

**MINISTRY OF NATURAL GAS DEVELOPMENT
BRIEFING NOTE FOR INFORMATION**

I PREPARED FOR: Honourable Rich Coleman, Minister of Natural Gas Development

II ISSUE: Northeast Air Quality Monitoring Project

III BACKGROUND:

The Northeast Air Monitoring Project (Project) is a collaborative initiative of the Ministry of Natural Gas Development (MNGD), the Ministry of Environment (MOE), the BC Oil and Gas Commission, the Canadian Association of Petroleum Producers (CAPP), and Spectra Energy. The purpose of the Project is to monitor, report, and assess air quality in Northeast British Columbia; engage the local communities in the process; and to establish a long-term air monitoring network with a sustainable funding mechanism. The Project, that is already underway, is being implemented in three phases:

- Phase 1 (June 2012 - March 2014 COMPLETE) focused on establishing new temporary monitoring stations, information assessment and initial engagement with representatives of the local communities;
- Phase 2 (July 2014 - July 2015) will focus on continuing community engagement, characterizing air quality in the study area, developing long-term funding/management options, and refining air quality monitoring and reporting; and
- Phase 3 (July 2015 onward) will implement a refined monitoring network that is informed by work in Phase 1 and 2 and best available science, and that would include, but not be limited to, such elements as: where monitoring stations would be placed permanently; where additional temporary monitoring may be needed; what air quality parameters need to be monitored where; and an associated long-term funding model.

Phase 2 of the Project has been initiated and is being led and managed by MOE, with guidance from a steering committee composed of executive representatives of each of the partner agencies, and advice from a public outreach group and a technical advisory group.

The Technical Advisory Group (TAG) will consist of government, academic and industry experts in air quality and will provide:

- Expert review of the report characterizing air quality in Northeast British Columbia;
- Advice on implementation of additional monitoring in Northeast British Columbia;
- Options for an air monitoring network design in Northeast British Columbia for consideration by the steering committee; and
- Recommendations for an initial monitoring plan to implement and operate the network option selected by the steering committee.

Core membership of the Public Outreach Group (Group) will include representatives of agencies from a range of community interests and will be complemented by representatives from the participating government agencies. The Group will develop a communications strategy for activities associated with Phase 2 of the Project. The strategy will provide advice and recommendations on tools, platforms and pathways for dissemination of data and information in a manner that meets the needs of the public.

Non-government membership of the Group will be as follows (*to be confirmed*):

- | | |
|---------------------------------|------------------------------|
| • Peace River Regional District | 2 members (1 north, 1 south) |
| • Industry Representatives | 2 members (CAPP and Spectra) |
| • NE Health Advisory Committee | 1 member |
| • Treaty 8 Tribal Association | 1 member |
| • Citizen Representative | 1 member |

IV DISCUSSION

Funding of \$160,000 for Phase 2 has been secured from the Oil and Gas Commission's Science and Community Environmental Knowledge Fund (SCEK). The MOE is separately funding a core Fort St. John monitoring station which, under the SCEK agreement, is framed as an associated project. Spectra Energy has recently confirmed its participation in the Project and s.21

Work has begun on gathering the data for the northeast air quality characterization. s.13,s.17
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s.13,s.17 The steering committee has approved the terms of reference for the TAG and the Public Outreach Group and the membership of the working groups is being finalized.

V NEXT STEPS

A joint news release with all Project partners is planned for September 28, 2014. MOE will coordinate with MNGD Government Communications and Public Engagement to finalize the news release.

APPROVED BY:

Michelle Schwabe, A/ED/PAR	✓
Inés Piccinino, ADM	✓
Steve Carr, DM, MNGD	✓

MINISTRY OF NATURAL GAS DEVELOPMENT
BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Rich Coleman, Minister of Natural Gas Development

II ISSUE: Meeting on September 9, 2014 with Ms. Zoe Kolbuc, Director, External Affairs, and Mr. Gary Weilinger Vice President, External Affairs, Spectra Energy Transmission West (Spectra), to discuss the competitive implications of Trans Canada Pipeline Limited's (TCPL) plans for expanding into British Columbia.

III BACKGROUND:

Nova Gas Transmission Limited (NGTL) is a wholly owned subsidiary of TCPL and has applied to the National Energy Board (NEB) to construct and operate the new 301 kilometre natural gas North Montney Pipeline project (the NMP Project). Other proposed NGTL projects include:

- 260 kilometre Merrick Pipeline to run from Groundbirch to Summit Lake (NEB application expected fall, 2014);
- 106 kilometre Towerbirch Pipeline paralleling the existing Groundbirch pipeline (application expected Q1 2015) (Appendix 1).

NGTL will be seeking approval to use a rolled-in tolling methodology for rate setting (see Appendix 3 for NEB definitions of tolling methodologies).

NGTL's rolled-in tolling approach for pipeline expansion into British Columbia has met with mixed results. The existing Groundbirch pipeline, part of their current system, has rolled-in tolling; however, the NEB ruled against rolled-in tolling for the Northwest Mainline Komie North Extension application (Komie). The reason was the NEB felt this approach unreasonably subsidized the extension of the NGTL Alberta System into an area where it would compete with infrastructure already in place.

The Ministry of Natural Gas Development's Upstream Development Division (UDD) is registered as an intervener for the North Montney Pipeline NEB hearing. To date, staff have reviewed the application, submitted an information request, and are analyzing NEB evidence currently available.

IV DISCUSSION:

NGTL's argument for rolled-in tolling is based on their claim that there is a high degree of physical integration with the existing NGTL system.

This approach would facilitate the NMP Project's contracted shipper, Progress Energy Canada Ltd. (Progress), which will initially ship its gas from British Columbia's fields east to Alberta. Once Progress has its LNG facility operating in British Columbia, NGTL forecasts that over 96 percent of Progress's gas from within British Columbia will be moving west. Four percent of the volume on the NMP Project could be bi-directional either going to Alberta or coming from Alberta.

NGTL's use of rolled-in tolls continues to be an area of contention for Spectra. Spectra and others assert that rolled-in tolls would frustrate pipeline competition and result in adverse commercial impacts. Utility companies downstream of the NMP Project are concerned that the proposed tolling could distort the market causing utilities and their customers to pay an increased price for supply for natural gas moving south to the interior, lower mainland and the Pacific Northwest. According to this utility group, if prices increase too much they would have to consider other ways of sourcing supply for their needs.

