

**Ministry of
Energy, Mines and
Petroleum Resources**

**2018/19
Annual Service Plan Report**



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Minister's Message and Accountability Statement



The Ministry of Energy, Mines and Petroleum Resources (Ministry) plays an important role in supporting sustainable industrial development of British Columbia's rich and abundant natural resources. Through the responsible development of these key resources, revenues are generated that support programs and services to help making life more affordable for British Columbians. This annual report highlights the Ministry's efforts during 2018/19 to support and regulate mining and mineral exploration, electricity generation, distribution and conservation, and oil and gas development in B.C.

In December 2018, Government announced CleanBC; a plan aimed at reducing climate pollution while creating more jobs and economic opportunities for people, businesses and communities. To implement this plan, Ministry programs—such as those that relate to zero-emission vehicles, low-carbon fuels, building efficiency and retrofits, and industry electrification—were bolstered with additional funding and resources.

In early 2018, the Mining Jobs Task Force was created to review exploration and mining in the province and discover ways to strengthen this key industry. In December 2018, the Task Force submitted its final report and recommendations. To support these recommendations and help foster a healthy, thriving and responsible mining sector, the Ministry divided its mining division into two new divisions: Mines Competitiveness and Authorizations Division, and the Mines Health, Safety and Enforcement Division.

In October 2018, the province received an unprecedented level of investment in the oil and gas sector with LNG Canada making a positive Final Investment Decision to construct a liquefied natural gas export facility in Kitimat. At \$40 billion, this project represents the largest private sector investment in Canadian history. During construction and after, it will result in significant job creation across northern B.C. and provide a meaningful source of revenue to government to support health care, education, and other important programs for British Columbians.

The Ministry of Energy, Mines and Petroleum Resources *2018/19 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2018/19 – 2020/21 Service Plan* created in February 2018. I am accountable for those results as reported.

A handwritten signature in blue ink that reads "Michelle Mungall". The signature is fluid and cursive.

Honourable Michelle Mungall
Minister of Energy, Mines and Petroleum Resources
July 3, 2019

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Purpose of the Annual Service Plan Report

The Annual Service Plan Report (ASPR) is designed to meet the requirements of the *Budget Transparency and Accountability Act* (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Minister is required to report on the actual results of the Ministry’s performance related to the forecasted targets documented in the previous year’s Service Plan.

Purpose of the Ministry

The [Ministry of Energy, Mines and Petroleum Resources](#) (Ministry) is responsible for British Columbia’s (B.C.) electricity, alternative energy, oil, natural gas and related infrastructure, and the province’s mining and mineral exploration sectors. These sectors are made up of diverse interests that explore for and produce oil, natural gas, coal and other valuable minerals and that develop energy and electricity generation, transmission and distribution infrastructure. To support Government’s climate objectives, the Ministry focuses on advancing energy efficiency and clean or renewable energy sources and technologies, making sure that the energy we use, develop and export is the cleanest possible. Through teamwork and positive working relationships with its clients and stakeholders, the Ministry facilitates thriving, safe, environmentally responsible and competitive natural gas, oil, energy and mining sectors in order to create good jobs and economic growth in communities across the province. In fulfilling its mandate, the Ministry consults with other ministries and levels of government, private sector stakeholders, Indigenous people, communities, environmental and industry organizations, and the public.

The Ministry supports the Minister in her governance responsibilities for the following Crown Corporations: [British Columbia Hydro and Power Authority](#) (BC Hydro), and the [BC Oil and Gas Commission](#) (OGC).

Strategic Direction

The strategic direction set by Government in 2017 expanded upon in the [Minister’s Mandate Letter](#) shaped the [2018/19 Service Plan](#) and the results reported in this ASPR.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Energy, Mines and Petroleum Resources Service Plan:

Government Priorities	The Ministry of Energy, Mines and Petroleum Resources Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> Working with BC Hydro to keep electricity rates affordable while conducting a comprehensive review of the Crown Corporation. (Strategy under Objective 1.1)

