral Program, 28 in each of PNG-West and PNG(NE). The difference between the 95 customers who submitted applications and the 56 customers enrolled can be attributed to the 39 customers choosing to enter into an individual flexible payment arrangement or deciding not to move forward with their application. PNG will continue to work with customers impacted by the COVID-19 pandemic on individual flexible payment arrangements.

PNG is not able to estimate the amounts to be captured in the COVID-19 Deferral Accounts given the unknown extent of the impact of COVID-19 on customers in all PNG rate classes and the uncertainty of the timing of how long the impacts of COVID-19 will be felt by customers.

The BCUC granted interim approval on April 17, 2020 regarding the COVID-19 Deferral Account and on May 4, 2020, the regulatory timetable for review of PNG's applications was established.

PNG's Operations, Maintenance and Construction crews have continued to be active in the field but are taking proper safety precautions to protect our employees and the public. PNG has seen little or no volumetric impact due to COVID-19.

Reactivation Capacity Allocation Process (RECAP)

On June 28, 2019, PNG filed an application with the BCUC for approval to reactivate capacity on its transmission system, and the amount of any toll premiums that prospective shippers are willing to pay. This type of process is referred to in the energy industry as an “open season.” If the outcome of the RECAP is successful, PNG will undertake system reactivation and recommissioning work to return the transmission system, which was operating at less than full capacity, to full design capacity.

The PNG system has been operating at less than full capacity for a number of years due to the closure of large industrial customers in Kitimat and Prince Rupert (e.g., Methanex). Some new customers, such as the Skeena LNG proposal near Terrace, and developments at the Port of Prince Rupert could take up this unused capacity.

On May 1, 2020, PNG announced its open season for reactivated capacity on PNG’s existing West Transmission system for natural gas deliveries from Station 4a on the Enbridge Westcoast Energy Inc. southern mainline near Summit Lake to Terrace, Kitimat or Prince Rupert, including for small scale (containerized) LNG export.

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PNG Looping Project

PNG is proposing to loop its existing natural gas transmission pipeline between Summit Lake and either Kitimat or Prince Rupert. The proposed pipeline involves the construction of approximately 525 kilometres of new 24-inch pipeline, operating in parallel with the existing pipeline and the building or upgrading of four compressor stations. Initial pipeline capacity would be 0.6 billion cubic feet per day.

The project has been in the environmental assessment process since 2013. This project was intended to supply natural gas to proposed LNG facilities in the Kitimat area which have all since been cancelled or put on hold. AltaGas’ proposed small-scale Triton LNG project which is currently planned for the Prince Rupert area remains a potential customer.

The project is currently on hold pending further discussion with potential shippers.

CONCLUSION:

PNG, like other utilities, is facing a range of COVID-related impacts, and they have activated emergency response measures to address challenges as they arise. Among these impacts is the financial position and liquidity of both large and small utilities, as a result of ratepayers being unable to pay their energy bills due to impacts from the COVID-19 pandemic. PNG has implemented programs to assist their ratepayers during this time, but the overall impact of COVID-19 on the utility may be greater than anticipated.

As with BC Hydro and FortisBC, the Ministry continues to work with PNG and the BCUC to ensure that PNG ratepayers are provided as much relief as is possible and that operations are maintained.

Appendices:

1. Map of PNG's Service Territory

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Date: June 17, 2020
CLIFF: 111499

Graph 1: Map of PNG Service Territory

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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Fazil Mihlar, Deputy Minister, Ministry of Energy, Mines and Petroleum Resources

ISSUE: Clean Energy BC's Executive Director, Laureen Whyte, has requested a call to introduce herself

BACKGROUND:

Laureen Whyte was announced as Clean Energy BC's new Executive Director on April 30, 2020. Previous to this position, she worked in Community & Regional Affairs at Westcoast Energy/Enbridge, and has also served as Vice President for the Association of Mineral Exploration BC.