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^V **RECOMMENDED RESPONSE:**
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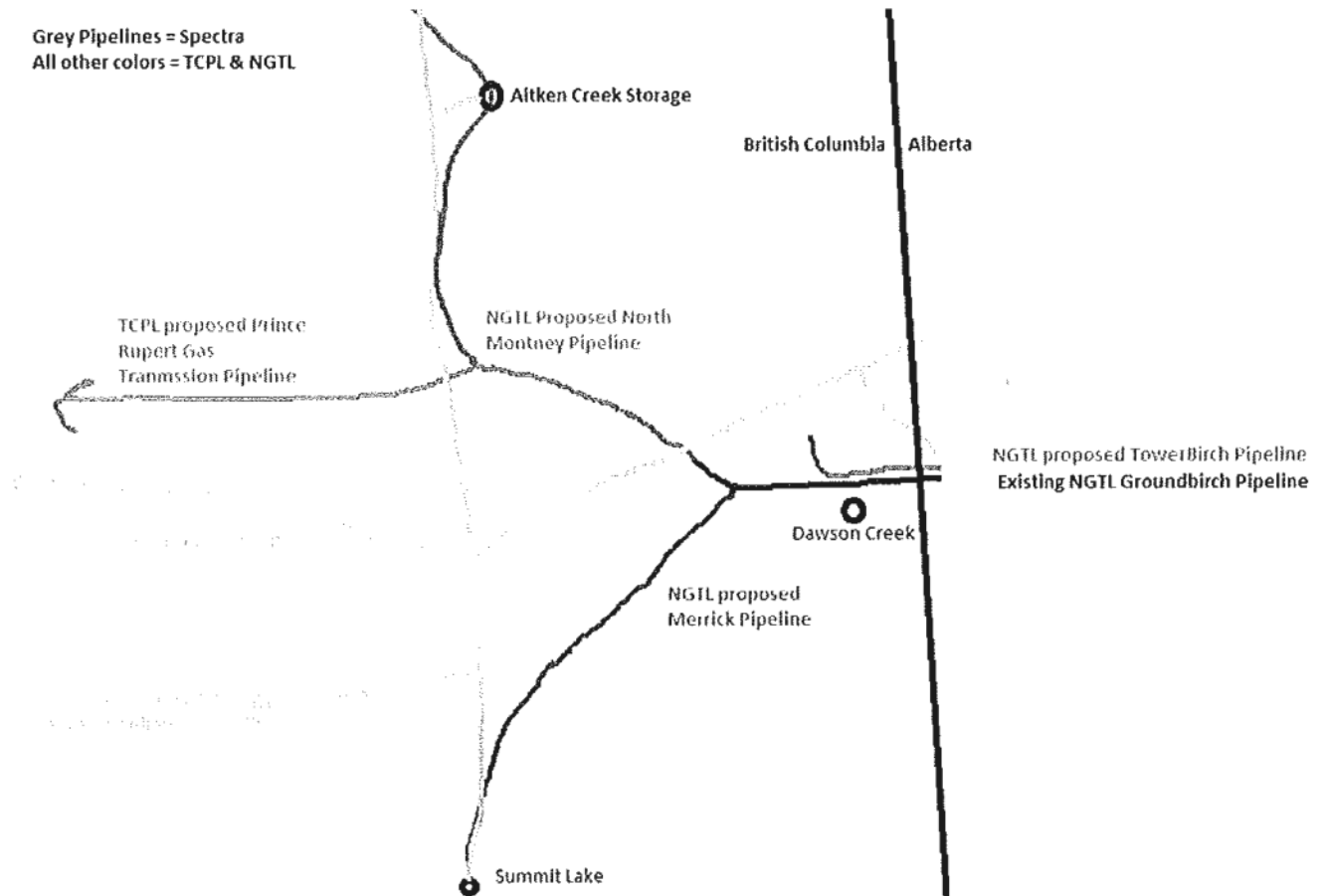
REVIEWED BY:

Francesca Wheler, ED, PAR ✓
Ines Piccinino, ADM, UDD ✓
Steve Carr, DM ✓

¹ NEB information request 2.42-3

Appendix 1

Current and Proposed NGTL and Spectra Energy Natural Gas Pipelines in BC



Appendix 2

Tolling Costs

North Montney Transportation Tolling Costs to Move Supply to Alberta			
	Westcoast to Alberta	North Montney Mainline (NMML) to Alberta	North Montney Mainline (NMML) to Alberta
	2018	2018	2019
T-North	\$0.14/mcf ¹	n/a	n/a
FT-R Groundbirch	\$0.26/mcf ¹	n/a	n/a
FT-R NMML Average	n/a	\$0.268/mcf ²	\$0.192/mcf ³
Total	\$0.40	\$0.268	\$0.192
<p>1) NGTL Response to Round 1 Westcoast 1.7 (b) Information Request.</p> <p>2) B-001 Application, Section 6 Tolls and Financing Section 6.2.5 Long Term Economics: Resources vs Costs. Page 6-4 PDF Page 4 of 114 FT-R ceiling toll of 26.8 cents/Mcf 2016-2018.</p> <p>3) B-001 Application, Section 6 Tolls and Financing Section 6.2.5 Long Term Economics: Revenues vs Costs page 6-4 PDF page 4 of 114 the five year term FT-R average toll of 19.2 cents/mcf for 2019-2028.</p> <p>4) Westcoast 5 year T-North Toll Source - https://nomis.wci-pipeline.com/CustomerContent/tariff/toll_schedules/ts07_transport_north.pdf.</p>			

MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: The Honourable Christy Clark, Premier

II ISSUE: Premier Clark's meeting with PETRONAS President and Group Chief Executive Tan Sri Dato' Shamsul Azhar Abbas

III BACKGROUND:

- Founded on August 17, 1974, PETRONAS is a Malaysian's national oil and gas company with business interests in 35 countries.
- PETRONAS is the lead partner of Pacific Northwest LNG (s.17). Other partners include China Petrochemical Corporation (s.17), Japan Petroleum Exploration Corporation (s.17), Indian Oil Corporation (s.17) and Petroleum BRUNEI (s.17).
- Each of the owners has agreed to offtake a portion of the LNG produced. PETRONAS has stated that it will take up to s.17 of the initial production.
- Pacific NorthWest LNG is a proposed LNG export facility (Project) on Lelu Island in Port Edward. It is located on federal Crown land with a water lease administered by the Prince Rupert Port Authority.
- In December 2013, Progress Energy (PETRONAS' Canadian subsidiary) was granted and export license to export up to 19.68 million tonnes per year for 25 years.
- The proposed Project triggered both a provincial and federal Environmental Assessment and coordinated assessments began in February 2014.
- The Front End Engineering Design (FEED) stage of the Project is expected to be completed by the fourth quarter of s.17 and first shipments in early s.17.
- The proposed Prince Rupert Gas Transmission Project (TransCanada), a new 750 km natural gas pipeline, will deliver natural gas from Fort St. John to the Project.

IV DISCUSSION:

- On September 25, 2014, Mr. Abbas was reported widely for negative comments made regarding British Columbia's climate for LNG investment and the resulting prospects for the Project.
- Mr. Abbas told the Financial Times that the Project is uncertain due to new taxes in British Columbia and competition from shale-gas supplied LNG projects in the United States (Gulf Coast), and he doubted a positive Final Investment Decision could be made by the end of the 2014.
- He also made reference to delays in project approvals in British Columbia and a lack of appropriate incentives, and said PETRONAS is now "ready to call off" the entire project.

