

OFFICE OF HOUSING AND CONSTRUCTION STANDARDS

MEETING INFORMATION NOTE

DATE: February 9, 2017

PREPARED FOR: Honourable Rich Coleman, Minister

MEETING DETAILS: Meeting between Ministers Rich Coleman and Peter Fassbender

ATTENDEES: Jane Thornthwaite (MLA, North Vancouver – Seymour)
Jordan Sturdy (MLA, West Vancouver – Sea-to-Sky)
Ralph Sultan (MLA, West Vancouver – Capilano)
Naomi Yamamoto (MLA, North Vancouver – Lonsdale)
Michael Smith (Mayor, West Vancouver)
Darrell Mussatto (Mayor, North Vancouver)
Jonathan Wilkinson (MP, North Vancouver)
Staff of MP Pam Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country)
Staff of MP Terry Beech (Burnaby North - Seymour)

BACKGROUND:

Purpose of meeting is to discuss housing and transportation plans, and share ideas regarding transit and affordable housing in the North Shore.

On November 10, 2016 the North Shore MLAs, MPs and mayors met to discuss:

- recent Provincial housing announcements;
- National Housing Strategy; and
- the need for a long term affordable housing and transit plan.

ISSUES:

The purpose of this meeting is to share information and raise local issues and concerns.

Recent Provincial housing announcements (PIAH/IHI)

- There are no recent provincial housing announcements regarding the Provincial Investment in Affordable Housing (PIAH) or Innovation in Housing Initiative (IHI) for the North Shore.

National Housing Strategy

- As Co-Chair of the Federal/Provincial/Territorial Housing Forum, British Columbia is working with the Canada Mortgage and Housing Corporation (CMHC), and our provincial and territorial colleagues on issues related to social and affordable housing, including the need for long term, sustainable funding.

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- The National Housing Strategy is expected to be released in 2017.

Affordable Housing Projects in the North Shore

- BC Housing is working with the YWCA to build 14 units for low- and moderate-income single women and children, and 9 units for families in North Vancouver.
- The Province is partnering with the Turning Point Recovery Society to build 9 units of supportive housing for men in North Vancouver.
- We are working with the Lookout Emergency Aid Society to purchase Dovercourt Residence in North Vancouver, a former Single Room Occupancy (SRO) hotel. The site provides 22 units for men in support recovery.

RECOMMENDED RESPONSE:

- The Province supports the development of affordable housing, including rental housing near frequent transit networks. Smart transit expansion was one of the six key principles of housing affordability the Province announced in June 2016.
- The Province welcomes an on-going dialogue on affordable housing and transit issues in the North Shore.
- Please work with either of the following Regional Managers at BC Housing as your plans develop:
 - Naomi Brunemeyer, Regional Director
Phone: 604-456-8849
Email: nbruneme@bchousing.org
 - James Forsyth, Regional Director
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MEETING INFORMATION NOTE

Enclosures/Attachments

Attachment 1 – North Vancouver Community Profile

Attachment 2 – West Vancouver Community Profile

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INFORMATION NOTE

DATE: February 21, 2017

PREPARED FOR: Honourable Rich Coleman, Minister

ISSUE: Housing Starts in BC 2016

BACKGROUND:

- New home starts for British Columbia in 2016 exceed the 5 year average with close to 42,000 new home starts.
- Data collected by BC Housing on new homes registered by residential builders shows a total of 41,927 homes registered in 2016. This includes 13,497 single detached homes and 28,430 homes in multi-unit dwellings (See attached *British Columbia's Monthly New Homes Registry Report*).
- The 5 year average for new homes registered with BC housing is 10,858 single detached homes and 21,517 homes in multi-unit dwellings.
- In January 2017, 4,526 new homes were registered, up 70 percent from the same period in 2016, driven by an increase in both multi-unit homes (+98 percent) and single detached homes (+12.3 percent).
- Canada Mortgage and Housing Corporation data on housing starts, drawn from issued building permits, shows a similar trend for 2016, with 41,843 starts (See attached *CMHC Preliminary Housing Starts Data*).

