

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

**2020/21 – 2022/23  
SERVICE PLAN**

**February 2020**



## Minister Accountability Statement



The *Ministry of Energy, Mines and Petroleum Resources 2020/21 - 2022/23 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.

A handwritten signature in black ink, which appears to read "Bruce Ralston". The signature is fluid and cursive, with a long horizontal stroke at the end.

Honourable Bruce Ralston  
Minister of Energy, Mines and Petroleum Resources  
February 10, 2020

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## Purpose of the Ministry

The [Ministry of Energy, Mines and Petroleum Resources](#) (Ministry) is responsible for British Columbia's (B.C.) electricity, alternative energy, oil, natural gas and related infrastructure, and the province's mining and mineral exploration sectors. These sectors are made up of diverse interests that explore for and produce oil, natural gas, coal and other valuable minerals and that develop energy and electricity generation, transmission and distribution infrastructure. To support Government's climate objectives, the Ministry focuses on advancing energy efficiency and clean or renewable energy sources and technologies, making sure that the energy we use, develop and export is the cleanest possible. The Ministry facilitates electricity, mining and oil and gas sectors which are globally competitive, environmentally leading, and advance reconciliation with Indigenous peoples, while providing opportunities and quality jobs for British Columbians. The Ministry carries out this work in accordance with the CleanBC plan, and commitments to Indigenous reconciliation. In fulfilling its mandate, the Ministry consults and collaborates with other ministries and levels of government, private sector stakeholders, Indigenous people, communities, environmental and industry organizations, and the public.

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

## Strategic Direction

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy.

Ministries are actively working to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens and Business and Economic Implications Framework to budgeting and policy development, Ministries will ensure that equity is reflected in budgets, policies and programs.

Additional key initiatives underpinning lasting prosperity in 2020/21 and beyond are the implementation of:

- A Framework for Improving British Columbians' Standard of Living which will provide the foundation for quality economic growth in our province and a pathway to a more inclusive and prosperous society,
- The *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- The CleanBC plan, putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water.

This 2020/21 service plan outlines how the Ministry of Energy, Mines and Petroleum Resources will support the government's priorities, including selected action items identified in the July 2017 [Minister's Mandate Letter](#). Over the previous fiscal year, the Ministry of Energy, Mine and Petroleum Resources made progress on these priorities by:

- Supporting the development and implementation of CleanBC, the Province's energy, climate and economic development plan, in coordination with the Ministry of Environment and Climate Change Strategy, and the Ministry of Jobs, Trade and Technology.

- Working with Liquefied Natural Gas (LNG) proponents to ensure project proposals meet the government's goals and expectations for LNG development in B.C.
- Implementing the recommendations of the Mining Jobs Task Force to explore opportunities to create and sustain good jobs in the B.C. mining industry.
- Completing and starting to implement Phase Two of the Comprehensive Review of BC Hydro to identify how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including supporting economic development opportunities.
- Sustaining the Clean Energy Vehicle program to encourage and accelerate the adoption of zero emission vehicles (ZEVs).
- Concluding accommodation and revenue/benefit sharing agreements; collaborative stewardship initiatives such as the Environmental Stewardship Initiative; and collaborative mine permitting agreements, as well as supporting the negotiation of Comprehensive Reconciliation Agreements with Indigenous nations.
- Implementing the Mine Audits and Effectiveness Unit in the new Mines Health, Safety and Enforcement Division as the independent oversight unit, and targeting new resources to increase industry safety.

In January 2020, the Honourable Bruce Ralston was appointed as Minister of Energy, Mines and Petroleum Resources and a new mandate letter is forthcoming.

The following performance plan outlines how the Ministry of Energy, Mines and Petroleum Resources will continue to track progress on key mandate letter commitments and other emerging government priorities.

## Performance Planning

### Goal 1: A competitive energy portfolio powered by clean, renewable energy and supported by technological innovation

This goal relates to the Mandate Letter priority of creating a roadmap for the future of B.C. energy, to generate new energy responsibly and sustainably, and create lasting good jobs across the province. A focus on technological innovation will expand upon energy efficiency and conservation opportunities and create new jobs in the provincial energy sector.

