

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

Date: November 19, 2019
CLIFF: 108544

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

ISSUE: Meeting with the Mining Association of British Columbia

BACKGROUND:

The Mining Association of British Columbia (MABC) is the voice and advocate for the mining industry in British Columbia (BC). MABC represents the collective needs and interests of coal, metal and industrial mineral mining companies and smelters across the province.

Michael Goehring, President and CEO, and Lindsay Kislock, Vice President of Corporate Affairs, have requested a meeting to discuss MABC priorities and how they believe government can best address the industry competitiveness challenges that have been exacerbated with the recent decline in commodity prices.

DISCUSSION:

BC's mining industry directly employs over 30,000 workers and thousands more through indirectly-related employment. In 2018, mining and mineral exploration contributed nearly \$10 billion to the BC economy while generating economic spin-offs in local communities and throughout BC.

Commodity Prices

Recent declines in commodity prices have created adverse economic conditions for operating mines in British Columbia (BC). These declines have particularly affected BC's primary mined commodities; metallurgical coal and copper. Over the last year, the price of metallurgical coal has dropped 40 percent which has presented challenges for the profitability of BC's coal mines and has caused Teck Resources to announce cost-cutting initiatives. Copper prices have been relatively stable over the last year but have dropped six percent since October 2018. Both coal and copper prices are forecast to increase marginally in the next 12 months.

Competitiveness Challenges

In addition to global market forces, MABC has highlighted fiscal and regulatory issues (detailed below) affecting the competitiveness of BC's mining sector. Many of these overlap with the 25 recommendations from the Mining Jobs Task Force (MJTF), which are now being implemented by the Ministry of Energy, Mines and Petroleum Resources (EMPR) through a collaborative, staged approach. The previous MABC president, Bryan Cox, was a member of the MJTF and president, Michael Goehring currently sits on the MJTF. These competitiveness topics, and current EMPR initiatives, are detailed below:

- **Regulatory Competitiveness**
 - MABC has concerns with permitting timelines and potential for increased financial and regulatory requirements being introduced through the Environmental Assessment Revitalization process.

- In addition to the Budget 2019 announcement which increased EMPR's permitting resources, EMPR continues to engage with industry on ensuring an effective regulatory environment.
- **Fiscal Competitiveness**
 - EMPR has worked with industry and the Ministry of Finance (FIN) to examine Provincial Sales Tax exemptions on mine production machinery and equipment.
 - Industry will view the Province's response to this proposal in the light of whether or not support exists for the sector.
 - Government has extended the New Mine Allowance tax credit by one year, and EMPR is working with FIN to assess whether the tax credit should be permanent.
 - EMPR will initiate analysis of the BC Hydro Mining Customer Payment Plan in Spring 2020 in advance of program expiry in December 2020.
- **Innovation Roadmap (Attachment 1)**
 - In March 2019, EMPR provided MABC with a \$1 million grant to lead development of a Mining Innovation Roadmap for BC.
 - MABC has initiated this project, with the participation of EMPR and other key stakeholders, and is targeting September 2020 for delivery of the Roadmap.
 - Workshops are scheduled for mid December and staff from EMPR will be participating.
- **Clean BC and Carbon Tax**
 - EMPR is supporting government's work on the CleanBC Program for Industry and the Low Carbon Industrial Strategy to maintain industry competitiveness and prevent carbon leakage while implementing carbon pricing.
 - Concerns with recent amendments to the *Climate Change Accountability Act* and inclusion of sectoral targets which may cap future growth of the sector.
- **United Nations Declaration on the Rights of Indigenous Peoples**
 - The new *Declaration on the Rights of Indigenous Peoples Act* will be implemented in collaboration with Indigenous nations and will include a role for key stakeholders, including MABC. The implementation of the Act will be an incremental process that will support long-term reconciliation.
 - In the short term, EMPR does not anticipate any significant changes to the regulatory framework for mining. The Act does not change how EMPR consults with First Nations nor how operational decisions are made.

RECOMMENDED RESPONSE:

- The Province supports the BC mining industry and value the significant economic impact of the sector and the jobs it provides to working families across the province.
- Government embraced the 25 recommended actions to support the mining sector contained in the MJTF report.
- EMPR is now leading implementation of MJTF actions, in addition to other important policy initiatives, to support competitiveness and ensure the long-term viability and growth of the BC mining sector.

