

Duncan, Kate EMPR:EX

From: McNish, James EMPR:EX
Sent: January 4, 2018 1:41 PM
To: Howlett, Tim GCPE:EX
Subject: FW: MJTF TF Participation

Hey Tim,

Here is the list of the invitees to the Mining Jobs Task Force. Do any of these raise red flags?

Thanks,

-James

Representation	Name	Affiliation	Notes
Industry	Lyndsay Kislock	MABC	Confirmed
Industry	Edie Thome	AME	Confirmed
Industry	Tom Syer	Teck	Confirmed
Industry			
FN			
FN			
Labour	Randall Gatzka	USW	Invited
PS/ST	Regina Saimoto	Northwest CC	Invited
Fin	Neil Pogany	Deloitte and Touche	Invited
LG	Don McPherson	Tumbler Ridge	Confirmed
ENGO	Alan Young	MERG	Confirmed

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PW is working on a workplan for the TF that we hope to have to you next week for your review before circulating with TF members prior to Roundup and discussion at a F2F meeting.

Let me know if you want to discuss,

Chris

Chris Trumpy
Executive Director
Mines and Mineral Resources Division
Office: (778) 698-7295
Cell: (250) 415-7754

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: January 8, 2018 2:40 PM
To: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX
Cc: McNish, James EMPR:EX; Beaupre, Darren GCPE:EX; Dalal, Suntanu GCPE:EX
Subject: RE: Interview request
Attachments: 2017-11-23 QP EMPR - Dam regulation.docx; 2017.11.08 QP EMPR - OGC and hydraulic fracturing - draft.docx

Attached are the QP notes on the topic

From: Haslam, David GCPE:EX
Sent: Monday, January 8, 2018 2:36 PM
To: Sanderson, Melissa EMPR:EX; Howlett, Tim GCPE:EX
Cc: McNish, James EMPR:EX; Beaupre, Darren GCPE:EX; Dalal, Suntanu GCPE:EX
Subject: RE: Interview request

Edits look good. Lets revisit tomorrow am. Cheers - D

From: Sanderson, Melissa EMPR:EX
Sent: Monday, January 8, 2018 2:35 PM
To: Haslam, David GCPE:EX; Howlett, Tim GCPE:EX
Cc: McNish, James EMPR:EX; Beaupre, Darren GCPE:EX; Dalal, Suntanu GCPE:EX
Subject: RE: Interview request

All,

I made some suggestions – although I have to run and would like to have a longer conversation about this.

M

From: Haslam, David GCPE:EX
Sent: Monday, January 8, 2018 1:30 PM
To: Howlett, Tim GCPE:EX
Cc: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Beaupre, Darren GCPE:EX; Dalal, Suntanu GCPE:EX
Subject: FW: Interview request

Hi Tim – Happy New Year. Hope you enjoyed the holidays. Nelson Bennett approached OGC for an interview with CEO Paul Jeakins on recent criticism of the OGC. See request below followed by OGC messaging. He also wants to speak to the Minister but that's not going to happen until she returns – s.13

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open to your suggestions. Including Melissa and James. Thanks David

Nelson Bennett request:

I'd like to speak to CEO Paul Jeakins. The commission has seen some increased criticism in recent months, including in the legislature — the biggest issue being all the dams built for fracking. Ben Parfitt has been pretty vocal about his criticism of these unregulated dams, so I wanted to give the commission a chance to address some of these concerns. There was also the release, after four years, of a study on leaks from gas wells. That put Rich Coleman in the embarrassing position of claiming in 2014 that there had there had never been a leak from wells, when it turns out the

commission had a study from 2013 that suggests that simply wasn't true.

Here are the bullets OGC is working on for Paul; which are pretty similar to what they shared with other media outlets in December.

Unlicensed Dams:

- There are 51 dams in northeast B.C. regulated by the BC Oil and Gas Commission.
- None of these dams intersect rivers or creeks. Water sources are either shallow groundwater, overland flows or water from streams that are transferred to the dam by truck or pipeline.
- These dams were constructed between 2011 and 2015.
- Prior to the Water Sustainability Act coming into force, about half of these structures were not regulated dams (because groundwater recharge was not regulated under the old Water Act and because the criteria defining regulated dams was changed in the new Water Sustainability Act).
- The Commission has had authority to issue Water Licenses since 2013.
- All of the dams were permitted under the Land Act and some of the dams were issued short-term water use permits under the Water Act. In issuing these authorizations the Commission was not aware the permit holders were planning to construct dams which can only be authorized in a water licence.
- First Nations were consulted on the land use associated with these dams under the Land Act and, where appropriate, the Water Act permits as well.
- Of the 51 dams, all are regulated under the Dam Safety Regulation.
- Commission noticed the error regarding short term use versus licensing while implementing the new Water Sustainability Act.
- Acted immediately upon becoming aware to ensure these structures were safe and brought into compliance.
- Since that time, Commission has had a staff member trained and appointed as a Dam Safety Officer under the Act and two others are in training – the Commission has also hired a Dam Engineer.
- All dams have been inspected and enforcement has been taken where appropriate (10 Orders to date).
- All of the dams are in a safe condition and while some contain fresh water, they are not in use.
- All of the dams will either be brought into compliance or removed and restored.

Gas Migration:

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- s.13 The 2013 report came as a result of the Commission doing its due diligence to better understand the issue of gas migration, plan next steps for data gathering and potential mitigation efforts.
- That report is now public, along with an update on all of the work that has taken place over the last five years.
- Since the original Gas Migration report was completed in 2013, the Commission has taken a number of steps to expand its understanding of Gas Migration in northeast B.C. This includes:
 - o The purchase of new equipment to better detect Gas Migration.
 - o Tightening regulations to ensure the Commission is immediately notified of any Gas Migration incidents, and evaluate the cause and source of the gas migration.
 - o Conducting additional field investigations of wells with Gas Migration.
 - o Developed additional technical guidance for industry.
 - o Improvements to internal procedures to ensure instances of Gas Migration are appropriately tracked and addressed.
 - o The formation of a working group with industry subject matter experts to improve drilling and cementing practices.
 - o A helicopter survey of abandoned wells last summer to better identify methane emissions.
- In addition, the Commission is directly involved in various Gas Migration research initiatives with several institutions, including UBC, UBC-Okanagan, Queens University, and University of Calgary.

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- Ten risk assessment reports have been submitted as per the Commission's new risk assessment guidelines.
- Further, three well sites have been required to develop and implement a groundwater monitoring program, installing monitoring wells and will be issuing reports.
- We are committed to providing effective and responsive independent oversight for British Columbia's oil and gas industry that protects our environment and supports resource development.

Oil and Gas Dams

Background:

- A review of water storage sites in Northeast BC by the Oil and Gas Commission and FLNRO revealed 51 sites that qualify as dams and were not properly licenced.
- Two dams owned by Progress Energy should have undergone an Environmental Assessment but did not. The company is seeking an exemption.

Message:

- The protection of British Columbia's environment is a priority for the new government. We will monitor this, and all oil and gas operations, closely to ensure that the industry is acting responsibly and in accordance with our regulations.
- s.13
-
- Oil and Gas Commission staff, along with other ministries have conducted site visits and inspections and are continuing to monitor the dams to ensure they don't pose a threat to the environment.
- The dams are now going through the process they should have done before to apply for water licenses. No water is permitted to be used from the dams until that process is complete.
- The Commission has also issued ten compliance orders requiring companies to reduce water levels by half, or in some cases to drain the water completely.
- We will continue to monitor the situation closely to ensure the environment and public safety is protected.

What about the requests for exemptions to Environmental Assessment Certificates for two dams owned by Progress Energy?

- It is the responsibility of proponents to submit all proposals that qualify as reviewable projects under the Environmental Assessment Act for review.
- This should have happened in the case of the Lily and Town Dams.
- Progress Energy's request is being reviewed by the independent Environmental Assessment Office.
- This process is administered by the EAO independently of cabinet and it would not be appropriate for me to comment on it at this time.

How were such a large number of structures built under the Commission's watch without proper authorizations?

- It is the responsibility of proponents to ensure they apply for all required permits and comply with BC legislation and regulations.
- That said, it is concerning that this situation was allowed to occur and we are reviewing the details to figure out how we can prevent such a situation from occurring in the future.

On call for a public inquiry into fracking...

- I've heard the concerns expressed by British Columbians about potential environmental impacts of hydraulic fracturing.
- Hydraulic fracturing has been around for decades in British Columbia, but we always want to ensure we are meeting the highest standards.
- We are committed to a science-based approach when it comes to managing the environmental impacts of resource development.
- That's why we will be appointing a scientific panel to review hydraulic fracturing to ensure that natural gas is produced safely and that our environment is protected.
- This will include looking at impacts on water, and the potential role that gas production may have in seismic activity.

OGC and Hydraulic Fracturing

Highlights:

- The Green party has been asking a series of questions on unlicensed dams and hydraulic fracturing in northeastern BC.
- The CCPA and other organizations have called for a “wide ranging formal public inquiry” on hydraulic fracturing.

Solution:

- The BC oil and gas commission is an independent regulatory agency that is responsible for oversight of oil and gas activities in our province.
- Its role does not include promoting the sector.
- The Commission is responsible for ensuring industry complies with provincial legislation and assuring that the public interest is protected
- They are charged with ensuring public safety and protecting the environment, and with balancing a broad range of environmental, economic and social considerations.
- Legislation and regulations to protect domestic water are very specific including setback distances and well-casing requirements.
- It is against the law in B.C. to release any flowback liquids into the environment. Fluids must be collected and disposed of at a Commission-approved disposal well or facility.

On hydraulic fracturing and scientific review...

- I've heard the concerns expressed by British Columbians about potential environmental impacts of hydraulic fracturing.
- Hydraulic fracturing has been around for decades in British Columbia, but we always want to ensure we are meeting the highest standards.
- We are committed to a science-based approach when it comes to managing the environmental impacts of resource development.
- That's why we will be appointing a scientific panel to review hydraulic fracturing to ensure that natural gas is produced safely and that our environment is protected.
- This will include looking at impacts on water, and the potential role that gas production may have in seismic activity.

What about the unregulated dams?

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- We are taking the situation very seriously and are coordinating across Ministries.
- A review by Oil and Gas Commission and Ministry of Forests, Lands, Natural Resource Operations and Rural Development determined that 51 sites qualify as regulated dams and lacked proper authorizations.
- The Environmental Assessment Office and the Oil and Gas Commission have conducted site visits and inspections to ensure projects did not pose a threat to the environment.
- The Oil and Gas Commission has issued seven compliance orders to draw down water storage levels by 50% and in two cases to completely drain the dams.
- Staff continue to monitor the situation closely to ensure safety and environmental protection.

On the request for exemptions to EA certificate for two dams...

- It is the responsibility of proponents to submit all proposals that qualify as reviewable projects under the Environmental Assessment Act for review.
- This should have happened in the case of the Lily and Town Dams.
- Progress Energy has applied for an exemption for the Lily and Town Dams.
- This request is being reviewed by the independent Environmental Assessment Office.
- The EAO has held a public consultation period and is now engaged in a technical review of the application with input from local First Nations.
- This process is administered by the EAO independently of cabinet.

But the OGC takes money from oil and gas companies...

- The Oil and Gas Commission is funded on a cost-recovery basis through the application of industrial fees and levies.
- This is in accordance with best practice in other jurisdictions and ensures that the industry pays the cost of their operations – without subsidy from taxpayers.

Background:

- The BC Oil and Gas Commission presently regulate more than 20,000 wells and over 40,000 kilometres of pipeline infrastructure
- The BC office of the Canadian Centre for Policy Alternatives and other groups released a call for a full public inquiry into hydraulic fracturing citing:
 - “Escalating water usage by fracking companies.
 - Poor or misleading consultations with First Nations.
 - Widespread industry non-compliance with relevant provincial water laws through the construction of dozens of unlicensed dams.
 - Record-setting induced earthquakes at BC fracking operations.”
- The call for a public inquiry was endorsed by 17 groups including: UBCIC, David Suzuki Foundation, Wilderness Committee, West Coast Environmental Law, Sierra Club BC, Council of Canadians.
- According to the groups, the Inquiry must address whether or not provincial agencies adequately oversee fracking operations, ensuring that companies comply with existing laws and regulations, safeguard public health, and protect the environment. The Inquiry must have powers and sufficient funds to compel legal testimony, commission professional research, and hold public hearings across BC.
- The OGC closely regulates hydraulic fracturing to protect groundwater. Legislation and regulation guiding the protection of domestic water wells is very specific, including setback distances and well casing requirements.
- After the hydraulic fracturing process, fluids flow back to the surface and are collected at the wellsite. It is against the law in BC to introduce flowback fluids onto the surface environment.
- A May 2016 review of water storage sites in Northeast BC by the OGC and FLNRORD revealed 51 sites that qualify as dams under the Water Sustainability Act and Dam Safety Regulation and that these sites were not properly licensed.
- The OGC issued seven compliance orders for the drawdown of 50% of water at five dams and full dewatering of two dams.

Duncan, Kate EMPR:EX

From: Robb, Peter L. EMPR:EX
Sent: January 8, 2018 4:55 PM
To: McNish, James EMPR:EX; Sanderson, Melissa EMPR:EX
Cc: Trumpy, Chris EMPR:EX
Subject: Fwd: letter

As requested... feel free to call chris or I or ask us to participate in and needed discussions

Begin forwarded message:

From: "Trumpy, Chris EMPR:EX" <Chris.Trumpy@gov.bc.ca>
Date: January 8, 2018 at 4:49:36 PM PST
To: "Robb, Peter L. EMPR:EX" <Peter.Robb@gov.bc.ca>
Cc: "Wijtkamp, Peter EMPR:EX" <Peter.Wijtkamp@gov.bc.ca>
Subject: FW: letter

With tweak as discussed.

Begin forwarded message:

From: "Trumpy, Chris EMPR:EX" <Chris.Trumpy@gov.bc.ca>
Date: January 8, 2018 at 4:23:54 PM PST
To: "Robb, Peter L. EMPR:EX" <Peter.Robb@gov.bc.ca>
Cc: "Wijtkamp, Peter EMPR:EX" <Peter.Wijtkamp@gov.bc.ca>
Subject: RE: letter

Assuming you just want bullets and not a written response? Also did not include anything on the meeting request.

- Thank you for your January 5 letter, you raised some important issues that I would like to address.
- I recognize the importance of USW and the importance of your members that you represent to success of the mining industry in BC.
- s.13
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- I appreciate your concerns regarding representation but I had to make difficult choices with respect to the variety of stakeholders with an interest in the mining sector to ensure an appropriate balance of viewpoints while keeping the total number of TF members manageable.

- While I appreciate there were not specific mechanisms identified in the ToR with respect to engagement with workers, the ToR are clear that the TF is to engage with interested stakeholders which would include workers. If you have thoughts on how this engagement could be most effective please let the TF Chair MMRD ADM Peter Robb know.

From: Robb, Peter L. EMPR:EX
Sent: Monday, January 8, 2018 3:38 PM
To: Trumpy, Chris EMPR:EX
Subject: Fwd: letter

Can we do up some bullets for the MO to respond to this letter ASAP

Begin forwarded message:

From: "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>
Date: January 8, 2018 at 2:41:39 PM PST
To: "Robb, Peter L. EMPR:EX" <Peter.Robb@gov.bc.ca>
Subject: FW: letter

From: Sanderson, Melissa EMPR:EX
Sent: Monday, January 8, 2018 2:24 PM
To: McNish, James EMPR:EX; Howlett, Tim GCPE:EX
Subject: FW: letter

From: Lunny, Scott [<mailto:slunny@usw.ca>]
Sent: Monday, January 8, 2018 2:13 PM
To: Sanderson, Melissa EMPR:EX
Subject: letter

As discussed.

Scott Lunny | slunny@usw.ca | 604.329.5308

From: Howlett, Tim GCPE:EX
Sent: January 8, 2018 6:12 PM
To: Frampton, Caelie ENV:EX; Sanderson, Melissa EMPR:EX
Subject: Interior News on Mt Milligan Mine

<https://www.interior-news.com/news/mount-milligan-mine-temporarily-suspends-operations/>

Mount Milligan Mine temporarily suspends operations

The company has not made any comments regarding layoffs

- Jan. 8, 2018 1:30 a.m.

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Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

Duncan, Kate EMPR:EX

From: McNish, James EMPR:EX
Sent: January 23, 2018 5:12 PM
To: Howlett, Tim GCPE:EX
Subject: RE: MEDIA REQUEST: CFTK TV Terrace on low-income electricity rates...

Thanks for the eyes

From: Howlett, Tim GCPE:EX
Sent: Tuesday, January 23, 2018 5:11 PM
To: McNish, James EMPR:EX
Subject: RE: MEDIA REQUEST: CFTK TV Terrace on low-income electricity rates...

Looks good to me

From: McNish, James EMPR:EX
Sent: Tuesday, January 23, 2018 4:41 PM
To: Howlett, Tim GCPE:EX
Subject: FW: MEDIA REQUEST: CFTK TV Terrace on low-income electricity rates...

Any issue with this Tim?

From: Dalal, Suntanu GCPE:EX
Sent: Tuesday, January 23, 2018 4:13 PM
To: McNish, James EMPR:EX; Sanderson, Melissa EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX
Subject: MEDIA REQUEST: CFTK TV Terrace on low-income electricity rates...

Checking on this media request...

From: Dalal, Suntanu GCPE:EX
Sent: Tuesday, January 23, 2018 1:35 PM
To: McNish, James EMPR:EX; Sanderson, Melissa EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX; MacLaren, Les EMPR:EX; Wieringa, Paul EMPR:EX
Subject: MEDIA REQUEST: CFTK TV Terrace on low-income electricity rates...

Reporter: Marek Tkach, CFTK TV (Terrace)

Deadline: 3 p.m. today.

Request: I would like to speak with someone representing the Ministry regarding Terrace city council wanting the provincial government to direct BC Hydro to create an electricity affordability program for low income residents. The questions I would ask would be what is the process for you guys getting the ball rolling on something like this? Is this a reasonable possibility?

There is communities in the Nass Valley, the Hazelton's and the Nisga villages where there is no access to natural gas, and the only options for heat are wood or pellet stoves, or electricity. Do you guys plan on putting something in place for them as well?

Recommendation: Have GCPE provide information on background by email.

Response: Approved by Les.

- Our government wants to find ways to provide relief for the most vulnerable in our community and protect the interests of ordinary British Columbians who are in need of financial help.

- s.13

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Duncan, Kate EMPR:EX

From: McNish, James EMPR:EX
Sent: January 26, 2018 9:10 AM
To: Howlett, Tim GCPE:EX
Subject: Fwd: 4 LNG Conditions - On website

FYI,

Sent from my iPhone

Begin forwarded message:

From: "Beaupre, Darren GCPE:EX" <Darren.Beaupre@gov.bc.ca>
Date: January 26, 2018 at 9:05:53 AM PST
To: "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>
Cc: "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>
Subject: RE: 4 LNG Conditions - On website

James, this is the test site right now, using language direct from the mandate letter essentially....

Any comments/adjustments you would like me to action before this is live. Four conditions highlighted on left side of page. The current page is <https://www2.gov.bc.ca/gov/content/industry/natural-gas-oil>

[Home](#) / [Farming, Natural Resources & Industry](#) /

Natural Gas & Oil

Search natural gas & oil content

Enter a keyword or phrase to search

Petroleum & Natural Gas Geoscience

A branch of economic geology, petroleum geoscience studies the origin, migration and accumulation of oil and gas, particularly for the discovery and development of profitable deposits.

Explore Within ▾

Land Use

High-level land use plans – like Land Use Strategies – along with any environmental and social considerations are used to provide guidance for all oil-

Petroleum & Natural Gas Tenure

The majority of subsurface petroleum and natural gas resources

Responsible Oil & Gas Development

Part of B.C.'s dedication to protecting the environment

From: Beaupre, Darren GCPE:EX
Sent: Thursday, January 25, 2018 2:57 PM
To: McNish, James EMPR:EX
Cc: Haslam, David GCPE:EX
Subject: RE: 4 LNG Conditions - On website

Just so you are aware – the web updating process involves a more intricate ‘ticket’ request system (compared to how things worked before) but I’m working on getting someone to attend to it asap.

From: McNish, James EMPR:EX
Sent: Wednesday, January 24, 2018 7:19 PM
To: Piccinino, Ines MNGD:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX
Subject: Re: 4 LNG Conditions - On website

Thanks Ines,

David we can discuss first thing in the morning.

