

**Ministry of
Energy, Mines and Natural Gas
and Minister Responsible for Housing**

**2013/14 – 2015/16
SERVICE PLAN**

February 2013



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Message from the Minister and Accountability Statement



Since its early days as a province, British Columbia has relied on natural resources to power its economy. Strategies for natural gas, liquefied natural gas, and for mineral exploration and mining, released in 2012, aim at boosting this traditional advantage, to the benefit of all British Columbians.

British Columbia's Natural Gas Strategy and Liquefied Natural Gas: A Strategy for B.C.'s Newest Industry were launched February 3, 2012. Liquefied natural gas projects on British Columbia's northwest coast could add more than \$1 trillion to the province's Gross Domestic Product over the next 30 years. Between 2013 and 2022, tens of billions of dollars are projected to be invested in liquefied natural gas projects in British Columbia, requiring significant

numbers of skilled workers during construction and to support ongoing operations. The liquefied natural gas strategy aims for three operating facilities by 2020. These projects will diversify B.C.'s markets in natural gas, as well as take advantage of much higher natural gas prices in the Asian markets than in North America. Major global and domestic industrial interests are partnering on projects of such magnitude that British Columbia's emerging liquefied natural gas industry has the potential to be the game changer that can transform our economy and generate a lasting legacy.

This diversification into markets with higher returns is particularly important in light of historically low North American natural gas prices over the last year, causing government revenue to fall significantly. British Columbia's developing ability to sell this important resource to new, more lucrative markets will add long-term stability to the provincial economy. In the fall of 2012 the Government announced a new installment of the infrastructure royalty credit program to support the capital needs of the province's upstream natural gas industry. Development of the 21 projects in northeast British Columbia resulting from the \$120 million program will generate more than \$260 million in new capital spending and create 1,600 construction jobs.

Mineral exploration and mining form another critical part of British Columbia's natural resources heritage, and these activities continue to make strong contributions both to government revenues and the provincial economy. More than half of Canada's mineral exploration companies are based in Vancouver, and 2011 was a record year in terms of the production value of the B.C. mining industry. To build on this success, on May 16, 2012, the government released *British Columbia's Mineral Exploration and Mining Strategy*. The strategy outlines six key steps to increase investment, expand job creation, develop new economic opportunities, protect the environment and build a better quality of life for future generations. By developing eight new mines and expanding nine existing ones by 2015, British Columbia will create 5,000 new direct and indirect jobs. These new and expanded mines will bring in more than \$150 million annually in government revenue. *Canada Starts Here: The BC Jobs Plan*, released in 2011, committed to reducing the backlog of mineral exploration permits, and the Ministry is well ahead of its target.

Liquefied natural gas facilities and mines require considerable amounts of power. An amendment to the *Clean Energy Act* approved by the legislature in the Spring of 2012 allows for the greater use of gas-fired electricity by liquefied natural gas projects. New electricity transmission infrastructure in the northwest region will help meet that commitment.

The Northwest Transmission Line will open new areas to mining, while allowing northwest communities currently relying on diesel generators to switch to cleaner electricity. When completed in 2014, it will also provide a secure interconnection point for clean generation projects. The Dawson Creek/Chetwynd Area Transmission Project, also expected to be finished in 2014, will serve the South Peace region, benefitting the regional economy by making clean power available to natural gas and other industrial customers, as well as residents.

The Ministry plays a major role in housing British Columbians. The Residential Tenancy Branch supports successful tenancies by providing information to landlords and tenants about their rights and responsibilities and provides a dispute resolution process that balances the needs of both groups. In 2012 a new Building Code, Plumbing Code and Fire Code were released, which describe standards for health, safety, accessibility and the fire and structural protection of buildings in British Columbia.

Providing housing and supports to those in greatest need are key priorities of the provincial housing strategy, *Housing Matters BC*. Almost 100,000 B.C. residents benefit from provincial housing programs. Through strong partnerships with local governments and community organizations, the Ministry continues to help increase the available housing options.

The Ministry remains committed to managing the liquor and gaming industries to protect the public interest and ensure public safety. It continues to enforce the requirement that liquor licensees and staff do not serve or sell liquor to minors. The Ministry is also working with the gaming industry to prevent criminal attempts to legitimize illegal proceeds of crime in gaming facilities in the province.

The Ministry of Energy, Mines and Natural Gas and Minister Responsible for Housing's 2013/14 - 2015/16 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.



Honourable Rich Coleman

Minister of Energy, Mines and Natural Gas and Minister Responsible for Housing
February 7, 2013

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Purpose of the Ministry

The Ministry of Energy, Mines and Natural Gas is the key provincial ministry responsible for British Columbia's energy and mining sectors, which comprise public and private interests that explore for, develop and use oil and gas, electricity, clean or renewable energy (biomass, biogas, geothermal, hydro, solar, ocean, wind or any other alternative energy resource), coal, minerals, and renewable and low carbon fuels. Through teamwork and positive working relationships with its clients, the Ministry facilitates B.C.'s thriving, safe, environmentally responsible and competitive energy and mining sectors to create jobs and economic growth in communities. In developing energy and mining sector policies, legislation and guidelines, the Ministry consults with other ministries and levels of government, energy and mining companies, First Nations, communities, environmental and industry organizations, and the public.

A key component of the Ministry's mandate is to develop tenure, royalty and regulatory policy for British Columbia's oil and gas industry, thereby promoting the effective and environmentally responsible management of the province's oil and gas resources. The Ministry provides a range of oil and gas related services, including the issuance of Crown subsurface resource rights, royalty programs, public geoscience and policies to address potential future resource opportunities, such as unconventional oil and gas resource development. The Ministry has created a Liquefied Natural Gas Task Force which is leading an inter-agency team to support the development of a new liquefied natural gas industry in British Columbia.

Working with its stakeholders, the Ministry develops policies, programs and legislation to maintain B.C.'s mining sector competitiveness and encourage investment in mineral exploration and mining in the province. The Ministry develops and delivers geoscience databases and surveys, and provides funding to other organizations to collect and publish geoscience information. The Ministry is responsible for permitting and inspecting major mining projects, promoting mineral exploration and providing assistance and advice to advance and support continued development of the sector.

The Ministry develops and oversees British Columbia's policies with regard to electrical power generation and transmission. It is responsible for initiatives that promote new energy technologies, energy efficiency and conservation, and alternative energy resources, including renewable and low carbon transportation fuels. The *Clean Energy Act* builds upon B.C.'s unique wealth of clean, renewable energy resources and sets the foundation for significant investments in clean, renewable energy across the province while keeping electricity rates affordable for British Columbians. Through the Innovative Clean Energy Fund, the Ministry is helping to invest in new technologies to respond to global energy and environmental challenges.

The Ministry strives to ensure that British Columbians have access to safe, affordable and appropriate housing through market and non-market housing policy and programs, building and safety policy and the development of technical codes and standards, and services for landlords and tenants. With regard to housing issues, the Ministry's stakeholders are the citizens of British Columbia and their representatives at all levels of government, First Nations, community groups, non-profit societies, schools, service organizations, businesses and industry associations. Key to the Ministry's success is its ability to maintain strong, collaborative relationships with stakeholders, partner agencies and other levels of government.



Camas Gardens, a supportive housing building near downtown Victoria, was constructed to high sustainability standards. The building's 44 units provide self-contained bachelor and one-bedroom apartments for individuals who are homeless or at risk of homelessness, including those who may be facing mental health or addiction challenges. The building is managed by Pacifica Housing, funded in part by BC Housing. Camas Gardens won the 2012 Canadian Wood Council BC Wood Design Award in the multi-family category.

The Ministry works with its stakeholders and partners on liquor licensing, enforcement and distribution, as well as gaming policy, regulation and enforcement, problem gambling programs, licensing of charitable gaming, and oversight of horse racing.

The Ministry is responsible for administering all or parts of 44 statutes pertaining to the energy, mining, gaming, liquor distribution and housing sectors, and has policy responsibilities under the *Utilities Commission Act*. The Ministry is responsible for the following six Crown Corporations: the British Columbia Hydro and Power Authority (BC Hydro), the Columbia Power Corporation, the Oil and Gas Commission, the British Columbia Housing Management Commission (BC Housing), BC Pavilion Corporation (PavCo) and the British Columbia Lottery Corporation. The Ministry also has responsibility for the Liquor Distribution Branch.

Strategic Context

British Columbia is in the fortunate position of having abundant energy and mineral resources as well as innovative, growing energy and mining sectors. B.C. also has robust buildings in which our citizens live, learn and work, supported by a vibrant construction and housing sector.

People, resources and technology combine to provide the energy and mineral products and services required by British Columbians and our export customers, create business and investment opportunities, and develop and market new products and technologies for energy production, use and conservation. The energy and mining sectors help to meet the daily needs of families and businesses, provide important inputs to industrial and manufacturing processes, and generate new jobs, investment and government revenue. The Ministry is committed to working with natural resource sector agencies, communities, First Nations, industry and environmental organizations to ensure that the continued growth, exploration and development of our energy and mining sectors and resources are socially and environmentally responsible.

The Economic Forecast Council estimates that British Columbia's real Gross Domestic Product (GDP) grew by 2.1 per cent in 2012 and projects that the rate of real GDP growth will remain at 2.1 per cent in 2013, before increasing to 2.5 per cent in 2014. Risks to British Columbia's economic outlook include a return to recession in the US; the European sovereign debt crisis threatening the stability of global financial markets; slower than anticipated economic growth in Asia dampening demand for BC exports; and a weakening of the US dollar disrupting the financial markets and raising the cost of BC exports abroad.

