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Here's key messages and QAs to support this morning's announcement.

Key Message

- Our government introduced a new LNG framework which unlocked this investment and the benefits for British Columbians.
- This record investment in our province is a strong vote of confidence in BC and shows that balancing our economic, environmental and reconciliation priorities is possible.
- We are confident our climate plan will accommodate this LNG project – the cleanest large-scale project in the world.
- British Columbians want a future that brings opportunities for them and their kids in the communities they call home.
- We can and will create these opportunities while living up to our responsibilities to guarantee clean air, land and water for the generations who follow.
- We have a different approach – one that ensures we are creating good jobs and a fair return for British Columbians, making full partners of First Nations and living up to our climate commitments.

A Different Approach...

- The old government made huge promises for 100,000 LNG jobs without doing the work to deliver on them.
- **Our government** did the hard work necessary to put in place a new framework for LNG that would unlock investment while ensuring British Columbians will benefit.
- The old government pushed ahead without regard for impacts on the environment and no regard for climate pollution.
- **Our government** is committed to ensuring LNG development fits within BC's climate targets and we are developing a clean growth strategy to put us on the path to a cleaner economy.
- The old government wrote a blank cheque and passed incentives into law before any Final Investment Decision
- **Our government** introduced targeted measures to give equal treatment with other industries – and only in the event of a positive decision.
- The old government took a transactional approach to relationships with First Nations and refused to address any issues unless they signed resource deals.
- **Our government** is ensuring First Nations are meaningful partners in resource development while also pursuing a broader reconciliation mandate that is not tied to trade-offs.

Benefits to BC...

- We're making sure real benefits reach people in the province while protecting our environment and respecting and partnering with First Nations.
- This project will generate \$23 billion in government revenues – bringing new resources for health care, schools, child care and services for the people of BC.
- It will create up to 10,000 jobs for people during construction and 950 permanent jobs in Northern BC once operations are underway.
- The companies have reached agreements with First Nations at the plant site and along the pipeline route to ensure First Nations are meaningful partners and see real benefits.

On Climate...

- We will live up to our climate obligations and reduce emissions to meet our legislated targets.
- We are preparing a strategy to meet our climate goals and support good jobs for the people of our province.
- LNG Canada has committed to using the latest technology to build the world's cleanest LNG project with the lowest emissions of any facility.
- There are opportunities to further reduce emissions through electrification of upstream operations.
- Meeting our climate targets is a challenge that we will all have to rise to and we will have to work together – as government, as industry, as communities, as families – to build a cleaner economy.

Economic Benefits

1. What does LNG Canada's investment decision mean for British Columbia?

Today's decision by LNG Canada to invest in British Columbia marks a historic moment for the people of this province as the economic benefits of this project will extend for generations.

The LNG Canada project means thousands of good-paying jobs during construction and tens of billions of dollars in economic benefits the people of this province. LNG Canada has indicated that its proposal will include a direct investment of \$40 billion (CDN).

This project is moving forward because our government did the hard work to engage with industry and bring in a new LNG framework to unlock investment while ensuring British Columbians benefit.

2. Why is your government supportive of LNG development, but not supportive of the Trans-Mountain Pipeline project?

Our government has always supported LNG development, provided it meets the four conditions we set out.

With respect to the Trans-Mountain Pipeline project, we have been very clear that our concerns are based on protecting B.C.'s environment and economy from the risks of a bitumen spill, and inadequate consultation with First Nations.

Many British Columbians have been saying that this project would create serious risks to our coast and the Court has validated those concerns.

The Court found that the review process failed to consider the risks of marine tanker traffic and that consultation with First Nations was inadequate.

These are very serious issues for the Federal Government to address.

3. What's your response to those critics who say this project is only moving forward because it is subsidized by government?

This project is moving forward because, unlike the previous Liberal government, our government listened to industry and removed the competitive barriers standing in the way of investment, while ensuring we got the best deal for the people of British Columbia. It's this government's actions that got this project over the finish line – full stop.

**LNG Canada Final Investment Decision
Q&A Oct 2, 2018**

Our new LNG framework provides a good return to British Columbia for its natural gas resource and a fair return to investors.