### Objective 1.1: Decarbonize B.C.’s energy sectors and usage in support of the provincial CleanBC plan

#### Key Strategies:

- Incorporate direction from the [CleanBC plan](#) into ministry operations to meet provincial economic and climate goals.
- Further reduce the carbon-intensity of transportation fuels.
- Increase the production and consumption of biofuels in B.C.
- Continue to implement policies, programs, regulations, codes and standards to advance energy efficiency and conservation in the built environment, including retrofits.
- Work with BC Hydro to complete and implement Phase 2 of the Comprehensive Review, and ensure the Province’s generation, transmission and distribution assets continue to deliver reliable and cost-effective service.

Performance Measure	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1 Clean or renewable energy as a share of utility and transportation fuel sales <sup>1, 2</sup>	29%	30%	31%	32%

<sup>1</sup> Data Source: Compiled by the Ministry of Energy, Mines and Petroleum Resources and includes data from BC Hydro.

<sup>2</sup> The following data is tracked to provide the performance measure: BC Hydro’s performance in clean procurement; FortisBC’s performance in deploying Renewable Natural Gas; relative sales of electricity and natural gas using data from the largest utilities, and transportation fuels.

#### Linking Performance Measure to Objective:

The provincial energy objectives in the CleanBC plan confirm the role of B.C. generated electricity in reducing greenhouse gas emissions. This performance measure supports the objective of decarbonization, as the Ministry’s programs and regulations directly impact energy utilities and the transportation fuels industries.

### Objective 1.2: Support quality economic growth and electrification to reduce greenhouse gas emissions

#### Key Strategies:

- Implement outcomes from Phase One of the Comprehensive Review of BC Hydro and work to keep electricity rates affordable for British Columbians.

- Expand electrification of the upstream oil and gas industry.
- Decarbonize the transportation industry by accelerating the adoption of ZEVs.
- Expand electrification of transportation, buildings and industry.

Performance Measure	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2 Zero-Emission Vehicle sales percent of new light-duty vehicle sales. <sup>1</sup>	9%	9%	10%	12%

<sup>1</sup> Data Source: Compiled by Ministry of Energy, Mines and Petroleum Resources staff from BC Hydro, ICBC and ZEV sales. Transport Canada defines a light-duty vehicle as one that weighs 3,856kg (8,500lbs) or less.

**Linking Performance Measure to Objective:**

Transportation currently accounts for 38 per cent of B.C.’s total emissions; as a result, to reduce emissions and meet B.C.’s climate targets, significant action needs to be taken in this area. Increased adoption of ZEVs will reduce B.C.’s emissions and improve air quality. This performance measure supports progress towards Government’s target of increasing the number of ZEVs in B.C., reaching 100% of all new light-duty vehicle sales by 2040. This measure was changed from the number of light-duty Zero Emission Vehicles registered in B.C., which was in the 2019/20 Service Plan, in order to align with CleanBC targets.

**Goal 2: A sustainable, responsible and competitive mining sector that supports Indigenous reconciliation, creates jobs and contributes to responsible mining products and low-carbon technologies**

**Objective 2.1: B.C. is positioned as an attractive, responsible jurisdiction for investment in the mining sector**

**Key Strategies:**

- Develop an improved and sufficiently resourced approvals process to assess mining applications.
- Grow the mining industry as part of an inclusive, progressive low carbon economy by implementing Mining Jobs Task Force recommendations.
- Continue to utilize and improve the Natural Resource Sector Online Services portal to streamline the Notice of Work application process.
- Continuously improve consultation and engagement with Indigenous Nations on relevant permit applications, and collaboration and benefit negotiations for major mine developments.
- Develop and implement new legislation that supports transparency in the regulation of mining in B.C.