Attachments: BC Mining Innovation Road Map

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BC Mining Innovation Road Map

The BC Mining Jobs Task Force (Task Force) was a mandate letter commitment to support the mining sector to create and sustain good jobs. The Task Force met throughout 2018 and submitted their report to Minister Mungall in December 2018. The report made 25 recommendations that when implemented as a package will support a growing mining sector that creates good jobs and a strong, sustainable economy.

One key issue identified by the Task Force was the rapid sector transformation driven by digitization, automation, workforce transformation, enhanced environmental stewardship and the transition to a lower-carbon future. The Task Force recommended the development of a coordinated and forward-looking BC Mining Innovation Roadmap (the Roadmap) to address the challenges and capitalize on the opportunities the BC mining industry faces in adapting to this environment and to ensure that BC has a global competitive advantage in the development and deployment of innovative technology, techniques and practices in the mining sector.

The Province provided the Mining Association of BC a grant of \$1.0 million to fund the development of the BC Mining Innovation Roadmap.

The Roadmap will encompass three pillars:

- 1. A. Steps to develop and operationalize an innovation ecosystem in BC that will support the research, development, pilot, and commercial deployment of world leading innovation in the mining.**
B. Identifying opportunities for alignment with existing provincial and federal programs and initiatives.
- 2. Recommendations for An Efficient and Agile Regulatory Regime that Facilitates Innovation**
- 3. Recommendations for Prosperous Communities and Talented Workforce**

The development of the Roadmap will be guided by the Advisory Committee consisting of:

- Allan Winter, Innovation Commissioner, Government of BC
- Jill Tipping, President & CEO, BC Tech Association
- Brent Davis, VP Mining Solutions Finning (Mine Suppliers Association of BC)
- John Steen, University of British Columbia
- Kalev Ruberg, VP Future and Chief Innovation Officer, Teck
- Ryan Todd, MABC Permit and Practitioner Representative
- Stephen de Jong, Verify AME representative
- The Advisory Committee Members met on September 30, 2019 and approved the workplan.
- A number of workshops have been scheduled to engage with industry, federal government, provincial agencies, First Nations, post-secondary institutions and research institutes.
- MABC will report progress and findings to the Mining Jobs Task Force Implementation Committee – on a quarterly basis.
- MABC will deliver a draft Roadmap - Q1 2020
- MABC will deliver the Roadmap, including all elements contained in the SOW, no later than September 30, 2020.

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources and Honourable Claire Trevena, Minister of Transportation and Infrastructure

ISSUE: 17th Annual BC Natural Resources Forum in Prince George, January 28-30, 2020

BACKGROUND:

Northern BC's largest conference, the BC Natural Resources Forum (the Forum) will host approximately 1,100 delegates from across the Province and country. The Forum offers a neutral, nonpartisan and positive arena to discuss current issues, explore challenges and opportunities, and learn first-hand the latest news and trends linked to the natural resource sector in BC.

First Nations, federal, provincial and local government leaders, along with resource sector leaders from energy, minerals and mining, forestry, oil and gas, technology and innovation, academia and the service and supply sectors, participate in the Forum each year.

DISCUSSION:

The BC Natural Resource Forum is designed to convene decision makers from across the natural resources sector. It provides delegates an opportunity to examine key issues facing governments, industries, First Nations and communities and to discuss challenges and identify opportunities for sustainable, responsible development of natural resources in BC. The Forum also provides attendees with opportunities to network in a casual and friendly environment and learn about the province's natural resource sector.

Forum organizers have indicated the focus will be on strengthening BC's competitive advantage in the natural resources sector. Conference activities on Wednesday, January 29 include a Resource Ministers' Breakfast, a panel discussion on mining, and a keynote address by Premier Horgan. Other panel and keynote topics include:

- Celebrating Natural Resources
- Forestry and Forest Products
- Minerals and Mining
- Cross-Sector CEO Discussions
- Partnerships
- Future Leaders
- Indigenous Participation

Members of Cabinet speaking at the Forum include Premier Horgan and Ministers Fraser, Heyman and Ralston. A draft Forum schedule is attached. The Forum includes a diverse

spectrum of prominent leaders involved in all aspects of BC's natural resource sector, including First Nations leaders.