DISCUSSION:

- In addition to an increase in new home starts and new homes registered with BC Housing in 2016, research done by Deloitte for the Ministry of Finance in July 2016 and updated in February of 2017, indicate that there has also been a significant increase in the number of new development applications.
- A review of future supply in Coquitlam, Burnaby, Richmond, Surrey, Vancouver and New Westminster indicated a potential of over 115,000 new units in various stages of municipal approval processes. This is up from 108,000 in July of 2016.
- Across Canada, British Columbia was second only to Ontario in the total number of starts. When compared to population, British Columbia leads the country in starts per capita (see Table 1).

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Table 1: Provincial Comparison of Housing Starts

Province/ Territory	Housing Starts	Population 2016	Units per 1000 people
Newfoundland and Labrador	1,398	530,100	2.6
Prince Edward Island	556	148,600	3.7
Nova Scotia	3,767	949,500	4.0
New Brunswick	1,838	756,800	2.4
Quebec	38,935	8,326,100	4.7
Ontario	74,952	13,983,000	5.4
Manitoba	5,318	1,318,100	4.0
Saskatchewan	4,775	1,150,600	4.2
Alberta	24,533	4,252,900	5.8
British Columbia	41,843	4,751,600	8.8

Source <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo02a-eng.htm>

Source https://www.cmhc-schl.gc.ca/odpub/esub/64695/64695_2017_M02.pdf?fr=1487738321358

CONCLUSION:

British Columbia saw a significant increase in new housing starts in 2016, and leads the country in starts on a per capita basis. Early indications are that this trend will continue through the beginning of 2017.

Enclosure(s)

CMHC Preliminary Housing Starts Data
British Columbia's Monthly New Homes Registry Report

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OFFICE OF HOUSING AND CONSTRUCTION STANDARDS

MEETING INFORMATION NOTE

DATE: February 28, 2017

PREPARED FOR: Honourable Rich Coleman, Minister

MEETING DETAILS: Minister Rich Coleman Meeting with Neil Moody, Chief Executive Officer of the Canadian Home Builders' Association of BC (CHBA-BC), Gordon Bliss, President CHBA-BC, and Ron Rapp, Government Relations Chair, CHBA-BC

BACKGROUND:

- Neil Moody meets regularly with the Minister Responsible for Housing (the Minister) to update him on current issues and concerns in the sector.
- CHBA-BC requested this meeting to follow up on issues discussed with the Minister in May 2016.

ISSUES:

- Findings from a survey on fees and charges imposed on new housing construction in British Columbia, which includes reference to the reconstruction levy which is still in place more than seven years after the 10-year Reconstruction Loan Program was terminated in 2009. Additional bullets on the reconstruction levy are attached as Appendix A.
- Current government initiatives related to the *Building Act*, including the "Energy Step Code" (formerly referred to as the "stretch code") and district energy.

RECOMMENDED RESPONSE:

Reconstruction Loan Levy

- In 2010, the Ministry of Finance took over the Levy program from Licensing and Consumer Services, BC Housing.

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Climate Leadership and the Energy Step Code

- The Province is developing optional energy efficiency standards to replace a patchwork of existing municipal policies and bylaws.
- The proposed Energy Step Code consists of energy requirements for buildings that go beyond the current British Columbia Building Code. Municipalities can choose to apply these requirements within their communities on or before the December 15, 2017 effective date.
- The Step Code establishes a consistent approach to energy efficiency with incremental improvements to transition industry from the BC Building Code to the long term target in the Climate Leadership Plan. The first 'steps' are aligned with common construction practices and are focused on gathering information. The higher performance steps will be limited to voluntary programs and unique development zones where the value of density easily offsets any increase in costs.
- The proposed Energy Step Code was developed through extensive consultation with industry, local governments, and technical experts and is intended to replace technical standards assigned through re-zoning policies, bylaws, density bonusing, community amenity contributions and other municipal mechanisms.
- CHBA-BC participated in stakeholder engagement and is generally supportive of the Energy Step Code, provided the implementation is at a pace that does not negatively affect affordability.
- The Province is leading a stakeholder group tasked with collaborating on research and analysis that will support housing affordability and industry capacity.
- This voluntary implementation process is designed to prepare industry and local governments to achieve the Climate Leadership Plan target of net zero energy ready buildings by 2032, and the federal commitment for net zero ready buildings by 2030.

District Energy

- Several local governments have, or are developing, district energy systems as part of their strategies to reduce Greenhouse Gas emissions in their community. Technical requirements are often required to connect buildings to district energy systems, which the *Building Act* may restrict after December 2017.