- The newly formed BC LNG Developers Alliance (Pacific NorthWest LNG is a member) is lobbying the federal government for preferential corporate income tax treatment for LNG facilities.
- In response to LNG proponent's requests, the Province has made it an executive commitment to negotiate Project Development Agreements with key LNG proponents including Pacific Northwest LNG as agreed to in our Letter of Intent. The intent of the Project Development Agreements is to provide cost certainty for proponents across areas within provincial control. We have responded swiftly to proponents' desires for information about our fiscal and policy regime specific to LNG projects proposing to do business in British Columbia and Canada.
- Information about the proposed LNG income tax has been available for many months, and legislation will be introduced in the fall Legislative session. We have been clear on how the mechanics of the LNG income tax and who are defined as taxpayers. We s.13,s.17

- The delays in project approvals Mr. Abbas refers to have resulted from the federal environmental assessment process. The large size and proposed location of this facility on Lelu Island has raised several marine issues which has led the Canadian Environmental Assessment Agency to issue an information requests in May and August 2014, stopping the federal "clock" at day 167 of 365 day review.
- On September 11, 2014, at the request of the Proponent, the British Columbia Environmental Assessment Office granted a 45-day timeline extension in the assessment process in order for the proponent to provide additional information on proposed design modifications and to consult First Nations on those modifications, reflecting substantial mitigations to avoid or reduce potential adverse effects.
- The Province continues to coordinate with the federal assessment agency; however, decision dates for the two respective processes are not closely aligned and we currently do not know when the federal decision will be made. Referral for a provincial assessment decision is expected November 5th.
- Five LNG related Framework Agreements have been signed by Tsimshian First Nations and work plans have been finalized. Consultations and other engagements with the Tsimshian First Nations have been underway for months, and concerns are being addressed with the environmental assessment process and outside it, as benefit sharing negotiations continue.

V CONCLUSION/SPEAKING POINTS:

- Assure Mr. Abbas that B.C. is committed to ensuring a cost-competitive, well-developed LNG sector that will provide LNG to Malaysia and throughout Asia.
- Substantial progress has been made in establishing a competitive fiscal and policy framework for LNG – an example being the framework for the LNG Income Tax being introduced in the fall Session.
- s.13,s.17

Attachment: Biography of Tan Sri Dato' Shamsul Azhar Abbas

APPROVED BY:
Brian Hansen, ADM✓

APPROVED BY:
Steve Carr, DM

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MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

I. PREPARED FOR: Honourable Rich Coleman, Minister of Natural Gas Development

II. ISSUE: Minister Coleman is meeting with Chief Gibby Jacob, Executive Operating Officer; Chief Ian Campbell, Cultural Ambassador and Negotiator; and Aaron Bruce, Ratcliff & Company, regarding difficulties the Squamish Nation is having with the Environmental Assessment Office with respect to the Woodfibre LNG project.

III. BACKGROUND:

- The Squamish Nation has over 3,600 members, 60 percent of whom live on-reserves in Vancouver, North Vancouver, West Vancouver and Squamish. The Squamish Nation has a vibrant economy. The Squamish Nation's sources of revenue are taxation, leases and Squamish Nation-owned businesses, such as marinas, gas stations and a forestry company. The Squamish Nation is in the third stage of its treaty negotiation process.
- The Woodfibre LNG Project is a proposed small-scale liquefied natural gas (LNG) processing and export facility, located approximately seven kilometres southwest of Squamish, British Columbia. The Project would be located on an existing industrial site, the former Woodfibre pulp mill, which is well suited for conversion to a LNG facility. The Province has a duty to consult with the Squamish Nation on this project.
- The proposed Woodfibre LNG Project is a federally substituted project and the Province must meet consultation processes for both provincial and federal decisions

IV. DISCUSSION:

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V. CONCLUSION – SUGGESTED RESPONSE:

- The Minister understands that EAO is continuing in efforts to work with the Squamish Nation and the Proponent to find an appropriate resolution and that EAO continues to meet timelines for the process.
- The Minister understands that the Associate Deputy Minister of EAO (Doug Caul) has spoken with Chief Jacobs about this issue and will make himself available for follow up discussions if necessary.

REVIEWED BY:
Brian Hansen, ADM

APPROVED BY:
Steve Carr, DM ✓

MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

- I. PREPARED FOR:** Honourable Rich Coleman, Minister of Natural Gas Development
- II. ISSUE:** Referral to Minister Coleman for decision on the application for issuance of an Environmental Assessment Certificate for the Coastal GasLink Pipeline Project.
- III. BACKGROUND:**
- TransCanada Pipelines Ltd. (TransCanada) has completed its requirements for an environmental assessment of their Coastal GasLink Pipeline Project (Project). The application for an Environmental Assessment Certificate (EAC) was sent to the Minister of Environment and the Minister of Natural Gas Development on October 8, 2014.
 - The Proponent, a wholly-owned subsidiary of TransCanada Pipelines Ltd. (TransCanada), is proposing to construct and operate a 675km natural gas transmission pipeline from Groundbirch to Kitimat to supply natural gas to the proposed LNG Canada facility in Kitimat B.C.
 - The Project would have an estimated capital cost of \$4.7 billion for the 3-4 year construction period for the initial capacity of 2-3 bcf/d, with \$2 billion spent in BC. Annual operating expenditures would be \$26.3 million per year, with \$21 million spent in BC.
 - The Project entered the environmental assessment (EA) process in December 2012. The Canadian Environmental Assessment Agency determined that a federal review is not required.
 - The application review stage of the EA process started on March 11, 2014 and ended on October 8, 2014 (211 days). During the review, the Environmental Assessment Office (EAO) issued an order to provide a 31 day extension to the 180 day application review timeline in order to provide the EAO time to consider and consult with Aboriginal groups on the implications of the *Tsilqot'in Decision* and EAO's assessment of the Project.
- IV. DISCUSSION**
- There are currently 13 LNG related projects in the EA process with another 4-6 additional projects anticipated in fall 2014. Aboriginal groups, special interest groups, the public and stakeholders raised a number of concerns about the multitude of LNG project reviews and the cumulative impact of these projects.
 - In response, the EAO set out a strategic approach for review of these projects which included early identification and resolution of strategic and operational policy issues across government; coordination of regional forums, open houses, Working Group meetings; and a seamless approach to the regulatory regime.
 - Other concerns raised included greenhouse gas (GHG) emissions; effects on wildlife and wildlife habitat (specifically caribou and grizzly bear); impact of construction camps on communities – increased demands on utilities and services, health care, waste management facilities, housing and accommodation and social services.

