

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION FIRST NATIONS GATHERING

- I PREPARED FOR:** Honorable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources
- II MEETING DETAILS:** Meeting with the Nisga'a village of Gingolx on grants for clean energy projects.

III BACKGROUND:

The Nisga'a Village of Gingolx (Village) is located at the mouth of the Nass river and has a population of about 400. The Village is one of four villages that make up the Nisga'a Nation and is connected to BC Hydro's electricity grid.

The Village has requested a meeting to talk about "Energy Projects; Turbine, hydro – water – grants possibly available – Oil & Gas opportunities"

IV DISCUSSION:

While the Nisga'a Nation as a whole has a plan to develop a large hydroelectric project¹ and other Nisga'a Villages have pursued feasibility studies for geothermal energy and hydroelectricity, the Village of Gingolx's interest in energy development has not been clear. It does not appear to have received funding from provincial or federal programs for energy development and does not appear to have a Community Energy Plan.

If the Village is interested in selling electricity, BC Hydro is the only viable purchaser of electricity and is currently in an energy surplus situation until the mid-2030s. A significant proportion of BC Hydro electricity supply (25%) and annual costs (32%) come from acquisition of clean energy from domestic producers. As a result, energy procurement – particularly through BC Hydro's SOP - has been a focus of Government's current review of BC Hydro, the first phase of which is focusing on BC Hydro's costs with a view to keeping electricity rates affordable. The results of the comprehensive review will be released within the next 1 – 2 months. The Province recognizes that any decision limiting the opportunity to sell power to BC Hydro could have a significant impact on Indigenous communities. The Province is committed to engaging with Indigenous organizations and communities to jointly explore solutions to address these impacts.

The Ministry of Energy, Mines and Petroleum Resources (EMPR) will be carrying out engagement with First Nations on an Indigenous Clean Energy Program (ICEP) which was announced as part of the Site C continuation decision. The ICEP could provide additional tools to support Indigenous communities in their pursuit of clean growth opportunities outside of procurement, while advancing their economic development goals.

¹ The Gitanyow and Nisga'a have competing plans to develop hydro projects on the Kinskuch Lake/River.

The Province is also providing resources, support and tools for local governments and First Nations to implement energy efficiency and clean energy projects that meet both communities' and the Province's energy, economic and emission reduction objectives. EMPR officials can also provide information on related community energy efficiency and net metering projects around the province and potential funding sources, and can offer general support to help advance initiatives. The Ministry maintains a List of Funding Opportunities for Clean Energy Projects Led by First Nations and Local Governments.

The Nisga'a have an interest in exploring LNG or petrochemical opportunities in the Nasoga Gulf, south of the Village. They have had some conversations with Ministry staff about these potential opportunities.

V RECOMMENDED RESPONSE:

- See supporting Briefing Note titled "Clean Energy and Indigenous Communities" for relevant key messages on climate and energy initiatives.
- The Province is committed to affordability, including for Indigenous communities. As a result, the SOP and other energy procurement programs have been a key consideration in Phase 1 of the comprehensive review of BC Hydro.
- In light of the reduced market opportunities related to BC Hydro procurement, on-grid communities are encouraged to pursue community energy initiatives that do not require an EPA, but present GHG reduction opportunities along with other benefits, such as reduced energy costs and increased local clean energy jobs.
- The Nisga'a Village of Gingolx can at any time contact staff in EMPR's Community Clean Energy Branch to obtain support and advice on implementing clean energy ideas they may wish to pursue.
- I encourage you to continue to Simon Coley, ADM, about your interest in oil and gas opportunities.

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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION FIRST NATIONS GATHERING SEPTEMBER 6/7, 2017

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

II MEETING DETAILS: Meeting with the Nisga'a Nation, to discuss: Nisga'a Nation purchase of land at Nasoga Gulf pursuant to Crown Land Disposition Policy; Economic Development Opportunities - LNG and other; Nisga'a Nation position on proposed Federal Tanker Moratorium; G2G Treaty relationship - Nisga'a Nation and British Columbia. Scheduled to attend the meeting will be Brian Tait, Executive Chairperson; Collier Azak, Chief Executive Officer; Corinne McKay, Secretary-Treasurer; Eva Clayton, President; and, Margaret Rosling, Legal Counsel.