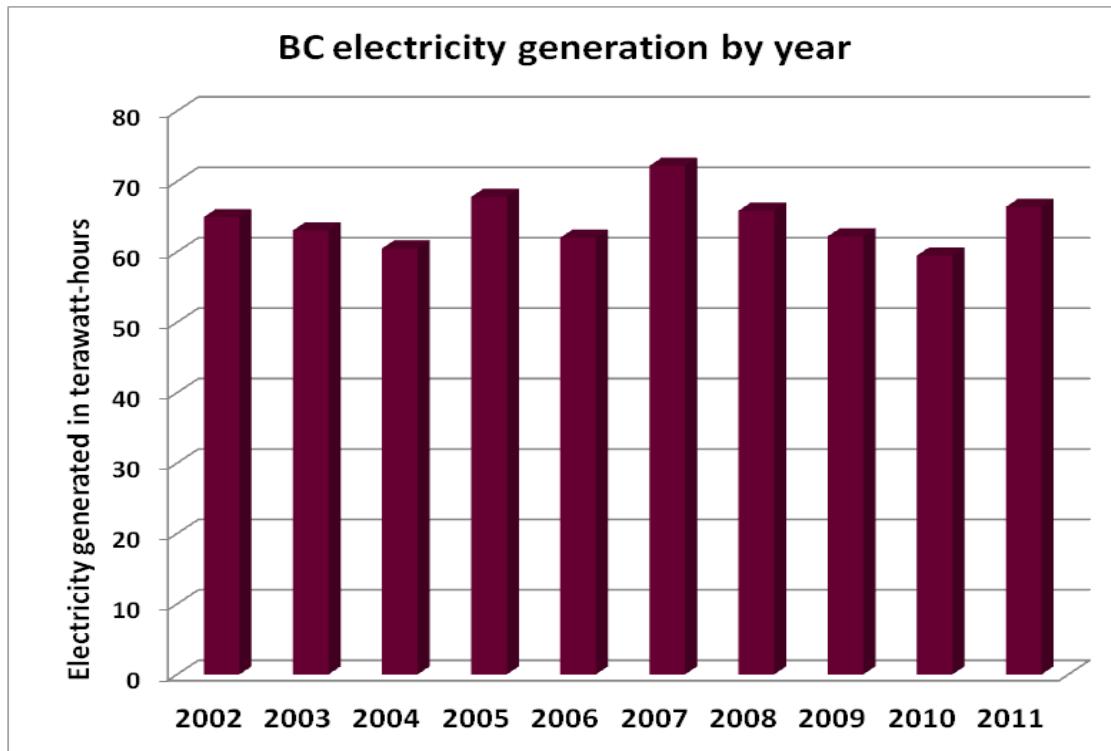
Keeping British Columbia's electricity prices affordable is a government priority. BC Hydro has provided relatively low-cost power to the citizens of B.C. for over 50 years, thanks to the Province's heritage assets, which include historic electricity facilities such as the major dams on the Peace and Columbia Rivers. The establishment of the Heritage Contract ensures that B.C. ratepayers continue to benefit from the low-cost electricity generated by these assets. The British Columbia Utilities Commission sets domestic rates based on costs.

Increasing demand for electricity, changing patterns of use and an aging infrastructure require attention. BC Hydro is planning a \$6 billion capital program including:

- The Interior to Lower Mainland transmission expansion project—a 250 km 500 kV transmission line along the existing right-of-way between Merritt and Coquitlam. This \$700 million project is the largest transmission project in the last 30 years.
- The \$222 million Dawson Creek/Chetwynd Area Transmission Project will provide reliable power to the South Peace region, which has a greater demand for electricity than any other region of the province.
- Smart Transmission Grid and Meters will improve reliability, outage detection and reduce electricity use, while delivering net benefits to ratepayers. The \$900 million project is underway and nearing completion.
- The Ruskin Dam and Powerhouse \$700 million upgrade is underway and is expected to be completed by 2018. The 80-year-old facility is in need of a major upgrade.

- Operating since 1947, the John Hart dam needs to be replaced. Construction of this \$1.1 billion project is expected to begin in 2013 and will address seismic, reliability, and both fish and fish habitat concerns.
- The installation of two additional turbines in existing turbine bays at Mica Generating Station is underway. The \$700 million project will provide 1,000 MW of capacity. The target in-service date for the 5th turbine is October 2014; the 6th turbine the following year.

The 2010 *Clean Energy Act* set the policy framework for the future of electricity self-sufficiency, job creation and reduced greenhouse gas emissions in B.C. In 2012, the Province's electricity self-sufficiency definition was changed by: (i) an amendment to the *Electricity Self-Sufficiency Regulation* under the *Clean Energy Act*, to reflect average water levels rather than critical water levels; and (ii) repealing the requirement in the *Clean Energy Act* for BC Hydro to provide, by 2020, 3,000 gigawatt hours of “insurance” electricity. This approach protects B.C. ratepayers and ensures the development of sufficient new power to meet our needs, while avoiding overbuilding to supply a U.S. market which currently does not require the power.



Data Source: Ministry of Energy, Mines and Natural Gas, using data from *Selected Economic Statistics*, June 2012, BC Stats. Note: 1 terawatt-hour = 1,000 gigawatt-hours. Generation is by calendar year.

Due to the heightened awareness of the need to address climate change, consumers continue to focus on reducing their energy consumption, improving energy efficiency, and supporting cleaner energy supply options. By reducing their consumption and choosing cleaner fuels, British Columbians can reduce their greenhouse gas emissions. B.C. has the opportunity to harness its significant renewable energy resources and become a clean-energy powerhouse. Both electricity and natural gas have the potential to help people in B.C. and other jurisdictions reduce their carbon emissions.

The Ministry's three sector strategies, for natural gas, liquefied natural gas, and mineral exploration and mining, all directly support *Canada Starts Here: The BC Jobs Plan (BC Jobs Plan)*.

The challenges and opportunities in B.C.'s natural gas industry and the Province's initiatives to address them are outlined in *British Columbia's Natural Gas Strategy* released in February 2012. B.C.'s estimated natural gas resources are substantial. Despite relatively low North American natural gas prices, production levels have been maintained in the B.C. portion of the Western Canadian Sedimentary Basin. Future growth is expected to come from significant investment to develop the Province's large shale and tight gas deposits, such as in the Montney and Horn River areas of Northeast B.C.



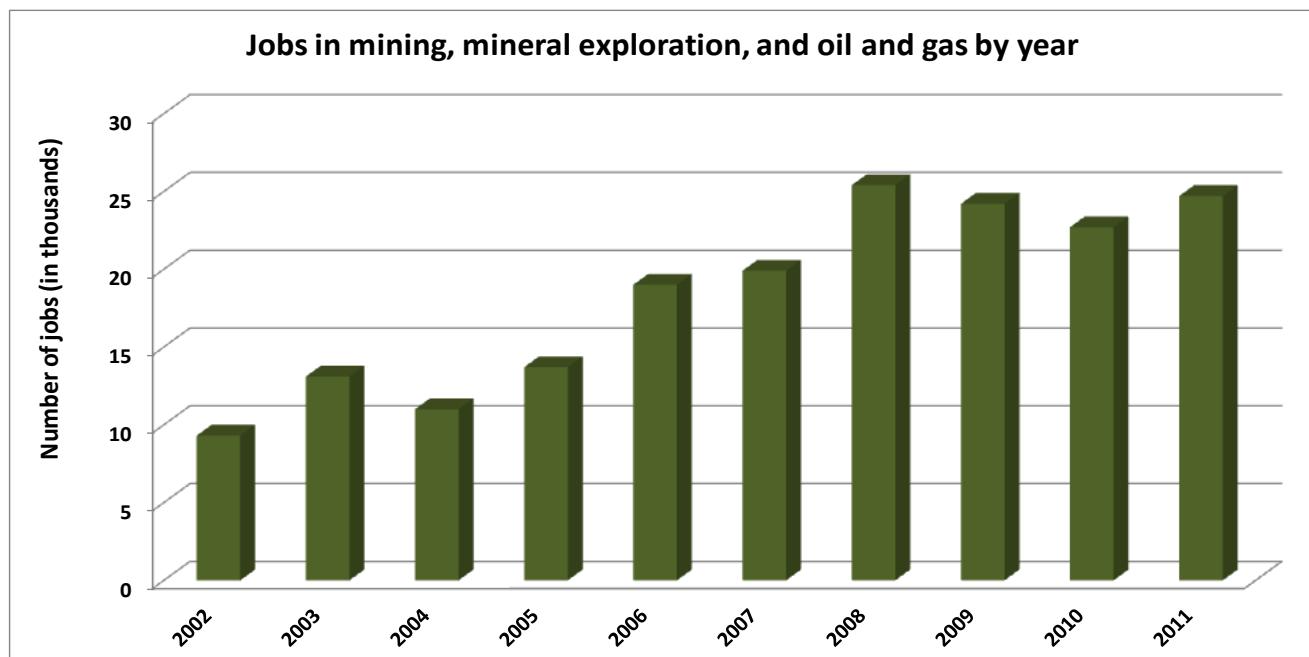
An exploration rig drilling a shale gas well in the Kiwigana area of the Horn River Basin, in northeast B.C. This rig is powered by natural gas, an example of industry efforts to reduce emissions and the overall footprint of development.

As described in *Liquefied Natural Gas: A Strategy for B.C.'s Newest Industry*, the development of liquefied natural gas export capacity in B.C. to access stronger markets in Asia is critical to sustaining the growth of B.C.'s natural gas industry. This is a unique opportunity for B.C. and timing is critical, with more than 100 proposed liquefied natural gas export projects competing globally. British Columbia's strong competitive position has attracted investment interest from around the globe, including international energy companies such as: Shell and partners PetroChina, Korea Gas and Mitsubishi (LNG Canada partnership); CNOOC and the Nexen/Inpex partnership; BG Group and its pipeline partner Spectra Energy; Apache Canada and partner Chevron Canada (Kitimat LNG); the LNG Partners and Haisla Nation; and the PETRONAS/Progress Energy Resources initiative (Pacific Northwest LNG). In addition there are several industrial interests from the Asia Pacific region and from Canada. Liquefied natural gas provides an abundant, lower carbon fuel than coal or oil for

electricity generation and transportation. Also, British Columbia's liquefied natural gas can have lower lifecycle greenhouse gas emissions than anywhere else in the world with the potential to use B.C.'s clean electricity to power liquefied natural gas plants.

Since the BC Jobs Plan was launched in September 2011, two liquefied natural gas proponents have received 20-year export licences from the National Energy Board. In February, 2013, the National Energy Board granted a third export license for 25 years to the LNG Canada partnership for their large export proposal. The economic prospects of this proposed facility are significant and will create thousands of jobs for British Columbians. The Coastal Gas Link Project will develop approximately 700 kilometres of pipeline to link Montney Basin, near Dawson Creek, to Kitimat.