- The report examined 27 valued components. These are components of the natural and human environment that are considered by the proponent, public, aboriginal groups, scientists and other technical specialists, and government agencies involved in the assessment process to have scientific, ecological, economic, social, cultural, archaeological, historical, or other importance.
- Following proposed mitigation by the Proponent to prevent or reduce the impacts of the Project on the identified value components the EAO identified residual adverse effects for most of these valued components. In addition, EAO concluded that GHG emissions and the effects on caribou would be significant.
- GHG emissions from the proposed Project were considered to be significant due to the impact on provincial GHG targets. The Proponent provided a conservative estimate that at full build-out, the Project would contribute to a 6 percent increase in provincial GHG emission from 2012 levels. The primary source of GHG emissions would be combustions at compressor stations. The EAO proposed a condition that requires the Proponent to develop a GHG Management Plan that requires the Project adhere to the Ministry of Natural Gas Development's guidance on *Best Available Techniques Economically Achievable*, regulatory requirements to report on GHG emissions and a number of site specific mitigations.
- The effect on Caribou is considered significant because the success of proposed mitigation by the Proponent is uncertain and the Project is likely to negatively impact caribou recovery objectives. Two conditions have been proposed to address impacts on Caribou: the Proponent must develop a caribou mitigation and monitoring plan that also includes \$1.5M to fund caribou and predator monitoring that would result in avoidance of increased predation.
- In response to the *Tsilqot'in Decision* the EAO provided a 31 day extension of the Project's application review to reassess the strength of claimed Aboriginal title overlapping the Project on the basis of the tests set out in the *Tsilqot'in Decision*. The EAO determined that the depth of consultation offered to each Aboriginal Group prior to *Tsilqot'in Decision* was consistent with the Crown's obligations post *Tsilqot'in Decision*.

EAO Recommendation

- The EAO recommends that an Environmental Assessment Certificate be issued for the Project on the terms and conditions set out in the attachments to the EAC. The EAO proposed 32 conditions that would mitigate potential impacts of the Project.
- The EAO provided that the social and economic benefits related to revenue and employment for current and future generations, in addition to the mitigation of potential impacts by the Proponent and the conditions set out in the assessment report, supports their recommendation to issue an EAC.

V. RECOMMENDED RESPONSE:

- The Ministry supports issuance of an Environmental Assessment Certificate for the Coastal GasLink Pipeline Project.

REVIEWED BY:
Brian Hansen, ADM ✓

APPROVED BY:
Steve Carr, DM ✓

MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Rich Coleman, Minister

I ISSUE: Meeting with Jorge Santos Silva, Executive Vice-President Responsible for LNG and Gas Supply, Americas, Royal Dutch Shell. The Minister, along with Brian Hansen, ADM and Chief Negotiator, LNG Initiatives, met with Mr. Silva at Shell's Woodcreek Campus in Houston, Texas in June 2014.

II BACKGROUND:

- Royal Dutch Shell (Shell) is an Anglo-Dutch super-major active in all areas of the oil and gas industry. Shell Canada Limited (Shell Canada), a Shell subsidiary, is one of Canada's largest integrated oil and natural gas companies.
- Shell Canada's upstream activities in B.C. are primarily in the Montney region, and focused on its Groundbirch development south of Fort St. John. Shell estimates that it holds reserves in excess of 8.0 trillion cubic feet at Groundbirch.
- Shell Canada has 175 producing wells in the Groundbirch area and anticipates a 20-year drilling inventory at Groundbirch of approximately 3,000 wells with 40 years of production.
- Shell Canada Ltd. and their co-venture partners KOGAS, Mitsubishi Corporation and PetroChina Company Limited plan to build a LNG export terminal in Kitimat.
- LNG Canada received a 25-year export license for 24 million tons per annum from the National Energy Board on February 4, 2013. The project entered into the federal and provincial Environmental Assessment processes in the spring to 2013.
- TransCanada Corporation was selected to build a 700-kilometer Coastal GasLink Pipeline to connect natural gas fields in Northeast BC to the export facility.
- s.13,s.17
- LNG Canada signed an official Joint Venture agreement to develop the proposed LNG export project – LNG Canada – on April 30, 2014 in Vancouver. As a part of this announcement, there was an adjustment to the ownership: Shell 50 percent, PetroChina 20 percent, and Mitsubishi and KOGAS 15 percent each.
- LNG Canada informed the Ministry of Natural Gas Development s.13,s.17 s.13,s.17

III DISCUSSION:

Electricity Supply

- The Electricity Supply and Load Interconnection Agreements between BC Hydro and

LNG Canada are substantially complete. BC Hydro will supply the clean energy required to meet the ancillary power for the facility. At full build-out this agreement will be amongst the largest energy supply agreements in the province's history.

- Planning is underway for an announcement of the agreement reached between BC Hydro and LNG Canada. This electricity rate will inform the rates for all LNG operations in B.C. This rate will remain confidential until after the announcement, when the province will introduce an OIC to confirm the new electricity rate.

Domestic LNG

- Shell may raise concerns regarding the province's role s.13,s.17 s.13,s.17
- Shell Canada has been pursuing the development of domestic LNG, and has made representations, along with ENN, a Chinese enterprise and Ferus, a U.S. based domestic LNG enterprise, to the Province.
- During the course of these discussions, the province provided direction to the BCUC with respect to Fortis BC's LNG rate and incentive program which is intended to kick start domestic use of LNG for transportation and as an alternative fuel for BC Ferries.
- AltaGas has recently signaled intent to enter the LNG domestic market, with a focus on the North East of the Province. The province will continue to assess the Fortis BC domestic program and work with companies like Shell Canada and others to support the domestic use of LNG in B.C.

Project Development Agreement (PDA)

- Working Draft Template PDA tabled with Proponents s.17
- Details around s.17 have been tabled with Proponents under Non-Disclosure Agreements s.17 s.17

IV CONCLUSION:

- Assure Shell that B.C. is committed to a cost-competitive LNG sector both domestically and internationally.
- We have now conveyed the Terms of Reference to LNG proponents that will underpin PDAs. We are committed to negotiating agreements that will provide certainty for those costs within provincial control.

Attachment: Biography for Jorge Santos Silva

REVIEWED BY:

Brian Hansen, ADM ✓

APPROVED BY:

Steve Carr, DM ✓

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MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

- I PREPARED FOR:** Honourable Christy Clark, Premier
- II ISSUE:** Meeting with Ratnesh Bedi, CEO of Woodfibre. Woodfibre would like to update the Premier on recent project development and on their plans to get to final investment decision (FID) in November.

III BACKGROUND/DISCUSSION:

- Ratnesh Bedi last met with Premier Clark during the Premier's visit to Singapore, where a Letter of Intent was signed between the Province and Woodfibre.
- Mr. Bedi was a panel speaker during the 2014 International LNG in BC Conference.
- Woodfibre may request that the Premier witness the signing of their financial agreements during the November 11, 2014 Asia-Pacific Economic Co-operation Economic Leaders' Meeting.

