

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 4, 2019 10:50 AM
To: Duncan, Kate EMPR:EX
Subject: Re: Feb 12/Tue - Throne Speech Day - Guests for Opening Day

Check in with Melissa

Sent from my iPhone

On Feb 4, 2019, at 10:06 AM, Duncan, Kate EMPR:EX <Kate.Duncan@gov.bc.ca> wrote:

Hello Minister,

Any update on who will be attending the Throne Speech? The Whip's office is requesting names and Emails. I have held the tickets held.

Let me know

Thanks

Kate Duncan

Administrative Coordinator to the Honourable Michelle Mungall
Minister of Energy Mines and Petroleum Resources
T: 778-974-5975
E: kate.duncan@gov.bc.ca

CONFIDENTIALITY NOTICE: The above message contains confidential information intended for a specified individual and purpose. The information is private and protected by law. Any copying or disclosure of this transmission by anyone other than the intended recipient is prohibited. If you are not the intended recipient, please notify the sender immediately and delete this message and any attachments from your system. Thank you.

From: Mungall, Michelle EMPR:EX
Sent: January 30, 2019 3:38 PM
To: Duncan, Kate EMPR:EX <Kate.Duncan@gov.bc.ca>
Subject: Re: Feb 12/Tue - Throne Speech Day - Guests for Opening Day

Yes. Stand by

Sent from my iPhone

On Jan 29, 2019, at 10:36 AM, Duncan, Kate EMPR:EX <Kate.Duncan@gov.bc.ca> wrote:

Hello Minister,

Do you have any guests you would like to have at the Throne Speech?

Let me know

Thanks

Kate Duncan

Administrative Coordinator to the Honourable Michelle Mungall

Minister of Energy Mines and Petroleum Resources

T: 778-974-5975

E: kate.duncan@gov.bc.ca

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From: Giuliano, Angela <Angela.Giuliano@leg.bc.ca>

Sent: January 23, 2019 12:04 PM

To: LP Administrative Coordinators <LPACS@Victoria1.gov.bc.ca>; LP Support Staff <LPSUPPORT@Victoria1.gov.bc.ca>

Cc: LP Executive Assistants <LPEAS@Victoria1.gov.bc.ca>; LP Ministerial Assistants <LPMAs@Victoria1.gov.bc.ca>; LP Senior Ministerial Assistants <SRMINAST@Victoria1.gov.bc.ca>

Subject: Feb 12/Tue - Throne Speech Day - Guests for Opening Day

Hi,

In anticipation of receiving a formal notice from the Speaker's office regarding Guests for Opening Day, Government MLA's and Ministers will be provided 2 tickets each to the Throne speech which will take place at 2pm on Tuesday, February 12th.

The Whip's office would like to start canvassing Members now in preparation for Opening Day. **Please email me your Member's guest name (first and last name) along with their email address by Friday, February 1st.** For Members who have no guests or have not provided names by end of day February 1st – these extra guest tickets will be sent to the Premier's office to use.

Please note – the Speaker's office will be sending out a formal notice (not sure when) providing a later deadline to submit guest list for Opening Day, however, the **Whip's office is requesting guest names by Friday, February 1st.**

In regards to guests for Budget Day, Tuesday, February 19th, the Minister of Finance office will be coordinating this and you will receive information from their office closer to Budget Day.

FYI - this email will be forwarded to CAs, LAs and MLAs private emails. Any questions please let me know.

Thank you for your assistance.

Angela

Angela Giuliano / Whip & Deputy Whip's Assistant

New Democrat BC Government Caucus

T: 250-387-1083

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 5, 2019 1:08 PM
To: Andrews, Scott EMPR:EX
Subject: Re: Throne Speech Tickets for TECK Indigenous Intern and Director of Social Management

Yes

Sent from my iPhone

On Feb 5, 2019, at 12:18 PM, Andrews, Scott EMPR:EX <Scott.Andrews@gov.bc.ca> wrote:

Hi Minister,

I hope all is well. I wanted to touch base about offering your two tickets to the Throne Speech to a participant of TECK's Indigenous internship program and TECK's Director of Social Management and Responsibility?

Does that work for you?

If so, could we offer them a quick introduction to you during the day?

Thanks very much,

Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall
Ministry of Energy, Mines and Petroleum Resources
PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 7, 2019 5:37 PM
To: Duncan, Kate EMPR:EX
Subject: Receipts
Attachments: IMG_0071.jpg; ATT00001.txt; IMG_0070.jpg; ATT00002.txt

Attached is a taxi receipt and my compass card numbers, as I often use transit like I did on this trip. The receipts for the later are online.

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 13, 2019 6:38 PM
To: Sanderson, Melissa EMPR:EX
Subject: RE: Final approved - FW: Previous government's BC Hydro contracts to cost ratepayers billions: report

From: Sanderson, Melissa EMPR:EX
Sent: Wednesday, February 13, 2019 6:24 PM
To: Mungall, Michelle EMPR:EX
Subject: Fwd: Final approved - FW: Previous government's BC Hydro contracts to cost ratepayers billions: report

Sent from my iPhone

Begin forwarded message:

From: "McKill, Colin GCPE:EX" <Colin.McKill@gov.bc.ca>
To: "Beaupre, Darren GCPE:EX" <Darren.Beaupre@gov.bc.ca>
Cc: "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>, "Gibbs, Robb GCPE:EX" <Robb.Gibbs@gov.bc.ca>, "Lloyd, Evan GCPE:EX" <Evan.Lloyd@gov.bc.ca>, "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>, "Andrews, Scott EMPR:EX" <Scott.Andrews@gov.bc.ca>, "Giles, Alison GCPE:EX" <Alison.Giles@gov.bc.ca>, "Grewar, Colin GCPE:EX" <Colin.Grewar@gov.bc.ca>, "GCPE Editorial Services" <GCPEWES@Victoria1.gov.bc.ca>, "Zadravec, Don GCPE:EX" <Don.Zadravec@gov.bc.ca>
Subject: Final approved - FW: Previous government's BC Hydro contracts to cost ratepayers billions: report

Thanks, all. Finalized version, as per Rob. Standing by for distribution timing.