British Columbians will benefit from thousands of jobs and from tens of billions of dollars in government revenues to support schools and hospitals and other services for people.

4. Why did you call the reduction of LNG Income Tax from 7% to 3.5% a sellout, when you are proposing to eliminate it entirely?

The existing LNG Income Tax is not an efficient or effective means for generating returns to British Columbia. And its poor design has been identified as a serious detriment to investment in British Columbia.

In fact the tax was structured in such a way that the proponent would not have paid any LNG Income Tax until after it had recovered its capital costs – which could be decades.

The LNG Income Tax was confusing to industry and was not transparent to taxpayers. Indeed, the tax was dropped from 7% to 3.5% with little explanation.

Our government intends to do things differently. We will introduce legislation to repeal this tax and instead utilize a number of other tax and royalty measures to ensure that British Columbians receive a fair return.

Under our framework LNG Canada will contribute tens of billions in taxes and royalties over the life of the project.

5. Why are you planning to exempt LNG Canada from the PST?

Other investors such as those investing in manufacturing and processing receive an exemption from PST on costs of building their facilities.

Under our new framework, PST exemption will apply to LNG facilities. However, proponents will have to enter into an agreement with government, whereby the proponent (in this case LNG Canada) would pay annual Operating Performance Payments over a 20-year period.

Total payments will be equivalent to the amount otherwise paid as PST during the 7 year construction period. This agreement benefits both LNG Canada and the Province.

6. Why did you eliminate a tax (LNG IT) and leave the company with a tax credit on the income tax (Natural Gas Tax Credit)?

LNG Canada Final Investment Decision Q&A Oct 2, 2018

The existing LNG Income Tax is not an efficient or effective means for generating returns to British Columbia. And its poor design has been identified by other governments and industry in Asia as a serious detriment to investment in British Columbia.

The LNG Income Tax was confusing to industry and was not transparent to taxpayers. Indeed, the tax was dropped from 7% to 3.5% with little explanation.

Our government intends to do things differently. We will introduce legislation to repeal this tax and instead utilize a number of existing tax and royalty measures to ensure that British Columbians receive a fair return. Under our framework LNG Canada will contribute tens of billions in taxes and royalties to the BC economy over the life of the project.

The Natural Gas Tax Credit has been retained as part of a suite of measures aimed at improving BC's competitiveness and as a tool to use BC natural gas in the liquefaction.

7. Are you giving LNG Canada a \$5 billion subsidy?

Not at all.

This project would not have gone ahead were it not for the BC government's new LNG framework which puts the sector on a level footing with other industries.

In the absence of these measures, revenues would be \$0 as there would be no project.

As a result of the framework and the positive investment decision, BC will receive approximately \$23 billion in revenues.

Climate/Environment

8. Critics have said that natural gas is just as bad for climate change and the environment as conventional petroleum products, so why is British Columbia moving forward with LNG development?

We have been clear that any LNG development in BC must fit within BC's climate goals. That is not negotiable. Under the new LNG Framework, all projects should:

- 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.

No premier or government can dismiss this kind of critical economic opportunity for the people of British Columbia.

**LNG Canada Final Investment Decision
Q&A Oct 2, 2018**

Our approach will ensure we are creating good jobs while maintaining our commitment to meet our legislated climate targets.

9. How will LNG Canada's plant impact British Columbia's GHG targets?

Analysis by the Ministry of the Environment and Climate Change Strategy found that the project could increase emissions by up to 3.45 Megatonnes – including associated upstream emissions.

The analysis also showed that this could be reduced further with the adoption of aggressive upstream measures like electrification.

Meeting our climate targets will not be easy – with or without further natural gas development – but we are committed to developing a climate strategy to meet those goals.

We believe we can accommodate emissions associated with the project while meeting our targets.

10. The Pembina Institute says the project's emissions will be 8.6 megatonnes, including the upstream. How can the Ministry's projections be less than half of Pembina's? What accounts for the difference?

The Pembina analysis assumes both Phase 1 and Phase 2 of the project, effectively doubling the emissions. They have also made incorrect assumptions about sourcing of feedstock.

Today's announcement is to proceed with Phase 1 and this is what forms the basis of the government's analysis of benefits to British Columbians and project emissions.