Clean Energy BC (CEBC) is the industry association for Independent Power Producers (IPPs) in British Columbia (B.C.). CEBC was founded in 1991, as the Independent Power Producers Association of British Columbia before renaming in 2010. CEBC regularly promotes the IPP industry to the public, advocates for additional IPP procurement when communicating with government, and regularly participates as an intervenor on behalf of the IPP sector at British Columbia Utility Commission (BCUC) proceedings.

BC Hydro currently has 123 energy purchase agreements (EPAs) for a total of over 21,000 GWh/yr, mainly with IPPs. In fiscal 2019, BC Hydro purchased 14,248 GWh of its total 59,414 GWh domestic supply from IPPs, or roughly one quarter of its energy supply. In total, this energy cost \$1.25 billion in fiscal 2019, approximately 27 per cent of BC Hydro's operating costs that year.

In 2018, government commissioned Ken Davidson to report on IPP purchases. His report, "Zapped", released on February 12, 2019, concluded that policy direction by the previous government led BC Hydro to procure too much lower-value intermittent energy from IPPs. When comparing EPA prices with current export market prices, Mr. Davidson determined that the previous government's policies cost BC Hydro's rate payers at least \$16 billion over 20 years; equivalent to roughly \$4,000 per residential ratepayer over the same period.

BC Hydro has a significant surplus of energy. B.C. has been a net exporter of energy for 7 of the last 10 years. In its October 2019 20-year load forecast, BC Hydro projects that it will remain in surplus until fiscal 2038 after committed and planned resources are accounted for. Surplus energy is primarily sold in the Mid-C market in the US Pacific Northwest, at prices below the cost of procuring IPP energy.

The report on Phase 1 of the Comprehensive Review (Phase 1) of BC Hydro recommended limiting IPP purchase costs through two measures:

1. Indefinitely suspending BC Hydro's Standing Offer Program (SOP), which purchased energy from clean energy projects of up to 15 MW in size; and
2. Renewing seven existing biomass EPAs set to expire before January 2022 at lower prices and volumes relative to their existing contracts but higher than the forecast assumptions used in BC Hydro's 2013 Integrated Resource Plan.

BC Hydro also manages its IPP energy costs by reducing the volume of IPP energy when there are cost savings to BC Hydro and pursuing the renewal of some existing IPP contracts at lower price to meet future long-term energy needs.

On June 28, 2020 Clean Energy BC published a "Media Backgrounder" on Bill 17. This backgrounder argues that:

- B.C. should have carried the costs of IPP energy development on the Provincial books rather than BC Hydro's;
- Abandoning self-sufficiency puts B.C. at risk from potential spikes in export market prices;
- Wind and solar are cheaper than Site C and the IPP industry is uniquely positioned to develop these projects;
- Wind and solar are necessary to meet CleanBC goals; and
- Clean energy development is important for reconciliation with First Nations.

DISCUSSION:

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As a result, with the exception of a small number of projects associated with Impact Benefit Agreements (IBAs), and potential projects to displace fossil fuels in remote locations, BC Hydro is not purchasing energy from projects that do not already have EPAs. Its most recent procurement program, the SOP, was indefinitely suspended in response to the Phase 1 recommendations. s.13

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expired EPAs have not been renewed, as a result. s.13

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BC Hydro is currently developing its next IRP, which will look at potential long-term (20-year) demand for electricity from their customers, including as a result of CleanBC. Based on this demand, BC Hydro will look at resource options such as market purchases, demand-side measures, infrastructure investments and purchases from IPPs to meet its customers' needs. BC Hydro will consult on its IRP, and it will ultimately be submitted to the BCUC which will decide whether or not to approve it. CEBC will have multiple opportunities to make its case for the role of IPPs in BC Hydro's plans throughout this process.