Colin McKill
250 893-0294

Please refer to the files attached to this email. The following is the summary of the News Release

Permalink: <https://news.gov.bc.ca/18995>

News ID: NEWS-18995
NR Number: 2019EMPR0003-000228
NR Type: News Release
State: Planned
Planned Release Date: February 13, 2019 at 7:11 pm
Media Distribution Lists: BUSIN_BUSINESS, ENERG, ETHALL_ALL ETHNIC,

LEGIS_PRESS GALLERY, MEDIA, PROVI_PROVINCE WIDE

Lead Organization: Ministry of Energy, Mines and Petroleum Resources

Headline: Previous government's BC Hydro contracts to cost ratepayers billions: report

This email was auto-generated.

For Immediate Release

2019EMPR0003-000228

Feb. 13, 2019

Ministry of Energy, Mines and Petroleum Resources

NEWS RELEASE

Previous government's BC Hydro contracts to cost ratepayers billions: report

VICTORIA - A newly released report details how the previous provincial government pressured BC Hydro into signing long-term contracts with independent power producers (IPPs) that will cost B.C. customers more than \$16 billion over 20 years.

Former B.C. Treasury Board director, Ken Davidson delivered his report titled Zapped: A review of BC Hydro's purchase of power from independent power producers to the Minister of Energy, Mines and Petroleum Resources. It details how the previous government manufactured an urgent need for power while disallowing BC Hydro to produce it, therefore requiring the public utility to buy power from private producers at inflated prices. According to the report, this will ultimately cost the average residential BC Hydro customer about \$4,000 over the next 20 years, or about \$200 per year.

"Sadly, British Columbians are paying more on their hydro bills because of the previous government's choices," said Michelle Mungall, Minister of Energy, Mines and Petroleum Resources. "Professional staff within government and BC Hydro warned them against that course of action, but that government refused to listen. As a result, these contracts have already cost customers \$3.2 billion and are set to cost billions more over the next two decades."

The report also demonstrates that the power BC Hydro was forced to purchase from IPPs was largely the wrong energy profile. Of the 105 contracts with IPPs since 2002, 71 were from run-of-river projects, most of which can only be relied on during the spring freshet. BC Hydro does not need more power during that time when the demand is low and there is abundance of water available in BC Hydro's reservoirs.

"B.C. didn't benefit. BC Hydro customers didn't benefit. A small number of well-placed independent power producers benefited, and customers were stuck with a 40-year payment plan," said Mungall.

The report notes that hydroelectric generation is B.C.'s strength. BC Hydro's dams are flexible resources that provide clean electricity and can be ramped up and down as necessary.

While there are no quick fixes to the challenges posed by IPP contracts, there is an opportunity to address some of the financial issues when these electricity purchase agreements expire, namely renewing on a market-rate basis. The report offers the following recommendations to government:

- * Ensure prices reflect the real market value: All energy should be purchased at the appropriate market rate or the IPP owner can trade its energy directly with the market, which is currently an option.
- * Eliminate the self-sufficiency mandate: BC Hydro's energy planning should be able to rely on a reasonable level of Powerex trading to meet its electricity supply obligations, as opposed to relying solely on the electricity generating facilities within the province.
- * Restore the oversight of the BC Utilities Commission: The commission's full oversight role should be re-established.
- * Improve transparency on the cost of energy procurement: BC Hydro should price all energy at market rates or disclose all instances where energy purchases are not at market rates in an open and transparent way, including to the BC Utilities Commission.
- * Eliminate the Standing Offer Program: BC Hydro has too much non-firm IPP energy to continue acquiring it and it should not have an energy procurement process that remains open. While the Standing Offer Program is currently on hold, it should be eliminated entirely.

These recommendations informed Phase 1 of a comprehensive review of BC Hydro focused on affordability and restoring sound financial and regulatory oversight. The results of the review will be announced on Feb. 14, 2019.

Learn More:

To read the report, Zapped: A review of BC Hydro's purchase of power from independent power producers conducted for the Minister of Energy, Mines and Petroleum Resources, visit: <https://www2.gov.bc.ca/gov/content/industry/electricity-alternative-energy/electricity/bc-hydro-review>

Four backgrounders follow.

Contact:

Kent Karemaker
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

BACKGROUND 1 IPP timeline

- * 1985: BC Hydro begins purchasing power from IPPs.
- * 2000-2001: Energy crisis in the United States - wholesale energy traders drove up electricity trading prices by overstating electricity demand. The high rates were viewed as an opportunity for B.C. to invest in clean energy projects and export that power.
- * 2002: 2002 Energy Plan - provided policy direction to BC Hydro to purchase its energy from IPPs rather than generating the energy itself.

- * 2003: Green Power Generation Call - 16 projects were successful and were projected to generate 1,800 gigawatt hours of energy per year.
- * 2006: 2006 Open Call for Tenders - 38 projects were successful and were projected to generate 6,500 gigawatt hours of energy per year.
- * 2006: BC Hydro files its 2006 Integrated Electricity Plan (IEP)/Long-Term Acquisition Plan (LTAP) with the BC Utilities Commission (BCUC) - included BC Hydro's plan to rely on Burrard Thermal for planning purposes at 3,000 gigawatt hours of energy per year.
- * 2007: BCUC Decision on the 2006 IEP/LTAP application - the BCUC decided that BC Hydro should rely on Burrard Thermal for planning purposes at 6,000 gigawatt hours of energy per year.
- * 2007: 2007 Energy Plan: Vision for Clean Energy Leadership - provided direction to BC Hydro to achieve electricity self-sufficiency by 2016 (which eliminated BC Hydro's ability to plan to purchase electricity from the market to meet demand); ensure clean or renewable electricity generation continued to account for at least 90% of total generation; establish a standing offer for clean electricity projects; implement a provincial bioenergy strategy; and, replace the energy supply from Burrard Thermal with other resources.
- * 2007: Special Direction #10 to the BCUC - directed that BC Hydro's achievement of self-sufficiency should include insurance of 3,000 gigawatt hours of energy per year.
- * 2008: Standing Offer Program - launched with an offer of fixed pricing based on results of most recent call for small clean energy projects up to 10 megawatts.
- * 2008: Bioenergy Phase 1 Call - supported the 2007 Energy Plan. Four projects were successful and were projected to generate 579 gigawatt hours of energy per year.
- * 2008: Financial downturn - a turbulent world economy leads to significant economic contraction and the loss of major employers in B.C.'s forestry industry, resulting in a load reduction of 2.5%.
- * 2010: 2010 Clean Power Call - 27 projects were successful and were projected to generate 3,266 gigawatt hours of energy per year.
- * 2010: Clean Energy Act - redefined the role of the BCUC, disallowing it to have a role in approving a number of BC Hydro capital projects and initiatives, including the Northwest Transmission Line, the Bio-Energy Phase 2 Call, the Clean Power Call, the Integrated Power Offer and the Standing Offer Program. Also moved the oversight of BC Hydro's long-term planning from the BCUC to government.
- * 2011: Bioenergy Phase 2 Call - the call focused on large-scale biomass projects and resulted in four projects that were projected to generate 754 gigawatt hours of energy per year.
- * 2012: Self-sufficiency - Government amends the definition of self-sufficiency so that BC Hydro must be electricity self-sufficient during average water conditions. The previous definition required self-sufficiency during historically low inflows, or what is known as "critical water" conditions (a change of 4,100 gigawatt hours per year).