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Enclosures/Attachments

Appendix A: Bullets - Ongoing levy under the Reconstruction Loan Program

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OFFICE OF HOUSING AND CONSTRUCTION STANDARDS MEETING INFORMATION NOTE

Appendix A

Ongoing Levy Under the Reconstruction Loan Program

Background:

- s.13,s.14,s.17
 - s.14
 - s.17
 - s.13
- The Ministry of Finance took over administration of the Reconstruction Loan Program from BC Housing in 2010 and continues to collect the levy from residential builders. Residential builders have expressed concern that the levy is affecting housing affordability.
- As of December 2015, approximately 895 loans remained open at a value of \$130 million. s.13
s.13
- An additional \$62 million has been collected from residential builders between 2009 and 2015.

Discussion:

- s.13
- s.13,s.14,s.17
- s.13

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 and Deputy Premier.

II ISSUE: Meeting with Mr. John McCallum, the Canadian Ambassador Designate to China

III BACKGROUND:

- China is the world's most populous country and largest consumer of energy, surpassing the United States in 2011. Energy demand in the country is being driven by high rates of economic growth. Demand for LNG in China is growing rapidly and the country is expected to become the largest importer of LNG by 2030, surpassing Japan, where consumption is expected to plateau.
- Over the next five years, one of the key drivers behind the growth of LNG imports into China are the long-term import agreements that have been signed by many of the national oil companies.
- In the longer term, China's efforts to address climate change and air quality issues will be key drivers of higher LNG import volumes. For example, environmental targets are driving a shift towards natural gas and away from coal in the power and heating sectors.
- Ambassador John McCallum was announced as Canada's Ambassador to China on January 10, 2017. Biography attached – see Appendix A.

China's LNG interests in British Columbia

- As a large and rapidly growing Asian importer of LNG, China is a key market for British Columbia's evolving LNG industry. This fact is reflected in the substantial role that Chinese companies (primarily State-Owned Enterprises) have as members of LNG proponent consortia or as potential LNG purchasers.
- The following Chinese companies have invested in the proposed LNG export facilities in British Columbia:
 - **PetroChina** has twenty percent ownership in the LNG Canada project based in Kitimat, B.C. (along with Shell, Korean Gas, and Mitsubishi – full capacity of twenty-four million tonnes per annum of LNG).
 - **Sinopec** has ten percent ownership, and **Huadian** has a five percent stake in the Pacific NorthWest LNG project based in Prince Rupert, B.C. (along with PETRONAS, JAPEX, Petroleum BRUNEI and Indian Oil Corp – full capacity of eighteen million tonnes per annum of LNG).
 - **CNOOC** through its wholly owned subsidiary Nexen is in a joint venture with INPEX and JGC in the Aurora LNG project based in Prince Rupert, B.C (full capacity of twenty-four million tonnes per annum of LNG).
- A number of Chinese companies have expressed interest in purchasing LNG from some of the proposed LNG export facilities in British Columbia.

- Both **Guangzhou Gas Group** and **Beijing Gas** have signed non-binding agreements with Woodfibre LNG. While no details are available on the Beijing Gas agreement, Guangzhou Gas has agreed to take one million tonnes per annum (or half of the facility's annual production) and could become a ten percent equity stake in the project. No volumes have been announced relating to the agreement with Beijing Gas.

British Columbia's MOUs with China's National Energy Administration (NEA)

- British Columbia has a Memorandum of Understanding (MOU) with China's National Energy Administration (NEA) on natural gas sector cooperation. The MOU is not legally binding and is designed to encourage cooperation primarily through information exchange. It builds on a 2012 MOU between the NEA and Natural Resources Canada on energy sector cooperation.
- Areas of cooperation include:
 - exchange of information on legislation, regulation, policies, programs, market outlooks, and other economic topics;
 - encouraging information exchange between the parties' business, educational and research sectors;
 - encouraging the participation of government and business representatives in each other's conferences, and networking more broadly;
 - encouraging participation through investment, exploration, production and infrastructure development in each other's natural gas sector; and,
 - facilitating the use of foreign workers, consistent with domestic priorities.
- This MOU runs to the middle of 2019 and can be readily cancelled, extended, or modified.