The Forum will provide a First Nation view on resource development and has continuing strong interest, support and attendance by First Nation leaders (including the host Lheidli T'enneh First Nation). Additionally, Chief Councillor Crystal Smith of Haisla Nation will be providing a keynote luncheon speech. The Forum also provides an important platform for engagement with northern and rural communities that are the foundation of BC's resource economy.

Held in conjunction with the keynote, panel and plenary sessions will be the Forum tradeshow. Forum exhibitors include resource companies active in northern BC; consultants; engineering firms; equipment suppliers and service companies; First Nations and communities; government representatives; industry and professional associations; and labour, trade, and safety professionals.

SUMMARY:

The goal of the Forum is to encourage information sharing, collaboration and to explore ways to promote prosperity for British Columbians through responsible development and management of the province's diverse natural resources. This event convenes a diverse group of speakers, delegates, exhibitors and leaders under one roof to discuss issues and explore the challenges and unprecedented opportunities unfolding in the province. The Forum is a unique opportunity to communicate ideas and strategies that are of major importance to the province and to engage with this diverse audience on the future of BC's world class natural resource sector.

Attachments: Attachment 1 - BC Natural Resources Forum Program (draft)

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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

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

ISSUE: Meeting with the Association of Major Power Consumers regarding competitiveness

BACKGROUND:

The Association of Major Power Consumers (AMPC) has requested a follow-up meeting to the September 26, 2019 meeting with the Minister regarding the Phase 2 of the Comprehensive Review of BC Hydro (Review). AMPC would like an opportunity for a larger group of their executive members to participate in a discussion of competitiveness issues.

AMPC's primary interests are minimizing electricity rate increases and ensuring timely access to electricity transmission for its members. AMPC members' electricity consumption represents about 20% of the electrical energy load in British Columbia (BC). Approximately 60% of this consumption is from the pulp and paper and wood products industries, 25% from mining, and 15% from electrochemical and petrochemical operations.

In 2016, the Ministry of Energy, Mines and Petroleum Resources (Ministry), BC Hydro and AMPC agreed to hold quarterly consultation meetings as a forum for transparent communication and feedback regarding Government legislation, regulation and policy that could impact BC Hydro's industrial rates. The meetings also provide an opportunity for discussion and feedback regarding BC Hydro regulatory proceedings, rates and programs. The meetings have been beneficial to all parties by providing open lines of communication. The most recent meeting was held on July 4, 2019.

In AMPC's October 31, 2019 letter to the Minister, they reiterated their key requests for BC Hydro going forward:

- Apply to the British Columbia Utilities Commission (BCUC) to make the Freshet Rate permanent and initiate an Incremental Energy Rate Pilot effective Jan 1, 2020;
- Make the tariff supplement enabling the Mining Customer Payment Plan permanent;
- Implement a load curtailment plan for Winter 2019/2020; and
- Ensure that BC Hydro's base rate is reduced by 5% if the deferral account rate rider (DARR) is maintained.

They also affirmed their intention to continue participating in Phase 2 of the BC Hydro Review noting that full consideration of a framework of options is important to ensure that ratepayers are not impacted in the short-term at the promise of long-term benefits.

DISCUSSION:

BC Hydro's Transmission Service Market Reference-Priced Rates Application

BC Hydro filed their application to the BCUC on October 31, 2019. The Ministry has been supportive of the incremental Freshet Rate in the past as it supports a recommendation from the 2013 Industrial Electricity Policy Review. In addition to requesting that the BCUC make the Freshet Rate permanent, BC Hydro has also requested to create a new rate pilot program that would allow industry to participate in a year-round market-based rate program, the Incremental Energy Rate Pilot.

Service under the proposed Freshet Rate and Incremental Energy Rate Pilot will only be available to customers for incremental electricity consumption above the customer's normal historical baseline levels of electricity usage. The baselines are intended to represent the customer's normal expected electricity usage in the absence of making the Freshet Rate or Incremental Energy Rate Pilot available to them. The Freshet Rate is offered for the freshet period of May to July only, whereas the Incremental Energy Rate Pilot would be offered on a year-round basis. BC Hydro's application states that customers would pay market prices for usage above their baseline plus an energy adder of \$7/MWh in non-freshet months, coupled with the \$3/MWh energy charge adder in freshet months. The adder is intended to ensure that BC Hydro's marginal costs of providing service are adequately covered.