The Government, BC Hydro and several liquefied natural gas proponents are negotiating power supply arrangements. The requirement for 93 per cent clean or renewable electricity supply was amended by regulation July 24, 2012, in order to exempt gas-fired electricity used to liquefy natural gas and create a more competitively-priced power portfolio. Since electricity supply agreements could have a material impact on B.C.'s future power needs, BC Hydro is now required to submit its Integrated Resource Plan¹ in August 2013.



Data Source: Ministry of Energy, Mines and Natural Gas, using data from BC Stats. The jobs are in oil and gas extraction; mining and mix mining; and support activities for mining, oil and gas extraction. The numbers of jobs are annual averages, and data is for calendar years.

British Columbia is Canada's largest producer of copper and its largest exporter of metallurgical coal. B.C.'s mining sector is a key economic driver: the value of commodities produced by B.C. mines grew to approximately \$8.6 billion in 2011, a 20 per cent increase from the previous year. There are currently ten coal mines in operation, nine metal mines, 30 industrial mineral mines, and more than 50 construction aggregate mines. Together, they directly employ 12,500 British Columbians. Due to

¹ The Integrated Resource Plan specifies BC Hydro's plan for conservation and for acquiring sufficient generation and transmission facilities to meet customers' anticipated future electricity needs, reliably and cost-effectively.

increased demand for B.C.-produced minerals and coal on world markets, both mining company revenues and provincial mineral tax revenues are expected to continue to increase.

The *BC Jobs Plan* committed to the opening of eight new mines and the expansion of nine existing mines by 2015. In 2012, one mine began production and four were under construction. Five mine expansions have been permitted since the *BC Jobs Plan* was released. The increased mining activity provides jobs and economic opportunities in B.C.'s rural communities.

The Copper Mountain Mine outside Princeton is now fully operational, employing 270 people full time. The New Afton Mine near Kamloops opened in September 2012 and employs over 400 people, including more than 100 BC Aboriginal Mine Training Association candidates. New Afton is expected to yield an average of 85,000 ounces of gold and 75 million pounds of copper annually over its 12-year life. At the Mount Milligan mine site, northwest of Prince George, 1,000 jobs were created at the peak of construction in the summer of 2012, and once it is fully operational, the mine will provide 400 full-time jobs over its 15-year expected life. Smaller mines are also planned or under construction, such as the Treasure Mountain silver, lead and zinc mine, which received its *Mines Act* permit in May 2012. While mine developments result in significant numbers of high-paying jobs and substantial, long-term capital investments, mining uses less than one half of one per cent of the provincial land base, and over 20,700 hectares of former mines have been reclaimed.

The Government is playing a key role in facilitating investment in B.C. mines, mineral exploration, oil and gas, and liquefied natural gas projects through trade and investment missions to Asian countries such as Japan, Korea, China and India. The Ministry produces publications and is committed to leading-edge technologies in support of these efforts. British Columbia, in particular Vancouver, is the centre of one of the world's largest pools of international expertise in geology, mine engineering, project financing, and environmental sustainability.

The British Columbia government regulates and monitors the liquor industry to protect the public from the harm that may be caused by illegally making and selling liquor or products that contain alcohol. Through the *Liquor Control and Licensing Act* and its regulations, and by requiring anyone who holds a liquor licence to meet strict terms and conditions, the government works to prevent under-age drinking, the over-consumption of liquor, overcrowding or unsafe conditions in restaurants, bars and pubs, the misuse of non-beverage products containing alcohol, and to minimize the potentially negative impact of liquor sales on neighbourhoods and communities.

The housing needs of the vast majority of British Columbians are served through the private market. Recognizing the importance of the planning and land use tools they have, local governments are increasingly innovative and involved in affordable housing, looking for greater diversity in housing type and form. The Ministry is working with local government and other key stakeholders to develop initiatives to increase the supply of small, low-cost housing. With approximately one million British Columbians now living in strata properties, and with stratas making up more than half of new residential construction, the need to ensure effective strata regulation and self-governance is increasingly essential.

Ministry continues housing support programs

Providing housing and supports to those in greatest need are key priorities of the provincial housing strategy, Housing Matters BC. Since 2006, the B.C. government has doubled the number of provincially subsidized apartments and shelter spaces available for the homeless and those at risk of homelessness. There are 1,600 year-round emergency shelter spaces available, extreme-weather shelters that open during the cold winter months and more than 2,200 new supportive housing units being built through partnerships with local governments.

"Since the release of our housing strategy in 2006, we've been able to provide thousands of people with chances to stabilize and rebuild their lives. This would not have been possible without the help of numerous partners who share our commitment for providing new opportunities and hope when it's needed most."— Rich Coleman, Minister Responsible for Housing

About 98,900 households throughout B.C. are likely to receive subsidized housing assistance in 2013/14. This accounts for approximately six per cent of all housing in the province and includes 26,870 low-income households receiving rental assistance in the private market. In 2010, the building construction sector in B.C. accounted for approximately 2.9 per cent of Gross Domestic Product and 4.7 per cent of employment in the province. Inconsistent application of building codes and standards increases the cost of construction, reducing housing affordability.

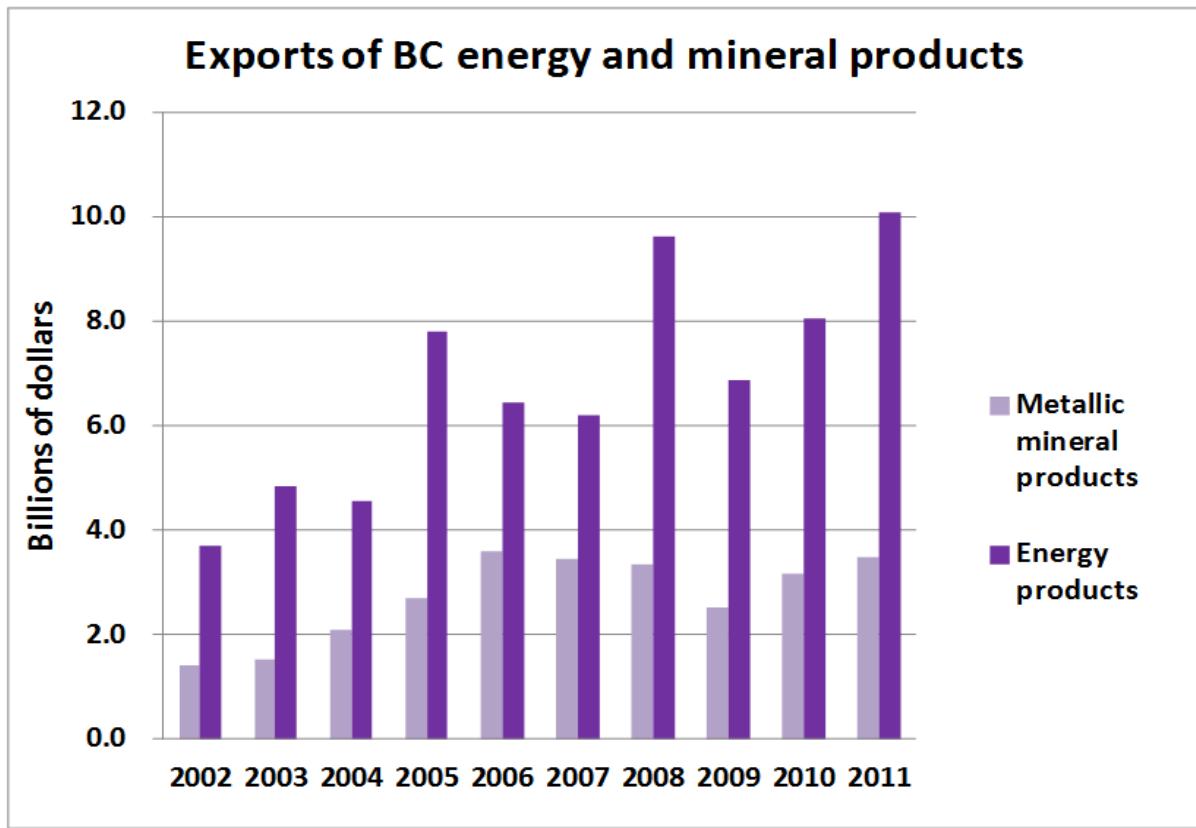
The Ministry annually assesses external factors and the risks and opportunities associated with the factors described above as part of its strategic planning process. As risks and opportunities are identified, they are managed and/or mitigated by the Ministry through a range of strategies so that the Ministry's goals and objectives can be achieved. The following paragraphs discuss external factors that may affect the Ministry's operations in the coming year and how these are being managed.

Competitiveness - Investment dollars move readily around the globe to the jurisdictions that provide the highest net return for given levels of risk. The Ministry monitors changes in British Columbia's competitiveness as compared to other jurisdictions and implements strategies to maintain its competitive position and investment attractiveness. The Ministry continues to streamline and update legislative and policy frameworks to minimize the regulatory burden while maintaining environmental protection. Public geoscience data, maps and other studies, generated by the Ministry and Geoscience BC, provide key information that allows natural gas and mineral exploration companies and prospectors to target areas for investment in B.C.

Skilled Workers - In the last decade, the rapid expansion of B.C.'s energy and mining sectors has resulted in a growing number of permanent, high-income employment opportunities for British Columbians. The mining sector alone is expected to have 10,000 job openings by 2020, including those in key occupations such as machinery and transportation equipment mechanics, primary production workers and vehicle drivers. One of the challenges facing resource-based industries today is attracting young people into their workforces as the average age of the workforce increases. The *BC Jobs Plan*, *British Columbia's Natural Gas Strategy* and *British Columbia's Mineral Exploration and Mining Strategy* outline approaches to skills training and labour which focus on attracting,

developing, retaining, and educating individuals for employment opportunities in the province's resource sectors. As building construction becomes increasingly complex, there is a need to train and retrain the workforce to keep pace with innovation, new technologies and new building code requirements.

