

From: [Puggioni, Giovanni IRR:EX](#)  
To: [Cowan, Cale GCPE:EX](#); [Shaw, Rachel IRR:EX](#)  
Subject: RE: First Nations LNG issues note update  
Date: Monday, January 8, 2018 2:49:48 PM

---

Hi Cale – s.13

s.13

Copying

Rachel in case she has anything further to offer.

**Giovanni Puggioni**

**Executive Director**

**Major Projects and Cross Government Initiatives**

**Strategic Partnerships and Initiatives Division**

**Ministry of Indigenous Relations and Reconciliation**

**PO Box 9100 Stn Prov Govt**

**Victoria, BC V8W 9B1**

**Phone: (250) 952-0530**

**Fax: (250) 952-0111**

**Email: [Giovanni.Puggioni@gov.bc.ca](mailto:Giovanni.Puggioni@gov.bc.ca)**

---

From: Cowan, Cale GCPE:EX

Sent: January-08-18 1:08 PM

To: Puggioni, Giovanni IRR:EX

Subject: First Nations LNG issues note update

Hi, Gio.

Our issues note on First Nations LNG includes this entry on development:

LNG DEVELOPMENT:

- B.C. invited Indigenous leaders affected by LNG-related development to meet in fall 2017 for discussions. The Ministry of Energy, Mines and Petroleum Resources partnered with the First Nations LNG Alliance to facilitate the discussions. Meetings were held in Prince George (Sept. 27), Smithers (Oct. 2), Fort St. John (Oct. 16), Vancouver (Oct. 25), and Terrace (Oct. 26). The fall 2017 review of the LNG sector includes First Nations, industry, the federal government, and communities.

s.13,s.16,s.17

Are you aware of an update to the highlighted timeline?

Thanks,

Cale

=====

Cale Cowan

Public Affairs Officer

Government Communications and Public Engagement

Ministry of Indigenous Relations and Reconciliation

250-356-7324 o

250-812-4510 c

**From:** [Humber, Emmy MNGD:EX](#)  
**To:** [Shaw, Rachel IRR:EX](#)  
**Subject:** FW: FN LNG Alliance Report: approval  
**Date:** Tuesday, January 23, 2018 9:17:58 AM

---

FYI – approved, unclear as to when my GCPE will be ready with the desktopped document, will keep you posted. We are not planning to “release.” Simply send out to participating nations.

Emmy

---

**From:** Coley, Simon J EMPR:EX  
**Sent:** Saturday, January 20, 2018 8:55 PM  
**To:** Humber, Emmy MNGD:EX; Haslam, David GCPE:EX; Sovka, David GCPE:EX  
**Subject:** RE: FN LNG Alliance Report: approval  
Folks,

Dave has approved the Report for publication and distribution to the FNs.

David, please let me know if there is anything else we can do to assist with a draft for publication.

Thanks,

*Simon Coley*

Assistant Deputy Minister

Strategic and Indigenous Affairs Division / Ministry of Energy, Mines and Petroleum Resources

Office: 778-698-7176 / Cell: 250-507-6585 / Fax: 250-952-0269

---

**From:** Coley, Simon J EMPR:EX  
**Sent:** Tuesday, January 16, 2018 9:02 AM  
**To:** Nikolejsin, Dave MNGD:EX; McCann, Meghan EMPR:EX  
**Cc:** Humber, Emmy MNGD:EX  
**Subject:** FN LNG Alliance Report: approval  
Dave,

I believe you’ve seen the joint report we have prepared on the FN and LNG issues with the FN LNG Alliance. In order to have it desk-topped for publishing and sharing with the FN participants, we need to confirm your approval of it. [Do you approve of this report?](#)

We’re planning on releasing the publication version in late January to FN participants.

On a related matter, we are also rolling up the various FN and LNG key files list to speak with you about after the trade mission. [s.12,s.13,s.16](#)

[s.12,s.13,s.16](#)

Meghan, can you please book an hour with Dave on “FNs and LNG” for soon after he returns from vacation?

Please let me know if you have any questions or concerns.

*Simon Coley*

Assistant Deputy Minister

Strategic and Indigenous Affairs Division / Ministry of Energy, Mines and Petroleum Resources

Office: 778-698-7176 / Cell: 250-507-6585 / Fax: 250-952-0269

**From:** [Shaw, Rachel IRR:EX](#)  
**To:** [Cordeiro, Shantel GCPE:EX](#); [Ritchie, Leanne GCPE:EX](#)  
**Cc:** [Puggioni, Giovanni IRR:EX](#); [Ziegler, Kevin IRR:EX](#); [Smith, Alanya C IRR:EX](#); [Vesely, Andrew IRR:EX](#); [Lang, Sandra IRR:EX](#)  
**Subject:** FW: FN LNG Alliance Report: approval  
**Date:** Tuesday, January 23, 2018 11:27:38 AM  
**Attachments:** [BC\\_FNLNGA\\_Report\\_FINAL\(3\).docx](#)

---

As promised – here is the FNLNG Alliance report. As noted below – it will be circulated to FNs but we don't anticipate a formal splashy release.

Rachel

*Rachel Shaw*

Director, Major Projects  
Ministry of Indigenous Relations and Reconciliation  
o: 250-953-3322  
c: 250-507-6047

---

**From:** Humber, Emmy MNGD:EX  
**Sent:** Tuesday, January 23, 2018 11:26 AM  
**To:** Shaw, Rachel IRR:EX  
**Subject:** FW: FN LNG Alliance Report: approval

FYI attachment

# BC/FNLNGA: First Nation LNG Engagement 2017

## 1. Executive summary

The Liquefied Natural Gas (LNG) industry has changed dramatically in the past few years, as prices have dropped across the globe and new liquefaction facilities have come online. This means that there are far fewer new natural gas pipelines and LNG facilities projects advancing, largely due to economic circumstances. However, there is considerable consensus among international LNG market analysts that global demand will continue to grow, with demand for new LNG facilities and export opportunities arising around 2023-24. Given the approximate 4-5 year construction period, a window of opportunity remains open for positive Final Investment Decisions (FIDs) in LNG projects by proponents in the next two to three years in British Columbia.

The BC Ministry of Energy, Mines, and Petroleum Resources (EMPR) has been asked to engage First Nations on the LNG sector's cost competitiveness and fiscal policies. EMPR partnered with the First Nations LNG Alliance (FNLNGA) in the fall of 2017 to conduct five regional engagement sessions with local First Nations to gather perspectives, suggestions and opportunities from First Nations in their traditional territories. The dialogue from the engagement sessions was recorded and analyzed and sorted by issues and suggestions in the report below. The overall goal of the report, co-authored by the FNLNGA and EMPR, is to further advance recommendations for the future of LNG projects and ongoing engagement with First Nations.

Discussions with local First Nations in each of the five regional engagement sessions have shown that a high degree of support for LNG projects in British Columbia remains. In fact, many First Nations representatives raised the need to push the remaining projects over the finish line in order for the communities to achieve the benefits they negotiated with the provincial government and industry proponents. First Nations have demonstrated a high degree of knowledge from their experience working with the LNG industry over the past few years and have advanced a number of areas for the province to consider.

Although many suggestions are broader than focusing solely on ways in which the LNG sector could become more cost competitive, they are all connected to First Nation views of what will be required for the development of successful natural resource development projects in the future. Ideas arising from the regional engagement meetings were based on First Nation experiences with the LNG regulatory review processes occurring over the last five years. If LNG projects are done in a way that respects First Nation interests, they will be the most safe, environmentally rigorous, and human-rights-compliant projects in the world. When these key interests are addressed early in natural resource development projects, there is greater likelihood for success. The following suggestions arose out of the meetings and were based on discussions among First Nation participants.



The Government of BC should consider the following suggestions which may help contribute to greater chances of advancing proposed LNG projects in the province:

1. Build upon the successful uptake of skills and training development funding and consider increasing funding to allow the extension of this support. BC should consider a provincially supported point-person to develop, in collaboration with Indigenous representatives, a strategy for Indigenous labour market development, including support and planning for a lifecycle of job types (higher level, technical, support jobs) that would support LNG projects.
2. Support First Nation agreements where they have been reached, and give further consideration on how to mitigate the negative impacts that project cancellations have on First Nation communities.
3. New leadership should initiate discussions with those groups that haven't provided consent to projects <sup>s.16</sup> to explore the concerns of the groups and any opportunities to resolve issues.
4. Engage with First Nations and LNG proponents (for current and cancelled projects) to discuss regulatory improvements.
5. Partner with First Nations and Indigenous organizations to improve communication, information sharing, and ongoing engagement on the LNG industry.
6. Continue the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of BC that are affected by potential LNG projects.
7. EMPR should further review the recommendations contained in this report with lead LNG proponents and relevant agencies, such as the Ministry of Indigenous Relations and Reconciliation and the Environmental Assessment Office to develop proposals for government to collaborate on and implement with First Nations.

## **2. Background and methodology**

The mandate letter of the Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources, provides direction to ensure British Columbians benefit from Liquefied Natural Gas (LNG) projects by requiring proposals to meet the following four conditions:

1. include express guarantees of jobs and training opportunities for British Columbians;
2. provide a fair return for our resource;
3. respect and make partners of First Nations; and,
4. protect our air, land and water, including living up to our climate commitments.

Furthermore, as part of government's commitment to true, lasting reconciliation with First Nations in British Columbia through adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission, the Ministry is moving forward on the calls to action and reviewing policies, programs, and legislation to determine how to bring the principles of the declaration into action in British Columbia.

EMPR partnered with the First Nations LNG Alliance (FNLNGA) to carry out dialogues with representatives from First Nations who have traditional territories in which new LNG facilities, related natural-gas pipelines, or upstream gas development are proposed. The FNLNGA has partnered with EMPR because it believes in engaging First Nations on issues related to the LNG industry. The purpose of the FNLNGA is to provide a forum of First Nations who support a sustainably developed LNG industry that respects the rights of First Nations people.

Participants in the regional engagement sessions included Indigenous leaders and provincial and federal officials to discuss the ongoing development of a LNG industry in British Columbia.

The schedule of the regional engagements was as follows:

- Prince George, September 27, 2017
- Smithers, October 2, 2017
- Fort St. John, October 16, 2017
- Vancouver, October 25, 2017
- Terrace, October 26, 2017

Dan George, President of Four Directions Management Services, facilitated discussions around two primary questions:

- How can First Nations and BC contribute to making BC a more likely place for investment in additional LNG projects?
- Are there ideas or models First Nations would like to see carried out to enhance the chances of LNG investment?

This report outlines the results of these discussions with First Nation representatives, and ends with some recommendations for BC to consider. Meeting notes recorded from each of the five engagement sessions were analyzed and categorized into themes which were then developed into seven main recommendations the provincial government should consider supporting.

### 3. Status of the LNG industry in BC

There are a variety of proposed LNG export projects remaining in BC, but there is only a handful that seem to be actively pursuing project development. This is considerably less than the height of industry speculation a few years ago.

*By region:*

Campbell River: Discovery LNG

Delta: Tilbury LNG / WestPac

Kitimat: LNG Canada, Kitimat LNG, Triton LNG, Cedar LNG

Kitsault: Kitsault Energy

Port Alberni: Kwispa LNG

Prince Rupert: WCC LNG, Grassy Point LNG, Orca LNG, New Times Energy Ltd., Nisga'a LNG, Watson Island LNG

Squamish: Woodfibre LNG

Stewart: Stewart Energy LNG

Proponents who have walked away from potential developments in BC have cited market conditions as being their main reason for cancelling projects. While it appears that there is a short-term glut of LNG in the global LNG market, analysis shows that the next window of opportunity will arise by 2023-24<sup>1</sup>.

BC's competitiveness issues include:

Advantages:

- temperature
- shipping distance
- supply certainty and diversity

Disadvantage:

- lack of infrastructure means more capital investment costs

It would also appear that regulatory delays that likely contributed to the cancellation of some LNG projects in BC have led to a perceived disadvantage to BC's competitiveness.

### 4. Regional Engagement Sessions: Discussion Summary

---

<sup>1</sup> Source: WoodMac LNG Tool

The regional engagement sessions yielded a wide variety of comments on issues that were important to First Nation communities. The facilitator ensured all issues raised were explored in depth and all these issues were captured through meeting notes. The issues raised have been categorized into the following themes.<sup>2</sup>

## **4.1 Indigenous people have the skills and education to fully participate in LNG sector opportunities**

### ***Issues:***

The issue of poverty and the need for economic and employment opportunities for First Nations was raised consistently. Many First Nations view LNG projects as an important opportunity to improve poor socio-economic conditions in their communities. Employment and economic opportunities are required for communities to be sustainable and healthy. It cannot be over emphasized how the issues of employment and training are critical for these communities.

Concerns were raised in relation to the type of jobs and training available to First Nations from proposed LNG projects. First Nations are facing challenges due to delays or cancellation of proposed LNG projects. However, First Nations also see delays as a positive - providing the opportunity to have a more strategic, long-term approach to training which could expand training opportunities that would ultimately maximize the quality and sustainability of jobs for First Nation people. Issues raised include:

- the need for sustainable/long-term jobs instead of intense short-term labour opportunities;
- the need for jobs to be available immediately after people complete training and skills development;
- due to project delays, training certificates have expired and require renewal; and
- a longer term investment for training is needed so that people will pursue longer term training opportunities for better quality jobs – short funding windows have prevented community members from accessing funding for longer term programs such as university degrees.

### ***What's working:***

There are many examples of work training projects that were considered to be successes. An example of a successful training initiative is the Vancouver Island University-Coastal First Nations Stewardship Technician Training, in which ten coastal First Nations have trained and graduated fourteen participants. This led to placements within their communities as Guardian Watchmen or fisheries technicians.

Some best practices related to skills development were identified:

---

<sup>2</sup> These do not represent any official position of any party, but rather are a snapshot of the brainstorming that occurred.

- creating training projects that are able to place trainees into related employment opportunities;
- creating inventories of existing skills available to match with training and employment opportunities; and
- organizations have found success through the use of retention tools such as job coaches and mentorship.

#### ***Suggestions:***

- Evaluate and consider renewing or expanding the \$30-million Aboriginal Skills Development Fund, which has been successfully implemented.
- First Nations and governments should co-create more strategic skill development plans to target higher quality operational jobs.
- All parties should look for ways to enhance success through tools such as job matching, job coaching, and mentorship.
- BC should explore the creation of an LNG training facility in BC like the CATCH training facility operating in the UK – follow-up with Haisla should occur after their site visit to CATCH UK with local government, Kitimat Valley Institute and training partners.
- BC should create a provincially supported point-person to develop and manage a strategy for Indigenous labour market development, including the support and planning for a lifecycle of job types (higher level, technical, support jobs) and procurement that will be required to support an LNG project.

## **4.2 Ensuring strong First Nations and government relations and Indigenous governance**

#### ***Issues***

Governance is an important area and covers many issues from external relations to internal processes. First Nations participants had many views to share on a range of issues.

- First Nations view the need of improving First Nation and government relations to ensure there is better alignment on assessing LNG projects.
- Issues were raised around Aboriginal rights and title (and the full scope including social, cultural and economic aspects), consultation, accommodation, engagement standards.
- How the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and how the concept of “free, prior, and informed consent” will apply to these projects, especially since these concepts are continually evolving.
- Some participants raised the issue of the government’s strength-of-claim approach and how First Nation consultation is carried out in relation to strength-of-claim analysis. They feel the approach:
  - creates an adversarial environment between First Nations within adjacent areas and an exclusionary environment between neighbours;

- limits and minimizes legitimate environmental concerns from those that have a 'weaker' claim; and
- provides little incentive for a First Nation to be inclusive or amenable to resolving shared territory issues.
- Conflict resolution tools or processes are not readily available between government and First Nations or between First Nations.
- First Nation capacity needs to be built and maintained to participate in LNG projects.

### ***What's working:***

When multiple First Nations work together they are more successful in creating opportunities to protect the environment and maximize economic benefits for each member nation. Recent examples of this include the innovative environmental monitoring initiatives in Tsimshian territories, and the Carrier Sekani Tribal Council's recent government-to-government agreements.

Other factors of success include:

- Continuity of the parties (individuals) at the table contributes to successful processes such as regulatory reviews and government-to-government negotiations and implementation.
- Consistent capacity enabled by consistent funding ensures continuity and the ability to see a project through.
- Success happens if the parties are really committed to working with each other.
- Partnerships built with strong relationships are the best foundation to overcoming the many challenges natural-resource development projects face.

### ***Suggestions:***

#### BC and First-Nation related:

- Government-to-government relationships should be refreshed due to new leadership both provincially and in many First Nation communities.
- BC and First Nations should co-create a road map on how to engage First Nations in collaborative engagement processes – including permitting, benefit agreements, UNDRIP principles, and timing.
- BC should further engage with First Nations on its approaches for the development and use of strength of claim, and assess whether process improvements can be made so that consultation with First Nations is more transparent.
- BC should develop integrated policy on how to apply UNDRIP across all ministries in collaboration with First Nations.
- Government should invest in nation building in order to enhance capacity, skills, knowledge, economic opportunities, and the integration of Indigenous views into decisions related to major projects in traditional territories.
- Government could improve its internal capacity to engage with First Nations (to ensure engagement is undertaken at an appropriate and consistent level).
- BC should explore integrated planning around critical infrastructure such as pipeline placement.

First Nation to First Nation related:

- First Nations need to resolve shared territory/overlaps amongst themselves.
- Government should look for ways to enable resolution to shared territory conflicts.

Government, First Nation and Industry related:

- Government should research and analyze the challenges of those projects that did not go forward, to inform policy development, regulatory approaches or new mandates.
- Province should explore potential of new models to support public and First Nation equity participation in LNG projects (e.g. a new Crown corporation).
- BC should identify appropriate opportunities for Government, First Nations and Industry to convene or engage.

### **4.3 Ensuring Regulatory processes are clear and appropriately involve First Nations**

***Issues:***

Although proponents with cancelled projects have cited market conditions as the main reason for not proceeding, many believe that the length of the regulatory process contributed to the attrition of these projects. Many issues around the Environmental Assessment (EA) process were raised:

- Dealing with Aboriginal rights and title and the environmental impacts in the same process politicizes the environmental-review process.
- First Nations don't believe enough attention is paid to the full lifecycle of these projects, and some have had negative experiences with the reclamation phase of projects.
- Major concerns about an inconsistent approach from industry in regards to engaging with First Nations affected by their projects.
- Government should ensure that the broad range of social impacts of projects on indigenous communities are assessed and addressed.
- BC should be doing more to address the cumulative effects of oil and gas development in the upstream (northeast BC) where impacts are experienced across the landscape.

***What's Working:***

There are many innovations occurring in relation to how First Nations and BC are changing the ways they are assessing these projects.

