

MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Honourable Josie Osborne, Minister of Energy, Mines and Low Carbon Innovation, Honourable Murray Rankin, Minister of Indigenous Relations and Reconciliation, Honourable Nathan Cullen, Minister of Water, Land and Resource Stewardship, and Don Bain, Deputy Chief of Staff to Premier David Eby

ISSUE: Advancing the North Coast Transmission Line

BACKGROUND:

New electricity infrastructure is required to facilitate industrial growth in British Columbia (B.C.)'s northwest that aligns with provincial and federal climate targets. Meeting the anticipated demand will require adding a second 500 kilovolt (kV) transmission line across the three segments of the existing North Coast radial line from Prince George to Terrace (see map in Appendix A).

The North Coast Transmission Line (NCTL) has an estimated capital cost of approximately \$3 billion and is projected by BC Hydro to take 8-10 years from development to in-service operation which includes consultation, assessment, permitting, engineering, clearing and construction (See Appendix B for further details on the draft schedule). This time frame could be reduced if Indigenous partnerships and regulatory reforms were agreed to in a way that could improve BC Hydro, Indigenous and provincial decision-making related to the project.

BC Hydro initiated a non-binding expression of interest (EOI) on February 15, 2023, to gauge customers' interest in purchasing energy in the North Coast region. BC Hydro received 29 submissions in response to the EOI (See Appendix C). Interest came from a diverse range of current and prospective industrial customers across economic sectors, including mining, ports, hydrogen, LNG, and others. The mining sector accounted for the largest number of individual submissions and the hydrogen sector accounted for the largest amount of proposed future demand. The results provide strong support for proposed new 500 kV transmission infrastructure.

Up to 14 First Nations could be affected by the NCTL between Prince George and Terrace (see Appendix D). BC Hydro's relationships with these First Nations are varied based on current and past projects. Most of the Nations have expressed interest in the clean energy related opportunities perceived to be related to the transmission project and the potential of First Nation equity ownership in transmission infrastructure. Many of the Nations along the line have met and sent representatives, including many chiefs, to several meetings where they have been organizing amongst themselves for how to engage with the Province and BC Hydro in relation to this project. Some of the First Nations along the proposed transmission line route are members of the First Nations Major Projects Coalition. The most recent meeting was on June 2 when EMLI and BC Hydro hosted a workshop with all First Nations along the proposed route from

Prince George to Terrace, which also included Prince Rupert area Nations, Nisga'a and Haisla. While the focus of the workshop was to initiate a dialogue on ownership opportunities in the Project, First Nations representatives were also concerned about how to organize the government-to-government interests with the Province about decision-making related to the project, historic impacts and power supply to communities, as well as potential new clean energy opportunities for the Nations. Six of the Nations signed a letter to ministers on June 12 summarizing concerns and requests (Appendix D). A response to this letter will be required after direction is obtained from ministers.

Development of the NCTL is a priority for the Province to reduce industrial emissions and support critical minerals and future industrial and port developments. The NCTL will tie into emerging concepts for a Northwest Regional Infrastructure Strategy. BC Hydro has been working to advance the NCTL and has been working with staff in the Ministries of Energy, Mines and Low Carbon Innovation (EMLI); Water, Land and Resource Stewardship (WLRS), and Indigenous Relations and Reconciliation (MIRR). For the project to proceed in a timely way, it is recommended that a strategy be developed to frame collaboration across four areas of work:

1. First Nations and project decision making;
2. First Nations' participation and equity ownership; and
3. Streamlined assessment and regulatory certainty; and
4. Canada's participation and funding strategy.

DISCUSSION:

First Nations Project Decision Making

Framework Agreement

Engagement has begun with impacted First Nations to share information and discuss co-ownership of infrastructure and related issues. There is a need to focus on government to government (G2G) relationship building at this stage with the potential to pursue a Framework Agreement (FA) or memorandum of understanding (MOU) with affected First Nations that sets out how the Province, BC Hydro and First Nations will work together on the NCTL.

s.13; s.16

Recommendation: s.13
s.13

s.13; s.16

First Nations Participation and Equity Ownership

The Province and BC Hydro are interested in supporting opportunities for Indigenous equity ownership in transmission infrastructure. While these discussions are at an early stage, and it is not yet known what form these ownership opportunities would take. s.13; s.16
s.13; s.16

Recommendation: s.13
s.13

Streamlined Assessment and Regulatory Certainty

BC Hydro Regulatory Support

To continue to advance the NCTL, government would need to provide directions that enabled the following:

- s.13

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● s.13

Recommendation: s.13
s.13

Impact Assessment and Permitting

Environmental Assessment Approach

Under the environmental assessment (EA) process, BC Hydro is planning to advance the NCTL in two components (see Appendix A): Prince George to Glenannan, which BC Hydro suggests may not trigger an EA and, Glenannan to Terrace, which is likely to trigger an EA. Due to the long timelines required for EAs (3-5 years), BC Hydro has expressed that undertaking an EA for one or more segments of the NCTL would jeopardize the ability to bring the project into service in the 8–10 year timeframe. BC Hydro suggests that a delay would impact the ability to meet increased demand and electrification goals in the northwest.

