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January 26, 2004

Honourable Richard Neufeld
Minister of Energy and Mines

Dear Colleague:

Since June 2001, our government has been working to implement our *New Era* vision to revitalize the economy, restore sound fiscal management, and put patients and students first.

Our *New Era* platform contained 201 specific commitments that our government would undertake on behalf of British Columbians. These included a commitment to “establish service plans that include measurable performance standards and targets for all programs that are annually audited and published, for all taxpayers to see.”

On June 25, 2001, I sent you a letter of instruction setting out the key priorities for your Ministry, including a list of the *New Era* commitments assigned to your Ministry. These commitments were also included in the Government Strategic Plan and Ministry Service Plans that were tabled in the Legislature in February 2002, covering fiscal years 2002/03 through 2004/05.

The Service Plan you are tabling today represents the final year of the first three-year plans. And it shows that we have made significant progress toward honouring our commitments. Specifically, of the six *New Era* commitments that involved your Ministry, the province has now completed or begun work on all of these. Accomplishments in your Ministry over the past two-and-a-half years include:

- Introduced the province’s new Energy Plan designed to increase investment in the energy sector and maintain low-cost electricity and public ownership of B.C. Hydro.
- Launched a new Oil and Gas Development Strategy to promote all-season oil and gas activities, resulting in the largest-ever monthly sale of petroleum and natural gas rights in September 2003.
- Achieved the largest purchase of clean energy in British Columbia’s history, providing up to \$800 million in private sector investment in 16 power projects to meet the energy needs of British Columbians.

.../2

In the coming year, the province will continue work on a number of priorities to honour the commitments that we have made. These are detailed in your Ministry Service Plan, and include:

- Significantly increase oil and gas production and increase total industry investment by \$12 billion over the next three years.
- Continue to implement the Energy Plan, including stimulating investor interest in British Columbia's electricity, clean and alternative energy and energy efficiency sectors.
- Increase mineral exploration and development activity.

It is important to note that all of the province's achievements to date, and our priorities for the year ahead, will be accomplished while balancing the budget in 2004/05, and having significantly increased funding for health care and education.

Clearly, we will do more if we can, as new resources are available, to build on the funding priorities detailed in this Service Plan - in a way that is consistent with our balanced budget commitment.

As our measures to revitalize the economy continue to create new jobs, growth and investment, this will allow us to continue strengthening public services for the benefit of British Columbians. Opportunities like the 2010 Olympic and Paralympic Winter Games will showcase British Columbia to the world and generate economic benefits all across our province. Future service plans will further demonstrate those benefits.

I know that you will continue to build on the progress your Ministry has made. Let me conclude by thanking you for your commitment to serving the best interests of all British Columbians.

Yours sincerely,

A handwritten signature in black ink, reading "Gordon Campbell". The signature is written in a cursive, flowing style with a large initial "G".

Honourable Gordon Campbell
Premier



January 26, 2004

Honourable Pat Bell
Minister of State for Mining

Dear Colleague:

Since June 2001, our government has been working to implement our *New Era* vision to revitalize the economy, restore sound fiscal management, and put patients and students first.

Our *New Era* platform contained 201 specific commitments that our government would undertake on behalf of British Columbians. These included a commitment "to establish service plans that include measurable performance standards and targets for all programs that are annually audited and published, for all taxpayers to see." The Service Plan tabled today represents the final year of the first three-year plans. And it shows that we have made significant progress toward honouring our commitments.

In the coming year, the province will continue to work on a number of priorities to honour the commitments that we have made. These are detailed in the Ministry's Service Plan, and include:

- Work with the mining industry and academic institutions to identify opportunities to strengthen provincial geoscience capability.
- Work with the mining industry to promote, market and communicate environmental and sustainability practices.
- Develop a framework to increase clarity for access to Crown land for mining exploration and development.
- Draft a detailed action plan for mining development and skills training.

It is important to note that all of the province's achievements to date, and our priorities for the year ahead, will be accomplished while balancing the budget in 2004/05, and having significantly increased funding for health care and education.

Clearly, we will do more if we can, as new resources are available, to build on the funding priorities detailed in this Service Plan – in a way that is consistent with our balanced budget commitment.

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As our measures to revitalize the economy continue to create new jobs, growth and investment, this will allow us to continue strengthening public services for the benefit of British Columbians. Opportunities like the 2010 Olympic and Paralympic Winter Games will showcase British Columbia to the world and generate economic benefits all across our province. Future service plans will further demonstrate those benefits.

Let me conclude by thanking you for your commitment to serving the best interests of all British Columbians.

Yours sincerely,

A handwritten signature in black ink, reading "Gordon Campbell". The signature is written in a cursive style with a large initial "G" and a period at the end.

Honourable Gordon Campbell
Premier



Ministry of Energy and Mines



The Ministry of Energy and Mines is providing the leadership to make British Columbia a more globally and regionally competitive investment location, and to increase direct investment in the energy and mining sectors. Our strategic approach is to work with industry, communities and First Nations to identify obstacles and opportunities for increased development.

One example of this approach is the announcement in June 2003, of the province's Oil and Gas Development Strategy for the Heartlands.

This comprehensive strategy responds to identified barriers that were inhibiting British Columbia from realizing its oil and gas investment potential, revenue generation and employment creation.

Already the strategy has met with positive results not the least of which is the record-setting \$418 million sale of petroleum and natural gas rights in September 2003 — the largest monthly sale in history. We will build on this strong start to move British Columbia even closer to the goal of being the most competitive oil and gas development jurisdiction in North America.

Since June 2001, the British Columbia government has introduced a number of new measures to realize British Columbia's mining potential, including: a number of tax reductions; enhanced land-use planning; streamlined environmental assessment reviews; a results-based Health, Safety and Reclamation Code; establishment of an MLA Mining Task Force and the launching of the public private partnership \$2.1-million Rocks to Riches program. Industry response to these initiatives has been positive. In the past year mineral exploration expenditures are estimated to have reached the \$45 and \$55 million range, a healthy increase over the 2002 spending level of \$40 million.

The province's energy plan, "Energy for our Future: A Plan for BC", launched in November 2002, identified independent power producers as the key to meeting the growing energy needs of British Columbians. In September 2003, we saw the largest offer to purchase of clean energy in British Columbia's history, one that will provide up to \$800 million in private sector investment in 16 power projects.

We will continue to implement the energy plan to meet our energy needs and generate renewed economic growth and prosperity for British Columbians.

I am pleased to present the Ministry of Energy and Mines 2004/05 – 2006/07 Service Plan which builds on our accomplishments. This plan will guide and measure our success in contributing to a thriving economy that includes strong, competitive and responsible energy and mining sectors in British Columbia.

A handwritten signature in black ink, appearing to read "Neufeld". The signature is fluid and cursive, with the first letter "N" being particularly large and stylized.

Honourable Richard Neufeld
Minister of Energy and Mines

February 4, 2004

Accountability Statement

The 2004/05 – 2006/07 Ministry of Energy and Mines Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 30, 2004 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



Honourable Richard Neufeld
Minister of Energy and Mines

February 4, 2004

Ministry Overview

Since 1874, the Ministry of Energy and Mines has been the primary provincial ministry responsible for British Columbia's energy and minerals sectors. Today those sectors include the industries that produce and market natural gas, oil, coal, electricity, alternative energy including hydrogen, metals, industrial minerals and aggregates. Over the past three years, these sectors have contributed substantially to the economy throughout the heartlands of the province and to the provincial Treasury. Accordingly, this Plan's primary direction is to remain on course to maintain and increase investment and activity in these sectors.