IV DISCUSSION:

Update on BC priorities

- Through the BC Jobs Plan, the Province is committed to supporting responsible development and growth of the natural gas sector, maximizing our capacity to supply clean energy to new global markets.
- Today there are approximately 20 LNG export proposals at various stages of development for which the National Energy Board has approved 18 export licenses. Four proposed export facilities have received environmental approval from both the federal and provincial governments, and five pipelines have also been approved. Another five facilities and one pipeline have entered into the environmental assessment.

Recent LNG Project Updates

LNG Canada

- On December 7, 2016, LNG Canada announced that they were in the midst of undertaking a new competitive process with a prequalified group of companies to identify a Construction Contractor as its prime contractor to manage all of the design and construction work required to build the facility.
- Prior to this, in July 2016, the joint venture participants announced that they had decided to delay a final investment decision for the project.

Pacific NorthWest LNG

- Since receiving federal approval for the Pacific NorthWest LNG, PETRONAS and their project partners have been reviewing every element of their proposal before a major investment decision can be finalized. The review includes consideration of an alternative site for the project's marine terminal and at a site on Ridley island, adjacent to Lelu island.
- On January 31, 2017, the federal and provincial governments, along with the Lax Kw'alaams Band and the Metlakatla First Nation, announced an Agreement on Environmental Monitoring for the Pacific NorthWest LNG project. This is the first agreement of this kind, and will see First Nations work directly with provincial and federal authorities as part of a committee to ensure the project is developed in the most environmentally sustainable way possible.

Aurora LNG

- On January 9, 2017, Aurora LNG's application for an Environmental Assessment Certificate was accepted by BC Environmental Assessment Office officially commencing the 180-day review period.
- As a part of the process, a 45-day public comment period will be held from January 16 until March 2, 2017. During this period public open houses will be held regarding the project.

Woodfibre LNG

- On November 4, 2016, Woodfibre LNG announced that its parent company – Pacific Oil and Gas – had authorized the funds necessary for the project to proceed. Construction is expected to commence in 2017 with the first shipments anticipated in 2020.
- Recently, the project has applied to the BC Environmental Assessment Office to have its Environmental Assessment Certificate amended to reflect design changes. Of the three design changes listed, the primary one comes as a result of the October 2016 vote by the Squamish Nation Chiefs and Council that will see the plant cooling system shift from seawater to air cooling.

Upcoming travel to Asia

- The Province of British Columbia will be participating at Gastech Exhibition and Conference April 4-7, 2017 in Tokyo, Japan, with a B.C. booth in the trade show as a part of the "Canadian Pavilion". The provincial delegation includes the Deputy Minister, Assistant Deputy Minister, LNG Task Force staff, as well as representatives from the BCLNG Alliance and First Nations LNG Alliance.

V CONCLUSION:

- Acknowledge the Ambassador's support for British Columbia as we continue to advance the Liquefied Natural Gas industry in this province.
- s.17
- The Ambassador might appreciate also knowing that China only represents 6.4 million tonnes of contracted LNG production or ten percent of the current volumes from the US gulf coast projects.
- s.17

- With 20 LNG export projects proposed, and currently over 3,400 trillion cubic feet of shale gas in place, we believe British Columbia is viewed as a preferred location for Chinese companies to invest.
- To date, four Chinese companies (PetroChina, Sinopec, Huadian, and CNOCC) have taken equity positions in LNG projects in British Columbia, with two others (Guangzhou Gas Group and Beijing Gas) having signed non-binding agreements with Woodfibre LNG.

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Appendix A – Biography of Ambassador John McCallum



John McCallum was first elected to the House of Commons in 2000. He was re-elected in 2004, 2006, 2008, 2011, and 2015.

Mr. McCallum has previously served as Parliamentary Secretary to the Minister of Finance, Vice-Chair of the Standing Committee on Citizenship and Immigration, and member of the Standing Committee on Finance. He served as Secretary of State (International Financial Institutions) from January to May 2002. From May 2002 to December 2003, he served as Minister of National Defence, and in 2003, as Minister of Veterans Affairs. In July 2004, he was appointed Minister of National Revenue and Chair of

the Expenditure Review Committee by Prime Minister Paul Martin. He recently served as the Critic for Citizenship and Immigration, Multiculturalism, and Seniors.

Before entering politics, Mr. McCallum was Senior Vice President and Chief Economist of the Royal Bank of Canada.

Mr. McCallum worked as a professor of economics at McGill University (1987-94), as well as at the Université du Québec à Montréal (1982-87), Simon Fraser University (1978-82), and the University of Manitoba (1976-78).