- Early First Nation engagement with proponents to access key information about fundamental components of project that will impact First Nation rights and title have led to design improvements and First Nation consent to projects.
- Use of First Nation contractors for Traditional Use and Ecological Knowledge provides value to both the First Nation and proponents.
- The Aurora LNG project debriefing was viewed very favourably, where government and First Nations could find better closure to the process and learn from the experience.
- Squamish Nation's approach to engagement was cited as a positive example of where consent was reached on the best way to minimize impacts.

***Suggestions:***

- BC should enhance guidance on engagement processes with minimum standards for industry to meet when dealing with First Nations.
- BC should support Indigenous collaboration and capacity funding on environmental assessment and permitting work related to new LNG projects and potential amendments to existing pipeline or facility projects.
- BC should consider splitting regulatory review processes to deal with environmental issues and rights and title issues separately.
- Much baseline data has been generated by all parties in the past few years that would be desirable to share. Government should consider creating information-sharing processes/products on environmental information with Nations (i.e. repository).
- The successful Environmental Stewardship Initiative (ESI) has only been introduced in northern BC. A smaller-scoped ESI program could be developed in other areas of the province potentially impacted by LNG development.
- BC should consider jointly designed environmental review processes with First Nations.
- BC should ensure ongoing roles and responsibilities of the parties are identified for the entire life cycle of the project and have better mechanisms to manage ongoing issues.
- BC should ensure old gas wells (e.g. suspended or abandoned wells) are cleaned up and restored before new ones are authorized, to address environmental impacts from legacy infrastructure.
- BC should develop opportunities to review and address social impacts collaboratively with local communities and government.
- BC should support First Nations such as Haisla who have experienced social impacts from recent industrial development (e.g. Rio Tinto Alcan modernization) to share planning experiences with government and other First Nations potentially affected by LNG projects.
- BC should support First Nation communities' development of guidance for industry engagement with their community.



## 4.4 Ensuring economic opportunities for First Nations in LNG development

### *Issues:*

For First Nations to be true partners in LNG development, real benefits must materialize. Many ideas were generated about First Nations views around these benefits, understanding that the choices differ from community to community.<sup>3</sup>

- Equity participation – capital is challenging to raise and not all proponents are supportive for those First Nations wanting equity participation.
- Concerns about different approaches by proponents were raised (inequitable treatment from one proponent dealing with different First Nations or proponents that do not have a good track record in dealing with First Nations).
- Some thought there should be a minimum standard that ensures proponents who impact First Nation territories are compelled to engage with the First Nations impacted.
- Ensure all proponents have to comply, not just new proponents, with the need to consult and accommodate First Nations.
- BC should consider incentives for proponents to engage early, and often, with First Nations throughout the development proposals so First Nations can plan appropriately for taking advantage of economic opportunities but also for managing impacts. Incentives could enable proactive proponents to move through the regulatory processes quicker.
- First Nations and proponents need tools to successfully implement Impact Benefit Agreements
- Create more transparency and equity around government-First Nations benefit agreement negotiations processes.
- First Nation businesses need support to have the necessary skills, training and human resources and capacity to respond to business opportunities.
- Camp facilities could be converted to First Nation community uses after they are no longer needed for project development work.

---

<sup>3</sup> A recent report commissioned by Western Economic Diversification Canada has outlined procurement barriers to indigenous suppliers and suggests processes for implementing government support for First Nation business entities. Therefore this topic is not explored within this report.

### ***What's working:***

There are many dynamics that impact success in this category. Strong examples of First Nations that maximized the economic opportunities were ones that worked together. The First Nation Limited Partnership, a collective formed for the Pacific Trails Pipeline project in Northern BC has an unprecedented sixteen First Nations working together to advance their economic interests in this project. Some communities have seen high unemployment rate shift to high levels of employment, dramatically changing the quality of life for the community.

Best practices for enhancing economic success include:

- Having strong First Nation economic governance in place has led to better implementation results of economic benefits.
- Adequate First Nation economic management capacity will lead to better economic opportunities (such as increased subcontracting opportunities on projects).
- Impact Benefit Agreements with enforceable tools lead to better implementation results (targets, set asides, value commitments, etc.).
- First Nations combining their capacity to work together are able to leverage more benefits than those working alone.

### ***Suggestions:***

- BC should look for strategies to improve First Nation and industry relations.
- BC and First Nations should explore tools to equalize First Nation benefits from major projects (i.e. resource tax).
- BC should explore ways to increase First Nation participation in spinoff benefits for major projects.
- BC should continue to provide consistent capacity funding to First Nations to negotiate benefits agreements with the Province.

## **4.5 Improving information and communication management**

### ***Issues:***

Understandably, these complex natural-resource development projects come with complex information and communication challenges. Whether it is between government, industry and First Nations, or within First Nations, there was plenty of discussion around government's role around these issues.

- There was a concern about the public and international views about First Nation issues negatively impacting investment in BC.
- Most people are unaware of the high degree of support First Nations have in relation to the LNG industry.
- Issues around capacity for all First Nations along a pipeline route to provide consistent high quality, credible information to their constituents.

- Concerns about potential duplicated efforts and confusion around entities involved in these projects and what their role is.
- Issues around government transition and concerns that the public perception is that the current government is not in support of the industry.

### ***What's working:***

First Nations who have established their decision-making processes, including how their citizens are engaged in these processes have had good results in relation to making timely decisions. There are a number of matters that can contribute to successful information management:

- Choosing a variety of communication tools, such as meetings, print, video and social media, to reach people has led to successful results.
- First Nations need to ensure there are safe forums to explore sensitive issues for strong community engagement.
- People need time to absorb information so it is important to ensure people and communities have enough time to consider complex information.
- First Nations, government and industry should all have clear expectations about decision-making and communication processes.

### ***Suggestions:***

- Ministers should consider publicly stating their support for positive final investment decisions (as many FNs and industry representatives have impressions that the government may be anti-LNG development).
- BC should work with First Nation organizations to create inventories of indigenous organizations including: Natural resources, Energy, /Economic Development, and Environmental.
- BC should co-create communication tools portraying positive First Nations involvement in the industry.
- BC should ensure there are ongoing education initiatives to support industry, government and First Nations knowledge.
- BC should collaborate with First Nation on a joint media strategy demonstrating First Nation support of the industry.
- BC should support First Nation-created communication products for First Nation citizens.
- BC should continue to undertake initiatives to improve investor confidence in BC (including trade missions with Indigenous participation).
- EMPR should investigate LNG proponents' interest in EMPR facilitating meetings between supportive First Nations and international investors/partners in the lead LNG facilities.
- BC should showcase shareable agreements, and share best practices with examples of how First Nations led engagement with their members on these projects.

## 5. Conclusion

First Nations provided thoughtful and knowledgeable input at the five regional engagement sessions. Clearly, some First Nations have long-standing experience dealing with industry and are sophisticated with relation to these topics, with much expertise and experience to draw upon.

It was also clear that there is still a high degree of support for the LNG industry. There have been many positive impacts to First Nation communities related to LNG development, prior to any construction. Much capacity has been created due to these proposed projects; however, expectations have also been raised. Now, First Nation leaders are trying to deal with their constituents' frustration because of the delays or cancellation of these projects. These missed or delayed opportunities are negatively impacting First Nations communities throughout the province.

The Government of BC should consider the following suggestions which may help contribute to greater chances of advancing proposed LNG projects in the province:

1. Build upon the successful uptake of skills and training development funding and consider increasing funding to allow the extension of this support. BC should consider a provincially supported point-person to develop, in collaboration with Indigenous representatives, a strategy for Indigenous labour market development, including support and planning for a lifecycle of job types (higher level, technical, support jobs) that would support LNG projects.
2. Support First Nation agreements where they have been reached, and give further consideration on how to mitigate the negative impacts that project cancellations have on First Nation communities.
3. New leadership should initiate discussions with those groups that haven't provided consent to projects <sup>s.16</sup> to explore the concerns of the groups and any opportunities to resolve issues.
4. Engage with First Nations and LNG proponents (for current and cancelled projects) to discuss regulatory improvements.
5. Partner with First Nations and Indigenous organizations to improve communication, information sharing, and ongoing engagement on the LNG industry.
6. Continue the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of BC that are affected by potential LNG projects.
7. EMPR should further review the recommendations contained in this report with lead LNG proponents and relevant agencies, such as the Ministry of Indigenous Relations and Reconciliation and the Environmental Assessment Office to develop proposals for government to collaborate on and implement with First Nations.

Both the Ministry of Energy, Mines and Petroleum Resources and the First Nations LNG Alliance is committed to working on many of the themes that were raised through the engagement. From continuing to support indigenous peoples' access to training, development, and career supports to increasing our shared ability to make informed and durable decisions, our two organizations have

many shared objectives. The two organizations will further review the recommendations contained in this report with LNG proponents, key government ministries, and First Nations to develop areas for potential government action.

In conclusion, we can learn from the past few years and look to improve processes and outcomes for a future LNG Industry. The number of existing LNG facility, pipeline and upstream agreements proves that LNG projects can comply with government's intent to seek and achieve Indigenous consent. This is not easy work, and there are barriers, but the amount of progress made in recent years is considerable. British Columbia's ongoing leadership in responsible natural resource development and engagement with First Nations is an example to the country and the world in relation to respecting the environment and Indigenous rights.

DRAFT

**From:** [Humber, Emmy MNGD:EX](#)  
**To:** [Shaw, Rachel IRR:EX](#)  
**Subject:** FW: FN LNG Alliance Report: approval  
**Date:** Thursday, January 25, 2018 4:06:18 PM  
**Attachments:** [5803\\_FNLNGA\\_Report\\_Draft3.pdf](#)

---

Hi Rachel,

As I mentioned GCPE has produced the formatted report, which I've attached.

My one remaining comment is that I'm unsure about the use of the BC logo on the footers... other than that I'm good with the content (it's what Kim and I finalized).

Please let me know if you have any comments or concerns – is Monday ok?

Emmy

# Province of British Columbia and First Nations LNG Alliance Joint Engagement Report



BRITISH  
COLUMBIA





# Contents

<b>1. EXECUTIVE SUMMARY</b>	<b>4</b>
<b>2. BACKGROUND AND METHODOLOGY</b>	<b>6</b>
<b>3. STATUS OF THE LNG INDUSTRY IN BC</b>	<b>7</b>
<b>4. REGIONAL ENGAGEMENT SESSIONS: DISCUSSION SUMMARY</b>	<b>8</b>
4.1 <i>Indigenous people have the skills and education to fully participate in LNG sector opportunities. ....</i>	<b>8</b>
4.2 <i>Ensuring strong First Nations and government relations and Indigenous governance .....</i>	<b>9</b>
4.3 <i>Ensuring Regulatory processes are clear and appropriately involve First Nations .....</i>	<b>10</b>
4.4 <i>Ensuring economic opportunities for First Nations in LNG development .....</i>	<b>11</b>
4.5 <i>Improving information and communication management ....</i>	<b>12</b>
<b>5. CONCLUSION</b>	<b>14</b>

# 1. Executive summary

The Liquefied Natural Gas (LNG) industry has changed dramatically in the past few years, as prices have dropped across the globe and new liquefaction facilities have come online. This means that there are far fewer new natural gas pipelines and LNG facilities projects advancing, largely due to economic circumstances. However, there is considerable consensus among international LNG market analysts that global demand will continue to grow, with demand for new LNG facilities and export opportunities arising around 2023-24. Given the approximate 4-5 year construction period, a window of opportunity remains open for positive Final Investment Decisions (FIDs) in LNG projects by proponents in the next two to three years in British Columbia.

The BC Ministry of Energy, Mines, and Petroleum Resources (EMPR) has been asked to engage First Nations on the LNG sector's cost competitiveness and fiscal policies. EMPR partnered with the First Nations LNG Alliance (FNLNGA) in the fall of 2017 to conduct five regional engagement sessions with local First Nations to gather perspectives, suggestions and opportunities from First Nations in their traditional territories. The dialogue from the engagement sessions was recorded and analyzed and sorted by issues and suggestions in the report below. The overall goal of the report, co-authored by the FNLNGA and EMPR, is to further advance recommendations for the future of LNG projects and ongoing engagement with First Nations.

Discussions with local First Nations in each of the five regional engagement sessions have shown that a high degree of support for LNG projects in British Columbia remains. In fact, many First Nations representatives raised the need to push the remaining projects over the finish line in order for the communities to achieve the benefits they negotiated with the provincial government and industry proponents. First Nations have demonstrated a high degree of knowledge from their experience working with the LNG industry over the past few years and have advanced a number of areas for the province to consider.

Although many suggestions are broader than focusing solely on ways in which the LNG sector could become more cost competitive, they are all connected to First Nation views of what will be required for the development of successful natural resource development projects in the future. Ideas arising from the regional engagement meetings were based on First Nation experiences with the LNG regulatory review processes occurring over the last five years. If LNG projects are done in a way that respects First Nation interests, they will be the most safe, environmentally rigorous, and human-rights-compliant projects in the world. When these key interests are addressed early in natural resource development projects, there is greater likelihood for success. The following suggestions arose out of the meetings and were based on discussions among First Nation participants.

The Government of BC should consider the following suggestions which may help contribute to greater chances of advancing proposed LNG projects in the province:

- 1. BUILD** upon the successful uptake of skills and training development funding and consider increasing funding to allow the extension of this support. BC should consider a provincially supported point-person to develop, in collaboration with Indigenous representatives, a strategy for Indigenous labour market development, including support and planning for a lifecycle of job types (higher level, technical, support jobs) that would support LNG projects.
- 2. SUPPORT** First Nation agreements where they have been reached, and give further consideration on how to mitigate the negative impacts that project cancellations have on First Nation communities.
- 3. NEW LEADERSHIP** should initiate discussions with those groups that haven't provided consent to projects to explore the concerns of the groups and any opportunities to resolve issues.
- 4. ENGAGE** with First Nations and LNG proponents (for current and cancelled projects) to discuss regulatory improvements.
- 5. PARTNER** with First Nations and Indigenous organizations to improve communication, information sharing, and ongoing engagement on the LNG industry.
- 6. CONTINUE** the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of BC that are affected by potential LNG projects.
- 7. EMPR** should further review the recommendations contained in this report with lead LNG proponents and relevant agencies, such as the Ministry of Indigenous Relations and Reconciliation and the Environmental Assessment Office to develop proposals for government to collaborate on and implement with First Nations.

## 2. Background and methodology

The mandate letter of the Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources, provides direction to ensure British Columbians benefit from Liquefied Natural Gas (LNG) projects by requiring proposals to meet the following four conditions:

1. **INCLUDE** *express guarantees of jobs and training opportunities for British Columbians;*
2. **PROVIDE** *a fair return for our resource;*
3. **RESPECT** *and make partners of First Nations; and,*
4. **PROTECT** *our air, land and water, including living up to our climate commitments.*

Furthermore, as part of government's commitment to true, lasting reconciliation with First Nations in British Columbia through adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission, the Ministry is moving forward on the calls to action and reviewing policies, programs, and legislation to determine how to bring the principles of the declaration into action in British Columbia.

EMPR partnered with the First Nations LNG Alliance (FNLNGA) to carry out dialogues with representatives from First Nations who have traditional territories in which new LNG facilities, related natural-gas pipelines, or upstream gas development are proposed. The FNLNGA has partnered with EMPR because it believes in engaging First Nations on issues related to the LNG industry. The purpose of the FNLNGA is to provide a forum of First Nations who support a sustainably developed LNG industry that respects the rights of First Nations people.

Participants in the regional engagement sessions included Indigenous leaders and provincial and federal officials to discuss the ongoing development of a LNG industry in British Columbia.

The schedule of the regional engagements was as follows:

- ▶ *Prince George, September 27, 2017*
- ▶ *Smithers, October 2, 2017*
- ▶ *Fort St. John, October 16, 2017*
- ▶ *Vancouver, October 25, 2017*
- ▶ *Terrace, October 26, 2017*

Dan George, President of Four Directions Management Services, facilitated discussions around two primary questions:

- ▶ *How can First Nations and BC contribute to making BC a more likely place for investment in additional LNG projects?*
- ▶ *Are there ideas or models First Nations would like to see carried out to enhance the chances of LNG investment?*

This report outlines the results of these discussions with First Nation representatives, and ends with some recommendations for BC to consider. Meeting notes recorded from each of the five engagement sessions were analyzed and categorized into themes which were then developed into seven main recommendations the provincial government should consider supporting.

### 3. Status of the LNG industry in BC

There are a variety of proposed LNG export projects remaining in BC, but there is only a handful that seem to be actively pursuing project development. This is considerably less than the height of industry speculation a few years ago.

#### BY REGION:

- ▶ *Campbell River: Discovery LNG*
- ▶ *Delta: Tilbury LNG / WestPac*
- ▶ *Kitimat: LNG Canada, Kitimat LNG, Triton LNG, Cedar LNG*
- ▶ *Kitsault: Kitsault Energy*
- ▶ *Port Alberni: Kwispaa LNG*
- ▶ *Prince Rupert: WCC LNG, Grassy Point LNG, Orca LNG, New Times Energy Ltd., Nisga'a LNG, Watson Island LNG*
- ▶ *Squamish: Woodfibre LNG*
- ▶ *Stewart: Stewart Energy LNG*

Proponents who have walked away from potential developments in BC have cited market conditions as being their main reason for cancelling projects. While it appears that there is a short-term glut of LNG in the global LNG market, analysis shows that the next window of opportunity will arise by 2023-24<sup>1</sup>.

#### BC'S COMPETITIVENESS ISSUES INCLUDE:

##### **Advantages:**

- ▶ *temperature*
- ▶ *shipping distance*
- ▶ *supply certainty and diversity*

##### **Disadvantage:**

- ▶ *lack of infrastructure means more capital investment costs*

It would also appear that regulatory delays that likely contributed to the cancellation of some LNG projects in BC have led to a perceived disadvantage to BC's competitiveness.

.....  
<sup>1</sup> Source: WoodMac LNG Tool

## 4. Regional Engagement Sessions: Discussion Summary

The regional engagement sessions yielded a wide variety of comments on issues that were important to First Nation communities. The facilitator ensured all issues raised were explored in dept. The issues raised have been categorized into the following themes.<sup>2</sup>

### 4.1 Indigenous people have the skills and education to fully participate in LNG sector opportunities

#### ISSUES:

The issue of poverty and the need for economic and employment opportunities for First Nations was raised consistently. Many First Nations view LNG projects as an important opportunity to improve poor socio-economic conditions in their communities. Employment and economic opportunities are required for communities to be sustainable and healthy. It cannot be over emphasized how the issues of employment and training are critical for these communities.