- * 2013: BC Hydro Integrated Resource Plan - approved by government. In the plan, BC Hydro recommends managing the costs associated with BC Hydro's IPP portfolio and selecting the most cost-effective plan to meet customers' needs within the context of the Clean Energy Act.
- * 2013: Standing Offer Program - project capacity increased from a maximum of 10 megawatts of capacity to 15 megawatts, and annual volume increased from 50 gigawatt hours of energy per year to 150 gigawatt hours per year.
- * 2015: Memorandum of Understanding - Government directs BC Hydro and the Ministry of Energy, Mines and Petroleum Resources to enter into a memorandum of understanding with the Clean Energy Association of BC, the industry association representing the interests of independent power producers.
- * 2017: Standing Offer Program - BC Hydro stopped taking any applications under the program.
- * 2018: Standing Offer Program - BC Hydro announces it will not issue any additional electricity purchase agreements under the Standing Offer Program pending the results of government's Comprehensive Review of BC Hydro.

Contact:

Kent Karemaker
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

BACKGROUNDER 2

IPPs

- * BC Hydro has been purchasing electricity from IPPs since the mid-1980s.
- * As of January 2019, BC Hydro had over 130 electricity purchase agreements with IPPs, which represents over \$51 billion in future financial commitments.
- * Of those contracts, 105 were signed since 2002 and represent future financial commitments of \$47 billion.
- * The cost of energy purchased from IPPs has increased dramatically over time. IPPs currently make up about 25% of BC Hydro's electricity supply and about 32% of total planned costs.
- * Current prices for the energy from IPPs are significantly higher than the cost of generation from BC Hydro's heritage assets - like the W.A.C. Bennett or Mica dams - and Site C, as well as projected domestic and export market price forecasts.
- * The cost of heritage generation is estimated to be \$33 per megawatt hour. In comparison, the cost of IPP energy is about \$100 per megawatt hour on average (F17-F19).
- * Total annual energy acquisition costs are forecasted to increase from \$1.3 billion in fiscal 2019 to \$1.7 billion by fiscal 2024.
- * Beginning in 2002, the previous government manipulated BC Hydro's energy planning process by providing a clear direction to BC Hydro to not increase its own generating capacity and to not rely on imported power to achieve government's goal of self-sufficiency.

* As a result, government created a false need for more energy that forced BC Hydro to go to market for power from IPPs.

* IPPs develop and operate projects such as:

* Run-of-river: using part of natural stream flows and natural elevation changes along the course of a river to generate electricity.

* Biomass: using organic waste from saw mills and pulp mills to generate heat, steam and electricity.

* Wind: converting the energy from wind into electricity.

* Solar: converting the energy from sunlight into electricity.

* Run-of-river projects are the most common in B.C. - with 73 projects selling power to BC Hydro.

* Most of these can only be relied on during the spring freshet. The freshet is the snowmelt period from May to July, and BC Hydro has historically had an oversupply of power during these months. This has resulted in the excess energy being sold on the market at very low prices.

Contact:

Kent Karemaker
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

BACKGROUNDER 3 Report recommendations

The report offers government five key recommendations:

1. Ensure prices paid to IPPs reflect the real market value.
2. Eliminate the self-sufficiency mandate.
3. Restore the full oversight role of the BCUC.
4. Improve transparency on the cost of energy procurement.
5. Terminate the Standing Offer Program.

Recommendation #1: Electricity purchase agreement renewals

* All energy should be purchased at the appropriate market rate (recommended to be Mid-C).

* Mid-C is the price at which energy is traded at the Mid-Columbia hub and is the accepted commercial value of energy available for export from British Columbia at any point in time.

* The IPP owner also has the option of trading its energy directly with the open market, which is

currently an option.

Recommendation #2: Self-sufficiency mandate

- * The self-sufficiency mandate should be eliminated.
- * Self-sufficiency means that BC Hydro must meet its electricity supply obligations solely from electricity generating facilities within the province.
- * BC Hydro's energy planning should be able to rely on a reasonable level of Powerex trading and not reflect the need for insurance energy.

Recommendation #3: BCUC

- * The 2010 Clean Energy Act reduced the scope of the BCUC's mandate and removed much of its ability to fulfill that mandate. This included eliminating the BCUC's independent oversight over BC Hydro's Standing Offer Program, Clean Power Call, Integrated Power Offer and Bioenergy Phase 2 Call for Power.
- * All changes made through the Clean Energy Act should be reversed, and the BC Utilities Commission's full oversight should be re-established.

Recommendation #4: Transparency

- * BC Hydro should price all energy at market rates, also known as Mid-C rates.
- * If BC Hydro is told to buy energy at a price above Mid-C, the rationale for the purchase should be recorded as "government direction."
- * BC Hydro should disclose all energy purchases that are not at Mid-C to the BCUC.

Recommendation #5: Standing Offer Program

- * BC Hydro has too much non-firm IPP energy to continue to acquire it. It should not have an energy procurement process that remains open.
- * While the Standing Offer Program is currently on hold, it should be eliminated entirely.
- * To terminate the program, government will need to make a legislative or regulatory change, as the program is prescribed in legislation.

Contact:

Kent Karemaker
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

BACKGROUNDER 4
Calculations

The previous government manufactured an urgent need for 8,500 gigawatt hours per year of firm energy that BC Hydro did not need.

How did the author of the report arrive at this figure?

The report points to various government directions and policies that changed BC Hydro's Energy Planning criteria.

Gigawatt hours per year: 2,500

Reason: Removal of BC Hydro's ability to rely on imported power from the market

Gigawatt hours per year: 3,000

Reason: Requirement for "insurance" electricity

Gigawatt hours per year: 3,000

Reason: Restriction of energy from Burrard Thermal

Total gigawatt hours per year: 8,500

Reason: Net increase of firm energy required

The previous government will cost BC Hydro customers about \$16.2 billion over 20 years for energy that BC Hydro did not need.