Appreciate it

-James

Sent from my iPhone

On Jan 24, 2018, at 6:37 PM, Piccinino, Ines MNGD:EX <Ines.Piccinino@gov.bc.ca> wrote:

Hi James! I'm copying GCPE. I don't have control over website content.
Darren/David - happy to chat about placement.
Cheers!

Ines

From: James.McNish@gov.bc.ca
Sent: January 24, 2018 18:31
To: Ines.Piccinino@gov.bc.ca
Subject: 4 LNG Conditions - On website

Hi Ines,

Can you ensure our four LNG conditions are promptly on the ministry website.

Happy to chat more in the morning

Thanks

-James

Sent from my iPhone

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: February 6, 2018 5:03 PM
To: Dalal, Suntanu GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX; Karn, David GCPE:EX; Cotton, Brian GCPE:EX; Zdravec, Don GCPE:EX
Subject: RE: MEDIA REQUEST: DeSmog on electricity...

I want to make sure we don't tread into climate plan territory too much.

A few small suggested edits highlighted below

From: Dalal, Suntanu GCPE:EX
Sent: Tuesday, February 6, 2018 4:46 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX; Karn, David GCPE:EX; Cotton, Brian GCPE:EX; Zdravec, Don GCPE:EX; Howlett, Tim GCPE:EX
Subject: MEDIA REQUEST: DeSmog on electricity...

Including Tim and Don.

From: Dalal, Suntanu GCPE:EX
Sent: Tuesday, February 6, 2018 4:43 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX; Karn, David GCPE:EX; Cotton, Brian GCPE:EX
Subject: MEDIA REQUEST: DeSmog on electricity...

Approved by Les and BCH.

Reporter: Sarah Cox, DeSmog Canada

Deadline: ASAP today.

Request: I'm taking a more in-depth look at the feud between BC and Alberta and have a few questions for the ministry.

1. I have a statement from the Alberta energy ministry from early December 2017 saying that there were no talks in progress about selling Site C's energy to Alberta. Did the talks begin after the December 11 announcement that Site C would proceed? When did the talks begin and when did they conclude?
2. In a story in today's Globe and Mail, Energy Minister Michell Mungall states that demand for energy in BC is expected to soar as the province sets about to reduce carbon emissions. Where is the fact-based evidence for this statement? The BCUC looked at energy demand from electrification in its deliberations, and still concluded that BC Hydro was over-estimating demand. The Commercial Energy Consumers Association of BC does not anticipate rising demand and, in fact, points to lower demand as hydro prices rise. Already some pulp and paper mill are looking at switching to natural gas to counter rising hydro prices. If the ministry has new fact-based information about increased energy demand that has come to light since the BCUC investigation would you please forward me that information.
3. Will the government direct BC Hydro to reinstate full funding for its very successful energy conservation programs? As noted by BC Hydro, those energy conservation programs saved the equivalent amount of electricity that Site C will produce, before they were slashed as Site C proceeded.
4. When does the ministry anticipate BC will need energy from independent power producers to which BC Hydro is paying millions of dollars a year not to produce energy?

Recommendation: Have GCPE provide information on background by email.

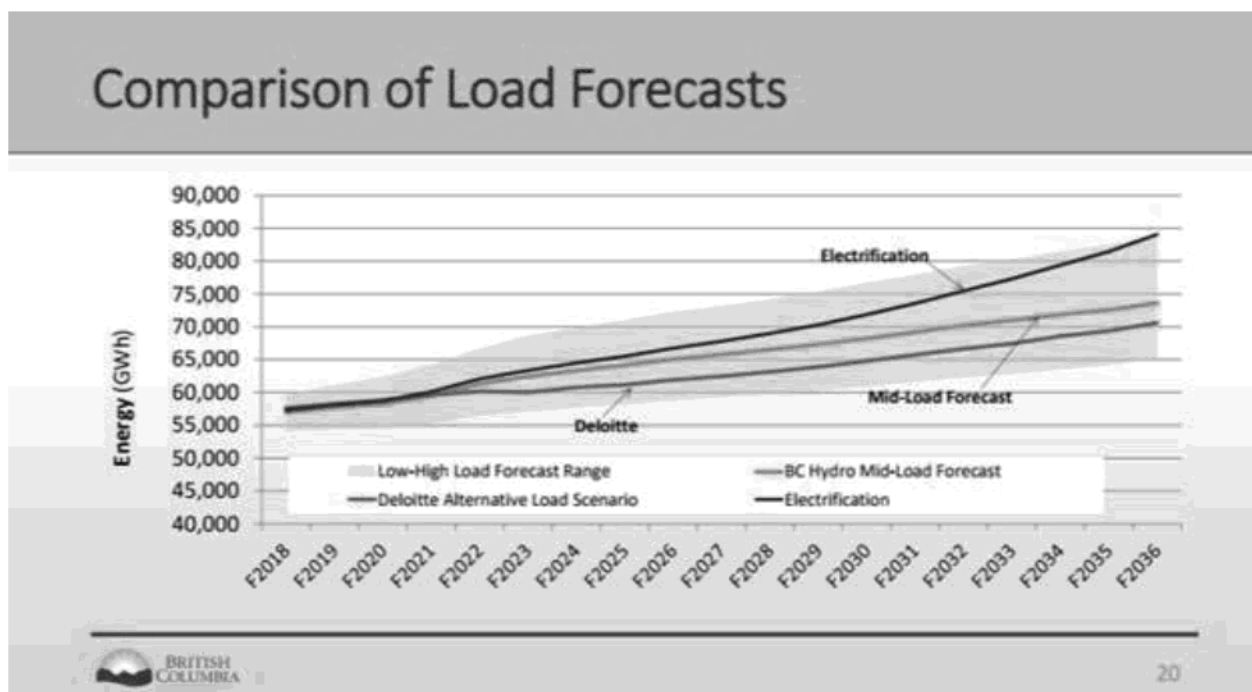
Response:

1. *I have a statement from the Alberta energy ministry from early December 2017 saying that there were no talks in progress about selling Site C's energy to Alberta. Did the talks begin after the December 11 announcement that Site C would proceed? When did the talks begin and when did they conclude?*

- Talks have been ongoing with Alberta and the federal government for some time on upgrading intertie capacity between our provinces. **These talks are not linked to Site C.**
- This is a project that has significant benefits for Alberta as they seek to move off coal-fired electricity in favour of clean energy generation – something our province has to offer.
- It is unfortunate that Alberta has decided to suspend these talks at this time.
- Discussions with Alberta have focused on restoring capacity on existing transmission infrastructure and potentially adding new transmission infrastructure.
- There have been no commercial discussions relating to the sale of a large block of power from B.C. to Alberta from Site C or otherwise. Powerex (BC Hydro's electricity trading subsidiary) has participated in consultations regarding Alberta's development of a capacity market along with other stakeholders.

2. *In a story in today's Globe and Mail, Energy Minister Michelle Mungall states that demand for energy in BC is expected to soar as the province sets about to reduce carbon emissions. Where is the fact-based evidence for this statement? The BCUC looked at energy demand from electrification in its deliberations, and still concluded that BC Hydro was over-estimating demand. The Commercial Energy Consumers Association of BC does not anticipate rising demand and, in fact, points to lower demand as hydro prices rise. Already some pulp and paper mill are looking at switching to natural gas to counter rising hydro prices. If the ministry has new fact-based information about increased energy demand that has come to light since the BCUC investigation would you please forward me that information.*

- British Columbia's new government is in the process of creating a roadmap for the future of the province's energy that will drive innovation, expand energy-efficiency and conservation programs, generate new energy responsibly and sustainably, and create lasting, good jobs across the province.
- The chart below was Slide 20 in the PowerPoint presentation for the Site C Technical Briefing delivered on Dec. 11, 2017. It shows electrification of sectors of the economy to meet our carbon-reduction commitments results in higher levels of electricity demand. (<https://www2.gov.bc.ca/gov/content/industry/electricity-alternative-energy/electricity/site-c>)



- While B.C. produces 98% of its electricity from clean energy sources, currently over 60% of total energy consumption in B.C. is still petroleum or natural gas. ~~so meeting our GHG targets requires aggressive electrification and new electricity generation.~~
 - In its report, the BCUC noted that low-carbon electrification could increase demand but did not include it in its calculation because it was subject to policy decisions by government.
 - ~~In reaching its low-load forecast, the BCUC did not include any demand from low-carbon electrification — using clean, renewable electricity to help transition away from the use of fossil fuels in transportation, building and industry — because it felt the timing and magnitude of the increase is uncertain at this time.~~
 - On page 72 of its final report on Site C, the BCUC references published studies on electrification and GHG reductions including:
 - The 2011 MK Jaccard and Associates Study concluded achievement of deep reductions in GHG emissions would require significant electrification. Electricity demand could grow significantly, by between 7,000 and 13,000 GWh/year in 2030, and by between 17,000 and 28,000 GWh/year by 2050, relative to the reference scenario.
 - The Clean Energy Canada Electrification Study (2016) concludes the leading provincial electrification policies across Canada reduce GHG emissions by shifting energy consumption from fossil fuels towards electricity while at the same time ensuring that electricity generation comes from zero-emission sources.
3. *Will the government direct BC Hydro to reinstate full funding for its very successful energy conservation programs? As noted by BC Hydro, those energy conservation programs saved the equivalent amount of electricity that Site C will produce, before they were slashed as Site C proceeded.*
4. *When does the ministry anticipate BC will need energy from independent power producers to which BC Hydro is paying millions of dollars a year not to produce energy?*
- Our government has committed to a comprehensive review of BC Hydro to ensure we keep Hydro rates low and affordable for British Columbians.
 - As part of the review, we will be assessing BC Hydro's conservation and power procurement programs.
 - Based upon BC Hydro's current load forecast, which does not yet include electrification load to meet climate targets, BC Hydro is forecasting to need new capacity resources in F2023 and new energy resources in F2028. s.13

s.13

Background for the MO:

B.C.-Alberta electricity talks broke down before pipeline spat
Globe and Mail
Tuesday, February 06, 2018
Page A01
By Justine Hunter & Carrie Tait

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Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: February 9, 2018 4:47 PM
To: Howlett, Tim GCPE:EX
Subject: FW: FOR REVIEW: Site C executive role IN
Attachments: 2018-02-09 IN - Site C role.docx

FYI

From: Haslam, David GCPE:EX
Sent: Friday, February 9, 2018 3:39 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Cc: Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX; MacLaren, Les EMPR:EX; Zadravec, Don GCPE:EX
Subject: FW: FOR REVIEW: Site C executive role IN

Melissa/James - attached BCH IN for the new Site C executive being announced internally at BCH next Tuesday. It is to be confidential until then as there people impacts on this side and the individuals will not be made aware until Tuesday.
Cheers - D

BC HYDRO ISSUES NOTE

Issue:	SITE C EXECUTIVE VICE PRESIDENT
Spokesperson:	Media relations

ISSUE SUMMARY

BC Hydro is reinstating the Site C Executive Vice President role. This change is effective XX.

BACKGROUND

- In Oct. 2017, BC Hydro posted two senior VP positions on its Executive Team (Senior VP of Integrated Planning and Senior VP of Capital Infrastructure Project Delivery) that were open to internal and external applicants.
 - The Integrated Planning VP position opened up as a result of the creation of a new integrated planning group in Oct. 2017 and is a combination of a number of groups within BC Hydro focused on asset management and long-term planning.
 - The Capital Infrastructure Project Delivery VP position was formerly held by Chris O'Riley who moved to the position of BC Hydro President and Chief Operating Officer.
- Ken McKenzie, BC Hydro's current Vice President of Project Delivery will assume the role on XX.
 - Ken has worked at BC Hydro for more than ^{s.22},
 - s.22
 -
 -

KEY MESSAGES

- We have a responsibility to deliver Site C on time and within in the revised project budget, and we are confident in our ability to do so.
- We have identified a number of areas where improvements must be made, including:
 - Adding independent oversight of project performance.
 - Ensuring the appropriate resources are in place to manage new and existing contractors.
 - Enhancing openness and transparency through increased project communications.

- We are also reinstating the Executive Vice President role for the Site C project to ensure we deliver the project on time and on budget.

TOP QUESTIONS AND ANSWERS

1. Why now?

- In his former role, Chris O'Riley – our President & Chief Operating Officer – was responsible for all capital projects, including Site C.
- During the BCUC review, Chris oversaw the project in the interim.
- With the decision from government to proceed with the project, the Executive Vice President role for the Site C project will be reinstated.

2. Who is the new Executive Vice President?

- Ken McKenzie will assume the role of the Executive Vice President of Site C.
- Ken has worked at BC Hydro for more than ^{s.22}
- s.22

3. How much are your executives paid?

- BC Hydro's compensation packages are comparable to other utilities and large employers in Canada and, in some cases, much lower.

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: February 14, 2018 3:14 PM
To: Haslam, David GCPE:EX; McNish, James EMPR:EX
Cc: Dalal, Suntanu GCPE:EX
Subject: RE: Minister Mungall - Pipeline Tariff
Attachments: 2018.02.14 QP EMPR - North Montney Gas Line.docx

Note attached.

I also had looked up the NEB process during QP. Potentially useful notes below showing AB has been engaged since the start of these hearings.

The AB Department of Energy has been participating in the NEB process on the North Montney Project since October of last year. <https://apps.neb-one.gc.ca/REGDOCS/Item/View/3350638>

Their application to participate was filed on October 12, 2017. It indicates the issues they want to raise including the issues about tolling structure raised in the final argument filed last week.

The AB DoE also filed Information Requests to the proponent on November 14, 2017.

From: Haslam, David GCPE:EX
Sent: Wednesday, February 14, 2018 3:06 PM
To: Howlett, Tim GCPE:EX; McNish, James EMPR:EX
Cc: Dalal, Suntanu GCPE:EX
Subject: RE: Minister Mungall - Pipeline Tariff

From: Howlett, Tim GCPE:EX
Sent: Wednesday, February 14, 2018 3:04 PM
To: Haslam, David GCPE:EX; McNish, James EMPR:EX
Cc: Dalal, Suntanu GCPE:EX
Subject: RE: Minister Mungall - Pipeline Tariff

I will get a copy. Could someone forward me the audio?

From: Haslam, David GCPE:EX
Sent: Wednesday, February 14, 2018 3:01 PM
To: McNish, James EMPR:EX
Cc: Howlett, Tim GCPE:EX; Dalal, Suntanu GCPE:EX
Subject: RE: Minister Mungall - Pipeline Tariff

Okay. Tim – flip me the house note please. I don't have an electronic version. Suntanu – come see me to discuss.

From: McNish, James EMPR:EX
Sent: Wednesday, February 14, 2018 2:52 PM

To: Haslam, David GCPE:EX

Subject: Fwd: Minister Mungall - Pipeline Tariff

Hey David, mmm requested we get background to the press gallery that scrummed her today about the NEB and natural gas pipeline tariffs.

I don't know exactly who was there for the scrum but Zussman interviewed her.

Sent from my iPhone

Begin forwarded message:

From: "Andrews, Scott GCPE:EX" <Scott.Andrews@gov.bc.ca>

Date: February 14, 2018 at 2:39:51 PM PST

To: "Ryckman, Scott GCPE:EX" <Scott.Ryckman@gov.bc.ca>

Cc: "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>, "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>, "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>,"Hannah, Matt GCPE:EX" <Matt.Hannah@gov.bc.ca>,"Holmwood, Jen PREM:EX" <Jen.Holmwood@gov.bc.ca>,"Tounsi, Marielle GCPE:EX" <Marielle.Tounsi@gov.bc.ca>,"Sherlock, Stephanie GCPE:EX" <Stephanie.Sherlock@gov.bc.ca>

Subject: Minister Mungall - Pipeline Tariff

North Montney Gas Line

Highlights:

- Transcanada is proposing to build the North Montney Gas Line to transport natural gas from BC through Alberta.
- On Friday, Alberta applied to the NEB for the cost of the proposed North Montney Gas Line in northern BC to be born by the users (producers on the BC side).
- The alternative would be “roll-in” tariffs, which would mean the whole system bears the cost.
- The opposition may argue that this is a sign of retaliation that will hurt BC industry. That is inaccurate.

Solution:

- The opposition should check their facts. There is absolutely no basis for their claims.
- My understanding is that Alberta’s application does not depart from past practice in similar proceedings and does not relate in any way to our government’s consultations on protecting our air, land and water.

● s.13

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: February 15, 2018 7:13 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: RE: updated note
Attachments: 2018.02.15 QP EMPR - North Montney Gas Line.docx

Updated again this morning with a statement from AB.

From: Howlett, Tim GCPE:EX
Sent: Wednesday, February 14, 2018 5:21 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: updated note

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

North Montney Gas Line

Highlights:

- On Thursday, Alberta submitted an argument to the NEB that the cost of TransCanada's proposed North Montney Gas Line pipeline to connect BC to the AB network should be borne by the new users (producers on the BC side).
- The alternative would be "roll-in" tariffs, which would mean the whole system bears the cost (including existing AB producers).
- The opposition has alleged that this is a sign of retaliation that will hurt BC industry. That is inaccurate.

Solution:

- The opposition should check their facts. There is absolutely no basis for their claims.
- My understanding is that Alberta's has been engaged in these ongoing NEB hearings for months and their most recent filing does not depart from past practice in similar proceedings.
- It does not relate in any way to our government's consultations on protecting our air, land and water.
- Alberta issued a statement:

"Our filing has nothing to do with the recent dispute with the government of B.C. The filing is consistent with Alberta's past positions relating to fair and just toll principles as well as consistent, well-established and accepted pipeline tolling principles."

s.13



Background:

- TransCanada-owned NOVA Gas Transmission Ltd (NGTL) is proposing to build the North Montney Mainline project to transport natural gas from BC through Alberta.
- The NEB is conducting a regulatory process on an application from NGTL for a variance to their original application.
- On Thursday, the Alberta Department of Energy filed their final argument with the NEB which argues that standalone tolls should be used instead of NGTL's proposal of "roll-in" tariffs.
- Standalone tolls would place the costs on new shippers on the pipeline system while "roll-in" tariffs would spread the costs across the system.
- AB cited impacts on royalties in their submission to the NEB.
- The Alberta Department of Energy has been an intervenor in the current process since October 2017, and was an intervenor in the original hearings on the project in 2014.
- In their October 12, 2017 application to participate, AB indicated the issues they wanted to raise including the issues about tolling structure raised in their final argument.
- The AB DoE also filed Information Requests to the proponent on November 14, 2017.
- Alberta issued a statement to media on Wednesday Feb 14:

"Our filing has nothing to do with the recent dispute with the government of B.C. The filing is consistent with Alberta's past positions relating to fair and just toll principles as well as consistent, well-established and accepted pipeline tolling principles."

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: February 15, 2018 7:41 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: RE: updated note
Attachments: 2018.02.15 QP EMPR - North Montney Gas Line FINAL.docx

Ok, I promise this is the last update

sorry

From: Howlett, Tim GCPE:EX
Sent: Thursday, February 15, 2018 7:13 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: RE: updated note

Updated again this morning with a statement from AB.

From: Howlett, Tim GCPE:EX
Sent: Wednesday, February 14, 2018 5:21 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: updated note

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

North Montney Gas Line

Highlights:

- On Thursday, Alberta submitted an argument to the NEB that the cost of TransCanada's proposed North Montney Gas Line pipeline to connect BC to the AB network should be borne by the new users (producers on the BC side).
- The opposition has alleged that this is a sign of retaliation that will hurt BC industry. That is inaccurate.

Solution:

- The opposition should check their facts. There is absolutely no basis for their claims.
- Alberta did not oppose the pipeline and they have been engaged in these ongoing NEB hearings for months.
- Their most recent filing does not depart from past practice in similar proceedings.
- It does not relate in any way to our government's consultations on protecting our air, land and water.
- Alberta issued a statement:
"Our filing has nothing to do with the recent dispute with the government of B.C. The filing is consistent with Alberta's past positions relating to fair and just toll principles as well as consistent, well-established and accepted pipeline tolling principles."