Concerns were raised in relation to the type of jobs and training available to First Nations from proposed LNG projects. First Nations are facing challenges due to delays or cancellation of proposed LNG projects. However, First Nations also see delays as a positive - providing the opportunity to have a more strategic, long-term approach to training which could expand training opportunities that would ultimately maximize the quality and sustainability of jobs for First Nation people. Issues raised include:

- ▶ *the need for sustainable/long-term jobs instead of intense short-term labour opportunities;*
- ▶ *the need for jobs to be available immediately after people complete training and skills development;*
- ▶ *due to project delays, training certificates have expired and require renewal; and*
- ▶ *a longer term investment for training is needed so that people will pursue longer term training opportunities for better quality jobs – short funding windows have prevented community members from accessing funding for longer term programs such as university degrees.*

#### WHAT'S WORKING:

There are many examples of work training projects that were considered to be successes. An example of a successful training initiative is the Vancouver Island University-Coastal First Nations Stewardship Technician Training, in which ten coastal First Nations have trained and graduated fourteen participants. This led to placements within their communities as Guardian Watchmen or fisheries technicians.

#### SOME BEST PRACTICES RELATED TO SKILLS DEVELOPMENT WERE IDENTIFIED:

- ▶ *creating training projects that are able to place trainees into related employment opportunities;*
- ▶ *creating inventories of existing skills available to match with training and employment opportunities; and*
- ▶ *organizations have found success through the use of retention tools such as job coaches and mentorship.*

.....

<sup>2</sup> These do not represent any official position of any party, but rather are a snapshot of the brainstorming that occurred.

## SUGGESTIONS:

- ▶ *Evaluate and consider renewing or expanding the \$30-million Aboriginal Skills Development Fund, which has been successfully implemented.*
- ▶ *First Nations and governments should co-create more strategic skill development plans to target higher quality operational jobs.*
- ▶ *All parties should look for ways to enhance success through tools such as job matching, job coaching, and mentorship.*
- ▶ *BC should explore the creation of an LNG training facility in BC like the CATCH training facility operating in the UK – follow-up with Haisla should occur after their site visit to CATCH UK with local government, Kitimat Valley Institute and training partners.*
- ▶ *BC should create a provincially supported point-person to develop and manage a strategy for Indigenous labour market development, including the support and planning for a lifecycle of job types (higher level, technical, support jobs) and procurement that will be required to support an LNG project.*

## 4.2 Ensuring strong First Nations and government relations and Indigenous governance

### ISSUES

Governance is an important area and covers many issues from external relations to internal processes. First Nations participants had many views to share on a range of issues.

First Nations view the need of improving First Nation and government relations to ensure there is better alignment on assessing LNG projects.

- ▶ *Issues were raised around Aboriginal rights and title (and the full scope including social, cultural and economic aspects), consultation, accommodation, engagement standards.*
- ▶ *How the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and how the concept of “free, prior, and informed consent” will apply to these projects, especially since these concepts are continually evolving.*

- ▶ *Some participants raised the issue of the government’s strength-of-claim approach and how First Nation consultation is carried out in relation to strength-of-claim analysis. They feel the approach:*
  - » *creates an adversarial environment between First Nations within adjacent areas and an exclusionary environment between neighbours;*
  - » *limits and minimizes legitimate environmental concerns from those that have a ‘weaker’ claim; and*
  - » *provides little incentive for a First Nation to be inclusive or amenable to resolving shared territory issues.*
- ▶ *Conflict resolution tools or processes are not readily available between government and First Nations or between First Nations.*
- ▶ *First Nation capacity needs to be built and maintained to participate in LNG projects.*

### WHAT’S WORKING:

When multiple First Nations work together they are more successful in creating opportunities to protect the environment and maximize economic benefits for each member nation. Recent examples of this include the innovative environmental monitoring initiatives in Tsimshian territories, and the Carrier Sekani Tribal Council’s recent government-to-government agreements.

### OTHER FACTORS OF SUCCESS INCLUDE:

- ▶ *Continuity of the parties (individuals) at the table contributes to successful processes such as regulatory reviews and government-to-government negotiations and implementation.*
- ▶ *Consistent capacity enabled by consistent funding ensures continuity and the ability to see a project through.*
- ▶ *Success happens if the parties are really committed to working with each other.*
- ▶ *Partnerships built with strong relationships are the best foundation to overcoming the many challenges natural-resource development projects face.*

## SUGGESTIONS:

### **BC and First-Nation related:**

- ▶ *Government-to-government relationships should be refreshed due to new leadership both provincially and in many First Nation communities.*
- ▶ *BC and First Nations should co-create a road map on how to engage First Nations in collaborative engagement processes – including permitting, benefit agreements, UNDRIP principles, and timing.*
- ▶ *BC should further engage with First Nations on its approaches for the development and use of strength of claim, and assess whether process improvements can be made so that consultation with First Nations is more transparent.*
- ▶ *BC should develop integrated policy on how to apply UNDRIP across all ministries in collaboration with First Nations.*
- ▶ *Government should invest in nation building in order to enhance capacity, skills, knowledge, economic opportunities, and the integration of Indigenous views into decisions related to major projects in traditional territories.*
- ▶ *Government could improve its internal capacity to engage with First Nations (to ensure engagement is undertaken at an appropriate and consistent level).*
- ▶ *BC should explore integrated planning around critical infrastructure such as pipeline placement.*

### **First Nation to First Nation related:**

- ▶ *First Nations need to resolve shared territory/overlaps amongst themselves.*
- ▶ *Government should look for ways to enable resolution to shared territory conflicts.*

## GOVERNMENT, FIRST NATION

### AND INDUSTRY RELATED:

- ▶ *Government should research and analyze the challenges of those projects that did not go forward, to inform policy development, regulatory approaches or new mandates.*
- ▶ *Province should explore potential of new models to support public and First Nation equity participation in LNG projects (e.g. a new Crown corporation).*
- ▶ *BC should identify appropriate opportunities for Government, First Nations and Industry to convene or engage.*

## 4.3 Ensuring Regulatory processes are clear and appropriately involve First Nations

### ISSUES:

Although proponents with cancelled projects have cited market conditions as the main reason for not proceeding, many believe that the length of the regulatory process contributed to the attrition of these projects. Many issues around the Environmental Assessment (EA) process were raised:

- ▶ *Dealing with Aboriginal rights and title and the environmental impacts in the same process politicizes the environmental-review process.*
- ▶ *First Nations don't believe enough attention is paid to the full lifecycle of these projects, and some have had negative experiences with the reclamation phase of projects.*
- ▶ *Major concerns about an inconsistent approach from industry in regards to engaging with First Nations affected by their projects.*
- ▶ *Government should ensure that the broad range of social impacts of projects on indigenous communities are assessed and addressed.*
- ▶ *BC should be doing more to address the cumulative effects of oil and gas development in the upstream (northeast BC) where impacts are experienced across the landscape.*



## WHAT'S WORKING:

There are many innovations occurring in relation to how First Nations and BC are changing the ways they are assessing these projects.

- ▶ *Early First Nation engagement with proponents to access key information about fundamental components of project that will impact First Nation rights and title have led to design improvements and First Nation consent to projects.*
- ▶ *Use of First Nation contractors for Traditional Use and Ecological Knowledge provides value to both the First Nation and proponents.*
- ▶ *The Aurora LNG project debriefing was viewed very favourably, where government and First Nations could find better closure to the process and learn from the experience.*
- ▶ *Squamish Nation's approach to engagement was cited as a positive example of where consent was reached on the best way to minimize impacts.*

## SUGGESTIONS:

- ▶ *BC should enhance guidance on engagement processes with minimum standards for industry to meet when dealing with First Nations.*
- ▶ *BC should support Indigenous collaboration and capacity funding on environmental assessment and permitting work related to new LNG projects and potential amendments to existing pipeline or facility projects.*
- ▶ *BC should consider splitting regulatory review processes to deal with environmental issues and rights and title issues separately.*
- ▶ *Much baseline data has been generated by all parties in the past few years that would be desirable to share. Government should consider creating information-sharing processes/products on environmental information with Nations (i.e. repository).*
- ▶ *The successful Environmental Stewardship Initiative (ESI) has only been introduced in northern BC. A smaller-scoped ESI program could be developed in other*

*areas of the province potentially impacted by LNG development.*

- ▶ *BC should consider jointly designed environmental review processes with First Nations.*
- ▶ *BC should ensure ongoing roles and responsibilities of the parties are identified for the entire life cycle of the project and have better mechanisms to manage ongoing issues.*
- ▶ *BC should ensure old gas wells (e.g. suspended or abandoned wells) are cleaned up and restored before new ones are authorized, to address environmental impacts from legacy infrastructure.*
- ▶ *BC should develop opportunities to review and address social impacts collaboratively with local communities and government.*
- ▶ *BC should support First Nations such as Haisla who have experienced social impacts from recent industrial development (e.g. Rio Tinto Alcan modernization) to share planning experiences with government and other First Nations potentially affected by LNG projects.*
- ▶ *BC should support First Nation communities' development of guidance for industry engagement with their community.*

## 4.4 Ensuring economic opportunities for First Nations in LNG development

### ISSUES:

For First Nations to be true partners in LNG development, real benefits must materialize. Many ideas were generated about First Nations views around these benefits, understanding that the choices differ from community to community.<sup>3</sup>

.....

**3** A recent report commissioned by Western Economic Diversification Canada has outlined procurement barriers to indigenous suppliers and suggests processes for implementing government support for First Nation business entities. Therefore this topic is not explored within this report.

- ▶ *Equity participation – capital is challenging to raise and not all proponents are supportive for those First Nations wanting equity participation.*
- ▶ *Concerns about different approaches by proponents were raised (inequitable treatment from one proponent dealing with different First Nations or proponents that do not have a good track record in dealing with First Nations).*
- ▶ *Some thought there should be a minimum standard that ensures proponents who impact First Nation territories are compelled to engage with the First Nations impacted.*
- ▶ *Ensure all proponents have to comply, not just new proponents, with the need to consult and accommodate First Nations.*
- ▶ *BC should consider incentives for proponents to engage early, and often, with First Nations throughout the development proposals so First Nations can plan appropriately for taking advantage of economic opportunities but also for managing impacts. Incentives could enable proactive proponents to move through the regulatory processes quicker.*
- ▶ *First Nations and proponents need tools to successfully implement Impact Benefit Agreements*
- ▶ *Create more transparency and equity around government-First Nations benefit agreement negotiations processes.*
- ▶ *First Nation businesses need support to have the necessary skills, training and human resources and capacity to respond to business opportunities.*
- ▶ *Camp facilities could be converted to First Nation community uses after they are no longer needed for project development work.*

#### **WHAT'S WORKING:**

There are many dynamics that impact success in this category. Strong examples of First Nations that maximized the economic opportunities were ones that worked together. The First Nation Limited Partnership, a collective formed for the Pacific Trails Pipeline project in Northern BC has an unprecedented sixteen First Nations working together to advance their economic interests in this project. Some communities have seen high unemployment rate shift to high levels of employment, dramatically changing the quality of life for the community.

#### **BEST PRACTICES FOR ENHANCING ECONOMIC SUCCESS INCLUDE:**

- ▶ *Having strong First Nation economic governance in place has led to better implementation results of economic benefits.*
- ▶ *Adequate First Nation economic management capacity will lead to better economic opportunities (such as increased subcontracting opportunities on projects).*
- ▶ *Impact Benefit Agreements with enforceable tools lead to better implementation results (targets, set asides, value commitments, etc.).*
- ▶ *First Nations combining their capacity to work together are able to leverage more benefits than those working alone.*

#### **SUGGESTIONS:**

- ▶ *BC should look for strategies to improve First Nation and industry relations.*
- ▶ *BC and First Nations should explore tools to equalize First Nation benefits from major projects (i.e. resource tax).*
- ▶ *BC should explore ways to increase First Nation participation in spinoff benefits for major projects.*
- ▶ *BC should continue to provide consistent capacity funding to First Nations to negotiate benefits agreements with the Province.*

## 4.5 Improving information and communication management

### ISSUES:

Understandably, these complex natural-resource development projects come with complex information and communication challenges. Whether it is between government, industry and First Nations, or within First Nations, there was plenty of discussion around government's role around these issues.

- ▶ *There was a concern about the public and international views about First Nation issues negatively impacting investment in BC.*
- ▶ *Most people are unaware of the high degree of support First Nations have in relation to the LNG industry.*
- ▶ *Issues around capacity for all First Nations along a pipeline route to provide consistent high quality, credible information to their constituents.*
- ▶ *Concerns about potential duplicated efforts and confusion around entities involved in these projects and what their role is.*
- ▶ *Issues around government transition and concerns that the public perception is that the current government is not in support of the industry.*

### WHAT'S WORKING:

First Nations who have established their decision-making processes, including how their citizens are engaged in these processes have had good results in relation to making timely decisions. There are a number of matters that can contribute to successful information management:

- ▶ *Choosing a variety of communication tools, such as meetings, print, video and social media, to reach people has led to successful results.*
- ▶ *First Nations need to ensure there are safe forums to explore sensitive issues for strong community engagement.*

- ▶ *People need time to absorb information so it is important to ensure people and communities have enough time to consider complex information.*
- ▶ *First Nations, government and industry should all have clear expectations about decision-making and communication processes.*

### SUGGESTIONS:

- ▶ *Ministers should consider publicly stating their support for positive final investment decisions (as many FNs and industry representatives have impressions that the government may be anti-LNG development).*
- ▶ *BC should work with First Nation organizations to create inventories of indigenous organizations including: Natural resources, Energy, /Economic Development, and Environmental.*
- ▶ *BC should co-create communication tools portraying positive First Nations involvement in the industry.*
- ▶ *BC should ensure there are ongoing education initiatives to support industry, government and First Nations knowledge.*
- ▶ *BC should collaborate with First Nation on a joint media strategy demonstrating First Nation support of the industry.*
- ▶ *BC should support First Nation-created communication products for First Nation citizens.*
- ▶ *BC should continue to undertake initiatives to improve investor confidence in BC (including trade missions with Indigenous participation).*
- ▶ *EMPR should investigate LNG proponents' interest in EMPR facilitating meetings between supportive First Nations and international investors/partners in the lead LNG facilities.*
- ▶ *BC should showcase shareable agreements, and share best practices with examples of how First Nations led engagement with their members on these projects.*

## 5. Conclusion

First Nations provided thoughtful and knowledgeable input at the five regional engagement sessions. Clearly, some First Nations have long-standing experience dealing with industry and are sophisticated with relation to these topics, with much expertise and experience to draw upon.

It was also clear that there is still a high degree of support for the LNG industry. There have been many positive impacts to First Nation communities related to LNG development, prior to any construction. Much capacity has been created due to these proposed projects; however, expectations have also been raised. Now, First Nation leaders are trying to deal with their constituents' frustration because of the delays or cancellation of these projects. These missed or delayed opportunities are negatively impacting First Nations communities throughout the province.

The Government of BC should consider the following suggestions which may help contribute to greater chances of advancing proposed LNG projects in the province:

- 1. *Build upon the successful uptake of skills and training development funding and consider increasing funding to allow the extension of this support. BC should consider a provincially supported point-person to develop, in collaboration with Indigenous representatives, a strategy for Indigenous labour market development, including support and planning for a lifecycle of job types (higher level, technical, support jobs) that would support LNG projects.***
- 2. *Support First Nation agreements where they have been reached, and give further consideration on how to mitigate the negative impacts that project cancellations have on First Nation communities.***
- 3. *New leadership should initiate discussions with those groups that haven't provided consent to projects to explore the concerns of the groups and any opportunities to resolve issues.***

- 4. *Engage with First Nations and LNG proponents (for current and cancelled projects) to discuss regulatory improvements.***
- 5. *Partner with First Nations and Indigenous organizations to improve communication, information sharing, and ongoing engagement on the LNG industry.***
- 6. *Continue the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of BC that are affected by potential LNG projects.***
- 7. *EMPR should further review the recommendations contained in this report with lead LNG proponents and relevant agencies, such as the Ministry of Indigenous Relations and Reconciliation and the Environmental Assessment Office to develop proposals for government to collaborate on and implement with First Nations.***

Both the Ministry of Energy, Mines and Petroleum Resources and the First Nations LNG Alliance is committed to working on many of the themes that were raised through the engagement. From continuing to support indigenous peoples' access to training, development, and career supports to increasing our shared ability to make informed and durable decisions, our two organizations have many shared objectives. The two organizations will further review the recommendations contained in this report with LNG proponents, key government ministries, and First Nations to develop areas for potential government action.

In conclusion, we can learn from the past few years and look to improve processes and outcomes for a future LNG Industry. The number of existing LNG facility, pipeline and upstream agreements proves that LNG projects can comply with government's intent to seek and achieve Indigenous consent. This is not easy work, and there are barriers, but the amount of progress made in recent years is considerable. British Columbia's ongoing leadership in responsible natural resource development and engagement with First Nations is an example to the country and the world in relation to respecting the environment and Indigenous rights.





BRITISH  
COLUMBIA

**From:** [Shaw, Rachel IRR:EX](#)  
**To:** [Humber, Emmy EMPR:EX](#)  
**Subject:** RE: LNG Engagement report IN  
**Date:** Monday, March 26, 2018 8:26:46 AM

---

Ok – according to my files I’ve haven’t seen the IN, so that’s interesting.  
s.12,s.13

Let’s connect when you have an updated note.

Rachel

---

**From:** Humber, Emmy EMPR:EX  
**Sent:** Sunday, March 25, 2018 4:05 PM  
**To:** Shaw, Rachel IRR:EX  
**Subject:** LNG Engagement report IN

Hi – I have some significant concerns with some of the language in the LNG engagement report IN written by MIRR.... I’m having a meeting with our GCPE folks on Monday about it, and then I’ll circulate an updated note back to you and we can chat about it. There is a huge difference between “environmental stewardship” even in a collaborative context, and “land management” that I think we need to be tight on as far as messaging goes. s.12,s.13

s.12,s.13

Thanks,  
Emmy Humber  
Strategic Advisor,  
Strategic and Indigenous Affairs Division  
Ministry of Energy, Mines and Petroleum Resources  
Office: 778-698-7101  
Mobile: 250-216-0874

**From:** [Shaw, Rachel IRR:EX](#)  
**To:** [Lang, Sandra IRR:EX](#); [Ziegler, Kevin IRR:EX](#); [Smith, Alanya C IRR:EX](#); [Vesely, Andrew IRR:EX](#)  
**Subject:** FW: Sharing: BC-FNLNGA Engagement Report  
**Date:** Monday, March 26, 2018 12:15:28 PM  
**Attachments:** [BC-FNLNGA Engagement Report Final.pdf](#)  
[Natural Gas Technical Briefing - Final.pptx](#)  
[2018PREM0012-000480.pdf](#)

---

FYI

---

**From:** EMPR LNG in BC EMPR:EX  
**Sent:** Friday, March 23, 2018 1:40 PM  
**To:** EMPR LNG in BC EMPR:EX <[LNGinBC@gov.bc.ca](mailto:LNGinBC@gov.bc.ca)>  
**Subject:** Sharing: BC-FNLNGA Engagement Report

Hello,

The Ministry of Energy, Mines and Petroleum Resources (MEMPR) recently undertook a review of British Columbia's LNG sector's cost competitiveness and fiscal policies. The review involved industry, First Nations, the federal government and communities. Yesterday, Premier John Horgan announced details of the Province's new framework for natural gas development – you can read more about it in the attached news release and technical briefing PowerPoint presentation.