Performance Measure	2015-2017 Average	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1 B.C.'s share of Canadian mineral resource development investments <sup>1</sup>	13%	14%	15%	16%	17%

<sup>1</sup> Data Source: Ministry of Energy, Mines and Petroleum Resources and Natural Resources Canada.

### Linking Performance Measure to Objective:

Through its strategies to improve B.C.'s competitiveness, the Ministry continuously strives to attract long-term investment in B.C.'s mining sector and related service industries. Government can help to reduce risk and sustain investment levels through streamlined processes for mine project permitting, and this performance measure reflects B.C.'s efforts to achieve its objective. Due to current commodity prices and the investment climate, B.C.'s share of Canadian investment declined slightly (approximately 1%) in 2018/19, with another modest decrease expected in 2019/20.

## Objective 2.2: Oversight of the mining industry is continuously improved to protect the environment, human health and public safety

### Key Strategies:

- Continue to review legislation and regulations to ensure B.C. remains competitive and enhance the integrity of environmental, health and safety standards.
- Ensure timely follow-up on environmental, human health, Indigenous and public safety concerns.
- Implement the Audit Unit's annual plan, with the goal of ensuring regulatory requirements are protecting workers, the public and the environment.
- Continually improve regulatory oversight and inspection frequency of mines.
- Work with the Environmental Assessment Office and the Ministry of Environment and Climate Change Strategy on the coordination of regulatory oversight and on compliance promotion.

Performance Measure	Baseline 2014-2018 Average	2019 Forecast	2020 Target	2021 Target	2022 Target
2.2 Mine inspections <sup>1,2</sup>	1288	1,500	1,550	1,600	1,600

<sup>1</sup> Data Source: Manually compiled by Ministry of Energy, Mines and Petroleum Resources.

<sup>2</sup> Targets for 2020 and beyond have been adjusted to reflect Budget 2019 investments in compliance and enforcement.

### Linking Performance Measure to Objective:

The Ministry's Mines Inspectors conduct inspections of mine sites to promote operator awareness of regulatory requirements, to verify compliance with the *Mines Act*, the Health, Safety and Reclamation Code for Mines in B.C., and individual permit conditions, and to take enforcement action as necessary. Inspections are a key compliance verification tool to ensure the protection of the environment, human health and public safety.



**Goal 3: B.C.’s low carbon-intensity oil and gas products provide sustainable jobs for British Columbians, support Indigenous reconciliation and LNG projects meet the government’s four conditions**

**Objective 3.1: Policies and processes that ensure the competitive and responsible development of oil and gas resources that support the provincial economic framework.**

**Key Strategies:**

- Implement the Action Plan responding to the recommendations of the [Scientific Hydraulic Fracturing Review Panel](#).
- Continue incentivizing industry to invest in clean technologies through infrastructure royalty credit programs.
- Oversee and support the implementation of LNG Canada through the establishment of a dedicated LNG Canada Implementation Secretariat to ensure government’s goals and expectations are being met.
- Support the reduction of greenhouse gas (GHG) emissions in our oil and gas sector.
- Continue working with the Climate Action Secretariat and the BC Oil and Gas Commission to reduce industry methane emissions.

Performance Measure	2017/18 Baseline	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1 Annual GHG reductions from infrastructure improvements under infrastructure royalty credit programs offered by the Province <sup>1</sup>	35,000 tonnes	109,000 tonnes	140,000 tonnes	163,000 tonnes	210,000 tonnes

<sup>1</sup> Data Source: Ministry of Energy, Mines and Petroleum Resources

**Linking Performance Measure to Objective:**

This measure tracks the GHG reductions from oil and gas infrastructure development, which directly relates to the responsible development of oil and gas resources in B.C. These targets align with the Province’s legislated GHG reduction targets: 40 per cent below 2007 levels by 2030, 60 per cent by 2040 and 80 per cent by 2050.