There are also opportunities for further electrification of upstream natural gas operations which could further reduce the associated emissions.

11. Why are you giving LNG Canada a break on the Carbon Tax?

LNG Canada will have access to the same Clean Growth Incentive Program available to companies in other sectors.

Under the Clean Growth Incentive Program, announced in Budget 2018, companies who meet best-in-class global benchmarks for greenhouse gas emissions will be eligible for a rebate of a portion of the Carbon tax paid.

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We are a small, export-oriented economy and we will do our part to fight climate change. Ensuring that our export-oriented sectors green their operations while remaining competitive with jurisdictions where there is no carbon pricing helps to avoid carbon leakage.

12. Given the significant impact LNG Canada's plant will have on B.C.'s ability to hit its GHG targets, will you put a moratorium on further LNG development, including Phase 2 of LNG Canada, in this province?

Emissions from any new source, industrial or otherwise, must fit within B.C.'s legislated GHG emissions targets. It would be up to the proponent of any potential new LNG operations to show how projected emissions would fit into B.C.'s targets.

13. Some have argued that British Columbia LNG production will help reduce global GHGs as countries that currently rely on coal-fired power plants will switch to LNG powered. Do you have firm commitments from any country that confirm this?

British Columbia is responsible for reducing our own emissions to meet our climate commitments.

That is our focus and what happens overseas doesn't help us get to our own targets.

I know that China, one of the largest markets for LNG, has publicly stated that it is moving forward with switching from coal-fired power generation to natural gas powered plants to address air-quality in cities throughout the country.

But we recognize that doesn't change what we, as a province, must do to meet our own greenhouse gas reduction targets.

14. Some critics have said that they don't believe the LNG Canada facility will be the cleanest. What measures are you putting in place to ensure the LNG Canada plant is built as the cleanest LNG production facility?

The Carbon Tax will increase to \$50/tonne – before any plant comes online. The LNG industry will pay the carbon tax just as any other sector.

LNG Canada has committed to 0.15 tonne of greenhouse gas per tonne of LNG, which will be below the benchmark established as cleanest facility in the world (0.16 BC benchmark. Current cleanest in the world is 0.23).

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Most of the feedstock for LNG Canada is expected to come from the Montney basin where aggressive electrification is already taking place and further opportunities exist.

Methane emissions from upstream oil and gas production will be regulated directly to ensure a 45% reduction in methane by 2025, consistent with the federal approach, further reducing emissions from the sector.

15. Given this government's focus on climate change, critics have said LNG is the wrong move and government should be moving toward alternative energy sources. Why is government moving toward LNG instead of alternative energy sources?

Our government is focused on building opportunities for British Columbians while living up to our responsibilities to guarantee clean air, land and water for the generations who follow.

Our government legislated new climate targets just months ago and we are committed to reducing our emissions to meet these targets.

No premier or government can dismiss this kind of critical economic opportunity for the people of British Columbia.

Our approach will ensure we are creating good jobs while maintaining our commitment to climate targets, and our path to reconciliation with Indigenous peoples.

16. A number of groups and individuals have raised concerns about industry's use of hydraulic fracturing and some jurisdictions have placed a moratorium on the practice. Why is British Columbia still allowing this practice?

Natural gas has been a part of our province's economy for decades. Hydraulic fracturing, if properly regulated, is safe.

The growth and diversification of BC's natural gas sector creates good jobs and strengthens economic prospects for people across the province. In northeast BC, activities linked to exploration and production support local businesses and create opportunities for First Nations communities.

We launched a scientific review of hydraulic fracturing in March to ensure that we have the best possible standards in place to protect our land, air and water.

Since the Panel was announced in March, the Panel members have been meeting with scientific experts on water quantity and water quality, induced seismicity and also fugitive emissions.

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To date they have held 40 separate Panel Sessions and met with over 60 experts from academia, industry, First Nations, environmental NGOs, the regulator and government.

The Scientific Panel's report to government is expected by the end of the year.

17. The recent report, Revitalizing the Agricultural Land Reserve and the Agricultural Land Commission states that the impacts of oil and gas extraction on agricultural land and farm business in Northeast B.C. have reached a breaking point. How can this government continue to promote development and growth of LNG when this industry is having such a damaging impact on B.C.'s agriculture sector?