● s.13

Background:

- TransCanada-owned NOVA Gas Transmission Ltd (NGTL) is proposing to build the North Montney Mainline project to transport natural gas from BC through Alberta.
- The NEB is conducting a regulatory process on an application from NGTL for a variance to their original application.
- On Thursday, the Alberta Department of Energy filed their final argument with the NEB which argues that standalone tolls should be used instead of NGTL's proposal of "roll-in" tariffs.
- Standalone tolls would place the costs on new shippers on the pipeline system while "roll-in" tariffs would spread the costs across the system.
- AB cited impacts on royalties in their submission to the NEB.
- Alberta did not oppose the pipeline being constructed.
- Most other intervenors including the Canadian Association of Petroleum Producers argued in favour of roll-in tariffs rather than standalone tolls.
- The Alberta Department of Energy has been an intervenor in the current process since October 2017, and was an intervenor in the original hearings on the project in 2014.
- In their October 12, 2017 application to participate, AB indicated the issues they wanted to raise including the issues about tolling structure raised in their final argument.
- The AB DoE also filed Information Requests to the proponent on November 14, 2017.
- Alberta issued a statement to media on Wednesday Feb 14:

"Our filing has nothing to do with the recent dispute with the government of B.C. The filing is consistent with Alberta's past positions relating to fair and just toll principles as well as consistent, well-established and accepted pipeline tolling principles."

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: February 15, 2018 8:59 AM
To: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: Alberta challenging need for North Montney Pipeline
Attachments: 2018.02.15 QP EMPR - North Montney Gas Line FINAL.docx

s.13

Let's use this version of the note for now though

From: Haslam, David GCPE:EX
Sent: Thursday, February 15, 2018 8:50 AM
To: Howlett, Tim GCPE:EX
Cc: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: FW: Alberta challenging need for North Montney Pipeline

Tim – note below from the ADM. We may want to soften this bullet in the house note and add below to the background:

s.13

From: Piccinino, Ines MNGD:EX
Sent: Thursday, February 15, 2018 8:01 AM
To: Sanderson, Melissa EMPR:EX; Haslam, David GCPE:EX
Subject: FYI: Alberta challenging need for North Montney Pipeline

Good morning!

I know this came up yesterday at QP and wanted you to have the full picture on the North Montney Variance in front of the NEB right now. The final argument AB tabled is very interesting: Alberta opposes, as we expected, the tolling system proposed by TransCanada, and that's what they actually close their final argument with. s.13

s.13

s.13

Ines

North Montney Gas Line

Highlights:

- On Thursday, Alberta submitted an argument to the NEB that the cost of TransCanada's proposed North Montney Gas Line pipeline to connect BC to the AB network should be borne by the new users (producers on the BC side).
- The opposition has alleged that this is a sign of retaliation that will hurt BC industry. That is inaccurate.

Solution:

- The opposition should check their facts. There is absolutely no basis for their claims.
- Alberta has been engaged in these ongoing NEB hearings for months.
- Their most recent filing does not depart from past practice in similar proceedings.
- It does not relate in any way to our government's consultations on protecting our air, land and water.
- Alberta issued a statement:

"Our filing has nothing to do with the recent dispute with the government of B.C. The filing is consistent with Alberta's past positions relating to fair and just toll principles as well as consistent, well-established and accepted pipeline tolling principles."

s.13



Background:

- TransCanada-owned NOVA Gas Transmission Ltd (NGTL) is proposing to build the North Montney Mainline project to transport natural gas from BC through Alberta.
- The NEB is conducting a regulatory process on an application from NGTL for a variance to their original application.
- On Thursday, the Alberta Department of Energy filed their final argument with the NEB which argues that standalone tolls should be used instead of NGTL's proposal of "roll-in" tariffs.
- Standalone tolls would place the costs on new shippers on the pipeline system while "roll-in" tariffs would spread the costs across the system.
- AB cited impacts on royalties in their submission to the NEB.
- Most other intervenors including the Canadian Association of Petroleum Producers argued in favour of roll-in tariffs rather than standalone tolls.
- The Alberta Department of Energy has been an intervenor in the current process since October 2017, and was an intervenor in the original hearings on the project in 2014.
- In their October 12, 2017 application to participate, AB indicated the issues they wanted to raise including the issues about tolling structure raised in their final argument.
- The AB DoE also filed Information Requests to the proponent on November 14, 2017.
- Alberta issued a statement to media on Wednesday Feb 14:

"Our filing has nothing to do with the recent dispute with the government of B.C. The filing is consistent with Alberta's past positions relating to fair and just toll principles as well as consistent, well-established and accepted pipeline tolling principles."

Duncan, Kate EMPR:EX

From: McNish, James EMPR:EX
Sent: February 21, 2018 6:13 PM
To: Howlett, Tim GCPE:EX
Subject: Fwd: Milligan BN
Attachments: image001.jpg; ATT00001.htm; 103932_IBN_Minister_Mt Milligan Permitting Completion.docx; ATT00002.htm

Sent from my iPhone

Begin forwarded message:

From: "Robb, Peter L. EMPR:EX" <Peter.Robb@gov.bc.ca>
Date: February 21, 2018 at 4:58:18 PM PST
To: "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>
Subject: Fwd: Milligan BN

Begin forwarded message:

From: "Rollo, Andrew EMPR:EX" <Andrew.Rollo@gov.bc.ca>
Date: February 21, 2018 at 4:49:56 PM PST
To: "Robb, Peter L. EMPR:EX" <Peter.Robb@gov.bc.ca>
Cc: "Hunt, Melanie EMPR:EX" <Melanie.Hunt@gov.bc.ca>, "Smyth, Danielle EMPR:EX" <Danielle.Smyth@gov.bc.ca>
Subject: Milligan BN

Peter:

As requested, here is the Milligan BN. It has been revised to reflect the planning process we are doing with TCMC to manage regulatory requirements over the next 12 months.

A

**MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES
BRIEFING NOTE FOR INFORMATION**

I PREPARED FOR: Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources (EMPR)

II ISSUE: Completion of Phase 1 Short-term Water Withdrawals Permitting for Mount Milligan Mine and Update on Upcoming Amendments for Long-Term Water Withdrawals

III BACKGROUND:

Thompson Creek Metals Company (TCMC), a wholly owned subsidiary of Centerra Gold, operates the Mount Milligan Mine (Mt. Milligan), a copper and gold mine. Mt. Milligan began production in February 2014, employs 530 people, and is located 90 km northeast of Fort St. James. Mount Milligan is located in the traditional territories of Takla Lake (Takla), Nak'azdli Whut'en (Nak'azdli), McLeod Lake Indian Band (McLeod), West Moberly, Halfway River and Yekooche First Nations. Consultation with Takla is recent and did not occur during initial permitting as new information was provided within the last several years to support their strength of claim.

TCMC requires Provincial authorizations for Mt. Milligan in two phases:

1) to access a new short-term water source to address a water deficit and restart operations, and 2) to access a new long-term water source and potential mine expansion. On December 6, 2017, TCMC submitted applications for an environmental assessment certificate (EAC) amendment, *Mines Act* permit amendment, short-term use approval under the *Water Sustainability Act*, Works Permit, and Occupant License to cut to construct a water pipeline and withdraw from Esker and Philips Lakes for 24 months (Phase 1). Late in the review process TCMC removed Eskers Lake based on the results of a January 2018 pump test that indicated it would not be a viable water source.

IV DISCUSSION:

During the review process, TCMC twice requested a variance under section 31 of the *Environmental Assessment Act* (EAA) to authorize short term withdrawal. Section 31 provides the Environmental Assessment Office (EAO) with authority to order a variation of the EAA where there is or will be an emergency or other circumstance, and the variation is in the public interest. EAO responded on November 24, 2017 stating that a variance would not be granted but rather EAO would expedite review of the EAC amendment application.

On December 24, 2017 TCMC temporarily suspended mill processing due to freezing temperatures exacerbating the water shortage. To avoid layoffs, mill maintenance, training, mining and stockpiling ore for future mill processing will continue, however, these temporary measures can only be sustained for 4 to 6 weeks.

First Nations relations became increasingly complex due to Takla's more recent involvement and request for a Government to Government table and Economic and Community Development Agreement with the Province, Nak'azdli's request to be recognized as the dominant First Nation and TCMC's recent decision to halt further Impact Benefit Agreement discussions with Takla until authorizations are in place for short-term water use. These dynamics continue to be managed both at the staff and senior management level and have the potential to impact regulatory timelines for future applications.

Key issues brought forward during review by First Nations and the Province included:

- the expedited schedule to meaningfully review applications;
- the lack of baseline data not available in support of applications;
- the duration of short-term water withdrawal and request to limit to one year rather than two years as requested by TCMC (Takla and McLeod only, Naz'azdli supports a two year duration);
- request for collaborative development of long-term water sources; and
- water withdrawal thresholds that are protective of the environment.

All issues related to Phase 1 Applications have been resolved through a combination of EAC and permit conditions along with commitments by TCMC. EAO issued its amended EAC #M09-01 on January 22, 2018 and permits under the *Mines Act*, *Forest and Range Practices Act*, *Forest Act*, and *Water Sustainability Act* were issued January 26, 2018.

TCMC has indicated they will submit future applications to support additional water withdrawals from Meadows Creek, deep groundwater aquifers, other potential long-term water source(s) and a mine expansion. EAO and the Major Mine Permitting Office (MMPO) continue to work with TCMC, First Nations and Provincial agencies to develop a permitting strategy and timelines for future applications over the next 12 months.

V KEY MESSAGES:

- MMPO and EAO worked collaboratively with TCMC, First Nations and Provincial agencies to expedite the Mount Milligan short-term water withdrawal regulatory process to enable restart of full operations.
- The EAC amendment for short-term withdrawal was issued on January 22, 2018.
- Permits under the *Mines Act*, *Forest and Range Practices Act*, *Forest Act*, and *Water Sustainability Act* were issued January 26, 2018.
- To support upcoming amendment processes for long-term water withdrawal, EMPR continues to encourage TCMC to meaningfully engage with all three First Nations (McLeod Lake, Nak'azdli and Takla Lake) in an effort to understand and address their interests and concerns regarding Mount Milligan.

DRAFTED BY:

Todd Goodsell, SPL
Danielle Smyth, PD

APPROVED BY:

Andrew Rollo, A/ED
Peter Robb, ADM
Ines Piccinino, A/DM

✓

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: March 26, 2018 4:43 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: MEDIA REQUEST: Media Logic on LNG framework...

If that is the same text as was in the BG that is fine. ^{s.13}
s.13

From: Sanderson, Melissa EMPR:EX
Sent: Monday, March 26, 2018 4:35 PM
To: Howlett, Tim GCPE:EX; McNish, James EMPR:EX
Subject: Fwd: MEDIA REQUEST: Media Logic on LNG framework...

Are you comfortable with this Tim?

Sent from my iPhone

Begin forwarded message:

From: "Dalal, Suntanu GCPE:EX" <Suntanu.Dalal@gov.bc.ca>
Date: March 26, 2018 at 2:38:29 PM PDT
To: "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>, "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>
Cc: "Beaupre, Darren GCPE:EX" <Darren.Beaupre@gov.bc.ca>, "Lucas, Jennifer GCPE:EX" <Jennifer.Lucas@gov.bc.ca>
Subject: MEDIA REQUEST: Media Logic on LNG framework...

Approved by Ines.

Reporter: Stephanie Quilliams, Media Logic (Calgary)

Deadline: ASAP today.

Request: With the regards to Thursday's new framework for natural gas development announcement, the reporter wants to know if there is an actual framework (i.e., beyond the news release), or if it's still being developed. Note that Media Logic is a service that monitors legislation in Canada, but also appears to write/blog about it as well (like media) - www.naturalresource.ca is one of its online platforms.

Recommendation: Have GCPE provide information on background by email.

Response:

- The B.C. government's new policy framework for natural gas development is detailed in the background documents distributed with the news release for the announcement on March 22, 2018. There is no framework document outside of the details provided in the news release and its background documents.
- As it pertains to LNG Canada, these measures will be implemented if the proponents are able to conclusively decide on or before Nov. 30, 2018, to proceed with the construction of the LNG facility and associated investments.

1. New Operating Performance Payments

Under current legislation, proponents constructing significant manufacturing facilities would receive a PST exemption on input costs, whereas those proposing to construct LNG facilities would not. Under the new framework, the B.C. government will exempt LNG Canada from the provincial sales tax (PST) on the construction of their initial proposed facility. This will be conditional on LNG Canada entering into a separate agreement with the province whereby LNG Canada will pay annual operating performance payments over 20 years, a total amount equivalent to what LNG Canada would have otherwise paid in PST during the initial facility construction period. This framework will be available to all proponents constructing significant manufacturing facilities in the province.

2. Clean Growth Incentive Program

The provincial government recognizes that energy-intensive trade-exposed industries, including the natural gas sector, face unfair competition when competing globally with jurisdictions that do not impose carbon taxes. Proponents who make a final investment decision to proceed will be subject to the new Clean Growth Incentive Program, announced by the provincial government in Budget 2018. A benchmark for world-leading clean LNG production will be established as part of this program, replacing existing requirements under the current Greenhouse Gas Industrial Reporting and Control Act.

3. Industrial Electricity Rates

Proponents who make a positive final investment decision will receive the general industrial electricity rate charged by BC Hydro. This is the same rate paid by other industrial users in British Columbia.

4. Removal of LNG Income Tax

The existing LNG income tax is not the most efficient and effective tool for generating returns to British Columbia. It is cumbersome to administer and has led to uncertainties. Government intends to introduce legislation to repeal this tax and instead government will utilize a number of other tax and royalty measures under its new fiscal framework, to ensure that British Columbia gets a fair return for its natural gas resource.

Duncan, Kate EMPR:EX

From: McNish, James EMPR:EX
Sent: April 9, 2018 11:02 AM
To: Howlett, Tim GCPE:EX; Sanderson, Melissa EMPR:EX; Haslam, David GCPE:EX
Subject: RE: notes

thx

From: Howlett, Tim GCPE:EX
Sent: Monday, April 9, 2018 10:40 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: notes

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 10, 2018 8:47 AM
To: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: draft note

Oh k. I didn't know you were working on QP note. I will incorporate some of this into the new note

From: Haslam, David GCPE:EX
Sent: Tuesday, April 10, 2018 8:42 AM
To: Howlett, Tim GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: draft note

The has changed substantitally from the one we were working with yesterday. Here are the updates on the note I was working on.

From: Howlett, Tim GCPE:EX
Sent: Tuesday, April 10, 2018 8:39 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: draft note

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 10, 2018 8:55 AM
To: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: draft note
Attachments: 2018.04.10 QP EMPR - Deep Well Royalty Credits & LNG.docx

From: Haslam, David GCPE:EX
Sent: Tuesday, April 10, 2018 8:42 AM
To: Howlett, Tim GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: draft note

The has changed substantitally from the one we were working with yesterday. Here are the updates on the note I was working on.

From: Howlett, Tim GCPE:EX
Sent: Tuesday, April 10, 2018 8:39 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: draft note

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

Page 049 to/à Page 050

Withheld pursuant to/removed as

s.13

- Last year, the province received \$145 million in royalty revenue from natural gas development – after credits were taken into account.
- Credits are not paid or owed by the government to producers – they partially reduce royalties that must be paid when production occurs.
- Minimum royalty payments ensure that a company always contributes to the province no matter how many credits they may have.

s.13



s.13

- There has been a recent accumulation in credits given low gas prices, but many of these credits will likely never be used as older wells are abandoned.
- For example, one well earned \$1 million worth of credits but has been shut in for 10 years so those credits are not likely to ever be claimed.

Page 052

Withheld pursuant to/removed as

s.13

Background:

- The Government announced a new framework for natural gas development in BC to ensure British Columbians benefit.
- New measures include:
 - Relief from Provincial Sales Tax on construction materials in line with the policy for manufacturing sectors, and subject to repayment in the form of an equivalent operational payment.
 - New GHG emission standards under the Clean Growth Incentive Program announced in Budget 2018 for emissions intensive trade exposed sectors.
 - Access to general industrial electricity rates consistent with other industrial users in BC.
 - Elimination of the LNG Income tax that had required LNG-specific tax rates.
- These provisions are conditional on LNG Canada making a positive final investment decision.
- The project is expected to generate more than 10,000 construction jobs and 950 permanent jobs during operations.
- The project would contribute tens of billions in taxes and royalties to the BC economy over the life of the project.
- The Deep Royalty Credit Program, introduced in 2003, was designed to improve the economics of very deep wells and make them competitive with other jurisdictions, as BC natural gas plays are much deeper than Alberta's which makes them more expensive to develop;
- Deep Royalty Credits function as a "negative royalty" in the company's royalty bill – they are only used if the associated wells are producing and paying royalties;
- A minimum royalty of 3 percent was added in April 2013 to all wells qualifying for the Deep Program to ensure royalty payments are collected sooner by the Province.
- When the program was expanded in 2014, the new qualified "tier 1" wells were made subject to a 6 percent minimum royalty.
- In a very low price environment, it takes longer for the royalty credits to be used, which has generated an accumulation of unused Deep Royalty credits;

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 10, 2018 8:57 AM
To: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: draft note
Attachments: 2018.04.10 QP EMPR - Deep Well Royalty Credits & LNG.docx

Sorry – added one more bullet – please use this one

From: Haslam, David GCPE:EX
Sent: Tuesday, April 10, 2018 8:42 AM
To: Howlett, Tim GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: RE: draft note

The has changed substantitally from the one we were working with yesterday. Here are the updates on the note I was working on.

From: Howlett, Tim GCPE:EX
Sent: Tuesday, April 10, 2018 8:39 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: draft note

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

Page 055 to/à Page 056

Withheld pursuant to/removed as

s.13

- Last year, the province received \$145 million in royalty revenue from natural gas development – after credits were taken into account.
- Credits are not paid or owed by the government to producers – they partially reduce royalties that must be paid when production occurs.
- Minimum royalty payments ensure that a company always contributes to the province no matter how many credits they may have.
- Royalty programs are designed to maintain BC's competitiveness for natural gas development. Without them, investment would go to other jurisdictions that do not have our same commitment with the environment.

s.13



- There has been a recent accumulation in credits given low gas prices, but many of these credits will likely never be used as older wells are abandoned.
- For example, one well earned \$1 million worth of credits but has been shut in for 10 years so those credits are not likely to ever be claimed.

Background:

- The Government announced a new framework for natural gas development in BC to ensure British Columbians benefit.
- New measures include:
 - Relief from Provincial Sales Tax on construction materials in line with the policy for manufacturing sectors, and subject to repayment in the form of an equivalent operational payment.
 - New GHG emission standards under the Clean Growth Incentive Program announced in Budget 2018 for emissions intensive trade exposed sectors.
 - Access to general industrial electricity rates consistent with other industrial users in BC.
 - Elimination of the LNG Income tax that had required LNG-specific tax rates.
- These provisions are conditional on LNG Canada making a positive final investment decision.
- The project is expected to generate more than 10,000 construction jobs and 950 permanent jobs during operations.
- The project would contribute tens of billions in taxes and royalties to the BC economy over the life of the project.
- The Deep Royalty Credit Program, introduced in 2003, was designed to improve the economics of very deep wells and make them competitive with other jurisdictions, as BC natural gas plays are much deeper than Alberta's which makes them more expensive to develop;
- Deep Royalty Credits function as a "negative royalty" in the company's royalty bill – they are only used if the associated wells are producing and paying royalties;
- A minimum royalty of 3 percent was added in April 2013 to all wells qualifying for the Deep Program to ensure royalty payments are collected sooner by the Province.
- When the program was expanded in 2014, the new qualified "tier 1" wells were made subject to a 6 percent minimum royalty.
- In a very low price environment, it takes longer for the royalty credits to be used, which has generated an accumulation of unused Deep Royalty credits;

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 11, 2018 11:01 AM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX; Haslam, David GCPE:EX
Subject: new and updated note
Attachments: 2018.04.06 QP EMPR - LNG framework Greens.docx; 2018.04.11 QP Finance- Investor Confidence.docx

Green Q today will be to MMM on LNG

Tim Howlett
Issues Manager
Strategic Issues Division, GCPE
250.208.4828

Page 061 to/à Page 063

Withheld pursuant to/removed as

s.13

Background:

- The Government announced a new framework for natural gas development in BC to ensure British Columbians benefit.
- New measures include:
 - Relief from Provincial Sales Tax on construction materials in line with the policy for manufacturing sectors, and subject to repayment in the form of an equivalent operational payment.
 - New GHG emission standards under the Clean Growth Incentive Program announced in Budget 2018 for emissions intensive trade exposed sectors.
 - Access to general industrial electricity rates consistent with other industrial users in BC.
 - Elimination of the LNG Income tax that had required LNG-specific tax rates.
- These provisions are conditional on LNG Canada making a positive final investment decision.
- LNG Canada is considering a Final Investment Decision for a proposed LNG terminal at Kitimat which has already received regulatory approvals.
- The project is expected to generate more than 10,000 construction jobs and 950 permanent jobs during operations.
- The project would contribute tens of billions in taxes and royalties to the BC economy over the life of the project.
- Woodfibre LNG also has regulatory approvals and is working towards a smaller LNG facility.
- Chevron-led proposal for Kitimat LNG is also continuing to advance a proposal for a facility at Kitimat.