The Ministry's primary responsibilities are to:

- Market and promote British Columbia as a competitive location for resource industry investment;
- Enhance British Columbia's position as a key player in global energy, mineral and coal markets;
- Create a competitive regulatory environment that makes it easier and cost-effective for companies to do business in British Columbia;
- Encourage responsible development of British Columbia's energy and mineral resources;
- Ensure protection of the environment;
- Protect public and worker health and safety;
- Build relationships to facilitate First Nations' participation in the energy and mining sectors;
- Build opportunities with communities and the energy and mining sectors;
- Undertake assessments to determine British Columbia's resource potential;
- Develop policies to nurture new resource and energy development opportunities;
- Advocate technological innovation in British Columbia's conventional resource and alternative energy sectors; and
- Manage the disposition and administration of mineral, coal and petroleum rights.

The ministry administers 25 statutes that deal with the range of government responsibilities with respect to the energy and mining sectors. The ministry is organized by sector and service provision into eight divisions:

1. Mining and Minerals
2. Oil and Gas
3. Electricity and Alternative Energy
4. Titles
5. External Relations
6. Strategic Human Resources and Executive Operations
7. Corporate Policy, Planning and Legislation
8. Corporate Services

Resource Summary

This section provides information on the Ministry's budget and full-time equivalent staff (FTE) allocation, and provides high level overviews of its information technology resource plan, and human resources plan. The Resource Expenditure Summary reflects the allocation of FTEs and program budgets.

Core Businesses	2003/04 Restated ¹ Estimates	2004/05 Estimates	2005/06 Plan	2006/07 Plan
Operating Expenses (\$000)				
Oil and Gas	19,510	20,970	17,470	16,670
Mining and Minerals	10,510	7,868	7,768	7,768
Electricity and Alternative Energy	2,041	1,134	1,134	1,134
Executive and Support Services	5,939	5,258	5,158	5,158
Contracts and Funding Arrangements	38,840	28,560	23,560	25,560
Total	76,840	63,790	55,090	56,290
Full-time Equivalents (FTEs)				
Oil and Gas	46	90	90	90
Mining and Minerals	99	93	93	93
Electricity and Alternative Energy	12	12	12	12
Executive and Support Services	56	47	47	47
Total	213	242	242	242
CRF Capital Categories	Budget 2003/04	2004/05	2005/06	2006/07
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Oil and Gas	280	471	275	175
Mining and Minerals	94	1,026	585	550
Electricity and Alternative Energy				
Executive and Support Services	76	310	310	310
Total	450	1,807	1,170	1,035

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2004/05 Estimates.

Core Businesses	Budget 2003/04	2004/05	2005/06	2006/07
Other Financing Transactions (\$000)				
Columbia Basin Accord				
Disbursements	50,000	50,000	50,000	0
Oil and Gas Commission Act				
Receipts	17,800	24,600	25,691	26,418
Disbursements	17,800	24,600	25,691	26,418
Total Net Cash Source (Requirement)	(50,000)	(50,000)	(50,000)	0

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2004/05 Estimates.

Additional Explanatory Notes on the Resource Summary

Oil and Gas

In October 2003, the Ministry received approval for the Oil and Gas Development Strategy for the Heartlands II (OGDS II) which provided \$5.5 million in funding for 2003/04 and 27 new FTEs for revenue enhancing projects. For 2004/05, an additional \$1.3 million has been added to the 2003/04 allocation of \$5.5 million for OGDS II. OGDS II funding is conditional upon incremental revenue targets being achieved.

Mining and Minerals

The Mining and Minerals budget is reduced by a planned amount based on Core Review decisions that were first implemented in 2002/03.

Note that the entire \$2.083 million budget for the Titles Division has been included in the operating expenses of the Mining and Minerals Core Business. However, the actual allocation of expenditure within the Titles Division is \$1.208 million for oil and gas core business functions and \$0.875 million for mining and minerals core business functions.

Electricity and Alternative Energy

The Electricity and Alternative Energy Division budget is reduced by the one-time \$1 million funding provided to implement elements of the Energy Plan in 2003/04, including the establishment of the British Columbia Transmission Corporation.

Contracts and Funding Arrangements

The Contracts and Funding Arrangements category includes significant expenditures associated with the Columbia Basin Trust, Resource Revenue Sharing Agreements and the Vancouver Island Gas Pipeline Agreement, which are outside of the Ministry's core businesses and do not have performance targets associated with them. This is because these expenditures are made in accordance with agreements that are largely outside the Ministry's control and influence. For instance, \$2 million is paid in accordance with an agreement with the Columbia Basin Trust to assist it with operating costs. Resource Revenue Sharing payments are made to First Nations to share revenue received from petroleum, natural gas and mineral extraction under a federal/provincial agreement and agreements with First Nations.

Payments to Terasen Gas Inc. for the Vancouver Island Natural Gas Pipeline (VIGAS) are made to satisfy the requirements of the VIGAS Agreement. They constitute the largest item in the Contracts and Funding Arrangements category and for 2004/05 are budgeted at \$24.06 million.

Core Business Areas

The Ministry's core business areas by resource and service function are as follows:

1. Oil and Gas

British Columbia's oil and gas sector is a major economic force in the heartlands, generating significant economic activity each year and employing thousands of British Columbians. In 2002/03, oil and gas royalty and bonus bid revenues contributed \$1.5 Billion or seven per cent of total provincial revenue and 46 per cent of total natural resource revenue to the provincial Treasury.

To sustain and enhance the oil and gas revenue and wealth generation in the province, the Ministry is focused on making British Columbia the most competitive oil and gas jurisdiction in North America. In broad terms, this is being accomplished by improving access to oil and gas resources, nurturing development opportunities within oil and gas unconventional resources, such as coalbed gas, and facilitating expansion of exploration and development into new, as yet untapped basins in areas of the province outside of the northeast producing region.

Primary responsibilities include:

- Selling and administering petroleum and natural gas rights;
- Facilitating infrastructure development to improve access to oil and gas resources;
- Undertaking economic and financial analysis to develop royalty and other policies and programs;
- Identifying, stimulating and facilitating development opportunities for conventional, unconventional and under-explored resources located throughout the Province, including coalbed gas, deep gas and tight gas;
- Providing information to the public on oil and gas resources and development potential;
- Streamlining provincial regulations that apply to the oil and gas sector;
- Representing the Province's interests before energy regulatory tribunals; and
- Developing and maintaining petroleum geology databases to identify new energy opportunities and provide information for industry reference.

Offshore Oil and Gas Team

Policy Action #11 of the Province's energy plan, "Energy for Our Future: A Plan for BC" called for the establishment of a stand-alone team dedicated to development of British Columbia's offshore oil and gas resources. The British Columbia Offshore Oil and Gas Team was established in January, 2003. The Team is headed by a Deputy Minister reporting to the Minister of Energy and Mines. Although a separate entity, the Team is administratively linked to the Ministry of Energy and Mines, therefore it is incorporated into the Ministry Service Plan. Details can be viewed on the Team's website www.offshoreoilandgas.gov.bc.ca.