British Columbians are passionate about the Agricultural Land Reserve and about protecting farming as a livelihood for future generations.

Oil and gas activities and farming have coexisted for many years and our government is committed to ensuring this continues to be true going forward.

The Oil and Gas Commission and the Agricultural Land Commission have a constructive working relationship and work closely together to balance the two sectors' needs.

Oil and gas activities are considered temporary, non-farm uses in the ALR. Land must be reclaimed to its pre-development agricultural condition when no longer required for an oil or gas activity.

The Commission was recently granted additional authority under Bill 15 to enhance reclamation activities so land formerly used for oil and gas activity may be returned to agricultural production sooner.

18. What is the extent of the impact of oil and gas activities on agricultural land and farm business in Northeast B.C.?

Somewhat less than 2 per cent of the ALR in the Northeast is occupied by oil and gas activities. Before proceeding, these activities are subject to review against the criteria established by the Agricultural Land Commission in the delegation agreement they negotiated with the Oil and Gas Commission.

Oil and gas activity impacts about 312 hectares of Crown land and 888 hectares of private land in the northeast, for a total of approximately 1,200 hectares. Approximately 73 per cent of B.C.'s raw gas production (and approximately 20 per cent of Canada's gas production) currently comes from the Montney Basin. Marketable gas in the ALR portion of the Montney is worth an estimated \$138.8 billion, with marketable oil at \$122.7 billion.

First Nations

19. Does LNG Canada have free prior and informed consent from affected First Nations in order to move this project forward?

The proponent has shown that they understand the importance of consultation and meaningful partnership with First Nations.

The proposed LNG facility will be located in the territory of the Haisla Nation, who have indicated their strong support for LNG Canada's project.

LNG Canada also has agreements in place with a number of other First Nations.

In addition, Coastal Gaslink has signed community and project agreements with all 20 of the elected First Nations along its pipeline route.

We expect them to continue to advance the project in a manner that ensures benefits for First Nations and recognizes indigenous rights.

20. What about the Unist'ot'en protest camp blocking the Coastal Gas pipeline?

I acknowledge that this is a challenging situation and have made clear to the company that they must work to resolve it with respect.

We will assist in re-engagement efforts but ultimately it is the responsibility of the company to find a resolution.

For our part, our government recognizes the need to build a new relationship with the Wet'suwet'en Nation and hereditary leaders. This work isn't connected to any one project.

21. What are the economic benefits for First Nations if this project moves forward and which First Nations bands will benefit?

LNG Canada and Coastal Gaslink have signed benefit agreements with First Nations all along the project route.

LNG Canada has been working with a number of Haisla businesses and has already invested hundreds of thousands of dollars into various workforce development initiatives specifically for First Nations communities.

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Overall, 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.

Additionally, today's final investment decision will activate \$620 million in contract work Coastal GasLink awarded to northern B.C. Indigenous businesses. The company also anticipates another \$400 million in additional contract and employment opportunities for Indigenous and local B.C. communities during pipeline construction.

22. Has the province reached benefit agreements with all nations affected by the LNG Canada facility and Coastal Gaslink (CGL) pipeline?

So far, the Province has reached LNG pipeline benefits agreements with 17 of the 20 First Nations along the proposed CGL pipeline route and one LNG benefits agreement associated with LNG Canada.

23. What is the value of the benefit agreements the province has reached with nations?

Under agreements related to the proposed CGL pipeline, Nations have received over \$6 million to date, with additional short-term benefits of almost \$50 million to be shared over subsequent project milestones and \$10 million per year once the CGL pipeline is in service.

From the LNG Canada facility agreement, \$600,000 has been provided already, with a remaining \$13 million cash benefits and over 1,200 hectares of Provincial Crown lands to be shared over subsequent project milestones.

The Province has also negotiated ongoing yearly benefits over the life of the project.

These agreements ensure First Nations share in the prosperity of LNG developments in their territory.

24. What nations has the Province reached LNG benefit agreements with?

The Province has signed pipeline benefits agreements with 17 Nations, 15 of which have been brought into effect so far.