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SUGGESTED MINISTRY RESPONSE:

- We understand that BC Hydro has a surplus of clean electricity, and that this surplus should be adequate to meet energy demands resulting from CleanBC in the medium term.
- A significant obstacle to electrification is the relatively high cost of electricity versus natural gas. Buying additional electricity during surplus has the potential to undermine the load growth that would drive need for additional generation in B.C.
- Industrial electrification is a significant focus of Phase 2 of the Comprehensive Review of BC Hydro. The review is looking to leverage opportunities in the northeast to electrify oil and gas facilities and enhance transmission connections to the coast to support LNG development.

- In addition, government is committed to enhancing electrification through the Memorandum of Understanding between the Government of Canada and the Government of British Columbia to electrify the natural gas industry.
- The focus of these initiatives is making it easier to connect to BC Hydro utilizing existing and in-development generating resources.
- BC Hydro is in the process of preparing its new Integrated Resource Plan, and we understand that Clean Energy BC is represented on the technical advisory committee. We encourage you to continue participating in this process.

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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Fazil Mihlar, Deputy Minister of Energy, Mines and Petroleum Resources

ISSUE: Meeting with Bryan Cox from the Canadian LNG Alliance regarding the Alliance's rebranding and its economic report commissioned through the Conference Board of Canada

BACKGROUND:

- The BC LNG Alliance (BCLNGA) was founded in 2014 to foster the growth of a safe, environmentally responsible and globally competitive LNG industry in British Columbia.
- Initially the BCLNGA was supported by Kitimat LNG, LNG Canada, Pacific NorthWest LNG, Prince Rupert LNG, Triton LNG and Woodfibre LNG.
 - While Pacific NorthWest LNG and Prince Rupert LNG have both been cancelled, their support has since been replaced by Woodside Energy, FortisBC, Enbridge and ExxonMobil.
- In February 2019 the Board of Directors of the BCLNGA appointed Bryan Cox as president and CEO of the alliance. Prior to this appointment, Mr. Cox was President and CEO of the Mining Association of British Columbia (MABC).
- On June 15, 2020, the BCLNGA was rebranded as the Canadian LNG Alliance (CLNGA) to reflect the critical role LNG can play in Canada's COVID-19 economic recovery, economic reconciliation with Indigenous communities and Canada's clean energy transition.
 - CLNGA advocates that Canadian LNG, produced within Canada's world-leading regulatory framework and aligned with global Environmental, Social, and Governance (ESG) metrics, will play an outsized role in providing a solution for global emissions reductions. Continuing to develop the Canadian LNG industry will also provide the critical infrastructure to advance Canada's net zero emissions goal, including opportunities like the evolution to hydrogen, while supporting jobs and climate action today.

DISCUSSION:

Re-branding to the Canadian LNG Alliance

- Initially the BCLNGA had come into being as a response to policies and regulations being considered by the Province in 2013/14. This included increases to the province's carbon tax as well as the introduction of an LNG income tax.
- Since the introduction of the LNG Fiscal Framework and its implementation following the sanctioning of LNG Canada in 2018, the focus of the BCLNGA pivoted more to promotion of the industry to domestic and international audiences.
- The need to broaden the scope and project to a more national perspective has resulted in the re-branding to the CLNGA.

Clean LNG Working Table

- In August 2019, Natural Resources Canada (NRCAN), the Province of B.C., the Province of Alberta and the CLNGA met in Vancouver to discuss s.13

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Conference Board of Canada's Economic Impact Analysis

- In the spring of 2020, the CLNGA commissioned the Conference Board of Canada to undertake an analytical overview of the economic impact the LNG industry could have on the post-COVID-19 economic recovery.
- The paper is anticipated to be finalized during the 3rd quarter of 2020 and could be published in coordination with the First Nations Climate Initiative's planned Summit.
- EMPR (OGD and SIAD) had been approached by the Conference Board during their initial information gathering portion of their analysis with a focus on initiatives related to First Nations communities.