Project Overview:

- Situated close to Squamish, Woodfibre is located at an existing industrial site with a deep water harbour, with close proximity to electric grid power supply and natural gas supply. Woodfibre LNG recently announced a change from a barge liquefaction project to a land based liquefaction project, utilizing e-drives and power from the BC Hydro grid.
- Utilizing BC Hydro grid supply will mean that the Woodfibre LNG project will generate GHG marketable offset credits as a result of the project's emissions intensity being significantly below the GHG benchmark established for LNG projects in BC.
- The project will use existing natural gas pipeline capacity and a new looped gas pipeline from Fortis BC, the Eagle Mountain – Woodfibre Gas Pipeline Project.
- In November 2013, Woodfibre LNG filed a Project initiating the environmental assessment process and is currently in the pre-application phase.
- In December 2013 the project was issued an export license from the National Energy Board for 2.1 million tonnes per annum for 25 years.
- s.17

Recent Developments:

- s.17
- Work between BC Hydro and Woodfibre for an electricity supply agreement continues. At present, BC Hydro is awaiting a response from Woodfibre regarding their revised energy needs.

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Environmental Assessment Update:

- Between June 12 and July 27, 2014, public comments regarding the project were received. Public comments are captured twice during the environmental assessment process, first during the pre-application phase and again during the application phase.
 - During this period over 1,300 submissions were received – well above what is normally received for a proposed project.
 - While the concerns raised varied, key themes were:
 - The estimated/projected impact on the tourism industry and property values.
 - The safety of the LNG industry, including safety during transportation (marine safety).
 - The impacts of an LNG facility and increased marine traffic on the marine environment.
 - Apprehension about natural gas, extraction methods (hydraulic fracturing) and the hydrocarbon (oil and gas) industry in general.
 - Two community based groups – My Sea to Sky and Future of Howe Sound – are opposed to the project.
- The concerns raised need to be addressed and neither the BC Environmental Assessment Office (BC EAO) EAO nor Woodfibre foresees the volume of submissions impeding the timelines associated with the process. It is anticipated that Woodfibre will submit its application for an Environmental Assessment certificate in the latter part of 2014.
- s.13,s.17
- In collaboration with other ministries, the Ministry of Natural Gas Development intends to launch its own LNG literacy initiative in Q3/Q4 2014 to provide British Columbians with information on the LNG industry.

Commitments of Government of BC:

- On May 7, 2014, Premier Clark and Woodfibre LNG Lead Director, Imelda Tanoto, signed a Letter of Intent to further the growth of liquefied natural gas in the Province.
- The Province is currently negotiating a Project Development Agreement with Woodfibre. s.17
s.17

IV CONCLUSION:

- Along with other ministries, the Ministry of Natural Gas Development continues to work closely with Woodfibre and appreciates the strong relationship that has been built.
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Attachments: Bio Ratnesh Bedi
REVIEWED BY:
 Brian Hansen, ADM ✓

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 Steve Carr, DM ✓

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MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Rich Coleman, Minister

II ISSUE: Meeting with His Excellency Howard Drake, United Kingdom (UK) High Commissioner in Vancouver on September 16 to discuss UK-BC relations, particularly around LNG.

III BACKGROUND/DISCUSSION:

- The Minister last met with His Excellency Howard Drake in the spring of 2014 during a meeting with Lord Livingston, the British Minister of State for Trade and Investment.

UK/ BC Trade Overview:

- According to BC Stats, in 2013 the UK imported \$336 million worth of goods and services from British Columbia and represented the 7th largest export market for the province.
 - However, given the magnitude in the value of exports to countries such as the United States, China and Japan the UK only represented one percent of the total value of all exports in 2013.
 - To date, the UK remains BC's largest trade partner in the European Union.
- In 2013, BC opened a Trade and Investment Representative (TIR) office in London with a mandate for the European Union.

Overview of Natural Gas Demand in UK:

- Since domestic production peaked in 2000, the UK has become increasingly reliant on gas imports to satisfy demand. Imports first took the form of LNG (1960s and 1970s), but following gas discoveries in the North Sea, they have also been sourced via pipeline from Norway, Belgium and the Netherlands.
- Starting in 1981, the UK ceased importing LNG. However, with domestic production declining, LNG imports resumed in 2005 and reached a relative peak of 2.4 billion cubic feet per day (Bcf/d) in 2011 (approximately 18.5 million tons) – accounting for nearly half of the UK's total gas imports that year.
 - In 2011 the UK became Europe's largest market for LNG.
- LNG imports have declined over the past two years as the UK has turned to higher pipeline supplies (primarily from Norway) to meet demand.
 - In 2013 LNG imports totaled 7 million tons, second in Europe to Spain's 9.7 million tons.

- The UK imports LNG via four regasification terminals, with a combined capacity of 5 Bcf/d (approximately 38 MTPA): Grain LNG, Dragon LNG, South Hook LNG, and Teesside GasPort.
 - Qatar supplies nearly all LNG imported into the UK accounting for 98 percent in 2012 and 92 percent in 2013.
 - Natural gas in the UK is traded at the UK National Balancing Point (NBP), a virtual hub. The NBP is the longest-established and most liquid wholesale market.
 - Storage capacity for natural gas in the UK remains a constraint with capacity currently confined to less than five percent of the annual demand and minimal capacity coming online in the near term.
 - Over the past winter (January – March) moderate temperatures combined with a weak gas demand for the power sector lowered UK gas consumption by 20 percent measured on a year-over-year basis. This was the lowest quarterly demand in more than 15 years.
 - Similar to Asia, this mild winter resulted in higher than normal storage levels and in turn has depressed demand and driven down the NBP price.
- c.s.17

- At present there is only one British company – British Gas (BG) – involved in the proposed LNG facilities. BG is the sole owner of the Prince Rupert LNG project.
 - In April 2014 it was announced that BG had signed a memorandum of understanding s.17 regarding the Prince Rupert LNG project. s.17
- s.17

IV CONCLUSION:

- The UK is a valued trading partner for British Columbia.
- According to Wood Mackenzie the UK is projected to be the s.17
s.17
- With sixteen LNG export projects proposed, and currently 2,900 trillion cubic feet of shale gas in place, British Columbia should be a preferred location for global investors.
- The Minister might consider inquiring about other investment interests from the UK and acknowledge that there are several mid-size projects in BC that are considering external financing to advance their projects.

Attachments: 1. Bio Howard Drake

REVIEWED BY:
Brian Hansen, ADM ✓

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Ines Piccinino, A/DM ✓

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DUPLICATE

**MINISTRY OF NATURAL GAS DEVELOPMENT
OIL AND STRATEGIC INITIATIVE DIVISION
REPORT ON PROPOSED OIL PIPELINES THROUGH BC**

The Government of British Columbia (B.C.) has outlined five requirements that must be met for the Province to consider the construction and operation of heavy oil pipelines. The government's heavy oil policy paper, released on July 23, 2012 combines the need for environmental safety with the Province's fair share of fiscal and economic benefits.

