Minister Accountability Statement

The Ministry of Energy and Mines and Minister Responsible for Core Review 2016/17 - 2018/19 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.

Honorable Bill Bennett

Minister of Energy and Mines and Minister Responsible for Core Review
February 9, 2016
## Table of Contents

Minister Accountability Statement ................................................................. 3  
Purpose of the Ministry .................................................................................. 5  
Strategic Direction and Context ................................................................. 6  
Goals, Objectives, Strategies and Performance Measures ......................... 7  
Resource Summary ...................................................................................... 14  
Appendix: Ministry Contact Information ................................................... 15
Purpose of the Ministry

The Ministry of Energy and Mines\(^1\) is responsible for British Columbia’s electricity, alternative energy, mining and mineral exploration sectors. These sectors are made up of diverse interests that explore for and produce coal and other valuable minerals and that develop electricity, clean or renewable energy sources, including biomass, biogas, geothermal, hydro, solar, ocean, wind and low-carbon transportation fuels. Through teamwork and positive working relationships with its clients and stakeholders, the Ministry facilitates thriving, safe, environmentally responsible and competitive energy and mining sectors in order to create jobs and economic growth in communities across the province. In fulfilling its mandate, the Ministry consults with other ministries and levels of government, energy developers and marketers, mineral exploration and mining companies, First Nations, communities, environmental and industry organizations, and the public.

The Ministry is responsible for the following Crown Corporations: British Columbia Hydro and Power Authority (BC Hydro), Columbia Power Corporation and Columbia Basin Trust.

\(^1\) [http://www.bclaws.ca/Recon/document/ID/freeside/00_96298_01](http://www.bclaws.ca/Recon/document/ID/freeside/00_96298_01)
Strategic Direction and Context

Strategic Direction
Minister Bennett’s Mandate Letter from Premier Christy Clark, dated July 30, 2015, includes a number of key deliverables relating to electricity policy, rates and infrastructure, as well as mining, mineral exploration and development. This letter may be found at the following link: Minister’s Mandate Letter. The Government’s strategic priority of a strong economy is directly supported by Ministry Goals 1 and 2, while Goal 3 supports the strategic priority of a secure tomorrow. The Ministry supports the direction in the Taxpayer Accountability Principles for citizen focused service and respectful communication with clients and the public. The Ministry annually assesses the external risks and opportunities within the context described below as part of its strategic planning process.

Strategic Context
Maximizing the economic value of energy development to British Columbians, reducing its environmental impact, and keeping the province’s electricity rates affordable are Government priorities. The Ministry focuses on increasing product and appliance efficiency, reducing the carbon intensity of transportation fuels, expanding electric vehicle infrastructure, and coordination with utilities on programs to reduce energy use and power bills for residential, commercial and industrial ratepayers. The Ministry strives to ensure that British Columbians continue to receive benefits from the low-cost electricity generated through the Province’s heritage assets. BC Hydro projects 40% electricity demand growth over the next 20 years. At least 66% of this growth will be met through efficiency and conservation, with the balance from new generation, including Site C. Changing patterns of generation and use of electricity, and aging infrastructure, will require that the Province, BC Hydro and the BC Utilities Commission safeguard these public heritage assets through capital investments, prudent system expansion, optimal application of conservation and efficiency programs, and adherence to the 10-year BC Hydro Rates Plan announced in 2013.

Mining is a key driver of B.C.’s economy. More than 30,000 people work in mineral exploration, mining and related sectors, which include non-metallic mineral product and primary metal manufacturing. Mineral exploration creates jobs and business opportunities. Between 2011 and 2014, nearly $2billion was spent on B.C. exploration projects. The Ministry’s recently established Major Mines Permitting Office will improve the co-ordination of major mine permits across government.