An exemption from the EA process is possible under the *Environmental Assessment Act* or via a Cabinet regulation. Should an exemption be issued, an alternative streamlined process would likely be needed to fulfil the objectives of an EA. This streamlined process could involve development of management plans and mitigation measures for this type of infrastructure. The completed construction of a 500 kV line to connect Site C to the Peace Canyon Substation provides a recent example of such terms. Engagement with First Nations to understand their views around an exemption and alternative process will be crucial. s.13; s.16

s.13; s.16

s.13; s.16 . Many Nations are interested in setting the environmental conditions and guidance for permitting oversight in this co-developed manner. This type of approach would be a separate G2G negotiation that would parallel the separate collaborations related to co-ownership opportunities.

Permitting

BC Hydro has requested support from the Province to ensure permitting is coordinated and timely. BC Hydro has already requested expedited approval of initial permits this summer, and additional requests would be expected to continue for the next several years over the permitting phase of the NCTL.

The Permitting/Authorizations and Statutory Decision-Making Solutions Team (PASS) within WLRS is mandated to lead cross-government solutions to improve timing and transparency of permitting processes to support sustainable economic development, housing and infrastructure while maintaining high levels of environmental protection. s.13

s.13

Relevant opportunities that PASS is currently leading include Table Teams that are multi-ministry to advance work in the space of delegation of authorities and deemed authorizations. Additionally, work in space of professional reliance may benefit the NCTL.

s.13

s.13

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PASS will provide support to EMLI to assist in advancing permitting and strategic efforts, including coordination across the Natural Resource Ministries (NRM).

Recommendation: s.13

s.13

Engagement with Canada

Conversations are ongoing with Canada on electricity infrastructure and the NCTL. The Privy Council Office (with NRCan) is working with the Intergovernmental Relations Secretariat (with EMLI) to look at opportunities for the federal government to support electricity transmission projects, including funding projects such as the NCTL and funding First Nations participation in projects. Funding mechanisms and supports required by industry, the Province and Canada require further assessment. s.16

s.16

The BC Hydro Task Force will provide advice to support the NCTL.

Recommendation: s.13

s.13

NEXT STEPS:

Provincial and BC Hydro Executive Project Board

- EMLI will establish an executive-level oversight group/Board for implementation of the strategies and reviewing direction needed from ministers, Cabinet and the BC Hydro Board. It will include deputy ministers and leads from EMLI, MIRR, BCER and WLRS as well as key BC Hydro executives.

First Nations:

- Implement recommendations above by:
 - EMLI and MIRR to advance G2G discussions with the affected First Nations;
 - EMLI to develop a ministerial response letter to the June 12 letter from First Nations;
 - EMLI (Strategic and Indigenous Partnerships Division) to design a draft Framework Agreement or MOU with First Nations and bring forward to Ministers for consideration; and
 - Work with BC Hydro to develop a negotiation strategy to support equity discussions and bring forward to Ministers for consideration.

Streamlined Assessment and Regulatory Support

- s.13
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- PASS will support EMLI to identify and rapidly advance initial investigative permits and authorizations required to facilitate the initiation of NCTL. PASS will advance strategies under development and coordinate across the NRM; and
- Ministry of Forests will need to identify a lead Director to oversee multiple investigative permits required by various decision-makers for BC Hydro field work on environmental and archaeological data this summer.

Engagement with Canada

- Continue conversations with Canada (PCO, NRCAN) to explore funding options for the NCTL; and
- Explore partnerships with Nations to engage with Canada on support for funding and partnership on expanded electrical supply in BC furthering clean energy commitments.

