

Energy, Mines and Petroleum Resources

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Budget 2020

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Reconciliation Highlights

- This fall, BC made history as the first province in Canada to pass legislation to implement the **UN Declaration on the Rights of Indigenous Peoples**.

- While there is much more we need to do together, we're proud of the progress we've made so far:
 - **Protecting our shared environment.** Modernizing the Environmental Assessment process to include indigenous participation in assessments and working collaboratively on land-use planning.
 - **Revenue sharing with Indigenous governments.** Commitment to sharing \$100 million annually in stable, long-term new revenues so First Nations can invest in their communities.
 - **Delivering more affordable housing.** \$550M over 10 years to support the construction of 1,750 units both on and off reserve.
 - **Supporting language revitalization.** \$50M through the First Peoples' Cultural Council toward the work of First Nations communities.
 - **Groundbreaking agreement with Carrier-Sekani First Nations.** A path to self-government and meaningful opportunities for shared-decision making and economic development in their territories.
 - **Ensuring children are cared for in Indigenous communities—where that care belongs.** Implementing recommendations to modernize BC laws to help keep Indigenous children in their communities, with their families, and out of government care.
 - **Supporting Indigenous Health and Healing.** In partnership with the First Nations Health Authority, provided \$40 million to build two new urban Indigenous treatment centres and rebuild or renovate six more in rural communities.

COVID-19: Economic Recovery Public Engagement

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Message Guide – Session June 2020

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COVID-19: Key Supports

Highlights:

- Key Government supports for people and businesses.

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EMPR COVID-19 Actions

Highlights:

- The Ministry of Energy Mines and Petroleum Resources has taken a number of actions to support workers and industry during the COVID-19 pandemic.

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Validators:

- Michael Goehring, president and CEO of the Mining Association of BC (June 2020)
 - “Mining supports more than 35,000 jobs in Metro Vancouver, Vancouver Island, the Interior, southeast and northern B.C. Extending the opportunity to defer electricity payments for another three months will help keep the mining sector operating and British Columbians working through a time of volatile commodity prices and economic uncertainty.”
- Elizabeth Aquin, interim president and CEO of the Petroleum Services Association of Canada (May 2020)
 - “The funding program announced today will provide much needed jobs for the oil and gas services sector companies that PSAC represents while also generating positive environmental outcomes. The services sector is instrumental in developing new technologies and innovation to improve environmental performance. PSAC is pleased that this funding aligns with our advocacy for a mechanism to close orphan and inactive wells to create jobs during this unprecedented downturn. This will also help to retain key skills and expertise for Canada’s responsible energy development and stewardship of the land.”

Background:

- On April 1, BC Hydro announced new, targeted bill relief to help people, small businesses and industries most impacted by COVID-19.
- Residential customers who have lost their jobs or are unable to work as a result of COVID-19 will receive a credit to help cover the cost of their electricity bills. The credit will be three times their average monthly bill over the past year at their home and does not have to be repaid.
- As of June 18, BC Hydro had received 144,700 applications from residential customers (representing around \$38,271,422 in savings). Of this total, 104,000 had been approved (representing around \$33,213,886 in savings).
- Small businesses that have been forced to close due to COVID-19 will have their power bills forgiven for three months. BC Hydro is waiving bills for these customers from April to June 2020.
- Major industries, like pulp and paper mills and mines, will have the opportunity to defer 50% of their bill payments for three months. On June 20, this deferral was extended for an additional 3 months.
- On April 17, 2020, the federal government announced \$120 million in funding for BC to support the clean up of oil and gas sites. Following this, BC created three new programs on May 19, 2020, to bring this funding to industry.
- The \$100 million in funding allocated to the Dormant Sites Reclamation program will provide successful applicants with up to \$100,000, or 50% of total costs, whichever is less, for dormant site clean up projects.
- The program is split into two phases of \$50 million each. Applications for the second half will open on November 1, 2020.
- Of the remaining federal funding, \$15 million is going to the B.C. Oil and Gas Commission's (BCOGC) Orphan Sites Supplemental Reclamation program, and \$5 million to the Legacy Sites Reclamation program.
- The Provincial Health Officer has provided health and safety guidance to mining and smelting operations for use during the COVID-19 pandemic.
- The Provincial Health Officer also issued orders and guidelines to assist industrial camps and work sites in their response to COVID-19.
- The guidelines include: prevention measures and control in camps; plans on how to manage individuals with suspected COVID-19 infection; outbreak protocols; support for camp residents who are self-isolating; enacting physical distancing; and ensuring sufficient infection-control supplies.

Pacific Booker Minerals

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Background:

- Pacific Booker Minerals Inc. (PMB) is proposing to develop an open-pit copper-gold-molybdenum mine located 65 km northeast of Smithers, BC.
- The Environmental Assessment (EA) Application was first accepted for review by the EAO in 2010.
- In October 2012, the Minister of Energy and Mines and the Minister of Environment refused to issue an EA certificate.
- In 2013, PBM filed a petition for judicial review in the BC Supreme Court based on the Ministers' decision – the BC Supreme Court subsequently ordered that the matter be remitted to the Ministers for reconsideration.
- In 2015, the Ministers reconsidered the decision and issued a Section 17 Order outlining the requirements for Further Assessment of the project.
- This included the requirement for a Supplemental Application Information Requirements (SAIR).
- The scope of the further assessment, includes:
 - additional baseline information and analysis;
 - additional analysis of the feasibility and effectiveness of alternatives to the current mine design and mitigation measures to reduce the levels of risk and uncertainty of potential impacts from the mine;
 - additional analysis of whether the mine is likely to have significant adverse effects on the environment;
 - a description and assessment of alternative means of undertaking the project with respect to tailings management; and
 - further engagement with Lake Babine Nation and other First Nations with respect to their perspectives and opinions about the mine and the potential effects.
- Once the formal SAIRs have been finalized/issued by the EAO, the proponent then has three years to submit the required information, in the form of a supplemental application.
- Upon completion of the review of the supplemental application, the project would be re-referred to the ministers for decision whether to issue an EA certificate.
- Since the Section 17 Order was issued in 2015, PBM has submitted several draft SAIRS. However, these drafts have not contained the required information and as such, remain incomplete.
- The last draft was submitted by PBM to EAO in December 2019.

Pacific Booker Minerals

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Highlights:

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Background:

- On November 25, a report was released by the International Institute for Sustainable Development (IISD), Global Subsidies Initiative that claimed fossil-fuel subsidies in BC totaled more than \$830 million for 2017-18.
- The report claimed these subsidies were issued through provincial tax exemptions, royalty reductions and direct spending commitments.
- The report also alleged that BC has amassed at least \$2.6 billion to \$3.1 billion in outstanding royalty credits for oil and gas producers.
- The report claimed some CleanBC policies should also be considered fossil-fuel subsidies, including the Program for Industry, which consists of the CleanBC Industrial Incentive Program (CIIP) and the CleanBC Industry Fund (CIF).
- Additional CleanBC policies characterized as fossil fuel subsidies in the report included: efforts to electrify the natural gas sector; support for compressed natural gas vehicles; support for high-efficiency gas equipment through CleanBC Better Homes and Buildings program; carbon tax exemptions on fugitive and vented emission in the natural gas sector; and the Clean Growth Infrastructure Royalty Program, among others.

Many of these programs are either available to all industry, not just oil and gas, and/or they incentivize switching to biofuels or electricity. In both cases, this means it is inaccurate to characterize them as fossil fuel subsidies.

- The report also outlines a range of government supports for the LNG sector including elimination of the LNG income tax, providing electricity at the standard industrial rate, Natural Gas Income Tax credits, and deferral of the PST on construction costs.
- The report made a series of recommendations for the province. One example is for BC to complete a review of all fossil fuel subsidies that will be advised by an independent panel of experts on fossil fuel subsidies.
- The IISD is a think tank focusing on research and analysis on issues of sustainability with offices in Winnipeg, Geneva, Ottawa, and Toronto.
- The group focuses on sustainability in areas including economic law and policy, energy, water and climate adaptation and resiliency. IISD receives core and project funding support from governments inside and outside Canada, United Nations agencies, foundations and the private sector.

ADVICE TO MINISTER

CONFIDENTIAL ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: January 27, 2020 Updated: June 11, 2020 Minister Responsible: Hon. Bruce Ralston	Fuel Price Transparency Act
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

The BC Utilities Commission has launched a website called GasPricesBC.ca, which provides drivers with more information about gas prices in B.C. The website shows publicly available data based on geography and price.

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In response, on May 21, 2019, the B.C. government directed the British Columbia Utilities Commission (BCUC) to conduct an inquiry on gasoline and diesel prices in British Columbia.

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The BCUC investigation found a lack of competition and substantial markups in the province's gasoline market, including a 10- to 13-cent-per-litre premium being charged to drivers that industry was unable to explain during the BCUC inquiry. The BCUC estimated this unexplained premium results in British Columbians paying an extra \$490 million annually.

Bill 42, the *Fuel Price Transparency Act* (FPTA), was developed in response to the BCUC inquiry and was introduced in the B.C. legislature on Nov. 18, 2019, receiving royal assent on Nov. 27.

The FPTA establishes a regular schedule of reporting on the gasoline and diesel market, including: refined fuel imports and exports, including volume, source, destination and mode of transport; fuel volumes at refineries and terminals; and wholesale and retail prices. Companies will have to report their data and could face fines or administrative penalties if they fail to do so. The FPTA also sets rules for audits and inspections to ensure that the data being reported is complete and accurate.

Public reporting is a key element of the FPTA. The administrator of the act will be empowered to compile and disseminate information publicly. The FPTA also allows confidential information collected on the gasoline and diesel market to be made public, if the public benefit from the release of that information outweighs the harm to the business interests of fuel companies.

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Communications Contact: Kent Karemaker
Program Area Contact: Geoff Turner

File Created: Jan. 27, 2020
File Updated: June 11, 2020

STATEMENT

For Immediate Release
2020EMPR0017-001067
June 15, 2020

Ministry of Energy, Mines and Petroleum Resources

Minister's statement on BCUC expanding fuel price transparency

VICTORIA – Bruce Ralston, Minister of Energy, Mines and Petroleum Resources, has released the following statement on the BC Utilities Commission (BCUC) expanding fuel price transparency for select British Columbia cities:

"While our government has taken strong action to get to the bottom of unexplained high gasoline prices, British Columbians in some communities are still paying significantly more compared to neighbouring regions.

"I'm pleased to see the BCUC is looking into why people in Powell River, Revelstoke, Port Alberni and Squamish are paying more for gasoline, in response to public feedback from these communities. People deserve transparency and fairness when it comes to gasoline prices.

"Using its new powers under the Fuel Price Transparency Act, the BCUC will collect and publish additional data for these cities here: [GasPricesBC.ca](https://gaspricesbc.ca)

"We will remain diligent as we watch the market and keep the industry accountable.

"For years, British Columbians have felt they are getting gouged when they fill up at the pump. That's why our government asked the BCUC to do an investigation into gasoline prices.

"The inquiry found a lack of competition and substantial markups in British Columbia's gasoline market, including a 10% to 13% per-litre premium being charged to drivers that industry was unable to explain. This unexplained premium results in British Columbians paying an extra \$490 million every year.

"Following the BCUC's investigation, our government brought in the Fuel Price Transparency Act. The legislation gives the BCUC the power to collect and publish information on refined fuel imports and exports, fuel volumes at refineries and terminals, and wholesale and retail prices. This will help to ensure companies are held publicly accountable for unexplained markups and price increases."

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Ministry of Energy, Mines and
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UPDATE

For Immediate Release
2020EMPR0012-000418
March 9, 2020

Ministry of Energy, Mines and Petroleum Resources

BC Utilities Commission given tools to bring transparency to price of fuel

VICTORIA – A key step in implementing the Fuel Price Transparency Act (FPTA) has been taken, bringing the legislation into force and giving the BC Utilities Commission (BCUC) the power to make special requests for information from oil and gas companies.

“This step gives the BCUC the power to collect information to hold oil and gas companies accountable,” said Bruce Ralston, Minister of Energy, Mines and Petroleum Resources. “British Columbians are tired of feeling gouged at the pump. It’s time to pull back the curtain on fuel pricing.”

Effective immediately, the BCUC has been named as the administrator of the FPTA. The FPTA will require companies to submit regular information to the BCUC about the fuel market in British Columbia. It also gives the BCUC power to make special requests for information outside of the regular reporting schedule. Information that could be collected includes refined fuel imports and exports, and fuel volumes at refineries and terminals, as well as wholesale and retail prices.

The FPTA was developed in response to the BCUC investigation that found a lack of competition and substantial markups in the province’s gasoline market, including a 10- to 13-cent-per-litre premium being charged to drivers that industry was unable to explain during the BCUC inquiry. This unexplained premium results in British Columbians paying an extra \$490 million every year.

The FPTA will make companies publicly accountable for unexplained markups and price increases, and produce a common set of facts to help government properly evaluate other policy measures to bring fairness at the pump.

Government will now engage with the BCUC on further steps in the implementation of the FPTA, with work underway to determine the type and frequency of the information to be collected on a regular reporting schedule through regulation.

Learn More:

Learn more about the FPTA: <https://news.gov.bc.ca/releases/2019JTT0048-002219>

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CONFIDENTIAL ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: January 24, 2020 Updated: April 8, 2020 Minister Responsible: Hon. Bruce Ralston	Methane Emissions
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

The federal government has authority to regulate air emissions including methane emissions from the oil and gas sector. B.C. developed its own methane regulations which came into effect January 1, 2020 and on February 26, 2020 signed an equivalency agreement with the federal government. The intent of equivalency agreements is to minimize the duplication of environmental regulations.

In March 2019, ECCC published a draft of the formal equivalency agreement in the Canada Gazette Part I for public comments. On April 4, 2020 the Federal Government published the final agreement in the Canada Gazette, Part II. An OIC disapplying the Federal Methane Regulations in British Columbia has been registered and is expected to be published to Gazette on April 14, 2020. This would ensure that the

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federal regulations are disapplied before industry must start meeting requirements in April 2020.

In 2018, the B.C. government approved developing provincial methane reduction regulations and seeking an equivalency agreement with the Federal Government that would allow the provincial regulations to apply instead of the federal regulations. This approach was outlined in the CleanBC plan.

In December 2018, amendments made to the Drilling and Production Regulation created provincial methane reduction regulations which introduced operating and maintenance standards for the upstream oil and gas sector to reduce the sector's methane emissions by 45 percent by 2025. The regulations required specific industry compliance starting January 2020 with full implementation by January 2023.

The new rules target two key methane sources: fugitive emissions, typically from leaks, and venting, which includes emissions from equipment. The rules encourage the use of new and upgraded technologies, and leak detection and repair programs.

The provincial regulations address the primary sources of methane emissions from B.C.'s upstream oil and gas industry, which are: pneumatic devices, pumps, and compressor starters; equipment leaks; compressor seals; glycol dehydrators; storage tanks; and surface casing vent flows.

Methane is the main constituent of natural gas and has a 25 times greater global warming potential than carbon dioxide over a 100-year period. The oil and gas industry is estimated to produce approximately 17 per cent of total emissions in the provincial greenhouse gas inventory and is a large source of B.C. methane emissions.

Environment and Climate Change Canada (ECCC) and the Province worked together to ensure that the requirements for an equivalency agreement have been met and have confirmed through ECCC modelling that the British Columbia methane reduction regulations demonstrate the targeted 45 percent reduction by 2025.

The equivalency agreement between British Columbia and the Government of Canada represents a flexible approach that enables provinces and territories to design their own climate change regulations in a manner that reflects their respective considerations, provided they have equivalent or better provisions in place and that the targeted reductions will be achieved. ECCC completed a detailed analysis of British Columbia's regulations and held consultations last year.

Federal methane regulations will result in reduced leaks and venting due to comprehensive, frequent leak inspections coupled with robust venting limits for compressors, pneumatic devices, pumps and storage tanks. Federal regulations allow operators to use emerging leak detection methods to conduct leak inspections, thereby encouraging innovation that could enhance the effectiveness and reduce the cost of inspections.

Communications Contact: Kent Karemaker
Program Area Contact: Michelle Schwabe

File Created: Jan. 24, 2020
File Updated: Apr. 08, 2020

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<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources Date: Update – Feb. 14, 2020 Minister Responsible: Hon. Bruce Ralston</p>	<p>Scientific Panel Review of Hydraulic Fracturing</p>
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

In January 2020, the previous EMPR minister received a detailed, long-term plan identifying actions government will take to address the recommendations of the March 2019 independent panel's report, Scientific Review of Hydraulic Fracturing in British Columbia.

The independent panel's report came as a result of the Province's 2018 commitment to launch a scientific review panel for hydraulic fracturing in B.C. After that panel was launched, panel members met with scientific experts on water quantity and water quality, induced seismicity and also fugitive emissions. They held 40 separate Panel Sessions and met with over 60 experts from academia, industry, First Nations, environmental non-governmental organizations, the regulator and government.

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On Feb. 20, 2019, the Scientific Review Panel on Hydraulic Fracturing submitted its final report to Minister Mungall. The 236-page report states that B.C.'s current regulations appear to be robust but suggests the Panel had insufficient evidence to assess the degree of compliance and enforcement of regulations. The Panel makes 97 recommendations, primarily focused on addressing knowledge gaps and concerns regarding environmental impacts. None of the Panel's recommendations call for a moratorium or reduction of hydraulic fracturing activities.

On March 19, 2019, government released the independent panel's report, Scientific Review of Hydraulic Fracturing in British Columbia. Minister Mungall committed to release government's short-term action plan response to the report in May 2019, with the long-term action plan to be released in December 2019.

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Hydraulic fracturing is a process used to free natural gas contained within shale and tight siltstone formations. Hydraulic fracturing is used to create cracks (or fractures) in the rock that frees the gas trapped in the pore space and stimulates the flow of gas into the well bore.

Technological developments that allow horizontal drilling of multiple wells from a single pad have made it economical to produce gas, while reducing environmental footprint.

The BC Oil and Gas Commission (Commission) closely regulates hydraulic fracturing to protect groundwater. Legislation and regulation guiding the protection of domestic water wells is very specific, including setback distances and well casing requirements.

After the hydraulic fracturing process, fluids flow back to the surface and are collected at the wellsite. It is against the law in B.C. to introduce flowback fluids onto the surface environment. Fluid is collected and must be disposed of at a Commission-approved disposal well or facility. Some fluids are treated and recycled for continual use.

Induced seismicity typically refers to minor tremors caused by human activities. The Commission has identified two causes of induced seismicity related to oil and gas activities – wastewater disposal and hydraulic fracturing. Studies that were conducted by the Commission in 2012 and 2014 on this type of induced seismicity led to regulatory enhancements and increased seismic monitoring in northeast BC. Mitigation measures are in place, including regulations to shutdown industry operations if seismic activity reaches a certain threshold.

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File Created:	Nov. 03, 2017	
File Updated:	Feb. 14, 2020	

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CONFIDENTIAL ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: January 13, 2020 Updated: January 29, 2020 Minister Responsible: Hon. Bruce Ralston	CCPA Report on Hydraulic Fracturing
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

On Jan. 9, 2020, Ben Parfitt at the Canadian Centre for Policy Alternatives (CCPA) released his two-part report entitled "Peace River Frack-up" which highlighted "hundreds of emails, letters, memos and meeting notes released by the publicly-owned hydro utility" as part of an FOI request to BC Hydro.

The report draws attention to what it says is proof BC Hydro is aware that the Peace Canyon dam is built on unstable rock and could be at risk of failure due to a fracking-related tremor. It goes on to say fracking could damage hydroelectric dams on the Peace River, including Site C dam and calls for a ban on fracking within 10km of Peace River.

In July 2019, Parfitt had written an article in 'The Province' newspaper calling on the government to "publicly acknowledge the risks (of hydraulic fracturing) and to advance concrete plans to eliminate them."

The BC Oil and Gas Commission (Commission) closely regulates hydraulic fracturing to protect groundwater. Legislation and regulation guiding the protection of domestic water wells is very specific, including setback distances and well casing requirements.

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Last year, the provincial government committed to a scientific review panel for hydraulic fracturing in British Columbia. The findings were delivered to government which then developed an Action Plan to respond to the recommendations. The Action Plan detailing how government has and will respond to recommendations was provided to Minister Mungall in Dec. 2019.

Panel members met with scientific experts on water quantity and water quality, induced seismicity and fugitive emissions. They held 40 separate sessions and met with over 60 experts from academia, industry, First Nations, environmental organizations, the OGC, and government.

The scientific panel delivered its 236-page final report in February 2019.

Communications Contact: Kent Karemaker
Program Area Contact: Michelle Schwabe

File Created: Jan. 13, 2020
File Updated: Jan. 29, 2020

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Tiny House Warriors

Highlights:

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Background:

- On July 16, Thompson Nicola Regional District voted on Thursday to request a meeting with Premier Horgan about disruptions related to the Tiny House Warriors camp, and also to send a delegation to Victoria.
- Simpcw Chief Shelly Loring wrote to the Premier on July 15th, noting the urgent public safety issue on their Territory and calling upon the government to work with them in ending the “threatening, aggressive, and harassing” action of the Tiny House Warriors.
 - Also noted: calling the RCMP is not a remedy as people are released after 24 hours and there is no RCMP detachment in Blue River [Clearwater is the closest, at about one hour away].
- Chief Loring has said that she feels “the province is standing silent and taking a relaxed approach, not really wanting to make a decision one way or the other... It's time for them to step up and recognize that this is a public safety and security issue. They cannot sit back silent on the matter.” (CBC, Jul 3rd)
- On July 2nd, Chiefs Loring and Rosanne Casimir of the Tk'emlúps te Secwépemc released a statement condemning the “occupation and often disrespectful conduct of the Tiny House Warriors” and their “aggressive actions.”
- Kanahus Manuel, a leader of the Tiny House Warriors whose people are Secwepemc and Ktunaxa, told the CBC on July 3rd that she rejects the chiefs' authority, saying it is limited to their reserves.
- She says they've faced escalating racism since a night attack on their encampment on April 19th and there is a belief that the RCMP are targeting the group.

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<p>CONFIDENTIAL</p> <p>GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources</p> <p>Date: Update July 02, 2020</p> <p>Minister Responsible: Hon. Bruce Ralston</p>	<p>Wellsite Liability and Orphan Wells</p>
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

On June 15, 2020, the BC Oil and Gas Commission (Commission) designated 401 wells and three facilities formerly owned by Ranch Energy as orphans, following the approved sale of Ranch assets by the Court of Queen's Bench of Alberta. As orphans, site clean-up and restoration work will be carried out by the Commission, paid for through the industry-funded Orphan Site Reclamation Fund.