How did the author of the report arrive at this figure?

* This figure is based on the electricity purchase agreements resulting under the five calls for power that BC Hydro issued to meet government's direction that it purchase energy it did not need.

* Amount of energy BC Hydro acquired based on government directions: 9,500 gigawatt hours of electricity

* Average cost of IPP power: \$110 per megawatt hour

* Estimated market value of the surplus energy: \$25 per megawatt hour

* The result: \$16.2 billion overpaid by BC Hydro over 20 years

* Math: Incremental cost of energy over buy (\$85 per megawatt hour) multiplied by the amount of energy in the electricity purchase agreements (9,500 gigawatt hours per year) equals \$808 million per year (or \$16.2 billion over 20 years)

Contact:

Kent Karemaker
Media Relations
Ministry of Energy, Mines and Petroleum Resources
250 952-0628

Connect with the Province of B.C. at: <http://news.gov.bc.ca/connect>

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 13, 2019 6:39 PM
To: Andrews, Scott EMPR:EX
Subject: RE: Moosehide Tweet for Review

sure

From: Andrews, Scott EMPR:EX
Sent: Wednesday, February 13, 2019 4:52 PM
To: Mungall, Michelle EMPR:EX
Subject: Moosehide Tweet for Review

Hi Minister,

What do you think of this tweet and picture?

“Proud to march alongside @jjhorgan in support of the #moosehidecampaign to end all violence against women and children – for more information visit <https://moosehidecampaign.ca/>”



Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall
Ministry of Energy, Mines and Petroleum Resources
PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 13, 2019 7:07 PM
To: Sanderson, Melissa EMPR:EX
Subject: RE: Draft Release for Review:

Changes below

From: Sanderson, Melissa EMPR:EX
Sent: Wednesday, February 13, 2019 6:50 PM
To: Mungall, Michelle EMPR:EX
Subject: Draft Release for Review:

BC Hydro review keeps rates affordable

VICTORIA – To keep electricity rates affordable the Government of British Columbia is taking steps to cut costs and increase revenues at BC Hydro and to enhance financial and regulatory oversight by the province's energy regulator, the B.C. Utilities Commission (BCUC).

"Making life affordable is important to British Columbians, but the previous government's choices related to BC Hydro and their constant interference with the BCUC resulted in inflated costs for ratepayers, over \$50 billion in long term contracts to private power producers and accounting practices questioned by the Auditor General. This review offers a way forward that will reduce future rate increases by 40% and ensure that the BCUC is able to once again work in the best interests of British Columbians," said Michelle Mungall, Minister of Energy, Mines and Petroleum Resources.

Measures will keep rates affordable while maintaining BC Hydro's long-term fiscal sustainability and ensuring it has the resources it needs to provide clean, safe and reliable electricity to British Columbia's residents, businesses and industry.

"BC Hydro is committed to working with our customers, Indigenous peoples, stakeholders, the BCUC and government as we build on the work of the review to limit rate increases, enhance regulatory oversight and support the Province in its social, economic and environmental priorities," said Chris O'Riley, BC Hydro president and chief operating officer.

Affordable Rates:

Subject to BCUC approval, electricity bills for ratepayers are forecast to increase by 1.8% effective April 1, 2019, and 0.7% effective April 1, 2020.

This is part of a cumulative bill increase of 8.1% over the next five years, which is:

- almost 40% lower than the 13.7% cumulative increase for the same period under the previous government's 10-year rates plan, and
- 20% lower than the 10.7% forecast rate of B.C. inflation over the same period.

As part of transitioning to enhanced oversight government has accepted a recommendation from the review for BC Hydro to stop using the rate smoothing regulatory account and to write off its balance to zero in

2018/19, thus limiting rate increases and relieving ratepayers of the burden of directly paying off \$1.1 billion in deferred costs over the next five years.

In addition, BC Hydro will implement a number of measures that will lower costs and increase revenues, including managing future energy purchases from private power producers. This includes indefinitely suspending BC Hydro's Standing Offer Program, effective immediately. No change will be made to electricity purchase agreements that are already signed and in place.

Recommendations to reduce costs were informed by the independent report on BC Hydro's energy purchases from private power producers beginning in 2002 that was commissioned by the Minister as part of the BC Hydro review. The report concludes that BC Hydro bought too much energy, the wrong type of energy, and paid too much for it.

"Due to the decisions of the previous government, ratepayers have over paid billions of dollars for power they did not need," said Mungall. "While costing the average household an extra \$200 per year, 80% of that money did not stay in the province. This was just not a good deal for British Columbians."

Government recognizes that many Indigenous Nation communities have seen small scale private power as economic development opportunities. That is why the Ministry of Energy, Mines and Petroleum Resources will be engaging with Indigenous Nations to discuss the extent to which the suspension of the Standing Offer Program may affect individual Nations.

Enhanced independent oversight:

The review has identified areas where BCUC oversight is more appropriate than government oversight to ensure ratepayers interests are best protected.

Government intends to introduce regulatory and legislative changes to roll back past government directions that have restricted the BCUC's oversight of BC Hydro. Under this new framework, the BCUC will make decisions on rate increases, deferral accounts and capital projects, as well as other important decisions that impact British Columbians.

Government intends to return oversight of BC Hydro's net income to the BCUC in 2021/22, following a two-year transition period to enable the BCUC to complete its review of BC Hydro's next two-year revenue requirements application, and to undertake a process to determine an appropriate rate of return. Government also intends to restore the Commission's authority to review and approve BC Hydro's Integrated Resource Plan, its 20-year plan to meet electricity demand, starting in 2021.

BC Hydro plays a unique role, as both an electrical utility and an implementer of government policy. To minimize past policy impacts on ratepayers and the province's fiscal plan and advance social, economic and environmental priorities, government anticipates that, on occasion, it will be required to provide direction to the BCUC to guide decision making in proceedings that have implications for government policy.

Policy guidance could be conveyed by having the Province participate in certain BCUC proceedings as an intervener or by providing a letter of comment, or by issuing directions.

In keeping with its commitment to respect the independence of the BCUC, government will limit the use of these directives as much as possible.

"Our new approach for BCUC oversight of BC Hydro is clear, fair and transparent and recognizes the importance of independent utility regulation" said Mungall.