**Objective 3.2: Support the value-added development of B.C.’s oil and gas resources to maximize the benefits to all British Columbians**

**Key Strategies:**

- Monitor and adapt oil and gas fiscal and regulatory frameworks to ensure they are competitive and generate a fair return to the Province.
- Add value to B.C.’s abundant natural gas resources by working with industry, Indigenous Nations and communities to guide and plan resource development and industrial activities.
- Continue appropriate and sustainable management of subsurface rights and timely decisions on oil and gas tenures and authorizations.

- Contribute to economic, social and environmental reconciliation by building meaningful partnerships with Indigenous communities for oil and gas development.
- Continue to work with Industry, Indigenous Nations, BC Hydro, and the Provincial Climate Action Secretariat to ensure oil and gas development and related infrastructure supports CleanBC and clean growth.

Performance Measure	2019 Forecast	2020 Target	2021 Target	2022 Target
3.2 Relative annual investment in natural gas and oil exploration and development (B.C. as % of Canada) <sup>1</sup>	14%	14%	14%	14%

<sup>1</sup> Data Source: Ministry of Energy, Mines and Petroleum Resources based on Canadian Association of Petroleum Producers Net Cash Expenditure historical data and forecasts for 2019. All data is only available and provided by calendar year.

**Linking Performance Measure to Objective:**

Investment in the development of B.C.’s oil and gas resources is important for maximizing value to British Columbians. Ensuring that B.C.’s share of annual investment in Canadian oil and gas resources continues to grow, including value-added oil and gas development, to support job creation, economic growth, and infrastructure development in B.C.

## Resource Summary

Core Business Area	2019/20 Restated Budget <sup>1</sup>	2020/21 Estimate	2021/22 Plan	2022/23 Plan
<b>Operating Expenses (\$000)</b>				
Mines Competitiveness and Authorizations	17,525	18,293	18,487	18,487
Mines Health, Safety and Enforcement	9,297	10,306	10,674	10,674
Electricity and Alternative Energy	117,346	51,147	28,960	28,960
Oil and Gas	17,913	16,772	16,855	16,855
Strategic and Indigenous Affairs	3,100	3,031	3,055	3,055
Executive and Support Services	11,857	11,386	11,539	11,539
Innovative Clean Energy Fund Special Account	3,243	2,696	2,326	2,326
<b>Total</b>	<b>180,281</b>	<b>113,631</b>	<b>91,896</b>	<b>91,896</b>
<b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b>				
Executive and Support Services	198	218	218	218
<b>Total</b>	<b>198</b>	<b>218</b>	<b>218</b>	<b>218</b>
<b><sup>2</sup> Other Financing Transactions (\$000)</b>				
Oil and Gas Commission Receipts	(46,800)	(45,050)	(43,300)	(45,300)
Oil and Gas Commission Disbursements	46,800	45,050	43,300	45,300
Net Cash Requirement (Source)	0,000	0,000	0,000	0,000
<b>Total Receipts</b>	<b>(46,800)</b>	<b>(45,050)</b>	<b>(43,300)</b>	<b>(45,300)</b>
<b>Total Disbursements</b>	<b>46,800</b>	<b>45,050</b>	<b>43,300</b>	<b>45,300</b>
<b>Total Net Cash Requirement (Source)</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>

<sup>1</sup> For comparative purposes, amounts shown for 2019/20 have been restated to be consistent with the presentation of the 2020/21 Estimates.

<sup>2</sup> The ministry collects production levies (operating) and OSRF revenues on behalf of the Oil and Gas Commission, but not pipeline revenues.

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

## **Appendix A: Agencies, Boards, Commissions and Tribunals**

### [BC Oil and Gas Commission](#)

The BC Oil and Gas Commission (OGC) is a single-window regulatory agency with responsibilities for overseeing oil, gas and renewable geothermal operations in British Columbia. The Commission oversees activities from exploration and development, to pipeline transportation and reclamation.

### [British Columbia Hydro and Power Authority](#)

BC Hydro is one of the largest electricity suppliers in Canada, generating and delivering electricity to 95% of the population of B.C., serving over four million people.