

**Ministry of
Energy, Mines and
Low Carbon Innovation**

**2021/22 – 2023/24
SERVICE PLAN**

April 2021



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Published by the Ministry of Energy, Mines and Low Carbon Innovation

Minister's Accountability Statement



The *Ministry of Energy, Mines and Low Carbon Innovation 2021/22 – 2023/24 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, appearing 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 Low Carbon Innovation
April 07, 2021

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Purpose of the Ministry

The [Ministry of Energy, Mines and Low Carbon Innovation](#) (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 and a fair return on resources to support the Province's economic recovery following the COVID-19 global pandemic.

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 discharging responsibilities for the following Crown Corporations: [British Columbia Hydro and Power Authority](#) (BC Hydro), and the [BC Oil and Gas Commission](#) (OGC).

Strategic Direction

In 2021/22, British Columbians continue to face significant challenges as a result of the global COVID-19 pandemic. The Government of B.C. is continually evolving to meet the changing needs of people in this province. Government has identified five foundational principles that will inform each ministry's work and contribute to COVID recovery: putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and meeting our greenhouse gas reduction commitments, and a strong, sustainable economy that works for everyone.

This 2021/22 service plan outlines how the Ministry of Energy, Mines and Low Carbon Innovation will support the government's priorities including the foundational principles listed above and selected action items identified in the [November 2020 Minister's Mandate Letter](#).

Performance Planning

Goal 1: An innovative, low carbon energy portfolio that advances CleanBC economic opportunities across all sectors.

Objective 1.1: Accelerate efforts to decarbonize B.C.’s energy sectors and usage to support the provincial CleanBC plan.

Key Strategies

- Work with Canada and stakeholders to expand electrification of industries of all sizes across sectors to fast-track their efforts to go green.
- Ensure the carbon-intensity of transportation fuels is reduced through the Low Carbon Fuel Standard.
- Continue to incorporate direction from the CleanBC plan into ministry operations to meet provincial energy, economic and climate goals.
- Establish a Centre for BC Innovation and Clean Energy to drive innovative emission reducing initiatives such as carbon capture and storage and renewable fuels.
- Continue to implement legislation and policies to advance energy efficiency and conservation in the built environment, including energy efficiency standards and a requirement for realtors to provide energy efficiency information on listed homes.
- Work with BC Hydro to ensure the Province’s generation, transmission and distribution assets continue to deliver reliable and cost-effective service.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.1 Clean, renewable and low carbon energy as a share of total utility and transportation energy sales ¹	30%	31%	32%	33%

Data Source: Compiled by the Ministry of Energy, Mines and Low Carbon Innovation and includes data from BC Hydro.

¹ 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 electricity and BC Hydro in reducing greenhouse gas emissions where it displaces higher carbon energy sources. 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: Quality programs and incentives that encourage British Columbians to choose greener homes, buildings and transportation.

Key Strategies

- Increase electric vehicle charging capacity through supporting installation of home and workplace charging stations.
- Introduce income-based rebates for new Zero Emission Vehicles (ZEVs), create new incentives for used ZEVs and expand the Speciality-Use Vehicle Incentive Program.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.2 Zero-Emission Vehicle sales per cent of new light-duty vehicle sales.	9%	10%	12%	14%

Data Source: Compiled by Ministry of Energy, Mines and Low Carbon Innovation 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 and sustained 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.

Goal 2: A sustainable and competitive mining sector that supports Indigenous reconciliation, reflects high environmental, social and governance (ESG) standards and contributes to the transition to a low carbon economy with responsibly produced minerals and metals.

Objective 2.1: A strong, innovative mining sector that positions B.C. as a desirable and responsible jurisdiction for investment.

Key Strategies

- Create a Mining Innovation Hub to support training in new technology, low carbon approaches, environmental management and regulatory excellence.
- Continue to implement the recommendations in the Mining Jobs Task Force.
- To support reconciliation with Indigenous peoples, continuously improve consultation and engagement processes on relevant permit applications and supporting work on strategic agreements for major mine developments.
- Continue to improve the approvals process for mining applications.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.1 B.C.’s share of Canadian mineral resource development investments	15%	16%	17%	18%

Data Source: Ministry of Energy, Mines and Low Carbon Innovation and Natural Resources Canada

Linking Performance Measure to Objective

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.

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

Key Strategies

- Continue to review legislation and regulations to enhance the integrity of environmental, climate, health and safety standards.
- Ensure that owners of mining and exploration projects are bonded and responsible for environmental clean up costs associated with any abandoned projects.
- Implement the newly created audit function to evaluate the effectiveness of the regulatory framework for mining in B.C.
- Continue work of the Code Review Committee to ensure the Health, Safety and Reclamation Code for Mines in B.C. is responsive to emerging trends and changing standards of practice.
- Ensure timely communication about health and safety incidents to support continuous improvement opportunities for mine operators.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.2 Minimum mine inspections	1550	1600	1600	1600

Data Source: Manually compiled by Ministry of Energy, Mines and Low Carbon Innovation.

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 oil and gas industry reduces its carbon footprint in a manner that supports economic sustainability, advances Indigenous reconciliation and exhibits high environmental, social and governance (ESG) performance.