Following the tailings facility breach at the Mount Polley mine on August 4, 2014, the Government has worked to restore public confidence in B.C.’s tailings pond regulatory framework. On January 30, 2015, an Independent Expert Panel identified the cause of the breach and made recommendations to prevent a similar failure from occurring in the future. A Code Review Committee was appointed in June 2015 to determine how best to implement these recommendations. Additionally, the Chief Inspector of Mines report on his investigation is now complete and government has accepted all 19 recommendations. These will be implemented through the work in the Code Review and through policy and regulatory changes. The Code Review is now well underway and is expected to have the expedited tailings portion of the review implemented in 2016.
Goals, Objectives, Strategies and Performance Measures

The Ministry’s goals have not changed from the Ministry’s 2014/15 – 2016/17 Service Plan published in February 2015. This service plan contains two new performance measures: the number of new mines permitted each year and the number of expansions to existing mines permitted each year. The Ministry has adapted these two new measures from the previous BC Jobs Plan targets to 2015.

The Government’s strategic priority of a strong economy is directly supported by Goals 1 and 2 and their associated strategies. The Government’s strategic priority of a secure tomorrow, and in particular, safe communities, is supported by the Ministry’s Goal 3. Ministry goals support the Taxpayer Accountability Principles of Service by focusing on outcomes for citizens, and Respect by including effective communication. Our consultative and collaborative strategies under Goal 3 support the principle of Integrity. The Ministry’s performance measures have been updated to reflect the principles of Accountability and Efficiency.

Goal 1: A globally competitive mining sector that creates jobs and grows the economy.

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

Strategies

- Implement the Major Mines Permitting Office to improve the co-ordination of major mine permits across government and for timely high quality review of mines.
- Continue to develop a coordinated, transparent and predictable permitting and approval process for all industrial projects, including natural resource development projects.
- Continuously improve geological and resource assessments for geothermal, coal, minerals and aggregate through collaboration with 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 mineral exploration and mining sectors are identified and filled.
- Support the development of roads and other infrastructure required for industrial activity, including new mines and mine expansions.
Performance Measures 1 and 2: Number of new and expanded mines.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Benchmark*</th>
<th>2014/15 Actual</th>
<th>2015/16 Forecast</th>
<th>2016/17 Target</th>
<th>2017/18 Target</th>
<th>2018/19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new mines permitted each year</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Number of expansions to existing mines permitted each year</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

*Annual average from 2011 to 2014
Data Source: Ministry of Energy and Mines

Discussion
These new annual targets are adapted from commitments in the BC Jobs Plan, which set targets to the end of 2015. These new targets estimate the expected growth in the mining sector each year beyond 2015.

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

Strategies
- Further establish B.C. as a recognized centre of excellence for 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 mining sector by providing leadership, information, investing in infrastructure, and developing new policies, regulations and programs.
- Continue government’s commitment to competitive taxation regimes to support the exploration sector.
- Conduct geoscience research and technical assessments to promote industry investment.
- Continue to work with the Ministry of Forests, Lands and Natural Resource Operations to sustain an average 60-day turnaround time for processing Notice of Work permit applications for mineral and coal exploration activities.
- 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.
- Contribute to trade missions and marketing initiatives led by the Ministry of International Trade to attract investment in B.C. mineral projects and business opportunities.
- Work with the Government of Alaska to implement the Memorandum of Understanding and Cooperation between the state and province.
Performance Measure 3: Average turnaround time for Notices of Work issued by the Ministry.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>BC Jobs Plan Benchmark</th>
<th>2015/16 Forecast</th>
<th>2016/17 Target</th>
<th>2017/18 Target</th>
<th>2018/19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnaround time for Notices of Work</td>
<td>60 days</td>
<td>50 days</td>
<td>Under 60 days</td>
<td>Under 60 days</td>
<td>Under 60 days</td>
</tr>
</tbody>
</table>

**Data Source:** Ministry of Energy and Mines

**Discussion**

The Ministry’s regional offices accept permit applications under the *Mines Act* for exploration and small-scale mining activities called “Notices of Work.” This performance measure and its targets support commitments from the *BC Jobs Plan*. Processing times are also a measure of competitiveness. The target is to maintain an average 60-day turnaround time for Notices of Work as committed to in the *Jobs Plan*. This includes all sand and gravel, placer, industrial mineral and rock quarries, as well as mineral and coal exploration. Tracking Notice of Work turnaround time helps the Ministry assess its progress in streamlining its authorization processes, and in providing efficient, predictable and transparent permit application review services.