Page 065 to/à Page 069

Withheld pursuant to/removed as

s.13

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 13, 2018 2:05 PM
To: Howlett, Tim GCPE:EX
Subject: Fwd: IB_TM permits v2 (3).docx
Attachments: IB_TM permits v2 (3).docx; ATT00001.htm

FYI

Sent from my iPhone

Begin forwarded message:

From: "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>
Date: April 13, 2018 at 2:04:01 PM PDT
To: "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>, "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>
Cc: "Beaupre, Darren GCPE:EX" <Darren.Beaupre@gov.bc.ca>
Subject: FW: IB_TM permits v2 (3).docx

Melissa – Evan and Eric just called me. Attached IB on status of permitting for KM project is going out in the next few minutes.

From: Haslam, David GCPE:EX
Sent: Friday, April 13, 2018 2:02 PM
To: Lloyd, Evan GCPE:EX
Cc: Kristianson, Eric GCPE:EX; Zdravec, Don GCPE:EX; Kerr, Grant GCPE:EX; Beaupre, Darren GCPE:EX; Dalal, Suntanu GCPE:EX; Crebo, David GCPE:EX
Subject: IB_TM permits v2 (3).docx

Evan – as requested attached is IB on status of permitting for KM project. Grant – this is to go out immediately upon Evan's approval. Suntanu – please forward your contact info to Grant so he can add to the bottom of the IB. Including Crebo so he's aware.

INFORMATION BULLETIN

Ministry of Energy, Mines and Petroleum
Resources

[release number]

[Date]

Update on Trans Mountain Expansion Project permitting process

VICTORIA – In total, there are 1,187 provincial permits required for the Trans Mountain Expansion Project, with many involving First Nations consultation.

To date:

- 587 permit applications have been submitted to permitting agencies
- Of these 201 have been approved and permits issued
- The remaining 386 are being reviewed
- Approximately another 600 need to be submitted

All permits submitted must align with the 37 conditions outlined in the provincial environmental certificate, as well as the 157 conditions detailed in the National Energy Board's approval.

Multiple ministries are involved, including the Ministry of Forests, Lands, Natural Resource Operations and Rural Development, the Ministry of Environment and Climate Change Strategy (including B.C. Parks), the Ministry of Transportation and Infrastructure, and the BC Oil and Gas Commission. The Ministry of Energy, Mines and Petroleum Resources along with the Ministry of Agriculture have a dedicated project office supporting these ministries and their permitting requirements.

Contact:

Name

Title

Ministry

Ph #

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 13, 2018 3:37 PM
To: Howlett, Tim GCPE:EX
Subject: FW: MEDIA REQUEST: CBC Kelowna on Teck's Coal Mountain Mine...

Importance: High

FYI

From: Dalal, Suntanu GCPE:EX
Sent: Friday, April 13, 2018 3:22 PM
To: McNish, James EMPR:EX; Sanderson, Melissa EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Plummer, Glen GCPE:EX
Subject: MEDIA REQUEST: CBC Kelowna on Teck's Coal Mountain Mine...
Importance: High

Approved by Peter.

Reporter: Christina Low, CBC Kelowna

Deadline: ASAP today.

Request: The reporter has obtained an email about the Coal Mountain Mine produced by the union entitled "Coal Mountain takes precautionary measures" that expresses concerns about wall movement at Pit 6 and, should the wall fail, there is concern that runoff could trigger dam failure. It notes that site access is restricted to essential personnel and there will be further geotechnical investigation over the weekend.

The reporter wants to know:

- Is EMPR aware of this issue?
- Are we concerned?
- Based on the location of the dam, what would happen if the dam failed.
- Should the public be concerned? Has the public been notified?

Basically, the reporter want to know risk to the public.

Recommendation: Have GCPE provide information on background by email.

Suggested response points:

- Ministry inspectors are aware of the wall movement at the Coal Mountain mine Pit 6 – there is no risk to public safety.
- Teck's third-party engineering modelling indicates there will be no impact to Corbin Pond or dam structure.
- Teck first reported this geological movement to the Ministry of Energy, Mines and Petroleum Resources in 2015.
- Teck has continually monitored the wall stability.
- Ministry geotechnical inspectors have regularly discussed the status of the wall movement with Teck and conducted annual geotechnical inspections of the site.
- Additionally, a third-party engineering firm has provided ongoing review and monitoring of the situation.
- When further movement was observed in 2015, Teck developed a response plan as directed by the ministry.
- Recent geotechnical monitoring indicates the pit wall in Pit 6 at Coal Mountain operations is expected to fail within the next few days.
- This event was anticipated and Teck has had a response plan in place since 2015.
- As a precaution, all non-essential staff have left the site.

- To reiterate, there is no risk to public safety from this event.

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 16, 2018 8:32 AM
To: Howlett, Tim GCPE:EX
Subject: Fwd: Site C properties access letters and issue note
Attachments: 2018-04-12 - IN - Site C properties access.docx; ATT00001.htm; 20180405 Draft pre-section 9 Expropriation Act letter.docx; ATT00002.htm; 20180405 Draft section 9 Expropriation Act letter.docx; ATT00003.htm

Can we discuss?

Sent from my iPhone

Begin forwarded message:

From: "Conway, David" <Dave.Conway@bchydro.com>
Date: April 16, 2018 at 8:30:57 AM PDT
To: Colin Grewar <Colin.Grewar@gov.bc.ca>, "Dalal Suntanu (Suntanu.Dalal@gov.bc.ca)" <Suntanu.Dalal@gov.bc.ca>, Darren Beaupre <Darren.Beaupre@gov.bc.ca>, David Haslam <David.Haslam@gov.bc.ca>, "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>
Cc: "Sauer, Darwin" <Darwin.Sauer@bchydro.com>, "Scott, Mora" <Mora.Scott@bchydro.com>, "Conway, David" <Dave.Conway@bchydro.com>
Subject: Site C properties access letters and issue note

David and Melissa.

As discussed on Friday, we may now be required to exercise our rights of entry under Section 9 of the British Columbia *Expropriation Act* to access a number of properties for investigations related to the Highway 29 realignment. Attached is an updated IN for additional background information.

Attached are two letters related to this matter: the first is a **pre-Section 9 Expropriation Act Letter** (final offer letter) and the second is a **Section 9 Expropriation Act Letter**. Also attached is an updated issue sheet.

Work has been underway for a number of months to get agreements with property owners to gain access; however, signed agreements were not received by the end of last week, we intend to progress with following:

1. **Pre-Section 9 Expropriation Act Letter:**

- For the Cache Creek/Bear Flat owners, this letter needs to be sent on **April 16, 2018**.
- For the remaining highway realignment investigations (Farrell Creek and Lynx Creek), this letter needs to be sent to owners on or around **May 1, 2018**.

2. **Section 9 Expropriation Act Letter:**

- For the Cache Creek/Bear Flat owners, this letter needs to be sent on **April 24, 2018**.
- For the remaining highway realignment investigations (Farrell Creek and Lynx Creek), this letter needs to be sent to owners on or around **May 8, 2018**.

Let me know if you have any questions or concerns.

Dave

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BC HYDRO ISSUES NOTE

Issue:	SITE C PROPERTIES ACCESS - SPRING 2018
Spokesperson:	Dave Conway, Community Relations Manager, Site C Project

ISSUE SUMMARY

BC Hydro may need to use its statutory authority to access private land in order to conduct investigations which will inform the final design of the Highway 29 realignments and reservoir clearing.

BACKGROUND

- BC Hydro is in active discussions with approximately 36 property owners from whom land or rights are required by spring 2020 to ensure the construction of the Highway 29 realignments and planned reservoir clearing can proceed on schedule.
- BC Hydro is requesting access to their land to conduct investigations, which are planned for spring/summer 2018 and will inform design and mitigation options.
- In the event that owners do not grant access to their property, BC Hydro will prepare to enter the land without their consent, under Section 9 of the *Expropriation Act* (*Act*), to ensure the investigations can be completed on schedule.

Planned field studies

- In order to finalize the design of the Highway 29 realignments and 2020 reservoir clearing, BC Hydro needs to conduct geotechnical, archaeological, wildlife, environmental and forestry investigations.
 - This work must begin no later than May 2018
- BC Hydro began meeting with owners on whose land investigations will be conducted in January 2018.
- While a number of owners have either already signed agreements or indicated that they will do so, some owners have indicated that they will not grant BC Hydro consent to access their land to complete the necessary investigations.

Section 9 Letter

- If permission to enter private properties is denied for the required investigations, BC Hydro will rely on the powers of entry under section 9 of the *Expropriation Act*.
 - This is not an expropriation; rather it is a means of ensuring an authority has access to private lands for the purposes of making surveys, inspections and other investigations.
- BC Hydro pays compensation for the right to access and undertake investigations on private land.
- In the event that BC Hydro and its contractors are required to rely on a statutory authority to enter private lands, BC Hydro will not pay the owner the compensation they would otherwise have been paid, if BC Hydro had obtained their consent.

- This is consistent with other authorities' practice.

Next steps

- The timeline for accessing private lands is as follows:

DATE (2018)	ACTIVITY
January to April	Seek permission to enter lands for investigations. If BC Hydro is denied permission to enter lands for investigations, deliver a letter to the owner(s) that BC Hydro will be relying on its powers of entry under section 9 of the <i>Expropriation Act</i> .
Week of April 16	Send final offer letters for land access to Cache Creek/Bear Flat property owners.
Week of April 23	If required, send Section 9 <i>Expropriation Act</i> letters to Cache Creek/Bear Flat property owners.
Week of April 30	Send final offer letters for land access to property owners at Farrell Creek and Lynx Creek.
Week of May 7	If required, send Section 9 <i>Expropriation Act</i> letters to property owners at Farrell Creek and Lynx Creek.
May to August	Access properties for geotechnical, archaeological, wildlife, environmental and forestry investigations (as required).

KEY MESSAGES

- For the property owners whose property will be impacted by Site C, we understand that this is difficult.
- BC Hydro is committed to working with the landowners, Indigenous groups, and others on the redesign of the Highway 29 realignments to avoid and reduce impacts, where feasible.
- We need access to a number of properties, so we can conduct investigations that will inform the final design of the Highway 29 realignments and reservoir clearing.
- This work must begin no later than May and includes geotechnical, archaeological, wildlife, environmental and forestry investigations.
- We've requested access from the property owners and are working toward reaching agreements.
- As we move forward, we will continue to work with property owners in a respectful and transparent manner.

TOP QUESTIONS AND ANSWERS

1. What happens if property owners refuse access to their property?

- For the property owners whose property is impacted by Site C, we understand that this is difficult.
- BC Hydro requires access to a number of properties so we can conduct investigations that will inform the final design of the Highway 29 realignments and reservoir clearing for the project.
- This work must begin no later than May to ensure the investigations can be completed on schedule and work can start on the highway realignments and continue with reservoir clearing.
- While compensation has been offered for the access required, if we are unable to reach agreements with the property owners, BC Hydro may need to rely on its statutory rights to access in order to conduct the necessary field work in a timely fashion.
- Our goal is to reach mutually agreeable settlements with property owners any time we need to access or acquire land for the Site C project, and we are continuing to work toward that goal.

2. How can you justify forcing your way onto private land?

- BC Hydro has the statutory authority to access land that is required for Site C when, after reasonable attempts have been made, permission to enter has not been granted.
- We need to access this land because the investigative work needs to be completed this spring and summer, so we can finalize the design of the Highway 29 realignment and reservoir clearing.
- This is part of meeting our obligation to customers to keep Site C on schedule.

3. Does this mean you are expropriating these property owners' lands?

- No, this is not an expropriation. The letters explain that BC Hydro needs to access the land for investigative work.
- The investigative work includes geotechnical, archaeological, wildlife, environmental and forestry studies.
- Compensation has been offered to the property owners for the access required.
- Our goal is to reach mutually agreeable settlements with property owners any time we need to access or acquire land for the Site C project, and we are continuing to work toward that goal.

4. How much compensation are you offering property owners for this access?

- That is a discussion between BC Hydro and the individual property owners.
- BC Hydro has been accessing land to complete field studies since 2010 and has been successful in reaching agreements with owners. Compensation is consistent and equitable for all owners.
- For more information, BC Hydro's Property Acquisition Process Guide is available online.

5. What happens if property owners obstruct access to their land?

- We're not going to speculate on that.
- We have requested access from the property owners and are working toward reaching agreements.
- As we move forward, we will continue to work with property owners in a respectful and transparent manner.

6. Some property owners have obstructed your access to their land. What happens next?

- We are currently assessing the situation and determining the next steps.

BC Hydro
Site C Properties
333 Dunsmuir Street, 12th floor
Vancouver, BC V6B 5R3

Date: _____, 2018

NAME _____

ADDRESS: _____

By: Email/Hand/Courier _____

Dear _____:

Site C Clean Energy Project
Lands located in the Cache Creek/Bear Flat area as identified in the attached Schedule
(your "lands")

I write further to requests made to you or your legal counsel by [name of rep] on DATE and DATE for access to your lands.

As you are aware, BC Hydro requires access to your lands to undertake investigations required to determine the location of the Highway 29 realignment at Cache Creek/Bear Flat. We remain interested in reaching a consensual agreement to enter onto your lands, and we enclose once more agreements for the following investigations for your execution:

1. Heritage study program;
2. Geotechnical investigations;
3. Forestry site investigations; and
4. Wildlife vegetation surveys

If we have not received signed copies of the above agreements on or before April 23, 2018, BC Hydro will exercise its statutory rights of entry to undertake the required investigations.

Should you have any questions or comments, please contact _____, BC Hydro Property Representative, at 604 _____.

Yours truly,

BRITISH COLUMBIA HYDRO
AND POWER AUTHORITY
by:

James Thomas
Senior Manager, Properties

Encl. _____

cc Legal counsel (by email)

SCHEDULE

Lands

[Insert legal description of lands]

DRAFT

BC Hydro
Site C Properties
333 Dunsmuir Street, 12th floor
Vancouver, BC V6B 5R3

Date: April 24, 2018

NAME
ADDRESS:

By: Email/Hand/Courier

Dear _____:

**Site C Clean Energy Project
Lands located in the Cache Creek/Bear Flat area as identified in the attached Schedule
(your "lands")**

Further to our letter to you dated April 16, 2018, we have not received signed agreements for access to your lands for the required investigations. BC Hydro will therefore now exercise the rights of entry given under Section 9 of the British Columbia *Expropriation Act*, a copy of which is attached to this letter for your reference.

BC Hydro, its employees, agents, contractors and sub-contractors will first enter your lands during the week commencing May 1, 2018. This first access on your lands will be for the purpose of conducting initial site reconnaissance. Thereafter, prior to the commencement of each investigative program on your lands, BC Hydro will notify you or your legal counsel of the anticipated commencement and duration of the applicable investigations. We enclose copies of the summaries of the investigative programs once more for your reference.

Should you have any questions or comments, please contact _____, BC Hydro Property Representative, at 604_____.

Yours truly,

BRITISH COLUMBIA HYDRO
AND POWER AUTHORITY
by:

James Thomas
Senior Manager, Properties

Encl.

cc Legal counsel (by email)

SCHEDULE

Lands

[Insert legal description of lands]

DRAFT

Section 9 of the British Columbia *Expropriation Act*

Entry for limited purposes

9 (1) In addition to any other powers under an enactment, a person authorized by the expropriating authority may, before or after serving an order under section 5 (4) (a) or an expropriation notice under section 6 (1) (a),

(a) during daylight hours, and

(b) after making reasonable efforts to notify the owner or occupier of the land,

enter any land for the purposes of

(c) making surveys, inspections, examinations, soil tests or doing other things that are necessary to determine

(i) the location of proposed works, or

(ii) the description of the land that the expropriating authority intends to expropriate, and

(d) completing an appraisal of the value of the land or any interest in it.

(2) The person authorized may, on entering the land, cut down any trees or brush that obstructs the running of survey lines.

(3) The expropriating authority must pay compensation for damages that it causes by the exercise of its rights under this section.

(4) When the land entered on is not expropriated, an action does not lie against the expropriating authority for damage caused by the exercise of a right of entry under this section unless notice in writing, signed by the claimant, is given to the expropriating authority who exercised the right of entry, within 6 months after the entry occurred.

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 16, 2018 5:14 PM
To: Howlett, Tim GCPE:EX
Subject: FW: FOR INFORMATION: Monthly Reputation Drivers March 2018
Attachments: Monthly Reputational Drivers ET Deck Mar 2018.pptx

From: Sauer, Darwin [mailto:Darwin.Sauer@bchydro.com]
Sent: Monday, April 16, 2018 4:41 PM
To: Sanderson, Melissa EMPR:EX; Haslam, David GCPE:EX
Subject: FW: FOR INFORMATION: Monthly Reputation Drivers March 2018

Hi,

As discussed Friday, attached are the results for the March 2018 Monthly Reputation Drivers.

Summary

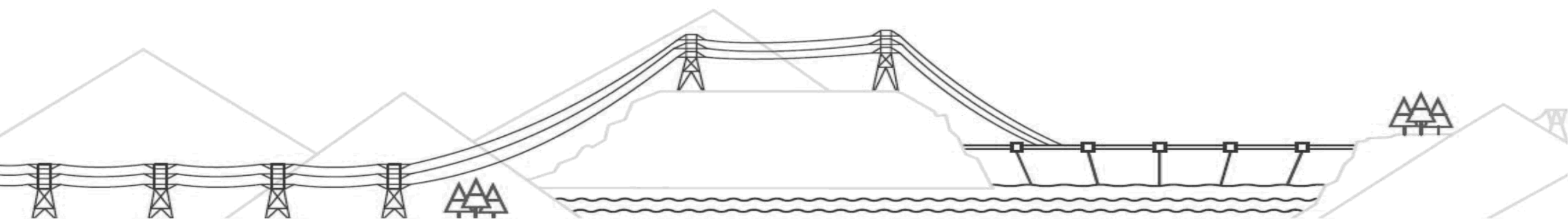
- Reputation dipped this month which can be attributed to:
 - High bill season
 - BCUC's decision on BC Hydro's Revenue Requirements Application March 1st decision (right when sampling began).
 - Comments from government
- Brand campaign likely prevented further deterioration of numbers.
- Confidence remains high with the slight decrease still within the margin of error.
- Favourability dipped by two points but so too did the unfavourable. The indifferent group experienced the increase.
- Almost half recalled seeing any coverage in the news and for those who are aware the coverage did not have a negative impact.