As a component of this work, in the fall of 2017, MEMPR partnered with the First Nations LNG Alliance (FNLNGA) to co-host five LNG in BC Regional Engagement Sessions around the province. These sessions were an opportunity to talk with First Nations that have LNG-related activities proposed in their territories to gather perspectives, suggestions and discuss opportunities for enhancing the prospects of a successful LNG industry in the Province.

Discussions from those engagement sessions have informed the attached *Province of British Columbia and First Nations LNG Alliance: Joint Engagement Report*, co-authored by MEMPR and FNLNGA. The overall goal of the report is to further advance recommendations for the future of LNG projects and provide a basis for ongoing engagement with First Nations on the development of the LNG sector.

If you have any questions with regards to the report, please feel free to contact the Strategic and Indigenous Affairs Division at the Ministry of Energy, Mines and Petroleum Resources by replying to this email address ([LNGinBC@gov.bc.ca](mailto:LNGinBC@gov.bc.ca)), or by contacting Emmy Humber, Strategic Advisor by email: [Emmy.Humber@gov.bc.ca](mailto:Emmy.Humber@gov.bc.ca). Questions for the FN LNG Alliance can be directed to [communications@fnlngalliance.com](mailto:communications@fnlngalliance.com) or directly to Karen Ogen, CEO at [ceo@fnlngalliance.com](mailto:ceo@fnlngalliance.com)

Sincerely,

Simon Coley, ADM, Strategic and Indigenous Affairs, MEMPR and Karen Ogen, CEO, FN LNG Alliance.



# Province of British Columbia and First Nations LNG Alliance Joint Engagement Report



BRITISH  
COLUMBIA





# Contents

<b>1. EXECUTIVE SUMMARY</b>	<b>4</b>
<b>2. BACKGROUND AND METHODOLOGY</b>	<b>6</b>
<b>3. STATUS OF THE LNG INDUSTRY IN BC</b>	<b>7</b>
<b>4. REGIONAL ENGAGEMENT SESSIONS: DISCUSSION SUMMARY</b>	<b>8</b>
4.1 <i>Indigenous people have the skills and education         to fully participate in LNG sector opportunities .....</i>	<b>8</b>
4.2 <i>Ensuring strong First Nations and government relations         and Indigenous governance .....</i>	<b>9</b>
4.3 <i>Ensuring Regulatory processes are clear         and appropriately involve First Nations .....</i>	<b>10</b>
4.4 <i>Ensuring economic opportunities for First Nations         in LNG development.....</i>	<b>11</b>
4.5 <i>Improving information and communication management ....</i>	<b>13</b>
<b>5. CONCLUSION</b>	<b>14</b>

# 1. Executive summary

The Liquefied Natural Gas (LNG) industry has changed dramatically in the past few years, as prices have dropped across the globe and new liquefaction facilities have come online. This means that there are far fewer new natural gas pipelines and LNG facilities projects advancing, largely due to economic circumstances. However, there is considerable consensus among international LNG market analysts that global demand will continue to grow, with demand for new LNG facilities and export opportunities arising around 2023-24. Given the approximate 4-5 year construction period, a window of opportunity remains open for positive Final Investment Decisions (FIDs) in LNG projects by proponents in the next two to three years in British Columbia.

The BC Ministry of Energy, Mines, and Petroleum Resources (EMPR) has been asked to engage First Nations on the LNG sector's cost competitiveness and fiscal policies. EMPR partnered with the First Nations LNG Alliance (FNLNGA) in the fall of 2017 to conduct five regional engagement sessions with local First Nations to gather perspectives, suggestions and opportunities from First Nations in their traditional territories. The dialogue from the engagement sessions was recorded, analyzed and sorted by issues and suggestions in the report below. The overall goal of the report, co-authored by the FNLNGA and EMPR, is to further advance recommendations for the future of LNG projects and ongoing engagement with First Nations.

Discussions with local First Nations in each of the five regional engagement sessions have shown that a high degree of support for LNG projects in British Columbia remains. In fact, many First Nations representatives raised the need to push the remaining projects over the finish line in order for the communities to achieve the benefits they negotiated with the provincial government and industry proponents. First Nations have demonstrated a high degree of knowledge from their experience working with the LNG industry over the past few years and have advanced a number of areas for the province to consider.

Many suggestions have a focus that is broader than LNG sector competitiveness, but are connected to First Nation views of requirements for the development of successful natural resource development projects in the future. Ideas arising from the regional engagement meetings were based on First Nation experiences with the LNG regulatory review processes occurring over the last five years. If LNG projects are done in a way that respects First Nation interests, they will be the most safe, environmentally rigorous, and human-rights-compliant projects in the world. When these key interests are addressed early in natural resource development projects, there is greater likelihood for success. The following suggestions arose out of the meetings and were based on discussions among First Nation participants.

The Government of BC should consider the following suggestions, which may help contribute to greater chances of advancing proposed LNG projects in the province:

1. **BUILD** upon the successful uptake of skills and training development funding and consider increasing funding to allow the extension of this support. BC should consider a provincially supported point-person to develop, in collaboration with Indigenous representatives, a strategy for Indigenous labour market development, including support and planning for a lifecycle of job types (higher level, technical, support jobs) that would support LNG projects.
2. **SUPPORT** First Nation agreements where they have been reached, and give further consideration on how to mitigate the negative impacts that project cancellations have on First Nation communities.
3. **NEW LEADERSHIP** should initiate discussions with those groups that haven't provided consent to projects to explore the concerns of the groups and any opportunities to resolve issues.
4. **ENGAGE** with First Nations and LNG proponents (for current and cancelled projects) to discuss regulatory improvements.
5. **PARTNER** with First Nations and Indigenous organizations to improve communication, information sharing, and ongoing engagement on the LNG industry.
6. **CONTINUE** the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of BC that are affected by potential LNG projects.
7. **EMPR** should further review the recommendations contained in this report with lead LNG proponents and relevant agencies, such as the Ministry of Indigenous Relations and Reconciliation and the Environmental Assessment Office to develop proposals for government to collaborate on and implement with First Nations.

## 2. Background and methodology

The mandate letter of the Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources, provides direction to ensure British Columbians benefit from Liquefied Natural Gas (LNG) projects by requiring proposals to meet the following four conditions:

1. **INCLUDE** *express guarantees of jobs and training opportunities for British Columbians;*
2. **PROVIDE** *a fair return for our resource;*
3. **RESPECT** *and make partners of First Nations; and,*
4. **PROTECT** *our air, land and water, including living up to our climate commitments.*

Furthermore, as part of government's commitment to true, lasting reconciliation with First Nations in British Columbia through adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission, the Ministry is moving forward on the calls to action and reviewing policies, programs, and legislation to determine how to bring the principles of the declaration into action in British Columbia.

EMPR partnered with the First Nations LNG Alliance (FNLNGA) to carry out dialogues with representatives from First Nations who have traditional territories in which new LNG facilities, related natural-gas pipelines, or upstream gas development are proposed. The FNLNGA has partnered with EMPR because it believes in engaging First Nations on issues related to the LNG industry. The purpose of the FNLNGA is to provide a forum of First Nations who support a sustainably developed LNG industry that respects the rights of First Nations people.

Participants in the regional engagement sessions included Indigenous leaders and provincial and federal officials to discuss the ongoing development of a LNG industry in British Columbia.

The schedule of the regional engagements was as follows:

- ▶ *Prince George, September 27, 2017*
- ▶ *Smithers, October 2, 2017*
- ▶ *Fort St. John, October 16, 2017*
- ▶ *Vancouver, October 25, 2017*
- ▶ *Terrace, October 26, 2017*

Dan George, President of Four Directions Management Services, facilitated discussions around two primary questions:

- ▶ *How can First Nations and BC contribute to making BC a more likely place for investment in additional LNG projects?*
- ▶ *Are there ideas or models First Nations would like to see carried out to enhance the chances of LNG investment?*

This report outlines the results of these discussions with First Nation representatives and ends with some recommendations for BC to consider. Meeting notes recorded from each of the five engagement sessions were analyzed and categorized into themes, which were then developed into seven main recommendations the provincial government should consider supporting.

### 3. Status of the LNG industry in BC

There are a variety of proposed LNG export projects remaining in BC, but there are only a handful that seem to be actively pursuing project development. This is considerably less than the height of industry speculation a few years ago.

#### BY REGION:

- ▶ *Campbell River: Discovery LNG*
- ▶ *Delta: Tilbury LNG / WestPac*
- ▶ *Kitimat: LNG Canada, Kitimat LNG, Triton LNG, Cedar LNG*
- ▶ *Kitsault: Kitsault Energy*
- ▶ *Port Alberni: Kwispaa LNG*
- ▶ *Prince Rupert: WCC LNG, Grassy Point LNG, Orca LNG, New Times Energy Ltd., Nisga'a LNG, Watson Island LNG*
- ▶ *Squamish: Woodfibre LNG*
- ▶ *Stewart: Stewart Energy LNG*

Proponents who have walked away from potential developments in BC have cited market conditions as being their main reason for cancelling projects. While it appears that there is a short-term glut of LNG in the global LNG market, analysis shows that the next window of opportunity will arise by 2023-24<sup>1</sup>.

#### BC'S COMPETITIVENESS ISSUES INCLUDE:

##### **Advantages:**

- ▶ *temperature*
- ▶ *shipping distance*
- ▶ *supply certainty and diversity*

##### **Disadvantage:**

- ▶ *lack of infrastructure means more capital investment costs*

It would also appear that regulatory delays that likely contributed to the cancellation of some LNG projects in BC have led to a perceived disadvantage to BC's competitiveness.

.....  
<sup>1</sup> Source: WoodMac LNG Tool

## 4. Regional Engagement Sessions: Discussion Summary

The regional engagement sessions yielded a wide variety of comments on issues that were important to First Nation communities. The facilitator ensured all issues raised were explored in depth. The issues raised have been categorized into the following themes<sup>2</sup>:

### 4.1 Indigenous people have the skills and education to fully participate in LNG sector opportunities

#### ISSUES:

The issue of poverty and the need for economic and employment opportunities for First Nations was raised consistently. Many First Nations view LNG projects as an important opportunity to improve poor socio-economic conditions in their communities. Employment and economic opportunities are required for communities to be sustainable and healthy. It cannot be over emphasized how the issues of employment and training are critical for these communities.

Concerns were raised in relation to the type of jobs and training available to First Nations from proposed LNG projects. First Nations are facing challenges due to delays or cancellation of proposed LNG projects. However, First Nations also see delays as a positive – providing the opportunity to have a more strategic, long-term approach to training, which could expand training opportunities that would ultimately maximize the quality and sustainability of jobs for First Nation people. Issues raised include:

- ▶ *the need for sustainable/long-term jobs instead of intense short-term labour opportunities;*
- ▶ *the need for jobs to be available immediately after people complete training and skills development;*
- ▶ *due to project delays, training certificates have expired and require renewal; and*
- ▶ *a longer term investment for training is needed so that people will pursue longer term training opportunities for better quality jobs – short funding windows have prevented community members from accessing funding for longer term programs such as university degrees.*

#### WHAT'S WORKING:

There are many examples of work training projects that were considered to be successes. An example of a successful training initiative is the Vancouver Island University-Coastal First Nations Stewardship Technician Training, in which ten coastal First Nations have trained and graduated fourteen participants. This led to placements within their communities as Guardian Watchmen or fisheries technicians.

#### SOME BEST PRACTICES RELATED TO SKILLS DEVELOPMENT WERE IDENTIFIED:

- ▶ *creating training projects that are able to place trainees into related employment opportunities;*
- ▶ *creating inventories of existing skills available to match with training and employment opportunities; and*
- ▶ *organizations have found success through the use of retention tools such as job coaches and mentorship.*

.....

<sup>2</sup> These do not represent any official position of any party, but rather are a snapshot of the brainstorming that occurred.



## SUGGESTIONS:

- ▶ *Evaluate and consider renewing or expanding the \$30-million Aboriginal Skills Development Fund, which has been successfully implemented.*
- ▶ *First Nations and governments should co-create more strategic skill development plans to target higher quality operational jobs.*
- ▶ *All parties should look for ways to enhance success through tools such as job matching, job coaching, and mentorship.*
- ▶ *BC should explore the creation of an LNG training facility in BC like the CATCH training facility operating in the UK – follow-up with Haisla should occur after their site visit to CATCH UK with local government, Kitimat Valley Institute and training partners.*
- ▶ *BC should create a provincially supported point-person to develop and manage a strategy for Indigenous labour market development, including the support and planning for a lifecycle of job types (higher level, technical, support jobs) and procurement that will be required to support an LNG project.*

## 4.2 Ensuring strong First Nations and government relations and Indigenous governance

### ISSUES

Governance is an important area and covers many issues from external relations to internal processes. First Nations participants had many views to share on a range of issues.

First Nations view the need of improving First Nation and government relations to ensure there is better alignment on assessing LNG projects.

- ▶ *Issues were raised around Aboriginal rights and title (and the full scope including social, cultural and economic aspects), consultation, accommodation, engagement standards.*
- ▶ *How the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and how the concept of “free, prior, and informed consent” will apply to these projects, especially since these concepts are continually evolving.*

- ▶ *Some participants raised the issue of the government’s strength-of-claim approach and how First Nation consultation is carried out in relation to strength-of-claim analysis. They feel the approach:*
  - » *creates an adversarial environment between First Nations within adjacent areas and an exclusionary environment between neighbours;*
  - » *limits and minimizes legitimate environmental concerns from those that have a ‘weaker’ claim; and*
  - » *provides little incentive for a First Nation to be inclusive or amenable to resolving shared territory issues.*
- ▶ *Conflict resolution tools or processes are not readily available between government and First Nations or between First Nations.*
- ▶ *First Nation capacity needs to be built and maintained to participate in LNG projects.*

### WHAT’S WORKING:

When multiple First Nations work together they are more successful in creating opportunities to protect the environment and maximize economic benefits for each member nation. Recent examples of this include the innovative environmental monitoring initiatives in Tsimshian territories, and the Carrier Sekani Tribal Council’s recent government-to-government agreements.

### OTHER FACTORS OF SUCCESS INCLUDE:

- ▶ *Continuity of the parties (individuals) at the table contributes to successful processes such as regulatory reviews and government-to-government negotiations and implementation.*
- ▶ *Consistent capacity enabled by consistent funding ensures continuity and the ability to see a project through.*
- ▶ *Success happens if the parties are really committed to working with each other.*
- ▶ *Partnerships built with strong relationships are the best foundation to overcoming the many challenges natural-resource development projects face.*

## SUGGESTIONS:

### **BC and First-Nation related:**

- ▶ *Government-to-government relationships should be refreshed due to new leadership both provincially and in many First Nation communities.*
- ▶ *BC and First Nations should co-create a road map on how to engage First Nations in collaborative engagement processes – including permitting, benefit agreements, UNDRIP principles, and timing.*
- ▶ *BC should further engage with First Nations on its approaches for the development and use of strength of claim and assess whether process improvements can be made so that consultation with First Nations is more transparent.*
- ▶ *BC should develop integrated policy on how to apply UNDRIP across all ministries in collaboration with First Nations.*
- ▶ *Government should invest in nation building in order to enhance capacity, skills, knowledge, economic opportunities, and the integration of Indigenous views into decisions related to major projects in traditional territories.*
- ▶ *Government could improve its internal capacity to engage with First Nations (to ensure engagement is undertaken at an appropriate and consistent level).*
- ▶ *BC should explore integrated planning around critical infrastructure such as pipeline placement.*

### **First Nation to First Nation related:**

- ▶ *First Nations need to resolve shared territory/overlaps amongst themselves.*
- ▶ *Government should look for ways to enable resolution to shared territory conflicts.*

## GOVERNMENT, FIRST NATION

### AND INDUSTRY RELATED:

- ▶ *Government should research and analyze the challenges of those projects that did not go forward, to inform policy development, regulatory approaches or new mandates.*
- ▶ *Province should explore potential of new models to support public and First Nation equity participation in LNG projects (e.g. a new Crown corporation).*
- ▶ *BC should identify appropriate opportunities for Government, First Nations and Industry to convene or engage.*

## 4.3 Ensuring Regulatory processes are clear and appropriately involve First Nations

### ISSUES:

Although proponents with cancelled projects have cited market conditions as the main reason for not proceeding, many believe that the length of the regulatory process contributed to the attrition of these projects. Many issues around the Environmental Assessment (EA) process were raised:

- ▶ *Dealing with Aboriginal rights and title and the environmental impacts in the same process politicizes the environmental-review process.*
- ▶ *First Nations don't believe enough attention is paid to the full lifecycle of these projects and some have had negative experiences with the reclamation phase of projects.*
- ▶ *Major concerns about an inconsistent approach from industry in regards to engaging with First Nations affected by their projects.*
- ▶ *Government should ensure that the broad range of social impacts of projects on indigenous communities are assessed and addressed.*
- ▶ *BC should be doing more to address the cumulative effects of oil and gas development in the upstream (northeast BC) where impacts are experienced across the landscape.*

## WHAT'S WORKING:

There are many innovations occurring in relation to how First Nations and BC are changing the ways they are assessing these projects.

- ▶ *Early First Nation engagement with proponents to access key information about fundamental components of project that will impact First Nation rights and title have led to design improvements and First Nation consent to projects.*
- ▶ *Use of First Nation contractors for Traditional Use and Ecological Knowledge provides value to both the First Nation and proponents.*
- ▶ *The Aurora LNG project debriefing was viewed very favourably, where government and First Nations were able to get better closure to the process and learn from the experience.*
- ▶ *Squamish Nation's approach to engagement was cited as a positive example of where consent was reached on the best way to minimize impacts.*

## SUGGESTIONS:

- ▶ *BC should enhance guidance on engagement processes with minimum standards for industry to meet when dealing with First Nations.*
- ▶ *BC should support Indigenous collaboration and capacity funding on environmental assessment and permitting work related to new LNG projects and potential amendments to existing pipeline or facility projects.*
- ▶ *BC should consider splitting regulatory review processes to deal with environmental issues and rights and title issues separately.*
- ▶ *Much baseline data has been generated by all parties in the past few years that would be desirable to share. Government should consider creating information-sharing processes/products on environmental information with Nations (i.e. repository).*
- ▶ *The successful Environmental Stewardship Initiative (ESI) has only been introduced in northern BC. A smaller-scoped ESI program could be developed in other*

*areas of the province potentially impacted by LNG development.*

- ▶ *BC should consider jointly designed environmental review processes with First Nations.*
- ▶ *BC should ensure ongoing roles and responsibilities of the parties are identified for the entire life cycle of the project and have better mechanisms to manage ongoing issues.*
- ▶ *BC should ensure old gas wells (e.g. suspended or abandoned wells) are cleaned up and restored before new ones are authorized, to address environmental impacts from legacy infrastructure.*
- ▶ *BC should develop opportunities to review and address social impacts collaboratively with local communities and government.*
- ▶ *BC should support First Nations such as Haisla who have experienced social impacts from recent industrial development (e.g. Rio Tinto Alcan modernization) to share planning experiences with government and other First Nations potentially affected by LNG projects.*
- ▶ *BC should support First Nation communities' development of guidance for industry engagement with their community.*

## 4.4 Ensuring economic opportunities for First Nations in LNG development

### ISSUES:

For First Nations to be true partners in LNG development, real benefits must materialize. Many ideas were generated about First Nations views around these benefits, understanding that the choices differ from community to community.<sup>3</sup>

.....