CONCLUSION:

- CLNGA members are committed to building a safe, environmentally responsible, and inclusive LNG industry for Canadians.
- The Province looks forward to continuing to work collaboratively with the CLNGA in building an inclusive and positive dialogue around Canada's role and opportunity for leadership in the world's energy future.

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APPROVED BY:

Curtis Kitchen, A/ED✓

May Mah-Paulson, ADM✓

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Fazil Mihlar, Deputy Minister, Ministry of Energy, Mines and Petroleum Resources.

ISSUE: Meeting with Karen Ogen-Toews - First Nations LNG Alliance's Chief Executive Officer

BACKGROUND:

The First Nations LNG Alliance (FNLNGA) is a collective of First Nations who are participating in, and supportive of, sustainable and responsible LNG development in BC. The Alliance has been formed to provide education and information to First Nations interested in LNG and natural gas projects, and their benefits.

Karen Ogen-Toews is a founding member of FNLNGA and currently serves as its CEO. Other Board Members include:

- Crystal Smith - Chair of FNLNGA (Haisla Nation);
- Dan George (Chief of Burns Lake Band);
- Adele Gooding – Secretary of the FNLNGA (Skin Tyee Nation);
- John Jack -Treasurer of the FNLNGA (Huu-ay-aht First Nations); and
- Clifford White (Gitxaala Nation)

Karen previously served as the elected chief of the Wet'suwet'en First Nation for six years and currently sits on the nation's elected council, holding the Natural Resource/Energy and Economic Development portfolios. Karen earned her Master's degree in Social Work from the University of Northern British Columbia in 2007 and also graduated from the Indigenous Governance Certificate Program from the University of Victoria in 2010. In 2016 Karen was selected by BC Business magazine as one of B.C.'s 35 most influential women (among "women using their positions to effect change").

Karen also serves as a member of the following entities:

- Premier's First Nations Advisory Committee;
- Energy Roadmap Advisory Team for the Ministry of Energy, Mines and Petroleum Resources; and
- Yinka Dene Economic Development Limited Partnership board (the economic arm of the Wet'suwet'en First Nation).

DISCUSSION:

The FNLNGA acts as an advocate for First Nations with respect to LNG development issues. To do so they provide research and in-depth insight into the many issues and concerns surrounding LNG development in BC. FNLNGA also seeks to connect people with resources, information, support and materials to inform themselves and their members.

The FNLNGA works towards:

- Increasing positive LNG dialogue in First Nations communities;
- Communicating First Nations messages directly to First Nations audiences;
- Communicating balanced LNG information;
- Providing a venue for pro-development nations to interact, share knowledge and resources; and
- Discussing environmental issues and priorities.

The Alliance members believe that a pathway to successful development of LNG in BC is through consultations based on mutual trust and respect, and through accommodation of First Nations priorities, including environmental ones. In recent years, the process of consultations has already produced a number of approvals by First Nations of various LNG development initiatives.

The FNLNGA, through Karen, had actively been participating in the information gathering sessions hosted by the First Nations Climate Initiative (FNCI). FNCI is a forum for collaboration which includes the Nisga'a Nation, Lax Kw'alaams Band, Metlakatla First Nation and Haisla Nation. The FNCI has focused its efforts on understanding the challenges and opportunities associated with the development of LNG and other gas products on the north west coast of BC, based on their belief that the development of clean LNG promises to be one of the most meaningful contributions the province can make in the fight against climate change and poverty. FNCI members work together as governments to support the development of LNG projects in their territories, with an aim to:

1. advocate for, and implement actions that support exceeding Provincial and Federal emission-reduction targets;
2. alleviate poverty in their communities and the region; and
3. maximize the impact of Provincial LNG commodities on mitigating global climate change.

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CONCLUSION:

The Province will continue to collaborate with the FNLNGA on key opportunities that support the development of sustainable LNG industry in BC.

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