



MEETING NOTE

MEETING DATE: March 2, 2023

PREPARED FOR: Honourable George Heyman, Minister of Environment and Climate Change Strategy

TOPIC: Discussing 1) LNG Canada; 2) decarbonization incentives; and 3) potential co-operation under Canada's Indo-Pacific Strategy

ATTENDEES: His Excellency Woongsoon Lim, Ambassador of Korea

KEY MESSAGES:

- **LNG Canada (LNGC) has received its Environmental Assessment Certificate from the Province and is currently under construction. It is expected to begin operations mid-decade, producing approximately 14 million tonnes of liquefied natural gas (LNG) annually.**
- **We are in discussions with LNGC about its potential phase 2 of operations, which would add a further 14 million tonnes of LNG production annually.**
- **The Province has ambitious, but necessary, greenhouse gas emission reduction targets, including a commitment to achieve net-zero emissions by 2050. As achieve this, we've implemented initiatives to incentivize industrial emission reductions through our new output based pricing system and the CleanBC Industry Fund.**
- **B.C. is also working closely with the federal government on the design of its \$15-billion Canada Growth Fund, whose mandate is to accelerate the deployment of technologies required to decarbonize and grow our economy, to ensure it helps support B.C.-based de-carbonization.**
- **As part of Canada's Indo-Pacific strategy (see appendix), we are interested in co-operating with the Republic of Korea to achieve the strategic objective to build a sustainable and green future**

KEY FACTS:

- **LNGC is a joint venture, co-owned by Shell Canada Energy (40%); PETRONAS (25%); PetroChina Company Limited (15%); Mitsubishi Corporation (15%); and Korea Gas Corporation, through its wholly-owned subsidiary Kogas Canada LNG Ltd (5%).**
- **Phase one of LNGC was incorporated within the modelling that showed CleanBC Roadmap 2030 policies put the Province on track to achieve the 2030 emission reduction target of 40 percent below 2007 levels.**

- The 2022 *Climate Change Accountability Act* indicated that any new industrial facilities (including phase two of LNGC) with significant unabated emissions would hinder the Province's ability to achieve its emission reduction targets.
- The Province's new B.C.-based output based pricing system for industrial emitters will apply compliance requirements on industrial emission intensities above a performance benchmark. Industrial facilities can meet the compliance requirement through earned credits, offset purchases or compliance payments.
 - Facilities with emission intensities below the performance benchmark can earn credits which can be saved for future years or sold to other facilities.
- The CleanBC Industry Fund (CIF) supports emission reduction projects at large industrial facilities. Since 2019, CIF has funded 86 projects, contributing a total of \$144 million and resulting in over 6 million tonnes of cumulative emission reductions over the next ten years.
- In November 2022, Canada launched its Indo-Pacific strategy to achieve five strategic objectives: 1) promote peace, resilience and security; 2) expand trade, investment and supply chain resilience; 3) invest in and connect people; 4) build a sustainable and green future; and 5) be an active and engaged partner in the Indo-Pacific.
- One commitment Canada made under its trade objective, that pertains to B.C.'s climate file, is to Copyright
- Commitments made under the "green future" objective that pertains to B.C. include
 - Prioritizing the Indo-Pacific region for the Powering Past Coal Alliance, which is working to help partners advance their transition from unabated coal power generation to cleaner energy.
 - Advance Canada's Global Carbon Pricing Challenge to share expertise on carbon pollution pricing as an important tool to fight climate change and drive investment in clean technologies.
- Due to B.C.'s long experience with broad-based carbon pricing, the Province could take a leadership role of sharing its learnings and best-practices on carbon pricing.

Attachments:

- Canada's Indo Pacific Strategy

Assistant Deputy Minister:
 Jeremy Hewitt
 Climate Action Secretariat
 250 387-1134]

Alternate contact for content:
 Adria Fradley
 Clean Growth
 778 698-4012

Prepared by:
 Hurrian Peyman
 Clean Growth
 778 698-4085

Canada's Indo-Pacific Strategy

The Indo-Pacific: A new horizon of opportunity

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