2. Mining and Minerals

The mining sector is a key part of the provincial economy, providing high-paying jobs, tax revenues and economic development throughout British Columbia's heartlands. Vancouver is a world-class mining center of excellence that is home to the full range of mining expertise, including geologists, engineers, lawyers and financial experts, as well as the head office location for several major mining companies.

The Ministry facilitates wealth generation opportunities in the mining sector provided by the Province's substantial mineral resource endowment by supporting development and ensuring responsible management of the Province's substantial coal, metal, industrial mineral and aggregate resources.

The Ministry develops and implements an integrated mineral exploration and mining policy framework designed to attract exploration and mining investment to the Province. It also protects the health and safety of persons employed in the industry and the general public, protects and ensures the reclamation of land and watercourses, and provides a sound regulatory regime for all mining activities.

Primary responsibilities include:

- Promoting and acting as an advocate for a responsible mining industry;
- Issuing and administering mineral exploration and mining tenures;
- Permitting of exploration and mining operations;
- Enforcing protection of the environment and the health and safety of workers and the public through all stages of mine development, from exploration, development, production, reclamation to long-term post closure activities;
- Reviewing and developing legislation, regulations, policies and best management practices to guide industry activities;
- Providing a sound policy and regulatory framework to protect the public interest while maintaining a responsible and competitive regulatory framework relative to other jurisdictions;
- Providing information to the public on mineral resources and development potential;
- Developing and delivering modern, competitive geoscience databases and MapPlace;
- Working in partnership with industry to collect and publish mineral geoscience information;
- Providing assistance and advice to prospectors and exploration companies; and
- Undertaking economic and financial analysis to create new measures to enhance British Columbia's exploration and mining investment attractiveness.

The British Columbia Mining Task Force will provide recommendations to the Minister of Energy and Mines on how to revitalize the mining industry in British Columbia.

3. Electricity and Alternative Energy

The Ministry leads the Province's development of legislation, policies and programs to support all forms of electrical power generation, alternative energy sources, energy conservation and efficiency measures, and leading edge technologies.

A current priority of the Ministry with respect to electricity and alternative energy is to implement the related policy actions of "Energy for our Future: A Plan for BC" (The Energy Plan). The four cornerstones of the Energy Plan are:

1. low electricity prices and public ownership of BC Hydro;
2. a secure, reliable supply of energy;
3. more private sector opportunities; and
4. environmental responsibility.

The Ministry oversees the statutory framework for BC Hydro to benefit British Columbians in their dual role as BC Hydro ratepayers and shareholders. In addition to legislation and regulatory instruments, the Ministry provides policy advice or direction to electric utilities in the province and the regulator, the British Columbia Utilities Commission (BCUC).

The Ministry also follows electricity market developments in other jurisdictions to assess implications for the Province. The Ministry participates in various inter-provincial, national and international groups to represent provincial interests and to work cooperatively to facilitate enhanced reliability and trade opportunities in Western electricity markets.

The Ministry fosters private sector investment in new electricity resources, both on the supply and demand side, and participates in resource planning, project review and rate review processes. It provides resource information and support for independent power producers, including those investing in emerging resources such as wind and small hydro.

The Ministry also manages, assesses and represents provincial interests on Columbia River Treaty-related matters, including:

1. Columbia River Treaty oversight through the Permanent Engineering Board and the Engineering Committee; and
2. monitoring and managing agreements related to the Columbia River Treaty Downstream Power Benefits.

The Ministry leads or participates in cross-government initiatives, including formulation and implementation of programs and policies to address climate change, water use planning, hydrogen and fuel cell initiatives, energy performance measures for buildings, streamlining and updating the *Energy Efficiency Act*, and the development of a broader provincial strategy for energy efficiency and the role of alternative energy.

4. Executive and Support Services

These areas support the Minister's and Deputy Minister's offices, as well as providing corporate support and services to the Ministry's key lines of business. These services include executive operations, external relations, intergovernmental relations, aboriginal and community relations, strategic human resources, correspondence, corporate policy, strategic planning, legislation, performance tracking and data collection.

The Ministry provides advice and coordination to energy and mineral industry proponents, as well as liaison and negotiation capabilities with aboriginal and non-aboriginal communities concerning resource development activities and local issues and concerns.

A key and growing part of this core business area is external relations, which implements a strategy for communicating to potential local and international investors the improved competitiveness of British Columbia-based energy and minerals opportunities. This strategy focuses on making investors aware of policy and regulatory improvements, as well as directly promoting increased capital flows towards exploration and development activities in the province.

In order to market British Columbia as a reliable, competitive supplier of energy and a mining center of excellence, the Ministry is active in regional, international and intergovernmental policy and information forums on energy and mining-related topics, such as the Pacific Northwest Economic Region, the Interstate Oil and Gas Compact Commission, the Vancouver Mineral Exploration Round-up and bilateral meetings with neighbouring provinces and states.

Management Services functions, including budget, financial services, response to requests made pursuant to the *Freedom of Information and Protection of Privacy Act*, and records management, are provided on a shared basis with the Ministry of Competition, Science and Enterprise.

Goals, Objectives, Strategies and Results

The Ministry has four major goals based upon its vision of:

*Thriving, competitive, safe and environmentally responsible
energy and mining sectors
significantly benefiting all British Columbians*

Goal 1: *To maintain and increase investment in energy and mineral resource development in British Columbia.*

Outcome/Key Indicator: *Active, growing energy and mining sectors.*

This goal focuses on making British Columbia a more globally and regionally competitive location to increase direct investment and production in the energy and mining sectors. Strategies are designed to make investing in British Columbia's resource sectors more rewarding and certain.

Core Business Area: *Mining and Minerals.*

Objective 1: *Increase mining exploration and development activity.*

The Ministry's strategies for mining are aimed at attracting a 10 per cent per year increase in mineral exploration expenditure and at least \$100 million in capital investment in new or existing mines by industry in each of the next three years.

Performance Measures	2003 Base	2004/05 Target	2005/06 Target	2006/07 Target
Annual dollar amount of mineral exploration expenditure. ¹	\$50 million	\$55 million	\$60.5 million	\$66.6 million
Capital investment in new or existing mines. ²	\$100 million	\$100 million	\$100 million	\$125 million

¹ Source: British Columbia Ministry of Energy and Mines, based on annual surveys conducted by the Ministry in collaboration with Natural Resources Canada and Statistics Canada. Note that these figures are measured by calendar year, which is the industry standard. Calendar year performance measures apply to the fiscal year with the first nine months in that calendar year. For example, investment in calendar year 2004 is used to measure performance in fiscal year 2004/05. Exploration expenditures for 2002 are estimated at \$40 million, and for 2003 the preliminary estimate is between \$45 and \$55 million. The mid-point of that range, \$50 million, is used as an estimate of the 2003 base level.

² Source: British Columbia Ministry of Energy and Mines, based on annual surveys conducted in collaboration with Natural Resources Canada and Statistics Canada. This performance measure is also on a calendar year basis (see footnote 1, above).