Thanks

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Monthly Reputation Drivers

Research & Analytic Services

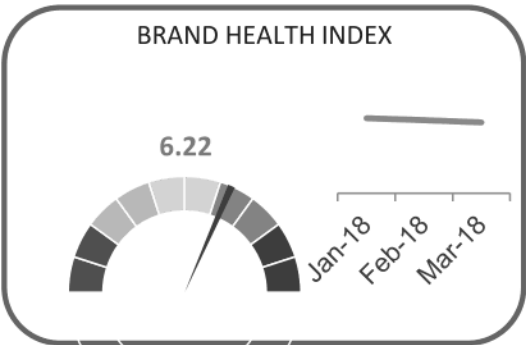
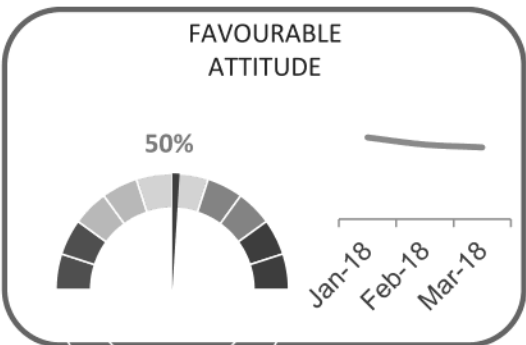
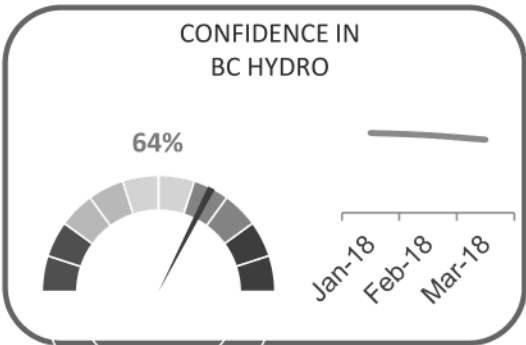
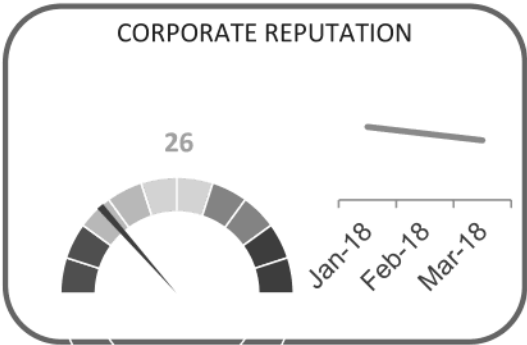


March 2018



Corporate Reputation Dashboard

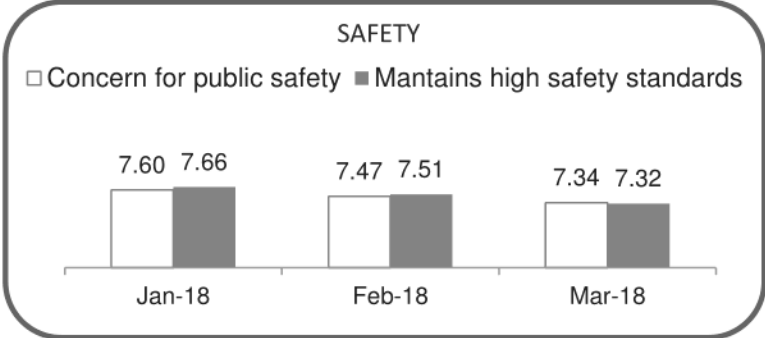
February 2018 Highlights



PRIORITIES

Customers think our top priorities should be:

1. Keeping the price of electricity low
2. Ensuring we have reliable power throughout the province
3. Generating clean energy/preventing climate change



BRAND RECOGNITION

What customers think of when they hear 'BC Hydro power smart'



1. Saving energy

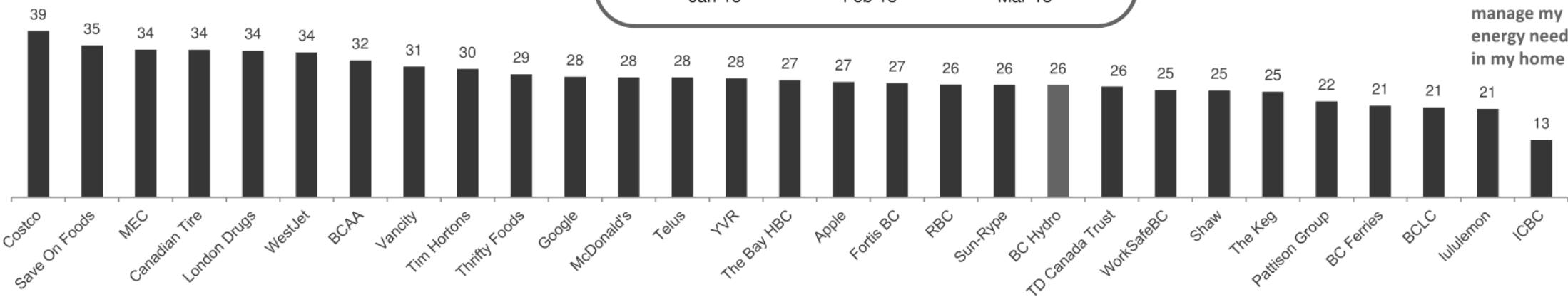


2. Helping manage my energy needs in my home



3. Electricity service

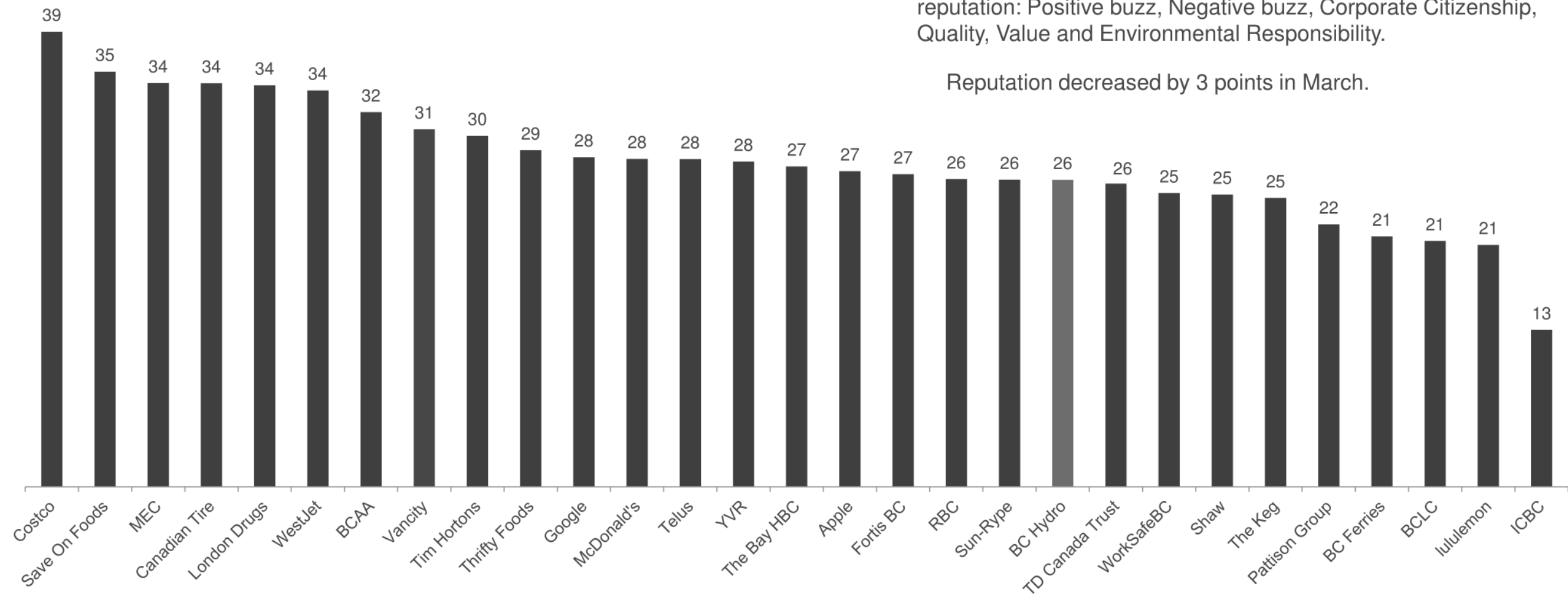
CORPORATE REPUTATION – overall comparison



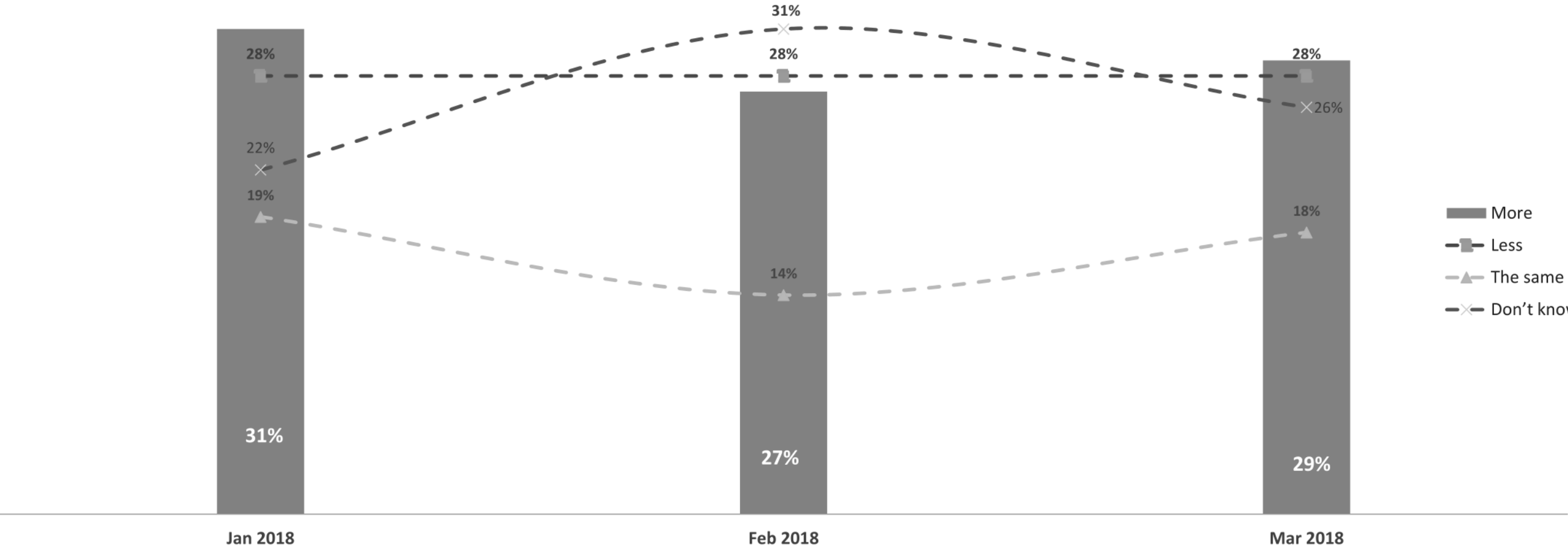
OVERALL CORPORATE REPUTATION

Corporate reputation is an index of six key drivers of corporate reputation: Positive buzz, Negative buzz, Corporate Citizenship, Quality, Value and Environmental Responsibility.

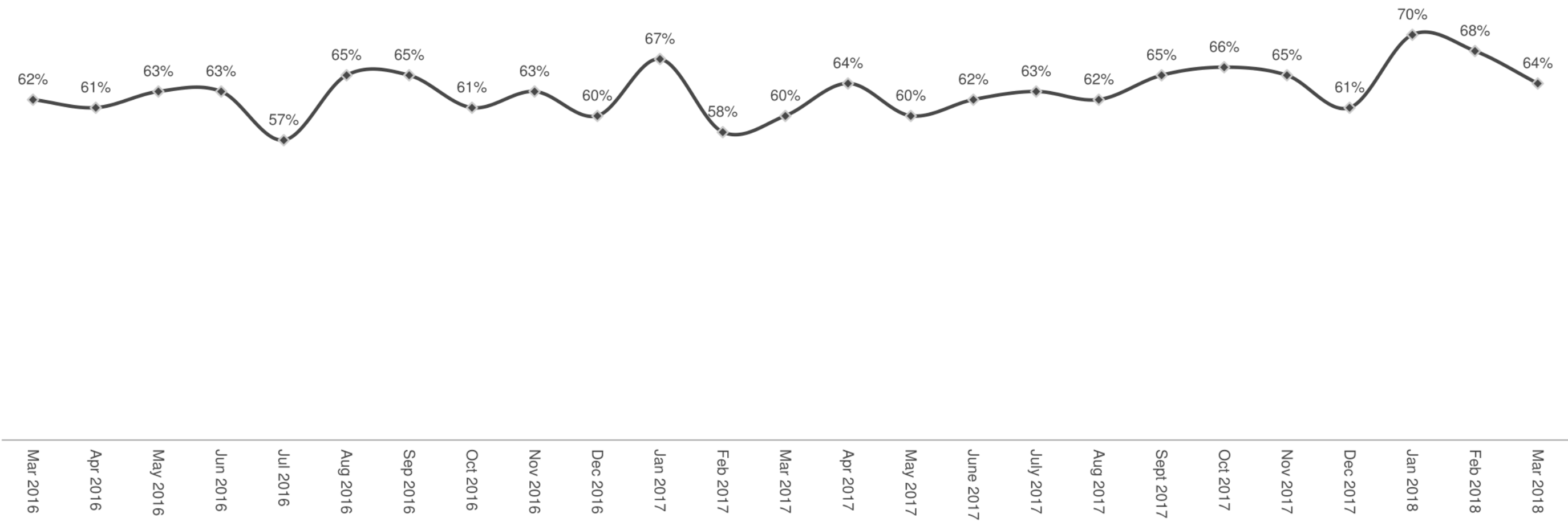
Reputation decreased by 3 points in March.



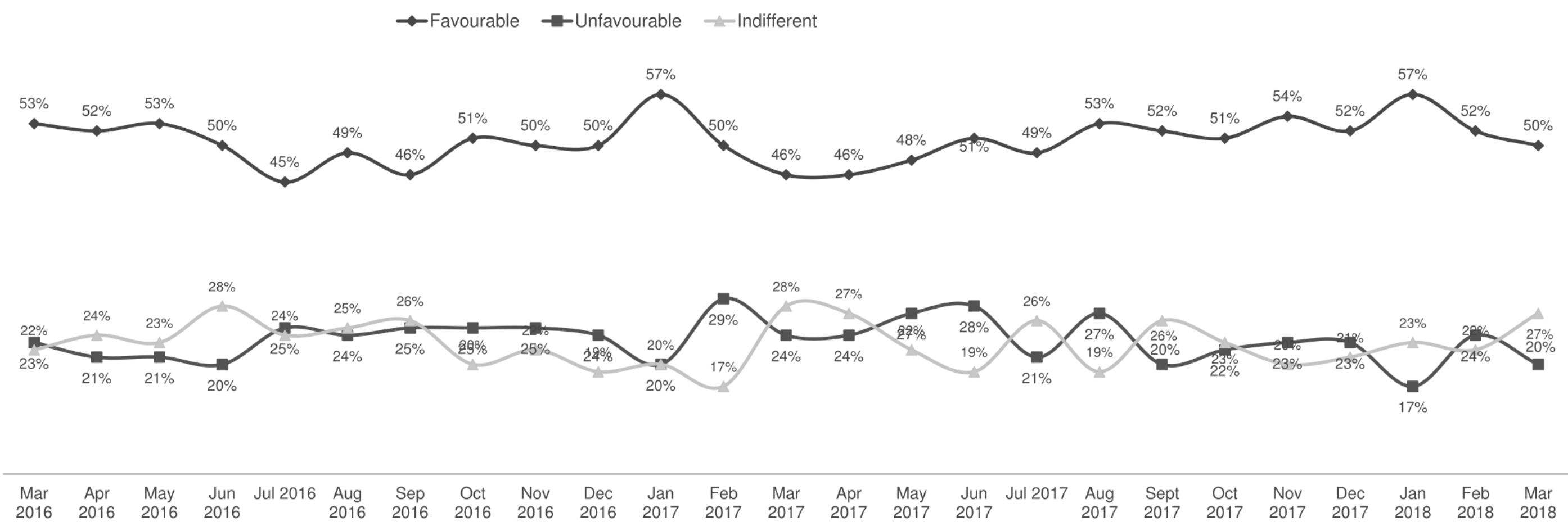
Do you think BC pays more or less or the same for its electricity than the rest of North America...



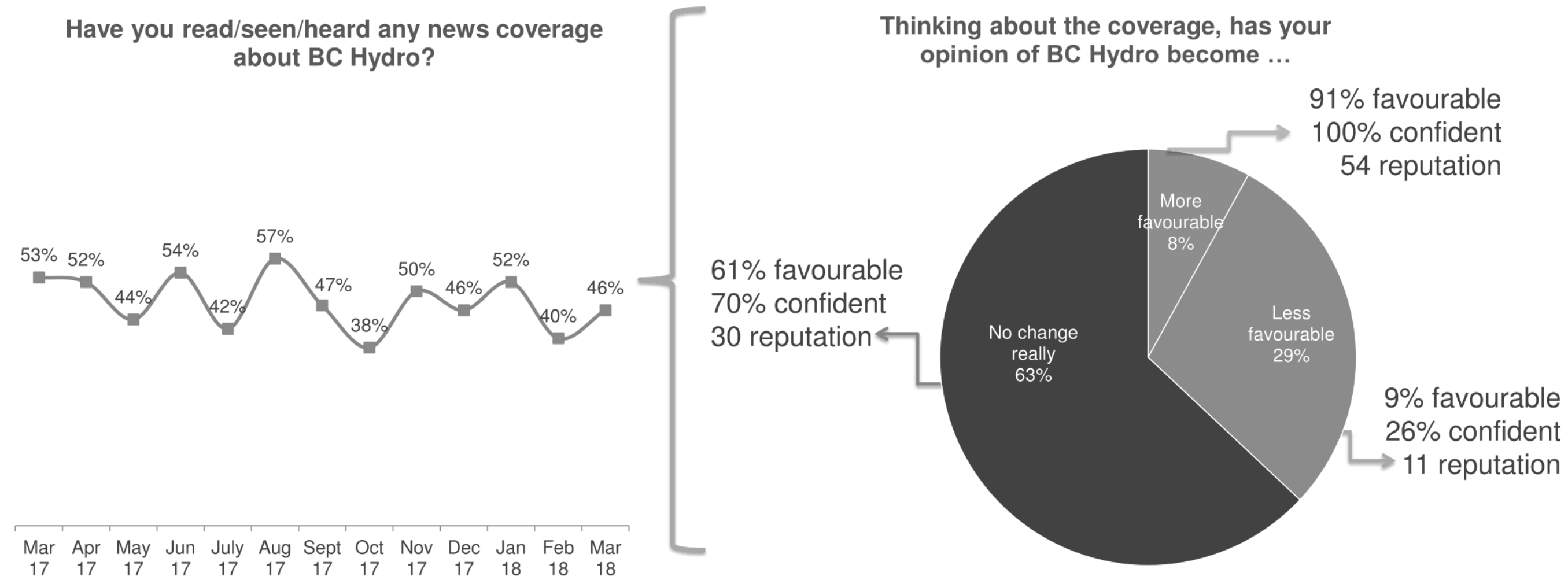
CONFIDENCE IN BC HYDRO



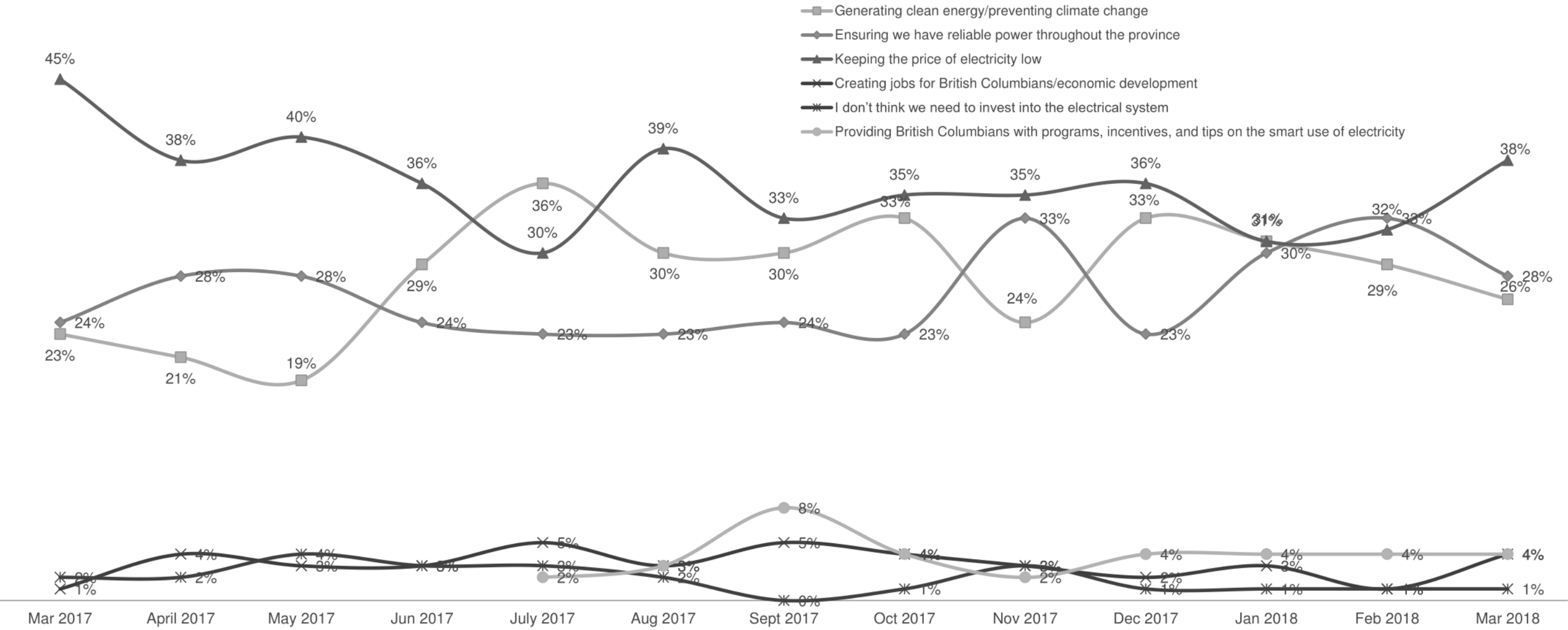
ATTITUDE TOWARD BC HYDRO...