There currently are two National Energy Board (NEB) regulated pipeline projects being proposed to B.C.'s West Coast:

1. Northern Gateway Pipelines Project (NGP)
 - Proposed \$7.5 billion plan to proceed with two 1,172 kilometre (km) pipelines, extending from near Edmonton to Kitimat in the same right of way (about 670 km crosses B.C.).
 - B.C. actively participated as an intervenor in the NEB review process and stated that it cannot support the NGP as presented because the Proponent has been unable to address British Columbians' environmental concerns.
 - The NEB recommendations report for approval of the project was submitted to the Governor in Council (GIC) who approved the NGP with 209 conditions on June 17, 2014.
 - There currently are 18 motions filed with the Federal Court of Appeal (Court) for judicial review. The motions are currently at various stages with the Court.
 - B.C. First Nations have actively participated in the NEB review process with the majority opposed to the NGP.
2. Trans Mountain Pipeline Expansion Project (TMP)
 - Proposed \$5.4 billion plan to proceed with twinning the existing 1,150 km pipeline within the exiting right of way, where possible, from Edmonton to Vancouver.
 - B.C. is actively participating as an intervenor in the NEB review process which commenced on April 2, 2014.
 - May 12, 2014 B.C. submitted 78 information requests to the Proponent dealing with maritime and land-based spill systems.
 - s.12,s.13
 - The NEB must submit its recommendations report to the GIC no later than January 25, 2016.
 - The GIC decision on the TMP must be made no later than April 25, 2016.
 - B.C. First Nations are actively participating in the NEB review process with the majority opposed to the TMP.

IV DISCUSSION:

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V CONCLUSION:

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MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Rich Coleman, Minister of Natural Gas Development and Minister Responsible for Housing

II ISSUE: City of Burnaby and Trans Mountain Pipeline ULC Dispute over Alternative Pipeline Corridor under consideration through Burnaby Mountain

III BACKGROUND:

On June 10, 2014, the National Energy Board (NEB) received confirmation that Trans Mountain had selected a new preferred corridor Route 1 (horizontal directional drill) and an alternate Route 2 (tunnel) for its proposed delivery lines through the City of Burnaby. In order for Trans Mountain to meet the filing requirements for the Trans Mountain Expansion Project (Project), it must file surveys and information with the NEB for Route 1 and 2. This includes engineering, environmental, socio-economic, and geotechnical information. Trans Mountain stated that it had not yet filed the necessary information since it does not currently have access to Burnaby Mountain. The City of Burnaby (Burnaby) has refused to issue permits.

The NEB determined that the studies on Route 1 and 2 are required before the NEB can make a recommendation to the Governor in Council (GIC), pursuant to subsection 52(1) of the *NEB Act*. Trans Mountain must file corridor studies by December 1, 2014. Consequently, the NEB announced an excluded period from July 11, 2014 until February 2015 to allow Trans Mountain to conduct the work and file the corridor studies. This period is not being included in the 15 month legislative time limit for the NEB to submit its recommendations report to the GIC. As a result, the legislative time limit for the NEB to issue its recommendation report is now January 25, 2016, an additional seven months.

IV DISCUSSION:

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V CONCLUSION:

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APPROVED BY:

Linda Beltrano, ED, OSI
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✓

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OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

DATE: July 30, 2014

PREPARED FOR: Honourable Rich Coleman, Minister

ISSUE: Musqueam Band's Leasehold Strata Proposal

BACKGROUND:

Staff were asked to explore ways to accommodate the Musqueam Band's plans to build a mixed-use project that could include leasehold strata developments on Block F in the University of British Columbia Endowment Lands. (See Attachment A for additional background and information).

DISCUSSION:

In April 2014, Housing Policy staff met with Musqueam Capital Corporation representatives to learn more about their plans and to discuss the regulatory framework of the *Strata Property Act* (the Act). Discussion items included Section 214 which requires the leasehold landlord to buy out the strata lot owners at fair market value at the end of the lease or as set out in a schedule.

In British Columbia, the Act is written that the leasehold landlord needs to be a public authority, that cannot declare bankruptcy, that is financially capable and that can reliably be expected to exist at the end of the lease (often 99 years).

The Musqueam representatives pointed out that the Musqueam have a 6,000 year history in British Columbia and fill many of the functions of a public authority. However, the holding company for the Block F site is a separate legal entity as federal law precludes the Musqueam Band from directly developing the land (as the Band is not a treaty First Nation).

With the importance of land to First Nations people, the Musqueam are unwilling to partner with another public authority that is eligible to be a leasehold landlord if that means transferring title to the recently acquired Block F site, even temporarily.

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In order to help Block F Land Ltd. (the Nominee) better qualify for designation by regulation under the Act as a "public authority" eligible to develop leasehold stratas, the Musqueam propose the following actions:

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(a)

(b)

(c)

(d)

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Private leasehold landlords are allowed in other jurisdictions (Florida, New York, Hawaii, England). British Columbia's strata leasehold legislation was developed in 1996 when government and other public authorities developed subsidized and public housing.

Concerns have been raised with respect to consumer protection. However, other buyers have previously purchased leases on First Nations land throughout the province in strata like developments (as the Act does not apply on First Nations land). The market will often discount leasehold developments on First Nations land, by up to 30 percent in some cases.

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OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

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Honourable Rich Coleman
Minister

Date

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Reviewed by:
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Initial

Date:

__GDS for
JV_____

August 19, 2014

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_IP__

Aug. 22/14

ATTACHMENT A

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

DATE: March 21, 2014

PREPARED FOR: Rich Coleman, Minister

ISSUE: Musqueam Band's Request to Develop Leasehold Stratas

BACKGROUND:

The *Strata Property Act* (the Act) permits the following entities to be leasehold landlords: "the government of British Columbia, the government of Canada, a municipality, a regional district, a Nisga'a Village or the Nisga'a Nation, a treaty first nation **or another public authority as defined by a regulation made under this Act**".

Staff have been asked to explore amending section 12.1 of the Strata Property Regulation to designate the Musqueam Indian Band as a public authority under the Act so they could develop leasehold stratas on a 22 acre site acquired under the 2008 Reconciliation Settlement and Benefits Agreement. The Band plans to build a mixed-use project that could include a 1,000-unit prepaid leasehold condo development, 30,000 square feet of retail, rental apartments, a hotel, and office space.

Section 12.1 currently states:

"public authority" means any of the following:

- (a) a university as defined in the *University Act*;
- (b) the Sechelt Indian Band established under section 5 (1) of the *Sechelt Indian Band Self-Government Act* (Canada);
- (c) the Provincial Rental Housing Corporation;
- (d) a board as defined in section 1 of the *School Act*.

DISCUSSION:

The Musqueam prefer the leasehold strata form of development because it allows them to retain title to the land and maximize profits by selling prepaid leasehold strata lots. Because the Band is not a treaty first nation, they are not a legal person and cannot hold title to land; the site is held by a company on their behalf.

ATTACHMENT A

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

The limitations to who can be a leasehold landlord are intended to protect the strata lot owners. Since the Act requires the leasehold landlord to buy out these owners at the end of the lease, the landlord needs to be an entity that can reliably be expected to be around at the end of the lease (often 99 years) and be financially capable.

The BC Law Institute's review of the Act will soon include a discussion of the provisions around the purchase of leasehold tenant's interest on termination. Any amendments to be made would benefit from having this input.