Industry has requested that the Incremental Energy Rate commence on January 1, 2020 on an interim basis so that they may take advantage of the new rate as soon as possible. As part of BC Hydro's application to the BCUC the Ministry indicated their support for both rates and support for commencing the year-round pilot program as soon as possible, if the BCUC determined it feasible.

On November 26, 2019 the BCUC granted interim approval of the Incremental Energy Rate allowing AMPC customers to participate in the pilot on an interim basis starting on January 1, 2020.

Mining Customer Payment Plan

On March 1, 2016 government directed the BCUC to issue an order enabling BC Hydro's Mining Customer Payment Plan. Government's direction was issued in support of the mining industry given the low copper and coal prices that existed at the time. Operations at a number of BC mines were at risk with some companies curtailing production and laying off employees. Temporary assistance to the mining industry was needed to decrease the likelihood of further mine closures and layoffs.

Under the five-year term of the program, copper and coal mines in BC are able to defer up to 75% of their electricity costs over two years. As commodity prices recover, mines are required to repay the amounts deferred, plus interest equal to prime plus 5%. Six copper mines entered into the BC Mining Customer Payment Plan in 2016, including Gibraltar, Copper Mountain, Huckleberry, Mount Milligan, Mount Polley, and Red Chris. All mines have repaid their deferred electricity bills

s.13

AMPC's request reiterates a recommended action contained in the December 2018 Mining Jobs Task Force Final Report for the BC Hydro's Mining Customer Payment Plan be made permanent. The report suggests that making this program permanent can assist with de-risking mine closures and will contribute to a competitive resilient and sustainable sector.

The Province committed to reviewing the program when it is one year out from its expiry. Staff in the Mines, Competitiveness & Authorizations Division note that given the current low commodity price environment they are supportive of reviewing and potentially continuing the program beyond the five years that it was designed for (March 2021 expiry) and examining program expansion to include additional mining operations. BC Hydro notes that upon completion of the five-year program that ratepayers will likely benefit from the retention of mining load and revenue; this however is unquantifiable given it is impossible to know what load would have been lost in the absence of the program. s.13

s.13 Any extension to the program will continue to carry ratepayer risk of mines not repaying their outstanding balance.

It is suggested that at the next quarterly meeting between AMPC, Ministry staff, and BC Hydro that AMPC provide an overview of their request to continue the Mining Customer Payment Plan.

Load curtailment plan for Winter 2019/2020

AMPC made this request to Chris O'Riley, President and CEO, BC Hydro several months ago. Mr. O'Riley advised that load curtailment is not an option that BC Hydro can support this winter as there is currently no system need; however, BC Hydro remains open for a future rate or program option that is needs-based and cost-effective.

Ensure that bill impacts are neutral if the DARR is used in future Revenue Requirements Application (RRA)

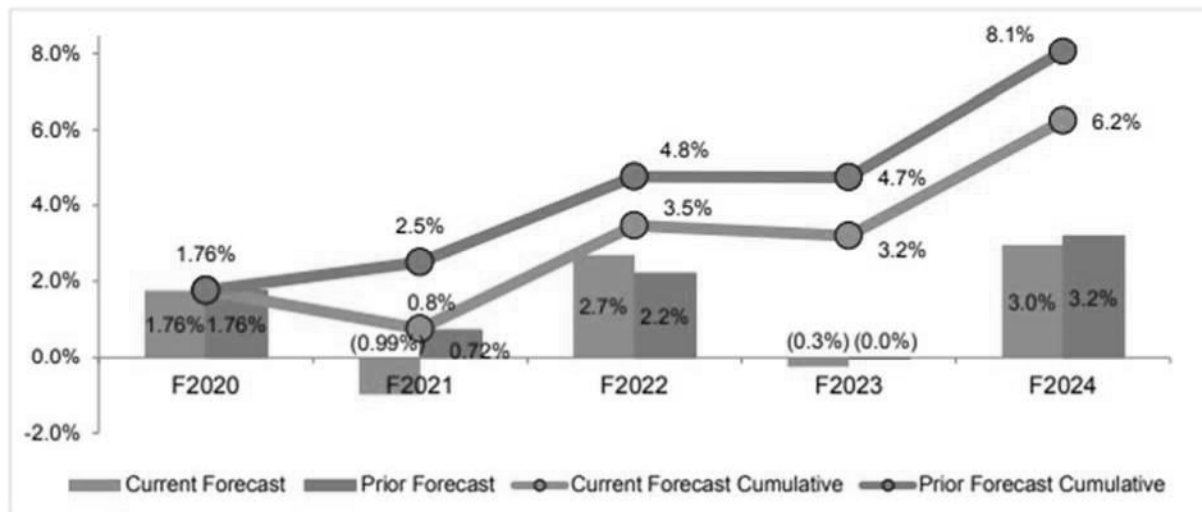
Prior to the completion of Phase 1 of the BC Hydro Review, the DARR was a surcharge that has applied to all charges on BC Hydro customer bills, excluding taxes and levies. Funds collected under the DARR were used to pay down BC Hydro's the Heritage Deferral Account, the Non-Heritage Deferral Account, and the Trade Income Deferral Account. These energy deferral accounts capture variances between forecast conditions when rates are set, such as reservoir inflows, market prices and customer demand, and what actually occurs in a given year.