**3** A recent report commissioned by Western Economic Diversification Canada has outlined procurement barriers to indigenous suppliers and suggests processes for implementing government support for First Nation business entities. Therefore this topic is not explored within this report.

- ▶ *Equity participation – capital is challenging to raise and not all proponents are supportive for those First Nations wanting equity participation.*
- ▶ *Concerns about different approaches by proponents were raised (inequitable treatment from one proponent dealing with different First Nations or proponents that do not have a good track record in dealing with First Nations).*
- ▶ *Some thought there should be a minimum standard that ensures proponents who impact First Nation territories are compelled to engage with the First Nations impacted.*
- ▶ *Ensure all proponents have to comply, not just new proponents, with the need to consult and accommodate First Nations.*
- ▶ *BC should consider incentives for proponents to engage early, and often, with First Nations throughout the development proposals so First Nations can plan appropriately for taking advantage of economic opportunities but also for managing impacts. Incentives could enable proactive proponents to move through the regulatory processes quicker.*
- ▶ *First Nations and proponents need tools to successfully implement Impact Benefit Agreements*
- ▶ *Create more transparency and equity around government-First Nations benefit agreement negotiations processes.*
- ▶ *First Nation businesses need support to have the necessary skills, training and human resources and capacity to respond to business opportunities.*
- ▶ *Camp facilities could be converted to First Nation community uses after they are no longer needed for project development work.*

#### **WHAT'S WORKING:**

There are many dynamics that impact success in this category. Strong examples of First Nations that maximized the economic opportunities were ones that worked together. The First Nation Limited Partnership, a collective formed for the Pacific Trails Pipeline project in Northern BC has an unprecedented sixteen First Nations working together to advance their economic interests in this project. Some communities have seen high unemployment rates shift to high levels of employment, dramatically changing the quality of life for the community.

#### **BEST PRACTICES FOR ENHANCING ECONOMIC SUCCESS INCLUDE:**

- ▶ *Having strong First Nation economic governance in place has led to better implementation results of economic benefits.*
- ▶ *Adequate First Nation economic management capacity will lead to better economic opportunities (such as increased subcontracting opportunities on projects).*
- ▶ *Impact Benefit Agreements with enforceable tools lead to better implementation results (targets, set asides, value commitments, etc.).*
- ▶ *First Nations combining their capacity to work together are able to leverage more benefits than those working alone.*

#### **SUGGESTIONS:**

- ▶ *BC should look for strategies to improve First Nation and industry relations.*
- ▶ *BC and First Nations should explore tools to equalize First Nation benefits from major projects (i.e. resource tax).*
- ▶ *BC should explore ways to increase First Nation participation in spinoff benefits for major projects.*
- ▶ *BC should continue to provide consistent capacity funding to First Nations to negotiate benefits agreements with the Province.*

## 4.5 Improving information and communication management

### ISSUES:

Understandably, these complex natural-resource development projects come with complex information and communication challenges. There was plenty of discussion around government's role in these issues, whether it be between government and industry, government and industry, or within First Nations.

- ▶ *There was a concern about the public and international views about First Nation issues negatively impacting investment in BC.*
- ▶ *Most people are unaware of the high degree of support First Nations have in relation to the LNG industry.*
- ▶ *Issues around capacity for all First Nations along a pipeline route to provide consistent high quality, credible information to their constituents.*
- ▶ *Concerns about potential duplicated efforts and confusion around entities involved in these projects and what their role is.*
- ▶ *Issues around government transition and concerns that the public perception is that the current government is not in support of the industry.*

### WHAT'S WORKING:

First Nations who have established their decision-making processes, including how their citizens are engaged in these processes, have had good results in relation to making timely decisions. There are a number of matters that can contribute to successful information management:

- ▶ *Choosing a variety of communication tools, such as meetings, print, video, and social media, to reach people has led to successful results.*
- ▶ *First Nations need to ensure there are safe forums to explore sensitive issues for strong community engagement.*

- ▶ *People need time to absorb information, so it is important to ensure people and communities have enough time to consider complex information.*
- ▶ *First Nations, government, and industry should all have clear expectations about decision-making and communication processes.*

### SUGGESTIONS:

- ▶ *Ministers should consider publicly stating their support for positive final investment decisions (as many First Nations and industry representatives have impressions that the government may be anti-LNG development).*
- ▶ *BC should work with First Nation organizations to create inventories of indigenous organizations including: Natural resources, Energy, /Economic Development, and Environmental.*
- ▶ *BC should co-create communication tools portraying positive First Nations involvement in the industry.*
- ▶ *BC should ensure there are ongoing education initiatives to support industry, government and First Nations knowledge.*
- ▶ *BC should collaborate with First Nations on a joint media strategy demonstrating First Nation support of the industry.*
- ▶ *BC should support First Nation-created communication products for First Nation citizens.*
- ▶ *BC should continue to undertake initiatives to improve investor confidence in BC (including trade missions with Indigenous participation).*
- ▶ *EMPR should investigate LNG proponents' interest in EMPR facilitating meetings between supportive First Nations and international investors/partners in the lead LNG facilities.*
- ▶ *BC should showcase shareable agreements and share best practices with examples of how First Nations led engagement with their members on these projects.*

## 5. Conclusion

First Nations provided thoughtful and knowledgeable input at the five regional engagement sessions. Clearly, some First Nations have long-standing experience dealing with industry and are sophisticated with relation to these topics, with much expertise and experience to draw upon.

It was also clear that there is still a high degree of support for the LNG industry. There have been many positive impacts to First Nation communities related to LNG development, prior to any construction. Much capacity has been created due to these proposed projects; however, expectations have also been raised. Now, First Nation leaders are trying to deal with their constituents' frustration because of the delays or cancellation of these projects. These missed or delayed opportunities are negatively impacting First Nations communities throughout the province.

The Government of BC should consider the following suggestions which may help contribute to greater chances of advancing proposed LNG projects in the province:

1. **BUILD** upon the successful uptake of skills and training development funding and consider increasing funding to allow the extension of this support. BC should consider a provincially supported point-person to develop, in collaboration with Indigenous representatives, a strategy for Indigenous labour market development, including support and planning for a lifecycle of job types (higher level, technical, support jobs) that would support LNG projects.
2. **SUPPORT** First Nation agreements where they have been reached, and give further consideration on how to mitigate the negative impacts that project cancellations have on First Nation communities.
3. **NEW LEADERSHIP** should initiate discussions with those groups that haven't provided consent to projects to explore the concerns of the groups and any opportunities to resolve issues.

4. **ENGAGE** with First Nations and LNG proponents (for current and cancelled projects) to discuss regulatory improvements.
5. **PARTNER** with First Nations and Indigenous organizations to improve communication, information sharing, and ongoing engagement on the LNG industry.
6. **CONTINUE** the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of BC that are affected by potential LNG projects.
7. **EMPR** should further review the recommendations contained in this report with lead LNG proponents and relevant agencies, such as the Ministry of Indigenous Relations and Reconciliation and the Environmental Assessment Office to develop proposals for government to collaborate on and implement with First Nations.

Both the Ministry of Energy, Mines and Petroleum Resources and the First Nations LNG Alliance is committed to working on many of the themes that were raised through the engagement. From continuing to support indigenous peoples' access to training, development, and career supports to increasing our shared ability to make informed and durable decisions, our two organizations have many shared objectives. The two organizations will further review the recommendations contained in this report with LNG proponents, key government ministries, and First Nations to develop areas for potential government action.

In conclusion, we can learn from the past few years and look to improve processes and outcomes for a future LNG Industry. The number of existing LNG facility, pipeline, and upstream agreements proves that LNG projects can comply with government's intent to seek and achieve Indigenous consent. This is not easy work, and there are barriers, but the amount of progress made in recent years is considerable. British Columbia's ongoing leadership in responsible natural resource development and engagement with First Nations is an example to the country and the world in relation to respecting the environment and Indigenous rights.





BRITISH  
COLUMBIA





# **Natural Gas Development Framework**

## **Update and Technical Briefing**

**Don Wright**  
**Deputy Minister to the Premier**  
**March 22, 2018**

# PURPOSE OF BRIEFING

Update on:

- Announcement of a new framework for natural gas development
- Status of ongoing engagement with LNG Canada
  - In preparation for their upcoming meeting of joint venture partners
  - In preparation for their subsequent Final Investment Decision
  - Provisional B.C. commitments to industry competitiveness, subject to positive Final Investment Decision

# OUTLINE OF TECHNICAL BRIEFING

- I. Background
- II. New Government's Position on LNG
- III. LNG Canada Project
- IV. Economic Impacts
- V. B.C. Climate Plan
- VI. B.C. Provisional Commitments

# I. Background

# BACKGROUND

- Previous government's LNG aspirations were overly optimistic
  - 20 projects
  - Very large estimates of future government revenues

# BACKGROUND

- Optimistic revenue forecasts reflected in extraordinary measures that LNG proponents were expected to pay
  - LNG electricity price greater than standard industrial rate
  - LNG income tax on top of standard corporate income tax
  - LNG plants not treated as manufacturing facilities with respect to PST

# BACKGROUND

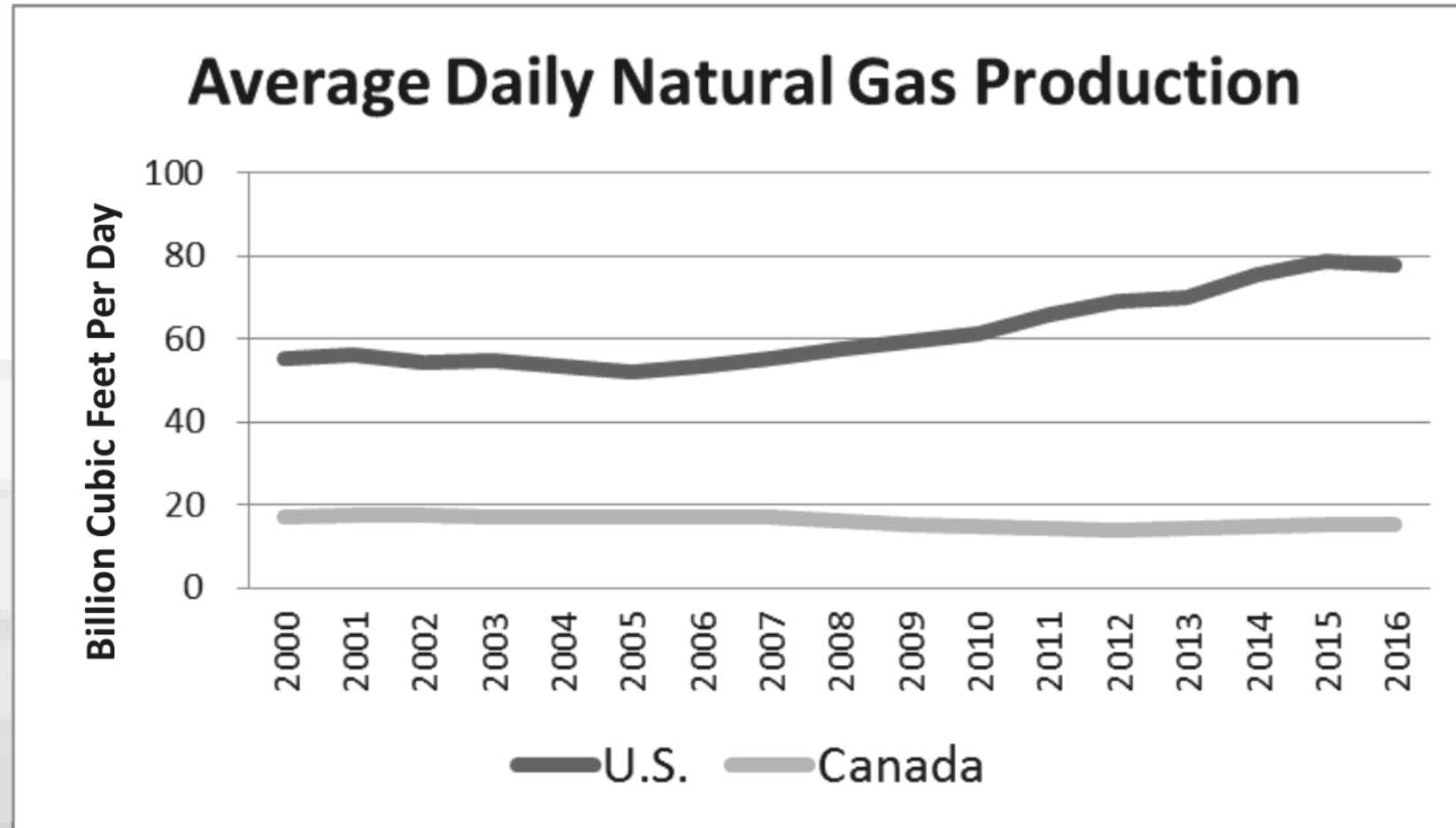
- Market evidence of this over-optimism is clear
  - No large LNG plants operating
  - No Final Investment Decision made to start building an LNG plant
  - 5 proponents for plants have cancelled plans

# BACKGROUND

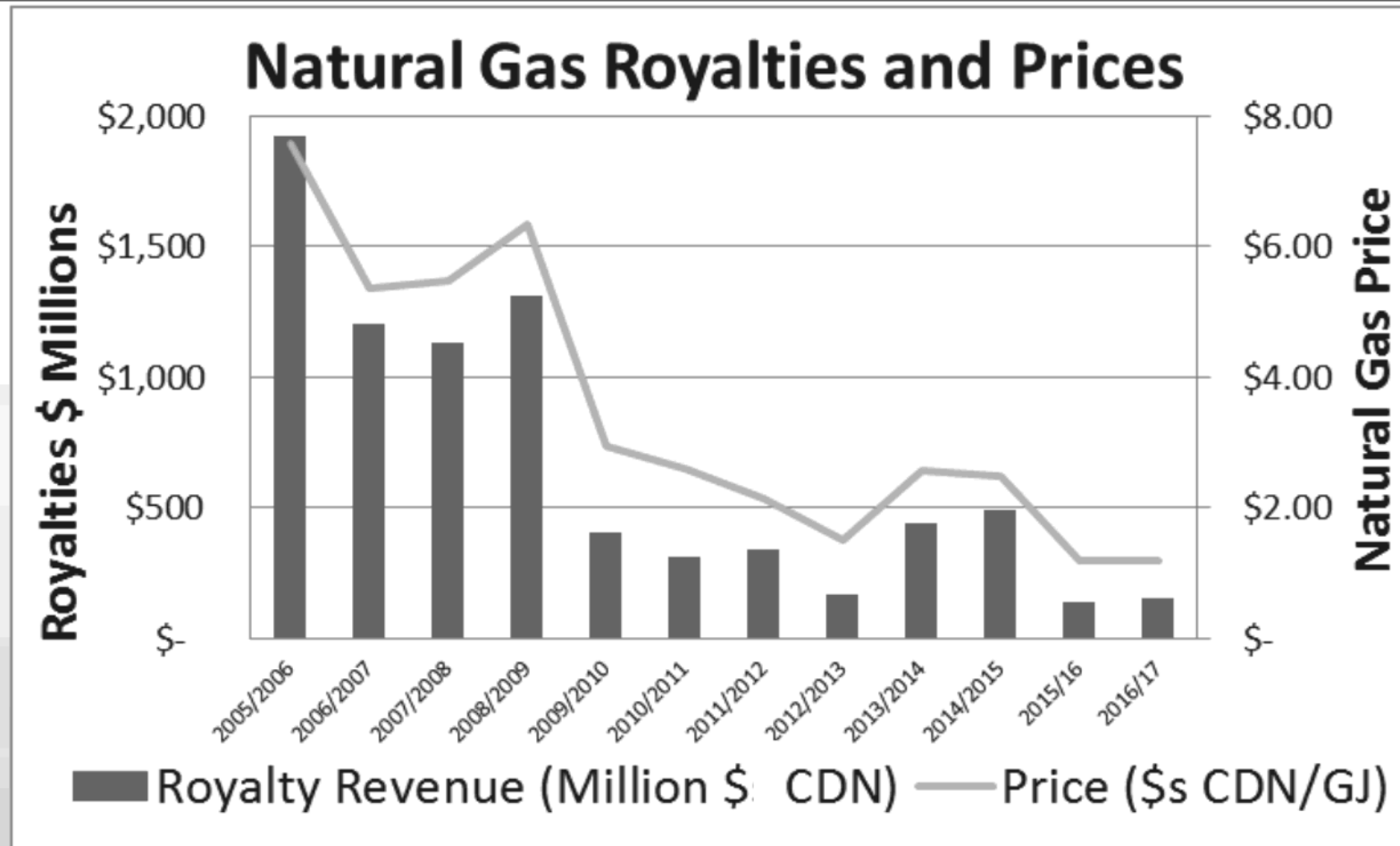
- To be fair, there was a rationale for pursuing LNG based on the relative economics of natural gas sold into the North American market versus the Asia market