APPENDICES: (A, B, C and E follows on next page; D separate attachment)

- A: North Coast Transmission Line Proposed Route
- B: Draft Schedule from BC Hydro
- C: North Coast Expression of Interest results from BC Hydro
- D: First Nations Leaders Working Group letter to Ministers
- E: First Nations Potentially Affected by the North Coast Transmission Line

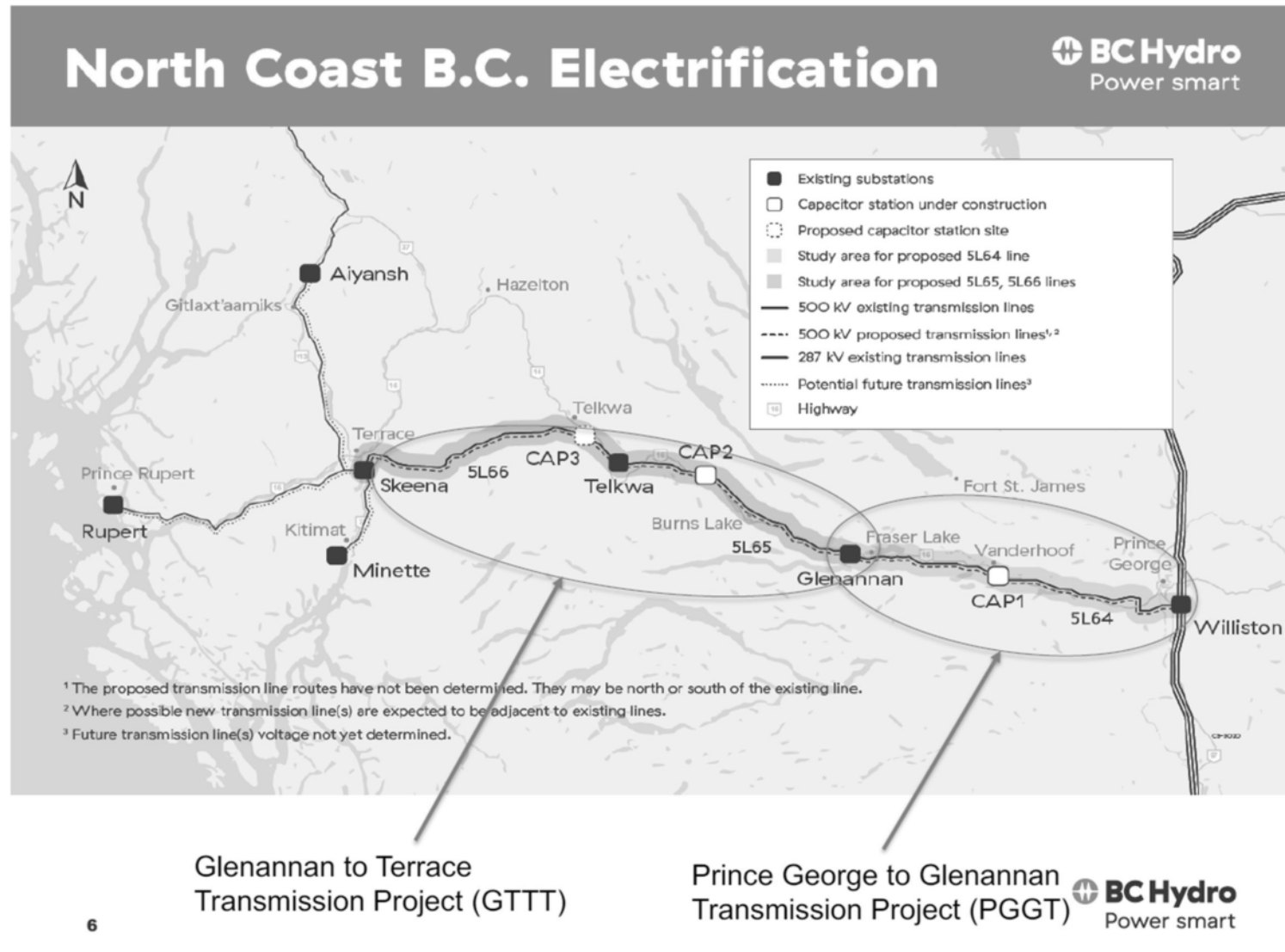
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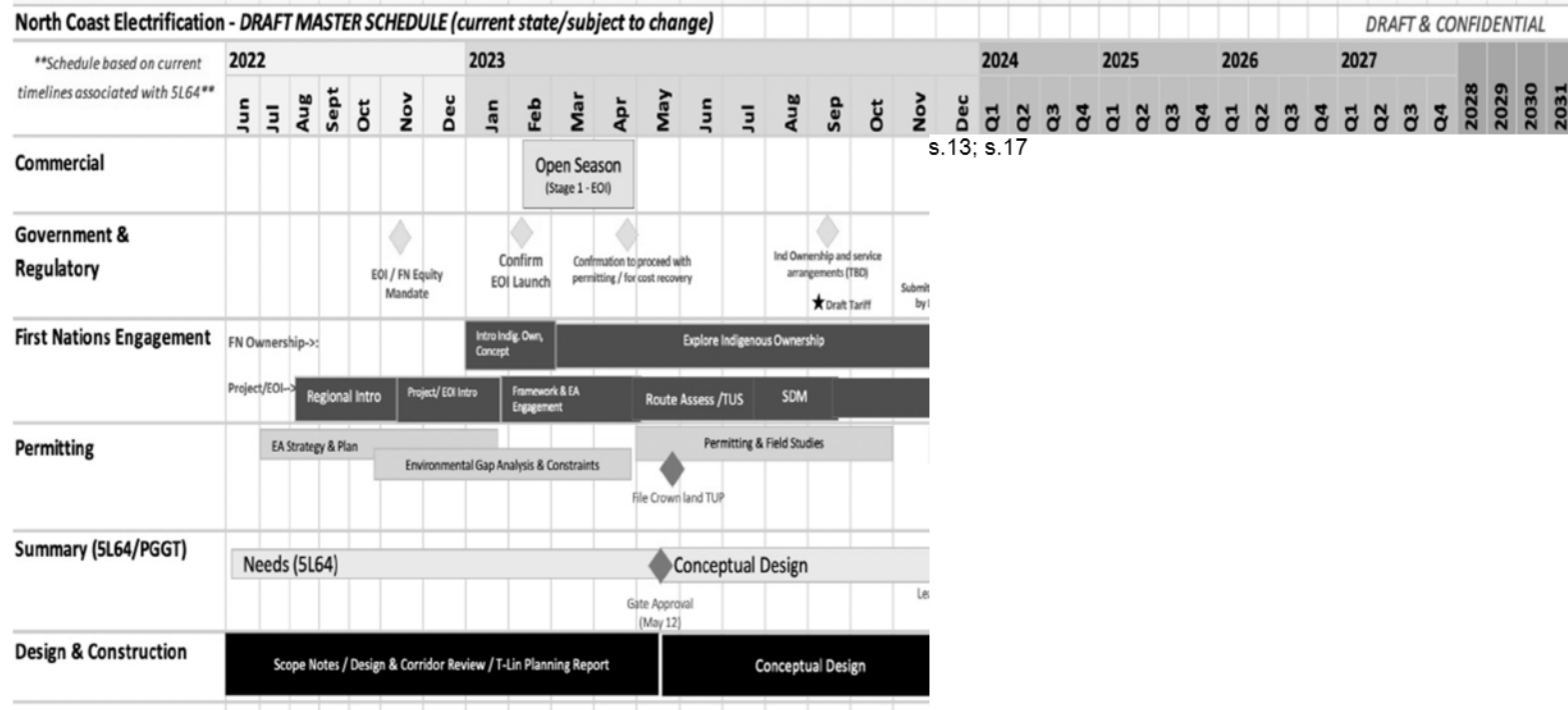
APPENDIX A: North Coast Transmission Line Proposed Route



