

MEETING NOTE

MEETING DATE: October 3, 2022

PREPARED FOR: Kevin Jardine, Deputy Minister of Environment and Climate Change Strategy (ENV)

TOPIC: Meeting with Hydrogen Naturally Inc. to discuss their plans and recommendations to advance their projects in B.C.

ATTENDEES: Jeremy Hewitt, Assistant Deputy Minister, Climate Action Secretariat
Les MacLaren, Assistant Deputy Minister, Ministry of Energy Mines, and Low Carbon Innovation (EMLI)
Tim Lesiuk, Assistant Deputy Minister, Ministry of Jobs, Economic Recovery and Innovation (JERI)
Neil Dobson, Chief Sustainability Officer, H2N

KEY MESSAGES:

- Overall, the Ministry is supportive of Hydrogen Naturally Inc.'s (H2N) innovative approach to developing a solution to tackle climate change and looks forward to exploring further opportunities for collaboration between our organizations.
- H2N would like to focus the conversation on the following two short-term requests:
 - Provincial support for H2N's request to Canada to update the rules of the proposed Carbon Capture, Utilization, and Storage (CCUS) Investment Tax Credit to enable H2N to qualify.
 - Suggested response: B.C. was not among the prescribed list of provinces eligible for the CCUS tax credit in federal draft legislation. Unlike Alberta and Saskatchewan, B.C. is required to undergo a regulatory review prior to B.C. projects qualifying for the tax credit. Provincial staff are engaging with federal counterparts to allow the tax credit to be extended to B.C. before Canada's draft legislation is finalized. Currently, there is no certainty on timelines for a decision.

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- **Suggested response: the Province is currently considering policy actions required to develop the hydrogen sector in B.C.** s.13

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- **The Province is supportive of flexible options as long as the integrity of the GHG reductions targeted in the CleanBC Roadmap are maintained.**

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- **The Province is interested to hear H2N's plans on how to address the barriers for the Fort Nelson project** s.17

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- s.13 **The Province is interested to hear H2N's thoughts on how their approach presents the best use for this waste biomass.**

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KEY FACTS:

- H2N has already met with staff from EMLI, JERI, and the Ministry of Forests, as well as met with JERI's and EMLI's deputy ministers.
- H2N has sent a letter to the Minister of EMLI requesting further information on the B.C. Hydrogen Office. H2N included a request to be included in consultations on development of hydrogen- and electricity-related legislation.
- H2N was founded in spring 2022 by Peak Renewables, BFG Group, and Northwest Capital Partners, and plans to produce what is claimed to be "bright green" negative emission hydrogen from biomass with carbon capture and storage (CCS) to be used directly as a fuel and/or to produce electricity. s.17

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- On April 26, 2022, H2N announced a partnership with the Fort Nelson First Nation to explore a plan to develop a \$1.2 billion negative emission hydrogen production plant in Fort Nelson (expected to produce 1 million tonnes of hydrogen annually). If the plant is developed, the Fort Nelson First Nation will be equity owners.
- EMLI is currently leading the development of B.C.'s Hydrogen Strategy. Recent and current work include but is not limited to:
 - announcement of the B.C. Hydrogen Office;
 - ongoing work to establish a hydrogen hub investment blueprint in Metro Vancouver;
 - detailed regulatory mapping to ensure hydrogen can move through B.C.'s framework;
 - mapping carbon storage in Northeast B.C.; and,
 - ongoing work studying carbon intensity thresholds for hydrogen.
- B.C. continue to work on commitments made under the Roadmap and StrongerBC to invest and partner with Indigenous Peoples and industry to develop a bioproducts sector (e.g., forest sector to shift from high volume to high value, and the near elimination of slash piles burning by 2030 under the Mass Timber Action Plan).
- Due to B.C.'s ineligibility to apply to Canada's CCUS tax credit, the Province continues to work on its commitment to advance a Provincial approach to CCUS, including a regulatory regime (some aspects are already regulated by the B.C. Oil and Gas Commission).

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