- Strategies:**
1. *Market British Columbia's mining opportunities to the investment community.*
 2. *Work with exploration and mining companies, communities, and other provincial and federal agencies to enhance mine exploration and development.*
 3. *Facilitate infrastructure development to improve exploration and mine access.*
 4. *Enhance relationships between First Nations, industry and government to develop greater opportunities and certainty on the land base.*
 5. *Provide information to the public and industry on mineral deposits and potential.*
 6. *Develop alternative mechanisms to fund the further advancement of baseline minerals geoscience in British Columbia.*
 7. *Enhance mineral title administration by implementing a web-based map selection system.*

Core Business Area: *Oil and Gas.*

Objective 2: *Increase British Columbia's oil and gas production and activity, and expand into new basins.*

The Ministry is implementing the Oil and Gas Development Strategy for the Heartlands and is anticipating achieving a 17 per cent increase in natural gas production and a 31 per cent increase in the number of wells drilled over the next three fiscal years.

Performance Measures ¹	2003/04 Base	2004/05 Target	2005/06 Target	2006/07 Target
Raw Natural Gas Production — Trillions of cubic feet (Tcf).	1.068 Tcf	1.130 Tcf	1.194 Tcf	1.254 Tcf
Crude Oil Production — Millions of barrels (Mbbls). ²	14.44 Mbbls	14.14 Mbbls	13.77 Mbbls	13.52 Mbbls
Number of oil and gas wells drilled.	1 144 wells	1 328 wells	1 390 wells	1 496 wells

¹ Source: Ministry of Energy and Mines, Oil and Gas Division. Note that previous service plan targets were relative measures with no base level given. The new numeric measures are easier to understand and track.

² British Columbia's portion of the Western Canadian Sedimentary Basin, the source of all current oil and gas production, does not contain large oil reserves. The declining target for crude oil production reflects a mature phase of oil resource development, characterized by declining reserves for each additional well. The Ministry is implementing programs to slow the rate of decline by encouraging companies to improve recovery efficiency of the remaining potential oil resources, such as the British Columbia heavy oil royalty.

- Strategies:**
1. *Develop and implement new royalty and other incentive programs to increase production and activity.*
 2. *Facilitate infrastructure development to improve access to oil and gas exploration and development opportunities.*
 3. *Develop improved knowledge and information base for petroleum geology to identify new energy development opportunities within British Columbia.*
 4. *Identify, stimulate and facilitate development opportunities for under-explored and unconventional resources, including coalbed gas, deep gas and tight gas, in both existing and new basins.*
 5. *Identify and implement measures to enhance British Columbia's oil and gas service sector.*

Objective 3: *Increase investment in British Columbia’s oil and gas sector.*

Performance Measure	2003/04 Service Plan Target	2004/05 Target	2005/06 Target	2006/07 Target
Annual dollar amount of oil and gas industry investment in British Columbia. ¹	\$3.3 billion	\$4 billion	\$4 billion	\$4 billion

¹ Source: Canadian Association of Petroleum Producers. Note that these figures are measured by calendar year, which is the industry standard. Calendar year performance measures apply to the fiscal year with the first nine months in that calendar year. For example, investment in calendar year 2004 is used to measure performance in fiscal year 2004/05. Investment includes industry expenditures on geological and geophysical studies, acquisition of petroleum and natural gas rights, exploration and development drilling, production wells and flow lines, field equipment, processing plants, pipeline and compression facilities and enhanced oil recovery, but does not include royalty payments to the Province.

- Strategies:**
1. *Position British Columbia as a fiscally competitive jurisdiction for resource development opportunities.*
 2. *Implement an investment attraction strategy to promote and market opportunities in British Columbia’s energy resources.*
 3. *Enhance relationships between First Nations, industry and government to develop greater opportunities and certainty on the land base.*
 4. *Undertake community information programs on proposed oil and gas projects.*
 5. *Clarify freehold mineral title to facilitate access to both energy and mineral resources.*

Objective 4: *Facilitate the development of British Columbia’s offshore oil and gas resources in an environmentally sound manner.*

Performance Measure	2003/04 Service Plan Target	2004/05 Target	2005/06 Target	2006/07 Target
Components of the offshore work plan implemented.	Develop work plan. This target has been met.	Complete joint federal-provincial management regime to fully regulate offshore oil and gas development.	Permits issued for a seismic exploration of British Columbia’s offshore.	Seismic exploration program underway.

- Strategies:**
1. *Complete further scientific work to define the scope of potential offshore exploration areas.*
 2. *Establish mechanisms to include First Nations and coastal communities in offshore development plans.*
 3. *Pursue “agreement in principle” negotiations with Canada, First Nations and tenure holders to finalize a regulatory and fiscal regime for exploration, development and production.*

Core Business Area: *Electricity and Alternative Energy.*

Objective 5: *Stimulate investor interest in British Columbia's electricity, clean and alternative energy and energy efficiency sectors.*

Performance Measure	2003/04 Service Plan Target	2004/05 Target	2005/06 Target	2006/07 Target
Annual dollar amount of investment in British Columbia's electricity, energy efficiency and alternative energy sectors.	Achieve a 10 per cent increase in the clean energy sector. This target has been met. ¹	Establish new investment baseline for the electricity, clean and alternative energy and energy efficiency sector; achieve 10 per cent increase over the baseline level.	Additional 10 per cent increase.	Additional 10 per cent increase.

¹ The clean energy sector includes all forms of energy production and technology that minimize environmental impacts relative to conventional hydrocarbon resources and technology, including wind, solar, biomass, geothermal, biomass and ocean (wave and tidal) energy sources and technologies.

- Strategies:**
1. *Promote, develop and implement policies to increase investment in the following priority areas: alternative energy (specifically hydrogen and fuel cells); wind power; biomass; small hydro; community energy planning; alternative energy solutions for remote communities; and energy efficiency and conservation.*
 2. *Establish a mechanism to monitor investment levels in electricity and alternative energy and update the current investment baseline.*
 3. *Pursue financial and cooperative partnerships with the federal government for priority activities in areas of common interest.*
 4. *Be an advocate for electricity, alternative energy and energy efficiency and conservation investments in British Columbia.*
 5. *Develop and implement strategies and targets to improve energy efficiency in new and existing buildings.*
 6. *As part of the Province's efforts to address the issues associated with greenhouse gases and climate change, implement all related initiatives that are under the responsibility of the Ministry, as listed in Appendix 1, Consistency with Government's Strategic Plan.*

Objective 6: *Implement and/or oversee the implementation of the Policy Actions in the provincial Energy Plan by the end of 2004/05.*

Performance Measure	2003/04 Base	2004/05 Target	2005/06 Target	2006/07 Target
Implementation of the Policy Actions in the provincial Energy Plan and improvements to the Plan.	Implement legislation for the Heritage contract, changes to the BCUC Act, and a new <i>Transmission Corporation Act</i> .	Update/distribute a “report card” on Energy Plan implementation, including recommendations for improvements to the Plan.	Update/distribute a “report card” on Energy Plan implementation, including recommendations for improvements to the Plan.	Update/distribute a “report card” on Energy Plan implementation, including recommendations for improvements to the Plan.