On April 17, 2020, the federal government announced a multibillion-dollar COVID-19 stimulus package for Canada's oil and gas sector including \$120 million for British Columbia. On May 13, 2020, details on how this money would be spent were announced by the province. \$100 million will go to the Dormant Sites Reclamation Program, \$15 million to the Orphan Sites Supplemental Reclamation Program and \$5 million to the Legacy Sites Reclamation Program.

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The funding will support jobs for more than 1,200 British Columbians working in the service industry on projects that will help protect the environment and achieve CleanBC goals.

Orphaned wells have increased in Alberta and British Columbia. In the past few years, the Commission saw the number of orphans increase from 45 in 2015/16 to 326 in 2018, due primarily to the insolvencies of Terra Energy and Quattro. These are designated under the Orphan Site Reclamation Fund (OSRF) to ensure public safety and environmental protection.

On May 31, 2019, the Commission released its Comprehensive Liability Management Plan (CLMP), which included the new Dormancy and Shutdown Regulation. The plan provides a clear path forward to continue to hold industry accountable, enhance opportunities to collaborate with Indigenous communities and examine the role of traditional knowledge in restoration practices, protect public safety, and safeguard the environment.

On April 18, 2018, the B.C. Government introduced new legislation that allowed the Commission to improve the funding model of the OSRF and provide the tools to increase the restoration of orphan sites overall.

The enhanced tools the Commission now uses:

- Enforce – through regulation – an accelerated timeline for industry to restore inactive and abandoned sites.
- Make sure industry continues to pay for restoration, including orphan sites, which is funded through an increased levy charged to industry.
- Prevent operators with a history of insolvency from operating oil and gas sites in B.C.
- Stop the transfer of oil and gas properties and permits to companies that do not have the financial means to restore the sites.

The Commission has implemented an accelerated restoration plan, which is funded by new levies to spend \$15 million per year on orphan sites. Restoration is a multi-year process involving abandonment/decommissioning, investigation, remediation and reclamation. More than 320 orphan wells have already been abandoned/decommissioned. Additional investigation work is now underway for decommissioned sites, which will allow for an increased number of sites to be restored in the coming years.

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Program Area Contact:	Michelle Schwabe	778 698-3666
	Phil Rygg	250 794-5214
File Created:	Aug. 28, 2017	
File Updated:	July 02, 2020	

ADVICE TO MINISTER

<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources Date: Update April 06, 2020 Minister Responsible: Hon. Bruce Ralston</p>	<p>Ranch Energy Court Decision</p>
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

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The Commission will continue working with impacted landowners following the Court approved sale.

On July 29, 2019, the Court approved the sale of some Ranch Energy assets to a new owner, Erikson Energy Inc.

On July 19, 2018, a Court order was issued, placing Ranch Energy in receivership, and appointing E&Y as the receiver. Under receivership, Ranch received Court protection from certain actions by its creditors while the Receiver implemented a process to sell Ranch's assets. These protections remain in place.

The OGC participated in the receivership proceedings, in addition to continuing to regulate all assets owned by the company. Commission inspectors assessed assets held by Ranch Energy, identifying priority sites near a residence or community and took the steps necessary to protect public safety and the environment.

In 2017, Predator Oil BC Ltd. acquired B.C. assets and currently holds permits for 815 wells in B.C., about half of which are inactive. Subsequently, Ranch Energy purchased certain oil and gas infrastructure regulated under the permits held by Predator Oil BC Ltd.

A Nov. 24, 2018 feature in the *Globe and Mail*, *Hustle in the Oil Patch*, looking at how regulation of the oil and gas industry in Western Canada is leading to orphan wells as a result of loopholes that allow companies to sell off assets to companies that do not have the financial means to meet their reclamation obligations.

Specifically, the article details challenges resulting from transactions between Predator Oil BC Ltd. and Ranch Energy Corp. In 2018, Ranch was placed in receivership, with E&Y acting as the receiver. According to the *Globe and Mail* article, Ranch's insolvency now threatens to add to the province's growing tally of defunct sites.

In B.C., oil and gas sites including wellsites, test holes, production facilities and pipelines are deemed to be an orphan site by the Commission when the operator is insolvent or cannot be located. When a site is designated as orphaned, the Commission can use the industry-funded Orphan Site Reclamation Fund to decommission and restore the land.

When a site has been remediated, meeting the current standards and requirements, a Certificate of Restoration is issued, providing stakeholders with the assurance that all known risks and hazards have been mitigated.

Regulations:

On May 31, 2019, the Commission released its Comprehensive Liability Management Plan (CLMP), which included the new dormancy regulation. The regulation ensures 100 per cent of the costs associated with restoration work continues to be paid for by industry. The plan provides a clear path forward to continue to hold industry accountable, enhance opportunities to collaborate with Indigenous communities and examine the role of traditional knowledge in restoration practices, protect public safety, and safeguard the environment.

On April 18, 2018, the B.C. Government introduced new legislation that allowed the Commission to improve the funding model of the Orphan Site Reclamation Fund (OSRF) and provide the tools to increase the restoration of orphan sites overall.

The enhanced tools the Commission now uses:

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- Enforce – through regulation – an accelerated timeline for industry to restore inactive and abandoned sites.
- Make sure industry continues to pay the full cost of restoration for all sites, including orphan sites, which is funded through an increased levy charged to industry.
- Prevent operators with a history of insolvency from operating oil and gas sites in B.C.
- Stop the transfer of oil and gas properties and permits to companies that do not have the financial means to restore the sites.

Communications Contact:	Kent Karemaker	
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File Created:	Apr. 06, 2020	
File Updated:		

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 11, 2020 Minister Responsible: Hon. Bruce Ralston	COVID – Support for B.C. Oil & Gas Industry
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

On April 17, 2020, the federal government announced a multibillion-dollar bailout package for Canada's oil and gas sector including \$120 million for British Columbia. On May 13, 2020, details on how this money would be spent were announced by the province. \$100 million will go to the Dormant Sites Reclamation Program, \$15 million to the Orphan Sites Supplemental Reclamation Program and \$5 million to the Legacy Sites Reclamation Program. The funding will support jobs for more than 1,200 British Columbians working in the service industry on projects that will help protect the environment and achieve CleanBC goals.

Government also provided \$5 billion in income supports, tax relief and direct funding for people, businesses and services through the COVID-19 Action Plan which dedicates \$2.8 billion to help people and fund the services they need to weather the crisis while \$2.2 billion will provide relief to businesses and help them recover after the outbreak.

Global Market Conditions:

Global oil markets are now facing an unprecedented double shock; a demand crisis due to reduced economic activity and a price/market share war that could push oil prices to lows not seen in years. The value of a barrel of oil has shrunk by approximately half since the revenue forecast that informed Budget 2020 was completed.

B.C. is not a major oil producer as its portion of the western Canadian sedimentary basin is primarily natural gas prone. While BC only produces approximately 25,000 barrels per day of oil, it also produces over 100,000 barrels per day of natural gas condensate. Condensate prices are closely linked to the price of oil.

The effects of the pandemic are expected to impact near-term global economic growth. Reduced GDP growth will in turn reduce demand for energy products including oil.

All of B.C.'s condensate production as well as a significant portion of its natural gas production makes its way into Alberta for use in the oilsands. It is not expected that this demand will decline in the near term as those projects have a multi-decade life cycle and Canadian condensate has a transportation cost advantage over condensate imported from the U.S., which

ADVICE TO MINISTER

is also used as a diluent for bitumen. Although the demand for condensate isn't likely to subside, the value has dropped dramatically in concert with oil prices.

Communications Contact: Kent Karemaker

250 886-5400

Program Area Contact: Geoff Turner

File Created: June 10, 2020

File Updated:

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: July 24, 2020 Minister Responsible: Hon. Bruce Ralston	Conference Board of Canada – B.C. LNG Report
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

On July 27, 2020, The Conference Board of Canada released a report entitled 'A Rising Tide - The Economic Impact of B.C.'s Liquefied Natural Gas Industry by Bryan Gormley' which looks at the economic impact the LNG industry has on B.C.

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The report points to numerous key findings which paint a positive picture for the industry in B.C. Among them, the potential for billions of dollars in investment opportunity, and that Canada's GDP would increase, on average, by more than \$11 billion per year over the term of the scenario (2020-2064) with B.C.'s portion to exceed \$8 billion annually. The report finds that the industry could "generate significant, stable, long-lived employment impacts" to national employment that would increase by 96,550 jobs annually with 71,000 of these jobs here in British Columbia alone.

The report shows that demand for LNG has more than doubled since 2000, in part due to the proximity to Asia-Pacific markets. The reports notes that 'countries like China, Japan, and South Korea that lack sufficient domestic energy resources have been using a growing amount of natural gas.'

CleanBC:

On Dec. 5, 2018, the Government of British Columbia released its CleanBC plan. A number of media and critics asked how government could move forward with the plan while at the same time promoting growth for the province's natural gas and LNG industry – specifically, the LNG Canada project.

This government has always supported LNG development, provided it meets the four conditions:

- Guarantee a fair return for B.C.'s natural resources.
- Guarantee jobs and training opportunities for British Columbians.
- Respect and make partners of First Nations.
- Protect B.C.'s air, land and water, including living up to the Province's climate commitments.

The CleanBC Industrial Incentive Program established the benchmark for LNG based on the top five cleanest facilities in operation around the world. Benchmarks will be reviewed and updated every five years to ensure they continue to incentivize emissions reductions and keep pace with global technology development.

LNG Canada:

The report assumes that Phase 2 of the LNG Canada project will go ahead.

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Communications Contact: Kent Karemaker
Program Area Contact: Geoff Turner

250 886-5400

File Created: July 24, 2020
File Updated:

Transportation Safety Board Report on Enbridge Pipeline Rupture

Background:

- On March 4, the Transportation Safety Board of Canada (TSB) released its safety investigation on the October 2018 Enbridge pipeline rupture near Prince George.
- The TSB found stress corrosion cracking on the outside of the pipeline was the cause of the rupture.
- While pipeline repairs were underway, BC's natural gas supply was limited during the coldest months of the year.
- Following the rupture, Enbridge took a number of actions to improve pipeline safety including inspecting the entire T-South natural pipeline system with an internal pipeline inspection tool and increased the number of dig inspections.
- Enbridge also said it is reviewing the TSB report and will make further changes to ensure pipeline safety.

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<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources</p> <p>Date: DRAFT</p> <p>Minister Responsible: Hon. Michelle Mungall</p>	<p>1) Jobs & training 2) fair return on resources 3) partner with LNG Canada - Four Conditions 4) environmental climate commitments</p>
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

LNG Canada announced its final investment decision (FID) on October 1, 2018.

The export project is a joint venture partnership between Shell, PETRONAS, PetroChina, Mitsubishi Corporation and KOGAS.

Natural gas supply will come primarily from the Montney basin in northeast British Columbia. The Coastal GasLink pipeline will transport natural gas from the Dawson Creek area to the export facility in Kitimat.

After natural gas is converted into a liquid form at the export facility it will be shipped to Asia and other markets.

Direct benefits of the LNG Canada project include:

- \$24 billion of direct private-sector investments in British Columbia.
- Up to 10,000 jobs for people during construction and 950 permanent jobs once operations are underway.
- Approximately \$23 billion in new provincial government revenues over the expected 40-year life of the project – new resources for health care, schools, child care and other government-supported services.
- Significant funding for First Nation capacity building, training and education, contracting and employment, and community contributions.

LNG Canada has also committed to making its Kitimat facility among the world's cleanest in terms of greenhouse gas emissions intensity, supporting British Columbia's CleanBC commitments.¹

As of August 2019, initial site construction is underway in Kitimat. LNG Canada is scheduled to be in service before mid-next decade. For Coastal GasLink: preliminary work commenced in early 2019, with mainline pipeline construction to begin in 2020. The pipeline is scheduled to go into service in 2023.

LNG Canada's FID followed the provincial government's new approach to natural gas development with a fiscal framework to support investment. That news announcement is available [here](#).

BACKGROUND:

The provincial government has four conditions for liquefied natural gas (LNG) projects – to ensure British

¹ Kitimat LNG has announced its intention to design an all-electric facility.

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Columbians benefit.

It is the provincial government's expectation that LNG Canada (and associated infrastructure, including Coastal GasLink) meets the four conditions to ensure British Columbian's benefit.

The four conditions are listed below with background details.

Condition 1: LNG projects must offer jobs and training for British Columbians, especially jobs for local people.

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Socio-economic Effects Management Plan (SEEMP) status report on July 15, 2019, available [here](#).³

Hiring policy

LNG Canada has committed to the following hiring preferences:

- i. Hire local first;
- ii. Hire from within BC next;
- iii. Hire from the rest of Canada next;
- iv. Only if there is no appropriately skilled worker would LNG Canada look at applying for Temporary Foreign Workers (TFWs).

Temporary Foreign Workers (TFW)

LNG Canada does not expect to hire workers from outside Canada. If, however, the labour skill shortage problem becomes more acute they may need to use very low numbers of TFWs in highly specialized and high-demand trades.

Up until recently, a key challenge for LNG Canada and CGL has been B.C.'s economy – the province has essentially been at full employment and there is a shortage of skilled trades people. To address this, LNG Canada and CGL have been investing in building the capacity and skills of British Columbians through targeted workforce development programs (see below).

The recent downturn in the forestry sector is expected to result in additional labour resources being available for LNG Canada/CGL but there is minimal certainty at this time.

Apprentice Training/Workforce Diversity

LNG Canada has committed to creating opportunities for apprentices. To help achieve this objective, LNG Canada has invested more than \$1.5 million since 2015 in LNG Canada's Trades Training Fund to remove monetary barriers to the academic portion of apprenticeship training. This fund is administered through BC Construction Association to support industry and apprenticeship training in the construction sector across the province. On February 6, 2019, LNG Canada and BC Construction Association announced the 1,000th recipient of the fund and the 500th business to participate in it.

On June 17, 2019, LNG Canada launched Your Place – a training recruitment initiative to increase the participation of women in the trades. The program has been successful, but LNG Canada has yet to announce specifics about the applications for the program as of August 8, 2019.

Condition 2: The people of BC must get a fair return for our resources.

The LNG Canada project is estimated to generate \$23 billion (B) in provincial government revenue over 40 years – new funds available to invest in health care, schools, child care and other key public services. This \$23B does not include any secondary "multiplier effects" – primarily taxes that will be collected by the provincial government from additional economic activity that results when workers and businesses spend their earnings within British Columbia.

LNG Income Tax Amendment Act

The provincial government introduced legislation – the LNG Income Tax Amendment Act - on March 25, 2019, to complete the fiscal framework required to help secure provincial revenue and associated

³ CGL provided various caveats to the reported numbers as identified in the SEEMP status report.

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benefits to British Columbia. This legislation amended the Income Tax Act to implement a natural gas tax credit for natural gas/LNG development in British Columbia and repealed the Liquefied Natural Gas Income Tax Act.⁴

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Condition 3: LNG projects must secure full partnerships with local First Nations.

There are multiple agreements in place with Indigenous Nations linked to LNG Canada and Coastal GasLink. These agreements are separated between those concluded with the provincial government, and those LNG Canada/Coastal GasLink have completed individually with Indigenous Nations.

Government of British Columbia agreements

These agreements are a partnership between Indigenous Nations and the Government of British Columbia to create new economic opportunities as LNG Canada develops. Each agreement defines the economic benefits associated with the export facility and/or pipeline, and includes financial support for capacity building, training and education, contracting and employment, and/or community contributions.

For the LNG Canada export facility, British Columbia has completed agreements with: ⁵

- Gitga'at Nation
- Gitxaala Nation
- Great Bear Initiatives Society
- Kitselas First Nation
- Kitsumkalum First Nation
- Lax Kw'alaams Band

These agreements are publicly available [here](#).

For the Coastal GasLink pipeline, British Columbia has completed with the majority of First Nations along the route: ⁶

- Doig River First Nation
- Halfway River First Nation
- Kitselas First Nation
- Lheidli T'enneh First Nation
- McLeod Lake Indian Band
- Moricetown Band
- Nee-Tahi-Buhn Band
- Yekooche First Nation.
- Saik'uz First Nation
- Saulteau First Nations
- Skin Tyee Band
- Stellat'en First Nation
- Ts'il Kaz Koh First Nation
- West Moberly First Nations
- Wet'suwet'en First Nation

These agreements are publicly available [here](#).

Industry proponent agreements

Both LNG Canada and Coastal GasLink have reached agreements with elected First Nations – at the project site and along the pipeline route.

LNG Canada has entered into agreements with all affected First Nations:

- Gitga'at Nation
- Gitxaala Nation Haisla Nation
- Kitselas First Nation
- Kitsumkalum First Nation
- Haisla Nation

The Haisla Nation, in particular, has expressed strong support for the project. Haisla businesses have already been involved in various aspects of development, including site preparation, forestry work and environmental services. Through the life of the project, LNG Canada will provide billions of dollars to First Nations in capacity building, training and education, contracting and employment and community payments.

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Coastal GasLink have agreements with all 20 elected First Nations along the route:⁷

- Stelat'en First Nation
- Saik'uz First Nation
- Cheslatta Carrier Nation
- McLeod Lake Indian Band
- Saulteau First Nations
- Kitselas First Nation
- West Moberly First Nations
- Lheidli T'enneh First Nation
- Nadleh Whut'en Indian Band
- Burns Lake Indian Band
- Blueberry River First Nations
- Halfway River First Nation
- Doig River First Nation
- Wet'suwet'en First Nation
- Yekooche First Nation
- Nee Tahi Buhn Indian Band
- Skin Tyee First Nation
- Witset First Nation
- Nak'azdli Whut'en?
- Haisla Nation

The contracting and employment opportunities along with the long-term benefit programs set forth in the agreements were designed specifically for each community along the route, providing Indigenous groups with job opportunities and sustainable sources of revenue over the life of the project.

Condition 4: LNG projects must complete a made-in-BC environmental assessment and respect our commitments to combating climate change.

Both projects have completed the environmental assessment process. The LNG Canada export facility received an Environmental Assessment Certificate (EAC) on June 17, 2015 (amended August 8, 2016). Coastal GasLink received their EAC earlier – on October 24, 2014 (amended May 16, 2018).

There are specific regulatory requirements and conditions related to the environment - air, land, and water – that both LNG Canada and CGL must comply with during both construction and operations. The role of the provincial government is to promote compliance and respond to issues that are reported and/or inspected.

The LNG Canada Implementation Secretariat maintains a Regulatory Interface providing context and public access to the multiple layers of authorizations, compliance updates and other items that represent the provincial government's role as it relates to LNG regulation and oversight.

Emissions

The LNG Canada project is expected to have the lowest greenhouse gas emissions intensity of any major LNG facility in the world (at this time). The emissions resulting from the project will be accommodated within the provincial government's legislated emissions reduction targets: 40% by 2030, 60% by 2040 and 80% by 2050.

When LNG Canada announced its final investment decision last year, British Columbia estimated the total emissions from the project for the initial two-train build-out.⁸ The details are charted below.

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⁸ LNG Canada has publicly stated their project could expand up to two additional trains (Phase 2).

CleanBC

LNG Canada – the LNG industry – is expected to fit within CleanBC, British Columbia's plan to reduce climate pollution while creating more jobs. This plan recognizes natural gas as a transitional fuel on a path to less carbon-intensive options. The CleanBC program for industry will encourage the use of the greenest technology available in the sector to reduce emissions and encourage economic and job growth.

As indicated in CleanBC, more reductions from LNG's climate impact will be achieved through investments in electrification of upstream oil and gas production so extraction and processing are powered by electricity, instead of burning fossil fuels. British Columbia is working with the Federal government and BC Hydro to ensure that the required electricity transmission infrastructure will be in place for industrial applications related to LNG, upstream natural gas development and other large emitters. In addition, CleanBC will reduce methane emissions from natural gas production in B.C. by 45% by 2025, which will further decrease the emissions footprint of LNG in the province.

Communications Contact: Darren Beaupre
Program Area Contact:
File Created: DRAFT August 16
File Updated:

250 356-5892

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Updated: August, 2020 Minister Responsible: Bruce Ralston	Workforce, Procurement and Economic Outcomes
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ADVICE AND RECOMMENDED RESPONSE:

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- **LNG Canada committed to hiring locally and within the province – they have been very clear about that.**
- **Both LNG Canada and Coastal GasLink have been active and supporting opportunities for British Columbian's to find work.**
- **Local hires have been the focus on both projects, including the time when COVID-19 was challenging workforce participation. We expect to see local opportunities continue to be supported as construction activities progress.**

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- **LNG Canada and Coastal GasLink are both funding workforce development related initiatives, with a focus on apprenticeship training.**
- **This is a project opening doors for women in the trades and a future generation of skilled workers.**
- **We know two of LNG Canada's key programs, the Trades Training Fund and LNG Canada Connect, have engaged and trained over 1,600 apprentices in construction trades careers in British Columbia.**
- **We understand LNG Canada's prime contractor, JGC Fluor, has plans in place to support LNG Canada's target workforce composition of 25 per cent apprentices.**

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- **We are working with industry and the Federal government to make the necessary investments to create opportunities for British Columbians.**
- **We are increasing apprenticeships and making sure women and Indigenous groups have fair opportunities to secure employment.**

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- **The LNG Canada Project workforce is not supported by temporary foreign workers.**
- **If for any reasons they are required, it would only be during peak construction and in highly specialized trades.**

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KEY FACTS REGARDING THE ISSUE:

The provincial government established four conditions for liquefied natural gas (LNG) projects – to ensure British Columbians benefit. One of the four conditions states: LNG proposals must create jobs and training opportunities for British Columbians.

British Columbia's approach to natural gas development includes a competitive fiscal framework that supports investment. This framework encourages industry to create high-paying jobs, as well as opportunities for Indigenous Nations.¹

LNG Canada's economic outcomes, including jobs and procurement, is a major topic of interest - for media and stakeholders - since the project² announced a final investment decision on October 1, 2018.

BACKGROUND:

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Communications Contact:	Darren Beaupre	250 356-5892
Program Area Contact:		
File Created:	November 29, 2019	
File Updated:	August 16, 2020	

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: August, 2020 Minister Responsible: Hon. Bruce Ralston	Local Support (Socio-economic effects)
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

Local government requests for provincial assistance have been expressed in the past as the LNG Canada project progresses.

The City of Terrace voiced concerns in the past, with arguments suggesting there is 'inequality' compared to Kitimat - and that more support was needed for social issues, policing costs and housing pressures. These arguments were articulated in the City of Terrace's Budget and Taxation for 2020 and in various media articles.

The Northwest BC Resource Benefits Alliance (RBA) – a group of 21 local governments - also voiced concerns about government support. Part of their concern was expressed in an Infrastructure Needs Analysis Report for NorthWest BC Local Governments that indicated long-term sustainable funding is required from the provincial government to support economic development.