**Objective 1.3:** Optimal revenue from the development of B.C.’s mineral resources.

**Strategy**

- Provide the government services needed to respond to industry needs, in particular delivering sound, timely decisions on exploration and mining, and related water, Crown land and other permits, authorizations and tenures.

**Objective 1.4:** Efficient and effective 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.

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

- Work with the Mining Associations of British Columbia and Canada to restore public confidence in British Columbia's tailings pond regulatory framework.

Goal 2: Affordable, reliable and diverse sources of energy, serving British Columbians, their communities, and sustaining competitive businesses and industries.

Objective 2.1: Electricity policy, programs, legislation and regulation that serve the public interest of British Columbians.

Strategies

- Ensure any negotiations on the Columbia River Treaty reflect the British Columbia position on the future of the Treaty.
- Develop and implement policies to ensure reliable electricity supply through mandatory reliability standards and participation in the Western Electricity Coordinating Council.
- Implement the 10 year rates plan for BC Hydro in order to keep rates as low as possible for British Columbians while continuing to invest in new generation and critical infrastructure upgrades.
- Implement the recommendations of the BC Utilities Commission core review.
- Continue to work with BC Hydro and Clean Energy BC to identify further opportunities for clean energy producers in British Columbia.

Objective 2.2: British Columbia’s economic and environmental priorities are served through sustainable energy use and development across all sectors of the economy.

Strategies

- Work with all public and private stakeholders to continue development and implementation of policies, programs, regulations, codes and standards to advance energy efficiency and conservation.
- Support energy utilities with the planning and implementation of coordinated, cost effective demand side management measures.
- Work with BC Hydro to deliver the Site C project on time and on budget.
- Participate in and support long-term clean energy planning initiatives at the regional and national level, including the Pacific Coast Collaborative, Pacific NorthWest Economic Region, and Canadian Energy Strategy.
Performance Measure 4: Ranking of BC Hydro residential monthly bills compared to North American jurisdictions.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking of BC Hydro residential monthly bills (1000 kWh use)</td>
<td>2nd lowest</td>
<td>3rd lowest</td>
<td>3rd lowest</td>
<td>3rd lowest</td>
<td>3rd lowest</td>
<td>3rd lowest</td>
</tr>
</tbody>
</table>

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

Discussion
This measure provides a comparison of BC Hydro's monthly bills and average prices for residential customers with other North American utilities including those in Alberta, Quebec, Ontario, Manitoba, Washington, Oregon and California in Canadian funds as of April 1, 2015, and therefore includes BC Hydro’s 6% rate increase that was effective on that date. BC Hydro’s monthly bills and average prices are among the lowest when compared with these utilities. The measure has been updated from last year when 625 kWh was used, as 1,000 kWh is closer to the residential average.

Performance Measure 5: Cumulative energy savings achieved each year through utility and provincial conservation policies, programs and regulations.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>2014/15 Actual</th>
<th>2015/16 Forecast</th>
<th>2016/17 Target</th>
<th>2017/18 Target</th>
<th>2018/19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative energy savings achieved each year through energy utility and provincial conservation policies, programs, and regulations since 2007/08</td>
<td>26,539,250</td>
<td>32,678,814</td>
<td>36,950,404</td>
<td>41,273,664</td>
<td>45,227,202</td>
</tr>
</tbody>
</table>

Data Source: Utilities’ annual reports and internal tracking by the Ministry of Energy and Mines.

1 Measured 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. FortisBC stats are based on calendar year due to reporting differences.

Discussion
This 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, starting in 2007/08. The measure is an indicator of the 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 and natural gas savings resulting from FortisBC Gas efficiency and conservation initiatives. Since this measure is cumulative, no benchmark is available. Targets are set based on planned utility and Government programs, codes and standards, and spending.