- Strategies:**
1. *Facilitate the full implementation of the publicly owned, independent transmission operator through implementing appropriate regulations/orders under the Transmission Corporation Act.*
 2. *Develop and implement a legislated heritage contract, stepped rates and transmission access.*
 3. *Participate in regulatory review processes, for example, environmental assessment and British Columbia Utilities Commission reviews.*
 4. *Participate actively with utilities and others in the development of Regional Transmission Organization West and monitor regulatory issues in other jurisdictions to ensure access for Independent Power Producers and BC Hydro to regional markets.*

Goal 2: *To maintain high environmental, and health and safety standards at mines and exploration sites.*

This goal focuses on ensuring resource exploration and production activities are carried out in accordance with high environmental, and health and safety standards.

Core Business Area: *Mining and Minerals.*

Objective 1: *Maintain high health and safety standards.*

Performance Measures	2003/04 Base	2004/05 Target	2005/06 Target	2006/07 Target
Lost time accident frequency lower than any other heavy industry in British Columbia. ¹	2.5 or less	2.5 or less	2.5 or less	2.5 or less
Compliance with Health and Safety orders resulting from mine inspections.	85 per cent Compliance ²	95 per cent Compliance	95 per cent Compliance	95 per cent Compliance

¹ Lost time frequency is the number of accidents requiring medical attention that year multiplied by 200,000 hours and divided by the total number of hours worked in that year.

² The Mining and Minerals Division estimates the 2003/04 base value of this performance measure to be 85 per cent compliance. Note that no equivalent performance measure appeared in last year's plan.

- Strategies:**
1. *Complete site inspections at all major mines with a frequency as determined by performance and risk. Major mines are defined as those with a capacity to produce over 50,000 tonnes per year and any underground mines.*
 2. *Complete in-depth audits at randomly selected mine sites to ensure compliance with standards and regulations.*
 3. *Complete site inspections at a minimum of 20 per cent of small mines to provide reasonable statistical certainty of compliance.*
 4. *Complete site inspections at a minimum of 15 per cent of exploration sites.*
 5. *Work with industry, labour and other jurisdictions to keep provincial regulations current, practicable and effective.*

Objective 2: *Ensure a high standard of environmental protection with respect to mine sites.*

Performance Measures	2003/04 Base	2004/05 Target	2005/06 Target	2006/07 Target
Compliance with: 1. Permit conditions; and 2. Environmental and reclamation orders resulting from mine inspections.	85 per cent Compliance ¹	95 per cent Compliance	95 per cent Compliance	95 per cent Compliance

¹ The Mining and Minerals Division estimates the 2003/04 base value of this performance measure to be 85 per cent compliance. Last year's plan contained a different measure, specifically: "Conduct site inspections and/or audits at all major mine sites."

- Strategies:**
1. *Complete site inspections at all major mines with a frequency as determined by performance, risk and activity.*
 2. *Complete site inspections at closed mine sites on a risk assessment basis to ensure ongoing monitoring and maintenance requirements are achieving the required outcome.*
 3. *Work with industry to establish mine closure requirements at mine sites that are ceasing operations to ensure practicable, timely and effective reclamation.*
 4. *Work with operators of active mines to ensure practicable, effective planning for ongoing reclamation and closure.*

Goal 3: *To be an exemplary organization and a Ministry of choice as an employer in the British Columbia Public Service.*

Outcome/Key Indicator: *This goal commits the Ministry to have the best human resources practices on behalf of its employees and government.*

Core Business Area: *Executive and Support Services.*

Objective 1: *Implement effective human resource practices consistent with best practices.*

Performance Measures	2003/04 Service Plan Target	2004/05 Target	2005/06 Target	2006/07 Target
Number of employees who have an annual employee performance and development plan.	100% of employees have EPDP by March 15; changed to 100 per cent of excluded employees.	100%	100%	100%
Ministry Human Resource (HR) Plan in place and consistent with best practices.	Current HR Plan in Appendix 2.	Update HR Plan in consultation with Ministry staff.	100% of HR Plan goals implemented.	100% of HR Plan goals implemented.

- Strategies:**
1. *Implement the process for Employee Performance and Development Plans (EPDP), aligned with the Ministry Service Plan goals, objectives and outcomes.*
 2. *Update and implement the Ministry Human Resource Plan.*
 3. *Link the Ministry Human Resource Plan to the Corporate Human Resource Plan.*

Goal 4: *To be a responsive, adaptable and accountable organization.*

Outcome/Key Indicator: *This goal focuses on developing an organizational structure, systems and processes to enable the Ministry to respond to changing business environments, support staff in the delivery of their functions, be accountable for performance and provide client-focused service.*

Core Business Area: *Executive and Support Services.*

Objective 1: *Develop a performance measurement and tracking system for all service plan targets and outcomes.*

Performance Measures	2003/04 Service Plan Target	2004/05 Target	2005/06 Target	2006/07 Target
Accounting process in place to track incremental oil and gas revenues from revenue generation projects. ¹	Generate increased revenues of \$27.2 million.	Generate incremental revenues of \$285 million.	Generate incremental revenues of \$288 million.	Generate incremental revenues of \$294 million.
Tracking system in place for service plan targets and outcomes.	No equivalent performance measure in previous plan.	Tracking system developed and implemented.	Review and revise tracking system, as required.	Review and revise tracking system, as required.
Implement a significant number of meaningful reductions in regulatory requirements.	Eliminate 11% of regulations.	By June 2004, complete the one-third (5,898) reduction in regulations.	Achieve further regulatory reductions and streamlining.	Achieve further regulatory reductions and streamlining.

¹ The significant increase in the next three years' targets for incremental oil and gas revenue resulting from revenue generation projects is due to the implementation of the Oil and Gas Development Strategy for the Heartlands in May 2003 and additional strategies announced in November 2003. This comprehensive strategy is designed to promote all-season oil and gas activity, attract industry investment and generate revenue.

- Strategies:**
- 1. Develop performance measures and a quarterly progress report for Treasury Board for revenue generation projects.*
 - 2. Develop an alternative funding model for revenue generating projects.*
 - 3. Develop and implement a system of measuring and tracking service plan performance and outcomes.*
 - 4. Undertake a systematic review of Ministry legislation, regulations and policies to achieve a one-third reduction in regulatory requirements from 2001 levels by June 2004.*
 - 5. Develop an “Energy and Mines — Beyond the Count” regulatory streamlining plan to achieve further significant and meaningful reductions in regulatory requirements.*

Appendix 1. Strategic Context

Vision, Mission and Values

Vision

Thriving, competitive, safe and environmentally responsible energy and mining sectors significantly benefiting all British Columbians.

Mission

The Ministry of Energy and Mines facilitates investment in the responsible development of British Columbia's energy and mineral resources to benefit British Columbians.

Values

The following values are the Ministry's fundamental beliefs. They define the Ministry's management style and rules of personal and organizational behaviour.