On May 11, 2020, the provincial government announced new support healthy community growth, investing a total of \$75 million through two programs: The 2020 Northern Capital and Planning Grant (\$50 million) and a new \$25 million the B.C. Northern Healthy Communities Fund which will be administered in the near future through the Northern Development Initiative Trust.

The media announcement about these two programs is available [here](#), with more details in the background about each program. This funding was provided in addition to various other supports for people and businesses in response to the COVID-19 pandemic.

BACKGROUND:

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Both LNG Canada and Coastal GasLink (CGL) are required to manage direct socio-economic effects on services and infrastructure delivered by local and provincial governments and agencies. Each project has a management plan in place as a condition resulting from British Columbia's environmental assessment. More details are provided below (see social-economic management – industry).

The provincial government is actively monitoring socio-economic trends in the communities impacted by the development of the LNG Canada project, specifically in Kitimat and Terrace.

The Ministry of Energy, Mines and Petroleum Resources (EMPR) – through the LNG Canada Implementation Secretariat – and the Ministry of Municipal Affairs and Housing (MAH) works closely with Kitimat, Terrace (and other Indigenous and non-Indigenous local governments), LNG Canada and CGL to monitor local impacts and determine whether provincial or proponent support is needed (or already committed to). If required, the environmental assessment certificates (EAC) has requirements that provide scope for enforcing adaptive management.

Social-economic management – Provincial Government

Social and Economic Management Committee (SEMC)	<p>The SEMC is an internal multi-agency committee that supports the mitigation of socio-economic effects to communities from LNG Canada and Coastal GasLink construction and operations activities. This includes the coordination of provincial programs, services and initiatives (new, existing or adapted) that support community readiness, safety, and wellbeing. The SEMC also monitors the effects relating to both projects.</p> <p>The SEMC helps ensure internal coordination and alignment and will inform and be informed by external engagement led by the provincial government, in collaboration with key agency partners, and with local governments, indigenous groups and community stakeholders. The SEMC also reviews data and reports from agencies, local governments, service providers, and First Nations, plans and updates and reports from the LNG Canada and Coastal GasLink (see Social-economic management – Industry section below).</p>
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Social-economic management – Industry

LNG Canada – Community-Level Infrastructure and Services Management Plan (CLISMP)	<p>The Community-Level Infrastructure and Services Management Plan (CLISMP) was developed to monitor and, where needed, adaptively manage potential socio-economic effects on services and infrastructure delivered by provincial agencies and local and Indigenous governments.</p> <p>LNG Canada's Social Management Roundtable (SMR) is an engagement function of the CLISMP, with working groups reviewing data and socio-economic trends. Feedback is also gathered to better understand the experienced of each community (primarily Kitimat, Terrace and surrounding areas). The working groups are: housing & accommodations; traffic & emergency response; community health; and community amenities, educations and utilities.</p> <p>The Secretariat and MAH co-lead the provincial government's participation at each SMR as part of the coordination of the provincial government's SEMC.</p> <p>The CLISMP is a condition resulting from the provincial government's environmental assessment.</p> <p>The CLISMP can be found here.</p>
Coastal GasLink - The Socio-Economic Effects Management (SEEMP)	The Socio-Economic Effects Management Plan (SEEMP) was developed in consultation with the Ministry of Municipal Affairs and Housing (MAH).

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The SEEMP includes the measures to mitigate social and economic impacts and an approach to engagement with Indigenous Nations, local governments and service providers. Each SEEMP update includes monitoring and reporting on the implementation and effectiveness of mitigation and adaptive management.

MAH is agency responsible for reviewing and monitoring SEEMP's status and final reports.

The SEEMP is an imposed condition resulting from the provincial government's environmental assessment.

The SEEMP can be found [here](#).

Support Initiatives – Provincial Government

Northern Capital and Planning Grant (MAH)

On May 11, 2020, British Columbia announced a \$50-million investment in northern B.C. through the 2020 Northern Capital Planning Grant (NCPG). This amount is in addition to the \$100-million provided in 2019. The announcement can be viewed [here](#).

Earlier, on March 27, 2019, British Columbia announced the \$100-million NCPG, with 80% of the funding going towards to the Regional Benefits Agreement local governments and the remainder going to other northern local governments in the Fraser-Fort George Regional District. That announcement can be viewed [here](#).

NCPG allocations:

Local Government	2019 Grant	2020 Grant	Total Combined
Burns Lake	\$ 3,439,000	\$ 1,267,000	\$ 4,706,000
Fort St. James	\$ 3,342,000	\$ 1,170,000	\$ 4,512,000
Fraser Lake	\$ 2,607,000	\$ 777,000	\$ 3,384,000
Granisle	\$ 2,353,000	\$ 358,000	\$ 2,711,000
Hazelton	\$ 2,148,000	\$ 340,000	\$ 2,488,000
Houston	\$ 4,486,000	\$ 2,074,000	\$ 6,560,000
Kitimat	\$ 1,556,000	\$ 5,238,000	\$ 6,794,000
Mackenzie	\$ 4,727,000	\$ 2,459,000	\$ 7,186,000
Masset	\$ 2,753,000	\$ 669,000	\$ 3,422,000
McBride	\$ 2,389,000	\$ 519,000	\$ 2,908,000
New Hazelton	\$ 2,580,000	\$ 532,000	\$ 3,112,000
Port Clements	\$ 2,085,000	\$ 338,000	\$ 2,423,000
Port Edward	\$ 2,098,000	\$ 419,000	\$ 2,517,000
Prince George	\$ 8,135,000	\$ 6,527,000	\$ 14,662,000
Prince Rupert	\$ 8,121,000	\$ 6,524,000	\$ 14,645,000
Queen Charlotte	\$ 2,935,000	\$ 710,000	\$ 3,645,000
Smithers	\$ 6,218,000	\$ 3,655,000	\$ 9,873,000
Stewart	\$ 1,294,000	\$ 372,000	\$ 1,666,000
Telkwa	\$ 3,590,000	\$ 1,030,000	\$ 4,620,000
Terrace	\$ 8,197,000	\$ 6,531,000	\$ 14,728,000
Valemount	\$ 2,882,000	\$ 785,000	\$ 3,667,000
Vanderhoof	\$ 5,731,000	\$ 3,036,000	\$ 8,767,000
Bulkley-Nechako RD	\$ 5,800,000	\$ 1,565,000	\$ 7,365,000
Fraser-Fort George RD	\$ 4,182,000	\$ 1,304,000	\$ 5,486,000
Kitimat-Stikine RD	\$ 4,640,000	\$ 1,362,000	\$ 6,002,000

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	<table><tr><td>North Coast RD</td><td>\$ 1,712,000</td><td>\$ 439,000</td><td>\$ 2,151,000</td></tr><tr><td>TOTAL</td><td>\$ 100,000,000</td><td>\$ 50,000,000</td><td>\$ 150,000,000</td></tr></table>	North Coast RD	\$ 1,712,000	\$ 439,000	\$ 2,151,000	TOTAL	\$ 100,000,000	\$ 50,000,000	\$ 150,000,000
North Coast RD	\$ 1,712,000	\$ 439,000	\$ 2,151,000						
TOTAL	\$ 100,000,000	\$ 50,000,000	\$ 150,000,000						
Northern Healthy Communities Fund (MAH)	<p>On May 11, 2020, British Columbia announced that \$25 million would be available to communities as they prepare for major economic development through the creation of the Northern Healthy Communities Fund (NHCF).</p> <p>The NHCF will be available to local governments, First Nations and non-profits in the region to support local delivery of critical services, such as health and mental health care, housing and child care. It will be administered through the Northern Development Initiative Trust.</p> <p>The announcement can be viewed here.</p>								
Highway 16 Transportation Action Plan (MOTI)	<p>The Five Point Transportation Action Plan is improving access to safe transportation options along Highway 16, enabling residents of First Nations communities and other residents to travel safely between communities in the corridor from Prince Rupert to Prince George.</p> <p>The Ministry of Transportation and Infrastructure has committed \$8.1-million in provincial and federal funding for the Highway 16 Transportation Action Plan.</p> <p>There are five elements of the plan:</p> <ul style="list-style-type: none">• Transit expansion• Community transportation grant program• First Nations driver education program• Highway safety infrastructure improvements• Interconnectivity <p>An additional \$300,000 has been allocated, with matching funds being sought from the federal government, in order to extend the Community Transportation Grant Program through to March 2022.</p> <p>More details can be found here.</p>								
Northwest Regional Airport – YXT (MAH)	<p>YXT previously received \$4.4M of grant funding for an airport terminal expansion through the provincial BC Air Access Program (BCAAP) in 2015/16. The project completed in 2018.</p> <p>s.13; s.17</p> <p>Of note: YXT has received \$6.2M funding through the federal Airport Capital Assistance Program (ACAP) for a variety of projects over the last four years (starting 2016/17).</p>								
Housing, Kitimat-Terrace (MAH)	<ul style="list-style-type: none">• Sonders House – partnership with Ksan House Society recently opened 52 homes in June 2019 for individuals who are homelessness or at risk of homelessness under the Rapid Response of Homelessness Program at 4523 Olson Avenue. (Capital Budget \$10.3M); and• Stone Ridge Estates - partnership with Ksan House Society recently opened 45 homes in April 2019 for low income families/individuals at 4622 Haugland								

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	<p>Avenue (budget \$11.1M).</p> <p>In progress:</p> <ul style="list-style-type: none"> • Housing Needs Report (see also subsection below): <ul style="list-style-type: none"> ○ With \$50,000 in provincial funding from the UBCM-administered Housing Needs Reports program, Terrace and The Regional District of Kitimat-Stikine are collaborating to study housing needs in Terrace and adjoining regional district electoral areas C and E. ○ Kitimat completed its <u>Housing Action Plan and Needs Assessment</u> in early 2020 (but did not apply for funding). • Cedars Motel – In partnership with Terrace & District Community Services Society, renovating an existing motel to provide 22 homes for low income individuals at 4830 16 Highway. It opened last year. (Capital budget \$4.1M); • Under the Building BC: Indigenous Housing Fund, working in partnership with M'akola Housing Society on their proposal to build up to 48 homes for Indigenous singles, families and elders. Early feasibility and preliminary stage with an estimated construction completion of Summer 2022. (Preliminary capital budget of \$19M); • Under the Building BC: Women Transition Housing Fund, working in partnership with Ksan House Society on their proposal to build up to 22 homes for women and children at risk of violence. Early feasibility and preliminary stage with an estimated construction completion of Summer 2021. (Preliminary capital budget of \$8.1M); and • In the nearby local First Nation community of Gitau, in discussions with Kitselas First Nation regarding their proposal to build up to 40 homes on nation for singles, families and elders in their community. (Preliminary capital budget of \$11.4M). • BC Housing is working with Haisla Nation to create 23 on-nation homes in Kitamaat Village for families, singles and elders through the Indigenous Housing Fund – capital budget \$12M. <p>BC Housing is also working with Tamitik Status of Women Association to create 42 units of transition house beds, second stage housing units, and affordable rental homes through the Women's Transition Housing Fund. Kitimat donated the site for the project – capital budget \$15M.</p>
Housing Needs Report Program	<p>In 2018 British Columbia announced \$5million in funding to support local governments to meet new legislative requirements to develop housing needs reports. The program is administered by the Union of BC Municipalities (UBCM), with more information available here.</p> <p>In the first two program intakes, funding was awarded to several local governments in the North, including:</p> <ul style="list-style-type: none"> • Central Coast Regional District - \$75,000 • Granisle - \$15,000 • Kitimat-Stikine Regional District (for a report including Hazelton, New Hazelton and electoral area B) - \$45,000 • Mackenzie - \$10,000 • Masset - \$15,000 • Peace River Regional District (for a report including Chetwynd, Dawson Creek, Pouce Coupe and Hudson's Hope) - \$140,000 • Port Clements - \$15,000 • Smithers - \$20,000 • Stewart - \$15,000 • Taylor - \$15,000 • Telkwa - \$15,000 • Terrace (for a report including electoral areas C and E of the Regional District of

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Kitimat-Stikine) - \$50,000

Due to COVID-19, the program's third intake has been postponed, likely to fall 2020. Some local governments (including some of the above) have also received funding for housing needs reports from the Northern Development Initiative Trust (e.g. Houston).

Support Initiatives – Industry

LNG Canada

LNG Canada has made investments in the social needs and infrastructure of communities in which they operate, specifically Kitimat and Terrace.

A summary of LNGC's activities and investments targeted to Kitimat and Terrace area:

Housing and Accommodations

- \$250,000 funding commitment over 2019-2024 to Tamitik Status of Women and Kitimat Community Development Centre towards operational funds to support delivery of services to vulnerable groups.
- \$270,000 since 2013 to Kitimat and Terrace community foundations

Contracting and Procurement

- The Project prioritizes contracting and procurement with the Haisla Nation and other Indigenous-owned businesses, and with local area businesses. At the end of 2019, the Project had awarded contracts and procurement in excess of \$2.1 billion to businesses in BC. Of this amount, over \$1.4 billion has been awarded to local area and Indigenous businesses.

Workforce Development/Training

- As of December 2019, LNG Canada has invested over \$4 million in workforce development programs, focusing on trades training and development programs that are designed to increase the participation of local area residents, Indigenous communities, women and British Columbians overall. Several programs delivered in partnership with the BC Construction Association have promoted skilled trades development in BC. These include:
- LNG Canada Connect, which has provided 340 construction job placements for workers from the Kitimat-Terrace area
- Gear up Fund, which has contributed almost \$200,000 towards removing barriers to employment by funding tools, training, clothing and gear essential for those entering the construction industry;
- LNG Canada Trades Training Fund, which has funded 1382 apprentices in connection with 540 employers
- Your Place program: As of Q4 2019, the first cohort of 12 female apprentices completed the 4-week training program and were all extended employment offers as apprentices.

Community Health

- \$200,000 commitment to support health care aid training, working with Kitimat Valley Institute
- \$550,000 commitment over 2019-2021 towards construction of the Kitimat Pilot Dementia Home and to work with the Kitimat Valley Housing Society to increase community awareness for dementia,
- Active participant in the District of Kitimat-led COVID-19 emergency response committee and the COVID-19 Economic Recovery Task Force led by the Kitimat Chamber of Commerce.
- In March 2020, LNG Canada committed \$500,00 to support the community response to COVID-19 for Kitimat, Terrace and nearby Indigenous communities. Funds have been committed to support the needs of the public healthcare and

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	<p>education systems, Indigenous communities, service organizations and local businesses:</p> <ul style="list-style-type: none"> ○ Frontline worker recognition / small business support (distribution of gift cards from local businesses) + matching of employee donations to local foodbanks \$13,500 ○ Coast Mountains School District to support equitable virtual learning (100 laptops procured for use by local students without any device in the household) \$78,500 ○ Terrace Community Foundation COVID relief fund \$10,000 ○ Northern Health testing and diagnostics procurement priorities for the local area \$250,000 ○ Remaining funds (\$148,000) have been allocated to support Indigenous Communities with food security initiatives as well as to support local service organizations and business recovery initiatives. <p>Traffic</p> <ul style="list-style-type: none"> • \$100,000 towards community driver safety training, road safety awareness and school bus safety initiatives in 2018-2019 <p>Emergency Response</p> <ul style="list-style-type: none"> • \$90,000 in 2019 to support search & rescue organizations in both Kitimat and Terrace • \$150,000 since 2013 to support Kitimat Fire Department • \$500,000 commitment towards a replacement highway emergency response vehicle for Terrace Fire Department <p>Community Amenities</p> <ul style="list-style-type: none"> • \$150,000 contribution in-kind donation of Baily Bridges (\$212,000 value) to support District of Kitimat (DOK) Waterfront Access Park <p>Education</p> <ul style="list-style-type: none"> • \$200,000 in 2019 towards a range of educational programs from science enrichment through Vancouver Aquarium (AquaVan) outreach in Kitimat and Terrace schools and communities, to subsidized access to summer camps for children in Kitimat • \$54,000 towards training of early childhood educators (ECE) in Kitimat-Terrace • \$150,000 since 2013 in annual trades scholarships for Kitimat and Terrace high school graduates • \$375,000 funding commitment over 2019-2021 towards educational bursaries and programs benefitting local Indigenous groups <p>Municipal Contributions</p> <ul style="list-style-type: none"> • In 2019 LNG Canada paid over \$1.5 million in municipal taxes and other municipal capacity contributions to the DOK. • Working together with the DOK, in 2019 LNG Canada was successful in obtaining a \$55 million infrastructure investment from the Canadian Ministry of Finance to support the replacement of the aging Haisla Bridge in Kitimat • Open Lodge operators in Kitimat paid a one-time Affordable housing Tax contribution of \$500 per unit, resulting in \$709,000 of cumulative contributions to the DOK by the end of 2019, primarily attributed to LNG Canada Project activities. <p>More information can be found here.</p>
Coastal GasLink	Coastal GasLink and TC Energy have spent over \$8.5 million in Community

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Investments & Sponsorships in Northern B.C. supporting local and Indigenous communities along the pipeline route.

Since 2012, Coastal GasLink has invested in the following initiatives:

- Bear Lake Beautification Project
- Breakfast Club
- Bulkley Valley Search and Rescue, Smithers
- Burns Lake Baker Airport Rehabilitation
- Canada Winter Games, Prince George
- Chetwynd Communications Society
- Chetwynd Medical Centre
- Clean Up Kitamaat/Kitimat campaign
- Dawson Creek Kindness Meters
- Fraser Lake Playground
- Fraser Lake Fire Department
- Hope Air
- Houston Hikers Society
- Houston Search and Rescue
- Kitimat Fire Department
- Nechako Valley Search and Rescue Society, Vanderhoof
- Nechako Environment & Water Stewardship Society
- Northern Environmental Action Team
- Fraser Lake Playground
- Fraser Lake Fire Department
- Hope Air
- Houston Hikers Society
- Houston Search and Rescue
- Kitimat Fire Department
- Nechako Valley Search and Rescue Society, Vanderhoof
- Nechako Environment & Water Stewardship Society
- Northern Environmental Action Team

More information can be found [here](#).

Communications Contact:

Darren Beaupre, 250-356-5892

Program Area Contact:

File Created:

January 20, 2020

File Updated:

August 6, 2020

Wet'suwet'en CGL Protesters

Highlights:

- After the OPP cleared the rail blockade near Bellville Ontario, new protests and blockades have come up – including a blockade of West Coast Express lines, at the Port of Vancouver, the intersection of Clark and Hastings, the Legislature in Victoria, and at a rail crossing in New Hazelton.
- The Opposition has criticized cabinet ministers over their past links to groups and individuals now supporting blockades over CGL and for lack of leadership to end the protests.

s.13; s.16

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CGL and Protests

Highlights:

- There have been a number of protests across the county, including at the Port of Vancouver, major transportation routes and at the BC Legislature.
- The federal government has expressed concern about the CN Rail blockade, saying its illegal and will damage the economy. CN has received an injunction.
- The Leader of the Opposition says government deserves the protests due to previous comments made by BC NDP MLAs. He has called for an orderly conclusion to the protest at the Legislature and essential infrastructure across the province.

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Background:

- On December 31, 2019, the Supreme Court of British Columbia granted Coastal GasLink's request for injunction, allowing the company to conduct their work in the Morice River Forest Service Road area.
- On January 4, Wet'suwet'en hereditary leaders announced they issued an eviction notice to Coastal GasLink (CGL), citing violation of Wet'suwet'en law.
- The RCMP began enforcing the court injunction on January 7, 2020.
- Since that time, a number of people have been arrested, both in the Morice River area and at protest events in support of the Wet'suwet'en Hereditary Chiefs across the country.
- The protests have blocked major transportation routes including BC Ferries, the CN Rail, the Port of Vancouver and the Port of Delta.
- On January 27, the Premier appointed Nathan Cullen, a former member of parliament for Skeena-Bulkley Valley, as a liaison between the Province and the Wet'suwet'en Hereditary Chiefs.
- Following Mr. Cullen's appointment, BC and the Wet'suwet'en Hereditary Chiefs agreed to discussions at a Wiggus Table.
- On February 4, BC and the Hereditary Chiefs announced the discussions hadn't resulted in negotiated outcome.
- BC expressed commitment to maintaining dialogue with the Wet'suwet'en leadership on the issue.
- BC remains committed to a separate government-to-government reconciliation process with the Office of the Wet'suwet'en that was initiated in the spring of 2019. Murray Rankin represents the province in this process.
- On February 10, the RCMP announced the conclusion of their enforcement operations in the area.
- MLA Rustad was asked about the CGL dispute during an interview with CKPG on February 5, 2020: "The Wet'suwet'en people are divided on this, and it's really unfortunate because this is going to be a very tough situation for those people. But the company is doing everything it can. The province, I think, has done what it can. Clearly they've been making an effort. But it's come to the point where the project needs to proceed and the rule of law needs to be implemented."

RCMP Enforcement of Coastal GasLink Injunction – February 6, 2020

Background:

- On February 6, the RCMP began enforcing the court injunction for Coastal GasLink to do work in the Morice River area.
- The RCMP have said people's safety is their top priority in the planned enforcement. They have asked people to leave the area and are arresting people who choose to remain.
- On February 4, the Wiggus Table discussions between BC and the Wet'suwet'en Hereditary Chiefs ended following two days of talks between Hereditary Chiefs and Minister Fraser.
- While both BC and the Hereditary Chiefs remain open to dialogue, the table was not successful in finding a resolution to the current situation.
- The Wet'suwet'en Hereditary Chiefs stated Coastal GasLink declined to see the Wiggus Table discussion as resulting in progress and they now see RCMP enforcement as imminent.
- Coastal GasLink expressed disappointment that an agreement between BC and the Hereditary Chiefs wasn't reached and that they plan to resume construction in the Morice River area in the coming days.

s.13; s.16

Questions and Answers:

s.13; s.16

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CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Updated: February 11, 2020 Minister Responsible: Bruce Ralston	Court injunction
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s.13; s.16

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s.13; s.16

Key Facts Regarding the Issue:

On February 10, 2020, the RCMP arrested seven individuals for breaking the court-ordered injunction. Previously arrested individuals have been released, with one scheduled for a future court date. Details about these events can be found in the RCMP's update (number 5) [here](#).

Enforcement actions started last week following the RCMP press conference detailing their approach to enforcement related to the injunction. Details outlined in that press conference can be found [here](#).

A total of 28 arrest have occurred since February 6. There has been significant media attention and online discussion since the police started enforcing the injection. There has also been an increasing number of rallies and protest activities in B.C. and Canada since the arrest started, with the use of #shutdowncanada on social media. Many of these demonstrations have shut-down ports, rail-lines and roadways. On February 11, British Columbia released a statement, found [here](#), in response to protest activities at the Parliament Buildings in Victoria and other locations.