MEDIA COVERAGE AWARENESS & IMPACT



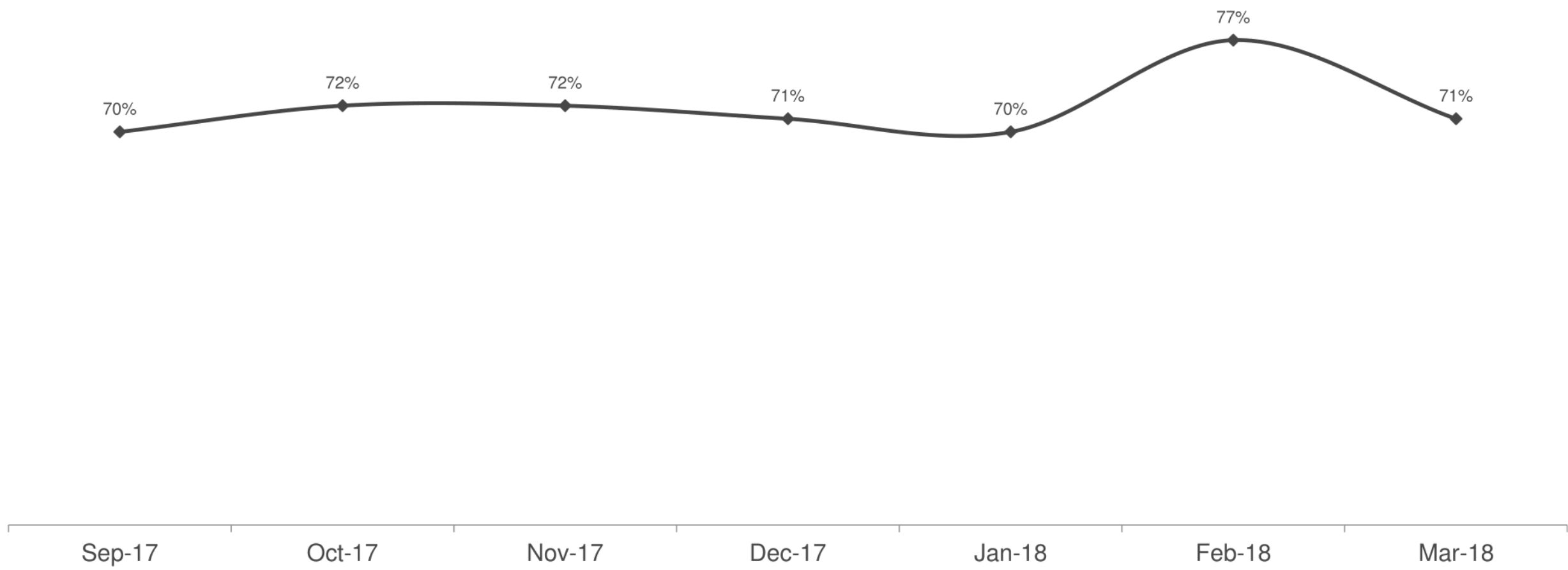
BC HYDRO'S TOP PRIORITY SHOULD BE...



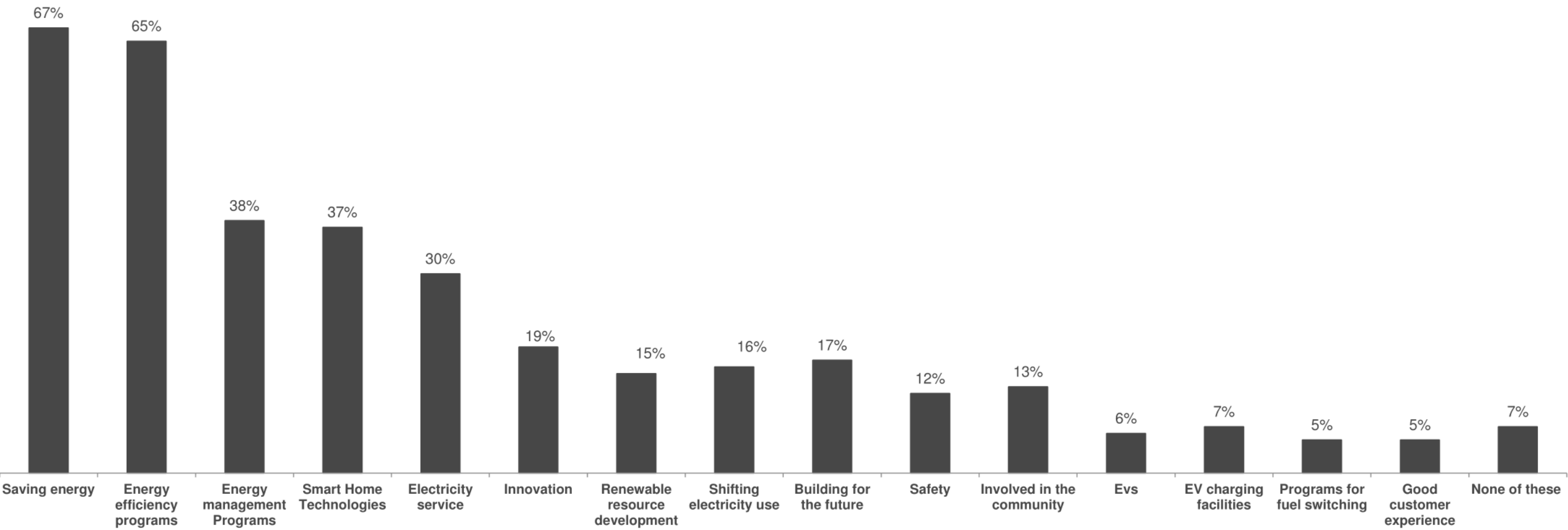
FOCUS ON BRAND



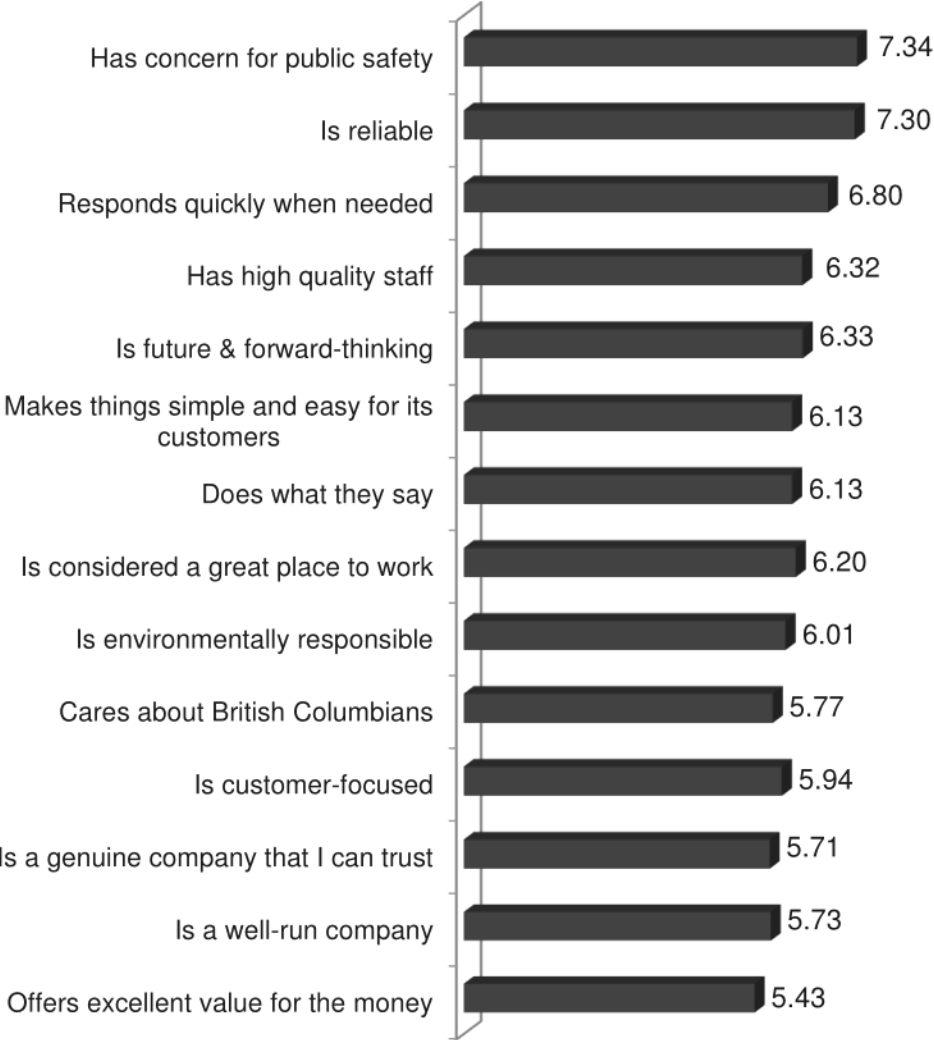
Have you heard of the tag-line: BC
Hydro Power smart...



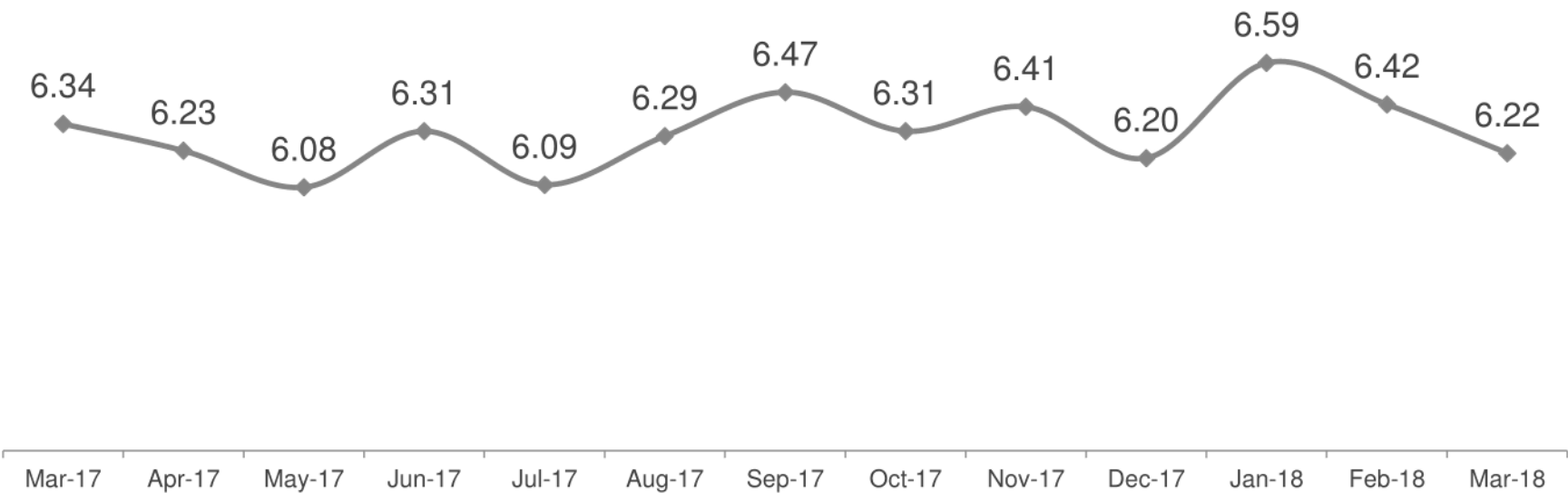
What comes to mind when you see or hear: BC Hydro Power smart... Unaided



Brand Health Index (BHI)



OVERALL BHI OVER TIME

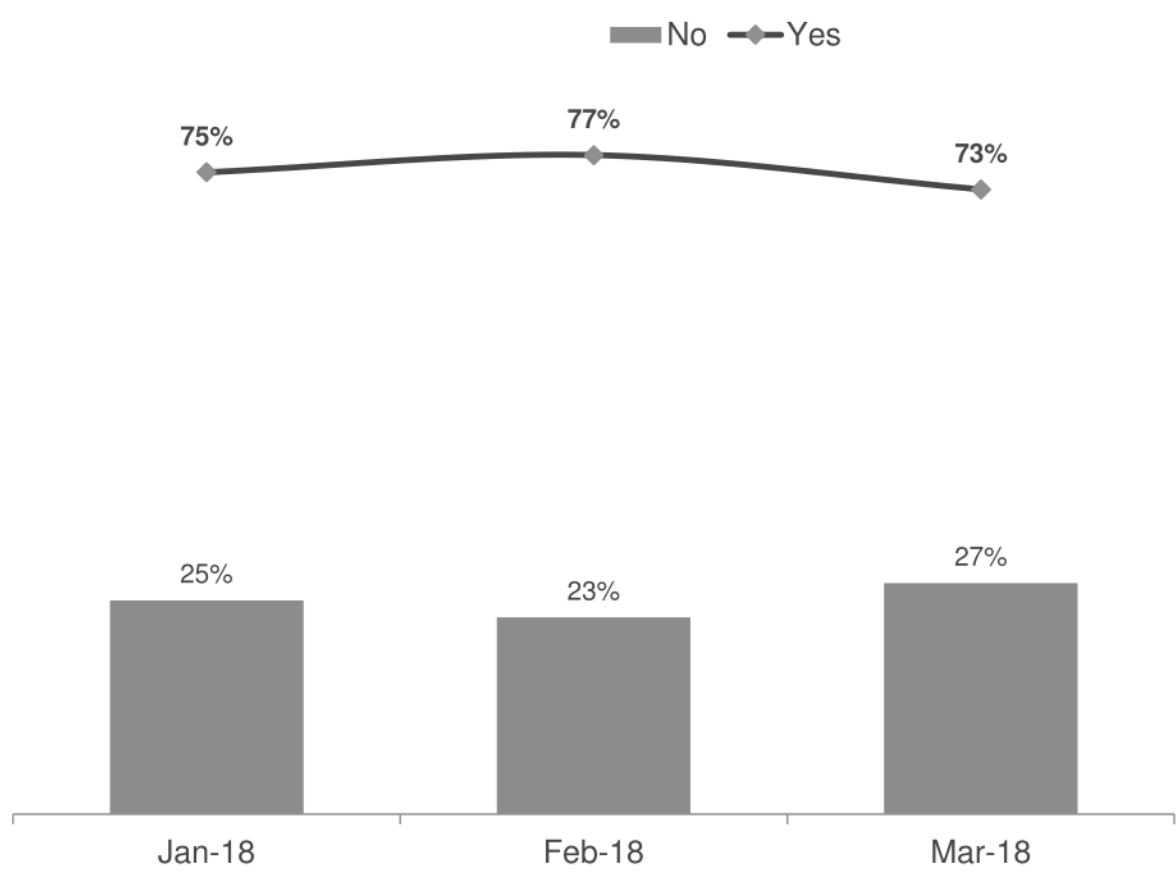


- The index is comprised of 14 attributes which contribute to a brand’s esteem.
- The 14 attributes are aggregated to come up with an overall mean index score.
- The index is collected monthly on the dashboard tracker study and is also included on all pre and post campaign evaluations.

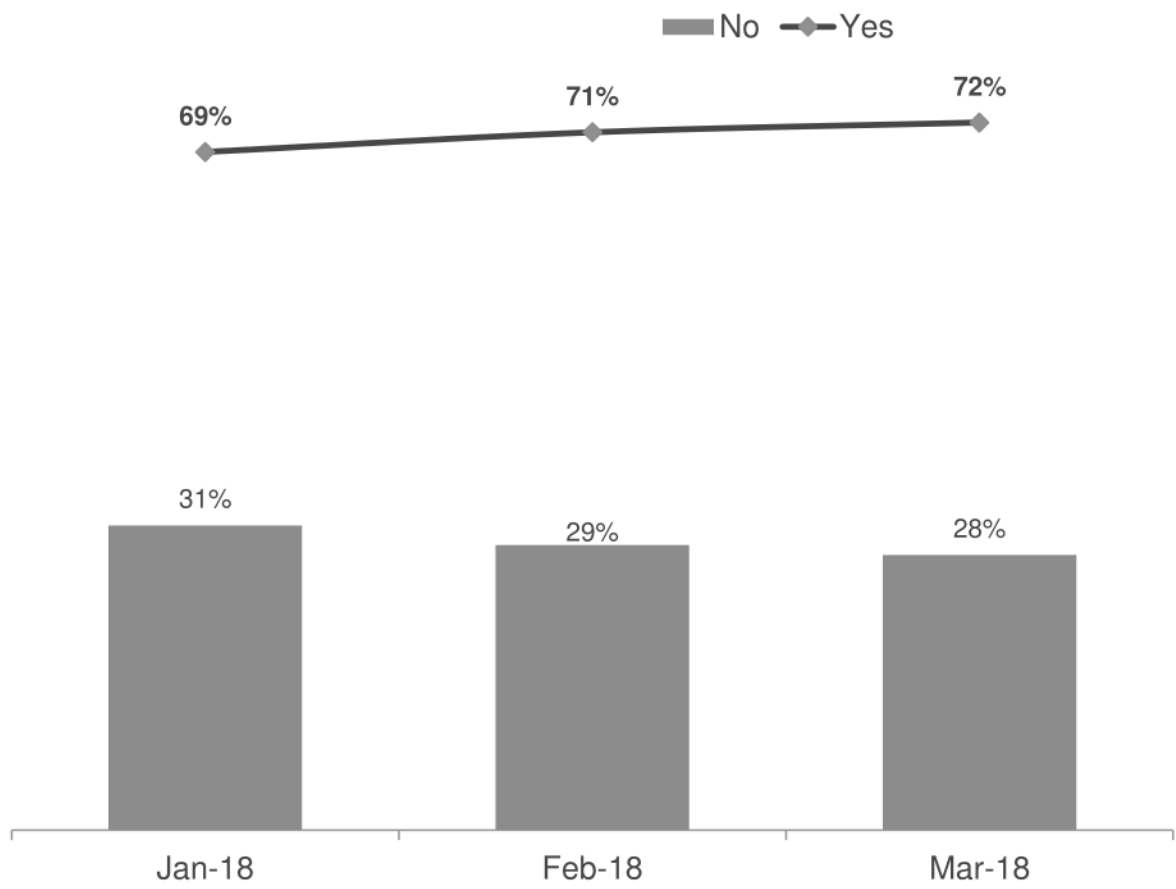
Focus on Site C



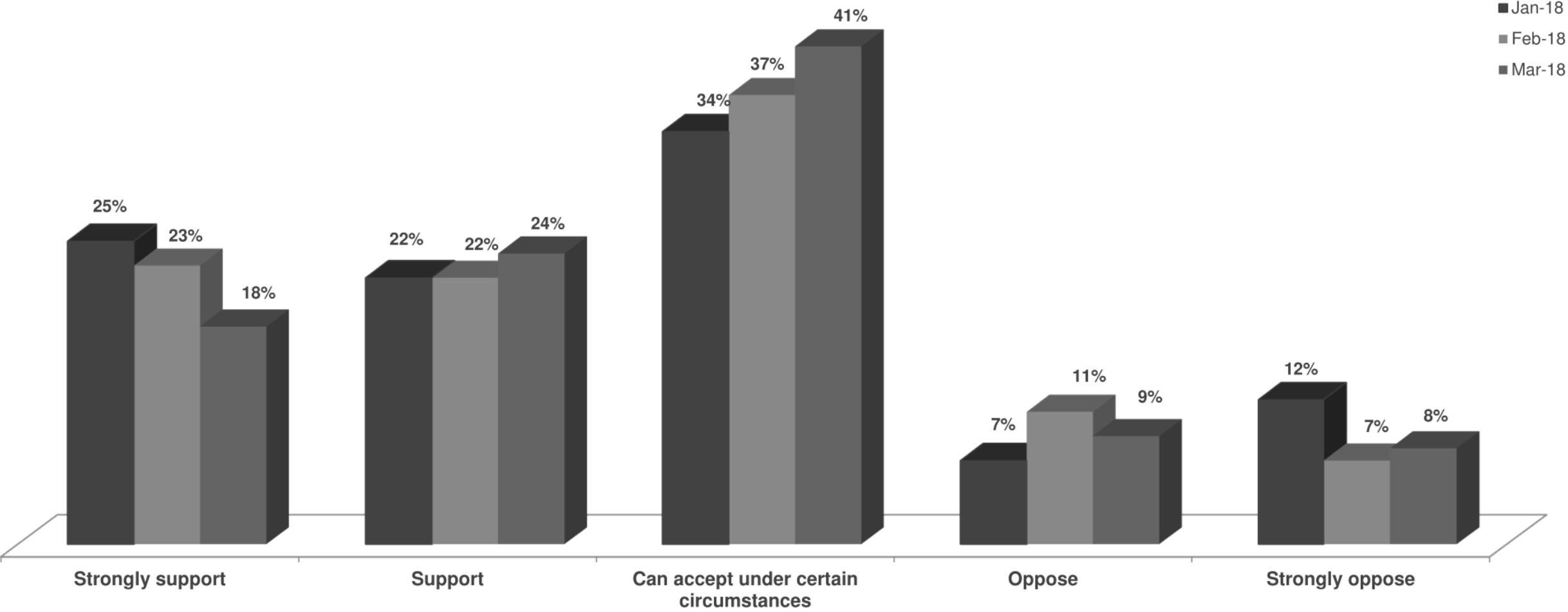
Have you seen or heard anything about BC Hydro’s new dam know as Site C...