1. **Advocacy** — The Ministry represents the people of British Columbia, as owners of the energy and mineral resources, by advocating for the responsible development of those resources. The Ministry represents the interests of the energy and mining sectors to broader stakeholder groups and supports those sectors in responsible development of provincial resources. The Ministry informs the government, industry and citizens of the province of the benefits of responsible resource development.
2. **Integrity** — The Ministry is committed to respectful, honest and ethical behaviour in all its communications and actions.
3. **Responsiveness** — The Ministry is service-oriented and responds to the needs of its stakeholders and the public in a timely and effective manner.
4. **Accountability** — The Ministry is accountable to government and the public and strives to ensure that its actions deliver the results put forth in its Service Plan. The Ministry is effective and efficient in delivering timely services and implementing sound financial management.
5. **Professionalism** — The Ministry is committed to maintaining the highest levels of both technical competency and public service values, and encouraging innovation and creativity.
6. **Partnership Building** — The Ministry promotes teamwork, good working relationships and effective partnerships with others.

Planning Context

The planning context is an assessment of external and internal forces that can have a significant impact on the Ministry's ability to deliver results. In developing this service plan and making decisions on programs, the Ministry has considered the following context, strengths and challenges.

Strengths

- **Natural Gas and Oil Resources:** A growing North American demand for natural gas, combined with declining supply in the United States, will guarantee a continuing opportunity for growth in British Columbia natural gas production. Additional gas supply potential has been identified from enhanced exploration for conventional gas and preliminary exploration of unconventional sources.
- **Coalbed Gas (CBG) Resources:** British Columbia has a huge CBG resource endowment estimated at about 89 trillion cubic feet. To date, only small scale exploratory drilling has occurred. The degree to which this large potential energy resource is utilized will depend on natural gas prices and government implementing appropriate regulatory and competitive royalty regimes, while addressing issues raised by communities and First Nations. At this time, considerably more exploratory drilling and pilot production projects need to be implemented to determine which portions of the resource are economically recoverable.
- **Offshore Oil and Gas Potential:** The oil and gas resource potential off the west coast of British Columbia is estimated at approximately 9.8 billion barrels of oil and 43.4 trillion cubic feet of gas. Although these resources are unproven, the amounts are comparable to existing marketable and recoverable resources in the northeast portion of the Province. In the longer term, development of offshore oil and gas resources will produce substantial direct and indirect revenues to the province.
- **Rich Mineral Endowment:** The province has a wide variety of mineral and coal deposits and many more waiting to be discovered. These resources have played a major role in regional communities for more than a century and continue to perform a key role in the provincial economy.
- **Improving Investment Climate for Mining Industry:** Recently mining companies have been successful in raising greater funds for mineral exploration and mine development. British Columbia has created a more competitive climate to attract these investments, primarily by regulatory streamlining and implementing tax credits and flow-through share incentives for mineral exploration investment that make after-tax exploration dollars spent in the province among the lowest cost in Canada. The Province has the potential to attract industry back to British Columbia and capitalize on significant growth potential for the coal, industrial mineral and metal mining sectors. The Ministry continues to look for ways and means to enhance exploration and development of the provinces coal, mineral, industrial mineral and aggregate resources. The Mining Task Force has been established to provide recommendations to the Minister of Energy and Mines on how to revitalize the mining industry in British Columbia.

- **Reliable Electricity System:** British Columbia's large, flexible hydroelectric system on the Peace and Columbia Rivers supplies customers through an integrated large transmission network. Our transmission system is integrated with those in the US Pacific Northwest and Alberta, allowing for economic purchases and sales that optimize the British Columbia system. British Columbia is able to provide power at high demand times and provide load shaping for the region. British Columbia's large, undeveloped resource potential for electricity generation using natural gas and coal, and alternative energy resources provides an opportunity for increased exports.
- **Clean and Alternative Energy Potential:** The province has enormous potential to develop alternative energy resources and related applications. These encompass innovative technologies; advanced energy carriers; and progressive applications for conventional energy resources that reduce their relative environmental impacts, conserve a non-renewable resource, and/or improve overall efficiency of resource utilization. Examples include: small and micro-hydro power; biomass; bio-fuels; earth energy; hydrogen; fuel cells; wind; solar; tidal; wave; cogeneration; energy from landfill gas and municipal solid waste; advanced coal combustion technology; and carbon capture and sequestration processes.
- **Leader in Energy Efficiency and Conservation:** British Columbia is a leader in energy efficiency and conservation through government policies, energy utility programs and private sector activities. Additional investment opportunities exist for energy efficiency in buildings, equipment, industry and transportation.

Challenges

- **Investment Promotion:** British Columbia has some of the most abundant natural resource opportunities in the world, but these alone will not attract investment even in a strong economy. Information about government initiatives to make British Columbia a more competitive investment location needs to be aggressively marketed to the investment community.
- **Labour Shortages:** In certain occupations and geographic locations in the province, employers in the energy and mineral sectors are finding it difficult to attract skilled workers such as heavy-duty mechanics and high-pressure welders. In the oil and gas industry an increase in the number of drilling rigs has not been met by an increase in skilled labour needed to operate the rigs. As the industry grows, including northern pipeline development, there is a growing need to ensure that an appropriately trained workforce is available.
- **Land Access and Security of Tenure:** Regardless of the Province's land-use planning process and two-zone system, there remains a high level of uncertainty with regard to access to resources that inhibits business planning activities and investment. Project proponents also need to factor in addressing First Nation concerns and government's role in undertaking consultations with regard to proposed activity permits and tenures.

- **Consolidation in the Oil and Gas Industry:** In 1998, four of the top 10 British Columbia producers were American subsidiaries/affiliates and accounted for 23 per cent of all production in that year. By 2001, six of the top 10 were American subsidiaries/affiliates and accounted for 35 per cent of BC production. Although investors continue to be interested in exploration and development opportunities in Western Canada, British Columbia must strive to ensure visibility in American corporate head-offices to sustain interest in provincial resources.
- **International Policy and Regulatory Influences:** Energy legislation being contemplated by the United States may accelerate the construction of the Alaska Highway pipeline, and through a price support mechanism may also exert downward pressure on the value of existing British Columbia gas supplies. Because of the integrated nature of the electricity transmission system, regulatory developments in the United States regarding reliability and market design are of interest to British Columbia. These include the potential creation of a Regional Transmission Organization (RTO) for the Pacific Northwest and possible United States federal legislation on reliability.

Internal to government challenges

- **Reduced Resources:** In order to deliver core business functions with reduced resources, it will be necessary for the Ministry to change how business is done. One of the implications is that through initiatives such as results-based regulations the onus will be on industry to comply with standards.
- **Attracting and Retaining a Skilled Workforce:** The Ministry operates in areas where a highly-skilled technical workforce is essential to fulfill core functions. However, the Ministry is facing the double challenges of losing skills and expertise as its work force retires, and difficulty in attracting and retaining young professionals to public service.

Enterprise-wide Risk Management

By March 31, 2004, all executive members, directors and managers in the Ministry will have been provided training in Enterprise Risk Management.

Risk assessment addresses both the upside and the downside risks the Ministry might face over the next three years in attempting to meet its objectives. The following factors, including external factors, will influence the degree to which the Ministry achieves its objectives:

- Commodity price volatility;
- World economic growth, especially the growth of the United States economy;
- Economic fundamentals such as interest rates, exchange rates, etc.;
- First Nation issues;
- Land access restrictions;
- Concerns regarding the implementation of the Kyoto Protocol; and
- Geological and technical risks in resource development projects.

Highlights of Shifts and Changes from the Previous Plan

This plan is the Ministry's third three-year rolling plan.