Last week, some media also noted a new petition filed by the Office of the Wet'suwet'en (OW) with the BC Supreme Court. It's challenging the Environmental Assessment Office's (EAO) five-year extension of CGL Environmental Assessment Certificate (EAC).

On February 11 Coastal GasLink released an update with confirmation that construction was recommencing in the Houston area. That update can be found [here](#). Earlier, Coastal GasLink (CGL) released an open letter expressing disappointment with the situation. That letter can be found [here](#).

Background:

On January 13, the Premier of British Columbia was questioned about the Coastal GasLink (CGL) project during a media availability in Victoria. He affirmed the pipeline will be built following the BC Supreme Court's decision (see 'Injunction ruling' section).

Also on January 13, the Royal Canadian Mounted Police (RCMP) released an update about their policing and enforcement of the court's ordered injunction. The RCMP confirmed they had a series of meetings

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with Wet'suwet'en Hereditary Chiefs, elected councils and other stakeholders. They also provided details of policing procedure at the access control checkpoint for vehicles attempting to enter the Morice Forest Service area. More details can be found in the RCMP announcement [here](#). A follow-up update was also released on January 15 and can be found [here](#).

Shortly after January 13, Wet'suwet'en hereditary leaders urged Premier Horgan to meet with them, claiming that comments he made (on January 13) were 'misleading'. That announcement can be found [here](#).

Eviction notice

On January 4, 2020, Wet'suwet'en hereditary leaders announced they issued an eviction notice to Coastal GasLink (CGL), citing violation of Wet'suwet'en law. The announcement was made online [here](#).

CGL had restarted work across the pipeline's right-of-way but deferred work in the Wet'suwet'en areas given the eviction notice. The company reached out to the Hereditary Chiefs of the Wet'suwet'en in an effort to re-engage and find a mutually agreeable solution on how to move forward. Coastal GasLink's response(s) to the situation can be found [here](#).

In the days following January 4, reports of trees felled along various locations along the Morice River Forest Service Road (MRFSR) surfaced. *These trees are impeding access for any and all vehicles that could be seeking transportation in, or out, of this part of Wet'suwet'en territory.* Traps were also found following RCMP patrols. The RCMP distributed a media release about its observations and that detail is located [here](#).

On January 7, 2020, Wet'suwet'en hereditary leaders hosted a media availability where they indicated they will not meet with CGL and will only talk to the provincial and federal governments, and the Royal Canadian Mounted Police (RCMP). The announcement, located [here](#), lists several demands from the Wet'suwet'en Hereditary Chiefs.

Prior to Supreme Court's decision, CGL had been operating in the area – crossing the MRFSR bridge - *under a protocol agreement they reached directly with the Unist'ot'en, who are affiliated with the Dark House of the Wet'suwet'en and who have a camp at the MRFSR bridge site.*

Injunction ruling

On December 31, 2019, the Supreme Court of British Columbia granted Coastal GasLink's request for an interlocutory injunction, allowing the company to conduct their work in the area without interference. The full decision can be found [here](#).

Interim Injunction

The court's ruling on December 31, 2019, had been pending since arguments were heard June 12-14, 2019. An interim injunction was originally granted on December 14, 2018.

On January 7, 2019, the Royal Canadian Mounted Police (RCMP) took steps to enforce the interim injunction and arrested 14 individuals at the Gidumt'en checkpoint - *one of two blockades set up on the Morice River Forest Service Road (MRFSR).* This particular blockade was located at the 44-kilometre mark of the MRFSR, in Section 7 of CGL's pipeline route.

The enforcement actions conducted by the RCMP was the subject of extensive media coverage following an article in the U.K.'s Guardian newspaper on December 20, 2019. That article alleged the RCMP were prepared to use extensive force during the dismantling of the Gidumt'en checkpoint. The RCMP countered the article, stating it was 'unsubstantiated, incomplete and inflammatory'. The RCMP's

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response the Guardian can be found [here](#).

Wiggus Table

The Wet'suwet'en Hereditary Chiefs joined the Province of British Columbia at the Wiggus at the end of January. The original statement can be found [here](#).

The Wiggus Table followed news on January 27, when the Premier appointed Nathan Cullen, a former member of parliament for Skeena-Bulkley Valley, as a liaison between the Province and the Wet'suwet'en Hereditary Chiefs. The announcement can be found [here](#). Prior to that, on January 22, the Minister and Deputy Minister of Indigenous Relations and Reconciliation met with staff representatives of the OW in Smithers.

Unfortunately, the Wiggus/Respect table was not successful in finding a resolution to the situation. A statement was released by the Minister of Indigenous Relations and Reconciliation (IRR) late February 4 following the news. The OW release can be found [here](#), and IRR's statement can be found [here](#). Coastal GasLink also released a statement, found [here](#), noting disappointment that discussions ended without a resolution.

United Nations

On January 13, Wet'suwet'en hereditary leaders announced they submitted a formal request to the United Nations to monitor RCMP, government and CGL actions on their territory. Their announcement can be found [here](#).

Separately, a few days prior, the United Nations Committee on the Elimination of Racial Discrimination had requested Canada immediately halt construction on Site C, CGL and TMX until the projects obtain approval from impacted Indigenous Nations. BC's Human Rights Commissioner later echoed the UN's requests. The Committee Chairperson later retracted in the media stating the committee was unaware that Coastal GasLink had broad Indigenous support.

Wet'suwet'en

The Unist'ot'en and Gidumt'en checkpoints were established within Wet'suwet'en territory along the Morice River Forest Service Roads.

The Wet'suwet'en's hereditary structure consists of five clans – Gil seyhu (Big Frog), Laksilyu (Small Frog), Gitdumden (Wolf/Bear), Laksamshu (Fireweed) and the Tsayu (Beaver Clan). The Dark House is a house group within the Gil seyhu (Big Frog). The Office of the Wet'suwet'en (OW) represents some of the hereditary chiefs as a collective. Unist'ot'en is affiliated with the Dark House, in the Gil seyhu clan.

Each clan is comprised of houses that are led by a hereditary chief. Some hereditary chiefs are opposed to Coastal GasLink and pipeline development. Five elected Wet'suwet'en band councils have supported Coastal GasLink – and there has been support within the Wet'suwet'en hereditary system as well.

Reconciliation

In early 2019, British Columbia and the OW agreed to explore a path forward, nation-to-nation, to meaningfully advance reconciliation. These discussions are ongoing and are not tied to any one project – i.e. CGL. The original announcement can be found [here](#). The province is represented by former MP Murray Rankin. Discussions have been occurring at least monthly since April 2019.

Very recently, British Columbia became the first province in Canada to bring internationally recognized standards of the UN Declaration on the Right of Indigenous Peoples into law. This legislation – known as

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the Declaration on the Rights of Indigenous peoples Act (Declaration Act) - recognizes the rights of Indigenous peoples and provides a framework to align B.C.'s laws with internationally recognized standards. Details about the Declaration Act can be found at www.declaration.gov.bc.ca.

LNG/pipeline Agreements

Both industry and the provincial government have agreements in place with Indigenous Nations – at the project site and along the pipeline route.

Coastal GasLink have agreements with all 20 First Nations along the pipeline route. Coastal GasLink attempted to enter into an agreement with the OW and hereditary chiefs but was unable to do so.

British Columbia has completed agreements with the majority of Indigenous governments along the route. The provincial government's agreements are publicly available [here](#). There was consultation with the OW and Dark House through the regulatory processes with thousands of touchpoints between regulators and the OW and Dark House.

Communications Contact:	Darren Beaupre	250-356-5892
Program Area Contact:		
File Created:	January 10, 2020	
File Updated:	February 11, 2020	

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CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Updated: June 15, 2020 Minister Responsible: Bruce Ralston	BC Restart Plan, COVID-19
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ADVICE AND RECOMMENDED RESPONSE:

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Key Facts Regarding the Issue:

On May 6, 2020, British Columbia released a 'Restart Plan' – the next steps to move through the COVID-19 pandemic. The plan lifts restrictions in phases, gradually allowing for more social and economic activity, while closely monitoring health information to minimize the risk to the public. Complete details about the plan can be found online [here](#).

Businesses restarting operations (or increasing their activities) must ensure it's in compliance with the provincial health officer's orders and in accordance with occupational health and safety guidance provided by WorkSafeBC.

LNG Canada and CGL have been responsive to COVID-19 by taking measures to protect the health, safety and well-being of workers, First Nations and community stakeholders. These measures have included adjustments to scheduled construction activities and workforce numbers, as well as new health, hygiene and physical distancing protocols.

Industrial camps

On April 28, 2020, the Province renewed its guidelines for large industrial work camps, supporting operators with their response to the COVID-19 pandemic and to keep workers safe. The guidelines can be found [here](#). There are also guidelines for smaller, natural resource sector workcamps. Those were released May 13 and are available [here](#).

These guidelines (original guidelines were released March 30) followed detailed orders for industrial camps – released on April 23.

All provincial orders – including guidance for essential workers returning to B.C.- can be found [here](#).

LNG Canada actions

The workforce in Kitimat was reduced during the COVID-19 pandemic, with LNG Canada and their engineering, procurement and construction (EPC) contractor - JGC Fluor - implementing measures to reduce the potential spread of COVID-19.

Only work deemed essential continued, including environmentally-sensitive work. Schedule-sensitive activities such as construction of the Cedar Valley Lodge (future onsite workforce accommodation) also continued.

Other measures LNG Canada put in place: two meters physical distancing; passenger limits in vehicles (max 2 persons); checkerboard seating (buses), with the driver first off/last on and boarding back to front; lodge policies, including one person per table, reduced touchpoints and social distancing lines on the floor; limited community interactions; health checkpoints and daily health checks at lodges; and self-isolation protocols.

People are gradually returning to work with safety measures remaining in effect. There are now about 1,500 people working (June 2020) on the project. LNG Canada remains on schedule for operation mid-decade.

In addition to the measures detailed above, LNG Canada committed \$500,000 to support the community response to COVID-19 in both Kitimat and Terrace. That announcement can be found [here](#).

More details about LNG Canada's response to COVID-19 can be found [here](#). JGC Fluor also posted updates weekly [here](#) (last update May 7).

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Coastal GasLink actions

Construction on the CGL pipeline ramped down during spring break-up period, which coincided with the COVID-19 pandemic. Spring break-up is the time of year when field construction work is reduced due to soft ground conditions caused by melting snow and thawing ground conditions.

Some of the safety measures CGL put in place: two metres physical distancing; restrictions on the use of common areas and dining rooms; health screening and temperature checks during daily camp admission; ongoing disinfection cycles for common areas, individual rooms, kitchen and dining areas; mandatory hand sanitizing at entrances; and self-isolation practices and support for workers who may have symptoms.

CGL continues to employ residents and local contractors to perform critical activities, including environmental monitoring, pipe delivery and stockpiling.

CGL is in the process of gradually ramping up their activities over the coming months. They currently have approximately 800 people working (June 2020) on the pipeline, with those numbers increasing as part of the summer construction ramp-up schedule.

More details from CGL's public notice can be found [here](#).

Background:

British Columbia first declared a provincial state of emergency on March 18, 2020, to support the provincewide response to COVID-19. It has been renewed several times and is currently scheduled through the end of June 23, 2020.

On March 26, the provincial government defined all essential services in British Columbia during the COVID-19 pandemic. This direction was developed in consultation with the Provincial Health Officer (PHO). Construction projects, including LNG Canada and Coastal GasLink, were covered – see the non-health essential service providers list [here](#). All essential services were required to follow the orders and guidance provided by the PHO to ensure safe operations and reduce the risk of transmission of COVID-19.

Details and common questions about COVID-19 are available [here](#) and [here](#).

Contact:	Darren Beaupre	250-356-5892
File Created:	March 30, 2020	
File Updated:	June 15, 2020	

Ministry of Energy, Mines and Petroleum Resources
Key Messages
Mining & Mineral Exploration in B.C.
Updated: April 17, 2020

Mining & Mineral Exploration in B.C.

- The mining and mineral exploration sector has always been a foundational part of British Columbia's economy, providing good, well-paying jobs for people in communities throughout the province.
- This industry holds the distinction of being the largest private-sector employer of Indigenous people in Canada.
- In 2019, the sector had an estimated production value of almost \$9 billion.
- As the industry faces unprecedented challenges with COVID-19, we are mindful of the significant opportunities that mining and mineral exploration pose for creating high-wage jobs in rural communities, advancing reconciliation with Indigenous communities and providing new long-term government revenues.
- In 2019, the mineral exploration sector spent \$180.8 million in Northwest B.C., an increase of \$16.8 million from 2018.
 - Government knows that the COVID-19 pandemic will have a dramatic impact on the 2020 field season, and we are committed to working with the sector to ensure that there is adequate support in place to enable future recovery and growth.
- We are committed to working through this unprecedented challenge and to taking steps to ensure British Columbia's world-class mining sector will be well positioned to help lead our province's economic recovery.
- We are taking action to ensure that we have a strong future as a competitive mining jurisdiction.

COVID-19 & Government Support

- Government responded to the COVID-19 pandemic with immediate action:
 - We have designated the mining sector as an essential service, providing operators with certainty during these uncertain times.
 - The school tax has been cut in half, providing the sector with \$1million in savings.
 - Tenure Maintenance Fees have also been deferred for a period of six months without penalty, and a blanket Time Extension Order has been issued for all claims and leases until December 31, 2021.

- The planned carbon tax increase that was to come into effect on April 1st has been put on hold.
- And the transitional framework for the Clean Industrial Incentive Program has been extended.
- The Provincial Health Officer has provided health and safety guidance to mining and smelting operations for use during the COVID-19 pandemic.
- Recognizing that electricity is one of the largest operating costs for industry, industry is able to defer 50% of their BC Hydro bill payments for three months (March to May).
- For mines operating in the province, this new measure builds on BC Hydro's existing Mining Customer Payment Program (MCP):
 - All major operating mines can defer 50% of their bill payment for three months and copper and coal mines can defer up to 75% of their bill payments under the terms of the MCP.
- Our economic and policy response to this crisis is ongoing and we will continue to adjust as necessary.
- In the long-term, as part of the COVID-19 Action Plan announced by the Finance Minister, government has allocated \$1.5 billion to build an economic recovery plan in partnership with business and labour.
 - The Ministry is closely engaged with provincial associations and industry on COVID-19 impacts and is examining sector-specific measures to support immediate-term relief and longer-term economic recovery.

Government Support

- During these uncertain times, we remain focused on delivering more efficient and effective mine-related permitting to better support a future of quality economic growth opportunities.
- The Environment and Land Use Committee continues to work on regulatory efficiency initiatives, focusing on an expedited permitting process and reconciliation initiatives within the mining sector.
- Even before the coronavirus pandemic, Government was actively supporting B.C.'s mining and mineral sector.
- With Budget 2019, we invested \$20 million over three years to improve regulatory oversight, while continuing to encourage investment and jobs.
- With Budget 2020, we reinforced our commitment to completing the MJTF actions, including:

- Extending the new mine allowance under the Mineral Tax Act for five years to 2025.
 - Removing the geographical restrictions on PST exemptions for businesses in the manufacturing and resource industries who want to purchase machinery and equipment used for pollution control and waste management.
- Work with the Mining Association of B.C. on developing the B.C. Mining Innovation Roadmap is ongoing.
 - The Roadmap will be more important than ever as we seek to strengthen B.C.'s mining innovation ecosystem and to create a more agile regulatory process for the adoption of new and innovative technologies.

Mining Jobs Task Force

- Following through on the remaining Mining Jobs Task Force (MJTF) recommendations is still a priority for Government.
- Based on the recommendations made by the MJTF, this government has:
 - Made the B.C. mining flow-through share tax credit permanent in Budget 2019.
 - Made the B.C. Mining Exploration Tax Credit permanent in Budget 2019.
 - Invested \$20 million in the ministry over three years to ensure clear separation between Mines Competitiveness and Authorizations, and Mines Health, Safety and Enforcement to address mandate letter commitments and the Auditor General's concerns with compliance and enforcement.
 - Made progress on improving how mining applications are processed and establishing an independent oversight unit.
 - Provided \$1 million for the development of a Mining Innovation Roadmap
 - Provided \$1 million for the continuation and expansion of the Regional Mining Alliance
- Using the MJTF recommendations as a starting point, we will continue to engage with the mining sector to identify barriers to investment, improve efficiency within our permitting processes, expand collaboration with Indigenous communities and advance pollution-reduction initiatives.
- The Task Force is meeting regularly in a monitoring and evaluation capacity to provide expertise and ensure progress across the suite of recommended actions.

B.C. RMA

- The Ministry provided \$1 million to form and support the BC Regional Mining Alliance (RMA) over three years.
- The RMA is a partnership between the Province, industry, the Tahltan Central Government and the Nisga'a Lisims government to promote the area in B.C.'s northwest known as 'the Golden Triangle' to the international mining investment community.

- The RMA is a collaborative effort that welcomes opportunities to share our success stories from grassroots exploration, through permitting and into operations, from the perspectives of all partners.
- The RMA continues to promote mining in B.C.'s northwest and demonstrate on a world stage B.C.'s leadership when it comes to successful collaboration and partnership between government, Indigenous communities and industry.
- Considering the influx of investment in 2019 in mineral exploration in the Northwest, we know that the RMA's work will be vital to B.C.'s mining future.

Permitting

- Improving permitting timelines remains one of the top priorities for the Ministry, and we continue to work with internal and external parties on this issue.
- More efficient and effective mine permitting will be key to creating quality economic growth opportunities for British Columbians.
- As a start, we have brought on eight new inspectors focused on permitting and released an Exploration Guidance Document at Roundup 2020 to assist exploration proponents with the application process.
- The Ministry is exploring options to support innovative approaches to efficient permitting through funding and participating in work on the Innovation Roadmap.
- We are working on improvements, including the new online Notice of Work application process.
- The formation of the Regional Operations Branch within the Mines Competitiveness and Authorizations Division is one of the ways EMPR is providing a strong focus on this part of our business.
 - One of the branch's top priorities is to improve permitting timelines for mineral exploration. Part of this involves providing improved external and internal guidance for the application and permitting processes.

Reconciliation

- The mining sector has been, and continues to be, a leader in developing and implementing collaborative decision-making by including Indigenous communities in compliance monitoring and verification.
- Mining is a key employer of Indigenous people in rural and remote communities, and benefit agreements and revenue sharing provide revenue streams to advance community priorities.

- B.C. was the first province to institute revenue sharing with Indigenous communities so they can share directly in mineral tax revenue from mines operating within their traditional territories.
- To date, forty-eight Economic and Community Development Agreements have been signed with forty-eight Indigenous groups, and negotiations towards further agreements are underway or planned.
- We see DRIPA as an opportunity in the resource sector to build relationships and develop real community support with an engaged local workforce.
- This legislation will assist the Province, Indigenous Nations and industry in developing a framework that will lead to successful partnerships going forward.
- The Act does not change how EMPR engages with Indigenous Nations nor how operational decisions are made.
- Any future changes (e.g. amendments to legislation) will be incremental and come after collaboration with all parties, including the business sector, Indigenous nations and local government.
- In the short term, we do not anticipate significant changes to the regulatory framework for mining and mineral exploration.

Industry Investment

- At this moment, the future of investment in B.C. may seem uncertain, but Government is committed to taking steps now to ensure an attractive environment for mining investment in the future, while remaining respectful of environmental standards and engaging with Indigenous communities.
- B.C.'s mineral sector has already proven its ability to stand steady during global downturns – exploration spending in the province remained stable at \$329.5M in 2019, with minimal change from the previous year.
- Significant recent investments by other countries and corporations highlight the attractiveness of British Columbia's mining industry and future potential:
 - \$300M from the Ontario Teachers' Pension Plan
 - \$806.5M from Australian company Newcrest
 - \$338M from Osisko Gold Royalties to purchase Barkerville Gold Mines in the Cariboo.
 - \$275M from American firm Newmont Mining Corporation
- B.C. remains the supplier of choice for the growing pool of international investors concerned about environmental, social and governance outcomes.

Mining & Low-Carbon Economy

- Transitioning to a low-carbon economy is still an essential priority for British Columbia, and we know that mineral exploration and mine development will play a critical role in that transition.
- Many of the resources extracted here in B.C. are required to support electrification of the Province, which is at the heart of our CleanBC plan
- B.C. is well-positioned for the future, with some of the least carbon-intensive mining operations in the world, due in part to our clean, green electricity grid and innovation in the sector.
- Industry continues to work with government and the clean tech sector to develop innovative solutions to reduce emissions and keep B.C. operations competitive.
- The Province's CleanBC program for industry includes the Industrial Incentive Program and the CleanBC Industry Fund. Both provide opportunities to lower emissions while reducing carbon tax costs and for investing directly into emissions reduction projects.
- B.C.'s mining sector provides the minerals, metals and steelmaking coal needed for the growth of emerging technologies such as electric cars, wind turbines and transit systems necessary for a low-carbon future.
- On a global basis, this transition represents a tremendous opportunity for future growth.
- Stemming from the Mining Jobs Taskforce, the Ministry is organizing a multi-stakeholder forum to build awareness and support for responsible market standards and to leverage B.C.'s existing high operational standards, low-carbon footprint and commitment to reconciliation as a valuable brand to align with.

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 30, 2020 Minister Responsible: Hon. Bruce Ralston	Mining and Permitting
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ADVICE AND RECOMMENDED RESPONSE:

s.13

BACKGROUND:

On June 22, 2020, the Ministry of Energy, Mines and Petroleum Resources introduced legislation to amend the Mines Act. The amendments are targeted toward separating regulatory accountabilities, establishing the audit function and strengthening compliance and enforcement.

Specifically, the proposed amendments to the Mines Act include:

ADVICE TO MINISTER

- Creating a new Chief Permitting Officer, distinct from the Chief Inspector of Mines, that will work independently within the ministry to improve the mine permitting process.
- Modernizing and enhancing compliance and enforcement provisions to ensure that we have the tools needed to hold mines accountable.
- Formalizing the creation of the Mine Audits and Effectiveness Unit, which will ensure that mining regulation in B.C. remains effective and aligned with global best practice.
- Increasing Indigenous engagement in compliance, specifically by introducing the authority for inspectors to have representatives of Indigenous Nations accompany them on mines inspections.

These proposed changes to the Mines Act were informed by lessons learned from the Mount Polley dam breach, recommendations made by the Office of the Auditor General and the Mining Jobs Task Force, and consultation with Indigenous Nations, stakeholders and the public.