Delivering the services people count on	<ul style="list-style-type: none"> • Developing an improved and properly resourced approvals process to assess mining applications, and increasing industry safety by establishing an independent oversight unit. (Separate strategies under Objectives 2.1 and 2.3)
A strong, sustainable economy	<ul style="list-style-type: none"> • Creating a roadmap for the future of B.C. energy that will drive innovation, expand energy-efficiency and conservation programs, generate new energy responsibly and sustainably, and create lasting good jobs across the province. (Strategy under Objective 1.1) • Establishing a BC Mining Jobs Task Force to create and sustain good jobs in the mining sector. (Strategy under Objective 2.2) • Reinvigorating the Innovative Clean Energy Fund to boost investments in groundbreaking new energy technologies and climate change solutions, and develop or expand leveraged funding partnerships. (Strategy under Objective 1.2) • Ensuring that British Columbians benefit from liquefied natural gas projects by requiring proposals to express guarantees of jobs and training opportunities for British Columbians, provide a fair return for the province’s resources, respect and make partners of First Nations, and protect B.C.’s air, land and water, including living up to the Government’s climate change commitments. (Strategy under Objective 3.2) • Creating a Scientific Hydraulic Fracturing Review Panel to review the practice of hydraulic fracturing in British Columbia to ensure that gas is produced safely and the environment is protected. (Strategy under Objective 3.1)

Operating Environment

In December 2018, Government announced CleanBC, a strategy to integrate the Province’s vision for clean economic development, sustainable energy production and use, and reduced greenhouse gas emissions (GHG). During 2018/19 the Ministry became a key organization in the delivery of CleanBC which will expand efforts to increase electrification and energy efficiency across the economy, reduce the carbon intensity of transportation fuels, expand electric and hydrogen fuel cell vehicles and infrastructure, develop bioenergy and hydrogen pathways, and coordinate with utilities on programs to reduce energy use and greenhouse gas emissions. In line with CleanBC, the province’s electricity supply was at 98.4% clean or renewable in 2018/19.

Consistent with the Minister’s Mandate Letter, a comprehensive review of BC Hydro began in June 2018. The first phase of the review, concluded in February 2019, focused on keeping rates affordable and enhancing regulatory oversight of BC Hydro by the BC Utilities Commission (BCUC). Oversight of BC Hydro’s rates, finances and operations was substantively returned to the BC Utilities Commission in 2018/19. To mitigate the impacts of changing patterns of generation and use of electricity, as well as aging infrastructure, BC Hydro focused on improving its system expansions, conservation and efficiency programs, and through capital investments.

The government launched the B.C. Mining Jobs Task Force in 2018 to identify measures to make B.C. the most attractive jurisdiction for mining investment in Canada while ensuring a sustainable sector that balances environmental and economic considerations and provides training and employment opportunities for British Columbians. In December 2018, the Task Force submitted its final report, including 25 recommendations to government along with a plan to implement, develop and study all recommended actions through a staged approach. To address these recommendations, the Ministry's Mines and Mineral Resources Division was restructured into two new divisions, separating competitiveness and oversight functions: Mines Competitiveness and Authorizations Division, and Mines Health, Safety and Enforcement Division.

Despite low natural gas prices, British Columbia's natural gas production increased by 14 per cent from 2017 to 2018 as producers continued to focus on developing liquids-rich portions of the Montney play. Domestic consumption of natural gas accounted for just 9.6 percent of British Columbia production in 2018 with the balance being exported into Alberta, the U.S. Pacific Northwest and the Chicago market hub in the U.S. Midwest. Both the domestic consumption and export to the U.S. Pacific Northwest were negatively impacted by the Enbridge T-south natural gas pipeline rupture which occurred on October 9, 2018 and the subsequent reduced operating capacity at T-south pipeline for the remainder of 2018. During 2018 over 34 percent more natural gas was exported to Alberta compared to 2017, including volumes diverted from the T-south pipeline due to the rupture and the incremental British Columbia natural gas production.

In October 2018, LNG Canada's project in Kitimat reached Final Investment Decision. The project meets the four conditions for LNG development in B.C., as per the Minister's Mandate Letter. The project will create jobs and opportunity for British Columbians, and is expected to generate \$23 billion in government revenues. During 2018 Woodfibre LNG, a liquefied natural gas project in Squamish, continued to work towards issuing a Notice to Proceed and commencing construction.