Energy and Mineral Commodity Markets - British Columbia sells large and growing volumes of energy and mineral products in global commodity markets, which are subject to price and demand fluctuations. In 2011, the province exported a total of \$13.6 billion worth of energy and metallic mineral products, which amounts to 41 per cent of all B.C. exports. These exports boost the provincial economy, bringing additional jobs, investment and government revenue. British Columbia will remain a significant supplier of natural gas to North American markets and is directly supporting expansion of its market access to Asia through the development of a liquefied natural gas industry. The Ministry faces a timing risk to bring liquefied natural gas projects on line by 2020, as 2015 – 2020 is a critical window for development to meet Asian demand. The Ministry continues to promote exploration and development of shale and tight gas resources that are the feedstock for both domestic and export natural gas supplies.



Data Source: Ministry of Energy, Mines and Natural Gas, using data from BC Stats. Data is by calendar year. Notes:

(i) Metallic mineral products include: copper and molybdenum ores and concentrates; and unwrought aluminum and zinc. It does not include fabricated metal products or coal. (ii) Energy products include natural gas, coal, electricity and petroleum products.

First Nations in Energy and Mining - Increased collaboration between First Nations and mineral exploration, mining, oil and gas, and energy companies is resulting in benefits for all parties. For First Nations there are jobs, contracts and resource revenue-sharing opportunities. The new First

Nations Clean Energy Business Fund provides resource revenue sharing for impacted First Nations from new private clean and renewable electricity projects, as well as capacity and equity funding.

New arrangements with First Nations continue to be pursued, to enable opportunities in Aboriginal communities and to provide regulatory certainty for proponents. A recent example is the agreement reached in 2012 among Canada, B.C. and the Haisla First Nation for the Kitimat LNG project, to be located on a Haisla reserve at Bish Cove in the Douglas Channel. The agreement and accompanying regulation under the federal *First Nations Commercial and Industrial Development Act* enables clear application of provincial law to apply on the Haisla reserve so that the LNG facility may be regulated, primarily by the provincial Oil and Gas Commission, in a similar way to other projects in B.C. Northwest B.C. First Nations are generally supportive of the development of a liquefied natural gas export industry in B.C., which holds significant economic development opportunities for First Nations. Fifteen First Nations have endorsed an economic agreement with the province in support of the Pacific Trails Pipeline that will transport natural gas to the Kitimat LNG project.

In addition, the Province has signed economic and community development agreements with both the McLeod Lake Indian Band and the Nak'azdli First Nation for the Mount Milligan mine (located between Mackenzie and Fort St. James), and with the Skeetchestn (Skeet-che-sen) Indian Band and the Tk'emlups (Kamloops) Indian Band (which together compose the Stk'emlúps-cemc of the Secwepemc Nation) for the New Afton mine near Kamloops. The Province is currently in discussion with a number of other First Nations about possible economic and community development agreement opportunities.

Project Assessments - In July 2012, the federal government amended the *Canadian Environmental Assessment Act* in a number of important ways. These amendments include: new “start-to-finish” timelines; the introduction of new compliance functions; and a requirement that the federal government issue a federal “decision statement” at the conclusion of each environmental assessment. British Columbia is actively pursuing the goal of “one project, one environmental assessment” with the federal government, with the aim of reducing duplication and overlap while increasing certainty and predictability, and maintaining rigorous environmental standards. In addition, the Ministry is developing an agreement with Canada that will address any regulatory overlaps that pertain to liquefied natural gas plant operations on federal port lands in Prince Rupert. The goal is to have regulatory and environmental assessment certainty for liquefied natural gas proponents, government agencies and the public.

Housing Affordability - B.C. has the least affordable housing in Canada. Rental accommodation and home ownership present particular challenges for low to moderate income families with children. Historically, high demand and a lack of purpose-built rental accommodation have contributed to low vacancy rates and high rents in B.C. Recently, however, rental vacancy rates have increased as a result of individuals moving from apartments in purpose-built rental buildings to other forms of housing, including homeownership, investor-owned condominiums and secondary suites.

Demographic Shifts - Innovative forms of housing are required to meet population changes including the aging population (accessibility and support service requirements/aging safely); declining average household size; the growth of immigrant populations; and a rapidly growing Aboriginal population.

Aboriginal Housing - The Provincial Government recognizes the continued need for appropriate off-reserve Aboriginal housing. A disproportionate number of Aboriginal households are in need of safe, well constructed housing. Aboriginal persons continue to be overrepresented in the homeless population, and underrepresented among British Columbian homeowners. The Province acknowledges the importance of working in partnership and meets regularly with federal and First Nations partners.

Growing Importance of Condominiums - Due to the scarcity and high cost of developable land and the increasing number of smaller households, more than half of newly built housing in B.C. is strata titled. Multifamily construction also supports higher urban densities and more viable public transit systems.

Construction Sector Innovation - The building regulatory system needs to be more flexible and responsive to the rapid pace of construction innovation and the emergence of new products and technologies. This will increase productivity in the construction sector, leading to improved standards and housing affordability, while enhancing provincial objectives relating to health, safety and energy efficiency.

Modernizing Liquor Regulations

The B.C. government is modernizing liquor regulations – providing industry with additional flexibility while ensuring measures remain in place to keep public safety a priority. Changes made during the 2012/13 fiscal year include:

Liquor in Theatres - Movie theatres and live-event theatres in B.C. can now apply for a licence to serve alcohol during the screening of a film when no minors are present.

Corkage – Bring Your Own Bottle - Restaurant patrons wanting to bring their own wine into a licensed dining establishment may now do so at participating restaurants, giving the restaurant industry more flexibility in terms of the services it can offer its customers.

Licensing Caterers - New legislation will allow dedicated catering businesses and existing licensed establishments – such as restaurants, hotels and conference centres – to apply for a licence to serve liquor at catered events. This expansion of services will make it easier for clients to have liquor service at catered events, which will not only help support the hospitality industry, but also strengthen B.C.’s tourism appeal.

Importing Canadian Wine - BC residents are now allowed to have an unlimited amount of 100 per cent Canadian wine for their personal use shipped directly to their homes from a recognized winery in another province. Also, BC residents returning from another Canadian province can bring back on-their-person up to nine litres of wine of any origin, three litres of spirits, and a combined total of 25.6 litres of beer, cider or coolers for personal consumption.

Gaming - The increasing complexity of gaming poses new regulatory and enforcement challenges. For example, the introduction of casino-style games offered over the Internet, as well as gaming on mobile devices, mark a significant milestone in the evolution of the gaming industry, requiring regulatory and enforcement practices to evolve along with the industry.

Resource Management Coordination

When Government's structure to manage Crown land and natural resources was reconfigured in the spring of 2011, it created an improved arena for coordination and integration. The ministries involved included: Aboriginal Relations and Reconciliation; Agriculture; Energy, Mines and Natural Gas; Environment; Forests, Lands, and Natural Resource Operations; and Jobs, Tourism and Skill Training. Under the direction of the Natural Resource Board, these ministries are making bold changes to service delivery in the natural resource sector. This sectoral approach promotes streamlined authorization processes and enhanced access to public services across the province. The reconfiguration facilitates more consistent engagement and consultation with industry, stakeholders, partners and clients. It also enhances inclusion of Aboriginal, economic and environmental considerations into decision making. The ministries are working together to make these improvements and meet the commitments of the *BC Jobs Plan*.

Ministry Commitment to Lean Processes

As of May 2012, Lean is the process improvement method used by all British Columbia ministries and agencies to improve customer service, build internal capacity and eliminate waste in the form of unnecessary rules, processes and non-essential activities. To implement a Lean culture of innovation, customer focus and continuous improvement, in 2012/13 the Ministry piloted three Lean projects to improve the business processes for natural gas royalty pricing, coal tenure application and residential tenancy dispute resolution. Lean information sessions and ongoing staff training will be offered in the coming years. The Ministry and its staff, with the help of the BC Public Service Agency, will continue to make Lean culture an integral part of the work environment.

Expenditure Restraint Measures

In support of Government's commitment to balance the budget by 2013/14, the Ministry has initiated expenditure restraint measures, including adhering to government-wide Managed Hiring Guidelines, travel restrictions, and other office and operating cost management measures to achieve efficiencies and savings. The Ministry is committed to meeting its approved budget without negatively impacting service levels.

Goals, Objectives, Strategies and Performance Measures

A wide range of Ministry strategies are being implemented to facilitate job creation, economic development and the well-being of communities throughout B.C. These strategies include Ministry initiatives in support of the *BC Jobs Plan*, as well as three strategies released in 2012: *British Columbia's Mineral Exploration and Mining Strategy*, *British Columbia's Natural Gas Strategy* and *Liquefied Natural Gas: A Strategy for B.C.'s Newest Industry*. The Ministry also continues implementation of the *Clean Energy Act*, and the *BC Energy Plan*. The Ministry's performance measures and targets are designed to support our goals.

The Ministry promotes the reliable and environmentally responsible exploration, development and production of oil and gas in B.C. Oil and gas industry investment in B.C. has a strong, positive economic impact, creating significant business and job opportunities in northern communities, and generating revenues to government that support health, education and other services for British Columbians. The Ministry is committed to ensuring B.C. maintains a competitive business environment to attract oil and gas industry investment by providing a modern regulatory framework, improvements to public and private infrastructure, and targeted royalty programs.

The Ministry regularly reviews the legislative, regulatory and policy frameworks associated with oil and gas, mining and alternative energy. As part of this, improving the effectiveness and timeliness of multi-agency federal and provincial reviews of proposed energy and mining projects is a high priority for British Columbia. For oil and gas, changes to the regulatory framework introduced new requirements that ensure exploration and development activities throughout the oil and gas sector are both planned and implemented in a manner that safeguards environmental values. For mineral exploration and mines, the Ministry maintains effective and efficient regulation of the sites through health, safety and environmental best practices.

The *BC Jobs Plan* highlights the importance of the mining sector to the B.C. economy and targets eight new mines to be in operation by 2015, and the expansion of at least nine existing mines. Investments such as the Northwest Transmission Line will facilitate the opening of new areas to mining by providing cleaner, affordable electricity in places where communities currently rely on diesel generators. With its vast reserves of coal, and both metallic and non-metallic minerals, and with the world's largest concentration of mining and exploration companies, B.C. is well positioned to benefit from the surging global demand for mined commodities.