Since the BCUC was concerned with the balance in the deferral accounts in the 2009-2010 RRA, they decided to establish the DARR to begin paying down the balances. As part of the 2013 10 Year Rates Plan, government required the BCUC to set the DARR at 5% indefinitely, regardless of the balances in the applicable regulatory accounts. BC Hydro has used some of the over \$200 million per year in revenue from the DARR to offset other costs. It was expected that the DARR would remain at 5% at least through the end of the 10 Year Rates Plan in Fiscal 2024. Following Phase 1 of the Review, government repealed this requirement for the BCUC to maintain the DARR. The BCUC now has the ability to determine how the DARR is set and applied.

BC Hydro is proposing in its Revenue Requirements Application (RRA), currently before the BCUC, that the DARR be lowered from 5% to 0% for the fiscal years 2019/20 and 2020/21.

The rate increase for 2019/20 in the RRA is 6.8% but when netting this out with the removal of the DARR, the net rate increase is 1.76%. Initially, BC Hydro applied to have a rate increase of 0.7% in 2020/21, but in an August 2019 evidentiary update, BC Hydro applied to have a rate reduction of 0.99% as result of higher revenues than forecast for fiscal 2018/19. BC Hydro's 5-year net bill increases forecast has been reduced to 6.2% from the 8.1% increase forecast included with the Phase 1 Report.

Figure 1 Five Year Net Bill Increases Forecast



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It is suggested that at the next quarterly meeting between AMPC, Ministry staff and BC Hydro, that BC Hydro provide an overview of how the DARR could be utilized in future applications and how bill impacts will be mitigated.

MINISTRY RESPONSE:

- The BC Hydro Phase 2 Interim Report has been delayed and will be released in the new year for stakeholder comment. The Review team welcomes your participation and looks forward to your feedback.
- I also encourage you to continue the 3-way meetings with Ministry staff and BC Hydro. I think it will be helpful for you to discuss with staff the issues raised with respect to the Mining Customer Payment Plan and risks around the DARR.
- s.13
- With respect to a load curtailment plan for Winter 2019/2020, I understand that there is no system need from a BC Hydro perspective for a program this year. I encourage you to continue working with BC Hydro and the Ministry on future rate or program options that are needs-based and cost-effective.

- I trust that the start of the Incremental Energy Rate on January 1, 2020 provides opportunities for cost savings in other ways for AMPC members.

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**PUBLIC SECTOR EMPLOYERS' COUNCIL SECRETARIAT
DECISION NOTE**

PREPARED FOR: Honourable Carole James, Minister of Finance and
Minister responsible for the *Public Sector Employers Act*

Honourable Michelle Mungall,
Minister of Energy, Mines and Petroleum Resources

ISSUE: Approval of the BC Oil and Gas Commission 2019 Bargaining Plan for
negotiations with the Professional Employees Association

SUMMARY:

The BC Oil and Gas Commission (OGC) has prepared a 2019 bargaining plan under the *Sustainable Services Negotiating Mandate* for negotiations with its Professional Employees Association (PEA). Substantive negotiations (i.e., on monetary or significant policy issues) will not begin until the employer's bargaining plan has been approved by the Minister responsible for the *Public Sector Employers Act* and the Minister of Energy, Mines and Petroleum Resources, and a direction letter has been issued to the OGC by the President and CEO of the Public Sector Employers' Council Secretariat (PSEC Secretariat).