The Ministry has worked in partnership with Indigenous peoples to take action to implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP") and the Truth and Reconciliation Commission's Calls to Action ("Calls to Action"). The Ministry's work in this regard is guided by the Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples. The Ministry is increasingly working in partnership with First Nations to establish collaborative forms of engagement in the oil and gas, electricity and mining sectors. The Ministry has been supportive and responsive to developing new and innovative solutions with Indigenous partners in a manner that supports their self-determination and enhances community and regional economic opportunities and employment.

Report on Performance

Goals, Objectives, Measures and Targets

Goal 1: A clean, reliable and affordable energy portfolio that meets the current and future needs of British Columbians

Objective 1.1: Effective governance and oversight of B.C.’s energy providers

Key Highlights

- BC Hydro’s ranking in Hydro Quebec’s North American Rates Survey improved from fifth-lowest to third-lowest in 2018/2019.
- Oversight of BC Hydro’s rates has been returned to the British Columbia Utilities Commission as a result of the [first phase of the Comprehensive Review of BC Hydro](#).
- The Comprehensive Review of BC Hydro also resulted in a number of actions that are expected to limit cumulative rates increases going forward.

Performance Measure	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.1 Ranking of BC Hydro residential monthly bills (1,000 kWh use)	First Quartile	First Quartile	First Quartile	First Quartile	First Quartile

Data Source: BC Hydro annual filings with the BC Utilities Commission.

Discussion

BC Hydro’s rates, as defined in this performance measure, remain within the first quartile. In 2018, BC Hydro’s rates increased by 3%, while rates in the similarly-priced jurisdictions of St. John’s, Calgary, and Edmonton had greater increases. This ranking is based on BC Hydro’s analysis of Hydro Quebec’s annual comparison of rates for selected North American electricity utilities. Hydro Quebec’s comparison report is the most comprehensive available, is released to the public, and clearly explains the criteria and sources behind its rankings.

While the utilities included in Hydro Quebec’s comparison report appear to be representative of a range of utility costs, not all utilities are included. Similarly, while BC Hydro’s ranking is similar for most usage profiles and customer groups surveyed, individual residential, rankings vary by customer group and individual customers.

The average BC Hydro residential customer uses just under 1,000 kWh in an average month, consistent with the energy use in this ranking, making this the most relevant measure of relative electricity cost available.

Objective 1.2: Decarbonize B.C.'s energy use to reduce our impact on climate and establish a new diversified foundation for our economy

Key Highlights

- British Columbia had the highest rate of adoption of zero-emission vehicles in Canada in 2018, comprising 4% of new light-duty vehicle sales.
- As of the end of 2018, there were over 1,700 public charging stations, including over 92 DC Fast Charging sites completed.
- Private investment in charging infrastructure in B.C. is now enabled through a [British Columbia Utilities Commission order](#) that exempts persons who are not otherwise public utilities, landlords and strata corporations from many of the current regulatory requirements imposed under the Utilities Commission Act on persons providing EV charging services.

Performance Measure(s)	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.2 Number of light duty Zero Emission Vehicles registered in B.C.	8,565	7,446	17,000	9,246	11,558
1.2a Number of specialty, medium, and heavy-duty Zero Emission Vehicles registered in B.C.	15	127	194	192	288

Data Source: Compiled by Ministry of Energy, Mines and Petroleum Resources staff from BC Hydro, ICBC and ZEV sales data.

Discussion

Sales of zero-emission vehicles (ZEVs) in B.C. have increased exponentially from 2017 through 2018. There are three factors contributing to this: (1) the recent introduction of more affordable ZEVs with either longer range or sport-utility features that are more appealing to a larger population in B.C.; (2) the success of the Ministry's programs in making ZEVs more affordable, raising consumer confidence in infrastructure, and increasing consumer awareness; and (3) increasing gasoline and diesel fuel prices. Nevertheless, the ZEV market is a nascent one where there is still some consumer uncertainty and a lack of vehicle supply limiting greater increases in ZEV adoption.

As all future 1.2 targets listed under the 2018/19-2020/21 Service Plan were exceeded in 2018/19, these targets were expanded in the 2019/20-2021/22 Service Plan to reflect the shift in the market, the introduction of the *Zero Emission Vehicle Act*, and in order to maintain validity moving forward.