The Ministry has added a new goal to the previous three goals, specifically, "To be an exemplary organization and a Ministry of choice as an employer in the British Columbia Public Service".

The Ministry's objectives are for the most part a continuation of the previous year's objectives with the exception that the objective of stimulating investor interest in British Columbia's clean energy sectors has been broadened and redefined to that of stimulating investor interest in British Columbia's electricity, clean and alternative energy and energy efficiency sectors. Under most objectives, new or re-focused strategies have been developed to address emerging opportunities and challenges.

Ministry performance measures and targets have been more clearly defined and in almost all cases are quantified in absolute rather than relative magnitudes. These changes are to provide more immediate and clear evidence of whether or not Ministry objectives are being met.

The Ministry's Mission, Vision and Core Values are revised to better reflect these fundamental aspects of the organization.

Finally, the Planning Context has been updated, as has the description of the consistency of the Ministry's new strategies with the updated Government Strategic Plan.

Consistency with Government's Strategic Plan

The Ministry of Energy and Mines Service Plan is in support of the Government's Strategic Plan. The Ministry's four goals are subsumed by the Government's first and third goals of:

- A Strong and Vibrant Provincial Economy; and
- Healthy Communities and a Sustainable Environment.

The following table describes how the Government-wide strategies and the Ministry's strategies are aligned to achieve these goals.

Government Strategic Plan	Ministry of Energy and Mines Service Plan Strategies
Government Strategy: Innovation and Economic Growth	
Work with the private sector to remove barriers to economic activity.	<ul style="list-style-type: none"> The Ministry is stimulating and facilitating opportunities in the energy and mining sectors; for example by identifying and removing barriers such as lack of infrastructure and uncertainty over resource ownership or access.
Implement a long-term economic development strategy for all regions of the province.	<ul style="list-style-type: none"> The Ministry will assist the Ministry of Small Business and Economic Development in the development and implementation of the provincial economic strategy by developing measures to improve the competitiveness of British Columbia's energy and mining sectors and improve access to resources.
Optimize the wealth-generating capacity of the provincial resource base.	<ul style="list-style-type: none"> The Ministry is a key revenue generator for the province, contributing nearly half of the Treasury's direct natural resource revenues. The Ministry's strategies are aimed at facilitating growth in the sectors for which it is responsible.
Increase mining exploration and development activity.	<ul style="list-style-type: none"> This is also a Ministry objective for which seven strategies are outlined above (see Goal 1, Objective 1).
Conclude treaty and other economic-related agreements with First Nations that promote investment certainty and increase access to Crown land and resources.	<p>The Ministry will:</p> <ul style="list-style-type: none"> Provide support to the Treaty Negotiation Office (TNO) on all treaty-related issues pertaining to energy and mineral resource management and governance. Assist TNO in addressing British Columbia Treaty 8 First Nation issues related to the oil and gas sector. Facilitate electricity, alternative energy, oil and gas and mineral developments by establishing working relationships and partnerships to enhance First Nation participation in the energy and mining sectors.
Expand partnerships with the federal government to promote economic growth and development in British Columbia.	<p>The Ministry will:</p> <ul style="list-style-type: none"> Engage federal and other governments in developing harmonized regulatory regimes for the energy and mineral sectors. Advance work with the federal government to return the Dominion coal blocks to provincial ownership and thereby enhance economic development prospects in the Crowsnest coalfield.

Government Strategic Plan	Ministry of Energy and Mines Service Plan Strategies
Government Strategy: Management of Government	
Promote and sustain a renewed professional public service.	<ul style="list-style-type: none"> The Ministry has a new human resources goal and objective with related strategies in this year's Service Plan (see Goal 3 above). The Ministry's strategies are to implement Employee Performance and Development Plans for all employees and update and implement a new Human Resources Plan consistent with best practices and linked to the Corporate Human Resources Plan.
All ministries will meet their budget and service plan targets.	<ul style="list-style-type: none"> A new system is being finalized to account for the incremental revenue generated by the Ministry from its various new oil and gas initiatives and projects. A new tracking system is being implemented to ensure service plan targets are met.
Continue to streamline government's legislation and regulation.	<ul style="list-style-type: none"> The Ministry is targeting a one-third reduction in regulatory requirements by June 2004. An "Energy and Mines — Beyond the Count" regulatory streamlining plan will be developed to achieve further significant and meaningful reductions in regulatory requirements.
Promote new and more effective ways to deliver services and infrastructure through alternative service delivery and partnership arrangements.	<ul style="list-style-type: none"> The Ministry participates in a shared services model for information technology, payroll, human resources and financial systems. The Ministry ensures staff is trained in all aspects of new shared service delivery models.
Expand public access to government through e-government initiatives.	<ul style="list-style-type: none"> As described in the Information Resource Management Plan in Appendix 2, the Ministry is developing Mineral Titles Online and Petroleum Titles Online, and updating systems to maintain its web-based public databases, e.g. MapPlace, MinFile. The Ministry is participating in the Ministry of Sustainable Resource Management's (MSRM) Integrated Land and Resource Registry Project.
Continue to expand one-stop permitting and licensing in key sectors.	<ul style="list-style-type: none"> MEM is working to support the Oil and Gas Commission to increase its efficiency and effectiveness during a time of record-level applications and activity. The Mines Branch continues to enhance and streamline its permitting and inspection functions.
Reform the province's Crown corporations to focus on efficient and effective service delivery.	<ul style="list-style-type: none"> The Ministry is working with the Crown Agencies Secretariat on streamlining and governance improvements for the Columbia Power Corporation, Columbia Basin Trust, Oil and Gas Commission and BC Hydro.

Government Strategic Plan	Ministry of Energy and Mines Service Plan Strategies
Government Strategy: Sustainable Resource Development	
<p>Expedite economic development by increasing access to Crown land and resources.</p>	<ul style="list-style-type: none"> • The Ministry is working with other Ministries to ensure certainty of access for our clients to energy and mineral resources, for example through the Conflicting Tenures Project. • The Ministry is participating in the process to develop Pre-tenure Plans for the Muskwa Kechika Management Area, which is being led by the Ministry of Sustainable Resource Management. The Pre-tenure Plans will establish where and under what conditions oil and gas companies can explore for and develop Crown resources.
<p>Promote resource investment opportunities within and outside of British Columbia.</p>	<ul style="list-style-type: none"> • An Investment Attraction Strategy is being developed for the oil and gas, mining and electricity and alternative energy sectors.
<p>Develop market-based pricing regimes which include fair value for the province's land and resources.</p>	<ul style="list-style-type: none"> • The Ministry has in place market-based pricing regimes that ensure fair value for the province's resources for all its resource revenue collection mechanisms.
<p>Implement the government's energy policy to ensure secure and reliable energy supplies, more investment opportunities for the private sector and environmentally responsible energy development and use.</p>	<ul style="list-style-type: none"> • The Ministry is implementing the Energy Plan and developing a "report card" to track progress and recommend improvements. • New strategies are being implemented to promote investment in British Columbia's electricity, energy efficiency and alternative energy sectors. A baseline investment measure will be developed to track an investment growth target of 10 per cent per year for each of the next three years.
<p>Develop partnerships with industry and other stakeholders to provide opportunities for more effective, efficient and innovative management of Crown land and resources.</p>	<ul style="list-style-type: none"> • The Ministry is open to working with industry, aboriginal and non-aboriginal communities on new models for energy and mineral resource management. • The Ministry is leading the development of a Public Private Partnership to maintain and upgrade the Sierra-Yoyo-Desan Road, the primary access route into the richest area of known oil and gas reserves in northeast British Columbia.
<p>Ensure that Crown land and resource decisions are informed by First Nations.</p>	<ul style="list-style-type: none"> • The Ministry and the Oil and Gas Commission consult with First Nations on all energy and mineral resource decisions for which they are responsible.
<p>Improve economic development opportunities for First Nations.</p>	<ul style="list-style-type: none"> • The Ministry works on a project-by-project basis with industry proponents and First Nations communities to improve the economic viability of energy and mining projects and the communities' associated benefits.