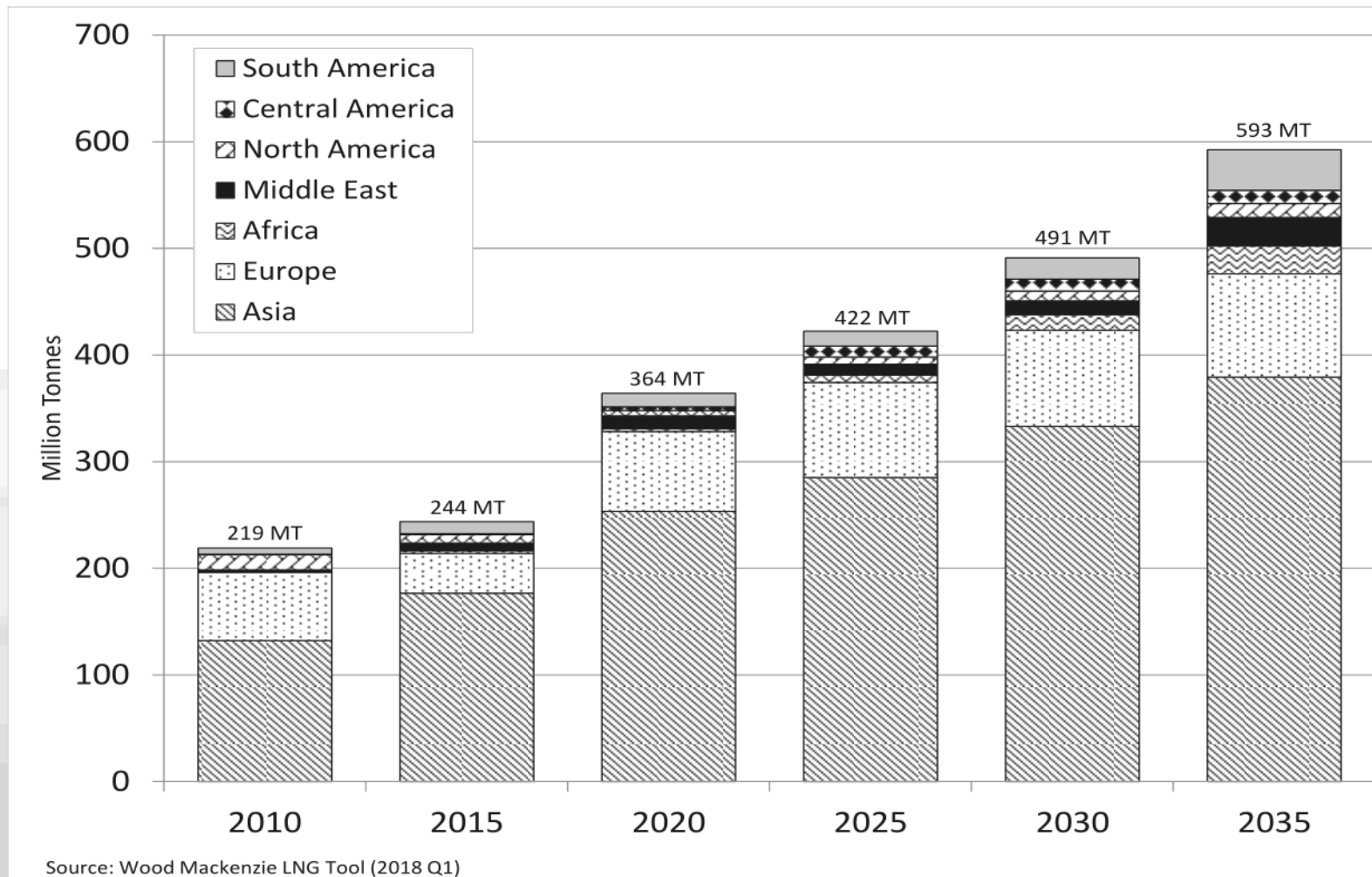
# NORTH AMERICAN PRODUCTION



# IMPACT ON NATURAL GAS PRICES AND B.C. GOVERNMENT REVENUES



# PROJECTED LNG DEMAND GROWTH



# **II. New Government's Position on LNG**

# NEW GOVERNMENT APPROACH TO LNG

- Following the 2017 election, the new government asked the Ministries of Energy, Environment and Finance to develop a realistic approach to LNG that could
  - Be accommodated within B.C.'s climate plan
  - Fit B.C.'s commitment to reconciliation with Indigenous Peoples
  - Establish cost-competitive conditions for the industry
  - Maximize financial benefits to B.C. through major investment, job creation and government revenues

# CONDITIONS FOR LNG SUPPORT

Cabinet equipped the ministries with four conditions for any LNG development, establishing that any proposals must:

1. Provide a fair return for access to our public resources
2. Include express guarantees of jobs and training opportunities in B.C.
3. Respect and make partners of B.C. First Nations
4. Protect our air, land, water, including support for climate solutions

# SUSTAINABLE SHARED PROSPERITY PARADIGM

- Cabinet asked the ministries to approach this analysis recognizing that economic development, climate action and reconciliation are **parallel and mutually dependent** priorities
- This approach acknowledges that
  - The resources to support reconciliation must come from economic growth
  - The resources to advance climate action must come from economic growth
  - Reconciliation is fundamental to growing B.C.'s economy
  - Economic growth has to fit within a low-carbon industrial strategy that enables B.C. to meet carbon goals

# III. LNG Canada Project



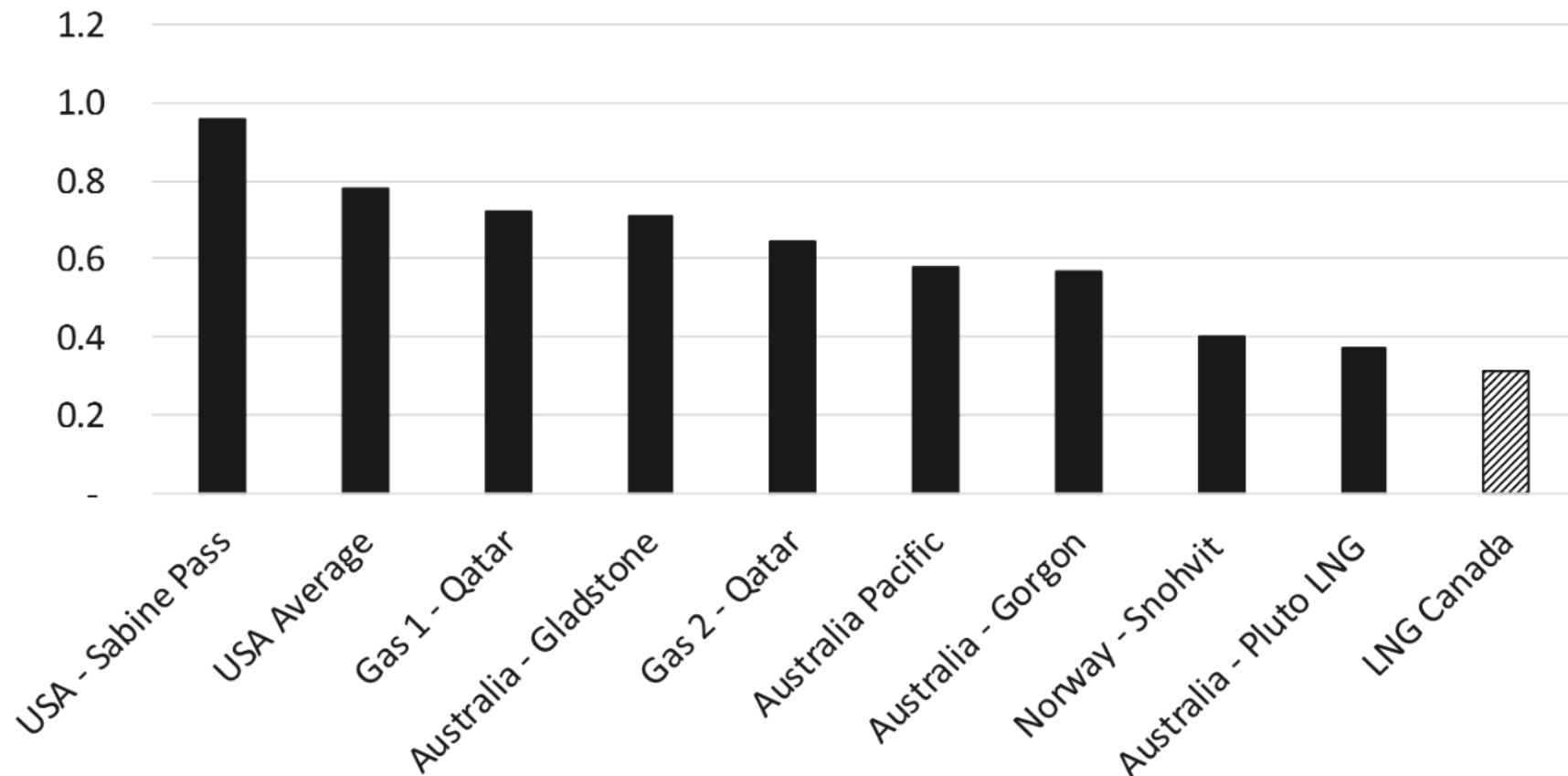
# LNG CANADA PROJECT

- LNG Canada is a joint venture of Shell Canada (50%) with PetroChina, KOGAS and Mitsubishi
- The LNG Canada project includes
  - Investment in Northeast B.C. gas fields
  - Coastal GasLink Natural Gas Pipeline to Kitimat
  - Terminal at Kitimat
  - Ships for transport to Asia
- Project has received the support of most – but not all - area First Nations
- Would be the least GHG-intensive large LNG facility in the world

# LNG GREENHOUSE GAS EMISSIONS INTENSITY

## Global Emissions Intensity Comparison

**Emissions Intensity**  
(tonnes of CO<sub>2</sub>e emissions  
per tonne of LNG produced)



# STATUS AND TIMING

- LNG Canada is proceeding to Final Investment Decision
  - Meets with partners next week
  - Final Investment Decision anticipated in 2018
- A decision to proceed would trigger \$40 billion in investment
- Cost competitiveness is a key factor in making the investment decision
  - B.C. LNG is competing against LNG projects on the U.S. Gulf Coast

# IV. Economic Impacts

# LNG CANADA ECONOMIC IMPACTS

The project would:

- Provide significant net government revenue over the next 40+ years
- Provide significant economic benefits for First Nations from Northeast to Kitimat
- Provide good jobs and economic activity in a part of the province that has faced economic challenges
- Be the single biggest capital project in B.C. history
- Support rural economic development
  - LNG Canada expenditures in communities along the alignment already exceed \$100 million

# DIRECT BC REVENUE POTENTIAL

- The Ministries of Finance and Energy have estimated that the project will generate \$22 billion in direct government revenue over the next 40 years
  - Significantly more if “multiplier” effects are taken into account

# **JOBS AND TRAINING**

- Construction employment peaks at 10,000 in 2021
- LNG Canada has agreed to place priority on local, then B.C. hiring
- Target of 25% apprenticeships
- LNG Canada will follow best practices to maximize First Nations participation
- Ongoing direct operational employment (2024-2063) of 950 FTEs
- Construction and operational employment is expected to be primarily high-wage jobs

# V. Climate Action Plan

---

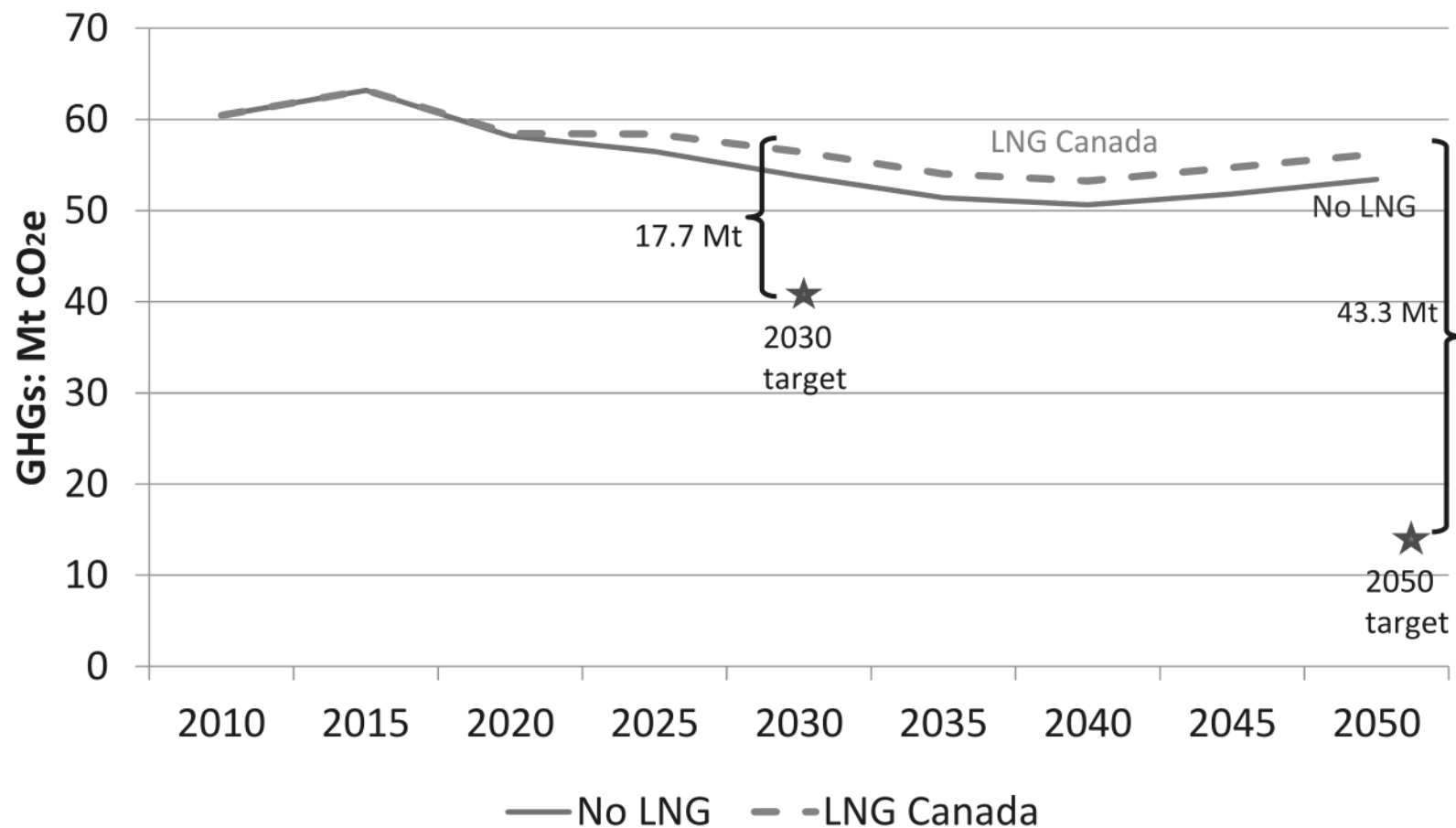


# CLIMATE ACTION PLAN

- Government is firmly committed to meeting climate goals
- Ministry of Environment is developing a Climate Action Plan
  - Including advice from Climate Solutions and Clean Growth Advisory Council
- Accommodating LNG Canada within our climate goals is possible, but will require that we make faster progress on
  - Electrification of transport and heating
  - Implementing strategies that enable industries to be the least GHG-intensive per unit of output in the world

# GHG EMISSIONS FORECAST – CURRENT POLICY

No LNG and LNG Canada



# FORECAST LNG CANADA EMISSIONS

In Megatonnes

Case	Upstream GHGs	Facility GHGs	Total GHGs
LNG Canada 2 Trains	2.27 M	1.8 M	4.07 M
Aggressive upstream electrification (-0.6 M)	1.67 M	1.8 M	3.47 M
Lower incremental BC gas supply (-1.86 M)	0.41 M	1.8 M	2.21 M
Aggressive upstream electrification and lower incremental BC gas supply (-1.97M)	0.3 M	1.8 M	2.1 M

# PREVENTING CARBON LEAKAGE

Government is committed to implementing a comprehensive Climate Action Plan that will meet B.C.'s carbon goals without disadvantaging our large industries

- B.C.'s clean, technologically-advanced industries compete against producers from parts of the world that have low or no carbon price
- Losing market share to companies who pay little or no carbon tax – *known as carbon leakage* – harms B.C.'s economy while causing higher global carbon emissions

# COMPETITIVENESS FOR ALL LARGE INDUSTRY

LNG Canada project can serve as a template for establishing a low-carbon strategy for other sectors

- Global benchmark – cleanest in the world
- Rebate on new / additional carbon tax
- Benchmark becomes even cleaner over time

# ASIA IS CONVERTING TO NATURAL GAS

- Asian demand for natural gas will continue to grow
  - B.C. can choose to supply low GHG-intensive gas, helping to offset some of developing world's carbon footprint
  - Or we can leave this demand to be supplied with higher GHG-intensive gas from other parts of the world

# V. B.C. Provisional Commitments

# OPTIONS FACING GOVERNMENT

## I. Stick with inherited fiscal framework

Recognizing low probability of realizing economic benefits from B.C. resource endowments

## II. Make changes to improve the cost-competitiveness of LNG development, coupled with stronger commitments on climate change and reconciliation with Indigenous Peoples

Thereby increasing the potential that one or more LNG projects is able to complete

After extensive analysis and deliberation, government has elected to proceed with Option II

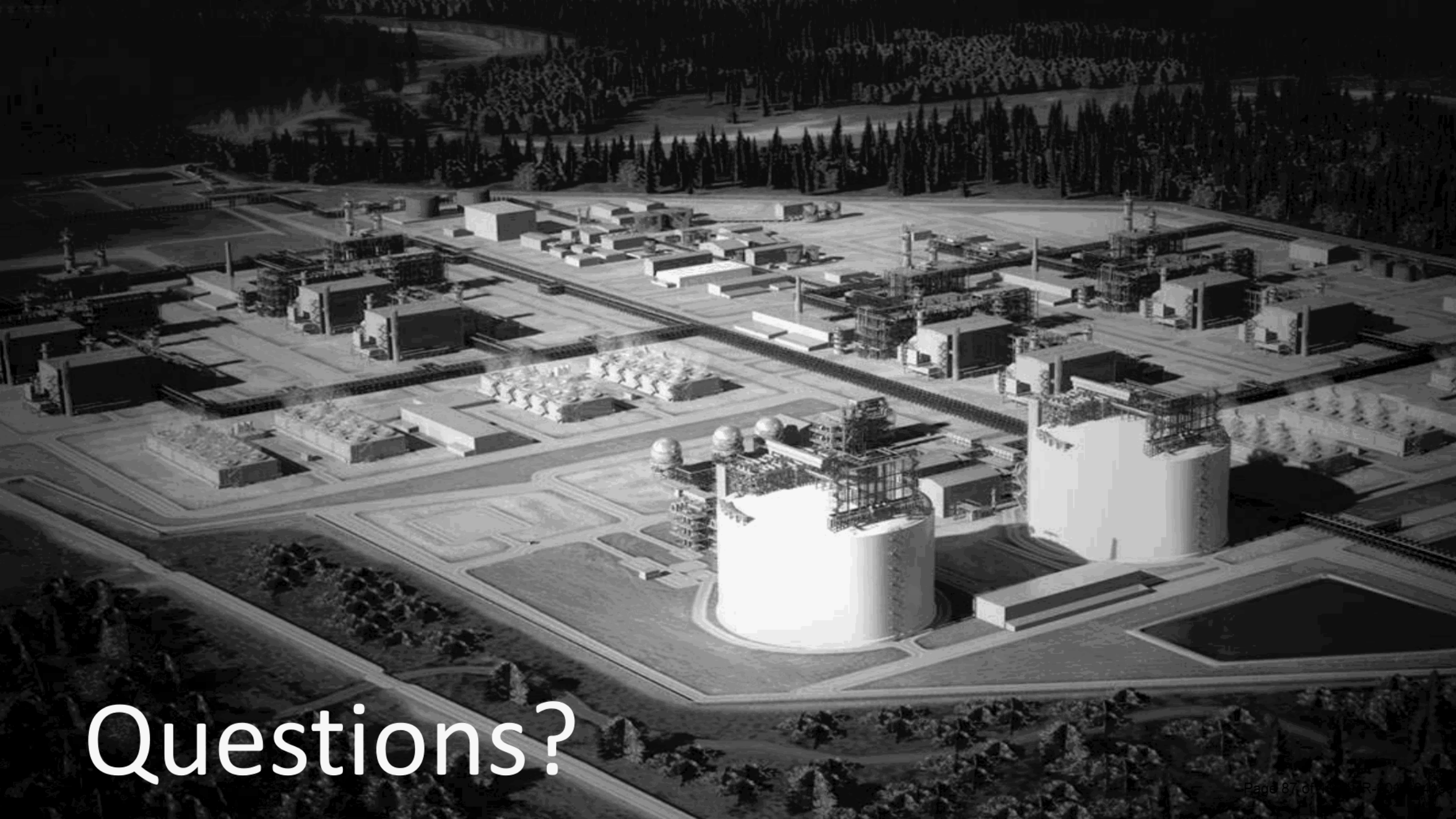


# SUPPORT FOR COST COMPETITIVENESS

- Government has advised LNG Canada that – if it makes a positive Final Investment Decision by November 2018 – B.C. will:
  - Provide a PST exemption on construction costs of the LNG facility, as would apply to any manufacturing facility
    - However, the government will recapture foregone revenues once the project is up and running
  - Carbon tax treatment consistent with that provided to all large industry
  - Supply electricity at the standard industrial rate
  - Repeal the LNG income tax

# IMPORTANT POINTS TO EMPHASIZE

- We are not saying that the LNG Canada project is going ahead
- Government has clarified the fiscal framework that LNG Canada (or any LNG proponent) will face if it decides to proceed
- LNG Canada's decision will depend on their analysis of
  - Relative cost competitiveness
  - Commitments from the federal government
  - Support from First Nations, recognizing the government's commitments to reconciliation and UNDRIP



Questions?