The natural gas and liquefied natural gas strategies highlight the opportunity to develop the significant shale gas deposits in northeast B.C. for both North American and offshore markets. The Ministry is committed to working with First Nations and communities to reach the Province's goals of new investment, job creation, revenue generation and other economic opportunities.

The Ministry promotes development and use of alternative energy technology and energy efficiency measures to minimize waste, increase productivity and lower operating costs, while delivering a healthier living and work environment for British Columbians. The *BC Energy Plan* together with the *Clean Energy Act* foster the development of new, sustainable energy and technology industries. This will ensure more comprehensive and proactive approaches to energy issues in British Columbia for

the next 20 years, and support the delivery of a secure, reliable supply of affordable electricity that is produced in an environmentally responsible way.

There have been several changes in the performance measures for the *2013/14 – 2015/16 Service Plan*. One performance measure has been dropped: “Annual investment in electricity facilities.” The measure does not directly reflect performance for current government policies and programs, following the changes to the definition of electricity self-sufficiency.

Another performance measure, “Total energy savings achieved through electric utility and provincial conservation policies, programs and regulations,” has been replaced with an improved version, “Cumulative energy savings achieved each year through energy utility and provincial conservation policies, programs and regulations since 2007/08.” By reporting the cumulative energy savings each year rather than energy savings resulting exclusively from new initiatives, the measure more accurately reflects the impact of government policies, programs and regulations on the consumer and ratepayer. For more details, see the discussion section under the performance measure 7 heading.

Two other performance measures have been changed in name only. The name of performance measure 2 has been changed from “Number of operating mines with upgrades or expansions” to “Number of expansions to existing mines,” in order to better reflect the language of the *BC Jobs Plan*. The name of performance measure 6 has been changed from “Short term injury rate at B.C. mines” to “WorkSafeBC injury rate at B.C. mines,” in order to better reflect the data source.

Goal 1: Internationally competitive energy, mining and natural gas sectors that contribute to jobs and the economy

Objective 1.1: New energy and mineral resource projects that support the creation of family-supporting jobs in B.C.

Strategies

- Work with proponents of liquefied natural gas projects and other ministries to have at least three terminals and associated pipelines in operation by 2020.
- Work with First Nations, communities and Canada to ensure best practices are in place to guide marine traffic and the safe shipment of liquefied natural gas to export markets.
- Support the development of pipelines, roads and electricity infrastructure required for new mines, mine expansions and liquefied natural gas facilities. including the development of industrial land use plans for the Douglas Channel, Kitimat and Prince Rupert areas.
- Work with BC Hydro to ensure an adequate supply of clean electricity is available to support new investments in liquefied natural gas, upstream oil and gas, and mines.
- Continue to develop a coordinated, transparent permitting and approval process with clear timelines for all industrial projects, including natural resource development projects.

- Continuously improve geological and resource assessments for natural gas, geothermal, storage reservoirs, coal, minerals and aggregate through collaboration with industry, industry associations, and academic and research institutes.
- Work closely with the Ministry of Jobs, Tourism and Skills Training to ensure that skills gaps in the workforces of the oil and gas, and mineral exploration and mining sectors are identified and filled.

Performance Measures 1 and 2: Number of new and expanded mines

Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Number of new mines in operation	2	3	2	2
Number of expansions to existing mines	2	4	2	2

Data Source: Ministry of Energy, Mines and Natural Gas

Discussion

The annual targets support commitments in the BC Jobs Plan to have a total of eight new mines in operation and nine expansions to existing mines in place by 2015. The target for total ‘Number of expansions to existing mines’ remains at six for the two years 2012/13 and 2013/14; however, the year in which the expansions are forecast to occur has been adjusted. These changes are the result of the challenges in predicting the actual timing of mine expansions which are determined by various factors, including market conditions.

The responsibility for meeting the performance targets is shared jointly with the Ministry of Forests, Lands and Natural Resource Operations.

Objective 1.2: B.C. is positioned as an attractive jurisdiction for investment in the energy and mining sectors and related businesses

Strategies

- Contribute to trade missions and marketing initiatives led by the Ministry of Jobs, Tourism and Skills Training to attract investment in B.C. energy and mineral projects and business opportunities.
- Further establish B.C. as a recognized centre of excellence for energy and mining expertise, innovation and technology in collaboration with industry, post-secondary institutions, the federal government and provincial agency partners.
- Improve the competitiveness of B.C.’s energy and mining sectors by providing leadership, information, investing in infrastructure, and developing new policies, regulations and programs.
- Maintain B.C.’s competitiveness for investment in upstream natural gas development, and related liquefied natural gas export opportunities, by modernizing petroleum and natural gas tenure legislation, ensuring royalty programs remain highly competitive, supporting infrastructure development and facilitating efficient and timely regulatory review of proposed developments.

- Conduct energy and mining related geoscience research and technical assessments to promote industry investment.
- Work with the Ministry of Forests, Lands and Natural Resource Operations towards an average 60-day turnaround time for processing Notice of Work permit applications for mineral and coal exploration activities.
- The Province will continue to work with the federal government to develop a single, effective environmental review process, maintaining the highest standards while eliminating costly and time-consuming duplication.

Performance Measures 3 and 4: Annual investment in the oil and gas sector, and the mineral exploration and mining sector

Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Annual investment in oil and gas exploration and development ¹	\$4.0 billion	\$4.8 billion	\$5.3 billion	\$7.2 billion
Annual investment in mineral exploration and mines ²	\$2.2 billion	\$2.8 billion	\$2.4 billion	\$2.6 billion

¹ Data Source: Ministry of Energy, Mines and Natural Gas based on Canadian Association of Petroleum Producers data for previous years. Estimates provided by calendar year.

² Data Source: Ministry of Energy, Mines and Natural Gas based on calendar year survey results from Natural Resources Canada, Statistics Canada and PriceWaterhouseCoopers.

Discussion

Through its strategies to improve B.C.'s competitiveness, the Ministry continuously strives to attract long term investment in B.C.'s energy and mining sectors and related service industries. Such investment creates jobs and business opportunities throughout the province, which in turn contribute to the stability and well-being of B.C. communities. A key challenge to achieving investment targets is that the markets for energy and mineral commodities can be cyclical, as can the levels of investment in these sectors. Financial markets and currency fluctuations also affect investment levels. Streamlined processes for energy and mine project permitting and environmental assessment, along with the timely review of tenure applications, help to reduce risk and sustain investment levels.

Annual investment in oil and gas exploration and development consists of industry investment in acquiring resource rights, geophysical and geological surveys, exploration and production wells, pipelines, development roads and processing plants. Investment in natural gas exploration and production is critical to supporting the creation of a liquefied natural gas export industry in B.C. Within North America, natural gas is shipped by pipeline for use in homes for heating and cooking purposes, and for a wide range of commercial and industrial uses. Natural gas can help reduce carbon dioxide emissions when it is substituted for coal or oil, and is the cleanest burning fossil fuel.

Annual mineral and coal exploration investment includes expenditures on prospecting, geological surveys, mapping, mineral valuation, drilling and rock work. Annual investment in mines includes mine planning, permitting, environmental assessment, construction, operation and reclamation.

The 2012/13 forecast for Performance Measure 3, the annual investment in oil and gas exploration and development, is \$4.0 billion, or approximately 22 per cent less than the \$5.1 billion 2012/13 target provided in the Ministry's *2012/13 – 2014/15 Service Plan*. While investment in British Columbia's natural gas sector remains strong relative to other North American jurisdictions, the industry has suffered from unexpectedly low natural gas prices and declining production volumes. As indicated in the B.C. Government's *First Quarterly Report* dated September 13, 2012, these impacts are the result of weak demand and increased supply in North America.

The 2012/13 forecast for Performance Measure 4, the annual investment in mineral exploration and mines, is \$2.2 billion—double the \$1.1 billion 2012/13 target provided in the Ministry's *2012/13 – 2014/15 Service Plan*. This is primarily the result of continuing strong demand for mining products. Increased demand has driven mineral exploration, which in turn has resulted in more new mine development and mine expansion projects.



Inside the mill at Endako Mines, northwest of Prince George. An expansion of the mill was commissioned in the summer of 2012, and along with other upgrades to the molybdenum mine, will nearly double the ore processing capacity to 55,000 tonnes daily. The mine employs 420 skilled and professional workers.

Objective 1.3: Optimal revenue from the development of B.C.'s energy and mineral resources

Strategies

- Provide the government services needed to respond to increasing economic activity, in particular delivering sound, timely decisions on mining, oil and gas, liquefied natural gas, and related water, Crown land and other permits, authorizations and tenures.
- Monitor and evaluate the performance of B.C.'s energy and mining policies and programs to fully maximize the financial benefit of resource development and use for British Columbians.
- Implement revenue collection mechanisms to address B.C.'s specific challenges that might otherwise slow or hinder the development of oil, gas, coal and mineral resources.
- Continue to hold 12 monthly Crown oil and gas rights sales per year.

Royalty Program Supports New Infrastructure Projects in Northeast B.C.

In the fall of 2012, the Province approved infrastructure royalty credits that will lead to the construction of 21 new infrastructure projects in northeast B.C., creating more than 1,650 construction jobs. The 2012 program supports the commitments of the *BC Jobs Plan* by expediting project development needed to support growth in the province's natural gas sector.

The 2012 program involves \$120 million in royalty credits, which are expected to generate approximately \$300 million in new net incremental royalties over the first five years. Industry will fund the entire cost of each project, but companies can then recover up to 50 per cent of an approved projects's cost through deductions from royalties which they must later pay to the government. Since the infrastructure royalty credit program began in 2004, it has led to the development of 81 new resource roads and 115 new pipeline projects.

The program—which is unique in North America—promotes B.C.'s competitiveness relative to other North American jurisdictions in attracting new investment for oil and gas development.