The current agreement expired on June 30, 2019. The Commission's bargaining plan is consistent with the *2019 Sustainable Services Negotiating Mandate*.

BACKGROUND:

The OGC is a Crown regulatory agency charged with overseeing oil, gas and renewable geothermal operations in British Columbia (B.C.) The OGC oversees activities from exploration and development, to pipeline transportation and reclamation.

The PEA represents engineers and geologists at OGC. The PEA has indicated it would like to commence bargaining in late-January 2020.

A separate bargaining plan has been approved for OGC bargaining with British Columbia Government and Service Employees' Union employees (BCGEU).

BARGAINING PLAN:

s.13; s.17

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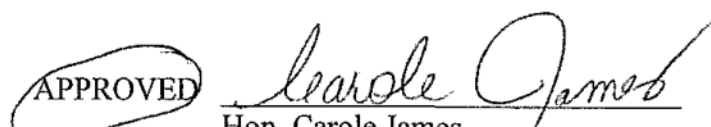
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RECOMMENDATIONS:

s.13; s.17

 APPROVED Carole James Date: Dec. 20, 2019
Hon. Carole James
Minister of Finance and Minister responsible for the
Public Sector Employers Act

APPROVED Michelle Mungall Date: December 17, 2019
Hon. Michelle Mungall
Minister of Energy, Mines and Petroleum Resources

| | | | |
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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR DECISION

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

ISSUE: Renewal of Borealis Geopower's Geothermal Permit #63299

BACKGROUND:

Section 5 of the *Geothermal Resources Act* (GRA) specifies that geothermal permits expire yearly, but may be renewed through application to a maximum of seven times. All further renewals must be approved in writing by the Minister under section 5(9).

Geothermal permit #63299 is 5,174 hectares in the Canoe Reach area near Valemount, BC, and was awarded to Borealis Geopower (Borealis) through a competitive auction in October 2010. Renewal of the Borealis' geothermal permit #63299 at Canoe Reach in October 2018 was considered and approved by the Minister of Energy, Mines and Petroleum Resources (CLIFF 105315).

Borealis indicated in their October 2018 request for renewal of this permit that they would seek a well authorization from the BC Oil and Gas Commission (OGC), and they had funding in place to drill within the year if the renewal was granted. The OGC, however, has not received any well applications from Borealis within the year.

In a letter dated September 26, 2019, Borealis has requested an additional renewal of geothermal permit #63299. The letter includes further requests that the Ministry consider renewing the permit indefinitely, provide financial support for their exploration program, and roll back the regulatory framework on their permit, including having the permit "grandfathered under previous legislation." If the permit is not renewed at this time, it will have expired on October 26, 2019.

DISCUSSION:

a) s.13; s.21

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s.13; s.21



Honourable Michelle Mungall
Minister of Energy, Mines
and Petroleum Resources

December 19, 2019

Date

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

Date: November 12, 2019
CLIFF: 108523

PREPARED FOR: Dave Nikolejsin, Deputy Minister, Ministry of Energy, Mines and Petroleum Resources

ISSUE: Update on Wet'suwet'en and the Coastal GasLink (CGL) Project

BACKGROUND:

The Province and proponents regularly engage with elected Bands and Hereditary Chiefs of the Wet'suwet'en through the Office of the Wet'suwet'en (OW) on project related issues as well as consultation and accommodation-related agreements. The Province accommodates requests for information directly to Hereditary Chiefs that identify as not being associated with the OW.

DISCUSSION:

Provincial benefits to First Nations

The Province has signed pipeline benefits agreements (PBA) with 17 of 20 affected First Nations bands, including all but one of the Wet'suwet'en elected bands (Hagwilget has not negotiated a PBA).