Looking Forward:

The measures flowing from Phase 1 of the BC Hydro review will inform BC Hydro's next revenue requirements application to the BCUC (for 2019/20 – 2021/22) to be filed in February 2019 and will allow the BCUC greater independence in reviewing the application.

During the BCUC's review of the application, stakeholders and the public will have a further opportunity to see and comment on how the outcomes of the first phase of the comprehensive review have influenced BC Hydro's finances and proposed electricity rates.

The Province remains committed to reconciliation with Indigenous peoples of British Columbia. The Ministry of Energy, Mines and Petroleum Resources will be engaging with Indigenous Nations to discuss the extent to which the indefinite suspension of the Standing Offer Program may affect the economic interests of individual Indigenous Nations.

Phase 2 of the BC Hydro review will begin in 2019. It will be informed by government's CleanBC plan and focussed on ensuring that BC Hydro is well positioned to maximize opportunities flowing from shifts taking place in the global and regional energy sectors, technological change and climate action.

"The problems at BC Hydro didn't appear overnight, and they can't be fixed overnight," said Mungall. "We're going to keep working to build on BC Hydro's strengths and the skills and dedication of its workers and build a strong, sustainable and innovative BC Hydro for today and future generations."

Learn More:

To view the final report on Phase 1 of the BC Hydro review and the independent report on BC Hydro's purchase of power from independent power producers, visit:

<https://www2.gov.bc.ca/gov/content/industry/electricity-alternative-energy/electricity/bc-hydro-review>

To learn more about the Province's engagement with Indigenous Nations on the indefinite suspension of the Standing Offer Program, visit: www.engage.gov.bc.ca/SOPengagement

Three backgrounders follow.

Contact:

Kent Karemaker

Media Relations

Ministry of Energy, Mines and

Petroleum Resources

250 886-5400

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 20, 2019 9:29 AM
To: Sanderson, Melissa EMPR:EX
Subject: Re: Information request - MMM availability - Woodfibre LNG benefit agreement signing - 19 Feb 19

No problem

Sent from my iPhone

On Feb 20, 2019, at 9:24 AM, Sanderson, Melissa EMPR:EX <Melissa.Sanderson@gov.bc.ca> wrote:

Great - then no issues w MSF just doing it Friday?

Sent from my iPhone

On Feb 20, 2019, at 6:47 AM, Mungall, Michelle EMPR:EX <Michelle.J.Mungall@gov.bc.ca> wrote:

I will not be in Vancouver either of those dates.

Sent from my iPhone

On Feb 19, 2019, at 10:30 PM, Sanderson, Melissa EMPR:EX
<Melissa.Sanderson@gov.bc.ca> wrote:

I should have brought this up at the staff meeting.
Minister Fraser will actually be in Vancouver on the 22nd and as the co-signatory to the TB Sub can sign on behalf of govt.
Please let me know if you have any concerns or would like to schedule a signing at a time when you can be in Vancouver.

Sent from my iPhone

Begin forwarded message:

From: "Plummer, Glen GCPE:EX"
<Glen.Plummer@gov.bc.ca>
Date: February 19, 2019 at 11:15:21 AM PST
To: "Sanderson, Melissa EMPR:EX"
<Melissa.Sanderson@gov.bc.ca>, "Andrews, Scott
EMPR:EX" <Scott.Andrews@gov.bc.ca>
Cc: "Beaupre, Darren GCPE:EX"
<Darren.Beaupre@gov.bc.ca>, "Haslam, David
GCPE:EX" <David.Haslam@gov.bc.ca>
Subject: Information request - MMM availability -
Woodfibre LNG benefit agreement signing - 19 Feb 19

Hi Melissa and Scott,

The Squamish Nation would like to have all of the signatories together to sign the three economic benefits agreements for the Woodfibre LNG project.

The plan is to have the signing take place at the Woodfibre LNG office in Vancouver. The proposed dates are: Feb. 22 and Mar. 11.

Is MMM available on either of those dates?

At the request of the Squamish Nation, this is to be a low-key event with no media and no media release from any of the parties involved.

The Squamish Nation is eager to get the agreements signed and move forward.

Thanks,

Glen

**Glen Plummer
Senior Communications Officer
Ministry of Energy, Mines and Petroleum
Resources
250 952-0559 office
250 213-5667 cell**

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 20, 2019 10:34 AM
To: Andrews, Scott EMPR:EX
Subject: Re: FOR APPROVAL - Letter to MLA Shypitka - Mining Operation Access - Cross River Fire

Good to go.

Sent from my iPhone

On Feb 20, 2019, at 10:07 AM, Andrews, Scott EMPR:EX <Scott.Andrews@gov.bc.ca> wrote:

Hi Minister,

Below is a response to a letter from MLA Shypitka (attached for reference) for your review:

--

Dear Mr. Shypitka:

Thank you for taking the time to write to me on January 7, 2019 regarding mining operational access during emergency situations.

Wildfires and other emergency situations are dependent on many factors that are beyond the control of the various ministries trying to provide immediate responses. The Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD) believed that there was still too much risk to crews and traffic on the Cross River Forest Service Road (FSR) during August 2018. In other situations, an exemption for industrial use may have been granted. FLNRORD takes their responsibilities seriously and the Ministry of Energy, Mines and Petroleum Resources (EMPR) supported the decision regarding workers' safety in this case. If an exemption had been made, then the Baymag Mine Emergency Response Plan would be in effect, if workers were on the mine site. EMPR maintained contact with Baymag throughout the closure and received weekly updates from the BC Wildfire Service.

EMPR is not responsible for any authorizations or closures of mandated FSRs. Please see the attached Appendix 1 for timelines of the wildfire event.

Once again, thank you for writing.

Sincerely,

Michelle Mungall
Minister

Appendix 1 - Timelines

The Cross River Fire, situated near the Baymag gypsum mine site, was a large wildfire burning through the Kootenay National Park and parts of BC in the Radium area in July and August of 2018.

- Concern regarding the explosives magazine on the mine site required Baymag to relocate the explosives to a safe place in early August. The last mine crew was then sent out on August 8, although the last haul truck left August 7, due to the fast approaching fire.
- The Regional District of East Kootenay, with support from the Wildfire Management of FLNRORD, closed the FSRs Settlers, Palliser and Cross River on August 13.
- From August 13 to August 28, the FSRs were closed to all traffic, including the Baymag haul trucks, due to significant danger on the ground. The fire crews began identifying and removing hazardous trees that could potentially damage traffic crossing through. The fire was also considered very unpredictable and was moving back and forth across the road, contingent on the wind directions. Further, the area around Yearling Creek was uncontained.
- The Health and Safety Mines Inspectors of the Mines and Mineral Resources Division, EMPR, located in the Southeast region, also felt that it would endanger mine employees if they were permitted to travel on the closed road for any reason during that time, or remove stockpiles from the mine site. An exemption was not given by FLNRORD, though there was an opportunity for Baymag to discuss further options and concerns with FLNRORD wildfire managers in Castlegar, BC on August 16.

Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall
Ministry of Energy, Mines and Petroleum Resources
PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

<105862 MLA Shypitka to Minister, Jan 7 2019.pdf>

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 22, 2019 10:33 AM
To: Andrews, Scott EMPR:EX
Subject: Re: FOR APPROVAL - Mining Day News Release

Couple of minor edits. Good to go.

Sent from my iPhone

On Feb 21, 2019, at 4:21 PM, Andrews, Scott EMPR:EX <Scott.Andrews@gov.bc.ca> wrote:

Hi Minister,

For your approval is the news release for Mining Day:

New resources to help Mining Sector in BC thrive

VICTORIA – In recognition of Mining Day at the Legislature, Minister of Energy, Mines and Petroleum Resources Michelle Mungall announced new resources that will improve mine safety for workers and the environment while encouraging investment and job creation by speeding up the approval process.

The Ministry of Energy, Mines and Petroleum Resources will now be home to two expanded mining divisions: the Mines Health, Safety and Enforcement Division and the Mines Competitiveness and Authorizations Division. This supports recommendations from the Mining Jobs Task Force released earlier this year.

“We are putting additional resources in place to enable more frequent inspections and upping enforcement to keep mines safe, for workers and for our environment,” said Energy, Mines and Petroleum Resources Minister Michelle Mungall. “At the same time, we have a faster, more efficient permit approval process, to encourage investment and get new projects built without unnecessary delays.”

The Mines Health, Safety and Enforcement Division will function as an independent oversight unit to increase industry safety. It will include a greater number of mines inspectors and a new auditing function. The division’s priorities will be focused on health, safety, compliance management, and enforcement activities.

The Mines Competitiveness and Authorizations Division will promote increased investment in B.C.'s mining sector, through an improved and properly resourced approvals process. This will help position B.C. as an attractive jurisdiction for investment by focusing on regulatory certainty, social acceptance, Indigenous reconciliation and partnerships, innovation, world-class geoscience and leading environmental standards.

The Province is investing \$20 million over three years to support these changes, which help foster a healthy, thriving and responsible mining sector, with high-paying jobs. The ministry is creating 30 additional positions in 2019/20 in the two new divisions, with up to 33 additional positions added next year and the year after.

The two new divisions support the B.C. Mining Jobs Task Force’s recommendation that government should improve industry safety and oversight by providing the ministry with additional resources over the next three years to ensure continuing mining regulatory excellence and increased efficiency.

Learn More:

For more information about the Mines Competitiveness and Authorizations Division and the Mines Health, Safety and Enforcement Division, please visit [\[URL\]](#)

Contact:

Kent Karemaker

Media Relations

Ministry of Energy, Mines and Petroleum Resources

250 952-0628

Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall

Ministry of Energy, Mines and Petroleum Resources

PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

Page 25 to/à Page 26

Withheld pursuant to/removed as

s.16;s.13

Page 27

Withheld pursuant to/removed as

s.16

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 25, 2019 4:13 PM
To: Andrews, Scott EMPR:EX
Subject: RE: FOR APPROVAL - Statement for Kamloops Exploratory Group Conference Package

Edits below

From: Andrews, Scott EMPR:EX
Sent: Monday, February 25, 2019 12:37 PM
To: Mungall, Michelle EMPR:EX
Subject: FOR APPROVAL - Statement for Kamloops Exploratory Group Conference Package

Hi Minister, below is a statement for your approval to be included in the Kamloops Exploratory Group conference package:

Message from the Honourable Michelle Mungall
Minister of Energy, Mines and Petroleum Resources

Our government is working towards a strong, sustainable and innovative economy. By strengthening our foundational industry of mining and exploration, we're creating family-supporting jobs and better opportunities for British Columbians.

We have great stories to tell everyone about British Columbia's mining sector, including our partnerships with First Nations and industry.

The Mining Jobs Task Force recommended 25 initiatives to help create and sustain jobs, foster investment in the mining industry and promote Indigenous partnerships. In response to one of the task force's recommendations, Budget 2019 is providing my ministry with \$20 million over three years to put more boots on the ground for mining by developing two new divisions: Mines Health, Safety and Enforcement and Mines Competitiveness and Authorizations. With this funding, resources are available to ensure B.C. remains an attractive, competitive and secure place to invest.

In January, we committed \$1 million to work with industry to develop a road map for mining innovation. We also committed another \$1 million towards continuation and expansion of the Regional Mining Alliance, that promotes investment to promote our minerals sector in partnership with Indigenous Peoples.

These actions contribute to a robust mining sector that further supports every other industry and contributes more than \$8 billion to our economy each year. The mining and exploratory industry has economic impact in everything that we do, whether electrifying our economy, growing a tech sector or transitioning to zero emission vehicles.

The next few months will see the positive impacts of the efforts of our Mining Jobs Task Force as we continue to work towards making B.C. the most attractive jurisdiction in Canada for exploration investments and our commitment to building a better British Columbia.

Sincerely,

Michelle Mungall
Minister Energy, Mines and Petroleum Resources

Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall
Ministry of Energy, Mines and Petroleum Resources
PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 26, 2019 5:03 PM
To: Hammond, Danika S EMPR:EX
Subject: Re: MOTI Active Transportation Forum

Add to the next MO meeting

Sent from my iPhone

On Feb 26, 2019, at 4:12 PM, Hammond, Danika S EMPR:EX <Danika.Hammond@gov.bc.ca> wrote:

Hello Minister

Here is the information I have been able to learn about the Active Transportation forum on March 11th 4:00pm – 7:30pm.

Purpose

Interactive forum to collect local input on ideas for how to make active transportation safer, easier, more affordable and attractive.

This is in relation to the CleanBC plan and they're calling it "an opportunity to shape CleanBC initiatives."

Who is invited

- Local Gov.
- Regional District
- First Nations
- Planners and engineers involved in the strategy to improve active transportation
- Various groups and organizations related to active transportation such as
 - o Cycling advocacy groups
 - o Accessibility groups
- Other related stakeholders

It is not open to the public.