---

## NEWS RELEASE

For Immediate Release  
2018PREM0012-000480  
March 22, 2018

Office of the Premier

### **New framework for natural gas development puts focus on economic and climate targets**

VICTORIA – As part of a new approach to natural gas development, the British Columbia government is overhauling the policy framework for future projects, while ensuring those projects adhere to B.C.'s climate targets, Premier John Horgan announced today.

"Our new approach welcomes investment that puts our province's people and future first, and rejects the old ways of resource development at any cost," Premier Horgan said. "Our obligation is to the people who call British Columbia home, and our job is to get the best deal for them and the generations that follow."

Under the new approach, 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.

These four conditions form the basis for government's discussions with LNG Canada, which is moving toward a final investment decision on a project that, if approved, would be the largest private-sector investment in B.C. history. This project would see the construction of a natural gas pipeline from northeast B.C. to Kitimat, where a new terminal will process and ship LNG to Asian markets. It is expected to create up to 10,000 construction and up to 950 full time jobs in northern B.C.

"No premier or government can dismiss this kind of critical economic opportunity for the people of British Columbia," Premier Horgan said. "But neither will we turn our back on our commitment to climate targets, or our path to reconciliation with Indigenous peoples."

At the centre of the discussions with LNG Canada is a revised fiscal framework that is designed to put natural gas development on a level playing field with other industrial sectors, accessing the same fiscal policies and working within the same overall B.C. framework to achieve greenhouse gas (GHG) reductions.

The new framework, to which LNG Canada will be subject, provides:

- Relief from provincial sales tax (PST), in line with the policy for manufacturing sectors, subject to repayment in the form of an equivalent operational payment.
- New GHG emission standards under the Clean Growth Incentive Program, announced in Budget 2018.
- General industrial electricity rates consistent with other industrial users in B.C.

- Elimination of the LNG income tax that had required LNG-specific tax rates.

“The LNG Canada proposal has the potential to earn tens of billions of dollars and create thousands of jobs for British Columbians over the life of the project,” Premier Horgan said. “It’s a private-sector investment that could benefit our province for decades to come, but not at any price – we need to make sure the values British Columbians believe in come first.”

The Premier said his government will also expect the LNG Canada project to fit within the goals of the Province’s climate-change plan and, specifically, its legislated GHG reduction targets.

“We committed, during the election campaign, to reduce our greenhouse gas emissions by 40% below 2007 levels by 2030, and by 80% by 2050. That remains our goal,” Premier Horgan said.

“We cannot achieve the necessary reductions in greenhouse gas emissions and do our part in protecting the global environment without a significant shift to a low carbon economy. The work for all of us – in government, business, labour and beyond – is only just beginning. And all resource development proposals must be considered within the context of our global commitment to protecting our air, land and water.”

With B.C.’s new fiscal framework provided to LNG Canada this week, it is anticipated the company will make a final investment decision sometime before the end of this year.

A technical briefing is available at:

[https://news.gov.bc.ca/files/Natural\\_Gas\\_Technical\\_Briefing\\_Final.pdf](https://news.gov.bc.ca/files/Natural_Gas_Technical_Briefing_Final.pdf)

Two backgrounders follow.

**Contact:**

Marielle Tounsi  
Media Relations  
Government Communications and Public  
Engagement  
778 584-1255

---

Connect with the Province of B.C. at: [news.gov.bc.ca/connect](https://news.gov.bc.ca/connect)

---

## BACKGROUND 1

For Immediate Release  
2018PREM0012-000480  
March 22, 2018

Office of the Premier  
Ministry of Environment and Climate Change Strategy

### **Climate action in British Columbia**

On April 1, 2018, the carbon tax will increase by \$5 a tonne annually, until 2022.

Increasing the carbon tax meets the requirements set out by the federal government's pan-Canadian climate framework. Rebates will go to a majority of British Columbians.

However, increasing the carbon tax alone will not enable B.C. to meet its long-term greenhouse gas-reduction goals of 40% below 2007 levels by 2030, and 80% by 2050. Significant new climate-action initiatives will be required in order for B.C. to meet these 2050 legislated targets, while encouraging strong economic growth. To ensure an interim target, new legislated targets for 2030 will be introduced later this year. Specific targets for each of the industrial, transportation and building sectors will also be established.

Meeting climate targets will not be easy and will require a concerted effort across all sectors to make the transition to a low-carbon economy. The addition of emissions from LNG will increase this challenge but government is committed to taking the steps necessary to achieve B.C.'s climate goals.

#### **Specific Measures:**

- A portion of the carbon tax revenue, paid by large industry, will fund a rebate program to incent the use of the greenest technology available in the industrial sector, including the natural gas sector, to reduce emissions and encourage jobs and economic growth. Some of the revenue will also go into a technology fund, to help spur new, clean technologies in all sectors, to make sure they fit within B.C.'s climate plan.
- The Climate Solutions Clean Growth Advisory Council (CSCG), established in October 2017, is supporting government's goal of reducing carbon pollution, preparing for the impacts of climate change and growing a sustainable economy. The CSCG is comprised of community leaders from across British Columbia, including representatives from First Nations, local government, industry, environmental organizations, academia and labour.
- The CSCG is providing advice on actions and policies to achieve significant greenhouse gas reductions, while taking advantage of opportunities for sustainable economic development and job creation.
- Immediate priorities for the CSCG include achieving emissions reductions in the transportation sector, developing pathways to clean economic growth, as well as policies to support the competitiveness of B.C.'s emissions-intensive and trade-exposed industries.
- Government is working to develop a framework for fugitive emissions that match the federal government's target of a 45% reduction by 2025.
- Government is examining every opportunity to reduce emissions from slash burning by

providing alternative economic usage for slash where available.

- Government has initiated a scientific review of hydraulic fracturing aimed at ensuring that industry in B.C. operates according to the highest-possible standards.

More information on the Climate Solutions and Clean Growth Advisory Council can be found at:  
<https://www2.gov.bc.ca/gov/content/environment/climate-change/planning-and-action/advisory-council>

**Contact:**

Media Relations  
Ministry of Environment and Climate Change  
Strategy  
250 953-3834

---

Connect with the Province of B.C. at: [news.gov.bc.ca/connect](https://news.gov.bc.ca/connect)

---

## BACKGROUND 2

For Immediate Release  
2018PREM0012-000480  
March 22, 2018

Ministry of Energy, Mines and Petroleum Resources

### **British Columbia establishes new framework for natural gas development**

Natural gas has a key role to play to provide clean, reliable, affordable and less-carbon-intensive options to global energy markets.

British Columbia has a vast supply of low carbon-intensive natural gas resources in places like the Montney Basin, and has been developing them to support economic growth and job creation at home for decades. B.C. natural gas is an important transition fuel that can help B.C. move to a lower-carbon economy.

While B.C. has been exporting natural gas to U.S. markets for decades, it has an opportunity to export the same fuel to other jurisdictions. To that end, government will introduce a fiscal framework that will provide fair returns to both British Columbians and investors, as well as a climate strategy that will allow B.C. to meet its legislated climate targets.

To ensure British Columbia does it better than anybody else in the world, the provincial government has four key conditions to ensure British Columbians benefit from any proposed LNG development. They are:

- 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.

### **Emerging LNG Proposals**

Despite the cancellation of Pacific Northwest LNG, Aurora and Woodside project proposals, several other LNG proponents have expressed renewed interest in developing projects in BC.

### **LNG Canada**

LNG Canada's proposed Kitimat project, should it proceed, represents a very significant economic opportunity for British Columbia – a project that involves one of the largest private sector developments in B.C. history.

Shell and its joint-venture partners have worked constructively to satisfy the provincial government's conditions for LNG, and British Columbia expects LNG Canada will continue to do so moving forward.

LNG Canada is also working to achieve global leadership in low-emissions technology and operations.



## **Kitimat LNG**

Chevron and its partners have expressed continued interest in developing its project in northern B.C. and is focusing on the use of new low-emissions liquefaction technology.

These come as the Province is completing a climate-action strategy in place that meets the Province's greenhouse gas-reduction targets – to reduce B.C.'s greenhouse gas emissions by 40% below 2007 levels by 2030, and by 80% by 2050.

### **New Framework**

The B.C. government has developed a new framework aimed at ensuring British Columbians receive a good return for their natural gas resource and proponents receive a reasonable return on investment.

As part of this work, British Columbia and LNG Canada jointly conducted a financial analysis of the LNG Canada project. This analysis corroborated evidence and information from internationally recognized LNG analysts that B.C. has a competitiveness issue and formed the basis of a mutual understanding upon which the Province is prepared to commit measures that will increase the competitiveness of British Columbia's LNG industry.

These measures provide a framework for other industries in British Columbia in similar circumstances – they are not exclusive to the LNG industry or LNG Canada.

As it pertains to LNG Canada, the measures detailed below will only be implemented if the proponents are able to conclusively decide on or before Nov. 30, 2018, to proceed with the construction of the LNG facility and associated investments. These measures below would apply to the entire LNG sector.

#### **1. New Operating Performance Payments**

Under current legislation, proponents constructing significant manufacturing facilities would receive a PST exemption on input costs, whereas those proposing to construct LNG facilities would not.

Under the new framework, The B.C. government will exempt LNG Canada from the provincial sales tax (PST), on the construction of their initial proposed facility. This will be conditional on LNG Canada entering into a separate agreement with the province whereby LNG Canada will pay annual operating performance payments over 20 years, a total amount equivalent to what LNG Canada would have otherwise paid in PST during the initial facility construction period.

This framework will be available to all proponents constructing significant manufacturing facilities in the province. Clean Growth Incentive Program

2. The provincial government recognizes that energy-intensive trade-exposed industries, including the natural gas sector, face unfair competition when competing globally with jurisdictions that do not impose carbon taxes. Proponents who make a final investment decision to proceed will be subject to the new Clean Growth Incentive Program, announced by the provincial government in Budget 2018. A benchmark for world-leading clean LNG production will be established as part of this program, replacing existing requirements under the current Greenhouse Gas Industrial Reporting and Control Act.

### 3. Industrial Electricity Rates

Proponents who make a positive final investment decision will receive the general industrial electricity rate charged by BC Hydro. This is the same rate paid by other industrial users in British Columbia.

### 4. Removal of LNG Income Tax

The existing LNG income tax is not the most efficient and effective tool for generating returns to British Columbia. It is cumbersome to administer and has led to uncertainties. Government intends to introduce legislation to repeal this tax and instead government will utilize a number other tax and royalty measures under its new fiscal framework, to ensure that British Columbia gets a fair return for its natural gas resource.

### **New Approach to LNG**

As part of establishing a new fiscal framework, the provincial government will take steps to improve the transparency and consistency with which it assesses industrial development opportunities. To that end, government intends to introduce legislation to repeal the Project Development Agreement Act, passed by the previous government, to tie the hands of future governments with respect to the rules governing LNG projects. These measures effectively indemnified proponents against changes. Government will also review and potentially cancel or repeal other LNG measures established by the previous government.

#### **Contact:**

Suntanu Dalal  
Media Relations  
Ministry of Energy, Mines and Petroleum  
Resources  
250 952-0628

---

Connect with the Province of B.C. at: [news.gov.bc.ca/connect](https://news.gov.bc.ca/connect)

**From:** [Humber, Emmy EMPR:EX](#)  
**To:** [Recknell, Geoff IRR:EX](#); [Waters, Cory IRR:EX](#); [Puggioni, Giovanni IRR:EX](#); [Nash, Laurel IRR:EX](#); [Balcaen, Trish L IRR:EX](#); [Shaw, Rachel IRR:EX](#); [Lofthouse, Mark IRR:EX](#); [Roberts, Lloyd E IRR:EX](#); [Ward, Colin IRR:EX](#); [McCarthy, Tom IRR:EX](#)  
**Cc:** [Coley, Simon J EMPR:EX](#); [Avila, Amy EMPR:EX](#); [Breiddal, Rosanna EMPR:EX](#)  
**Subject:** RE: Premier's LNG announcement materials  
**Date:** Monday, March 26, 2018 12:55:30 PM  
**Attachments:** [EMPR FN list Mar 26 2018.xlsx](#)

---

Hello everyone,

Further to the release of the First Nations LNG Engagement Report last week, I've attached the distribution list we used for the Report and supporting documents (news release, technical briefing).

Please let me know if you have any other questions.

Best,

Emmy

---

**From:** Recknell, Geoff IRR:EX  
**Sent:** Thursday, March 22, 2018 6:38 PM  
**To:** Waters, Cory IRR:EX; Coley, Simon J EMPR:EX  
**Cc:** Puggioni, Giovanni IRR:EX; Nash, Laurel IRR:EX; Balcaen, Trish L IRR:EX; Humber, Emmy EMPR:EX; Avila, Amy EMPR:EX; Shaw, Rachel IRR:EX; Lofthouse, Mark IRR:EX; Roberts, Lloyd E IRR:EX  
**Subject:** Re: Premier's LNG announcement materials

I am happy to reach out to NE FNs on this. I wasn't involved directly in the negotiations so don't know who is the best contact for each Nation, who would have that?

Regards,

Geoff Recknell

Cell: 250 876-8841

Office: 250 847-7535

---

**From:** Waters, Cory IRR:EX  
**Sent:** Thursday, March 22, 2018 6:27 PM  
**To:** Coley, Simon J EMPR:EX  
**Cc:** Puggioni, Giovanni IRR:EX; Nash, Laurel IRR:EX; Balcaen, Trish L IRR:EX; Humber, Emmy EMPR:EX; Avila, Amy EMPR:EX; Shaw, Rachel IRR:EX; Lofthouse, Mark IRR:EX; Roberts, Lloyd E IRR:EX; Recknell, Geoff IRR:EX  
**Subject:** Re: Premier's LNG announcement materials

Thanks Simon. Also, the FNs LNG Engagement Report you noted lower in the email string that EMPR is distributing tomorrow as coordinated follow up to today's announcement will be a valuable document to include or point to in our proactive outreach. Would be great to have that distribution list as well if it is easily accessible.

Cheers!

Sent from my iPhone

On Mar 22, 2018, at 5:30 PM, Coley, Simon J EMPR:EX <[Simon.Coley@gov.bc.ca](mailto:Simon.Coley@gov.bc.ca)> wrote:

Gio and Laurel,

Thanks for your email Gio.

I just finished a call with Cory and heard some additional detail about the approach

discussed within MIRR on the announcement and assessing reactions from FNs. As you know, there are many FNs with an interest in pipelines and LNG, as was evident during our LNG engagement sessions with the FN LNG Alliance, and there is an appetite for information among many about what the announcement was about. I understand Lloyd, Geoff, Mark and others may be reaching out to FNs to share information and assess reactions, which is great.

Are all FNs with LNG-related agreements with the Province being contacted? And is your shop coordinating that?

To assist with coordinating who may have received info, I wanted to let you know that we've shared information, often the News Release and Technical Deck (previously attached), to the representatives of: FNs LNG Alliance, <sup>s.16</sup>

s.16

I was asked to share info and provide an update to key folks, which we've started. I was planning on doing more tomorrow but will wait until I connect further with either of you to understand how MIRR would like to share info to FNs representatives.