As far as you know has construction work on the Site C dam started...



Is the idea of building Site C an idea you...





Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 16, 2018 5:50 PM
To: Howlett, Tim GCPE:EX
Subject: FW: Bill 15 materials - now w/ a news release
Attachments: SN_OGAA PNGA Spring 2018 First Reading_April 12.docx; NR_Bill 15_updated April 16.docx; QA_Bill 15_April 13_ADM.docx

From: Beaupre, Darren GCPE:EX
Sent: Monday, April 16, 2018 4:32 PM
To: Sanderson, Melissa EMPR:EX
Cc: Haslam, David GCPE:EX
Subject: Bill 15 materials - now w/ a news release

Melissa,

Requested update is attached for your consideration. Note the content is the same but MMM has a quote up at the top. Happy to adjust further.

Also reattaching the KM/QA and 1st reading notes. The 2nd reading notes (not attached) are about to be sent to the DM via program staff for approval fyi.

Cheers.



Darren Beaupre
Government Communications and Public Engagement (GCPE)
Ministry of Energy, Mines and Petroleum Resources
Phone: 250-356-5892
E-mail: darren.beaupre@gov.bc.ca

From: Sanderson, Melissa EMPR:EX
Sent: Monday, April 16, 2018 3:46 PM
To: Beaupre, Darren GCPE:EX
Subject: FW: Bill 15 items

Can I get this as a NR?

NEWS RELEASE

Ministry of Energy, Mines and Petroleum
Resources

[release number]

[Date]

Amendments expedite restoration, protect environment

VICTORIA – The Ministry of Energy, Mines and Petroleum Resources has tabled amendments to improve orphan-site management, strengthen restoration activities, and update tenure regulations.

“We are taking action to limit orphan sites and ensure restoration activities are conducted in a timely fashion on all wells, pipelines and facilities used by the oil and gas sector,” said Minister Michelle Mungall. “These amendments will maintain industry’s responsibility and provide additional tools for the BC Oil and Gas Commission to protect the environment.”

Bill 15, Energy, Mines and Petroleum Resources Statutes Amendment Act, 2018, amends the Oil and Gas Activities Act (OGAA) and the Petroleum and Natural Gas Act (PNGA).

Amendments to the OGAA will improve funding for orphan site restoration by replacing the current tax structure with a levy to be paid into British Columbia’s Orphan Site Reclamation Fund (OSRF) – an industry-funded program that addresses the cost of restoration and environmental clean-up.

The levy will be set by the BC Oil and Gas Commission (Commission) Board, with Treasury Board approval, and provides a more flexible avenue to secure funds for the OSRF when and as they are required.

Additional amendments will also limit orphan sites by granting the Commission with the ability to require permit holders (industry) to conduct restoration work on certain sites that are no longer in use.

The Commission will also be able to refuse permit requests if parties associated with the applicant, such as company directors, have a history of non-compliance, further limiting the likelihood of orphan sites. With amendments in place, permits can also be transferred to another willing person/company for the purpose of facilitating activity or restoration work.

Other amendments to the OGAA will increase the Commission’s authority to protect public safety and recover the costs associated with these activities. For example, the Commission can establish road blocks, if necessary, when dealing with an emergency, and recover the cost of those activities from the permit holder responsible for the situation. Other amendments will improve the Commission’s operations and strengthen their capacity to manage heritage resources.

The PNGA amendments will refine tenure extensions and rental relief provisions for permit holders who are unable to access their tenure due to circumstances beyond their control, such as large-scale construction.

Other minor amendments are being implemented to update and streamline the Ministry of Energy, Mines and Petroleum Resources process for interested parties to obtain subsurface rights. The Ministry's website will become the official means of detailing subsurface rights available for tenure.

Contact:
Suntanu Dalal
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628



Speaking Notes for

Honourable Michelle Mungall

Minister of Energy Mines and Petroleum Resources

FIRST READING

Bill 15

*Energy, Mines and Petroleum Resources Statutes
Amendment Act, 2018*

April 18th 2018

MINISTER: “Madame Speaker I have the honour to present a Message from her Honour the Lieutenant Governor.” The Minister then passes a copy of the Bill to an attendant, who passes it to the Speaker.

SPEAKER: Reads the Message text and says:
“Minister...”

MINISTER: “I move that the Bill be introduced and read a first time now.”

SPEAKER: Puts the motion for First Reading and then says, “Minister...”

MINISTER: Makes opening statement.

- Honourable Speaker, I am pleased to introduce the Bill 15, *Energy, Mines and Petroleum Resources Statutes Amendment Act, 2018*.
- This Bill amends the *Oil and Gas Activities Act* and the *Petroleum and Natural Gas Act*.

- Amendments to the *Oil and Gas Activities Act* will help government deal with the issue of the increasing number of orphan wells and address Oil and Gas Commission operational issues.
- Amendments to the *Petroleum and Natural Gas Act* will streamline ministry operations and help government address situations where tenure holders are prevented from accessing their time-limited oil and gas rights.

- Honourable Speaker, I move that the Bill be placed on the Orders of the Day for Second Reading at the next sitting of the House after today

SPEAKER: Puts the motion that the Bill be placed on the Orders of the Day for Second Reading.

-End-

NEWS RELEASE

Ministry of Energy, Mines and Petroleum
Resources

[release number]

[Date]

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The PNGA amendments will refine tenure extensions and rental relief provisions for permit holders who are unable to access their tenure due to circumstances beyond their control, such as large-scale construction.

Other minor amendments are being implemented to update and streamline the Ministry of Energy, Mines and Petroleum Resources process for interested parties to obtain subsurface rights. The Ministry's website will become the official means of detailing subsurface rights available for tenure.

Contact:
Suntanu Dalal
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

s.13

- **The Ministry of Energy, Mines and Petroleum Resources is making amendments to the Oil and Gas Activities Act (OGAA) and the Petroleum and Natural Gas Act (PNGA).**

s.13

Questions and Answers

s.13

In short, amendments to the Oil and Gas Activities Act will:

- s.13
- grant the Commission the ability to require permit holders (industry) to conduct restoration work on certain sites that are no longer in use;
- allow the Commission to refuse permit requests if parties associated with the applicant have a history of non-compliance;
- increase the Commission's authority to protect public safety and recover the costs associated with these activities; and
- s.13

The amendments to the Petroleum and Natural Gas Act will:

- refine tenure extensions and rental relief provisions for permit holders who are unable to access their tenure due to circumstances beyond their control, and
- update and streamline the Ministry of Energy, Mines and Petroleum Resources process for interested parties to obtain subsurface rights by making online notices the official means of advertising.

s.13

The tools include:

- enable the Commission Board to create regulations requiring a permit holder to conduct restoration work on certain sites that are no longer in use;
- give the Commission power to refuse permit applications and permit transfer applications or to cancel or suspend permits where a person associated with the applicant or permit holder has a history of non-compliance; and
- allow the Commission to reinstate and transfer permits to a willing person without the signature of the permit holder in cases where the reinstatement or transfer would help facilitate continued operation of an activity or completion of restoration work.

4. Are there any costs to taxpayers associated with the amendments?

The amendments being proposed do not require funding for implementation.

5. How does the Orphan Site Reclamation Fund currently operate?

The Orphan Site Reclamation fund is funded by industry through the orphan site restoration tax, which is charged on production of oil and gas.

s.13

7. Who sets the levy? Does the provincial government have oversight?

The levy will be set by the BC Oil and Gas Commission Board. The Commission will need approval from Treasury Board - this ensures government oversight.

8. Are orphan sites a concern today? Is it costing taxpayers money?

Yes, since the 2016/17 fiscal year, the province has seen a rise in orphan sites from 45 up to 307. There is no cost for taxpayers - orphan sites are restored through the Orphan Site Reclamation Fund (OSRF), which is funded by industry.

9. How do the amendments help the Commission deal with the number of inactive sites?

Inactive oil and gas sites are at risk of becoming orphan sites if a permit holder becomes insolvent or dissolves. The number of inactive sites in the province has been increasing - as of January 2018 there are over 10,000 inactive sites that have not been restored. The amendments will allow the Commission to require permit holders to reduce the number of unrestored sites or to reduce the amount of restoration work left to be done when a permit is finally terminated and the site is fully shut down.

s.13

12. Is industry often unable to access their tenure? Why are these amendments important?

This is not a frequent issue. In 2014 the provincial government enacted power to make regulations related to tenure extensions and rental relief provisions, and these amendments add clarity to those laws under the PNGA.

13. Is the BC Oil and Gas Commission not able to protect the public now? Why are these additional amendments required?

Currently in an emergency situation the Commission only has the power to contain and eliminate a spill. The amendment will allow the Commission to have the power to take action to protect public safety. The Commission will also be able to recover costs associated with the emergency situation from the appropriate parties.

14. Has there been any industry consultation?

Yes - the Commission and the Ministry undertook consultation with oil and gas industry associations regarding the proposed amendments.

15. Were there concerns raised by industry?

No significant concerns were raised, on the understanding that the Commission will further engage with industry associations in the regulation development process to implement the levy and restoration requirements.

16. Was there consultation with First Nations?

Notification to First nations was completed as required under modern treaties. Two requests for further engagement were received from the Tsawwassen First Nation and the Maa-nulth First Nations. ^{s.13}

s.13

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 17, 2018 4:46 PM
To: Sanderson, Melissa EMPR:EX; Grewar, Colin GCPE:EX; Dalal, Suntanu GCPE:EX; MacLaren, Les EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; McNish, James EMPR:EX
Subject: RE: MEDIA REQUEST: DeSmog Canada on Site C Project Assurance Board...

I think that looks good.

From: Sanderson, Melissa EMPR:EX
Sent: Tuesday, April 17, 2018 4:45 PM
To: Grewar, Colin GCPE:EX; Dalal, Suntanu GCPE:EX; MacLaren, Les EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; McNish, James EMPR:EX; Howlett, Tim GCPE:EX
Subject: RE: MEDIA REQUEST: DeSmog Canada on Site C Project Assurance Board...

I prefer that – Tim any thoughts?

From: Grewar, Colin GCPE:EX
Sent: Tuesday, April 17, 2018 4:44 PM
To: Dalal, Suntanu GCPE:EX; MacLaren, Les EMPR:EX; Sanderson, Melissa EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; McNish, James EMPR:EX; Howlett, Tim GCPE:EX
Subject: RE: MEDIA REQUEST: DeSmog Canada on Site C Project Assurance Board...

Could consider adding/editing as below in red.



Colin Grewar
Senior Public Affairs Officer
Government Communications and Public Engagement
Ministry of Energy, Mines and Petroleum Resources
Phone: 250-952-0650
Colin.Grewar@gov.bc.ca

From: Dalal, Suntanu GCPE:EX
Sent: Tuesday, April 17, 2018 4:33 PM
To: MacLaren, Les EMPR:EX
Cc: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX; Beaupre, Darren GCPE:EX; McNish, James EMPR:EX; Grewar, Colin GCPE:EX; Howlett, Tim GCPE:EX
Subject: RE: MEDIA REQUEST: DeSmog Canada on Site C Project Assurance Board...

Including Les.

From: Sanderson, Melissa EMPR:EX
Sent: Tuesday, April 17, 2018 4:31 PM
To: Dalal, Suntanu GCPE:EX; McNish, James EMPR:EX; Howlett, Tim GCPE:EX

Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX
Subject: RE: MEDIA REQUEST: DeSmog Canada on Site C Project Assurance Board...

The PAB has been meeting for a few months -
that? Looping in Tim H.

s.13

Should we mention

From: Dalal, Suntanu GCPE:EX
Sent: Tuesday, April 17, 2018 4:29 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Cc: Haslam, David GCPE:EX; Beaupre, Darren GCPE:EX; Grewar, Colin GCPE:EX
Subject: MEDIA REQUEST: DeSmog Canada on Site C Project Assurance Board...

Approved by Les.

Reporter: Sarah Cox, DeSmog Canada

Deadline: ASAP

Request: I'm following up on a previous email (Feb. 27) regarding the Site C Project Assurance Board announced four months ago. When will details about the board be available, and when will it begin its oversight functions? I'm also interested if the board's findings will be made public.

Recommendation: Have GCPE provide information on background by email.]

Response:

- s.13
-
-
-
-
- Progress on the Site C Project will continue to be reported publicly in quarterly reports that are submitted to the B.C. Utilities Commission and published on the Site C website.

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 18, 2018 10:37 AM
To: Howlett, Tim GCPE:EX; McColl, John-Michael JTT:EX
Subject: Fwd: FYI: Letter to Minister Haidu re: Canadian Pacific Railway
Attachments: 2018-04-17_Teck letter to Minister Hajdu re CP work stoppage.pdf; ATT00001.htm

FYI

Sent from my iPhone

Begin forwarded message:

From: "Syer Tom VANM" <Tom.Syer@teck.com>
Date: April 18, 2018 at 10:14:34 AM PDT
To: "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>, "McNish, James EMPR:EX" <James.McNish@gov.bc.ca>
Subject: **FYI: Letter to Minister Haidu re: Canadian Pacific Railway**

Melissa/James – FYI on the CP work stoppage. We can discuss further if you'd like, but historically these stoppages create huge challenges for shippers like Teck.

tom



April 17, 2018

The Hon. Patricia A. Hajdu, P.C., M.P.
Minister of Employment, Workforce Development and Labour
140 Promenade du Portage
Gatineau, Quebec K1A 0J9

Dear Minister Hajdu:

I am writing to express our concerns regarding the impact of a possible Canadian Pacific Railway (CP) work stoppage. As the country's largest rail shipper, such a stoppage would have consequences for our business and the larger Canadian economy.

Each year in Canada we move over 27 million metric tonnes of steelmaking coal, mineral concentrates, raw materials and refined metal – over 25 million tonnes of which is moved directly by CP. Our products represent almost one third of the bulk exports through the Port of Vancouver, competing against suppliers from around the world and those with geographic advantages to our key markets in Asia, such as Australia.

Teck is committed to getting our products to our customers around the world in a timely fashion. As such, reliable shipping schedules are critical. Among the potential immediate impacts, strike actions by CP may result in vessels being delayed at anchor resulting in excessive demurrage costs, a potential requirement for the railway to declare *force majeure*, and the prospect of shippers losing sales immediately.

Further, potential work stoppages will intensify existing service issues. Perennial rail service challenges have impacted Teck's competitiveness, our national supply chain's long-term economic sustainability and Canada's global reputation as a trading nation. An outright rail stoppage would further escalate existing service issues and could cause the shutdown of two of Teck's largest steelmaking coal mines within days of a CP work stoppage.

Additionally, in the short-term, speculation of a potential strike results in our global customers becoming reluctant to commit to purchase agreements.

As past strikes have demonstrated, rail disruptions can cause serious harm to the Canadian economy and its reputation and it hurts our competitiveness as international customers are forced to look elsewhere to import goods. We have therefore appreciated the Government's efforts in facilitating resolution of labour disruptions over the years, helping to ensure that Canadian products reach our customers at home and abroad.

Given the Government's commitment to competitiveness and to opening and maintaining access to markets around the world for Canadian products, it is essential that the nation's supply chain operates in a consistent and reliable fashion and reassures the world that we are in fact open for business.

Therefore, if a strike at CP occurs, we urge that the Government take early action by exercising the legislative measures available to you, including the imposition of back-to-work legislation and binding arbitration.

Thank you for your attention to this matter and for considering our concerns. Should you have any questions, please do not hesitate to contact me at 604.699.4616.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'M. Smith', written in a cursive style.

Marcia Smith
Senior Vice President, Sustainability and External Affairs

cc: Hon. Marc Garneau, Minister of Transport
Hon. Francois-Philippe Champagne, Minister of International Trade
Hon. James Carr, Minister of Natural Resources
Rodger Cuzner, Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 18, 2018 1:54 PM
To: Howlett, Tim GCPE:EX; Frampton, Caelie ENV:EX
Subject: FW: Climate Advisory Council letter
Attachments: Advisory Council Letter to Minister_April 8_FINAL_CLEAN_Letterhead_attachments.docx

Importance: High

Assuming you may have already seen this?

From: Haslam, David GCPE:EX
Sent: Wednesday, April 18, 2018 1:39 PM
To: Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Cc: Beaupre, Darren GCPE:EX
Subject: FW: Climate Advisory Council letter
Importance: High

See attached and below. The Climate Solutions and Clean Growth Advisory Council is recommending to government that the Energy Roadmap be part of one larger strategy. See highlight. Letter attached is web posted tomorrow...

From: Klassen-Jeffery, Victoria GCPE:EX
Sent: Wednesday, April 18, 2018 11:14 AM
To: Beaupre, Darren GCPE:EX; Giles, Alison GCPE:EX
Subject: Climate Advisory Council letter

Hi Darren and Alison:
s.13

Victoria Klassen Jeffery
Senior Public Affairs Officer

Environment and Climate Change Strategy
525 Superior Street
w: (778) 698-8162 / c: (250) 812-2071
| Victoria.Klassen-Jeffery@gov.bc.ca

Office hours: 8 am – 4 pm

Climate Solutions and Clean Growth Advisory Council

April 16, 2018

The Honourable George Heyman
Minister of Environment and Climate Change Strategy
Province of British Columbia
Legislative Buildings
Victoria, British Columbia V8W 9E2

Dear Minister Heyman,

Thank you for the opportunity to contribute to British Columbia's actions on climate change and clean growth. Given the critical importance of these issues, we are honoured to advise you and your government.

We welcome the government's commitment to release a *Climate Solutions and Clean Growth Strategy* in fall 2018. In our view, this strategy should signal a steady, committed and iterative approach to climate action that consistently drives down emissions and increases economic opportunities for all British Columbians, while strengthening community and household resilience.

The *Climate Solutions and Clean Growth Strategy* should be as much an economic plan as an environmental plan. It must cut carbon pollution, while at the same time enabling low-carbon innovation and supporting just transitions for workers and communities. The *Climate Solutions and Clean Growth Strategy* should clearly signal that British Columbia is open for business in the low-carbon economy as a competitive and leading jurisdiction for investors.

The Climate Solutions and Clean Growth Advisory Council (Climate Advisory Council) supports the government's carbon tax increase which provides an incentive to invest in clean energy and promotes clean growth while providing resources to support household affordability. We also support the steps government is taking towards competitiveness for the industrial sector.

We recommend the *Climate Solutions and Clean Growth Strategy* be integrated with other developing provincial strategies, particularly the energy roadmap and the economic development strategy. We feel that creating a single integrated strategy, as other jurisdictions have successfully done, will best position British Columbia for long-term success.

Climate Solutions and Clean Growth Advisory Council

Our Principles

Since being formed, the Climate Advisory Council has been focused on providing a foundation for the work ahead. We have identified a set of principles to guide our work. Our advice will respect Indigenous perspectives and the goal of reconciliation, and will be designed with the following principles in mind:

1. Demonstrating Ambitious Leadership
2. Ensuring Credible, Durable, and Cost-Effective Policies
3. Creating Prosperity and Jobs
4. Supporting a Just Transition
5. Enabling Industry Competitiveness
6. Increasing Community Resilience
7. Respecting Diversity and Ensuring Equity
8. Committing to Meaningful Engagement

We include additional detail on these principles in the attachment.

The Council is aware of the debate surrounding industrial projects. In our Principles, the Council emphasizes the importance of an integrated, balanced and ambitious approach that reconciles credible and effective climate action that delivers significant emission reductions in line with targets, and the active pursuit of economic development across British Columbia that includes industrial projects.

The Climate Solutions and Clean Growth Strategy

The Council understands that the government's *Climate Solutions and Clean Growth Strategy* will include a vision for climate action and clean growth, updated legislated targets, and certain foundational actions and sectoral plans for transportation; buildings and communities; and industry to meet the sectoral targets.