It is regional so groups from the surrounding communities of Nelson will be invited as well.

Other information

In my conversation with MOTI staff they mentioned that if you cannot attend they would look into the possibility of inviting an MLA from the Lower Mainland as they want an MLA present at each of the 8 forums across the province.

As mentioned, you can attend for just the first portion to give greetings if you choose.

Please let me know if you have any other questions.

Danika

Danika Hammond
Executive Assistant to the
Honourable Michelle Mungall
Minister of Energy, Mines and Petroleum Resources
t 250.208.7363

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Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 27, 2019 10:28 AM
To: Andrews, Scott EMPR:EX
Subject: Re: For Approval - Letter to Rob C. Gay - Re: Elko Dam

Good to go

Sent from my iPhone

On Feb 27, 2019, at 10:19 AM, Andrews, Scott EMPR:EX <Scott.Andrews@gov.bc.ca> wrote:

My apologies Minister, a revised version is below:

Ref.: 105411

Mr. Rob C. Gay
Chair
Regional District of East Kootenay

Email: cthom@rdek.bc.ca

Dear Mr. Gay:

Thank you for your June 7, 2018 letter regarding the Elko Dam, and for the follow up from your Executive Assistant, Ms. Connie Thom on October 12, 2018 inquiring about a possible meeting to discuss this issue.

As we discussed at UBCM in September 2017, the redevelopment of the Elko Dam is not required at this time, as the energy it generates would be surplus to BC Hydro's customers' needs.

BC Hydro's Water License limits them to keep the headpond water level between 912.18 m and 917.17 m. RDEK's request would keep the headpond water level near the upper limit of this range, which is not possible given the worker safety concerns at the facility. To improve worker safety, BC Hydro permanently removed the eastern water retaining flashboards from the dam crest in 2017. Their removal reduces the potential for workers to be exposed to icy conditions during the winter months, while attempting to unfreeze the spillway gates due to icing. The western flashboards are more difficult to remove and will take more time.

BC Hydro established the Elko Water Conveyance Project in 2016 to transfer river water across the dam in a safe, environmentally appropriate, and cost-effective manner. This Project is pursuing an option that maintains the reservoir level above the 912.18 meter level required by its water license, but does not use flashboards to maintain higher water levels. This Project is currently in the Conceptual Phase with a leading option being identified. This option is currently undergoing the necessary engineering studies.

Two studies have previously been completed that explore RDEK's claim of a relationship between the Elko headpond water level and the Baynes Lake water level. The Baynes Lake Groundwater Monitoring Program^[1] noted that the monitoring program was terminated in 1989 following a review of data which indicated that there was little, if any, correlation between the river water levels and the ground water or lake levels at Baynes Lake. The monitoring was also

terminated because neither BC Hydro nor the Water Management Branch received any complaints of water shortages from area residents.

The second study^[2], completed in 2009, could not establish a relationship between the annual operations of the Elko headpond and groundwater levels in the Baynes Lake community. One of the most significant observations made during the study was that many of the Baynes Lake residents were satisfied with the water supply in the community over the three years that the monitoring study occurred. In most cases, the residents indicated that there were no water shortages during the three years of the study, and some residents indicated that there was surplus water which had not occurred very often over the past decade. The data collected as a result of the study led BC Hydro to conclude that a relationship between the headpond operations and the Baynes Lake aquifer could not be inferred.

Given the above findings, the Ministry is not recommending any further studies by BC Hydro.

I hope the above information is helpful to the RDEK.

Once again, thank you for writing.

Sincerely,

Michelle Mungall
Minister

From: Mungall, Michelle EMPR:EX
Sent: February 27, 2019 10:05 AM
To: Andrews, Scott EMPR:EX <Scott.Andrews@gov.bc.ca>
Subject: Re: For Approval - Letter to Rob C. Gay - Re: Elko Dam

Why am I referring to myself in the third person in this letter?

Nothing should ever come to me with these basics not being cleaned up first. It too often does. Let me know when it is fine and I will review.

Sent from my iPhone

On Feb 27, 2019, at 9:20 AM, Andrews, Scott EMPR:EX <Scott.Andrews@gov.bc.ca> wrote:

Hi Minister,

For your approval is a letter to Rob Gay, Chair of the Regional District of East Kootenay. This began as a meeting request, but at a staff meeting we decided to draft this letter instead. This initial letter is attached.

Ref.: 105411

Mr. Rob C. Gay
Chair
Regional District of East Kootenay

Email: cthom@rdek.bc.ca

Dear Mr. Gay:

Thank you for your June 7, 2018 letter to Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources, regarding the Elko Dam, and for the follow up from your Executive Assistant, Ms. Connie Thom on October 12, 2018 inquiring about a possible meeting to discuss this issue.

I am informed that Minister Mungall discussed the redevelopment of Elko with you at UBCM in September 2017, advising that it is not required at this time, as the energy it generates would be surplus to BC Hydro's customers' needs.

BC Hydro's Water License limits them to keep the headpond water level between 912.18 m and 917.17 m. RDEK's request would keep the headpond water level near the upper limit of this range, which is not possible given the worker safety concerns at the facility. To improve worker safety, BC Hydro permanently removed the eastern water retaining flashboards from the dam crest in 2017. Their removal reduces the potential for workers to be exposed to icy conditions during the winter months, while attempting to unfreeze the spillway gates due to icing. The western flashboards are more difficult to remove and will take more time.

BC Hydro established the Elko Water Conveyance Project in 2016 to transfer river water across the dam in a safe, environmentally appropriate, and cost-effective manner. This Project is pursuing an option that maintains the reservoir level above the 912.18 meter level required by its water license, but does not use flashboards to maintain higher water levels. This Project is currently in the Conceptual Phase with a leading option being identified. This option is currently undergoing the necessary engineering studies.

Two studies have previously been completed that explore RDEK's claim of a relationship between the Elko headpond water level and the Baynes Lake water level. The Baynes Lake Groundwater Monitoring Program^[1] noted that the monitoring program was terminated in 1989 following a review of data which indicated that there was little, if any, correlation between the river water levels and the ground water or lake levels at Baynes Lake. The monitoring was also terminated because neither BC Hydro nor the Water Management Branch received any complaints of water shortages from area residents.