Performance measurement data on the number of specialty, medium, and heavy-duty ZEVs is currently based on the number of such incentives issued under the Ministry's Clean Energy Vehicle Program since 2016 for these vehicle classes. It is expected that the actual number of registered vehicles in B.C. is higher than reported, as it would include vehicles operating prior to the incentive program.

Goal 2: A sustainable and responsible mining sector that creates lasting jobs for British Columbians

Objective 2.1: The protection of the public interest through transparent and environmentally responsible authorizations

Key Highlights

- EMPR worked with the Environmental Assessment Office on the revitalization of the environmental assessment (EA) process from initial engagement through to the introduction of new legislation.
- The Ministry made gains towards a properly resourced approvals process to assess mining applications by increasing project management resources and adding new Indigenous Relations Senior Negotiators.
- The Ministry successfully coordinated issue resolutions for 14 major mine permit applications across government ministries and impacted Indigenous Nations in each of the last two fiscal years.

Performance Measure(s)	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
2.1 Number of permits coordinated by the Major Mine Permitting Office	14	11	14	12	13

Data Source: Compiled by Ministry of Energy, Mines and Petroleum Resources staff.

Discussion

The Ministry coordinated more permits than targeted in each of the last two fiscal years due to good market conditions and relatively high activity in the BC mining sector. To manage the increased workload the Ministry has increased resources within the Major Mines Permitting Office (MMPO). The MMPO closely tracks the status of each major mine permit application from submission to referral and status reports are regularly reviewed by executive. Many permits and authorizations do not require high levels of coordination or project management methodology and are managed directly by technical subject matter experts. The number of permits coordinated by the MMPO reflects the number of major mine permits referred to a statutory decision maker and represents the effectiveness of the MMPO. In late 2018, the MMPO was renamed the Major Mines Office.

Objective 2.2: The creation of sustainable good jobs through a competitive mining sector

Key Highlights

- The Ministry conducted geoscience research and technical assessments to promote industry investment.
- The Ministry worked with the Ministry of Jobs, Trade and Technology to establish the BC Regional Mining Alliance (BCRMA) with First Nations and industry to internationally promote exploration and mineral development opportunities in northwest B.C.
- Launched the BC Mining Jobs Task Force and developed a plan to implement, develop and study all 25 recommended actions through a staged approach including making the Mining Flow-Through Share tax credit and BC Mining Exploration Tax Credits permanent and providing \$1M for a Mining Innovation Roadmap and \$1M for the continuation and expansion of the BCRMA.
- The Ministry began the review of legislation, regulations, and policy on tax incentives and mine reclamation security to ensure B.C. remains competitive, while enhancing the integrity of environmental, health and safety standards.
- The Ministry worked with the Government of Alaska to implement the Memorandum of Understanding and the Statement of Cooperation between the state and province.

Performance Measure(s)	Benchmark ¹	2017/18 Actuals	2018/19 Target	2018/19 Estimate ²	2019/20 Target	2020/21 Target
2.2 B.C.'s share of Canadian mineral resource development investments.	12%	14.7%	13%	14%	14%	15%

Data Source: Ministry of Energy, Mines and Petroleum Resources and Natural Resources Canada.

¹ Annual average from 2014-2016.

² Actuals for the 2018/19 fiscal were unavailable at the time of writing this report and are expected to be released by Natural Resources Canada near the end of 2019.

Discussion

Through its strategies to improve B.C.'s competitiveness, the Ministry continuously strives to attract long-term investment in B.C.'s mining sector and related service industries. Natural Resources Canada produces annual estimates of mineral resource development investments, which include expenditures on mineral exploration, deposit appraisal and mine complex development. Based on spending intentions of mining companies, B.C.'s total mineral resource development investments in 2018/19 are estimated at \$2.4 billion or 14% of the Canadian total.