Government Strategic Plan	Ministry of Energy and Mines Service Plan Strategies
Government Strategy: Sustainable Resource Development (<i>continued</i>)	
Determine the future direction of offshore oil and gas development.	<ul style="list-style-type: none"> • The Offshore Team is implementing its work plan that includes defining potential offshore exploration areas, establishing mechanisms to include First Nations and coastal communities in offshore development plans and negotiating a management regime with the federal government, First Nations and tenure holders.
Implement new outcome-based legislation for mineral exploration and forest practices.	<ul style="list-style-type: none"> • The Ministry is implementing streamlined regulatory requirements for low impact mineral exploration activities.
Government Strategy: Environmental Protection and Safety	
Implement made-in-British Columbia strategies to address issues associated with greenhouse gases, climate change and biodiversity.	<p>The Ministry will:</p> <ul style="list-style-type: none"> • Promote the Energy Plan goal of 50 per cent of new electricity demand being supplied from clean sources over the next ten years; • Encourage investments in energy conservation and efficiency through new electricity rate structures and other regulatory amendments; • Support an industry-led advisory group preparing a strategy to ensure BC remains a leader in development of hydrogen and fuel cell technology; • Encourage conservation, energy efficiency and alternative energy; • The private sector and research community will be enlisted to develop technology roadmaps for cleaner hydrocarbons, waterpower, hydrogen and fuel cells, and bio-energy; • Review energy efficiency standards for buildings and equipment; • Explore alternatives to diesel generators and fuel oil use in BC's remote communities; and • Work with the Ministry of Water, Land and Air Protection on a provincial strategy to manage biodiversity.
Implement the two-zone system for subsurface resource exploration and development.	<ul style="list-style-type: none"> • The Ministry continues to work with the Ministry of Sustainable Resource Management in the implementation of this system.

Government Strategic Plan	Ministry of Energy and Mines Service Plan Strategies
Government Strategy: Environmental Protection and Safety <i>(continued)</i>	
Implement a streamlined, science-based, results-oriented regulatory approach to protect human health and the environment and ensure effective enforcement.	<ul style="list-style-type: none"> • In collaboration with stakeholders, the Ministry has revised the “Health, Safety and Reclamation Code for Mines in British Columbia” to make it results-based and streamlined. The new Code is now being implemented.
Establish workable relationships with First Nation communities.	<ul style="list-style-type: none"> • The Ministry is negotiating and implementing economic measures and other agreements to assist First Nations’ participation in the energy and mining sectors in British Columbia.

Appendix 2. Summary of Related Planning Processes

Information Resource Management Plan

Introduction

In order to effectively carry out its mandate, the Ministry of Energy and Mines is committed to the provision of expanded Internet services. Adherence to government-wide standards ensures implementation of these services is based on best practices principles.

Strategic Directions

The Ministry of Energy and Mines has adopted the following strategies:

- Be proactive in seeking opportunities for cost reduction through collaborative technology sharing across provincial resource ministries and agencies;
- Implement web enabled service delivery, where feasible, to meet the public's and the industry's interest and need to access more information electronically;
- Ensure all Ministry employees are computer program knowledgeable and use Internet and Intranet technology;
- Review business processes to ensure services provided are consistent with client's requirements, and utilize electronic interfaces where appropriate;
- Continue to maintain servers and systems at Government standard level, wherever possible, and provide enhanced systems performance and functionality to support increasing demand for graphics intensive materials;
- Develop all new multi-user databases according to Government standards and Ministry requirements;
- Move ownership and management of certain specialized software licenses from branch responsibility to lead Ministry or the Ministry of Management Services;
- Take advantage of new field-based technologies (including wireless networking) for collecting and integrating spatially referenced geoscience field data; and
- Place copies of geoscience and mineral exploration reports on the Ministry's website for client use in planning exploration investments.

Major Projects

Mineral Titles Online: The Ministry's Core Review identified a need to move to a new corporate approach to service delivery that will reduce program costs and modernize the mineral titles system. A component of this initiative is the replacement of the current "claim staking" with Map Selection" as the standard method for allocating all mineral and placer rights in the Province. The Ministry's Titles Division is developing a new Mineral Titles Online (MTO) business process that will manage attribute and spatial data including a new automated system to register and to manage mineral titles based on a Map Selection process.

Petroleum Titles Online: As part of government's objective to supply efficient service to the oil and gas industry and the public, the Ministry is streamlining its processes for making oil and gas rights available for exploration and development. Ministry petroleum and natural gas tenure maps and data will be available online which will enable interested parties to submit requests through the internet for parcels of oil and gas rights to be offered for competition at any of the Ministry's oil and gas rights sales.

WEB Portal Project: The Government Portal project will require the conversion or rewrite of a large number of web pages. This project has commenced with a review of all Ministry applications to determine which should be delivered via the portal.

Assessment Report Indexing System (ARIS): The Mineral Titles Online system is expected to impact the ARIS system. ARIS needs to be rewritten to comply with government database standards, accept and manage digital assessment report files, and be integrated with Mineral Titles Online. The cost and source of funds for this work has not yet been identified. This is a large project, with an expected duration of one to two years.

Integrated Registry: The integrated information projects spearheaded by MSRM may provide the framework required to replace several aging legacy systems. The key projects requiring rewriting under this initiative are MINFILE (12,000 record database of mineral deposits), MapPlace and the Aggregate Inventory (system to manage aggregate information).

Notices of Work (NOW): In keeping with the Ministry's intent to maximize service delivery via the Internet, development of front end access via the Internet to the NOW system is planned for 2004/05.

Human Resources Management Plan

Overview:

The Ministry of Energy and Mines' Human Resource Management Plan will be the defining human resource document to guide us in the achievement of our goals and support the outcomes of the Ministry Service Plan and the Government's Strategic Plan. Goal Number 3 in the Service Plan states: To be an exemplary organization and a Ministry of choice as an employer in the British Columbia Public Service. Our strategies to meet this goal include the implementation of Employee Performance and Development Plans for all employees and the undertaking of a consultative and collaborative approach for the development and implementation of the new 2004/05 – 06/07 Human Resource Plan, with clear links to the Corporate Human Resource Plan. We recognize that our staff remains our most valuable resource and their expertise, knowledge and commitment are critical to our overall success. Our new Human Resource Plan will be a three-year plan and will embrace the Corporate Vision and Values and enable the ministry to address issues such as leadership, succession planning, recruitment and recognition.