(Doig River, Halfway River, McLeod Lake, Saulteau, West Moberly, Lheidli T'enneh, Yekooche, Nee Tahi Buhn, Witset (Morisetown), Skin Tyee, Wet'suwet'en First Nation, Burns Lake, Saikuz, Stellat'en, Kitselas)

If pressed... Two of the First Nations have not brought the agreements into effect yet.

25. Is the Province negotiating agreements with the remaining nations?

Yes, we have negotiations underway with several First Nations.

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We will provide updates on any developments on that front as appropriate.

Other Questions

26. The Green Party has said it doesn't support the new LNG framework and will oppose legislation. What is the path forward?

We have long been clear that any LNG development in BC must fit within BC's climate goals.

Our government is working on a clean growth strategy that will reduce climate pollution and support good jobs for the people of our province.

I want to acknowledge Dr. Weaver's life's work on climate change and I'm pleased he has been willing to help our government as we develop a strategy for a cleaner economy.

I know that he has expressed skepticism but to his credit, he is determined to work with us to see if these concerns can be resolved.

BC has already demonstrated that you can take meaningful action to reduce emissions while growing the economy.

As government, it's our responsibility to make decisions in the best interest of British Columbians.

I want to ensure that everyone in this province has the opportunity to share in our economic prosperity – while we protect our environment for future generations.

27. What about the claim that the decision to approve Site C was about subsidizing LNG?

Not at all.

Our decision to continue with Site C was based on protecting British Columbians from having to pay \$4 billion with nothing to show for it – it was not based on any assumptions about LNG.

Under the new framework, LNG Canada will be subject to the same hydro rates as any other industrial customer in BC.

28. Some Government MLAs (Donaldson, Rice, Austin) signed a petition against LNG development at Lelu Island. How do you reconcile that with support for today's announcement?

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Our party has long been clear that we support the development of LNG in BC so long as it lives up to four conditions to ensure British Columbians benefit.

With regard to the Pacific Northwest project, there were some specific concerns regarding siting of infrastructure in an area of sensitive fish habitat. The company actually responded to the concerns expressed by First Nations and others and decided to move the siting.

Under our new approach, we are confident that LNG Canada will create significant jobs and benefits for British Columbians while making partners of First Nations and respecting our climate commitments.

29. How is your approach different from the old government?

The old government signed a blank cheque for companies and passed legislation to tie the hands of future governments before any Final Investment Decision had been made.

Our government developed targeted measures to give equal treatment with other industries that were contingent on a positive investment decision.

The old government pushed ahead without regard for impacts on the environment and no regard for climate pollution.

Our government is committed to ensuring LNG development fits within BC's climate targets and we are working on a clean growth strategy to put us on the path to a cleaner economy.

The old government took a transactional approach to relationships with First Nations and refused to address any of their concerns unless they signed resource deals.

Our government is ensuring First Nations are meaningful partners in resource development while also pursuing a broader reconciliation mandate that is not tied to trade offs.

30. The Opposition is saying that they should get the credit for LNG Canada's decision as their government built LNG prospects. Are they right?

The old government made big promises on LNG but failed to do the work necessary to get it done.

We took a hard look at the issues facing the industry and introduced a new LNG framework that put the sector on the same footing as other industries.

This framework was critical to realizing the positive investment decision by LNG Canada and will ensure British Columbians receive significant benefits.

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Simply put, this historic investment in British Columbia would not have been possible under the old government's approach to LNG.

31. How does LNG Canada's project compare to Pacific Northwest LNG?

Under our government's new approach, LNG development must live up to the 4 conditions to ensure British Columbians benefit from good jobs and a fair return on our resources, that First Nations are made full partners, and that we can meet our climate commitments.

LNG Canada has committed to state-of the art facility with the lowest emissions in the world – at 0.15 tonnes of GHG per tonne of LNG. In contrast, Pacific Northwest LNG forecast considerably higher emissions at 0.23 per tonne.

With respect to employment, the projects are similar size but PNW LNG proposed to employ temporary foreign workers for up to 70% of its workforce while 95% of LNG Canada's workforce will be Canadians.

PNW LNG faced considerable opposition from affected First Nations whom the previous government dismissed as a "ragtag group". In contrast, LNG Canada and project partners have made significant effort to secure support from First Nations and have signed benefit agreements with First Nations along the project route.