He is the author or co-author of eight books or monographs, and has written on fiscal and monetary issues, comparative macroeconomic performance of organization of economic co-operation and development (OECD) countries, Canada-U.S. economic integration, and other economic issues.

A native of Montréal, Mr. McCallum obtained a Bachelor of Arts from Cambridge University, a Diplôme d'études supérieures from the Université de Paris, and a doctorate in economics from McGill University. Mr. McCallum and his wife, Nancy Lim, have three children.

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 and Deputy Premier
- II ISSUE:** Minister Coleman is meeting with the Gulf Cooperation Council which includes Ambassadors to Canada from Qatar, Saudi Arabia, United Arab Emirates (UAE) and Kuwait. The Ambassadors are interested in discussing investment in BC's natural gas sector and more broadly BC's natural resources. Other areas of interest include trade, education and transportation (ports and airports).
(Note: Saudi Arabia's Ambassador had to decline, but Minister might acknowledge that we look forward to meeting the Saudi Arabia Ambassador another time)

III BACKGROUND:

- According to BP's latest Statistical Review of World Energy, the Middle East region currently holds over 40 percent of the world's proven natural gas reserves; however, within the region, two countries (Iran and Qatar) account for nearly three-quarters of the total reserves.
- For the countries within the Gulf Cooperation Council, only Qatar is a net exporter of natural gas. While the UAE does export LNG and currently holds long-term contracts to supply Asian markets, it needs to import gas from Qatar to help meet its own domestic demand.
- According to the latest forecast from the International Energy Agency, the demand for natural gas in the Middle East region is projected to grow by 2.3 percent. By 2040, the Middle East is forecasted to become the second-largest gas consuming region.
- The Minister last met the Ambassador of the State of Qatar to Canada in the spring of 2014.

Qatar

Qatar has been the largest exporter of LNG since 2006 despite an imposed moratorium on increasing natural gas production that has been in place since 2005. This moratorium was put in place to allow time to study the country's North Field reservoir, which contains most of the Qatar's natural gas supply.

Qatar Petroleum

- Qatar Petroleum is a state owned petroleum company that operates all oil and gas activities in Qatar, including exploration, production, refining, transport and storage.
- Qatari LNG is produced from the North Field – Qatar's major gas asset – and comprises the primary portion of Qatar Petroleum's gas business.
 - The firm reached its target liquefaction capacity of 77 million tonnes per annum (gross) in February 2011 – the largest of any LNG producer anywhere in the world.
 - However, as a country, Australia is projected to surpass Qatar by 2018 in LNG exports.
 - Via the Qatargas and RasGas joint ventures, Qatar Petroleum has signed contracts for nearly its entire portfolio. These include both long-term fixed destination deals with many of the world's major LNG buyers, as well as flexible deals with its joint venture partners that

- include provisions for short-term diversion and/or re-contracting to third parties to capture favourable long-term contract terms.
- Recently, Qatar Petroleum announced plans to combine Qatargas and RasGas into a single organization called Qatargas. The integration commenced in December 2016 and is anticipated to last for most of 2017.
- Qatar Petroleum is the majority owner in each of the facilities with minority shares owned by ExxonMobil, Shell, Mitsui, ConocoPhillips, Total, KOGAS, LNG Japan, Itochu and Marubeni.
- Qatar Petroleum also owns the majority of Golden Pass LNG, which is near Sabine Pass Texas. ExxonMobil owns a minority (30 percent) portion. This facility is in the early stages of development with construction not expected to commence in the early part of the next decade.
- Qatar Petroleum recently announced that it is seeking international opportunities as domestic crude output declines and the government bans drilling in the offshore North Field.
- In its latest foray overseas, Qatar Petroleum has agreed to help build a pipeline, jetty and floating storage and regasification unit in Pakistan to convert at least 750 million cubic feet per day of LNG back into gas by 2018. Qatar Petroleum has partnered with Total, ExxonMobil, Mitsubishi and Hoegh LNG in this project.
- Qatar Petroleum has also stated that as it looks to expand its global investments, it will likely look to continue to partner with those it has already worked with.

Global role (import/export)

- With relatively low domestic energy demand, Qatar exports nearly all of its natural gas production. Qatar exports most of its natural gas as LNG, but the country also sends natural gas via pipeline to the UAE and Oman.