Performance Measure 5: Direct government revenue derived from mining and oil and gas

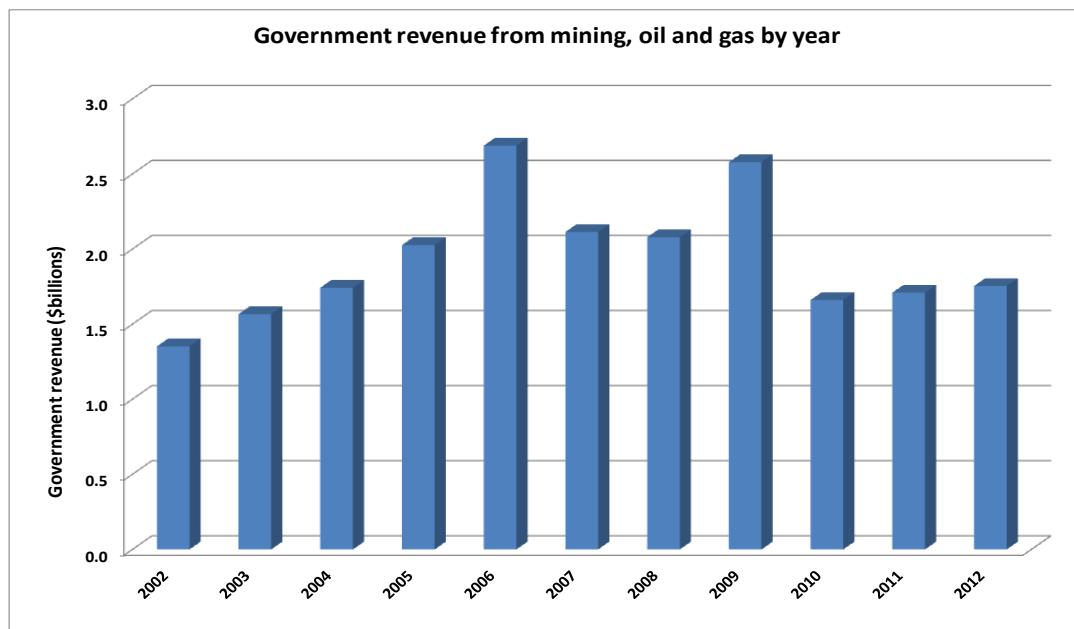
Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Direct government revenue from mining, and oil and gas	\$1.348 billion	\$1.550 billion	\$1.530 billion	\$1.524 billion

Data Source: Ministry of Energy, Mines and Natural Gas.

Discussion

Revenue derived from mineral exploration and mining, and oil and gas operations and tenure dispositions contributes to government programs such as education and social services. Optimal revenue is defined as the fairest and best return that can be collected by the Crown for the use of publicly owned resources under prevailing economic, environmental and social conditions.

This indicator shows the forecast of mining, oil and gas revenues expected to be collected from industry and paid into the Province's consolidated revenue fund, based on data provided by Ministry program staff. B.C.'s oil and gas, coal and mineral producers are subject to demand and price fluctuations in world commodity markets where their products are sold. The Ministry implements resource revenue collection mechanisms, such as oil and gas royalties and mineral tax, that are market-based to share the market and investment risk, and manage resource development. As a result, government revenues are also subject to market fluctuations and financial conditions.



Data Source: Ministry of Energy, Mines and Natural Gas, using data from BC Public Accounts, 2002 – 2012. Data is for fiscal years, ending March 31 of the year listed. The figures are reported after adjustments for various royalty credit programs, and after disbursements for the Oil and Gas Commission.

Objective 1.4: A secure, reliable supply of energy for the long term benefit of all British Columbians

Strategies

- Work with BC Hydro to upgrade the Province's heritage generation, transmission and distribution assets to meet future demand.
- Develop and implement policies to keep electricity rates affordable for B.C. families and respond to B.C.'s other energy objectives.
- Ensure reliable electricity supply through innovative, aggressive conservation, ongoing competitive power procurement programs, and BC Hydro funded projects.

- Expand the use of natural gas as a transportation fuel.
- Conduct regional studies and resource assessments to enhance understanding of the geological framework that hosts B.C.'s oil and gas resources, improve the province's resource estimates, and encourage exploration.



Photo: Courtesy BC Hydro

One of BC Hydro's oldest facilities, the 65-year-old John Hart generating station near Campbell River is due to be replaced by 2018. The replacement, generating 835 gigawatt-hours of electricity annually, will be much more earthquake resistant, more reliable, and—thanks to a new water bypass facility—will improve the habitat for fish. A contract is expected to be signed in the summer of 2013, creating about 400 jobs for the five-year construction period.

Objective 1.5: Efficient and effective energy and mining policy, legislation and regulation in the public interest of British Columbians

Strategies

- In cooperation with other levels of government, continue to review legislation and regulations to ensure B.C. remains competitive, while enhancing the integrity of environmental, health and safety standards.
- Modernize the Ministry's oil and gas tenure administration processes.
- Complete the development of a Carbon Capture and Storage Regulatory Framework.
- Manage the review of the Columbia River Treaty to ensure benefits for British Columbia continue to be realized.

- In consultation with other ministries and stakeholders, develop and implement new acts and regulations that support the responsible development and use of energy and mineral resources.

Goal 2: Safe and environmentally responsible energy and mineral resource development and use

Objective 2.1: Standards that protect the public and the environment

Strategies

- Work with industry and other natural resource sector agencies to improve environmental and safety regulation compliance at mine sites through inspections and audits.
- Collaborate with other government ministries on the Ministry of Health's study into the potential human health effects of the oil and gas industry.
- Work with industry to identify disposal zones for carbon dioxide sequestration projects and opportunities for carbon dioxide use in enhanced oil recovery.
- Continue to support the annual British Columbia Mine Reclamation Awards to recognize outstanding achievements in mine reclamation in this province.
- Support mine rescue competitions and the annual Mines Safety Awards.

Performance Measure 6: WorkSafe BC injury rate at B.C. mines

Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
WorkSafeBC injury rate at B.C. mines	1.8	1.8	1.8	1.8

Data Source: Ministry of Energy, Mines and Natural Gas and WorkSafe BC. **Note:** This measure, formerly known as "Short term injury rate at B.C. mines" has been renamed to reflect the data source. In all other respects, the measure is unchanged.

Discussion

Operations at mines, electricity generating stations and transmission facilities and oil and gas exploration, pipeline and processing sites can be hazardous and if not properly managed, can affect the environment. Safeguarding the public and the environment contributes to environmentally responsible development and use of these resources. The threat of accidents, leakages and spills is always present, so ongoing policy development and education are necessary to ensure risk is minimized.

The targets reflect the anticipated average number of accident claims per year at B.C. mines, including open pit coal and metal mines, quarries and underground mines per 100 person years. B.C.'s mining workforce is constantly evolving and is expected to have a number of workers over the next ten years who are new to mining operations. Enhanced health and safety training and inspections

are required to ensure mining remains one of B.C.'s safest heavy industries. To provide context for this measure, using 2009 estimates, a 0.1 per cent decrease in the WorkSafeBC injury rate would result in approximately 10 fewer claims or an 8.6 per cent decrease in the number of claims. The claims cost for the three major mines subsectors (i.e., open-pit coal, open-pit metal and underground mines) was estimated at \$3.34 million in 2009. Therefore, an 8.6 per cent decrease in the number of claims would result in an estimated \$288,000 savings in cost. While the measure remains unchanged for the current year, it has been renamed from "Short term injury rate at B.C. mines" to "WorkSafeBC injury rate at B.C. mines," in order to reflect the source of the data.

Objective 2.2: **Clean energy resources, fuels and related technologies complemented by energy efficiency and conservation efforts across all sectors of the economy.**

Strategies

- Support energy utilities with the implementation of cost effective demand side management measures.
- Participate in and support long-term clean energy planning initiatives at the regional and provincial level, including the Western Renewable Energy Zones initiative and BC Hydro's *Integrated Resource Plan*.
- Work with the Climate Action Secretariat (Ministry of Environment), other government ministries and agencies, Crown corporations, the public, electricity producers and utilities across B.C. to implement a coordinated approach to energy conservation and efficiency measures and support the deployment of alternative energy options to meet the province's energy needs.
- Continue to support energy efficiency in homes and buildings by monitoring on-bill financing pilots for British Columbians to inform the evolution of the successful LiveSmart BC: Energy Efficiency Program.
- Ensure the procurement of clean and renewable electricity continues to account for at least 93 per cent of total generation, excluding power required for liquefied natural gas projects.
- Continue to implement the *BC Bioenergy Strategy* to take advantage of B.C.'s abundant sources of Mountain Pine Beetle timber, wood wastes and agricultural residues.
- Through the Innovative Clean Energy Fund, support projects that solve real, everyday energy and environmental issues and create economic benefits for all British Columbians.
- Reduce the carbon intensity of the energy used by British Columbians by implementing a low carbon fuel requirement and increasing the supply of clean electricity for transportation.



Photo: Courtesy of Siwash Lake Ranch

Located in the remote Cariboo region, the off-grid Siwash Lake Ranch, with funding from the Ministry's ICE Fund, runs partially on solar power.

Promoting the deployment of alternative energy technology contributes to environmentally responsible energy development and use. The Government plays a key role in providing information to the public about practical conservation initiatives, establishing new standards through the B.C. Building Code and *Energy Efficiency Act*, and encouraging the private sector to develop alternative energy sources.

B.C. has a number of alternative energy options such as solar, tidal, biomass, wave, geothermal and wind power. These sources of alternative energy are renewable and can complement existing electricity generating facilities and heating and transportation fuels.

Performance Measure 7: Total energy savings achieved each year through utility and provincial conservation policies, programs, and regulations

Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Cumulative energy savings achieved each year through energy utility and provincial conservation policies, programs, and regulations since 2007/08 ¹	20,591,460 GJ	24,724,511 GJ	33,548,401 GJ	39,500,343 GJ

Data Source: Ministry of Energy, Mines and Natural Gas.

¹Measured in Gigajoules to include both gas and electricity savings. The savings from energy utilities are from BC Hydro, FortisBC Electric and FortisBC Gas. Data on conservation rates is from BC Hydro and FortisBC Electric.

Discussion

This new measure reports cumulative energy savings achieved each year through the LiveSmart BC energy efficiency incentive program, utility demand-side management programs, conservation rates, and regulated codes and standards since 2007/08.² The measure replaces the previous measure, “Total energy savings achieved through electric utility and provincial conservation policies, programs and regulations.” The new measure is driven by energy efficiency and conservation policies of *The BC Energy Plan* of 2007, as well as British Columbia’s *Clean Energy Act* objectives for BC Hydro. These objectives are for BC Hydro to reduce expected increases in demand for electricity by 66 per cent by 2020, and to ensure BC Hydro rates remain among the most competitive for North American public utilities. In 2012/13 alone, British Columbia will save energy equivalent to the annual energy consumption of 228,034 households.