The second study^[2], completed in 2009, could not establish a relationship between the annual operations of the Elko headpond and groundwater levels in the Baynes Lake community. One of the most significant observations made during the study was that many of the Baynes Lake residents were satisfied with the water supply in the community over the three years that the monitoring study occurred. In most cases, the residents indicated that there were no water shortages during the three years of the study, and some residents indicated that there was surplus water which had not occurred very often over the past decade. The data collected as a result of the study led BC Hydro to conclude that a relationship between the headpond operations and the Baynes Lake aquifer could not be inferred.

Given the above findings, the Ministry is not recommending any further studies by BC Hydro.

I hope the above information is helpful to the RDEK.

Once again, thank you for writing.

Sincerely,

Michelle Mungall
Minister

Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall
Ministry of Energy, Mines and Petroleum Resources
PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

<105411 INFO - 104670 June 7, 2018 mtg request.pdf>

<105411 INFO - 104670 June 7, 2018 mtg request.pdf>

^[1] Boyer, D. (1992). *Baynes Lake Groundwater Monitoring Program*, File #38000, Province of British Columbia, BC Environment Water Management Kootenay Region, Nelson, BC

^[2] Den Biesen. D. (2009), *Sidechannel Sinkhole Monitoring Study*, Elko Project Water Use Plan, Ref. ELK MON#3, BC Hydro and Power Authority

^[1] Boyer, D. (1992). *Baynes Lake Groundwater Monitoring Program*, File #38000, Province of British Columbia, BC Environment Water Management Kootenay Region, Nelson, BC

^[2] Den Biesen. D. (2009), *Sidechannel Sinkhole Monitoring Study*, Elko Project Water Use Plan, Ref. ELK MON#3, BC Hydro and Power Authority

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 27, 2019 3:51 PM
To: Duncan, Kate EMPR:EX
Subject: Meeting with Les and Dave

Can you please arrange this for us to discuss Hydro review phase two. Looks like there's 30mins on Thursday.

Also, we need to plan a weekly 30mins meeting between Dave nick, Melissa and I

Sent from my iPhone

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 27, 2019 5:00 PM
To: Andrews, Scott EMPR:EX
Subject: RE: Quote for Approval - Feb 28 - Federal EV announcement in Toronto

good

From: Andrews, Scott EMPR:EX
Sent: Wednesday, February 27, 2019 4:37 PM
To: Mungall, Michelle EMPR:EX
Subject: Quote for Approval - Feb 28 - Federal EV announcement in Toronto

Hi Minister,

The quote below is for your approval. It will be included in the attached news release from the federal government on EVs.

“Today’s announcement brings us one step closer in our efforts to build a better, cleaner British Columbia. With these new fast chargers, we are expanding one of Canada’s largest networks of charging and fuelling stations and making clean transportation more accessible and affordable.”

Michelle Mungall
Minister of Energy, Mines and Petroleum Resources

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 28, 2019 1:39 PM
To: Andrews, Scott EMPR:EX
Subject: RE: For Approval - Quote in Ernst & Young News Release

Edit below

From: Andrews, Scott EMPR:EX
Sent: Thursday, February 28, 2019 1:15 PM
To: Mungall, Michelle EMPR:EX
Subject: For Approval - Quote in Ernst & Young News Release

Hi Minister,

Melissa put together a quote for this Ernst & Young News Release -- for your approval:

“British Columbia has excellent mineral potential and investor confidence as an exploration and mining jurisdiction. A resurgence in grassroots and early stage exploration will result in discoveries that will become new mine development projects ensuring that exploration and mining continues to be a significant contributor to the economy of British Columbia”

Modern-day gold rush: BC mining and exploration continues resurgence in 2018
Mineral and coal exploration expenditure experiences double-digit year-over-year growth

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For further information, please contact:

Victoria McQueen

victoria.mcqueen@ca.ey.com

416 943 3141

Sasha Anopina

sasha.anopina@ca.ey.com

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Camille Lariviere

camille.lariviere@ca.ey.com

514 879 8021

Scott Andrews | Ministerial Assistant to the Honourable Minister Mungall

Ministry of Energy, Mines and Petroleum Resources

PO Box 9060, Station Prov Gov, Victoria, BC, V8W 9E2 | Cell: 250-896-4532

Duncan, Kate EMPR:EX

From: Mungall, Michelle EMPR:EX
Sent: February 28, 2019 1:43 PM
To: Andrews, Scott EMPR:EX
Subject: RE: For Approval - Letter to MLA Oakes - Re: Morehead Valley Hydro

Good to go

From: Andrews, Scott EMPR:EX
Sent: Thursday, February 28, 2019 10:17 AM
To: Mungall, Michelle EMPR:EX
Subject: For Approval - Letter to MLA Oakes - Re: Morehead Valley Hydro

Hi Minister,

Below is a response for your approval to MLA Oakes regarding the Morehead Valley Hydro project.

FYI – Les responded directly to Morehead in January saying the same thing.

Ref.: 106058

Ms. Coralee Oakes
MLA – Cariboo North

Email: coralee.oakes.MLA@leg.bc.ca

cc: Premier@gov.bc.ca
Chris.ORiley@bchydro.com

Dear Ms. Oakes:

Thank you for your January 15, 2019 letter regarding the termination of the Morehead Valley Hydro Inc. Energy Purchase Agreement (EPA) with BC Hydro.

A key deliverable in my Mandate Letter is to conduct a comprehensive review of BC Hydro. The objectives of the first phase of that review include; examining ways to keep BC Hydro's rates affordable, and enhancing the British Columbia Utilities Commission's (BCUC) regulatory oversight of BC Hydro's costs and activities.

The first phase of the review is now complete, and the report has been released. The Phase 1 report notes that BC Hydro currently generates, or purchases, more clean energy than its customers use, and exports the surplus to other jurisdictions. The report also identifies BC Hydro's cost of energy as one of the most significant contributors to its overall costs.

BC Hydro's rates have increased significantly over the last decade, and higher electricity prices have impacted affordability for its customers, especially those with lower incomes. BC Hydro has a responsibility to manage its costs in a way that is in the best interest of its customers. With export market prices well below the cost of their EPAs, BC Hydro must make difficult decisions about which EPAs to renew and the EPA energy prices it is able to offer. BC Hydro must also file EPA renewals with the BCUC for acceptance, and the BCUC then

bases its decision on the need for, and the cost-effectiveness of, each agreement. I understand that, given these circumstances, BC Hydro is not able to offer a renewal for Morehead Valley Hydro Inc.'s EPA.

Thank you, again, for writing.

Sincerely,

Michelle Mungall
Minister