Objective 2.3: Oversight of the mining industry is strengthened to protect the environment, human health, public safety, and industry sustainability

Key Highlights

- The Ministry separated mining competitiveness and authorizations from health, safety and enforcement by establishing two mining divisions: the Mines Competitiveness and Authorizations Division and the Mines Health, Safety and Enforcement Division.
- The Ministry also delivered on government's commitment to independent oversight with the announcement of a new Mine Audits and Effectiveness Unit within the Mines Health, Safety and Enforcement Division.
- To support a coordinated, risk-based approach to mining oversight, a common risk framework was developed and jointly signed off by the Deputy Ministers Mining Compliance and Enforcement Board.
- The Ministry continued to increase coordination with partner agencies and take enforcement action, when necessary, to ensure protection of the environment, human health and the public. Coordinated inspections of major mines with partner agencies increased from five in 2017 to 10 in 2018. In addition, the Ministry moved to a modern inspection Information Technology system in 2018, which has increased consistency and contributed to better coordination with other natural resource ministries.
- The Ministry also continued to collaborate with Indigenous peoples in compliance monitoring and oversight. The ministry conducted 13 inspections and three site tours with Indigenous peoples in 2018.

Performance Measure(s)	2016/17 Baseline	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
2.3 Number of mines profiled on the BC Mine Information Website	15	22	25	28	30	35

Data Source: Manually compiled by the Ministry of Environment and Climate Change Strategy, Ministry of Energy, Mines and Petroleum Resources and the Environmental Assessment Office. Targets are cumulative.

Discussion

To drive government's commitments to transparency and openness, the Ministry of Environment and Climate Change Strategy, the Ministry of Energy, Mines and Petroleum Resources, and the Environmental Assessment Office created a performance measure that tracks the number of mines profiled on the BC Mine Information site, which was launched in February 2017. The website currently profiles all producing metal and coal mines in the province, including their status, authorizations and compliance oversight. It will continue to be expanded in the future to include mines that are in care and maintenance, under construction and closed.

Performance Measure(s)	Benchmark ¹	2017 Actuals	2018 Target	2018 Actuals	2019 Target	2020 Target
2.3a Mine inspections and follow up	775	1,308	1,325	1,359	1,350	1,375

Data Source: Manually compiled by the Ministry of Energy, Mines and Petroleum Resources.

¹ Average from 2009-2013.

² Inspections include in-office reviews and on-site examinations.

Discussion

The Ministry's Mines Inspectors conduct inspections of mine sites to ensure compliance with the *Mines Act*, the Health, Safety and Reclamation Code for Mines in B.C. and individual permit conditions. The Ministry has continued to exceed its target for mine inspections and follow-up due to the dedication of increased resources for compliance and enforcement activities over the past two fiscal years.

Goal 3: B.C.'s lower carbon intense oil and gas products provide sustainable jobs for British Columbians and contribute to provincial and global social, health and climate objectives

Objective 3.1: Continually improving environmental and climate standards in B.C.'s oil and gas sector

Key Highlights

- Legislation was passed in spring 2018 to address the increasing number of orphan wells by mandating timelines for decommissioning and reclamation of inactive wells (reducing their potential to become orphan wells) and to create a new funding mechanism for the orphan site restoration program that will ensure the program has sufficient funds.
- The Drilling and Production Regulation was amended in December 2018 to include methane reduction requirements that will achieve a 45 percent reduction of methane emissions by 2025. The Ministry commenced a process with the federal government to obtain equivalency with the federal regulations.
- A Scientific Hydraulic Fracturing Review Panel was established and completed an extensive review of the practice of hydraulic fracturing in British Columbia to ensure that gas is produced safely and the environment is protected. The Panel held more than 50 sessions, and met with over 60 experts representing: scientific researchers, industry associations, First Nations, the regulator, governments and, environmental non-government organizations. The Panel provided its recommendations to the Minister in February 2019.
- The Clean Growth Infrastructure Royalty Credit Program was launched in February 2019 to support the sustainable growth of the oil and gas industry.

Performance Measure(s)	2017/18 Actuals	2018/19 Target	2018/19 Estimate ¹	2019/20 Target	2020/21 Target
3.1 Annual methane emission reductions from Clean Infrastructure Royalty Credit Program infrastructure improvements.	35,000 tonnes	100,000 tonnes	70,300 tonnes	120,000 tonnes	>120,000 tonnes

Data Source: Ministry of Energy, Mines and Petroleum Resources.

¹ The 2018/19 GHG reductions are preliminary and are pending independent 3rd party verification to be completed in late 2019. Annual methane emission reductions are measured in tonnes CO₂e.

Discussion

The 2018/19 target for performance measure 3.1 was based on approved projects submitted for the Clean Infrastructure Royalty Credit Program. Although the tracked methane emission data is currently pending independent 3rd party verification, due to a number of projects in the CIRCP being amended or cancelled by proponents that would have supported GHG reductions, the reduction target for 2018/19 was not met.