The previous measure, “Total energy savings achieved through electric utility and provincial conservation policies, programs and regulations,” reported new, or incremental, annual energy savings, while the new measure reports the cumulative energy savings each year. This provides a better account of the performance of energy efficiency and conservation initiatives. For instance, upgrading to a high efficiency appliance reduces energy consumption each year over the effective life of the appliance, rather than for just the year it was purchased. The cumulative measure also harmonizes with the way that BC Hydro reports energy savings. Finally, the new measure has been broadened to include natural gas savings resulting from FortisBC Gas efficiency and conservation initiatives.

BC Hydro’s energy savings are drawn from its 2012/13 – 2013/14 demand side management expenditure application, which has been approved by the British Columbia Utilities Commission. BC Hydro is required to seek the approval of the Commission for demand side management expenditures beyond 2013/14, and BC Hydro will align its future demand side management targets with its Integrated Resource Plan, due to be submitted to the Government in August 2013. As expenditures for the FortisBC Gas demand side management plan are approved by the British Columbia Utilities Commission only through 2013, targets for subsequent years assume incremental annual energy savings equivalent to those projected by the utility for 2013. Projected savings from the LiveSmart BC program for 2013/14 and beyond reflect cumulative energy savings from previous measures being carried forward with no new incremental energy savings after April 1, 2013, as funding for the program is not confirmed beyond the 2012/13 fiscal year.

² The energy savings in this measure reflect energy efficiency and conservation initiatives undertaken since *The BC Energy Plan* of 2007.

Objective 2.3: The Ministry, stakeholders, First Nations and industry are engaged and working cooperatively for the responsible development and use of B.C.'s energy and mineral resources

Strategies

- Develop and implement an effective community and stakeholder engagement model to respond to increased unconventional gas exploration and development in Northeast B.C.
- Seek support for the Farmers Advocacy Office in Dawson Creek to assist land owners in engaging the oil and gas sector.
- Foster working relationships among industry, the public, First Nations and landowners by clarifying and simplifying resource exploration and development management processes, enhancing dispute resolution methods, and offering more support and information.
- Continue to collaborate with other ministries, agencies and Crown corporations to provide information to promote greater public understanding of the exploration and development of resources.
- Support the development and continuous improvement of Strategic Engagement Agreements with First Nations to make consultation processes more predictable.
- Support the development of Revenue Sharing Agreements that provide First Nations communities with economic benefits based on energy and mining activities in their traditional territories.
- Continue to work with the Ministry of Aboriginal Relations and Reconciliation to build effective business development relationships with First Nations.
- Continue to support the annual Mining and Sustainability Award to recognize the diverse companies, communities, First Nations, non-governmental organizations, government agencies and individuals committed to advancing and promoting sustainable development in B.C. mining.
- Continue to support the Remote Community Energy Network (BC Hydro, Aboriginal Affairs and Northern Development Canada, the First Nations Technology Council and the Ministry) including energy education and training, community energy planning, utility service provision, clean energy development, energy efficiency and energy monitoring.

If the public, First Nations, landowners and non-governmental organizations are informed and participate in responsible resource exploration and development, they will have an opportunity to help identify and contribute constructively to the resolution of issues. They also become more aware of the benefits that resource development can provide to a community, such as regular employment for citizens and expanded infrastructure.

There are close to 70 remote communities in B.C. that are not connected to the major natural gas or electricity grids. These communities have challenges and opportunities in their energy systems that are very different than grid connected communities. The Ministry's community energy solutions support in these communities is tailored to these unique situations.

Goal 3: Safe and sustainable homes for all British Columbians

Objective 3.1: Access to safe and stable housing

Strategies

- Provide provincial policy leadership for the housing sector through the renewal of the provincial housing strategy, *Housing Matters BC*, to express government priorities and strategies including a focus on families and market housing affordability.
- Work with BC Housing to enhance the integrity of program delivery and administration and to ensure that government's strategic priorities are addressed.
- Work collaboratively with other ministries, agencies and Crown corporations to ensure the integrated delivery of the continuum of housing programs and services for vulnerable British Columbians. These programs and services include: homeless outreach, emergency shelters, supportive housing, transition houses, assisted living and subsidized housing.
- Preserve and increase the supply of affordable market rental and homeownership units by working with local governments and other partners to address local housing challenges and improve the economic viability in the development of affordable units.
- Support the one million strata owners and residents in B.C. with an improved strata governance system, including financial accountability, new dispute resolution mechanisms and prudent management of common assets.
- Continue to work collaboratively with other ministries, agencies and stakeholders to identify and resolve emerging strata issues and to provide educational materials to strata owners, strata councils, strata property managers and developers.
- Assist landlords and tenants to resolve disputes earlier by: improving the spectrum of Residential Tenancy Branch services to make it easier for tenants and landlords to access information and rely less on formal arbitration; implementing a strategic public education plan that includes working with partners to enhance information outreach; and achieving service delivery efficiencies to ensure public inquiries and requests are appropriately addressed.

Performance Measure 8: Priority groups in subsidized housing

Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Percentage of clients belonging to priority groups in subsidized housing	88	85 or higher	85 or higher	85 or higher

Data Source: The measure is calculated by taking the current inventory of subsidized housing and determining the percentage of units that are available for each of the designated priority groups

Discussion

This measure is an indicator of performance in ensuring that those in greatest need receive priority assistance for housing. For the purposes of the measure, the groups considered to be among those in greatest housing need include: low income or frail seniors; people with physical or mental disabilities; people with mental illness; women and children who have experienced domestic violence; individuals facing alcohol and drug addiction challenges; Aboriginal individuals and families; and, people who are homeless or at risk of homelessness.³

The targets are set to reflect the number of social housing households that fall into one of the designated priority groups, as well as the anticipated number of new and acquired housing units, all of which are targeted to priority groups, during the service plan period.

Performance Measure 9: Residential tenancy dispute resolution requests

Performance Measure	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Number of residential tenancy dispute resolution requests per 1,000 British Columbia adult population (over age 19)	6.0	6.0	5.9	5.8

Data Source: Results for this measure are derived from records of dispute resolution requests to the Ministry's Residential Tenancy Branch and British Columbia Statistics population data. The measure includes only those British Columbians age 20 and older because of the population data age categories used by British Columbia Statistics.

Discussion

Modernizing and streamlining the spectrum of Residential Tenancy Branch services will contribute to a reduction in the number of requests to help resolve tenancy disputes. Improvements will make it easier for tenants and landlords to access information, ensure that enquiries and requests are addressed, and resolve disputes earlier.

About one third of all B.C. households are rental households. As the B.C. population increases every year, so does the number of tenancies. Tying the number of dispute resolution requests to the adult population provides a comparable measure across fiscal years.

Objective 3.2 A modern building regulatory system that supports safety and innovation in the design and construction of buildings

Strategies

- Establish provincial leadership in a modern, streamlined and efficient building regulatory system with a uniform building code as a key element.

³ A more detailed discussion of the methodology for this performance measure is included in the *BC Housing Service Plan 2013/14 – 2015/16*.

- Continue to engage stakeholders in the development of the 2012 editions of the BC Building, Fire and Plumbing Codes, including improvements in energy and water efficiency.
- Work with the BC Safety Authority to continuously improve technical product safety and support technical innovation through timely adoption of safety codes and standards.

Goal 4: Responsible regulation of gaming opportunities and the sale and use of liquor

Objective 4.1 British Columbians continue to have confidence in the management of gaming and liquor

Strategies

- Ensure that all gaming in the province, including gaming conducted over the Internet, is subject to a high level of rigour and scrutiny. This includes ensuring appropriate people and companies are involved in the gaming industry, conducting regular audits of all commercial gaming venues, and investigating allegations of wrongdoing to ensure the integrity of gaming and use of proceeds.
- As part of a broader enforcement strategy, work with the British Columbia Lottery Corporation and the gaming industry to move away from cash-based play in order to prevent money laundering activity at casinos.
- Target liquor regulation resources on high-risk licensed establishments and focus inspections and investigations primarily on service to minors, over-service, overcrowding and illicit alcohol. This includes the ongoing use of a ‘minors as agents’ program which employs underage youth to assess whether licensees or staff serve or sell liquor to minors. Minors hired for this purpose are under supervision and not allowed to consume alcohol. Preventing minors from accessing liquor is a major public safety initiative aimed at protecting families and the public from the harms associated with underage consumption of liquor.
- Continue to develop a public safety strategy for special occasion liquor licences. To date this has included directing resources toward events with a higher risk of over-service, service to minors, and over-crowding. Key areas for these efforts were applicant screening, host education, event security planning and inspection and compliance efforts, and continuing efforts to improve public safety at these events are currently underway.
- Improve public safety at large public events to ensure that they are safe and enjoyable for families. In response to the Stanley Cup riot in 2011, an integrated strategy for managing large public events review response was developed with other agencies and levels of government. Building on this success, the Liquor Control and Licensing Branch also developed an integrated Grey Cup strategy which will be used as a model for future management of large public events.

Ministry Program Reduces Liquor Sales to Minors

With heavy drinking among youth aged 15 to 24 years approximately three times higher than for adults 25 years or older, reducing minors' access to liquor is an important safety measure. When minors drink, they face significant increases in the risks of being involved in a vehicle crash, a sexual assault, or a physical altercation.

The Minors as Agents Program, which hires minors to test alcohol sales, has resulted in a reduction of illicit sales to youth. In the first year of the program, 87 per cent of more than 400 private and government stores tested complied with the law.

The liquor stores found selling alcohol to minors were levied \$7,500 fines. Restricting access to liquor by minors remains a key public safety priority for the Ministry's Liquor Control and Licensing Branch.

- Improve education and awareness of responsible alcohol consumption to assist in citizen engagement on responsible drinking. The Liquor Control and Licensing Branch will be continuing to develop the new social responsibility section on the Branch website, which has links to educational programs and resources. The Branch will continue to produce a biannual newsletter to communicate with licensees about policy changes, social responsibility, and other new and topical issues. The Liquor Control and Licensing Branch will continue its work on social responsibility, leveraging the partnerships developed during the development of a high school Dry Grad party planner, and an anti-binge drinking social marketing campaign. Development of resources for parents of minors is currently underway.