In 2019, the Ministry created the Mines Competitiveness and Authorizations Division and a Mines Health, Safety and Enforcement Division. The proposed amendments to the Mines Act articulate the distinctions between those two divisions and are targeted toward separating regulatory accountabilities, establishing the audit function and strengthening compliance and enforcement.

This builds on the Province's commitment to advance Mining Jobs Task Force actions and the Province's \$20M investment into the Ministry. This approach is focused on:

- Delivering more efficient and effective mine related permitting to create quality economic growth opportunities for British Columbians,
- Enhancing environmental sustainability and outcomes, and
- Implementing the Province's reconciliation goals by partnering with key Indigenous Nations on mining related opportunities.

Government provided \$1M to develop a BC Mining Innovation Roadmap with MABC to outline a clear path to build on B.C.'s expertise and coordinate our mining innovation sector as well as explore options to support the adoption of innovation through regulatory agility. To maintain mining's place as one of the safest heavy industries in BC, EMPR has appointed a Standing Code Review Committee to ensure provincial regulations remain current and respond to the rapid pace of change in the industry.

Communications Contact:	Holly Tally	250-818-3081
Program Area Contact:	Lowell Constable	
File Created:	June 30, 2020	
File Updated:		

Mining Permits

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Background:

- The Province established the BC Mining Jobs Task Force to review exploration and mining and find ways to strengthen this important industry, to create and sustain good jobs in BC
- In December 2018, the task force submitted its final report to government, including 25 actions for government to support a thriving, competitive and sustainable mining sector. To date, BC has completed 17 of these recommendations and made substantial progress on the others.
- In January 2019, BC acted on some of the recommendations from the report by making the Mining Flow-Through Share (MFTS) tax credit, and the BC Mining Exploration Tax Credit (METC), permanent incentives to support investment.
- BC also committed \$1 million to work with industry and all levels of government to develop a mining innovation roadmap, and an additional \$1 million for the continuation and expansion of the Regional Mining Alliance, which promotes mineral exploration, Indigenous partnerships and mining in BC.
- In 2019, BC invested \$20 million to fund a fair, independent oversight body in the mining sector.
- This new body brings together technical specialists and project management under one accountability to improve the co-ordination and timely review of major mine permits.
- In BC, proposed major mines, major expansions or upgrades to existing mines, and some large-scale exploration or development projects require approval under the Mines Act as per part 10.1 of the Health, Safety and Reclamation Code for Mines in British Columbia.
- The integrated Mines Act and Environmental Management Act permitting process includes a detailed technical review of geotechnical and geoscience information, as well as reclamation and closure plans.
- The Major Mines Office acts as the single point of contact and accountability for the coordination of project-specific advisory committees and key aspects of the permitting process, including consultation and collaboration with Indigenous Nations and strategic issues management, with the goal of improving consistency and timeliness while managing shared jurisdiction among provincial agencies.

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CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 30, 2020 Minister Responsible: Hon. Bruce Ralston	Investments in Mining
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ADVICE AND RECOMMENDED RESPONSE:

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Communications Contact:	Holly Tally	250-818-3081
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File Created:	June 26, 2020	
File Updated:	June 30, 2020	

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CONFIDENTIAL ISSUES NOTE Ministry: Energy, Mines and Petroleum Resources Updated: June 19, 2020 Minister Responsible: Hon. Bruce Ralston	PWC Report – ESG and Mining in B.C.
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ADVICE AND RECOMMENDED RESPONSE:

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BACKGROUND:

PricewaterhouseCoopers (PwC) released a report on June 17, 2020, titled "ESG: Resilience and opportunity in uncertain times" focused on the mining industry in British Columbia in 2019. The report focuses on environmental, social and governance (ESG) factors such as health and safety, community engagement and environmental impacts which will play an important role in the recovery and growth of BC's mining sector.

The report shares the following financial information based on input from survey participants:

The mining sector's price volatility led to a decrease in overall revenue and net income at BC mining companies in 2019:

- Gross mining revenue and net income fell by \$961M (from \$12.40B to \$11.44B) and \$1.79B (from \$3.58B to \$1.80B) respectively.
- Capital Expenditures increased by \$364M (from \$1.13B to \$1.49B) due to increased spending by Teck on enhancements to their coal operations as well as terminal upgrades.
- Direct employment down slightly to 11,784 from 11,930 in 2018.
- Exploration spending was up – mainly driven by gold exploration.

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The report goes on to state that direct payments to government in 2019 hit \$1,057 billion, up from \$953 million in 2018 and \$884 million in 2017. PwC mentions that the increase was likely due to increases in employment taxes, a rise in the carbon tax and mining-related taxes paid to provincial and municipal governments¹. Note that 2020 government revenue forecasts made by the Ministry of Energy, Mines and Petroleum Resources (EMPR) and Ministry of Finance (FIN) paint a different picture given the impact that the COVID-19 crisis has had on commodity markets.

The PwC report also found that 11 of the top 40 companies (28%) are setting public ESG commitments and targets, reporting consistently against them and linking executive and management performance to achieving these measures.

At the beginning of the COVID-19 pandemic, the Province designated the mining sector as an essential service and took several actions that are estimated, to date, to result in approximately \$94M in potential industry benefits in 2020/21, of which \$4M would be direct cost savings.

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CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: Feb. 26, 2020 Minister Responsible: Hon. Bruce Ralston	FRASER INSTITUTE ANNUAL MINING SURVEY 2019
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ADVICE AND RECOMMENDED RESPONSE:

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Background:

For the first time in 10 years, no Canadian jurisdiction ranks in the top 10 for “investment attractiveness” according to mining executives and investors, according to the Fraser Institute's Annual Survey of Mining Companies released February 25, 2020.

British Columbia ranked 19th (down from 18th the previous year) in overall investment attractiveness (out of 76 jurisdictions). B.C. ranked 36th on the survey's policy perception index (up from 44th), and ranked 10th in best practices mineral potential index (up from 13th). Saskatchewan remains Canada's most attractive jurisdiction for investment (ranking 11th on this year's survey index, down from 3rd last year), followed by Ontario (16th up from 20th), and

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Quebec (18th down from 4th).

The report presents the results of the Fraser Institute's 2019 annual survey of mining and exploration companies. This year's survey of mining executives ranks 76 jurisdictions around the world based on their geologic attractiveness (minerals and metals) and government policies that encourage or deter exploration and investment. The survey is an attempt to assess how mineral endowments and public policy factors such as taxation and regulatory uncertainty affect exploration investment.

The survey was circulated electronically to approximately 2,400 individuals between August 20 and November 8, 2019. Survey responses were tallied to rank provinces, states, and countries according to the extent that public policy factors encourage or discourage mining investment.

In February 2020, the Ontario Teachers' Pension Plan signed a \$300m investment deal with New Gold, providing a cash infusion into the New Afton Mine near Kamloops. Under the agreement, the pension fund will acquire a 46% free cash flow interest in the New Afton mine.

In March 2019, major Australian miner Newcrest acquired a 70 percent interest in the Red Chris Joint Venture (RCJV), which operates the Red Chris Mine, for U.S. \$806.5 million.

In July 2018, Newmont Mining Corporation purchased a 50% share in the Galore Creek Mining Corporation partnership for US\$275 million.

Communications Contact: David Sovka
Program Area Contact: Peter Robb
File Created: Feb. 26, 2020

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Carbon Pricing

Highlights:

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Background:

- The Federal carbon price mandate begins at \$10/tonne in 2018 and rises by \$10/year to \$50/tonne in 2022. The federal approach will be reviewed by early 2022 to ensure it is effective and confirm future price increases.
- BC's Carbon Tax was implemented on July 1, 2008 at \$10/tonne and was increased \$5 each year until it reached \$30/tonne in 2012.
- Budget 2018 confirmed BC's Carbon Tax will increase by \$5 per tonne each year starting April 1, 2018 in order to meet the federally mandated carbon price.
- It also confirmed an additional \$40 million per year will be provided to low and moderate income British Columbians through enhancements to the climate action tax credit.
- The enhancement raises the benefit for a family of four by \$50, which is equal to the additional cost they would incur from the \$5 increase to the Carbon Tax.
- BC's climate action tax credit now provides up to \$135 per adult and \$40 per child. A family of four receives up to \$350 annually. The maximum benefit goes to families with income up to \$39,658 and is phased out at higher incomes.
- The Federal Government's carbon tax rebate will provide a family of four in Ontario with \$307 next year, rising each year to \$718 by 2022.
- The CleanBC Program for Industry directs a portion of B.C.'s carbon tax paid by industry into incentives for cleaner operations.
- The program is designed for regulated large industrial operations, such as pulp and paper mills, natural gas operations, refineries, and large mines.
- The CleanBC Program for Industry includes:
 - An Industrial Incentive Program (Incentive) that reduces carbon-tax costs for operations based on performance against world leading emissions benchmarks
 - A CleanBC Industry Fund (Fund) that invests some industrial carbon tax revenue directly into emission reduction projects, helping to make our traditional industries cleaner and stronger.

Mining Jobs and Teck Resources

Highlights:

- On October 24, media reported Teck Resources Ltd. said it will eliminate 500 full-time jobs as a result of global economic uncertainty that's impacting commodity prices.

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Background:

- Teck is a Vancouver based company and operates 4 mines in the province's Elk Valley region.
- The price of metallurgical coal, which is used to make steel, has fallen by about 40% since the summer of 2019 (price has rebounded slightly and is currently sitting at \$151 per tonne).
- On October 24, media reported Teck Resources Ltd. said it will eliminate 500 full-time jobs as a result of global economic uncertainty that's impacting commodity prices.
- Teck said some of the job losses will come through attrition, the expiry of temporary or contract positions and current job vacancies.
- Teck said they are aiming to reduce around \$500 million from its spending plan through the end of 2020.
- The Province established the BC Mining Jobs Task Force to review exploration and mining and find ways to strengthen this important industry, to create and sustain good jobs in BC
- In December 2018, the task force submitted its final report to government, including 25 actions for government to support a thriving, competitive and sustainable mining sector.
- In January 2019, BC acted on some of the recommendations from the report by making the Mining Flow-Through Share (MFTS) tax credit, and the BC Mining Exploration Tax Credit (METC), permanent incentives to support investment.
- BC also committed \$1 million to work with industry and all levels of government to develop a mining innovation roadmap, and an additional \$1 million for the continuation and expansion of the Regional Mining Alliance, which promotes mineral exploration, Indigenous partnerships and mining in BC.

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CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 30, 2020 Minister Responsible: Hon. Bruce Ralston	Mining Jobs Task Force Update
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ADVICE AND RECOMMENDED RESPONSE:

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ADVICE TO MINISTER

BACKGROUND:

In February 2018, Energy, Mines and Petroleum Resources (EMPR) established a B.C. Mining Jobs Task Force (MJTF). The task force included representatives from and engaged with First Nations, the mining industry and communities to develop recommendations on possible actions government could take to bring more certainty to the mining sector and create good jobs, while fulfilling the commitment to lasting reconciliation and implementation of UNDRIP.

In December 2018, the MJTF delivered their final report to government, and in January 2019, government announced it was embracing the recommended actions from the report and allocated funding to support their implementation. EMPR is leading work on MJTF actions, in collaboration with other agencies across government and external partners. The MJTF¹ are regularly engaged for their expertise.

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Communications Contact: Holly Tally
Program Area Contact: Peter Wijkamp
File Created: June 26, 2020
File Updated: June 30, 2020

250-818-3081

**Ministry of Energy, Mines and Petroleum Resources
Mining Jobs Task Force
Updates**

- In December 2018, the Mining Jobs Task Force (MJTF) delivered their final report to government.
- In January 2019, government announced it was embracing the recommended actions from the report and allocated funding to support their implementation.
- The Ministry of Energy, Mines and Petroleum Resources (EMPR) is leading work on MJTF actions, in collaboration with other agencies across government and external partners.
- The MJTF continues to meet monthly and are regularly engaged for their expertise.

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CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: Feb 14, 2020 Minister Responsible: Hon. Bruce Ralston	Mining Audits and Regulatory Oversight
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ADVICE AND RECOMMENDED RESPONSE:

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BACKGROUND:

Fully funded through Budget 2019, the Ministry of Energy, Mines and Petroleum Resources (the Ministry) has established the Mine Audits and Effectiveness Unit (Audit Unit). The Audit Unit is a dedicated, fully-resourced team within the Ministry that is separate and independent from other regulatory functions, including permitting, compliance and enforcement. This new team is conducting audits to assess the effectiveness of the regulatory system for mining in protecting workers, the public and the environment.

Each audit generally focuses on an area of mining operations that is regulated by the Ministry (e.g., tailings storage facilities). In conducting an audit, the Audit Unit assesses the effectiveness of mining regulation in this specific area based on an assessment of: mining sector compliance, safety and environmental performance; Ministry policies, programs practices and actions; and current regulatory requirements. Each audit will culminate in a public report with recommendations to improve mining oversight and ensure alignment with global best practice.

The Audit Unit will release an annual Audit Plan outlining the audit topics it will prioritize each year. The Audit Plan will be informed by industry trends, previous audit findings and suggestions from stakeholders and Indigenous partners.

The Audit Unit's Audit Plan for 2019/20 sets out the following audit topics:

- Requirements for tailings storage facilities introduced following the Mount Polley disaster, including an assessment of industry compliance.
- The Ministry's regulatory framework for protecting workers in mobile equipment operator cabs at mines.

The Ministry has also established a Mines Investigation Unit with the expertise to investigate incidents, make recommendations for future prevention, and pursue administrative monetary penalties or prosecutions, when warranted. This year has seen the first successful prosecutions under the Mines Act in two decades, as well as the first ever Administrative Monetary Penalties using a new regulation that came into force in 2017:

- In March 2019, EMPR issued an administrative monetary penalty to Pinegreen Gold Mining (Canada) Ltd. for commencing mining activities without the required permit.
- In October 2019, EMPR issued an administrative monetary penalty to Davis Mining & Exploration Corp. for contraventions, including failing to notify an inspector of a Dangerous Occurrence within the required timeframe.
- In January 2020, EMPR issued an administrative monetary penalty to South Island Aggregates for contravening a suspension of work order.
- Enforcement actions are posted at <https://mines.nrs.gov.bc.ca/enforcement-actions>, as available.

Building on these recent results, proposed Mines Act amendments are intended to further strengthen government's ability to hold mines accountable, including increasing the offence limitation period from three to five years in both the Mines Act and the Environmental Management Act. Additionally, the proposed amendments support EMPR's ongoing efforts to increase Indigenous engagement in compliance, specifically by introducing the authority for inspectors to bring Indigenous Nations with them on mines inspections.

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	Karina Sangha	
File Created:	Feb. 10, 2020	
File Updated:	Feb. 14, 2020	

Ministry of Energy, Mines and Petroleum Resources
Key Messages
Mines Act – What We Heard Report
February 10, 2020

What We Heard Report

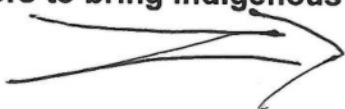
- Mineral exploration and mine development are fundamental industries in B.C. and will continue to play a critical role in the growth of our province and the transition to a low-carbon economy.
- Earlier in the fall of 2019, we reached out to British Columbians about our proposed changes to the Province's Mines Act to improve regulatory oversight of mining in B.C.
- Based on this public feedback, we released a What We Heard report – available on the govTogetherBC website.
- From 134 online responses, 20 emails and 5 written responses, we found that:
 - the environment and human health are top priorities for British Columbians,
 - there is support for mines being held accountable with appropriate enforcement action,
 - there needs to be clear separation between permitting and health, safety and enforcement for decision makers,
 - there is support for the establishment of an independent oversight unit, and
 - permitting processes need to be more efficient and more timely.
- Our proposed changes to the Mines Act were informed by and in response to:
 - Lessons learned from the Mount Polley mine disaster,
 - The recommendations made by the Office of the Auditor General for B.C.,
 - The recommended actions made by the Mining Jobs Task Force, and
 - Aligning with other provincial regulators with permitting responsibilities separated from enforcement and modernizing compliance and enforcement provisions.
- Proposed changes include:
 - Formalizing structural separation between regulatory functions to enhance to competitiveness and mine health and safety,
 - Formally establishing an independent oversight function, and
 - Enhancing compliance and enforcement.

Increased Oversight:

- We have created the new Mine Audits and Effectiveness Unit (Audit Unit), which will conduct independent audits to evaluate the effectiveness of mining

regulations in protecting workers, the public and the environment.

- **The Audit Unit currently has two audits underway:**
 - **Requirements for tailings storage facilities introduced following the Mount Polley disaster, including an assessment of industry compliance.**
 - **The Ministry's regulatory framework for protecting workers in mobile equipment operator cabs at mines.**
- **Every EMPR audit will generate a public report with recommendations to improve regulatory oversight and increase industry safety.**
- **We have also established a Mines Investigation Unit to investigate incidents and make recommendations for future prevention, and to pursue administrative monetary penalties or prosecutions when warranted.**
- **In June 2019, we announced a Standing Code Review Committee comprised of representatives from Indigenous nations, industry and labour unions to review the Health, Safety and Reclamation Code for Mines in B.C. That review is under way.**
- **The proposed Mines Act amendments support our ongoing efforts to increase Indigenous engagement in compliance, specifically by introducing the authority for inspectors to bring Indigenous Nations with them on mines inspections.**



Permitting:

- **We are committed to creating an attractive environment for mining investment, while remaining respectful of environmental standards and engaging with Indigenous communities.**
- **This includes following through on our commitment to complete all 25 of the Mining Jobs Task Force recommendations, the majority of which have been completed or substantially started.**
- **It also includes developing an improved and properly resourced approvals process to assess mining permit applications.**
- **We want to advance B.C.'s regulatory excellence in the mining sector.**
- **More efficient and effective mine permitting will create quality economic growth opportunities for British Columbians.**
- **As a start, we have brought on eight new inspectors focused on permitting and released an Exploration Guidance Document at Roundup 2020 to assist exploration proponents with the application process.**

-
- **We recognize there is a lot of work to do and are committed to working with all parties to ensure we have a growing, world-class mining jurisdiction that all British Columbians can be proud of, and that is the backbone of our low carbon economy.**
-

ADVICE TO MINISTER

CONFIDENTIAL ISSUE NOTE

Ministry: Energy, Mines and Petroleum
Resources

Date: Jan 23, 2020

Minister Responsible: Hon. Bruce Ralston

Taseko - New Prosperity Mine Project

ADVICE AND RECOMMENDED RESPONSE:

s.13; s.16

BACKGROUND:

In December 2019, it was announced that the Tsilhqot'in National Government (TNG) and Taseko Mines would pause certain litigations while engaging in discussions to find a resolution to the long-standing conflict over the proposed New Prosperity gold-copper mine project southwest of Williams Lake. The Province has been asked to facilitate these discussions. At the request of the involved parties, the BC Environmental Assessment Office has placed Taseko's application to amend the current environmental assessment certificate application in abeyance for one year.

TNG and Taseko appeared in the B.C. Supreme Court (BCSC) on July 29, 2019, to argue the competing injunction applications: Taseko seeking to order TNG protestors from interfering with permitted work, and TNG to stop Taseko from carrying out such work until the TNG Civil Claim alleging the activities will infringe their rights is determined.

On September 6, 2019, the BCSC ruled that the TNG's injunction application should succeed, barring Taseko from doing any work until the court rules in the broader case: whether the drilling

ADVICE TO MINISTER

program infringes on the Tsilhqot'in Nation Indigenous rights. It is unknown at this time whether Taseko will appeal this decision.

A June 13, 2019, Supreme Court of Canada (SCC) decision resulted in Taseko being able to proceed with exploratory activities. In July 2017, subsequent to consultation with the TNG, Taseko was issued a notice of work permit to conduct exploratory work at the site. An EA Certificate is not required to conduct exploratory work.

Taseko provided letters to the TNG stating their earliest start date for work would be July 2, 2019 and invited the TNG to participate in the work program. On July 1, Taseko's contractors attempted to mobilize equipment to the site but were stopped by four TNG representatives including Chief Joe Alphonse and Chief Russell Mey. Taseko received a letter stating that they do not have the consent of the TNG to undertake any work associated with their *Mines Act* permit. RCMP have been involved with keeping communications open and peaceful.

On July 3, 2019, TNG stated that they intend to proceed with their notice of civil claim, which names Taseko and the Province as Defendants and asserts that the activities infringe their proven and asserted Aboriginal rights at Fish Lake. On July 25, 2019, the province was advised of the partial destruction by fire of a bridge on a forestry service road, an access route to Teztan Biny Lake, the center of the controversy between Taseko and TNG over the Project.

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The Initial Environmental Assessment Certificate:

In 2010, Taseko was granted a provincial Environmental Assessment Certificate for the Prosperity Gold Copper Project, a proposed open-pit mining project to be located southwest of Williams Lake. In 2010, the federal government rejected the Project. In 2011, Taseko submitted a revised project proposal in 2011, but a subsequent federal review again resulted in another rejection in 2014. The Project's environmental certificate was extended in 2015 for a further 5 years. The Project was strongly opposed by the TNG, including its potential environmental impact and the proposed use of Fish Lake as a tailings pond. The Project falls within an area over which the courts have declared that the TNG have Aboriginal rights to hunt and trap and to trade the products of those activities. In June 2014, the SCC made a declaration of Aboriginal title to an area in close proximity to the New Prosperity area, but not including the area itself.

Communications Contact:	Holly Tally	250-818-3081
Program Area Contact:	Heather Cullen	250 565-4131
	Rick Adams	250 828-4583
File Created:	Feb. 2, 2017	
File Updated:	Jan. 22, 2020	

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 15, 2020 Minister Responsible: Hon. Bruce Ralston	Govt Supports for Mining – COVID-19
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BACKGROUND:

Mining is a vital employer and economic driver in both rural and urban areas of the province – each direct job at a mine or smelter in B.C. supports at least two jobs in supply or services. Mining and related sectors in B.C. provide jobs for more than 30,000 people in communities throughout the province and have a production value of more than \$9B. Over 3,700 B.C. suppliers across the province provide \$2.9B worth of goods and services to B.C. mining operations.

Government responded to the COVID-19 pandemic with immediate action:

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- Designating the mining sector as an essential service, providing operators with certainty during these uncertain times.
- Cutting the school tax in half, providing the sector with \$1 million in savings.
- Extending the tax filing and payment for the Employer Health Tax to September 30, 2020.
- Extending all claims and leases, as well as all coal licenses and leases, to December 31, 2021, giving recorded holders more time to register work, make cash in lieu of work payments, and make rental payments.
- Placing the planned carbon tax increase that was to come into effect on April 1st on hold.
- Allowing for the extension of mineral and coal exploration permits to December 31, 2021 to help those who will not be able to get out in the field during the 2020 season or will be undertaking a reduced field program.
- Extending the transitional framework for the CleanBC Industrial Incentive Program (CIIP) and providing early partial payment (40%) of CIIP rebates.
- Charging zero interest on outstanding mineral tax balances for companies that cannot afford to make their payments.