The targets for this performance measure were revised in the 2019/20 – 2021/22 Service Plan to align with the Province’s legislated GHG reduction targets: 40 per cent below 2007 levels by 2030, 60 per cent by 2040 and 80 per cent by 2050.

Objective 3.2: Increasing the value of B.C.’s oil and gas resources to maximize the benefits to all British Columbians

Key Highlights

- We have improved the competitiveness of B.C.’s upstream oil and gas industry through royalty credit programs and impressive well productivity.
- In response to LNG Canada’s notice of positive final investment decision on October 1, 2018 the Province implemented several tax and policy related measures that both improved B.C.’s LNG competitiveness in a global marketplace and ensured we maximized the value to the Province from the sector.

Performance Measure(s)	2012/13 Baseline	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
3.2 Relative annual investment in natural gas and oil exploration and development, B.C. as % of Canada.	13.1%	14.0%	14.0%	14.4%	14.1%	14.0%

Data Source: Ministry of Energy, Mines and Petroleum Resources, based on Canadian Association of Petroleum Producers Net Cash Expenditure historical data and forecasts for 2017. All data is only available and provided by calendar year.

Discussion

Investment in upstream natural gas and oil exploration and development consists of industry expenditures on resource rights acquisition, geophysical and geological surveys, exploration and production wells drilling, field equipment (such as gathering pipelines) and processing plants.

The performance measure slightly exceeds the target in 2018/19 due to producers continuing to work to fill new processing and pipeline capacity. Based on commodity price and upstream activity forecasts, the Ministry expects the performance measure to reflect close to the same levels of relative upstream investment in British Columbia as a percentage of Canada over the next two years as in 2018/19. The baseline of relative upstream investment in British Columbia as a percentage of Canada is based on actual investment in 2012.

The performance measure data is based on annual producer surveys that are conducted by the Canadian Association of Petroleum Producers (CAPP) and also based on extensive consultations of the members of CAPP who explore for, develop and produce natural gas and oil in British Columbia. CAPP represents the Canadian upstream oil and gas industry. The investment in the mid-stream oil and gas industry, including activities that transport oil, natural gas, and natural gas liquids, is not covered by this performance measure. For example, the investment in pipelines and liquefaction plants as part of an LNG project is not included in the performance measure.

By tracking B.C.'s upstream investment position relative to the rest of Canada, this performance measure is a solid indicator of the level of upstream investment that the province is able to attract. Upstream investment provides both jobs and infrastructure development, thereby increasing the value of the sector to British Columbians.

Goal 4: B.C.'s efforts towards reconciliation with First Nations are supported

Objective 4.1: Socially responsible energy and mining projects in B.C. are supported by First Nations

Key Highlights

- In the Spring of 2018, the participating First Nations leadership and Provincial ministers endorsed an extension of the Environmental Stewardship Initiative (ESI) until March 2021 with 5 renewed enabling agreements in the North Coast, Skeena, Omineca, and Northeast regions. Each enabling agreement is unique and sets out the scope, purpose and objectives of each of the ESI demonstration projects, and how the parties will work together in a shared decision-making model. The Ministry leads ESI in close collaboration with Ministry of Indigenous Relations and Reconciliation and Forest, Lands, Natural Resource Operations and Rural Development.
- Throughout 2018/19 the Ministry continued with negotiations on 5 mine collaboration agreements with First Nations. When concluded these collaboration agreements will establish a collaborative decision-making process with First Nations on major mines. The Ministry is also actively engaged in 22 collaborative processes (outside of formal agreements) with First Nations on major mine projects.

Performance Measure(s)	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
4.1 Cumulative number of Ministry-related agreements concluded with First Nations	4	5	10	9	9

Data Source: Ministry of Energy, Mines and Petroleum Resources.

Discussion

The Ministry achieved the performance measures that had been set for the number of ministry-related agreements concluded with First Nations in 2018/19 related to energy and mining. Only agreements directly related to Ministry business were included. Specifically, LNG facility agreements, ESI Enabling Agreements, mine collaboration and Economic Community Development Agreements were included.