Government has proposed a workplan that is structured, measured and deliberate which we support. It is important that government move forward with concrete actions that set us on a path towards our targets and demonstrates sincerity and credibility regarding our collective commitment to meeting these targets. We recognize the context within which the strategy is implemented will change over time. The constraints and opportunities that will present themselves in future decades cannot be easily predicted. Plans will evolve over time and will need to be evaluated and updated on a regular basis.

As you develop the *Climate Solutions and Clean Growth Strategy*, we recommend the following as it relates to reduction targets.

Climate Solutions and Clean Growth Advisory Council

Updated Reduction Targets

Greenhouse gas (GHG) reduction targets drive governments to reduce carbon and create goal-oriented climate action policies. We know British Columbia will not meet its existing 2020 target. However, the province can meet its target to reduce emissions by 80 per cent below 2007 levels by 2050. We must reach this long-range target and do our part to keep global warming well below two degrees.

To help achieve the 2050 target, we support government's intention to repeal the 2020 target and your proposal to introduce a new legislated target of reducing emissions by 40 per cent below 2007 levels by 2030. In addition, we recommend government establish and legislate a 2040 target. We also recommend government adopt targets for 2025 and 2035, to help ensure that we are on track for the 2030 and 2040 targets.

We also support your commitment to implement sector-specific targets for three sectors: transportation; industry; and, buildings and communities. These targets help focus efforts on early action to change the existing GHG emissions curve. There is already a substantial body of work and consultation that has been undertaken on targets, including a recommendation from the 2015 Climate Leadership Team. In light of this, we recommend you update the sectoral targets previously recommended by the Climate Leadership Team. We support targets that are the most cost effective option with the information available on technologies and trends at this time. We understand this is a 30 percent reduction by 2030 for industry, 30 percent for transportation, and a 60 percent reduction for buildings and communities.

We understand government will consult on these matters and we will provide additional advice after the consultation has been completed.

2015 Climate Leadership Team Recommendations

Further to your request, we have reviewed the 2015 Climate Leadership Team's recommendations and have prioritized the following as input to the upcoming sectoral plans:

Clean Fuel Standard: The transportation sector produces approximately 39 per cent of British Columbia's total greenhouse gas emissions. We can significantly reduce emissions in this sector via British Columbia's existing Renewable and Low Carbon Fuel Standard. The Government of Canada has also begun consultations to develop a Clean Fuel Standard that can reduce Canada's carbon emissions by increasing the use of lower carbon fuels, energy sources, and technologies. British Columbia's Renewable and Low Carbon Fuel Standard requires a 10 per cent reduction in the carbon intensity of transportation fuels by 2020 and we recommend investigating the strengthening of the fuel standard beyond 2020.

Zero Emissions Vehicles (ZEVs): In 2015, British Columbia joined 13 other jurisdictions under the International ZEV Alliance, which is working to ensure all new passenger vehicles will produce zero emissions by the year 2050. Many jurisdictions have already taken action to get there. We support government's commitment and advise that British Columbia's *Climate Solutions and Clean Growth Strategy* will need to define clear actions to reach this goal in keeping with our Principles.

Climate Solutions and Clean Growth Advisory Council

Building Emissions: Buildings contribute approximately 11 per cent of British Columbia's greenhouse gas emissions. Existing buildings present a considerable challenge to reaching our emissions reduction goals, as they will continue to stand beyond our 2050 reduction target. We recommend the province adopt a suite of policies to target new and existing buildings.

Incentivizing Clean Growth and Addressing Competitiveness: Industrial sectors provide well-paying jobs for thousands of British Columbians and produce approximately 39 per cent of our province's carbon emissions. We support government's proposed clean growth incentive program, which would set a global standard as a basis for redirecting incremental carbon pricing revenue back into the industrial sector and also providing resources to all industries to continue to improve technology and reduce emissions. We look forward to the opportunity to provide further advice on the development of the program and other potential solutions to ensure concerns for industry competitiveness are adequately addressed.

Engagement and Communications

Engaging British Columbians in the opportunities presented by the new *Climate Solutions and Clean Growth Strategy* will be central to its success. We urge the government to demonstrate steady, committed leadership on this file, both as the *Climate Solutions and Clean Growth Strategy* takes shape and as it is implemented. Clear, inspiring communication that articulates the future opportunity, the progress being achieved and the meaningful role British Columbians can play in the transition to a clean economy will create positive momentum and durable change.

Next Steps

As they are developed, the Council will consider sectoral plans on transportation, buildings and communities, and industry, as well as the opportunities and challenges of clean growth, and will provide further advice to you.

We also look forward to providing advice on the *Climate Solutions and Clean Growth Strategy* and the supporting actions as we continue to work with you on this challenging and incredibly important task.


Sincerely,

The Climate Solutions and Clean Growth Advisory Council

[signature page follows]

Attachment

Climate Solutions and Clean Growth Advisory Council

Merran Smith, Co-Chair		Marcia Smith, Co-Chair	
Taylor Bachrach		DJ Pohl	
Dave Collyer		Sybil Seitzinger	
Matt Horne		Aaron Sumexheltza	
Lee Loftus		Karen Tam Wu	
Gavin McGarrigle		Kathryn Teneese	
Michelle Molnar		Jill Tipping	
Nancy Olewiler		Tesicca Truong	
Josie Osborne		Susan Yurkovich	
Gordon Planes			

Climate Solutions and Clean Growth Advisory Council

Climate Solutions and Clean Growth Advisory Council – Operating Principles

The Climate Solutions and Clean Growth Advisory Council believes that British Columbia must adopt effective climate policies that build on our province's strengths while maximizing clean-growth opportunities. Policies and actions recommended by the Climate Solutions and Clean Growth Advisory Council will respect Indigenous perspectives and the principles and values of reconciliation. To this end, we have identified the following eight shared principles to guide our work and inform our advice to government.

1. Demonstrating Ambitious Leadership

We strive to sustain a strong economy, meet our legislated targets and contribute to global climate action by sharing our policy successes and solutions with other jurisdictions, while learning from the experiences of others.

2. Ensuring Credible, Durable, and Cost-Effective Policies

British Columbia needs a suite of credible, durable and cost-effective climate policies and regulations to reduce carbon emissions. Policies need to be designed to support multiple benefits including social, environmental and economic goals.

3. Creating Prosperity and Jobs

Our recommendations will seek to build a strong, sustainable economy that is steadily reducing greenhouse gas emissions and growing investments, while creating and maintaining jobs.

4. Supporting a Just Transition

We support a just economic transition, meaningful employment, secure jobs, and fair wages, including, for example, the education and retraining of workers and support for communities.

5. Enabling Industry Competitiveness

We support actions to enable industrial competitiveness so that companies can continue to thrive and innovate while reducing emissions.

6. Increasing Community Resilience

We support mitigation policies and actions that concurrently strengthen community resilience to climate impacts.

7. Respecting Diversity and Ensuring Equity

We respect British Columbia's diverse cultures, regions, sectors, and income levels and support fairly distributing benefits while minimizing impacts.

8. Committing to Meaningful Engagement

We support meaningful government engagement with British Columbians to ensure the *Climate and Clean Growth Strategy* resonates with their communities, work, and way of life.

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 19, 2018 12:55 PM
To: Howlett, Tim GCPE:EX
Subject: FW: Updates and clarifications on the 2019 Forum

Interesting.

From: McNish, James EMPR:EX
Sent: Thursday, April 19, 2018 12:54 PM
To: Sanderson, Melissa EMPR:EX
Subject: Fwd: Updates and clarifications on the 2019 Forum

Sent from my iPhone

Begin forwarded message:

From: BC Natural Resources Forum <info@bcnaturalresourcesforum.com>
Date: April 19, 2018 at 12:18:52 PM PDT
To: <James.McNish@gov.bc.ca>
Subject: Updates and clarifications on the 2019 Forum
Reply-To: BC Natural Resources Forum <info@bcnaturalresourcesforum.com>



Ensuring the BC Natural Resources Forum Remains Non-Partisan

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www.BCNaturalResourcesForum.com

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408-688 West Hastings St | Vancouver, BC V6B 1P1

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Contact us:

info@bcnaturalresourcesforum.com

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Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 19, 2018 2:45 PM
To: Howlett, Tim GCPE:EX
Subject: Fwd:
Attachments: 275782.docx; ATT00001.htm

Assume you have seen this.

Sent from my iPhone

Begin forwarded message:

From: "Beale, William TRAN:EX" <William.Beale@gov.bc.ca>
Date: April 19, 2018 at 2:39:14 PM PDT
To: "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>

Call me if you have concerns.

The Honourable Marc Garneau, PC, MP
Minister of Transport
House of Commons
Ottawa ON K1A 0A6

Reference: 275782

Dear Minister Garneau,

Re: Labour Relations - CP Rail

I am writing to express my concern about an impending labour action by two unions, the Teamsters Canada Rail Conference – Trains and Engines and the International Brotherhood of Electrical Workers, who have issued 72-hour strike notices to CP Rail, effective Saturday, April 21.

This situation is of great concern to British Columbia, as we need all our ports and rail lines to continue to function effectively and efficiently. If a work stoppage or a strike were to take place, it would greatly increase shipping times in B.C. for goods moved by rail, including grain, containers and other commodities – and these delays sometimes last well beyond the end of the strike.

Stakeholders have told me that a disruption in the supply chain could prevent them from getting their products to market, harming their businesses and raising a barrier to investment across the region. This potential labor action builds on the tenuous situation our grain and lumber producers face in Northern B.C., where rail service is already unreliable.

Nearly \$180 million worth of goods move through the Port of Vancouver every day to the benefit of all Canadians. That is why I am urging you to take immediate action to mitigate the significant economic impacts of a work stoppage, slowdown or strike.

Yours sincerely,

Claire Trevena
Minister

.../2

- 2 -

Copy to: Premier John Horgan

Honourable Bruce Ralston
Minister of Jobs, Trade, and Technology
MLA, Surrey-Whalley

Grant Main
Deputy Minister

Silas Brownsey, Assistant Deputy Minister
Partnerships Department

DRAFT

Duncan, Kate EMPR:EX

From: Sanderson, Melissa EMPR:EX
Sent: April 22, 2018 10:27 AM
To: Howlett, Tim GCPE:EX
Subject: Fwd: Net metering application
Attachments: 2018-049 IN - Net Metering application.docx; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>
Date: April 20, 2018 at 1:07:47 PM PDT
To: "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>
Subject: FW: Net metering application

From: Magre, Leela [<mailto:Leela.Magre@bchydro.com>]
Sent: Thursday, April 19, 2018 2:38 PM
To: Haslam, David GCPE:EX; Grewar, Colin GCPE:EX; Beaupre, Darren GCPE:EX
Cc: Sauer, Darwin
Subject: Net metering application

Good afternoon,

Just checking in to see if you had any questions on the net metering application that we are filing tomorrow. Mora sent you the issues note on Tuesday (attached for reference) and I'm covering for her now^{s.22}

Thanks!
Leela

Leela Magre | Manager, Policy & Research

BC Hydro
333 Dunsmuir St, 15th floor
Vancouver, BC V6B 5R3

P 604 623 4008
M 236 993 0338
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bchydro.com

Smart about power in all we do.

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BC HYDRO ISSUES NOTE

Issue:	BCUC APPLICATION TO AMEND NET METERING PROGRAM
Spokesperson:	Media relations

ISSUE SUMMARY

BC Hydro is submitting an application to the BC Utilities Commission (BCUC) to amend the Net Metering Program to no longer make it available to applicants that have proposed a generating facility that is sized to exceed their estimated annual usage. This is an interim step while it undertakes a broader review of the program and prepares a filing for further amendments.

BACKGROUND

- The Net Metering Program allows BC Hydro residential and commercial customers to connect a small electricity generating unit to its distribution system. When customers generate more electricity than they consume, they receive a credit to their account that is applied against their future consumption.
- BC Hydro has been observing an increase in the number of Net Metering Program applications where customers' proposed generating facility is sized to exceed their annual load, which results in significant annual surplus energy payouts.
- In 2017, 230 Net Metering customers received an annual energy surplus payout totaling approximately \$280,000.
 - Of those, six customers received approximately \$220,000 of the \$280,000, with each customer receiving between \$10,000 and \$60,000.
- In some extreme cases, BC Hydro has seen generator output that is 40 to 50 times greater than the annual load of the customer. For example, a residential customer installed a 100kW generator to offset a typical residential service of 10kW.
- BC Hydro has also had commercial customers express interest in installing 100 kW generators on their existing municipal facilities and request new service at the facility with the intent to allow generation to bypass the load of the existing facility and sell the excess power back to BC Hydro; resulting in significant annual surplus payments.
- The program was never intended to facilitate excess generation on a consistent manner nor was it designed to be a power supply source for BC Hydro.
- BC Hydro has recognized the need to make changes to the tariff (contained in Rate Schedule 1289) to clarify the original intent of the program, which is for customers to generate electricity only to offset part of their own load requirements with clean, renewable resources.

- BC Hydro will seek approval from the BCUC to amend the program under Rate Schedule 1289 (RS 1289) (“Application to Amend”) so it is not available to customers who are proposing an oversized generating facility.
- These amendments will not impact any customers who are currently under RS 1289, any customers whose applications have been accepted by BC Hydro as of the proposed effective date or any applicants who are proposing a generating facility sized to meet their estimated annual load.
 - Annual load will be based on a customer’s anticipated annual consumption based on their billing data from the previous year and/or anticipated load requirements.
- Based on current trends, BC Hydro estimates approximately 600 new program applications would be received over the next 12 months.
- This application is an interim step while BC Hydro undertakes a review of the Program and prepares a future filing with the BCUC for approval of further amendments by November 30, 2018.

KEY MESSAGES

- We have a responsibility to our customers to ensure we are managing the system fairly and efficiently.
- The Net Metering Program allows residential and commercial customers to connect a small electricity generating unit to BC Hydro's distribution system.
- While most customers participating in the Program are only generating enough power to offset part or all their usage, we've found there are some customers who are generating more power than they require – in some cases by up to 40 or 50 times.
- The Net Metering Program was never intended to facilitate excess generation on a consistent basis, nor was it designed to be a power supply source for BC Hydro.
- Restricting program applicants that have proposed a generating facility that is sized to exceed their estimated annual usage will immediately address these concerns while we undertake a review of the program and make further changes.
- This will not affect current Net Metering customers or future applicants whose projects do not exceed their anticipated load requirements.

TOP QUESTIONS AND ANSWERS

1. What is the Net Metering Program?

- The Net Metering Program allows residential and commercial customers to connect a small electricity generating unit to BC Hydro's distribution system.
- When customers generate more electricity than they consume, they receive a credit to their account that is applied against their future consumption.

2. What is the issue with the Net Metering Program?

- Recently, we've been observing an increase in the number of Net Metering applications with significantly larger sized generators compared to their anticipated load.
- In extreme cases, there have been customers with generator output 40 to 50 times greater than their annual.
 - For example, a residential customer in the Sea-to-Sky region installed a 100 kW generator to offset their residential service, which is typically 10 kW.
 - Commercial customers have also expressed an interest in installing 100 kW generators on their existing municipal facilities and requesting a new service at the facility with the intent to allow generation to bypass the load of the existing facility and sell the excess power back to BC Hydro, resulting in significant annual surplus payment.
- The Net Metering Program was not intended to facilitate excess generation on a consistent basis, nor was it designed to be a power supply source for BC Hydro.
- Based on this, we've recognized the need to amend the program requirements to ensure the program is being used as intended.

3. Why are you restricting some customers now?

- We expect we'll continue to receive project applications where the customer is proposing generating facilities sized to exceed their annual load.
- There is an immediate need to address this situation and to prevent additional costs to BC Hydro from being imposed on ratepayers.
- This is an interim step that will immediately address these concerns and allow us time to review the program and its requirements to ensure it is operating as it was intended and in the best interest of our customers.
- Following the review, we will submit an application to propose further amendments to the program.

4. Why are you amending the Net Metering tariff now in advance of a broader review?

- The Net Metering tariff does not currently provide us with the ability to deny such applications.
- This Application to amend the tariff is an interim step to immediately address the issue of oversized generating facilities while we undertake a comprehensive review of the Program.

5. How many customers participate in the Program?

- As of the end of March 2018, there were approximately 1330 customers participating in the Program.

6. How long will the interim step last?

- The interim step will continue while BC Hydro undertakes a broader review of the Program and its requirements and files an application with the Commission for approval of further amendments.
- We expect to complete our review and file an application with the BCUC by November 30, 2018.

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 25, 2018 10:49 AM
To: Haslam, David GCPE:EX; Sanderson, Melissa EMPR:EX; McNish, James EMPR:EX
Subject: new note
Attachments: 2018.04.25 QP EMPR - Mining Innovation.docx

Thanks David.

Note attached.

Page 145 to/à Page 147

Withheld pursuant to/removed as

s.13

Duncan, Kate EMPR:EX

From: Howlett, Tim GCPE:EX
Sent: April 25, 2018 12:22 PM
To: McNish, James EMPR:EX
Subject: note
Attachments: 2018.04.24 QP Environment - Gas prices.docx

As discussed. Here is a copy

Gas Prices

Highlights:

- Gasoline prices in Vancouver have hit a record high of \$1.57/litre and the owner of www.GasBuddy.com says they could rise over \$2.00/litre if Alberta follows through on its threats.
- Saskatchewan has introduced legislation mirroring Alberta's and says they would use it to cut oil shipments to BC if Alberta acted first.
- Both pieces of legislation are unconstitutional.

s.13

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Solution:

- Alberta has been clear that they don't want to, and don't expect to try to use this legislation.
- The fact is, **they can't use this legislation to target British Columbians** because to do so would be entirely unconstitutional. And they know it.
- It would also be bad for Alberta businesses. The Alberta Premier said of the idea:
 - "It is something the industry doesn't want and it is something that would actually hurt Albertans." (Feb 1st, 2018)
 - "It would hurt us more than it would hurt them. If being tough is just about getting your elbows out [...] that's not the kind of tough that Albertans need" (Notley, Calgary Sun, Feb 1st 2018)
- The Supreme Court of Canada went out of their way last week to warn that attempts to punish other provinces through trade measures are not allowed.
- Any attempt to restrict gasoline shipments to BC would not only violate the Constitution, but also the North West Partnership Agreement and the Canadian Free Trade Agreement.

s.13



Wouldn't the pipeline expansion bring down gas prices?

- A recent report from industry analysts Kent Group Limited does not support that view:
- “The increased capacity of the expanded line will be used to transport primarily crude and not necessarily refined product, since there are already committed shippers (of crude oil) for virtually all of the proposed expanded capacity.” (April 2018)

What about the Carbon Tax?

- We are gradually phasing in the federally mandated carbon price, providing predictability to BC consumers and businesses.

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-
- Under our plan we are putting people first.
- We are also investing in climate change solutions like public transit that create jobs and make life better for people living in our province.

Background:

- In February, Alberta dropped retaliatory measures in response to BC's announcement that it would refer a contentious proposal to the Courts.
- The Alberta Throne Speech said the government would introduce legislation to allow it to restrict the flow of oil and gasoline to BC, if BC took "extreme and illegal actions."
- On April 8th, Kinder Morgan announced it was suspending all non-essential spending on the TMX pipeline project due to significant uncertainty and set a deadline of May 31st for resolution.
- The AB Government responded by saying they will bring in legislation to allow them to "impose serious economic consequences" on BC.
- April 8th press release: "We will be bringing forward legislation in coming days giving our government the powers it needs to impose serious economic consequences on B.C. if its government continues on its present course."
- On April 16, the Alberta Energy Minister tabled legislation that would give powers to impose conditions on how, where and in what quantity natural gas, crude oil or refined fuels are transported.
- The Minister would have the power to require any company to possess a license to export natural gas, gasoline, diesel or crude oil and be able to dictate what method of transportation and where it could be exported.
- The Premier said it could be used to force gasoline out of pipelines and onto rail which could in turn increase transportation costs and eventual retail prices.
- Premier Notley and the Energy Minister both said they don't expect or want to use the new powers.
- Expert observers, including Andrew Leach who has advised the AB government, have said restricting oil flow to BC would be unconstitutional.
- Section 92A (2) of the Constitution states that laws "may not authorize or provide for discrimination in prices or in supplies exported to another part of Canada."
- In Supreme Court decision on Comeau: "If the purpose of the law aligns with purposes traditionally served by tariffs, such as exploiting the passage of goods across a border solely as a way to collect funds, protecting local industry or **punishing another province**, this may, depending on other factors, **support the contention that the primary purpose of the law is to restrict trade.**"