The Provincial Health Officer has provided health and safety guidance to mining and smelting operations for use during the COVID-19 pandemic.

Recognizing that electricity is one of the largest operating costs for industry, industry is able to defer 50% of their BC Hydro bill payments to the end of August and an additional three-month extension of this deferral is under consideration. For mines operating in the province, this new measure builds on BC Hydro's existing Mining Customer Payment Program (MCP). All major operating mines can defer 50% of their bill payment for three months and copper and coal mines can defer up to 75% of their bill payments under the terms of the MCP.

In the long-term, as part of the COVID-19 Action Plan announced by the Finance Minister, government has allocated \$1.5 billion to build an economic recovery plan in partnership with business and labour. The Ministry is closely engaged with provincial associations and industry on COVID-19 impacts and is examining sector-specific measures to support immediate-term relief and longer-term economic recovery.

As part of the Mining Jobs Task Force recommended actions, work with the Mining Association of B.C. on developing the B.C. Mining Innovation Roadmap is ongoing. The Roadmap will be more important than ever as we seek to strengthen B.C.'s mining innovation ecosystem and to create a more agile regulatory process for the adoption of new and innovative technologies.

The formation of the Regional Operations Branch within the Mines Competitiveness and Authorizations Division is one of the ways EMPR is providing a strong focus on this part of our business. One of the branch's top priorities is to improve permitting timelines for mineral exploration. Part of this involves providing improved external and internal guidance for the application and permitting processes.

Communications Contact:	Holly Tally	250-818-3081
Program Area Contact:	Peter Wijkamp	
File Created:	June 9, 2020	
File Updated:	June 15, 2020	

ADVICE TO MINISTER

CONFIDENTIAL ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: March 31, 2020 Updated: June 12, 2020 Minister Responsible: Hon. Bruce Ralston	COVID-19 – Industrial Work Camps
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ADVICE AND RECOMMENDED RESPONSE:

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KEY FACTS REGARDING THE ISSUE:

Guidelines directed at both large industrial camps as well as small camps have been created and are located at: <http://www.bccdc.ca/health-info/diseases-conditions/covid-19/employers-businesses/industrial-camps> and on the PHO website for small camps: <https://www2.gov.bc.ca/assets/gov/health/about-bc-s-health-care-system/office-of-the-provincial-health-officer/covid-19/covid-19-pho-guidance-natural-resource-sector-work-camps.pdf>

The guidelines include: prevention measures and control in camps; plans on how to manage individuals with suspected COVID-19 infection; outbreak protocols; support for camp residents who are self-isolating; enacting physical distancing; and ensuring sufficient infection-control supplies.

The PHO has issued numerous updates with orders/guidance in the past few months:

May 14, 2020 – Order that all worksites must have a COVID-19 plan in place.

May 13, 2020 – Guidance that applies to employers, camp operators, workers, and contractors working in the natural resource sector and living in employer-provided industrial camps during the COVID-19 pandemic.

April 28, 2020 – Guidance that assists employers to develop an operational protocol that helps implement the April 23 order, and other orders, notices, and guidance issued by PHO Office.

April 23, 2020 – Industrial camps order - Guidelines for construction sites and industrial work camps to support their response to the COVID-19 pandemic and to keep workers safe including direction for worksites to develop an infection prevention and control protocol.

Industrial camps typically vary in size depending on the project they service. Small industrial camps (under 20-30 residents) have few amenities and may only be used for short periods of work (i.e. they tend to be more temporary than large ones). Large industrial camps (greater than 100 and up to thousands of residents) typically have recreational amenities and may be used for a number of months or years.

Site C

BC Hydro has been monitoring COVID-19 since early January 2020 and taking action on the Site C project as the situation evolves.

Work at the dam site was scaled back in mid-March to focus on essential activities and critical work required to meet river diversion later this year. This brought the overall workforce staying at camp down by about 50 per cent and helped reduce densification at the site and worker accommodation lodge.

BC Hydro worked with Northern Health to implement measures to improve health and safety at site in alignment with provincial health guidelines. This included enforcing social and physical distancing both in camp and at the work sites, enhancing cleaning procedures in the worker accommodation, closing common areas and closely monitoring worker health while on site.

A health screening process has also been implemented for all workers accessing the site, including the B.C. Ministry of Health COVID-19 self-assessment questionnaire, along with a non-invasive temperature scan. These measures will remain in place.

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On May 14, 2020, BC Hydro announced that based on additional guidance from the Provincial Health Officer, Ministry of Health and Northern Health regarding limiting the spread of COVID-19, it will implement a phased approach to increase the number of workers staying at the worker accommodation over the course of spring and summer 2020.

At each stage, camp capacity will be assessed to ensure it aligns with Health Authority, Government, and WorkSafeBC guidance and is acceptable to provincial health inspectors before being increased by the next increment.

LNG Canada

In Kitimat, the workforce was reduced during the COVID-19 pandemic. People are gradually returning and there are now over 1,000 people currently (June 2020) working. Environmentally sensitive activities to protect birds, fish and water has been maintained. Schedule-sensitive activities also moved forward, including construction of the Cedar Valley Lodge – the future onsite workforce accommodation. LNG Canada remains on schedule for operation mid-decade.

Coastal GasLink

Construction on the Coastal GasLink pipeline ramped down during spring break-up period, which coincided with the COVID-19 pandemic. This is the time of year when field construction work is reduced due to soft ground conditions caused by melting snow and thawing ground conditions. Coastal GasLink is now in the process of gradually ramping up their activities over the coming months and currently (June 2020) has approximately 800 people working on the pipeline. Primary work includes environmental monitoring and field work, grading, grubbing and workforce accommodation establishment to position the project for pipe assembly and installation later in the summer.

Mining

Mines across the province have shifted to extended rotations for personnel to limit the number of rotations moving on/off site from the mine. Similarly, personnel coming to site are being screened prior to moving on/off site.

The mines have all endeavoured to apply and adhere to the PHO guidelines in terms of reconfiguring communal areas to promote physical distancing while also removing any points of contact through food service or preparation. Sanitation and cleaning efforts have been enhanced across all mine sites, and extensive signage and measures put in place to support appropriate personal hygiene among employees.

Communications Contact: Kent Karemaker
Program Area Contact: Jen Anthony

250-886-5400

File Created: March 31, 2020
File Updated: June 12, 2020

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: August 4, 2020 Minister Responsible: Hon. Bruce Ralston	Global Tailings Review
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ADVICE AND RECOMMENDED RESPONSE:

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- **EMPR is committed to continuous improvement of the Code and regulatory requirements.**
- **We have created a Standing Code Review Committee to ensure that mining continues to be one of the safest heavy industries in B.C. and that provincial regulations remain current and respond to the rapid pace of change in the industry.**

KEY FACTS REGARDING THE ISSUE:

In February 2019, the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP), and the Principles for Responsible Investment (PRI) co-convened the Global Tailings Review (the Review), with the goal of establishing an international standard for the safe management of tailings storage facilities (TSFs). This initiative was prompted by the tailings dam failure in Brumadinho, Brazil in January 2019, which resulted in the loss of over 300 lives.

The Review is overseen by an independent Chair, Dr. Bruno Oberle, supported by an Expert Panel and a Multi-Stakeholder Advisory Group, with representation from civil society, academia, multilateral institutions, oversight institutions, and industry. In drafting the Global Industry Standard on Tailings Management (the Standard), Dr. Oberle has engaged with stakeholders across the globe, including in British Columbia. In September 2019, Dr. Oberle visited several B.C. mines, including Mount Polley and Highland Valley Copper, and met with Ministry representatives to discuss the Review and gather information about B.C.'s regulatory experience.

The draft Standard was made available for public consultation in November 2019. At the time, ICMM, which represents 27 major mining companies across the globe, voiced some concerns with the draft, indicating that some aspects of the Standard may be difficult to implement. In December 2019, the Ministry also reviewed the draft standard and provided substantive commentary from geotechnical, geoscience and reclamation professionals involved in regulation of the BC mining industry and informed by EMPR's experience developing, implementing, and enforcing Tailings Storage Facility (TSF)-specific regulations.

The Review has announced that the final Standard will be released on August 5, 2020, alongside a 90-minute virtual event featuring a panel of representatives including Dr. Bruno Oberle and representatives from UNEP, ICMM and the Church of England Pensions Board.

On June 30, 2020, a coalition of 140 environmental groups worldwide, led by Earthworks and MiningWatch Canada, released a report outlining 16 guidelines or recommendations for the management of TSFs. According to Earthworks and MiningWatch, these guidelines are more stringent than the Standard. The groups are seeking to have their recommendations considered and adopted by regulators.

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Communications Contact:
Program Area Contact:
File Created:
File Updated

Holly Tally
George Warnock
June 30, 2020
August 4, 2020

778-974-3851
778 675-5228

ADVICE TO MINISTER

Confidential GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 22, 2020 Minister Responsible: Hon. Bruce Ralston	Gravel Pit – Old Fort Landslide Fort St. John
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KEY FACTS REGARDING THE ISSUE:

Current situation:

On June 18, 2020, a Ministry of Transportation Area Manager in Fort St. John reported a crack in the realigned section of the road into Old Fort. This road is located atop material displaced in the 2018 Old Fort landslide. The area had been hit with heavy rainfall in recent days.

As of June 19, 2020, the road has been closed by the Ministry of Transportation and Infrastructure (MOTI) as a precautionary measure.

Since the landslide in 2018, an automated monitoring system has been on site at Old Fort to provide continuous updates on any ground movements in the area, and an operating protocol is in place to respond appropriately.

Monitoring is ongoing and no ground movement has been detected near residents.

The mine has remained under EMPR shutdown orders arising from the prior landslide occurrence. No activity has occurred at the mine site in recent months.

Background Information:

On Sept. 30, 2018, a landslide occurred above Old Fort Road near Fort St. John. The landslide carried material over the road resulting in access into Old Fort being cut off. The slide area is located along the flank of the Peace River. The Ministry of Transportation and Infrastructure alerted their stakeholders and initiated a geotechnical inspection.

By Oct 11, 2018 the slide had reached the Peace River and destroyed one home in the evacuation area. The PRRD issued numerous evacuation Orders. As of October 23rd, 2018, the landslide had slowed enough for MOTI to establish a temporary access road over the slide. Most residents were allowed to return to their homes on November 7, 2018 via the new road completed by MOTI.

There is a gravel mine in the area, located just above the slide (AKA Blair's Sand and Gravel). It is owned by Deasan Holdings. This gravel pit has been periodically operated since the 1980's and prior to Deasan Holdings was permitted as Blair's Sand and Gravel and Fort St. John Sand and Gravel. A Mines Act permit was issued August 7, 2018 to Deasan Holdings, the registered owner in fee simple for this pit.

EMPR geotechnical and health and safety inspectors inspected the mine on October 2, 2018 and issued Orders to suspend work at the Mine. Over the coming months, EMPR authorized discrete activities to occur at the site (i.e. removal of equipment, removal of stockpiled gravel from the area impacted by the landslide, site investigation). These activities were carried out with safe work plans, with regular monitoring, under the supervision of a spotter, and in accordance with the guidance of a professional engineer. The site remains subject to the suspension of work order and there has been no mining since September, 2018.

The Chief Inspector of Mines initiated an investigation pursuant to Section 7 of the *Mines Act*

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and that investigation has not yet concluded. The Peace River Regional District released "Emergency Landslide Assessment, Old Fort BC" on December 18, 2018. The cause of the slide has not been determined, but investigations by others point to contributing factors relating to the site geology, hydrology, and pre-existing historic slide planes. Unstable slopes are common in the Peace River valley. When the landslide was first reported in the Alaska Highway News, media questioned if it was related to Site C construction. It is not. Site C is approximately 4 km away from the Deasan pit. BC Hydro commissioned BCG engineering to document the landslide behavior at the Old Fort landslide complex in order to improve preparedness in the event of similar issues in the Site C reservoir area.

Communications Contact:	Holly Tally	250-818-3081
Program Area Contact:	Victor Koyanagi	250-612-7232
File Created:	October 1, 2018	
File Updated:	June 22, 2020	

ADVICE TO MINISTER

<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources Date: June 11, 2020 Minister Responsible: Hon. Bruce Ralston</p>	<p>Willow Creek Mine Curtailment of Operations</p>
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Communications Contact: Holly Tally 250-818-3081
Program Area Contact: Teresa Morris
File Created: June 11, 2020
File Updated:

ADVICE TO MINISTER

CONFIDENTIAL GCPE-MEMPR ISSUE NOTE Ministry of Energy, Mines and Petroleum Resources Date: June 12, 2020 Minister Responsible: Hon. Bruce Ralston	OK Industries Permit Application - Approved
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s.13; s.16

BACKGROUND:

On June 12, 2020, the Highlands District Community Association (HCDA) released a media statement announcing that the HCDA had filed an application to the Supreme Court of BC for a judicial review of the March 18, 2020 decision by the Statutory Decision Maker (SDM) to approve OK Industries' notice of work and application for the development of the proposed Millstream Road Quarry in the District of Highlands.

This is in follow-up to the HCDA's March 19th media statement in opposition to the project. The HCDA has also started a #NotOK campaign and their community petition against the proposal on Change.org has received over 1000 resident signatures and over 3000 signatures from people who live elsewhere.

The HDCA suggests that there is no social license for the project, but rather significant public and local government opposition. The association outlined concerns about potential environmental damage, particularly with respect to soil, surface and ground water contamination from waste disposal sites on neighbouring properties.

s.13; s.16

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s.13; s.16

On March 24, 2017, OK Industries submitted a Mines Act permit application for a quarry on private land off Millstream Road in the District of Highlands. Under its application, OKI proposed to operate an aggregate quarry at the site. The planned quarry is adjacent to Thetis Lake regional park, a hazardous waste disposal site, an industrial park, another rock quarry and the District's aquifer.

s.13; s.16

OK Industries purchased the site from the Province in January 2015. At that time, the District of Highlands Official Community Plan envisioned the land for Commercial Industrial use. OK Industries applied to the District of Highlands in 2015 to rezone the land for a rock quarry but that application was rejected. The Chair of the HDCA told media that the proposed quarry could impact the district's drinking water.

Regulatory Framework: Statutory decisions under the Mines Act and Mineral Tenure Act are made in accordance with legislation. Statutory decision makers are independent and are not subjected to political interference or influence.

The Province is responsible for permitting and regulating aggregate operations, but local governments have the ability to control certain aspects of these operations through various bylaws. Aggregate operations are considered mines and are therefore subject to the *Mines Act*, and the Health, Safety and Reclamation Code for Mines in British Columbia, as well as site-specific permit conditions imposed by mines inspectors.

Local governments can prohibit the extraction of aggregates through a soil removal bylaw that specifically prohibits operation in certain areas. Under the Community Charter, such prohibition requires approval from the Minister of Energy, Mines and Petroleum Resources.

In addition, under the Local Government Act and Community Charter, local governments have the authority to make bylaws that can be applied to aggregate operations. Such bylaws would typically be related to noise, dust, and other matters for which they have jurisdiction.

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When deciding on a permit application for a pit or quarry, the Ministry's SDM may consider prohibitions declared through local government bylaws.

It is the responsibility of the applicant for the *Mines Act* permit to take into consideration any other requirements imposed by local governments in relation to the operation of a pit or quarry.

When the Ministry receives a *Mines Act* permit application for a pit or quarry, it is referred to local government. In circumstances where the local government opposes the application based on zoning, the SDM may consider that opposition and all other relevant information in making a decision.

A judicial review of an SDM decision is possible under the Judicial Review Procedure Act.

Communications Contact: Holly Tally
Program Area Contact: Matt MacLean
File Created: Mar. 15, 2018
File Updated: June 12, 2020

250-818-8031

ADVICE TO MINISTER

<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources Date: Jan. 24, 2020 Minister Responsible: Hon. Bruce Ralston</p>	<p>Imperial Metals permit application in upper Skagit watershed</p>
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BACKGROUND:

On March 20th, the Ministry of Energy, Mines and Petroleum Resources referred Imperial Metals' proposed exploration program in the Silverdaisy area to First Nations and stakeholders. Stakeholders, including the Skagit Environmental Endowment Commission (SEEC) and BC Parks, both provided comments along with a number of BC First Nations, US Tribes, US and BC NGOs and US elected officials.

The referrals are part of EMPR's process in reviewing Imperial Metals' Notice of Work application. The Notice of Work application includes a proposal to construct a 500m access trail, dig 5 trenches, build drill pads and drill 1-2 diamond drill holes adjacent to the trenches.

Under Section 14 of the *Mineral Tenure Act* and Section 10 of the *Mines Act*, the Province's statutory decision-makers have an administrative law obligation to receive, review and consider all applications filed. Statutory decisions under the *Mines Act* and *Mineral Tenure Act* are made in accordance with the legislation using independent delegated decision-makers.

The Ministry of Environment and Climate Change Strategy provided the SEEC with a grant of \$2.4M in 2019 to secure mineral tenures in Manning Park. This transfer was indicated in the Government Transfers documentation publicly released as part of Public Accounts disclosure on July 18, 2019.

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SEEC has expressed concerns regarding potential impacts of mining to the entire Skagit River system. SEEC has attempted to initiate conversations with Imperial Metals to investigate an approach that would include Imperial Metals selling their interests to the SEEC which would like to see the area added to the parks system.

The Silverdaisy "donut hole" area is surrounded by E.C. Manning Provincial Park and Skagit Valley Provincial Park in the Cascade mountain range of Southern B.C. The area was previously protected as part of the original Skagit Valley Recreation Area and E.C. Manning Park but had its protections removed as part of a strategic land use decision in 1995. The donut hole has since been managed under the Silverdaisy Integrated Management Plan which allows resource exploration and development. The area currently includes 145 mineral claims currently held by Imperial Metals.

The Upper Skagit watershed (including Silverdaisy) is recognized in the Ross Lake/Seven Mile Reservoir Treaty between Canada and the U.S. (1984-2064) and is within the purview of the binational SEEC. SEEC is a governance body mandated by the treaty to conserve and protect wilderness and wildlife habitat, enhance recreational opportunities in the Skagit basin, and acquire mineral and timber rights consistent with conservational and recreational enhancement. The commission consists of a Canadian delegation appointed by the Premier of B.C. and a U.S. delegation appointed by the Mayor of Seattle. FLNRORD also plays a coordinating role on behalf of Canada for the SEEC.

Since May 2015, Canadian members of the SEEC have had meetings with the Province to discuss their interests related to Imperial Metals' mineral claims and potential mining operations within the Silverdaisy area. SEEC recently met with Imperial Metals' who indicated that they would like to complete this field season before discussing the sale of these tenures.

In March 2018, the ministers of Forests, Lands, Natural Resource Operations and Rural Development and Environment and Climate Change Strategy discussed SEEC's interest in obtaining the tenures and pursuing land protection; should the SEEC be successful in obtaining the Silverdaisy tenures, the Province would be supportive of evaluating protection options.

Communications Contact:	Holly Tally	250 818-3081
Program Area Contact:	Chris Trumpy	778 698-7295
File Created:	Aug. 17, 2018	
File Updated:	Jan. 24, 2020	

Silvertip Mine

Highlights:

- On February 19, 2020 Coeur Mining Inc. announced its plan to temporarily suspend mining and processing activities at Silvertip silver-zinc-lead mine.
- The company said its decision was based on deteriorating market conditions for lead and zinc as well as processing facility related challenges.

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Background:

- On February 19, 2020 Coeur announced its plan to temporarily suspend mining and processing activities at Silvertip silver-zinc-lead mine.
- The company said its decision was based on deteriorating market conditions for lead and zinc as well as processing facility related challenges.

s.13; s.21

- In June 2015, BC issued a Mines Act permit to Silvertip mine and construction at the site began.
- Silvertip Mine is situated approximately 16 kilometers south of the Yukon border and 90 kilometers southwest of Watson Lake.
- The Province established the BC Mining Jobs Task Force to review exploration and mining and find ways to strengthen this important industry, to create and sustain good jobs in BC
- In December 2018, the task force submitted its final report to government, including 25 actions for government to support a thriving, competitive and sustainable mining sector. To date, BC has completed 17 of these recommendations and made substantial progress on the others.
- In January 2019, BC acted on some of the recommendations from the report by making the Mining Flow-Through Share (MFTS) tax credit, and the BC Mining Exploration Tax Credit (METC), permanent incentives to support investment.
- BC also committed \$1 million to work with industry and all levels of government to develop a mining innovation roadmap, and an additional \$1 million for the continuation and expansion of the Regional Mining Alliance, which promotes mineral exploration, Indigenous partnerships and mining in BC.
- In 2019, BC invested \$20 million to fund a fair, independent oversight body in the mining sector.

Teck: Frontier Project Decision

Highlights:

- On February 23, Teck Resources Limited notified the federal government of its decision to withdraw the Frontier Oil Sands Project Application from the Canada Environmental Assessment process.
- Teck said Canada's lack of a framework that "reconciles resource development and climate change" was a significant contributor to its decision.
- It also said the federal and provincial governments haven't comprehensively addressed questions around Indigenous rights and energy development.
- The Opposition has raised questions about government's support of natural resource projects, BC's economy and investor confidence.

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Background:

- On February 23, Teck Resources Limited notified the federal government of its decision to withdraw the Frontier Oil Sands Project Application from the Canada Environmental Assessment process.
- Teck said Canada's lack of a framework that "reconciles resource development and climate change" was a significant contributor to its decision.
- It also said the federal and provincial governments haven't comprehensively addressed questions around Indigenous rights and energy development.
- Teck Resources Limited is a Vancouver based company and operates 4 mines in the province's Elk Valley region.
- Budget 2020 provides an additional investment of \$419 million to support CleanBC, our climate action strategy.
- This builds on the initial CleanBC investment in Budget 2019, which brings the four year total to nearly \$1.3 billion.
- New funding supports ongoing investments in cleaner transportation.
- This includes providing British Columbians rebates toward the purchase of electric vehicles, and further incentives to help provide the infrastructure to support them, such as home and workplace charging stations.
- Investments include:
 - \$106 million over three years in capital funding for schools universities and hospitals to improve energy efficiency
 - \$155 million in 2022/23 to support the CleanBC Program for Industry
 - \$120 million in enhanced Climate Action Tax Credits in 2022/23 for low- and middle-income families to offset the impact of the carbon tax
- Budget 2020 also meets the Province's commitment for the CleanBC Program for Industry to direct a portion of B.C.'s carbon tax paid by industry towards incentives for cleaner operations, including \$155 million in funding for 2022/23.