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ATTACHMENT A

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

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ATTACHMENT A

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

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Honourable Rich Coleman
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OFFICE OF HOUSING AND CONSTRUCTION STANDARDS

INFORMATION NOTE

DATE: September 16, 2014

PREPARED FOR: Honourable Rich Coleman, Minister

ISSUE: Second Update: Northwest Housing Action Plan Project

BACKGROUND:

Since June 2014, CitySpaces Consulting has been engaged in preparing housing action plans for each of four northwestern communities: the District of Kitimat; the District of Port Edward; the City of Prince Rupert; and the City of Terrace. This initiative is part of the Northwest Readiness Working Group, supported by the Office of Housing and Construction Standards through the Housing Policy Branch.

A project Steering Committee was formed with representatives from each of the four communities; BC Housing; the Housing Policy Branch; and CitySpaces Consulting.

The housing action plan for each community will have three main components: a data report; a stakeholder report; and a needs and gaps report with recommendations.

CitySpaces has prepared *draft* reports for the City of Terrace and District of Kitimat. Prince Rupert and Port Edward will receive some of the initial research findings but not completed *draft* housing action plans until after the Union of BC Municipalities Convention.

DISCUSSION:

The Housing Policy Branch and City Spaces Consulting visited Kitimat and Terrace to present the draft reports in person to Councils and housing advisory committees during the week of September 9-12, 2014. These communities are now prepared to discuss housing issues with Minister Coleman at the Convention.

Key concerns for Kitimat Council include:

- commitments from BC Housing for new housing projects;
- ongoing funding for housing outreach workers;
- managing living out allowances;
- and legacy housing.

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS INFORMATION NOTE

Key concerns for Terrace Council include:

- tenancy issues;
- eroding affordability for service-industry workers;
- perceived lack of provincial action; and
- sense of housing crisis.

While in the north, staff and the consultant also participated in a workshop organized by Prince Rupert as part of its own housing inventory and research started prior to the housing action plan project. Prince Rupert council is now aware of the housing action plan project which will be coordinated with their ongoing housing-related research.

Port Edward's report is tied to the Prince Rupert report because of shared data and this has delayed progress on the housing action plan. Mayor and CAO are enthusiastic about this project.

Key concerns for Prince Rupert include:

- the poor condition of social housing;
- transition housing for women; and
- increased density to meet projected housing needs.

Key concerns for Port Edward include:

- manufactured home park closure;
- seniors housing; and
- ensuring community benefits from work camps in the community.

It is anticipated that at least two issues will be raised at meetings with the Minister during the Convention:

1. The population projections, developed by the Ministry of Jobs Tourism and Technology, are lower than communities expected and they have not yet fully endorsed the Province's numbers.
2. Communities will want to discuss what support the province will provide to realize the recommendations in the reports.

Recommendations in the appendices are still draft and we anticipate they will change based on feedback received from the communities. Final versions of the housing action plans will be prepared after UBCM.

This timeline allows the communities to share comments and concerns with the Minister that could be incorporated into a final version. Updated provincial population projects are expected mid-October, and the final reports could also incorporate that data. Finally, due to the timing of municipal elections in November, it may be prudent to release the final housing actions plans in December 2014 or even January 2015.

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Version # 1

Updated:

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS

INFORMATION NOTE

CONCLUSION:

Feedback from Councils and stakeholders during the week of September 9-12, 2014, and from meetings with the Minister, will be incorporated into the final housing action plans. Staff are working with the project steering committee to complete the housing action plans for late fall 2014.

APPENDICES:

Appendix 1 – District of Kitimat Draft Housing Action Plan Recommendations

Appendix 2 – City of Terrace Draft Housing Action Plan Recommendations

<u>Prepared by:</u>	<u>Reviewed by:</u>	<u>Initial</u>	<u>Date:</u>
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	Jeff Vasey ADM OHCS	____JV____	__Sept 19, 2014__
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**OFFICE OF HOUSING AND CONSTRUCTION STANDARDS
DECISION NOTE**

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Approved/Not Approved

Date:

Honourable Rich Coleman
Minister

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS DECISION NOTE

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Oct. 20/14

Ensure note is
signed off on cover
sheet & here by
appropriate staff
prior to being sent to
the "Approver."

MINISTRY OF NATURAL GAS DEVELOPMENT

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Rich Coleman, Deputy Premier, Minister of Natural Gas Development and Minister Responsible for Housing

II ISSUE: Meeting with Ms. Lynne Platt, United States Consul General in Vancouver.

III BACKGROUND:

The United States Consul General has requested a meeting with several government representatives, including the Honourable Rich Coleman in his roles as Deputy Premier and Minister of Natural Gas Development, to discuss the scope of U.S. - BC partnerships across a number of portfolios.

Lynne Platt is the recently appointed United States Consul General in Vancouver. She began her mandate in Vancouver on September 3, 2014, and these meetings are her first official engagements in the new role. Ms. Platt is a senior Foreign Service Officer who specializes in public affairs, and has served as a U.S. Embassy Spokesperson in London and Paris. She has also overseen large foreign assistance programs in Port-au-Prince and Baghdad. Her other Foreign Service assignments have been in Cairo, Casablanca, and Washington, DC.

The U.S. is, by far, BC's largest trade and investment partner, and the Province works carefully to secure and align its interests around LNG and resource development. Other Canada/BC - U.S. questions currently pending include: the renewal of the Canada-U.S. Softwood Lumber Agreement; the future of the Columbia River Treaty (Treaty); and, mining in the southeast and northwest of BC that have trans-boundary implications.

The United States and Canada are two of twelve current negotiating partners in the Trans-Pacific Partnership (TPP), a proposed Pacific Region free-trade agreement. Premier Christy Clark has a good relationship with United States Ambassador to Canada, Bruce Heyman, and in recent meetings with him has raised the importance of free movement of labour across borders, especially to address shortages in the Province's natural resource sector after final LNG investment decisions are made.

IV DISCUSSION:

LNG Development

The U.S. currently has 31 proposed LNG export projects (only one facility - Sabine Pass LNG - is currently under construction), and is therefore one of B.C.'s largest competitors to meet the expanding demand for LNG. Of closest proximity are two projects proposed in Oregon (Jordan Cove and Oregon LNG) as well as two in Alaska (Alaska SCLNG and Valdez LNG). The remaining projects are either located in the Gulf of Mexico or on the east coast.

Eight of B.C.'s proposed eighteen LNG export facilities have strong ties to the United States:

Discovery LNG – Owned by Quicksilver Resources, an oil and gas exploration and production company based in Fort Worth, Texas. It has operations in the United States and Canada.

Douglas Channel Energy – While currently restructuring its ownership, one owner LNG Partner LLC is a Texas based company.

Kitimat LNG – The parent companies for both Apache and Chevron are based in United States.

LNG Canada – Shell has an equity stake in the Elba Island LNG project while Mitsubishi has an ownership stake in the Cameron LNG project.

ORCA LNG - Orca LNG Ltd., the Canadian affiliate of an energy firm based in Cypress, Texas.