Recent activities include:

- Summer 2019 work towards co-management of the Parrott Lake Recreation Site between the province (FLNR) and Likhts'amisyu clan Wet'suwet'en hereditary chiefs.
- Engagement with leadership of the Gidimet'en on traffic safety and other matters.
- Murry Rankin-led reconciliation efforts on behalf of BC, with the Office of the Wet'suwet'en;
- 2017 agreement between Ministry of Children and Family Development and OW, Hagwilget and Witset regarding the transition of administration of child welfare programs
- Ongoing work in partnership with Bands and OW on the Environmental Stewardship Initiative

CGL benefits to First Nations

CGL has signed proponent Project Agreements with the elected Wet'suwet'en bands, except for s.13; s.16

CGL also have numerous contracting and joint venture opportunities with Indigenous Nations along the pipeline-right-of-way and will have more in the future. So far, \$620 million in contracts have been awarded to First Nation businesses by CGL for right-of-way clearing, medical, security and camp management needs. There is an anticipated \$400 million more available for these types of contracts.

In August 2019, CGL employed 244 First Nations, 28% of their total workforce.

Injunction

On December 14, 2018, the Supreme Court of B.C. issued its decision to apply an interim injunction against direct-action activities that restrict CGL access to complete construction work. CGL filed an application for this injunction in November 2019 after CGL employees were denied access to complete works beyond the bridge at the Unistot'en camp. In January 2019, the RCMP enforced in legal injunction and made several arrests at the Gidimt'en camp as a result of direct-action restricting CGL access to complete construction activities.

While some Wet'suwet'en leaders are working with CGL, others have expressed strong opposition to the project, s.13; s.16
s.13; s.16

SUMMARY:

s.16

s.13

In the early stages of implementation LNG Canada and CGL have continued to engage with First Nations impacted by the project, including on such matters as social and economic impacts, training and jobs opportunities, s.13

Attachment 1: November 8, 2019 status of Wet'suwet'en camps in the CGL injunction area

Attachment 2: Status of agreements for Coastal GasLink and LNG Canada

Attachment 1: November 8, 2019 status of Wet'suwet'en camps in the CGL injunction area

DRAFTED BY:

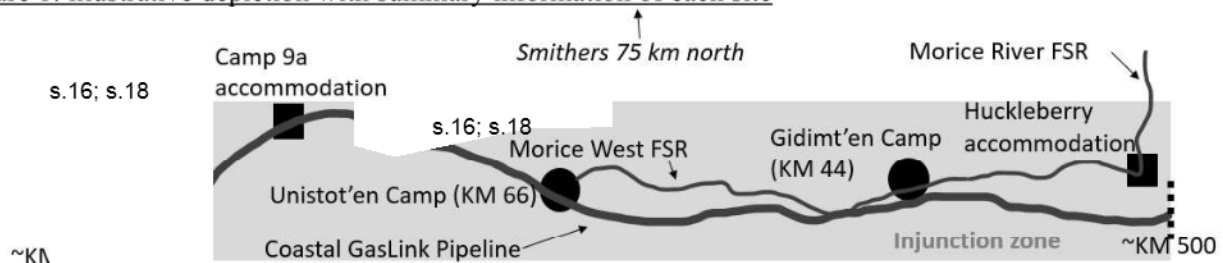
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Project Director