III BACKGROUND:

Profile

- Pronunciation: nis-gah-liss-ums
- Location: Along the Nass River, north west of Terrace
- Region: North West
- Villages: Gitlaxt'aamix, Gingolx, Gitwinksihlkw, Laxgalts'ap
- Population: approx. 3000 in the Nass Valley

Current Activities

- Negotiating the Nass Stewardship Protocol (NSP) to provide a framework for land and resource decision making in the Nass Area.
- Concluding a Economic and Community Development Agreement (ECDA) to share mineral tax revenue on the proposed Brucejack mine. The NSP and ECDA are commitments of the Kitsault Mine Dispute Resolution Agreement in 2014.
- Discussions continue between the Nisga'a Lisims Government and the Gitanyow on moose allocation in the Nass Wildlife Area.
- Support for the application of the new Cumulative Effects Assessment process in the Stewart area to address Nisga'a concerns with cumulative effects resulting from several major projects in the Stewart/Portland Canal area – eg. Expansion of Stewart World Port, expansion of Stewart Bulk Terminal, development of Bitter Creek hydroelectric project.
- Nisga'a is working with British Columbia to purchase 22,000 ha of Crown upland ("Nasoga Gulf Upland") in fee simple and establish a long term lease over the foreshore and submerged lands at Nasoga Gulf. The lease and disposition is subject to the BC satisfying its consultation obligations. These dispositions will facilitate the Nisga'a Nation growing its economy and supporting regional growth.
- Nisga'a has been observing, but not yet actively participating in, the North Coast projects under the Environmental Stewardship Initiative.

- Nisga'a communities collectively received \$2,100,000 over three years through the Indigenous Skills Training Development Fund for the Nisga'a Lisims Pathways to Employment Program.

Treaty

- The Nisga'a Final Agreement (Nisga'a Treaty), British Columbia's first modern treaty, was negotiated outside the British Columbia Treaty Commission process and came into effect on May 11, 2000.

Other/Completed Negotiations

- Amending Agreement #3 - (2014).
- Pipelines Benefit Agreements - (2014); Prince Rupert Gas Transmission project; Westcoast Connector Gas Transmission project.
- Real Property Taxation Coordination Agreement - (2014).
- Kitsault Mine Dispute Resolution Settlement Agreement - (2014).
- Economic and Community Development Agreement – Kitsault Mine Project - (2014).
- First Nations Clean Energy Fund Revenue Sharing Agreement (Long Lake hydroelectric project) – (2014).
- Nisga'a Final Agreement Side Agreements: Harvest Agreement - (2000); Taxation Agreement - (2000); Own Source Revenue Agreement - (2000); Fiscal Financing Agreement - (2000).

Issues/Opportunities:

- Nisga'a Nation have received their final Capital Transfer payment under the Nisga'a Treaty in May 2014, they are actively seeking opportunities for sustained economic development.
- Nasoga Gulf is one of four strategic sites the Nisga'a Nation ear-marked for potential development. The other sites are considered less suitable than Nasoga Gulf.
- British Columbia and the Nisga'a Nation signed the Real Property Tax Coordination Agreement (RPTCA) in July 2014 that provides for the Nisga'a Lisims Government to collect property taxes from persons other than Nisga'a citizens on Nisga'a Lands. This supports their economic development by establishing Nisga'a Lisims Government's authority to collect taxes on industrial installations on Nisga'a Lands.
- British Columbia passed the *Protected Areas of British Columbia Amendment Act* in 2014, which was a first step in a process to remove 63.5 hectares from Nisga'a Memorial Lava Bed Park described in the Nisga'a Treaty. The amendment to the boundaries of the Nisga'a Memorial Lava Bed Park provides a corridor for proposed pipelines (Prince Rupert Gas Transmission) to pass through the park and will only be brought into force if the proposed pipeline receives all other regulatory approvals.

IV DISCUSSION:

Tanker Moratorium:

- In May 2017, Federal government introduced legislation regarding a coastal tanker moratorium (Bill C-48 – Oil Tanker Moratorium Act).
- The Bill proposes to ban the landing of oil tankers on British Columbia's north coast.

- The federal government used the provincial Great Bear Rainforest area, which was used for provincial forestry planning and protection purposes, for the purposes of describing the area where crude oil tankers would be prohibited from landing. The moratorium area extends from the Canada/United States border in the north, down to a point on the mainland adjacent to the northern tip of Vancouver Island, and also includes Haida Gwaii.
- The proposed definitions for oil products is broadly defined and would also capture Montney produced gas condensates and light oil (i.e. not just bitumen and heavy oil).
- Such a moratorium would impact potential market access for BC's condensate and light oil. The proposed definition of products captured by the Bill could limit future market potential for B.C.-produced condensates.
- s.16
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Nasoga Gulf and Hydrocarbon Development:

- To facilitate hydrocarbon infrastructure development on Nisga'a treaty settlement lands (Nisga'a Lands) and the flow of hydrocarbon tax revenue to the Province, B.C. and the Nisga'a Nation have entered into negotiations to:
 - sell 22,000 hectares of provincial Crown land and lease 686 hectares of provincial Crown foreshore and submerged land (land adjacent to the sale lands) to the Nisga'a Nation;
 - provide for sale lands to be added to Nisga'a Lands (increasing Nisga'a Lands by 11 per cent);
 - enable B.C and Canada to substitute their environmental assessment (EA) processes for a Nisga'a-only EA process for hydrocarbon projects on Nisga'a Lands.
- Led by MIRR, negotiations concerning the proposed sale, lease, and addition to Nisga'a Lands (the Proposed Transaction) are nearing completion but subject to B.C. satisfying consultation obligations with the Kitselas, Kitsumkalum, Metlakatla and Lax Kw'alaams First Nations. Metlakatla and Lax Kw'alaams have raised significant rights and title objections regarding the Proposed Transaction.^{s.13; s.16}
- s.13; s.16
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- Other significant agreements B.C. and the Nisga'a Nation have concluded to facilitate hydrocarbon infrastructure development include:
 - agreement to allow the proposed Prince Rupert Gas Transmission pipeline to cross Nisga'a Lands (the PRGT Pipeline) and the Nisga'a Lava Bed Memorial Park;
 - agreement for B.C. to delegate to the Nisga'a Nation real property taxation authority over hydrocarbon infrastructure on Nisga'a Lands; and
 - agreement on benefit-sharing for the PRGT and West Coast Gas Connector pipelines.

V RECOMMENDED RESPONSE:

- s.13; s.16
- We are happy to discuss Nisga'a's ideas for LNG-related economic development opportunities.
- We encourage Nisga'a to continue negotiations with MIRR on the Nasoga land purchase negotiations and are open to hearing how we may be of assistance.

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FIRST NATIONS GATHERING SEPTEMBER 6/7, 2017**

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- Nisga'a has been observing, but not yet actively participating in, the North Coast projects under the Environmental Stewardship Initiative.

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION FIRST NATIONS LEADERSHIP GATHERING

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

II MEETING DETAILS: Meeting with the Nisga'a Lisims Government to discuss matters pertaining to energy and mining

III BACKGROUND:

The Nisga'a Nation, represented by the Nisga'a Lisims Government (NLG) is composed of 7,000 members residing in Nisga'a's four communities along the Nass Valley, stretching northwest of Terrace along to the BC coast. A significant number of Nisga'a members also reside throughout northern BC, the north coast and the lower mainland. The NLG is governed by President Eva Clayton, elected in 2016.

In 2000, NLG, BC and Canada signed the Nisga'a Final Agreement, and as partners have worked productively with government over the last two decades on many lands and resource projects and issues.

The Nass Area, including the Nisga'a Lands identified in the Final Agreement, has limited mineral endowment but captures the southern portion of the Golden Triangle with projects such as Red Mountain, and some downstream effects from other mines and projects such as Brucejack and KSM. Aggregate quarries are also a feature of the coastal region.

NLG is keen to obtain income from major projects and thus largely supportive of mining where it supports their economic development and environmental sustainability goals. NLG has a good relationship with the Ministry of Energy, Mines and Petroleum Resources (EMPR) and has conducted joint inspections with EMPR and the Environmental Assessment Office Compliance and Enforcement staff, and have approached regional EMPR staff requesting a similar relationships. NLG are also interested in attracting an LNG or other hydrocarbon facility to their lands and in seeing the Prince Rupert Gas Transmission line built.

IV DISCUSSION:

The NLG signed an Economic and Community Development Agreement (ECDA) with the Province to share revenue collected from the Brucejack Mine in 2018. A payment of over \$300,000 has been made to the NLG for Mineral Tax revenue generated from Brucejack in 2017.^{s.13; s.17}

s.13; s.17

Red Mountain mine received its Environmental Assessment Certificate in October of this year. The Ministry of Indigenous Relations and Reconciliation will be leading the ECDA negotiations, with EMPR providing support on technical discussions. Consultation with Nisga'a has been extensive.

The Nisga'a Nation, together with Tahltan, industry, and BC in the BC Mining Alliance, has been promoting the north west as a place to invest in mineral exploration.

The Province is in advanced stages of negotiating the Nass Stewardship Protocol (NSP) with Nisga'a. The NSP will consist of three components: landscape level monitoring and assessment process, engagement model; and a support forum at the government-to-government level. EMPR will be providing guidance where mineral development is concerned in support of these negotiations.

s.16

s.16; s.17

V RECOMMENDED RESPONSE:

- The Province views mining as a key economic driver both in the Province and in the Region and wants to continue to work collaboratively with NLG on new innovative ideas.
- The Province's relationship with the NLG is fundamental to realizing the economic potential of mining for the benefit of Nisga'a communities and all BC residents.
- The Province is interested in continuing to work with the Nisga'a on the Nasoga Gulf sale and in collaborating on how LNG development could occur in the area.

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