APPENDIX B: Draft Schedule from BC Hydro

Draft & Confidential

North Coast Electrification – Draft Schedule



Notes, Considerations & Assumptions:

- Other than where noted, schedules based on SL64 timelines
- Based on best available current information; subject to change.
- Information presented for business unit alignment and coordination, discussion and decision-making purposes.

Legend

◆	Customer Decision Point/Milestone
◆	BC Hydro Decision Point/Milestone
◆	Government Decision Point/Milestone

Abbreviations/Definitions	
SIS	System Impact Study
SISA	System Impact Study Agreement
FSA	Facilities Study Agreement
FA	Facility Agreement (Tariff)
FID	Facility Implementation Date
IPD	Initial Project Description
DPD	Detailed Project Description
EAC	Environmental Assessment Certificate
TUP	Temporary Use Permit
LOO	License of Occupation
CPCN	Certificate of Public Convenience & Necessity
TUS	Traditional Use Studies



North Coast EOI - Results

Strong interest across multiple sectors

s.13; s.17	Sector	MW	%
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Strong interest:

- 65 organizations registered
- 29 eligible submissions

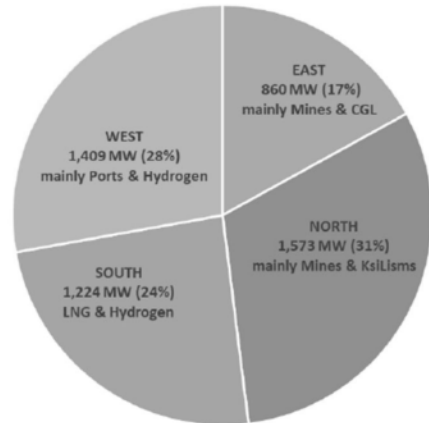
Service Requests:

- Total load: ~5000 MW
- Project loads: ~10-700 MW
- Service start: asap to ~2035
- Attrition expected:
 - Low bar to participate
 - Many projects early stage

All projects	~5000 MW	100%
Top 10 companies	~4000 MW	80%
Excluding large-scale (≥ 500 kV) projects	~2700 MW	55%
Include "higher" probability projects only*	~2500 MW	50%

* Based on initial proxy of whether permitting has been initiated or completed; requires further assessment of requested ISD and market intelligence.

Customer load predominately beyond Terrace



APPENDIX D: First Nations Leaders Working Group Letter to Ministers (separate attachment)

**First Nations Leaders Working Group
on
Northwest Renewable Energy Transmission and Generation Capacity
Development**

June 12, 2023

Dear Ministers Osbourne, Rankin and Cullen,

We would like to meet with you as soon as possible to initiate a government to government discussion that expedites the expansion of renewable energy transmission and generation capacity from Prince George to the coast. We see the potential to support this development, provided that it proceeds on the basis of key principles which are reflected in your recent DRIPA legislation including:

1. Informed Consent of the Nations that are affected.
2. Consistent with our cultural and environmental values and the protection and restoration of fish, wildlife and ecosystems in our territories.
3. First Nations Ownership of Projects - 0 to 100% depending on the will of the Nations whose territories are affected.
4. Transmission is designed with consideration for future generation and offtake opportunities to serve both community needs and sustainable economic development opportunities.
5. Historic grievances associated with Transmission line development are addressed and past agreements honored.

We have initiated an open collaborative process inviting leaders of all Nations from PG to the coast to join us to ensure that our individual and collective interests are addressed and the many different projects that will create this enhanced renewable energy system do not create conflicts between us as past linear projects have. We have held 3 meetings so far with the next scheduled for July 17th. A core working group of leaders (the undersigned) have signed a non-binding collaboration and communication protocol and all leaders are invited to do so. Most are considering the prospect of working together and we are hopeful that they will decide to do so.

We believe that the development of the transmission infrastructure warrants a significant investment by Canadian taxpayers, both BC and federally. We are prepared to work with you to secure a Federal commitment to this investment in infrastructure to support our collective climate change goals.. This transmission infrastructure and the potential renewable energy generation projects it can bring online will enable the clean, green electrification of many projects that are in the provincial and national interest including the Port of Prince Rupert. The electrification of these projects, along with the Port and the associated transportation systems will contribute to mitigating and adapting to climate change while enabling our communities to alleviate poverty and pursue economic self-determination.

We have engaged with BC Hydro in their effort to initiate twinning of the 500 KV line from PG to Terrace and we recognize that this is an important part of the system we need to build together. It is obvious that BC Hydro does not have the capacity or direction to engage with us in a manner that will address our interests. This was evident at a meeting that we attended, along with many other leaders, with BC

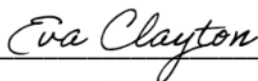
First Nations Leaders Working Group
on
Northwest Renewable Energy Transmission and Generation Capacity
Development

Hydro on June 1. We need to create a Government to Government Framework Agreement to support this project and other transmission projects it will be part of and we need to secure a taxpayer investment in this critical infrastructure..

To be very clear, this letter is an attempt by us to honour from our side your expressions of interest to work with First Nations differently post DRIPA. We do not want the same old approach from BC Hydro and government. We seek a new way forward that is cooperative and can benefit all people's of BC. As part of this new approach, we ask that you come to our Territories and meet with us. Not to discuss this project, but to get to know us and our lands.

We look forward to your prompt and positive response to our invitation to meet and assure you that we are endeavouring to keep all leaders informed whether they have decided to work with us or not.

President Eva Clayton:



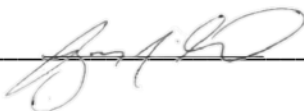
Chief Martin Louie:



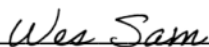
Hereditary Chief Herb Naziel:



Chief Barry Nikal:



Chief Wesley Sam:



Chief Councillor Crystal Smith:



Cc:

Premier David Eby

Deputy Minister Doug Caul

Deputy Minister Shannon Baskerville

Deputy Minister Rick Manwaring

Deputy Minister Tom McCarthy

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