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Michelle Carr, ADM ✓

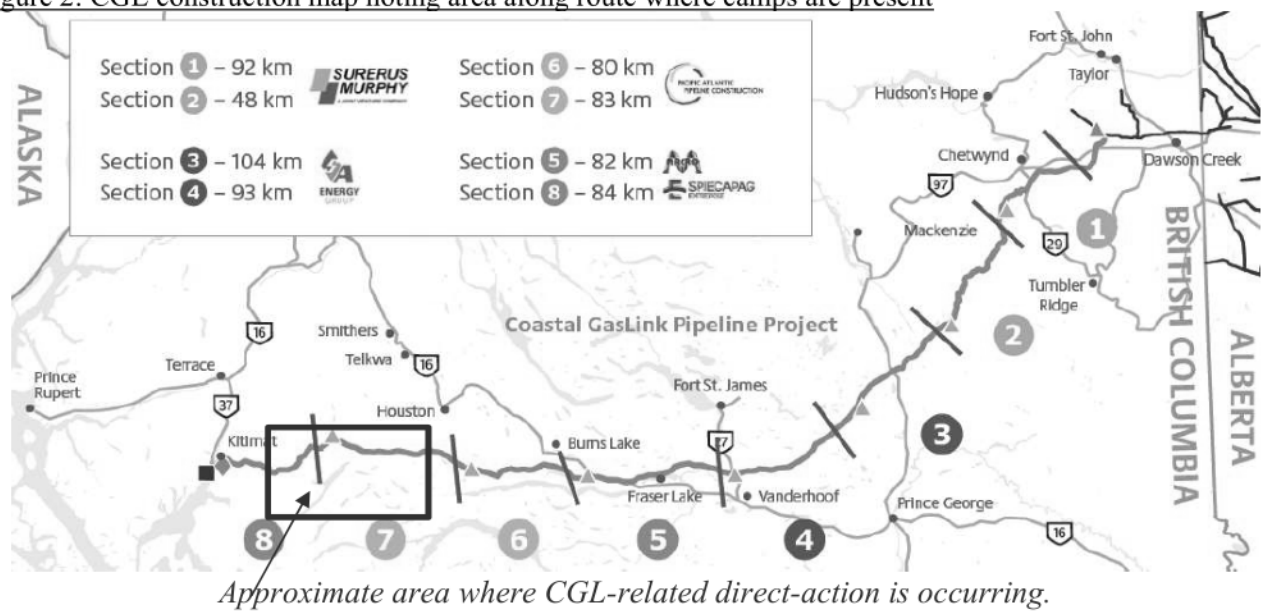
Maps depicting direct-action sites

Figure 1: illustrative depiction with summary information of each site



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Figure 2: CGL construction map noting area along route where camps are present



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MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Dave Nikolejsin, Deputy Minister, Ministry of Energy, Mines and Petroleum Resources

ISSUE: Mining, Oil and Gas Considerations for the Intergovernment Partnership Agreement for the Conservation of the Central Group of Southern Mountain Caribou

BACKGROUND:

In March 2019, the Province initialled the Intergovernmental Partnership Agreement for the Conservation of the Central Group of Southern Mountain Caribou (Partnership Agreement), with the federal Ministry of Environment and Climate Change Canada and two of the Treaty 8 First Nations: Saluteau First Nations and West Moberly First Nations. The initialling of the Partnership Agreement initiated engagement with industry, local communities and the public.

The engagement period for the Partnership Agreement was initiated in March 2019 and concluded in May 2019, which resulted in significant concerns raised by local governments and communities, including industry. In response to these concerns and a subsequent report by Blair Lekstrom, a two-year interim moratorium area (**see attachment 1**) was established through a s.7 *Environment and Land Use Act* Order (the Order) s.13

s.13

s.13 The interim moratorium temporarily protects identified high and low elevation habitat of the central group by preventing any new activities from occurring.

Ongoing engagement on the Partnership Agreement is occurring through the Leaders' Table, which includes representatives from the provincial government, local government, Indigenous Nations and industry. The Leaders' Table is charged with collating and exchanging perspectives on the Partnership Agreement and providing input into how best to complete and implement the Partnership Agreement in a manner consistent with the goals of caribou recovery and economic wellbeing.

DISCUSSION:

The mining and oil and gas industries have been broadly supportive of the Partnership Agreement; however, both sectors have residual concerns regarding processes within the sustainable resource activity zones (as identified in the Partnership Agreement) and the long-term plan for the interim moratorium area (**see attachment 2 and 3**). Key concerns include:

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Under the interim moratorium, the Oil and Gas Commission is prohibited from issuing permits under s.25 of the *Oil and Gas Activities Act* (OGAA) and as is the Ministry of Energy, Mines and Petroleum Resources (EMPR) under s.10 of the *Mines Act*. s.13; s.17
s.13; s.17

SUMMARY:

The work of the Leaders' Table will take place in Winter 2020-21, so that key stakeholder engagement and input is in place, leading then to the signing of the Partnership Agreement. It is anticipated that there may be a continuing role for leaders in providing support and strategic input on the implementation of the recovery of the agreement for the Central Group of Southern Mountain Caribou.

Attachments:

1. Map of the Interim Moratorium Area
2. Map of existing and planned activities and infrastructure in proposed protection areas (north)
3. Map of existing and planned activities and infrastructure in proposed protection areas (south)

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Withheld pursuant to/removed as

s.16

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s.16; s.21