Thanks,

*Simon Coley*

Assistant Deputy Minister

Strategic and Indigenous Affairs Division / Ministry of Energy, Mines and Petroleum Resources

Office: 778-698-7176 / Cell: 250-507-6585 / Fax: 250-952-0269

First Nation	Position	Name
Blueberry River First Nation	Chief	Marvin Yahey Sr
Burns Lake Band / Ts'il Kaz	Chief	Dan George
Doig River First Nation	Chief	Trevor Makadahay
Gitanyow Hereditary Chief	Chief Negotiator/ President	Glen Williams
Gitxsan	Chief Negotiator	Gordon Sebastian
Gitga'at First Nation	Chief	Arnold J. Clifton
Gitxaala Nation	Chief	Clifford White
Hagwilget Village	Chief	Dora Wilson
Haisla Nation	Chief Councillor	Crystal Smith
Halfway River First Nation	Chief	Darlene Hunter
Kitselas	Chief	Joseph Bevan
Kitsumkalum	Chief	Donald Roberts
Lake Babine Nation	Chief	Wilf Adam
Lax Kw'alaams	Mayor	John Helin
Lheidli T'enneh	Chief	Dominic Frederick
McLeod Lake	Chief	Harley Chingee
Metlakatla	Chief	Harold Leighton
Moricietown	Chief	Victor Jim
Nadleh Whuten	Chief	Larry Nooski
Nak'azdli	Chief	Alexander McKinnon
Nee-Tahi-Buhn	Chief	Raymond Morris
Nisga'a Lisims Government	President	Eva Clayton
Prophet River First Nation	Chief	Lynette Tsakoza
Saik'uz First Nation	Chief	Jackie Thomas
Saulteau First Nations	Chief	Ken Cameron
Skin Tyee	Chief	Rene Skin
Stellat'en First Nation	Chief	Archie Patrick
Takla Lake First Nation	Chief	John French
Tl'azt'en Nation	Chief	Justa Monk
Tsay Keh Dene	Chief	Dennis Izony
Wet'suwet'en First Nation	Chief	Vivian Tom
West Moberly First Nation	Chief	Roland Wilson
Yekooche First Nation	Chief	Allen Joseph
Chawathil First Nation	Chief	Rhoda Peters

#### **Woodfibre/ Eagle Mountain**

Musqueam	Chief	Wayne Sparrow
Squamish	Chief	Richard Williams and Councillor Christopher
Tsleil-Waututh Nation	Chief	Maureen Thomas
Kwikwetlem First Nation	Chief	Ron Giesbrecht

#### **Vancouver Island Projects**

Huu-Ay-Aht First Nations	Chief Councillor	Robert Dennis Sr.
Malahat First Nation	Chief	Caroline Harry

**Other**

Tsimshian Environmental Manager

Fort Nelson First Nation Chief

Office of the Wet'suwet'en Chief

Carrier Sekani Tribal Council Tribal Chief

Coastal First Nations - Gre President

First Nations Limited Partnership

First nations LNG Alliance CEO

First nations LNG Alliance

First nations LNG Alliance Executive Assistant

James Witzke

Harrison Dickie

Ron Mitchell

Terry Teegee

Marilyn Slett (also is Chief Councillor, He

Karen Ogen-Toews

Kim Baird

Joanna Prince Thomas

Position	Name	Position	Name
Band Manager			
Finance & Office Manager	Kim Sam		
Band Administrator	Shona Nelson		
	Joel Starlund		
President & CEO of the Gitxsan Council	Rick Connors	Director, Strategic Initiatives	Kelsey Harmse
Chief Executive Officer	Ellen Torng		
Acting Administrator/Executive Director	Rowena Ridley		
Executive Director of Haida Gwaii	Carol Eichsteadt		
Chief Executive Officer	Jason Majore	Executive Assistant to	Teena Grant
Band Manager	Randy Orr		
Chief Administrative Officer	Greg Grayson		
Band Manager	Steve Roberts	Consultation and Referral	Rina Gemeinhardt
Executive Director	Barbra Tom		
Administrator	Linda Simon		
Executive Director	Jason Morgan		
Executive Assistant	Kandy Stout		
Executive Director	Marie Skidmore		
Executive Director	Lucy Gagnon		
Executive Assistant	Rose DaSilva		
Chief Operating Officer	Michael Frank		
General Manager	Debbie West		
Chief Executive Officer	Collier Azak		
Band Manager	Shelly Ergang		
General Manager			
Council Executive Assistant	Angie Grant		
General Manager	Adele Gooding		
Band Manager	Sandra Nahornoff		
Band Manager			
Executive Director	Renata Monk		
Band Manager			
Executive Assistant	Janet Whitford		
Band Manager			
Band Manager			
Lands Governance Director	Norm Florence		
Energy Projects Coordinator	Jaime Sanchez	Energy Projects Analyst	Haley Milko
Senior Executive Assistant	Lisa Wilcox	Councillor	Energy Projects Analyst
Chief Administrative Officer			
Executive Administrative Assistant	Deborah Martelluzzi		
Acting Executive Director	Trudy Warner		
Executive Administrative Assistant	Kristina Wilgenhof		

Chief Operating Officer  
Executive Director

Marc Boucher  
Debbie Pierre

iltsuk Tribal Council)

Director Communications and Pz Alexandra Ballard

Mark Podlasly



Address Line 1	City	Province	Postal Code	Telephone Fax
Po Box 3009	Buick Creek	BC	V0C 2R0	
Bag 9000	Burns Lake	BC	V0J 1E0	
Po Box 56	Rose Prairie	BC	V0C 2H0	
PO Box 148	Kitwanga	BC	V0J 2A0	
Box 65   1650 Omineca	Hazelton	BC	V0J 1Y0	
General Delivery 445 H	Hartley Bay	BC	V0V 1A0	
11 Ocean Dr	Kitkatla	BC	V0V 1C0	
Po Box 460	New Hazelton	BC	V0J 2J0	
Po Box 1101	Haisla	BC	V0T 2B0	
Po Box 59	Wonowon	BC	V0C 2N0	
2225 Gitaus Road	Terrace	BC	V8G 0A9	
Po Box 544	Terrace	BC	V8G 4B5	
Po Box 879	Burns Lake	BC	V0J 1E0	
206 Shashaak Street	Port Simpson	BC	V0V 1H0	
1041 Whenun Road	Prince George	BC	V2K 5X8	
General Delivery	Mcleod Lake	BC	V0J 2G0	
Po Box 459	Prince Rupert	BC	V8J 3R2	
Suite #3 - 205 Beaver R	Smithers	BC	V0J 2N1	
Po Box 36	Fort Fraser	BC	V0J 1N0	
Po Box 1329	Fort St. James	BC	V0J 1P0	
47805 Olson Road	Burns Lake	BC	V0J 1E4	
PO Box 231, 2000 Lisim	Gitlaxt'aamiks	BC	V0J 1A0	
Po Box 3250	Fort Nelson	BC	V0C 1R0	s.22
135 Joseph Street	Vanderhoof	BC	V0J 3A1	
Po Box 1020	Chetwynd	BC	V0C 1J0	
Po Box 131	Southbank	BC	V0J 2P0	
Po Box 670	Fraser Lake	BC	V0J 1S0	
11 - 1839 1st Avenue	Prince George	BC	V2L 2Y8	
Po Box 670	Fort St. James	BC	V0J 1P0	
1940 Third Ave	Prince George	BC	V2M 1G7	
Po Box 760	Burns Lake	BC	V0J 1E0	
Po Box 90	Moberly Lake	BC	V0C 1X0	
1890 - 3rd Avenue	Prince George	BC	V2M 1G4	
4-60814 Lougheed Hwy	Hope	BC	V0X 1L3	
6735 Salish Drive	Vancouver	BC	V6N 4C4	
Po Box 86131	North Vancouver	BC	V7L 4J5	
3075 Takaya Drive	North Vancouver	BC	V7H 3A8	
2 - 65 Colony Farm Roa	Coquitlam	BC	V3C 5X9	
4644 Aedlaide St	Port Alberni	BC	V9Y 6N4	
110 Thunder Road Rr 4	Mill Bay	BC	V0R 2P4	

Mile 295 Alaska Hwy Rr Fort Nelson	BC	V0C 1R0	
205 Beaver Road, Suite Smithers	BC	V0J 2N1	s.22
200 - 1460 6th Ave Prince George	BC	V2L-3N2	
Suite 1660 - 409 Granvi Vancouver	BC	V6C 1T2	<u>604-696-9889</u>

**Email**

[reception@blueberryfn.ca](mailto:reception@blueberryfn.ca)

s.22

[reception@doigriverfn.com](mailto:reception@doigriverfn.com)

[malii@gitanyowchiefs.com](mailto:malii@gitanyowchiefs.com)

[gsebastian@gitxsan.com](mailto:gsebastian@gitxsan.com)

[hbvc@gitgaat.ca](mailto:hbvc@gitgaat.ca)

[cliff.white@gitxaala.com](mailto:cliff.white@gitxaala.com)

[Dora@Hagwilget.com](mailto:Dora@Hagwilget.com)

[crystal.smith@haisla.ca](mailto:crystal.smith@haisla.ca)

[reception@hrfn.ca](mailto:reception@hrfn.ca)

[chiefbevan@kitselas.com](mailto:chiefbevan@kitselas.com)

[droberts@kitsumkalum.bc.ca](mailto:droberts@kitsumkalum.bc.ca)

[melvin.joseph@lakebabine.com](mailto:melvin.joseph@lakebabine.com)

[tressa\\_secretary@laxband.com](mailto:tressa_secretary@laxband.com) [johnhelin@laxband.com](mailto:johnhelin@laxband.com)

[dominic@lheidli.ca](mailto:dominic@lheidli.ca)

s.22

[hleighton@metlakatla.ca](mailto:hleighton@metlakatla.ca)

[lucy.gagnon@morictown.ca](mailto:lucy.gagnon@morictown.ca)

[Lnooski@nadleh.ca](mailto:Lnooski@nadleh.ca)

[chief@nakazdli.ca](mailto:chief@nakazdli.ca)

[gm@ntbband.ca](mailto:gm@ntbband.ca)

[robertac@nisgaa.net](mailto:robertac@nisgaa.net)

[Lynette.Tsakoza@prophetriverfn.ca](mailto:Lynette.Tsakoza@prophetriverfn.ca)

[saikuz.chief@saikuz.com](mailto:saikuz.chief@saikuz.com)

[estellelavis@saulteau.com](mailto:estellelavis@saulteau.com)

[admin@skintyeenation.ca](mailto:admin@skintyeenation.ca)

[adminassistant@stellatenfirstnation.ca](mailto:adminassistant@stellatenfirstnation.ca)

[chief@taklafn.ca](mailto:chief@taklafn.ca)

[cecilia.harvey@tlazten.bc.ca](mailto:cecilia.harvey@tlazten.bc.ca)

s.22

[wfnchief@lakescom.net](mailto:wfnchief@lakescom.net)

[cassistant@westmo.org](mailto:cassistant@westmo.org)

[chief@yekooche.com](mailto:chief@yekooche.com)

s.22

[chief.wsparrow@musqueam.bc.ca](mailto:chief.wsparrow@musqueam.bc.ca)

[Chris\\_Lewis@squamish.net](mailto:Chris_Lewis@squamish.net)

[chief@twnation.ca](mailto:chief@twnation.ca)

[ron@kwikwetlem.com](mailto:ron@kwikwetlem.com)

[reception@huyuayaht.org](mailto:reception@huyuayaht.org)

[Kristina.Wilgenhof@malahatnation.com](mailto:Kristina.Wilgenhof@malahatnation.com)

**Other Email**

[bandadmin@blueberryfn.ca](mailto:bandadmin@blueberryfn.ca)

s.22

[snelson@doigriverfn.com](mailto:snelson@doigriverfn.com)

[Joel.Starlund@gitanyowchiefs.com](mailto:Joel.Starlund@gitanyowchiefs.com)

s.22

[ellentorng@gitgaat.net](mailto:ellentorng@gitgaat.net)

[carol@hagwilget.com](mailto:carol@hagwilget.com)

[JMajore@haisla.ca](mailto:JMajore@haisla.ca)

[rorr@hrfn.ca](mailto:rorr@hrfn.ca)

[exec.assist@kitselas.com](mailto:exec.assist@kitselas.com)

[rgemeinhardt@kitsumkalum.bc.ca](mailto:rgemeinhardt@kitsumkalum.bc.ca)

[receptionist@lakebabine.com](mailto:receptionist@lakebabine.com)

[linda\\_admin@laxband.com](mailto:linda_admin@laxband.com)

[executivedirector@lheidli.ca](mailto:executivedirector@lheidli.ca)

[kstout@milib.ca](mailto:kstout@milib.ca)

[executive.director@metlakatla.ca](mailto:executive.director@metlakatla.ca)

[council@nakazdli.ca](mailto:council@nakazdli.ca)

[bandmanager@prophetriverfn.ca](mailto:bandmanager@prophetriverfn.ca)

[gm@skintyeenation.ca](mailto:gm@skintyeenation.ca)

[renata.monk@tlazten.bc.ca](mailto:renata.monk@tlazten.bc.ca)

[wfnea@lakescom.net](mailto:wfnea@lakescom.net)

[rwillson@westmo.org](mailto:rwillson@westmo.org)

[linda.campbell@yekooche.com](mailto:linda.campbell@yekooche.com)

[jsanchez@musqueam.bc.ca](mailto:jsanchez@musqueam.bc.ca)

[chief\\_dick\\_williams@squamish.net](mailto:chief_dick_williams@squamish.net)

[reception@kwikwetlem.com](mailto:reception@kwikwetlem.com)

[kathy.w@huyuayaht.org](mailto:kathy.w@huyuayaht.org)

[jwitzke@tsimshianenvironment.ca](mailto:jwitzke@tsimshianenvironment.ca)  
[harrison.dickie@council.fnnation.ca](mailto:harrison.dickie@council.fnnation.ca)  
[dpierre@wetsuweten.com](mailto:dpierre@wetsuweten.com)  
[tteegee@cstc.bc.ca](mailto:tteegee@cstc.bc.ca)  
[info@coastalfirstnations.ca](mailto:info@coastalfirstnations.ca)  
[aballard@havlikmetcs.com](mailto:aballard@havlikmetcs.com)  
[ceo@fnlngalliance.com](mailto:ceo@fnlngalliance.com)  
s.22

[liz.logan@fnnation.ca](mailto:liz.logan@fnnation.ca)

s.22

s.22

## Other Email

[kelsey@gitxsanbusiness.com](mailto:kelsey@gitxsanbusiness.com)

[ctoc@haisla.ca](mailto:ctoc@haisla.ca)  
[dhunter@hrfn.ca](mailto:dhunter@hrfn.ca)

[shelley.ergang@prophetriverfn.ca](mailto:shelley.ergang@prophetriverfn.ca)

[hmilko@musqueam.bc.ca](mailto:hmilko@musqueam.bc.ca)  
[chief\\_ian\\_campbell@squamish.net](mailto:chief_ian_campbell@squamish.net)

**From:** [Humber, Emmy EMPR:EX](#)  
**To:** [Shaw, Rachel IRR:EX](#)  
**Subject:** FW: FN LNGA report IN updates  
**Date:** Monday, March 26, 2018 3:59:13 PM  
**Attachments:** [IN FNLNGA-report 25Mar2018.docx](#)  
[image001.png](#)

---

FYI

---

**From:** Humber, Emmy EMPR:EX  
**Sent:** Monday, March 26, 2018 3:59 PM  
**To:** Beaupre, Darren GCPE:EX  
**Subject:** RE: FN LNGA report IN updates  
Hi Darren,  
As discussed.

---

**From:** Beaupre, Darren GCPE:EX  
**Sent:** Friday, March 23, 2018 2:28 PM  
**To:** Humber, Emmy EMPR:EX  
**Subject:** FW: FN LNGA report IN updates  
FYI this is MIRRs IN on the report. Let me know if anything is concerning. Thanks.



**Darren Beaupre**  
Government Communications and Public Engagement (GCPE)  
Ministry of Energy, Mines and Petroleum Resources  
Phone: 250-356-5892  
E-mail: [darren.beaupre@gov.bc.ca](mailto:darren.beaupre@gov.bc.ca)

## Confidential Issues Note - ADVICE TO MINISTER

Ministry of Indigenous Relations and Reconciliation

Date: (date upon final approval)

Minister Responsible: Hon. Scott Fraser

### B.C. & First Nation LNG Alliance Joint Engagement Report

#### RECOMMENDED RESPONSE:

- British Columbia applies a three-pillar approach to ensure First Nation communities can participate and benefit from B.C.'s LNG opportunity:
  - Providing financial benefits to support Indigenous government's rights to self-determination;
  - Supporting Indigenous involvement in environmental stewardship and land management; and
  - ~~Offering~~ Supporting skills training so First Nations can access employment opportunities associated with resource development.
- While these approaches have been successful, we've heard from our partners that we need to work with Indigenous people to strengthen these efforts.
- Specifically, we need to explore expanding these opportunities to be more inclusive of Indigenous people and different sectors of the economy, not just LNG.

#### Environmental Stewardship

- We are continuing the important work of the Environmental Stewardship Initiative, which supports First Nations' participation in s.16 stewardship of natural resources with the Province along the northern LNG corridor.
- As this work continues, we are also working on s.16 improving First Nations' participation in of all B.C.'s ~~Indigenous~~ stewardship programs.
- The goal is to collaboratively ~~design a new way~~ develop new opportunities for the B.C. Government and Indigenous people to work together o s.16  
s.16

s.16

#### Skills training

- British Columbia offers many programs, services, and funding to support skills training and education that provide transferable skills to meet the needs of the community.

## Confidential Issues Note - ADVICE TO MINISTER

- **Government has extended the Indigenous Skills Training Development Fund beyond 2017/18 maximizing opportunities for jobs, careers and further education.**
- **We want to work in partnership with Indigenous peoples to increase economic equality and ensure a better B.C. for everyone.**

### KEY FACTS:

- The British Columbia Government partnered with the First Nations LNG Alliance (FNLNGA) in the fall of 2017 to conduct regional engagement sessions on the LNG sector's cost competitiveness and fiscal policies.
- Five regional engagements took place along the LNG corridor and in Vancouver between September 27 and October 26, 2017.
- Participants at these regional sessions included Indigenous leaders and provincial and federal officials to discuss the ongoing development of a LNG industry in B.C.
- ~~All of the remarks were recorded and categorized into themes which were developed into recommendations the provincial government should consider and are outlined in the LNG Joint Engagement Report.~~
- Discussions at these engagement sessions ~~show~~ demonstrated strong that there is support for LNG projects in B.C.
- ~~Familiar~~ Concerns were raised about ~~arose~~ regarding impacts to First Nation traditional territories and traditional ways of life from natural resource development.
- In general, First Nations want a more meaningful role in stewardship of lands, water, air, species, and ecosystems; however, they are also deeply committed to solving the poverty that persists in their communities.
- Many First Nations view LNG and natural gas projects as important economic and employment opportunities that can improve community members' lives and change the trajectory of poor socio-economic conditions.
- One of the recommendations for government suggested building on the successful uptake of the skills and development funding and considering increasing funding amounts to allow the extension of this support.
- For example, through the Canada-B.C. Job Grant, administered by the Ministry of Advanced Education, Skills and Training, eligible individuals have access to such programs and services as job readiness training, entrepreneurial training, essential skills training, and Indigenous community-based training partnerships. Since 2008, the Industry Training Authority's Aboriginal Initiatives have received \$18.3 million in funding for pre-apprenticeship and apprenticeship training for 2,834 Indigenous people.
- These are just a couple of the ongoing programs and services that are available to all Indigenous people.
- One other recommendation in the LNG Competitiveness Report was to continue the Environmental Stewardship Initiative (ESI) funding and provide it to all regions of B.C. that are affected by potential LNG projects.
- There are many benefits to stewardship and monitoring programs in terms of training and capacity, employment and a deeper involvement in stewardship for Indigenous communities.
- B.C. and Indigenous partners will continue to collaboratively design a framework so that these pieces fit together in a cohesive vision of stewardship with Indigenous peoples. This approach will not only strengthen partnerships while addressing environmental compliance and enforcement issues, and building stronger government-to-government relationships.

**Comment [EJH3]:** We've already done this – we re-upped the ASDF for another \$30M... this should be highlighted (talk to Juanita)

s.16



## **Confidential Issues Note - ADVICE TO MINISTER**

Communications Contact: Shantel Cordeiro, 250 886-3589

Program Area Contact(s): Rachel Shaw, 250 953-3322

DRAFT