Sovereign Wealth Fund

- The Qatar Investment Authority (QIA) was founded by the State of Qatar in 2005 as a holding company and specializes in domestic and foreign investment with the purpose of strengthening the country's economy through diversification into new asset classes.
- The permissible asset classes for investment of the QIA portfolio include, but are not limited to, listed equities; unlisted equities; real assets (including, but not limited to, commodities and precious metals); real estate; credit and fixed income securities; and cash, foreign currencies and derivatives.
- Some of the main assets held by QIA include Volkswagen, Barclays, Canary Wharf, Harrods, Credit Suisse, Heathrow Airport, Glencore, Tiffany & Co., and Total.

Saudi Arabia

Saudi Arabia has the sixth largest (proved) natural gas reserves globally and was the fifth largest consumer of natural gas in 2014; however the country does not import or export natural gas and relies entirely on domestic production for its consumption.

Saudi Aramco

- Saudi Aramco is the state owned oil company in Saudi Arabia and is a fully integrated, global petroleum and chemicals enterprise that markets and ships crude oil, natural gas and petroleum products to meet the global demand.
- In 2016, Saudi Aramco announced a new natural gas mega project (Fadhili) that will help boost production and enable opportunities in Saudi industries such as steel, aluminum, and downstream value-added industries.

Global role (import/export)

- Saudi Arabia's domestic gas production targets meeting domestic demand, and at present, does not focus on external markets.
- Saudi Arabia's new energy minister has indicated the kingdom may have to start importing gas as their domestic production may not be able to keep up with the increasing demand for natural gas.

Sovereign Wealth Fund

- The Saudi Arabian Public Investment Fund (PIF) was established in 1971 to provide financing support for projects of strategic significance to the national economy. The PIF has played an important role in the financing of projects including in the oil refining, fertilizer, petrochemical and electricity sectors.
 - In July 2014, the PIF was granted authority to fund new companies inside and outside the kingdom, either independently or in cooperation with the public and private sectors, without the council's prior approval.
 - In 2015, a company backed by the PIF was part of a joint venture that purchased 50.1 percent of the Canadian Wheat Board.

United Arab Emirates

On the back of high economic and demographic growth, gas demand has soared over the past decade, outpacing available domestic supply, which is increasingly constrained by technical and economic issues.

Abu Dhabi National Oil Company

- Abu Dhabi National Oil Company (ADNOC) is the state-owned oil company of the United Arab Emirates; it is the world's 11th largest oil company by production.
- Abu Dhabi Gas Liquefaction Company (ADGAS) LNG is a 5.8 MTPA liquefaction facility that is joint venture between state-owned ADNOC (70%), Mitsui (15%), BP (10%), and TOTAL (5%).
 - Nearly all of ADGAS's production is contracted out to JERA; however, these contracts are set to expire in 2019.

Global role (import/export)

- While initially a net exporter in 2007, the UAE became a net importer of gas after receiving the first deliveries from Qatar via pipeline. To further diversify gas sources and meet increasingly high summer demand, the UAE brought online a floating storage and regasification unit (FSRU) in late 2010.

Sovereign Wealth Fund

- The Abu Dhabi Investment Authority (ADIA) was founded for the purpose of investing funds on behalf of the Government of the Emirate of Abu Dhabi. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories including equities, real estate and infrastructure.

Kuwait

Since the 1990s, Kuwaiti gas production and consumption have been highly correlated with oil output. Gas production has, therefore, historically been tied to oil, and is greatly affected by the Organization of the Petroleum Exporting Countries (OPEC) oil quotas.

Kuwait Petroleum Corporation

- Kuwait Petroleum Corporation (KPC) is Kuwait's national oil company. KPC is the world's seventh biggest oil and gas company by revenue.
- Kuwait Foreign Petroleum Exploration Company (KUFPEC), a subsidiary of KPC, is involved in the operations of the liquids-rich shale Duvernay-Kaybob project in Alberta.

Global role (import/export)

- Kuwait became a net importer of natural gas in 2008, and has opted to import LNG to meet its gas demand. Given Kuwait's desire to reserve its oil production for export, there is still significant potential for LNG to further displace oil in power generation.
- Kuwait is also moving forward with plans to construct a permanent 11.3 MTPA onshore regasification terminal. The terminal is expected to be online 2020-2021.