Objective 3.1: Policies, technologies and processes that support the reduction of greenhouse gas (GHG) emissions in the oil and gas sector.

This Objective supports Government direction to implement regulations and technologies to support detection and reduction of harmful methane emissions in the oil and gas sector.

Key Strategies

- Work with the Climate Action Secretariat and the BC Oil and Gas Commission to reduce methane emissions from the oil and gas industry through regulations and the promotion of innovative technologies.
- Work with the BC Oil and Gas Methane Emissions Research Collaborative (MERC) to improve research efficiencies and broaden scientific understanding of methane emission sources, detection and measurement methods and, emission reduction and control technologies that can be implemented by oil and gas operators.
- Encourage industry to invest in clean technologies through infrastructure royalty credit programs.
- Advance work to support opportunities for strategic carbon capture and storage investments and other low carbon technologies to further the Ministry’s net-zero emissions goal.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.1 Annual GHG reductions from infrastructure improvements under infrastructure royalty credit programs offered by the Province	140,000 tonnes	163,000 tonnes	210,000 tonnes	290,000 tonnes

Data Source: Ministry of Energy, Mines and Low Carbon Innovation

Linking Performance Measure to Objective

This measure tracks the GHG reductions from oil and gas infrastructure royalty programs, 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. Through royalty deductions, infrastructure royalty programs partner with industry in projects to advance new technologies and processes that reduce methane emissions and promote innovative infrastructure including electrification projects to support reaching GHG emission reduction targets. The purpose of the programs is to help achieve GHG reduction goals and methane reduction targets, while also facilitating job creation, rural development and maintaining competitiveness.

In order to receive royalty deductions under the programs, project proponents for infrastructure emission reduction projects must submit an Emissions Reductions Report that provides a summary of emissions reductions attributed to completion of the project and include a Verification Statement provided by an accredited third-party.

Objective 3.2: Value-added development of B.C.’s oil and gas resources to maximize the benefits to all British Columbians and provide a fair return from our resources.

Key Strategies

- Promote price transparency and public accountability in the gasoline and diesel market through the implementation of the *Fuel Price Transparency Act*.
- Review B.C.’s oil and gas royalty credits to ensure they meet the province’s goals for economic development, a fair return on public resources and environmental protection.
- Oversee and support the implementation of LNG Canada to ensure government’s goals and expectations are being met.
- Add value to B.C.’s abundant natural gas resources by continuing to work with industry, Indigenous Peoples, BC Hydro, and the Climate Action Secretariat to ensure oil and gas development and related infrastructure supports CleanBC and clean growth.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.2 Relative annual investment in natural gas and oil exploration and development (B.C. as % of Canada)	14%	14%	14%	14%

Data Source: Ministry of Energy, Mines and Low Carbon Innovation based on Canadian Association of Petroleum Producers Net Cash Expenditure historical data and forecasts for 2020. 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. Maintaining B.C.’s share of annual investment in Canadian oil and gas resources, including value-added oil and gas development, to support job creation, economic growth, and infrastructure development in B.C. is important to provincial revenues and economic growth. The target is set to maintain B.C.’s share of investment at a level consistent with recent years reflecting government’s goal to see the responsible development of the province’s resources.

Financial Summary

Core Business Area	2020/21 Restated Estimates ¹	2021/22 Estimates	2022/23 Plan	2023/24 Plan
Operating Expenses (\$000)				
Mines Competitiveness and Authorizations	18,293	18,487	18,487	18,487
Mines Health, Safety and Enforcement	10,306	10,674	10,674	10,674
Electricity and Alternative Energy	51,147	39,347	35,155	35,156
Oil and Gas	16,772	16,855	16,855	16,855
Strategic and Indigenous Affairs	3,031	3,055	3,055	3,055
Executive and Support Services	11,386	12,179	12,342	12,350
Innovative Clean Energy Fund special account	2,696	8,103	2,403	2,403
Total	113,631	108,700	98,971	98,980
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services	218	299	299	299
Total	218	299	299	299
Other Financing Transactions (\$000)²				
Oil and Gas Commission Receipts	(45,050)	(41,574)	(42,907)	(43,659)
Oil and Gas Commission Disbursements	45,050	41,574	42,907	43,659
Net Cash Requirement (Source)	0,000	0,000	0,000	0,000
Total Receipts	(45,050)	(41,574)	(42,907)	(43,659)
Total Disbursements	45,050	41,574	42,907	43,659
Total Net Cash Requirement (Source)	0,000	0,000	0,000	0,000

¹ For comparative purposes, amounts shown for 2020/21 have been restated to be consistent with the presentation of the 2021/22 *Estimates*.

² 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

As of March 31, 2021, the Minister of Energy, Mines and Low Carbon Innovation is responsible and accountable for the following:

[BC Oil and Gas Commission](#)

The BC Oil and Gas Commission is a single-window regulatory agency with responsibilities for regulating oil, gas and renewable geothermal operations in B.C. The Commission regulates 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 per cent of the population of B.C., serving over four million people.

[Assayers Certification Board of Examiners](#)

The Board of Examiners provides for the training, examination, and certification of assayers. This ensures that assayers practicing in the province meet the high standards of competency required by the mining and securities industries and that skilled and qualified assayers are available in B.C. as well as other jurisdictions.