Prince Rupert LNG – BG is overseeing the construction of the Lake Charles LNG export project, although it does not hold any equity in the company.

WCC LNG – ExxonMobil is an American multinational oil and gas corporation headquartered in Irving Texas. As well ExxonMobil has ownership in both the Golden Pass LNG and Alaska LNG projects.

WESPAC LNG – WESPAC Midstream has headquarters in Irvine California and Houston Texas.

Proposed Pipelines

The Government of British Columbia has outlined five requirements that must be met for the Province to consider the construction and operation of heavy oil pipelines. There are two National Energy Board regulated pipeline projects that would terminate on BC's West Coast presently being proposed: 1) the Northern Gateway Pipelines Project; and, 2) the Trans Mountain Pipeline Expansion Project. Please see the attached document prepared by the Oil and Strategic Initiative Division (OSID) for further details.

Columbia River Treaty

The Province announced on March 13, 2014 its decision to continue the Columbia River Treaty and to seek improvements within its existing framework. The decision includes 14 principles to guide B.C. in any discussions with Canada and the U.S. on the future of the Treaty.

Coordination under the Treaty enables the U.S. to effectively manage its flood control needs, environmental requirements, water supply for agriculture, communities and industry, as well as navigation of the river. The Province's view is that the benefits of the Treaty that the U.S. realizes are actually worth more than the Canadian Entitlement power the U.S. sends to BC. The Government of B.C. believes that both countries should recognize that for every cost associated with the Treaty provisions, there are some very important benefits that should, under the spirit of the Treaty, be shared by both parties.

U.S. Concerns Regarding Northwest and Southeast BC Mines

Several dozen U.S. environmental organizations, businesses, First Nations, communities and fishing groups have publicly expressed strong concerns regarding the impact of planned mine projects in Northwest B.C., following the imminent completion of the Northwest Transmission Line. They claim the proposed mine developments pose significant risks to trans-boundary

watersheds, and could impact water quality, traditional, commercial and sport fishing, hunting, and tourism. Similar concerns have been expressed regarding the potential downstream impacts of existing and proposed mining operations in Southeastern B.C. Currently, all cross-border state concerns are fully managed at the provincial/state level.

Under B.C.'s *Environmental Assessment Act*, large mining projects are required to undergo an environmental assessment process to ensure each project meets the goals of environmental, economic and social sustainability. The assessment includes: extensive public participation; filing of all documents on a public Project Registry; and opportunities for independent public hearings for controversial projects. The Ministry of Energy and Mines' oversight of existing mining operations includes a rigorous regime of inspections, audits, serious accident and fatality investigations, and mentoring and training programs. In 2013, inspectors made approximately 1,200 visits to mines. Mining remains one of the safest heavy industries in B.C., with less than one-third the injury rate of forestry or construction.

Presently, both a Ministry of Energy and Mines investigation and a separate, independent investigation are attempting to determine the causes of the recent Mount Polley tailings pond breach. The findings of both these investigations will be made fully public, and their recommendations will be implemented across the industry.

V CONCLUSION:

The natural resource sector represents a huge area of opportunity for the Province and its U.S. bordering States. At the same time, all jurisdictions recognize the importance of protecting the environment while developing this sector. B.C. continues to exercise strong support for cooperating with the U.S., particularly in the areas of; border management; transportation; the environment; climate change; and the TPP negotiations.

DRAFTED BY:

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APPROVED BY:

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Steve Carr, DM

ATTACHMENTS:

1. Bio of Lynne Platt
2. IGRS Briefing
3. Submission by OSID on Status of Oil Pipeline Projects in BC

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MEETING EVENT:	Potential Meetings with the new US Consul General in Vancouver Lynne Platt, Oct. 6-7
SIGNIFICANCE:	<ul style="list-style-type: none"> • First BC engagement with the new US Consul General, who arrived in Vancouver on September 3, replacing former CG Anne Callahan. • As well as being the Province's largest trade and investment partner by far, the United States is where we need to secure and defend social license for BC LNG and other natural resource development. • Several Canada/BC-US questions are currently pending including the renewal of the Canada-US Softwood Lumber Agreement; the future of the Columbia River Treaty; mining in southeast BC and northwest BC.
KEY BC OBJECTIVE:	<p>Build a personal relationship with the new Consul General.</p> <p>Reiterate the good relationship between the Premier and US Ambassador Heyman.</p> <p>Stress that BC is the leader in Canada in building regional partnerships with US states to advance shared priorities.</p>
KEY MESSAGES:	<ul style="list-style-type: none"> • Emphasize BC's strong support for cooperation with the US, particularly in the areas of border management, transportation, climate change, and environment, and the Trans-Pacific Partnership (TPP) negotiations. • Premier is committed to engaging in the US in positive ways building on the Province's recognized global leadership on climate change and support President Obama's climate action plan. <ul style="list-style-type: none"> ○ Most recently, on September 22, Premier and West Coast Governors issued a public statement coincident with the UN Climate Summit in New York. • Premier has raised the importance of the free movement of labour across borders in her recent meetings with US Ambassador, especially to address shortages in the natural resource sector after final LNG investment decisions are made.
THEIR INTERESTS:	<ul style="list-style-type: none"> • Meetings are the Consul General's first engagement in BC. • Building relationships with Province to advance US priorities on trade and the environment.

ISSUES:

Softwood Lumber Agreement (SLA)

- The main BC government and industry goal is to achieve a renewal of the current agreement for a substantial term.
- Under the SLA, Canada agrees to impose export measures (taxes or quotas) on lumber shipments to the US in exchange for the US agreeing not to launch countervailing and anti-dumping trade disputes against Canada. SLA ended decades of disputes and is considered by both sides to be preferable to trade disputes in providing stability to Canada's access to the US lumber market.
- BC is responsible for over 50 percent of Canada's lumber exports to the US. BC considers the SLA to be very important in providing stability to its forest industry.
- The SLA is scheduled to expire in October 2015. BC's Ministry of International Trade (MIT) and Ministry of Forests, Lands and Natural Resource Operations (FLNRO) work together to manage the current SLA and to ensure BC's position is understood and well represented by Canada in any upcoming negotiations.

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Columbia River Treaty Review

- BC wants to continue the Treaty and seek improvements within the existing framework.
- During her visit to Washington DC in October 2013 the Premier emphasized that it is important at our leadership level to also keep focus on the broad and long view of the Treaty, which remains current.
- A review of the Columbia River Treaty is underway in Canada and the United States, including consultations with governments and First Nations and stakeholders, and technical studies.
- In BC the review is complete and our position has been made public.

s.16

- The reality is that the Treaty is known throughout the world as one of the most successful models of a transboundary water treaty. Other countries view the agreement as setting a benchmark on cooperation to create and share benefits that they want to emulate.

Mining in BC

- United States closely watches mining development in British Columbia for its potential impact on transboundary rivers flowing into the US from southeast BC and northwest BC.
- Currently US and cross border state concerns are fully managed at the provincial/state level.