Sovereign Wealth Fund

- The Kuwait Investment Authority (KIA) is Kuwait's sovereign wealth fund, and is responsible for managing and administering the local and the overseas investments for, and on behalf of, the State of Kuwait. KIA is estimated to have more than \$592 billion in assets, and is one of the largest Sovereign Wealth Funds in the world.
- In April 2015, a Foreign Investment Promotion and Protection Agreement (FIPA) was signed between the Canadian government and KIA.

IV CONCLUSION:

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V CONTEXT & PROPOSED QUESTIONS:

- The visit by the Ambassadors was organized by the Ambassador Kafoud of Qatar and in response to an exchange of official letters as between Premier Clark and the Embassy of the State of Qatar in Ottawa, including the Premier's invitation to His Highness Sheikh Tamim bin Hamad Al-Thani, Emir of the State of Qatar. Further, the Ambassador's visit also arises following a BC Government official's recent visit to Ottawa for the purpose of meeting a senior delegation of executives and officials from Qatar who were in Canada to meet with a number of provinces and to discuss the opportunities for investment.
- Presentations included: BC's financial strengthen (Ministry of Finance), mining and energy overview, including LNG (Ministry of Energy and Mines/Ministry of Natural Gas Development), and larger capex infrastructure investment opportunities (Partnerships BC).

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- Minister might also note that we have a number of very prominent global energy companies active here, and acknowledge the Minister has met many of them as we've advanced this sector globally, many of the same executives they'll know from their global energy business interests.
- Minister could note that he is pleased the delegation will be in Vancouver tomorrow to meet with officials from the Ministry on LNG, our key Finance executives, and other executives on the broader infrastructure and other investment and business opportunities here in the Province.

Proposed Questions:

- BC has vast natural gas resources, and at this time, major global energy companies are advancing LNG projects and value added natural gas export initiatives here. We have MOUs in place with the National Energy Administration in China, and all three of the large State owned enterprises are invested here, and the same with Japan, who have major companies invested here, and throughout the entire value chain. s.16
s.16
- From March 13 – 15, you should know we are hosting a Technology Summit in Vancouver, including a showcase for clean technology and innovation as it relates to natural gas. We would be pleased to extend a formal invitation to you to attend the upcoming BC Tech Summit so that we might host you, along with Qatar, for the purpose of understanding the opportunities here in more detail and to learn from your experiences.
- s.13,s.16

Attachments: Biographies for His Excellency Fahad bin Mohamaed Y. Kafoud , H.E. Ahdulhamid A M A Alfaiakawi, H.E. Naif Bin Bandir Alsudairy, H.E. Mohammed Saif Helal Mohammed Alshehhi, and a letter from the State of Qatar Ottawa to H.E. The Honourable Christie Clark

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H.E. Mr. Fahad bin Mohamed Y. Kafoud

Ambassador of the State of Qatar to Canada

After completing a Bachelor degree in Economy and Accounting at the University of Qatar in 1993, Mr. Kafoud began his career with the Ministry of Foreign Affairs. His first foreign posting was in Washington D.C. after which he returned to Qatar to work in the office of His Excellency the Prime Minister. In November of 2013, he was appointed as Resident Ambassador Extraordinary and Plenipotentiary to Canada.

Mr. Kafoud is married and has two boys and two daughters.



H.E. Ahdulhamid A M A Alfaiakawi

Ambassador of the State of Kuwait to Canada

Ambassador Alfaiakawi joined the Kuwaiti foreign ministry in 1982 as a diplomatic attaché. A year later, he was posted to Beijing. In 1988, he returned to headquarters to work on the Asia and Africa desk, and later that same year, was posted to the embassy in Washington as Second Secretary.

In 1994, he was posted to the Kuwaiti embassy in New Delhi as First Secretary, and in 1998, he transferred to the embassy in Vienna as Counsellor. In 2001, he became ambassador to Senegal, with non-residency responsibilities in Cape Verde as well. In 2004, he became ambassador to Malaysia and Brunei, and three

years later, he was named ambassador to Tunisia.

In 2009, he became ambassador to Hungary, and four years later, returned to headquarters as Assistant to the Minister Responsible for Arab World Affairs. In 2016, he was appointed as the Ambassador Extraordinary and Plenipotentiary to Canada.

Mr. Alfaiakawi is married and has five children.