ADVICE TO MINISTER

CONFIDENTIAL ISSUE NOTE Ministry: Energy, Mines and Petroleum Resources Date: Jan. 28, 2020 Minister Responsible: Hon. Bruce Ralston	South Island Aggregates
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ADVICE AND RECOMMENDED RESPONSE:

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Key Issues:

- On December 4th, 2019, the Ministry of Environment and Climate Change Strategy announced that the Province had started the certificate of forfeiture process to take over ownership of the land owned by Cobble Hill Holdings near Shawnigan Lake due to outstanding taxes.
- The change in ownership does not impact the closure plan for the landfill.
- The property is still permitted under the *Mines Act* and closed to the public.

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- On January 9, 2020 a \$10K administrative monetary penalty was issued under the *Mines Act* to South Island Aggregates for failing to comply with a suspension of work order that was issued in 2017.
- Administrative penalty decisions are made by a Statutory Decision Maker following consideration of relevant information. These decisions are made publicly available on the BC Mine Information website following the conclusion of a 30 day appeal period, or the conclusion of an appeal process.

Background:

- In October 2017 approximately 76 truckloads of blast rock material from a nearby construction site was deposited at South Island Aggregates (Lot 23) in contravention of an suspension of work order under the Mines Act that prohibited the importation of material.
- Statutory Decision Makers (SDM) must exercise an administratively fair process:
 - On October 16, 2019, the company participated in an opportunity to be heard to ensure that the SDM was presented with all relevant information prior to making a final determination.
 - Following a decision, the named party has 30 days to appeal the decision to the Environmental Appeal Board.
 - The Mines Act and Administrative Penalty Regulation enables penalties of up to \$500,000 depending on the nature of the contravention.
- The company remains responsible for implementing a final closure plan for the landfill situated on the same property (lot 23) under the Ministry of Environment and Climate Strategy Spill Prevention Order.
- Information regarding the landfill, including sampling data, inspection reports, and orders & warnings are posted publicly on the Ministry of Environment and Climate Change Strategy website.
- The Province continues to review and inspect the adjacent permitted mine site (Lot 21).

Communications Contact: Holly Tally
Program Area Contact: Matt MacLean
File Created: Feb. 2, 2017
File Updated: Jan 9 2020

250-818-3081

Hydro Review – Phase 2

Highlights:

- In July 2019, government launched Phase 2 of the BC Hydro review. It will focus on CleanBC electrification targets, new technologies, new roles for Indigenous nations and examining future market opportunities for BC Hydro.
- The Opposition said the review could result in the province taking total control of the clean energy industry.
- They also restated their criticism on government's report that examined BC Hydro's purchase of power from Independent of Power Producers.

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Background:

- In February 2019, government released a report examining BC Hydro's Purchase of Power from Independent Power Producers (IPPS).
- This report found that the previous government pressured BC Hydro to sign long-term contracts with IPPS that will cost BC customers more than \$16 billion over 20 years.
- For an average residential BC Hydro customer, the costs are \$4,000 over the next 20 years, or about \$200 per year.
- Also, in February 2019, government announced the results of Phase 1 of the BC Hydro review. This involved suspending the Standing Offer Program as well as regulatory and legislative changes to enhance BCUC's power to make decisions on rate increases, deferral accounts and capital projects.
- At this time, government also announced the new rate forecast. It was forecast that there would be a cumulative impact of 8.1% over the next 5 years. This was almost 40% lower than the 13.7% cumulative increase for the same period under the previous government's 10-year rates plan.
- In July 2019, government launched Phase 2 of the BC Hydro Review, which focuses on the following:
 - BC Hydro's role in supporting CleanBC and meeting British Columbia's legislated 2030, 2040 and 2050 greenhouse gas reduction targets.
 - Future opportunities or new roles for Indigenous Nations and for communities in the energy sector.
 - Integrating new technologies and electricity market trends into BC Hydro's structure, services and assets while keeping rates affordable.
 - New opportunities for BC Hydro to expand its business in markets outside B.C. for the benefit of ratepayers.
- In August 2019, BC Hydro submitted a request for a rate reduction of 1% starting in April 2020 in an update to its Fiscal 2020 to Fiscal 2021 Revenue Requirements Application with the BCUC.
- The cumulative increase in Hydro rates, if approved, over the next 5 years is estimated to be 6.2%.
- Under the old government's plan, people's rates would have been 55% higher.

Issue: Comprehensive Review (Phase 1 and 2)

KEY MESSAGES

s.13

Updated: January 2020

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BC Hydro Rates

Highlights:

- In August 2019, for the first time in decades, BC Hydro applied to the BCUC for a rate reduction. BCUC is expected to make its decision on this in spring 2020.
- If approved by the BCUC, the cumulative bill increase over the next 5 years will be 55% lower than old government's 10-year rates plan.

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Background:

- In August 2019, BC Hydro submitted a request for a rate reduction of 1% starting in April 2020 in an update to its Fiscal 2020 to Fiscal 2021 Revenue Requirements Application with the BCUC.
- BCUC is expected to make a final decision on the application in spring 2020.
- If approved, the new bill impacts of the new rate forecast will be:
 - April 2020: decrease of 1.0%
 - April 2021: increase of 2.7%
 - April 2022: decrease of 0.3%
 - April 2023: increase of 3.0%
- The cumulative increase in Hydro rates, if approved, over the next 5 years is estimated to be 6.2%.
- When government announced the results of the Phase 1 Hydro Review in February 2019, the culminative 5-year rate increase was estimated at 8.1%.
- This means that that the cumulative bill increase in the August 2019 Hydro rate application is 23% lower than what was announced in February.
- Furthermore, the old government planned a 13.7% increase over 5-years in their rates plan.
- As such, the August 2019 rate application is 55% lower than the rate increase scheduled under the old government.
- BC Hydro's application to the BCUC was based on its audited fiscal 2019 financial results and latest financial forecast.
- The main factors contributing to these results and forecast are: higher-than-anticipated income from its trading subsidiary Powerex, lower-than-anticipated forecast debt financing costs and lower-than-anticipated purchases from independent power producers (IPPs).
- The proposed lower rates build on the results of Phase 1 of government's comprehensive review of BC Hydro. Measures flowing from the review include: actions to keep electricity rates affordable for customers by cutting costs – including by indefinitely suspending the Standing Offer Program for IPPs – and expanding independent oversight of BC Hydro by the BCUC.

Issue: BC Hydro Rates – Core Messaging

Key Messages

s.13

Updated: January 2020

ADVICE TO MINISTER

<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources Date: Sept. 17, 2019 Updated: Jan. 24, 2020 Minister Responsible: Hon. Bruce Ralston</p>	<p>IPP and Biomass EPA Renewals</p>
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ADVICE AND RECOMMENDED RESPONSE:

s.13

ADVICE TO MINISTER

s.13

KEY FACTS REGARDING THE ISSUE:

A number of IPP EPAs of varying resource types are approaching the end of their contract term. These include EPAs for run-of-river, non-storage hydro projects that are due to expire before March 31, 2024. Within this category the EPAs breakdown further into two types of projects:

1. Projects that are connected to the grid; and,
2. Projects in rural and remote areas not connected to the grid (non-integrated areas) that provide an alternative to diesel generation for these BC Hydro non-integrated areas

Phase 2 of the BC Hydro review (which is currently underway), and BC Hydro's IRP (due to be filed with the BCUC by February 2021) will provide long-term direction to guide BC Hydro's approach to expiring EPAs. Until both processes are completed, and the IRP is approved by BCUC, BC Hydro will be assessing its approach to most expiring EPAs on a case by case basis.

s.13; s.17

BCUC Decision on EPA Renewals for Walden North, Sechelt Creek and Brown Lake projects:

On Nov. 8, 2019 the BCUC released its decision rejecting the 40-year EPA renewals filed by BC Hydro for the Walden North, Sechelt Creek and Brown Lake IPP hydro projects.

The energy pricing BC Hydro proposed for the three EPA renewals was lower than the original contract energy prices but higher than current market prices. The BCUC determined that:

- there was insufficient evidence that any of the three EPAs are cost-effective over their respective 40-year contract period,
- it was unable to make any determination that the EPAs are in the public interest at this time and,
- it was adjourning the proceeding for 60 days to allow BC Hydro to address its concerns and to potentially restructure and resubmit its application for EPA renewals for the three IPP projects.

Subsequently on December 16, 2019, BC Hydro requested an extension to the adjournment for an additional 45 days to allow the parties, should they choose, to restructure and resubmit the EPA renewal for a shorter term. The Commission suggested that such shorter term should be no longer than 3 years from the date of the BCUC's Order, to allow sufficient time for a new IRP to be filed and considered. On December 19, 2019, the BCUC accepted BC Hydro's request for an extension of the adjournment and BC Hydro's submission is now due no later February 21, 2020.

ADVICE TO MINISTER

s.13; s.17

Biomass EPA Renewals:

s.13

In addition, biomass energy plants play an important role in the environmentally-sound disposal of waste wood fibre from sawmilling operations and other sources, and biomass energy has the advantage of being a firm and dependable source of power that is always available compared to intermittent sources of energy like non-storage run-of-river, wind and solar.

As an outcome of Phase 1 of the BC Hydro Review, under a Biomass Energy Program (BEP) BC Hydro will offer contracts to the seven biomass energy producers with electricity purchase agreements due to expire prior to December 21, 2021. Prices and volumes of the biomass energy to be acquired by BC Hydro will be lower relative to current contracts, and the contract renewals would be for 10-year terms.

s.13

On April 1, 2019, government issued a direction to the BCUC, requiring the BCUC to approve the resulting biomass EPA renewals, and to allow BC Hydro to recover the costs in rates.

s.13

In the fall of 2019 BC Hydro executed new EPAs under the BEP for two facilities that came into effect on Oct. 1, 2019: Tolko's co-generation plant in Armstrong, which shares a site with Tolko Armstrong's sawmill operations; and Atlantic Power's NW Energy project in Williams Lake.

s.13; s.17

s.13

Background:

Phase 2 of BC Hydro Review:

Phase 2 of the Comprehensive Review of BC Hydro was launched in July 2019. The objective of Phase 2 is to create a strategy, for the benefit of British Columbians, for BC Hydro to continue to provide its customers with clean energy at competitive rates through the continuing evolution of BC Hydro in response to changes in climate, consumer demand, technology and B.C.'s commitment to reconciliation with Indigenous Nations.

ADVICE TO MINISTER

Among many other things, recommendations flowing from the review will impact the amount of energy BC Hydro will acquire in the medium and long-term, particularly to support fuel switching away from use of fossil fuels to clean electricity in the building, transportation and industrial sectors.

In addition, BC Hydro has started the process of developing its next Integrated Resource Plan (IRP). The IRP will be informed by Cabinet decisions coming out of Phase 2. It will include BC Hydro's 20-year forecast for energy and capacity resources to reliably meet customer demand, and a proposed approach for acquiring resources to meet that demand. The IRP will be submitted to the BCUC for approval in spring 2021.

Phase 1 of BC Hydro Review:

Phase 1 of the BC Hydro Review, concluded in February 2019, focused on keeping rates affordable and enhancing regulatory oversight of BC Hydro by the BCUC. As a major cost driver for BC Hydro, energy purchases from IPPs were a key focus of the BC Hydro Review.

To inform the review, the Minister commissioned an assessment by independent consultant, Ken Davidson. According to Mr. Davidson's report:

- Direction from the previous government led BC Hydro to issue multiple calls for power and BC Hydro's IPP portfolio currently includes 105 contracts signed since 2002, which represent forecast financial commitments of over \$47 billion.
- Many of the long-term contracts with IPPs lock BC Hydro into paying \$100 per megawatt-hour or more, when power generated by BC Hydro's heritage assets costs only \$33 per megawatt hour and market value is often \$25 per megawatt hour or less.
- In fiscal 2018, an estimated 81% of payments to IPPs flowed to companies controlled outside of B.C.
- The power purchased was under the wrong energy profile for BC Hydro's needs, as a large number of contracts are with run-of-river projects that can be relied on only during the spring freshet – when there is an abundance of water available in BC Hydro's reservoirs due to snowmelt and market prices are low.
- Contracts signed with IPPs under direction from the previous government will cost BC Hydro customers about \$16.2 billion over 20 years – or \$808 million annually. That's \$200 per year or \$4,000 over 20 years for the average residential customer. To the end of fiscal 2018, \$3.2 billion of that total has already been incurred.

As an outcome of Phase 1 of the BC Hydro Review, in February 2019 BC Hydro's Standing Offer Program was suspended indefinitely. BC Hydro is not accepting any new applications and is not issuing any new EPAs through this program (other than five specific projects announced in March 2018 that are part of Impact Benefits Agreements for First Nations associated with BC Hydro capital projects, and/or mature projects that have significant First Nations involvement).

Communications Contact: Colin Grewar
Program Area Contact: Les MacLaren
File Created: Sept. 17, 2019
File Updated: Jan. 24, 2020

250 952-0650
778 698-7183

BC HYDRO ISSUES NOTE

Issue: ELECTRICITY IMPORTS AND EXPORTS

Spokesperson: Media relations

s.13

BACKGROUND

- BC Hydro buys and sells power with Powerex Corp. – its wholly owned marketing and trading subsidiary – that markets the residual capabilities of the BC Hydro system to improve the security and reliability of electricity supply.
- Inflows into BC Hydro's reservoirs can fluctuate throughout a year, and year-to-year.
 - In years with average or greater water inflows, BC Hydro's generating system has the capacity to produce a surplus of electricity, which it can sell to Powerex to trade.
- The surplus in BC Hydro's system over the past seven years has resulted in it being a net exporter of electricity.
 - Exporting electricity from BC Hydro helps to displace fossil fuel generation, such as coal and natural gas, reducing greenhouse gas emissions in other jurisdictions in the West, including Alberta.
- Since 2011, Powerex has exported six times as much electricity from B.C. to Alberta, as it has imported.
- Powerex will import energy at lower prices to allow BC Hydro to conserve water in its reservoirs for periods of high-demand, or when market prices are high.
- B.C.'s largest source of imports is under the Columbia River Treaty; it can also import from Alberta and other locations in the Western U.S.
- Imports from Alberta represent just 0.46 per cent of total gross supply in BC Hydro's system – and 2 per cent of imports.
- The Ministry of Environment publishes greenhouse gas emissions associated with imported electricity and a fuel mix associated with generation and deliveries to the southern grid.
- In 2018, the greenhouse gas (GHG) intensity of electricity imported to B.C. was 152 tons of carbon dioxide per gigawatt hour (GWh).
 - In comparison, the GHG intensity of coal generation is 1,000 tons of carbon dioxide per GWh and natural gas generation is 500 tons of carbon dioxide per GWh.
- In August 2019, Powerex staff met with MLA Andrew Weaver to provide an overview of its activities.

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Site C Annual Report and Quarterly Progress report (No. 19)

Key Messages

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Questions and Answers

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BC HYDRO ISSUES NOTE

Issue: SITE C 2019 ANNUAL REPORT AND QUARTERLY PROGRESS REPORT (NO.19)

Spokesperson: Dave Conway, Community Relations Manager

ISSUE SUMMARY

On July 31, BC Hydro will file the 2019 Site C annual report, as well as quarterly progress report no. 19, with the BC Utilities Commission. Both reports identify overall project health and cost as being at risk, while quarterly report 19 outlines additional cost and schedule pressures resulting from COVID-19.

BACKGROUND

- The annual report covers Jan. 1 to Dec. 31, 2019 and includes quarterly report #18 (Oct. 1 to Dec. 31, 2019); quarterly progress report no. 19 covers Jan. 1 to Mar. 31, 2020.
- The reports use a dashboard system where key project areas are classified as red (at risk), amber (moderate issues) or green (on target).
- Both reports classify overall project health and cost as "red", signifying there are serious concerns due to identified cost pressures.
- In addition, quarterly report #19 also classifies project scope and schedule as "red", largely due to:
 - increased cost and schedule pressures resulting from the scale-back of work on March 18 due to the COVID-19 pandemic; and
 - the need for enhancements to the foundations of structures on the right bank, including the powerhouse, spillways and earthfill dam.
- The other subcategories (safety, quality, regulatory, permits and tenures, environment, procurement, Indigenous relations, litigation and stakeholder engagement) are classified as either "amber" or "green."

COVID-19 pandemic

- Quarterly progress report no. 19 describes how the COVID-19 pandemic has had material impacts on safety, cost and schedule for the project.
- In response to the pandemic, project work was scaled-back on March 18 to focus on critical work, including work to meet 2020 river diversion.
 - This reduced the work force housed in the worker accommodation camp by about 50 per cent.
- While the project remains on schedule to achieve river diversion in fall 2020, there is uncertainty with the project's schedule and in-service date due to COVID-19.

- The report notes various cost and schedule impact scenarios continue to be assessed and refined due to the future uncertainty surrounding the pandemic.

Cost

- Prior to the pandemic, the project was facing significant financial pressure as outlined in the 2019 annual report including:
 - contract amendments, additional labour requirements, increased utilization of the worker's lodge, and estimated site reclamation costs;
 - First Nations treaty infringement claims and the injunction;
 - changes in scope and design have increased costs for reservoir clearing, transmission line construction and highway re-alignment work, and;
 - enhancements to the foundations of structures on the right bank.
- As at Mar. 31, 2020, approx. 76 per cent of the project's contingency had been drawn.
 - BC Hydro expects to request a draw on the project reserve in fall 2020, as needed.

Main civil works

s.13

Foundational enhancements

- Both the annual report and quarterly report no. 19 reference additional foundation enhancement work that needs to take place on the project in response to the geological mapping and monitoring of instrumentation that was completed.
- In late December 2019, investigations and analysis identified that foundation enhancements would be required to increase the stability below the powerhouse, spillway and future dam core areas.
- These investigations and analysis were reported to the Project Assurance Board in early January 2020.
- By the end of March, BC Hydro had learned more about the geotechnical challenges.

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KEY MESSAGES

s.13

Supporting Messages

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BC HYDRO ISSUES NOTE

Issue: SITE C: COVID-19 WORKFORCE RECOVERY PLAN
Spokesperson: Dave Conway, Community Relations Manager

s.13

BACKGROUND

- BC Hydro has been monitoring COVID-19 since early January 2020 and taking action on the Site C project as the situation evolves.
- On March 18, BC Hydro announced it was substantially reducing certain work activities on the project in response to the increasing escalation of provincial measures to manage the pandemic.
 - Work at the dam site was scaled back to only those activities that were critical to achieve river diversion and essential services such as site security and environmental protection.
 - Work continued as planned in off-site project areas (i.e. Highway 29 realignment, transmission line and reservoir clearing work) as most of these workers don't stay in the camp and can more easily practice physical distancing on their work sites.
- Based on additional guidance from the Provincial Health Officer, Ministry of Health and Northern Health regarding limiting the spread of COVID-19, BC Hydro is currently implementing a phased approach to restart work.
- The phased approach will increase the number of workers staying at the worker accommodation over the course of spring and summer 2020.
 - The worker accommodation has 2,200 rooms.
- At each stage, camp capacity will be assessed to ensure it aligns with Health Authority, Government, and WorkSafeBC guidance and is acceptable to provincial health inspectors before being increased by the next increment.
- The first increase in work that was initiated involved restarting some of the main civil works on the earthfill dam and roller compacted concrete dam buttress.
- BC Hydro will closely monitor the situation as the number of workers staying in camp and working on the dam site is increased so that any issues can be quickly addressed and compliance with current provincial guidance is maintained.

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BC HYDRO ISSUES NOTE

Issue: FORCE MAJEURE NOTICES TO SELECT IPPS
Spokesperson: Media Relations

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BACKGROUND

- The COVID-19 pandemic has resulted in a nearly 10 per cent drop in provincial energy demand.
 - This could decrease by 12 per cent or more by April 2021– more than double the decline in demand following the 2008 recession.
- The spring freshet (snowmelt) began in late April and is expected to last until July, bringing the highest inflows into BC Hydro's reservoirs.
- This has led to a large surplus of power in BC Hydro's system leading to its reservoirs nearing capacity.
- BC Hydro must take immediate action to address public safety and environmental risks, including spilling, limiting generation (from its own facilities and IPPs) and exporting.
- The majority of the IPPs that BC Hydro has electricity purchase agreements (EPAs) produce the greatest amount of energy during the spring freshet – accounting for about 29 per cent of BC Hydro's total generation during this time of year.
 - This excess generation from IPPs creates further challenges for BC Hydro.
- BC Hydro has provisions within its EPAs with IPPs related to situations involving pandemics that allows it to reduce its power purchases.
- On May 8, BC Hydro notified the BCUC, Clean Energy BC and IPPs that it was considering enacting these provisions.
- On May 19 and 21, BC Hydro issued force majeure notices to 15 select run-of-river IPPs, including:

s.13; s.17; s.21

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NEWS RELEASE

For Immediate Release
2020PREM0018-000611
April 1, 2020

Office of the Premier
Ministry of Energy, Mines and Petroleum Resources

Province supporting people with relief on power bills during COVID-19

French and Punjabi translations available

VICTORIA – The Government of British Columbia and BC Hydro are helping people, small businesses and industries most impacted by the novel coronavirus (COVID-19) pandemic.

“We are facing unprecedented challenges due to COVID-19. People are out of work, and businesses are facing tough choices about whether they can stay open,” said Premier John Horgan. “Giving people relief on their power bills lets them focus on the essentials, while helping businesses and encouraging critical industry to keep operating.”

BC Hydro will offer new, targeted bill relief to provide immediate help to those most in need.

Residential customers who have lost their jobs or are unable to work as a result of COVID-19 will receive a credit to help cover the cost of their electricity bills. The credit will be three times their average monthly bill over the past year at their home and does not have to be repaid.

Small businesses that have been forced to close due to COVID-19 will have their power bills forgiven for three months. BC Hydro is waiving bills for these customers from April to June 2020.

Major industries, like pulp and paper mills and mines, will have the opportunity to defer 50% of their bill payments for three months.

“People who have lost their jobs or are unable to work due to COVID-19 shouldn’t have to choose between paying their rent or mortgage and paying their hydro bill,” said Bruce Ralston, Minister of Energy, Mines and Petroleum Resources. “These measures will also provide relief to small businesses such as restaurants and retail shops who have had to close during COVID-19, and support them in reopening once the pandemic has passed.”

In addition to this new targeted bill relief, BC Hydro rates will be reduced by 1% on April 1, 2020, after the B.C. Utilities Commission provided interim approval of the application BC Hydro submitted last August. This is the first rate decrease in decades.

“We recognize the financial stress many of our customers are facing after losing their job or having to close their business as a result of the COVID-19 pandemic,” said Chris O’Riley, president and chief executive officer, BC Hydro. “We hope that not having to worry about their electricity costs for a few months will help provide some temporary relief during these challenging times.”