---

2 BC Hydro’s energy savings are drawn from its demand side management (DSM) plan and align with recommendations from the 2013 Integrated Resource Plan approved by the Government on November 26, 2013. These savings targets have been adjusted primarily due to electricity market conditions. The targets are based on recent annual savings achievements.
Goal 3: Safe, environmentally and socially responsible electricity, alternative energy and mineral resource development and use.

Objective 3.1: Practices that protect workers, the public and the environment.

Strategies

- Ensure the recommendations of the Mount Polley Independent Expert Panel Review Report and the Chief Inspector of Mines’ Investigation Report are actioned and revisions to the Code are in place in 2016.
- Work with industry and other natural resource sector agencies to improve environmental and safety regulation compliance at mine sites through inspections and audits.
- 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.
- Work with BC Hydro to upgrade the Province's heritage generation, transmission and distribution assets.
- Work with the ministries of Environment and Forests, Lands and Natural Resource Operations to develop options on a wildlife access corridor in southeast British Columbia.

Performance Measure 6: Mine Inspections by Ministry Staff.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine Inspections</td>
<td>775</td>
<td>1,228</td>
<td>1,200</td>
<td>1,250</td>
<td>1,300</td>
<td>1,300</td>
</tr>
</tbody>
</table>

Data Sources: Ministry of Energy and Mines.

Discussion

The Ministry’s Mines Inspectors conduct inspections of mine sites to ensure compliance with the Mines Act, the Health, Safety and Reclamation Code for Mines in British Columbia, and individual permit conditions. Inspections can be multi-faceted or specifically focused, i.e., on health and safety, permitting, reclamation, electrical, mechanical or geotechnical. The benchmark in the table above represents the five-year average calculated with inspection figures from 2009 to 2013 inclusive. The targets for this measure have been adjusted in accordance with the Chief Inspector’s annual report and to be consistent with the Ministry’s 2013 service plan targets.
Objective 3.2: 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

- 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.

- Work with the Ministry of Aboriginal Relations and Reconciliation on the Mining Dialogue with First Nations.

- Work to ensure First Nations have the ability to participate in economic development opportunities arising from the construction of the Site C dam.

- Work with the Ministry of Aboriginal Relations and Reconciliation to continue to conclude mineral tax sharing agreements to encourage mine development across the province

- 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 coordination of demand-side measures with utilities, other ministries and provinces, and the Pacific Coast Collaborative, to reduce energy use.
# Resource Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mines and Mineral Resources</td>
<td>16,541</td>
<td>16,863</td>
<td>17,076</td>
<td>17,227</td>
</tr>
<tr>
<td>Electricity and Alternative Energy</td>
<td>2,957</td>
<td>2,967</td>
<td>3,002</td>
<td>3,028</td>
</tr>
<tr>
<td>Executive and Support Services</td>
<td>6,026</td>
<td>6,082</td>
<td>6,104</td>
<td>6,115</td>
</tr>
<tr>
<td>Innovative Clean Energy Fund</td>
<td>2,301</td>
<td>2,299</td>
<td>2,302</td>
<td>2,303</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,825</strong></td>
<td><strong>28,211</strong></td>
<td><strong>28,484</strong></td>
<td><strong>28,673</strong></td>
</tr>
</tbody>
</table>

| Ministry Capital Expenditures (Consolidated Revenue Fund) ($000) | | |
|---------------------------------------------------------------|---|---|---|---|
| Executive and Support Services                               | 556 | 755 | 755 | 755 |
| **Total**                                                     | **556** | **755** | **755** | **755** |

*For comparative purposes, amounts shown for 2015/16 have been restated to be consistent with the presentation of the 2016/17 Estimates.

*Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).*
Appendix: Ministry Contact Information

**Deputy Minister’s Office**
Eighth Floor, 1810 Blanshard Street
PO Box 9319 Stn Prov Govt
Victoria, B.C. V8W 9N3
Ministry website: [www.gov.bc.ca/ener](http://www.gov.bc.ca/ener)

**Mines and Mineral 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
Email: MMD-Kamloops@gov.bc.ca

**Southeast**
1902 Theatre Road
Cranbrook, B.C. V1C 7G1
Phone: 250-420-2161
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 B.C. 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