H.E. Naif Bin Bandir Alsudairy

Ambassador of the State of Saudi Arabia to Canada

Mr. Alsudairy has a master's degree in political science. He began his career in the public service in 1990, but decided to become a diplomat and joined the Ministry of Foreign Affairs in 1996. Just one year later, he was sent to the United Nations in New York as a member of Saudi Arabia's permanent mission there. In 1999, while still in New York, he became a member of the third committee of the Asian Group on Human Rights.

In 2010, he was Director-General of the Department of Specialized Organizations at the foreign ministry, and two years later, was elected leader of the first working group on nuclear disarmament

and non-proliferation.

He speaks Arabic and English and is married with three sons and one daughter.



H.E. Mohammed Saif Helal Mohammed Alshehhi

Ambassador of the State of United Arab Emirates to Canada

Mr. Alshehhi is a career diplomat. He has a bachelor of science in international relations and translation from Strasbourg University in France.

He began his career in 1992 when he was appointed to the Ministry of Foreign Affairs as an attaché. In 1993, now as Third Secretary, he was posted to the embassy in Paris as media, economic and public affairs officer. In 1998, he was posted as a delegate to UAE's permanent mission at the

United Nations in Geneva, and later to the embassy in Rome. In 2004, he returned to Paris for six years and, while there, attained the rank of Counsellor.

He was promoted again in 2009, to Minister Plenipotentiary and, in 2010, was assigned to the European affairs division of the ministry before being appointed Ambassador to Canada.

Mr. Alshehhi is married and has four children.

MINISTRY OF NATURAL GAS DEVELOPMENT
BRIEFING NOTE FOR DECISION

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

II ISSUE: Treasury Board Directive 1/17 To Commissions and Boards

III BACKGROUND:

Treasury Board Directive 1/17 *Remuneration Guidelines for Appointees to Administrative Tribunals and Regulatory Boards* (“the Directive”) sets out new per diem rates for appointees to Boards and Commissions. The Directive took effect on December 15, 2016, and is applicable to Surface Rights Board (SRB - Group 3), Safety Standards Appeal Board (SSAB - Group 3) and Building Code Appeal Board (BCAB - Group 1).

The Ministry received requests from SRB and SSAB, which are now elevated to Group 3, to adjust their per diem rates to fall within the newly established ranges. The updated Directive also applies to BCAB, which remains in Group 1, but the per diem rates for the Chair and Vice-Chair will require a decrease.

The *Administrative Tribunals Act* (ATA) ss. 10(2) requires that “the minister responsible for the tribunal's enabling Act must set the remuneration for those members who are to receive remuneration.” The Minister of Natural Gas Development and Minister Responsible for Housing is responsible for the enabling legislation for SRB, SSAB and BCAB (*Petroleum and Natural Gas Act*, *Safety Standards Act* section 43, and *Building Act* section 19).

IV DISCUSSION:

The table below presents information for SRB, SSAB and BCAB on the current remuneration of part time per diem rates, three options for increases/decreases (a minimum, mid-range, and a maximum) and the percentage change from the rates that are currently paid.

			Option 1		Option 2		Option 3	
	Current	Range Under New Directive	Min	Increase (Decrease)	Mid	Increase (Decrease)	Max	Increase (Decrease)
<u>SRB (Group 3)</u>			s.13					
Chair	1	s.13 650 - 725						
Vice-Chair	1	550 - 625						
Members	2	450 - 500						
<u>SSAB (Group 3)</u>								
Chair	1	650 - 725						
Vice-Chair	1	550 - 625						
Members	4	450 - 500						
<u>BCAB (Group 1)</u>								
Chair	1	550 - 600						
Vice-Chair	1	450 - 500						
Member	0	400 - 425						

Section 6.5 of the directive, with the approval of the Minister, provides the option to pay members up to the maximum Vice-Chair rate where members:

- Preside over multi-person panel hearing;
- Conduct a hearing as a single person hearing;
- Conduct a dispute resolution process.

As SRB members may be required to perform such functions, the members could claim Vice-Chair rates where applicable. This is not applicable to SSAB or BCAB.

V RECOMMENDATION:

s.13

Approved / Not Approved

Verbally Approved (Feb 21/17)

Honourable Rich Coleman
Minister of Natural Gas Development and
Minister Responsible for Housing and
Deputy Premier

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