Performance Measure 10: Enhanced access to funds in gaming facilities

Performance Measure	2011/12 Baseline	2012/13 Target	2013/14 Target	2014/15 Target	2015/16 Target
Enhance access to funds in gaming facilities	Two options	Introduce three new options	Introduce three new options	Introduce one new option	Introduce one new option

Data Source: Ministry of Energy, Mines and Natural Gas

Discussion

This new measure tracks the strategy of providing a suite of options to access funds in gaming facilities. The strategy is part of the Gaming Policy and Enforcement Branch's continuing diligence concerning money laundering in B.C. casinos. Developing options that result in the increased use of electronic methods to access funds in casinos, enables an increased vigilance of large cash amounts carried into casinos.

Transition from cash transactions to electronic methods to access funds in casinos supports the goal of moving the gaming industry away from its current state as a cash dependent industry. It diminishes

opportunities for criminal attempts to legitimize illegal proceeds of crime in gaming facilities in the province.

Casino patrons currently have the option of using the Patron Gaming Fund or an Automated Teller Machine to access funds. In 2012/13, the Gaming Policy and Enforcement Branch will add three new strategies, namely: the ability to access debit at the cash cage; use a cheque hold process; and use pre-approved cheques. In 2013/14, casino patrons will be able to access funds inside a casino through internet transfer, U.S. funds transfer and foreign funds transfer.

Performance Measure 11: Liquor Licensee Compliance Rate

Performance Measure	2011/12 Baseline	2012/13 Forecast	2013/14 Target	2014/15 Target	2015/16 Target
Percentage of inspected/investigated liquor licensees in compliance	96	95	95	95	95

Data Source: Ministry of Energy, Mines and Natural Gas.

Discussion

The Ministry tracks the percentage of inspected or investigated liquor licensees that are found to be in compliance with provincial liquor licensing regulations. Over 12,000 inspections are conducted annually of almost 10,000 licensees across all regions of the province. The Ministry focuses resources on high-risk establishments, so some establishments may be visited more than once in a given year, while others may not be visited during that year.

The level of voluntary compliance indicates the degree to which licensees understand and are willing to cooperate with the liquor regulatory framework. A high level of voluntary compliance in areas such as over-service and prevention of service to minors may also indicate a corresponding low level of liquor misuse.

The Ministry's targeted approach of focusing resources on public safety contraventions, and high-risk or problem establishments, means there is a greater degree of certainty of enforcement consequences for non-compliant licensees. In the short term, this leads to a higher degree of voluntary compliance. Over the long term, however, the compliance rate may be seen to decrease due to the focus on high-risk, chronically non-compliant licensees.

Resource Summary

Core Business Area	2012/13 Restated Estimates ¹	2013/14 Estimates ²	2014/15 Plan	2014/16 Plan
Operating Expenses (\$000)				
Oil and Gas	14,768	13,872	13,872	13,872
Mines and Mineral Resources	11,171	11,056	11,056	11,056
Electricity and Alternative Energy	17,980	2,949	2,949	2,949
British Columbia Pavilion Corporation	9,142	8,977	8,992	8,972
Executive and Support Services	7,199	7,138	7,138	7,138
Housing	346,242	343,866	346,291	350,259
Liquor Control and Licensing	1	1	1	1
Gaming Policy and Enforcement	18,145	19,587	19,587	19,587
Housing Endowment Fund	10,000	12,000	18,000	20,000
Innovative Clean Energy Fund	14,947	5,030	2,300	2,300
Total	449,595	424,476	430,186	436,134
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services	28,168	27,369	4,297	233
Housing Capital Fund³	44,506	33,144	22,927	6,357
Total	72,674	60,513	27,224	6,590

	2012/13 Restated Estimates ¹	2013/14 Estimates ²	2014/15 Plan	2014/16 Plan
Other Financing Transactions (\$000)				
Oil and Gas Commission Receipts	31,157	28,083	30,938	31,808
Oil and Gas Commission Disbursements	(31,157)	(28,083)	(30,938)	(31,808)
Total Net Cash Source (Requirements)	0	0	0	0
Northwest Transmission Line Receipts	60,000	57,000	13,000	0
Northwest Transmission Line Disbursements	(60,000)	(57,000)	(13,000)	0
Total Net Cash Source (Requirements)	0	0	0	0

¹ For comparative purposes, amounts shown for the 2012/13 have been restated to be consistent with the presentation of the 2013/14 Estimates.

² Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

³ The grant for Housing Capital Funding meets the British Columbia Housing Management Commission's objective to increase the supply of housing for those at risk of homelessness and to fund infrastructure projects to increase the supply of provincially owned housing for seniors and persons with disabilities.

Appendices

Ministry Contact Information

Deputy Minister's Office

Eighth Floor, 1810 Blanshard Street
PO Box 9319 Stn Prov Govt
Victoria, B.C. V8W 9N3
Phone: 250-952-0241
website: www.gov.bc.ca/empr

Mines and Minerals Resources Regional Offices

Northwest

PO Box 5000
Second Floor, 3726 Alfred Avenue
Smithers, B.C. V0J 2N0
Phone: 250-847-7383
email: MMD-Smithers@gov.bc.ca

Central/Northeast

350 - 1011 – 4th Avenue
Prince George, B.C. V2L 3H9
Phone: 250-565-4240
email: MMD-PrinceGeorge@gov.bc.ca

South Central

2nd Floor, 441 Columbia Street
Kamloops, B.C. V2C 2T3
Phone: 250-371-3912 Phone: 250-420-2161
email: MMD-Kamloops@gov.bc.ca

Southeast

1902 Theatre Road
Cranbrook, B.C. V1C 7G1
email: MMD-Cranbrook@gov.bc.ca

Southwest

PO Box 9320 Stn Prov Govt
Sixth Floor, 1810 Blanshard Street
Victoria, B.C. V8W 9N3
Phone: 250-387-4825
email: SouthwestMinesDivision@gov.bc.ca

Mineral Titles Branch

303-865 Hornby Street
Vancouver BC V6Z 2G3
Phone: 1-866-616-4999

Mineral Claims Inspectors

Kamloops

2nd Floor, 441 Columbia Street
Kamloops B.C. V2C 2T3
Phone: 250-371-3786

Smithers

PO Box 1389
Houston B.C. V0J 1Z0
Phone: 250-845-3584

Residential Tenancy Branch Regional Offices

Victoria

Suite 101 – 3350 Douglas St, Victoria BC V8Z 3L1
PO Box 9298 Stn Prov Govt, Victoria BC V8W 9J8

Burnaby

#400 – 5021 Kingsway, Burnaby BC V5H 4A5

Kelowna

#305 – 478 Bernard Ave, Kelowna BC V1Y 6N7

Liquor Control and Licensing

PO Box 9292 Stn Prov Govt, Victoria BC V8W 9J8
Ph (in Victoria): 250-952-5787
Ph (outside Victoria): 1-866-209-2111
Fax: 250-952-7066

Gaming Policy and Enforcement

Victoria – Head Office

3rd Fl, 910 Government Street
Victoria B.C.
Ph: 250-387-5311
Fax: 250-356-8149

Burnaby – Audit, Investigation and Racing

Audit: #220 - 4370 Dominion Street
Burnaby, B.C.

Investigations and Racing: #408 - 4603 Kingsway Avenue, Burnaby, B.C.
Ph: 604 660-0245 Fax: 604 660-2030

Kelowna – Regional Office

#200 - 1517 Water Street, Kelowna, B.C.
Ph: 250 861-7363
Fax: 250-861-7362

Prince George – Regional Office

#211 - 1577 7th Avenue, Prince George, B.C.
Ph: 250-612-4122
Fax: 250-612-4130

Hyperlinks to Additional Information

A list of Legislation administered by the Ministry can be found at:

www.empr.gov.bc.ca/Titles/legislation/Pages/default.aspx

A list of Crowns, Agencies, Boards and Commissions reporting to the Minister, can be found at:

http://www.empr.gov.bc.ca/Titles/legislation/Pages/Major_Agencies_Boards_and_Commissins.aspx

Canada Starts Here: The B.C. Jobs Plan can be found at:

http://www.bcjobsplan.ca/wp-content/uploads/2011/09/CSH_BCJobsPlan_web.pdf

Energy and Mines Information

The *BC Energy Plan* can be found at: www.energyplan.gov.bc.ca/

The *Clean Energy Act* and a complete set of backgrounder and factsheets can be found at:

www.mediaroom.gov.bc.ca/DisplayEventDetails.aspx?eventId=490

British Columbia's Mineral Exploration and Mining Strategy can be found at:

<http://www.empr.gov.bc.ca/Mining/Documents/MiningStrategy2012.pdf>

British Columbia's Natural Gas Strategy can be found at:

http://www.gov.bc.ca/ener/popt/down/natural_gas_strategy.pdf

Liquefied Natural Gas: A Strategy for B.C.'s Newsest Industry can be found at:

http://www.gov.bc.ca/ener/popt/down/liquefied_natural_gas_strategy.pdf

The Frac Focus BC website can be found at: <http://fracfocus.ca/>

Housing Policy and Building and Safety Standards

Contact and other information about Housing Policy and Building and Safety Standards can be found at: www.housing.gov.bc.ca

Information about Aboriginal Housing Initiatives can be found at:

<http://www.bchousing.org/Initiatives/Creating/AHI>

The Provincial Housing Strategy, *Housing Matters BC*, can be found at:

www.housingmattersbc.ca

Information about the British Columbia Housing Management Commission (BC Housing) can be found at: www.bchousing.org

Residential Tenancy

Contact and other information about Residential Tenancy can be found at: www.rto.gov.bc.ca

Problem Gambling Help Line

For help in recognizing the warning signs of problem gambling - and to get information on free programs, services and resources available to assist problem gamblers and their families:

Call 1-888-795-6111

or visit www.bcresponsiblegambling.ca

Confidential♦Free♦24 hours/7 days♦Multiple Languages

Gaming Policy and Enforcement

www.pssg.gov.bc.ca/gaming

Liquor Control and Licensing

www.pssg.gov.bc.ca/lclb