Objective 4.2: Progress on the Calls to Action of the Truth and Reconciliation Commission and Progress on bringing the United Nations Declaration on the Rights of Indigenous peoples into being in B.C.

Key Highlights

- In addition to Objective 4.1, which overlaps with this objective, the Ministry has developed a draft Reconciliation Plan to guide ministry objectives and actions related to the UNDRIP Draft principles which guide the B.C. Public Service on relationships with Indigenous peoples and the Truth and Reconciliation Commission calls to action.
- The Ministry has worked in close collaboration with First Nations and the Ministry of Indigenous Relations and Reconciliation to develop mandates to support the active negotiations to resolve Treaty Land Entitlements with Treaty 8 First Nations and had piloted interim litigation abeyance measures in an effort to carry out novel approaches, along with other natural resource ministries, to addressing development concerns raised by the Blueberry River First Nation with their cumulative effects litigation.
- The Ministry has been supporting new Comprehensive Reconciliation Agreement table negotiations, including Carrier Sekani, Tahltan and Nlaka’pamux Nation Tribal Council.

Performance Measure(s)	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
4.2 Cumulative number of Collaboration Plans negotiated for major mines	1	3	0	3	4

Data Source: Ministry of Energy, Mines and Petroleum Resources.

Discussion

As noted under Objective 4.1, the Ministry is engaged in numerous collaborative processes with First Nations on major projects, some with and some without formal agreements. The completion of signed collaboration plans does not completely capture the collaborative efforts underway, which usually begin before an agreement is signed.

Throughout fiscal year 2018/2019, the Ministry engaged in negotiations with multiple First Nations on five collaboration plans for four major mines: Mt. Milligan, Blackwater, Red Mountain and Silvertip. Mt. Milligan is implemented in principle, Red Mountain is 95% complete, and two Silvertip collaboration plans are 90% complete and implemented in principle. The timing for the development of collaboration plans is reliant upon the progress of the project. Collaboration plans are negotiated when the project is ready to move into the permitting stage of development.

Financial Report

Resource Summary

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance ⁵
Operating Expenses (\$000)					
Mines and Mineral Resources	22,894	7,400	30,294	31,450	1,156
Electricity and Alternative Energy	4,235	34,264	38,499	38,804	305
Oil and Gas	16,784	0	16,784	13,158	(3,626)
Strategic and Indigenous Affairs	3,051	0	3,051	3,095	44
Implementation Initiatives	1,030	0	1,030	783	(247)
Executive and Support Services	10,021	0	10,021	12,390	2,369
Innovative Clean Energy Fund Special Account	2,305	4,327	6,632	6,632	0
Sub-Total	60,320	45,991	106,311	106,311	0
Adjustment of Prior Year Accrual ²	0	0	0	(15)	(15)
Total	60,320	45,991	106,311	106,296	(15)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Executive and Support Services	245	152	397	397	0
Total	245	152	397	397	0
Other Financing Transactions (\$000)³					
Oil and Gas Commission ⁴ Receipts	(41,400)	0	(41,400)	(45,527)	(4,127)
Oil and Gas Commission Disbursements	41,400	0	41,400	45,527	4,127
Net Cash Source (Requirements)	0	0	0	0	0
Total Receipts	(41,400)	0	(41,400)	(45,527)	(4,127)
Total Disbursements	41,400	0	41,400	45,527	4,127
Total Net Cash Source (Requirements)	0	0	0	0	0

¹ “Other Authorizations” include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the “estimated amount” under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

² The Adjustment of Prior Year Accrual of \$0.015 million is a reversal of accruals in the previous year.

³ Other Financing Transactions are for disbursements that are provided by the province to the Oil and Gas Commission with respect to oil and gas industry fees and levies assessed and collected on behalf of the Commission under the *Oil and Gas Activities Act* and the Fee, Levy and Security Regulation.

⁴ Levies include Orphan Site Reclamation Fund revenues and production levies but not Pipeline revenues or fees from oil and gas applications. Reported information may differ from Oil and Gas Commission due to recognition differences.

⁵ Variance represents “Actual” minus “Total Estimated”. If the Actual is greater than the Total Estimated, the Variance will be displayed as a positive number.

Appendix A: List of Crowns, Agencies, Boards and Commissions

[BC Hydro and Power Authority](#)

[BC Oil and Gas Commission](#)