On March 13, 2020, BC Hydro introduced its COVID-19 Customer Assistance Program to provide residential and commercial customers with the option to defer payments or arrange a flexible

payment plan to help pay their BC Hydro bills.

Quick Facts:

- The average residential customer's bill is \$159 per month, so the average credit provided will be \$477. Some customers may also be eligible for BC Hydro's existing Customer Crisis Fund, which provides access to grants of up to \$600 to pay their bills.
- The average bill savings for small businesses who qualify will be \$121 per month, so the average total bill savings will be \$363.
- BC Hydro has halted all service disconnections for non-payment during COVID-19 and cancelled all non-emergency planned power outages affecting its customers.
- The Province's COVID-19 Action Plan includes a new BC Emergency Benefit for Workers that will provide a one-time \$1,000 payment to workers whose ability to work has been affected by the outbreak that will add to benefits that are received under federal supports.
- The Government of B.C. is also providing support for businesses through a 50% cut in school property taxes this year and allowing deferrals of a range of tax remittances that complement federal measures like the wage subsidy and interest-free loans.

Learn More:

For further details on BC Hydro's response to COVID-19, visit:

<https://www.bchydro.com/news/conservation/2020/covid-19-updates.html>

For information and supports that are not health-related, call 1 888 COVID19 anytime between 7:30 a.m. and 8 p.m., seven days a week, or visit: www.gov.bc.ca/COVID19

For information on the Government of Canada's response to COVID-19, visit:

<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>

For information on the cancellation of non-emergency planned power outages, visit:

<https://www.bchydro.com/power-outages/app/outage-conditions.html>

Translations:

For a Punjabi translation: http://news.gov.bc.ca/files/NR-BG_BC-Hydro-COVID-Relief_Punjabi.pdf

For a French translation: http://news.gov.bc.ca/files/NR-BG_BC-Hydro-COVID-Relief_FR.pdf

A backgrounder follows.

BACKGROUND

For Immediate Release
2020PREM0018-000611
April 1, 2020

Office of the Premier
Ministry of Energy, Mines and Petroleum Resources

BC Hydro COVID-19 relief measures

The Government of B.C. has worked with BC Hydro to provide relief for residential, small business and industrial customers most impacted by the COVID-19 pandemic.

BC Hydro is working with government and other organizations to simplify customer applications for relief.

While these programs are targeted for customer categories, as described below, to ensure help is going first to those who need it most, any individuals or businesses having difficulty paying their electricity bill are encouraged to call BC Hydro's customer service team at 1 800 BCHYDRO (1 800 224-9376) to discuss options to defer payments or arrange a flexible payment plan.

To ensure BC Hydro can provide emergency bill relief quickly and effectively government has issued a direction to the B.C. Utilities Commission to approve the programs.

BC Hydro will implement the changes to its systems and websites for customers to access the new programs. Customers will have until June 30, 2020, to apply for relief.

The relief measures will be in place for three months but will be re-evaluated prior to the program's end date to determine effectiveness and ongoing need.

Residential customers:

Residential customers who have lost their jobs, or are unable to work as a result of COVID-19, will receive a bill credit of three times their average monthly bill. The credit does not need to be repaid.

BC Hydro will implement a streamlined application process, requiring customers to provide only proof of job loss or inability to work due to COVID-19.

Residential customers have until June 30, 2020, to apply for bill relief.

Some customers facing temporary financial hardship and possible disconnection of their service due to job loss, illness or loss of a family member may also be eligible for BC Hydro's existing Customer Crisis Fund, which provides access to grants of up to \$600 to pay their bills.

Small business customers:

Businesses with accounts in BC Hydro's Small General Service rate category that have been forced to close due to COVID-19 will have their power bills forgiven for three months – for electricity used between April and June 2020, with no repayment required.

The Small General Service rate category captures customers that have an annual peak demand less than 35 kilowatts, typically stores, restaurants, tourism operations, the personal services sector and other small businesses.

Businesses with accounts in BC Hydro's Medium and Large General Service rate categories will still be able to defer their electricity bills without incurring late payment fees under BC Hydro's existing COVID-19 Customer Assistance Program.

Industrial customers:

Eligible industrial customers with accounts in BC Hydro's Transmission Service rate category (rate schedules 1823 and 1828) will have the opportunity to defer 50% of their electricity bill payments for the March 2020 to May 2020 billing period.

B.C.'s major industries have accounts in BC Hydro's Transmission rate category. These customers use large amounts of energy and represent about 25% of BC Hydro's domestic electricity load in B.C.

Industrial customers will pay interest on deferred amounts with repayment to occur according to a prescribed plan that requires nine months of equal payments with the first payment due on Sept. 1, 2020.

Copper and coal mines will have the option of deferring 50% of their bill payments for the March 2020 to May 2020 billing period, or deferring up to 75% of their bill payments under the terms of BC Hydro's Mining Customer Payment Program (MCP) - whichever offers the greatest benefit. Repayment would commence according to a prescribed payment plan of nine months of equal payments with the first payment due on April 12, 2021.

- The MCP allows operating mines to defer up to 75% of their electricity bill payments when the market price of copper or coal drops below a certain threshold. The market price for both copper and coal was above the threshold in March 2020, but may drop below the threshold in April or May.
- Major mines not currently part of the MCP will be given the opportunity to join.

BC Hydro has committed to reducing the demand charge that makes up a portion of an industrial customer's electricity bill.

- The demand charge is based on an industrial customer's single highest use of energy during a specified period of time and reflects the cost for BC Hydro to have the resources and capacity to serve a customer's highest demand.
- For the March 2020 to May 2020 billing period, the demand charge will be based on a customer's average electricity use, rather than its highest use. Reducing the demand charge is expected to provide significant savings for each customer.

BC HYDRO ISSUES NOTE

Issue: COVID-19 PANDEMIC RESPONSE

Spokesperson: Media Relations

s.13

BACKGROUND

- BC Hydro has been monitoring COVID-19 since early January 2020 and activated its Emergency Coordination Centre in March.
- A Pandemic Response Plan was developed to outline how BC Hydro will maintain its critical and supporting functions through various stages of the pandemic.
- To minimize contact with the public, BC Hydro:
 - temporarily closed its walk-in customer service desks;
 - indefinitely suspended its community outreach team's attendance at community events, retail stores and presentations throughout the province; and,
 - closed its Visitor Centres at Stave Falls and Discovery Centre in Campbell River.
- To protect its employees and to ensure business continuity, BC Hydro:
 - increased cleaning at all of its facilities;
 - minimized contact with critical areas, such as its control centre;
 - had employees work from home that are able to; and,
 - began dispatching crews from home and introduced a 'pod' system for working in the field.
- On June 1, BC Hydro allowed employees to return to offices on a voluntary basis with limited capacity (approx. 30 per cent) and several restrictions in place.
 - To ensure those in the office maintain social distancing, it has introduced a number of changes, including one-way hallways and occupancy limits in meeting rooms, kitchens and washrooms.

Site C

- On March 18, work at Site C was scaled back to focus on critical work, such as work to reach river diversion.
 - This reduced the workforce by about 50 per cent to help reduce densification in the worker lodge and the number of workers travelling in and out of Fort St. John.
- On May 14, BC Hydro announced it would gradually ramp up work on Site C over the coming months.

- BC Hydro continues to work with Northern Health on health and safety measures at site that align with provincial health guidelines.
 - This includes a mandatory on-site health screening, including a temperature scan, for anyone accessing the site.

Customer assistance

- In recognition of the financial impact the pandemic has had on some customers, BC Hydro introduced programs to help its residential, commercial industrial customers.

Residential

- The COVID-19 Customer Assistance Program provides customers with the option to defer payments or arrange for a flexible payment plan.
 - Available to all residential customers by calling BC Hydro customer service.
- The COVID-19 Relief Fund provides eligible customers with a one-time bill credit of three times their average monthly bill amount.
 - Over 140,000 customers have applied since the fund opened on April 8.
 - To be eligible, customers must hold a residential account, be eligible for Employment Insurance, the Canada Emergency Response Benefit or the BC Emergency Benefit for Workers, and have an average monthly consumption of less than 2,500 kilowatts.
 - Residential customers have until June 30 to apply.

Commercial

- COVID-19 Customer Assistance Program was introduced on March 14.
 - Provides customers with the option to defer payments or arrange for a flexible payment plan.
 - Available to all customers by calling BC Hydro customer service.
- COVID-19 Relief Fund allows small business customers that have had to close their business as a result of COVID-19 to apply to have their electricity charges waived for three months.
 - Over 14,000 small businesses have applied since the program opened on April 16.
 - To be eligible, customers must be on the Small General Service Rate and have closed for at least 14 consecutive days, and provide documentation.
 - Small business customers have until June 30 to apply.

Industrial

- Qualifying major industrial customers can defer up to 50 per cent of their bill payments until the end of August.
 - This builds upon the previous 3-month deferral that ended May 30.

- Qualifying copper mining customers may be able to defer up to 75 per cent of their bills during this period, depending on copper prices under BC Hydro's existing Mining Customer Payment Plan.
- Industrial customers can apply by contacting their Key Account Manager.

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Indigenous Communities and Clean Energy

Highlights:

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Background:

- On June 23, Minister Ralston introduced the Clean Energy Amendment Act. The bill has not yet gone to second reading.
- There are three main aspects to the bill:
 - Enables BC to become the first jurisdiction in Western Canada to achieve a 100% clean electricity standard
 - Eliminates the self-sufficiency requirement to give BC Hydro the flexibility to source clean electricity at the most affordable prices within and outside the province – BC Hydro expects to begin purchasing power outside the province in the mid-2030s.
 - Allows BC Hydro to pursue opportunities for alternative uses and new revenue for areas of the Burrard Thermal Site in Port Moody
- The bill supports CleanBC, as the changes advance low-carbon electrification opportunities across our economy. It also supports number of measures being considered in Phase 2 of BC Hydro's Review.
- Clean Energy BC is not supportive of the bill. They say BC should continue to generate its own electricity, which creates jobs and economic development within the province. They also say the bill sends a message to the investment community that BC is not a secure place to invest in.
- Dogwood has been critical of the bill, saying BC is favouring U.S. electricity producers instead of supporting renewable energy projects in BC.
- Nuu-Chah-Nulth Tribal Council President Judith Sayers says BC not consult with First Nations before introducing the bill and it reduces opportunities for Indigenous communities when it comes to energy policy.
- As part of BC Hydro's Phase 2 review, the province has conducted extensive consultation with the independent energy sector, other stakeholders and Indigenous Nations.

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Clean Energy Amendment Act

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BC HYDRO ISSUES NOTE

Issue: SITE C: COVID-19 POSITIVE TEST IN WORKER
ACCOMMODATION (UPDATED)

Spokesperson: Dave Conway, Community Relations Manager

ISSUE SUMMARY

On July 17, BC Hydro announced that a Site C worker from Alberta had tested positive for COVID-19. No additional cases at Site C have been identified at this time.

BACKGROUND

- On July 15, s.22
 - Prior to arriving on July 13, the worker was last onsite July 6.
- BC Hydro has followed up with s.22 to review screening processes for charter flights.
- When notified by Alberta Health, the worker immediately went to their camp room and notified the onsite medical clinic.
 - The onsite medical clinic isolated the worker as per site protocol.
- The onsite medical clinic contacted Northern Health and the health authority reached out to the BC Centre for Disease Control (BCCDC) for direction.
 - The BCCDC requested a secondary confirmation test for the worker, which was administered on the evening of July 15.
 - s.22 informed BC Hydro on July 16 that the second test came back positive.
- The worker remains in isolation in a separate wing of the worker accommodation.
 - The worker has been and remains asymptomatic.
- Under the direction of Northern Health, contact tracing has been completed and as a result, some additional people are in isolation at camp in a separate dormitory.
- As of July 21, there are 1,383 people staying at the worker accommodation lodge and 12 people in isolation.
 - Isolation numbers are expected to fluctuate and BC Hydro will continue to update the numbers daily on their website.
- To date, no additional cases of COVID-19 have been identified at Site C and all Ministry of Health guidelines on testing are being followed.

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BC HYDRO ISSUES NOTE

Issue: KITSALT OUTAGE

Spokesperson: Community Relations

ISSUE SUMMARY

A few BC Hydro customers in the old mining town site of Kitsalt have been without power since Feb. 3, 2020 due to damage caused to a power line by a storm. The line serving the area is located in a heavily treed area only accessible by helicopter and is nearing "end of life".

BACKGROUND

- The Kitsalt mine, owned by Alloycorp Mining, and the privately owned town-site are located about 120 km north of Terrace in northwestern B.C. The Kitsalt town site was built in 1979 and was vacated in 1982 when the mine closed.
- The town site is maintained by an owner's representative and his team.
- The site is only electrically powered to keep the residential, commercial and public buildings in a habitable condition; there are no other customers served by the line.
- Electricity is supplied to the mine and town site by an approximately 43 km long former 138 kV transmission line, now operated at a distribution voltage of 25 kV.
- Power has been out to Kitsalt since Feb. 3, 2020 following a major storm.
- A helicopter flyover took place on Feb. 8 which identified extensive damage to the line, including one tower with a failed guy support and several locations where the line is down and broken.
- Crews have successfully re-erected the downed tower and expect to complete repairs to the line and restore power by Feb. 21, 2020.
- In addition to this outage, there was a 10-day outage in January 2020 that was likely caused by a fault on the line caused by snow loading.
- The risk to the town site during a winter outage is pipes freezing in the few occupied staff accommodations.
- The owner's representative visited the town site on Feb. 15, 2020 and is working with his maintenance team to begin evaluating damage caused by both the January and February outages.

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- BC Hydro and the mine site owner entered into an agreement in 1995 for the customer to pay for partial conversion from a transmission to distribution line through a monthly surcharge of s.17; s.21 o cover some maintenance and operating costs.
- This enabled BC Hydro to provide minimal service to the distribution line – such as line repairs/patrols, limited vegetation management, and install technology to reduce wildfire risk.

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- Many areas of the line's right-of-way are overgrown with trees and extremely difficult to access – and it is "end of life".
- BC Hydro has taken steps to reduce fire risk, the line is also a hazard given the right conditions.

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- BC Hydro is undertaking a complete analysis of the options to maintain long-term power to this abandoned mine and town site, which could include construction of a new distribution line or diesel generation.
 - The option to abandon service will also be considered given the unlikely nature that the mine will reopen or the town site repopulate.
- BC Hydro anticipates it will take many months to identify a preferred or leading option for the future of the line -- likely fall 2020 at the earliest.
- In the short-term, BC Hydro is working to install diesel generator to provide backup power to the town site while repairs are being made to the line; this will also enable BC Hydro to de-energize the line during high danger fire ratings.

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CleanBC

Ministry of Energy, Mines and Petroleum Resources

Government Communications and Public Engagement

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Electric Vehicles

Highlights:

- Following the introduction of the federal government's electric vehicle (EV) rebate and unprecedented sales across BC, government reduced the provincial rebate for EVs.
- The Opposition claimed government is sending mixed signals by introducing legislated EV sales targets and then reducing rebates.
- As of fall 2019, EV sales in BC made up 9% of all vehicles sales. This was the highest per capital in North America, with California at 8% and Quebec at 7%.

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Background:

- As of Nov. 2019, there were more than 30,000 electric vehicles on BC's roads.
- In June 2019, government released the remaining \$26.5 million of the \$42 million allocated in Budget 2019 for CleanBC's EV rebate program to address the significant uptake in this program.
- The additional funding came with a revised incentive structure to make incentives available to a larger group of potential buyers, focusing the funding on more affordable vehicles, and aligning provincial incentives with the federal government's EV maximum price eligibility threshold.
- The revised provincial incentive structure reduced the maximum price eligibility threshold from \$77,000 to \$55,000.
- The provincial rebate of \$5,000 was reduced to \$3,000 for battery fuel-cell and longer-range plug-in hybrid vehicles.
- The provincial rebate of \$2,500 was reduced to \$1,500 for shorter-range plus-in hybrid electric vehicles.
- In May 2019, the federal government announced a \$5,000 rebate for EVs, which is in addition to any provincial rebates.
- As of September 2019, EV sales in BC have reached approximately 9% of light-duty vehicle sales – this is the highest EV sales rate in North America, with sales in California at 8% and Quebec at 7%.
- As of June 2019, the Tesla Model 3 is the best-selling car in B.C., and the third best-selling light-duty vehicle in B.C., behind the Ford F-150 and the Toyota RAV-4.
- Budget 2019 committed a total of \$90.8 million for CleanBC initiatives.
- CleanBC committed to continuing and expanding the EV program, and also implementing sales targets in the Zero-Emission Vehicles Act.
- Government introduced the Zero-Emission Vehicles Act in spring 2019 and it received royal assent on May 30, 2019.
- Targets under CleanBC and the Zero-Emissions Vehicles Act are that EV sales will increase starting in 2020, reaching 10% of light-duty sales by 2025, 30% by 2030, and 100% by 2040.

ADVICE TO MINISTER

<p>CONFIDENTIAL GCPE-MEMPR ISSUE NOTE</p> <p>Ministry of Energy, Mines and Petroleum Resources Date: July 24, 2020 Minister Responsible: Hon. Bruce Ralston</p>	<p>Low Carbon Fuel Standard Amendments</p>
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ADVICE AND RECOMMENDED RESPONSE:

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ADVICE TO MINISTER

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Background:

The LCFS is part of the British Columbia's Renewable and Low Carbon Fuel Requirements Regulation, which came into force on January 1, 2010. It requires fuel suppliers to reduce the average carbon intensity of transportation fuels by 10% by 2020. The standard was phased in, increasing annually to 10% by 2020. The Regulation also requires 5% annual average renewable content in gasoline, and 4% renewable content in diesel.

In 2019 the Province committed under CleanBC to extend the LCFS beyond 2020 and set a carbon intensity reduction target of 20% in 2030. On July 13, 2020, Cabinet deposited an Order in Council approving amendments to LCFS to implement this commitment.

The new carbon intensity reduction targets set the 2020 target to 9.1%, and then require fuel suppliers to reduce the carbon intensity of their fuels by 1.09% annually for the next 10 years starting in 2020. The schedule applies a constant annual change that provides more certainty for fuel suppliers than the variable annual change that has been in force for the past 10 years.

The targets are intended to be challenging yet achievable and were developed in consultation with fuel suppliers and other stakeholders. Implementing this schedule creates a consistently increasing demand for low carbon fuels in B.C. which sends a strong signal for investment in low-carbon fuel production.

The new schedule also relaxes the carbon intensity reduction target for 2020 slightly from 10% to 9.1%. Easing the 2020 target provides necessary and immediate support to the oil and gas industry at a time when it has been significantly impacted by the COVID-19 pandemic and a coincidental collapse in world oil prices. The relaxation of the 2020 target is one measure the Province is implementing to help the oil and gas industry recover and still support businesses developing renewable and low carbon fuels.

In addition, the amendments lower the volumetric exemption limit that allows fuel suppliers to avoid the LCFS if they supply less than 75 million litres of fuel in a year. The threshold will be reduced to 25 million litres in 2021, and to 200,000 litres starting in 2022.

Reducing the exemption threshold will ensure that all fuel suppliers in B.C. are expected to meet the same standards. The lower threshold also aligns B.C. with other jurisdictions that have renewable or low-carbon fuel requirements. For example:

- The existing federal renewable fuel requirements have an exemption of 400,000 litres and the same threshold is being proposed for the federal Clean Fuel Standard.
- Quebec has a threshold of just 200 litres.
- California's low-carbon fuel standard policy does not allow any exemptions.

ADVICE TO MINISTER

The new thresholds address concerns expressed by many fuel suppliers and the Canadian Fuels Association regarding B.C.'s high exemption threshold and the unfair situation it creates. Providing a gradual reduction in the exemption threshold progressively removes any unfair competitive advantage while giving exempt suppliers adequate time to adjust their business practices.

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Additional Background on LCFS:

The LCFS is a market transformation mechanism that creates a financial incentive to reward the production and use of low-carbon fuels in proportion to the amount of emissions reductions they yield when substituted for conventional fuels. The LCFS supports investment in clean fuels and vehicles and the reduction of greenhouse gas (GHG) emissions in the transportation sector.

Under the LCFS, carbon intensity is measured on a fuel lifecycle basis. A "fuel lifecycle" encompasses all stages of a fuel product's life from raw material to the final use. This includes exploration and production of fossil fuels, production of crops for biofuels and the refining, transport and end use of the fuel. Fuels come from a diversity of sources, and consideration of the full lifecycle is a means of ensuring that there is a net environmental benefit regardless of how or where the fuel is produced. Renewable fuels generally have lower carbon intensity than non-renewable fuels.

Fuel suppliers have the flexibility to reduce the carbon intensity of their fuels, and meet the low carbon fuel requirement, in a number of ways, including:

- Improving agricultural practices for growing biofuel crops
- Supplying more low carbon fuels, such as propane, natural gas, electricity or hydrogen, or renewable fuels like biodiesel or ethanol.
- Acquiring low carbon fuel credits from another supplier who supplies lower carbon fuels.
- Creating credits by implementing Part 3 Agreements with the Ministry of Energy, Mines and Petroleum Resources:
 - Part 3 Agreements allow fuel suppliers to generate compliance credits by undertaking actions, or causing others to take actions, that reduce GHG emissions through the greater use of low carbon fuels.
 - For example, the Hydrogen Technology and Energy Corporation (HTEC) generates compliance credits by investing in public hydrogen fueling stations in B.C.
 - These credits can be sold on the credit trading system to help other fuel suppliers comply with the LCFS.

ADVICE TO MINISTER

While some other North American jurisdictions have renewable content requirements for gas and diesel, only B.C., California and Oregon have carbon intensity reduction requirements. Since 2010 California has had a low carbon fuel standard requiring annual reductions in the carbon intensity of transportation fuels. California has announced its intention to require reductions as low as 20% by 2030, and Oregon, which started later, requires a 10% reduction by 2025.

In late 2016, the Government of Canada announced that it would consult with provinces and territories, Indigenous Peoples, industries, and non-governmental organizations to develop a national Clean Fuel Standard that would cover all fossil fuels used in Canada and set separate carbon intensity requirements for liquid, gaseous, and solid fossil fuels. Environment and Climate Change Canada (ECCC) is developing the regulations in a phased approach, with liquid-fuel regulations being developed first followed by gaseous and solid-fuel regulations. However, due to the COVID-19 pandemic, ECCC will delay the publication of proposed regulations for the liquid fuel class of the Clean Fuel Standard to fall 2020 with the goal of finalizing the regulations in late 2021 and bringing them into force in 2022.

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