

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

**2023/24 – 2025/26  
Service Plan**

**February 2023**



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## Minister's Accountability Statement



The Ministry of Energy, Mines and Low Carbon Innovation 2023/24 – 2025/26 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 'Josie'.

Honourable Josie Osborne  
Minister of Energy, Mines and Low Carbon Innovation  
February 14, 2023

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## Strategic Direction

In 2023/24, the Government of British Columbia will continue our work to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how the Ministry of Energy, Mines and Low Carbon Innovation will support the government's priorities and selected action items identified in the December 2022 [Minister's Mandate Letter](#).

## Purpose of the Ministry

The [Ministry of Energy, Mines and Low Carbon Innovation](#) (Ministry) is responsible for British Columbia's (B.C.'s) electricity, alternative energy, hydrogen, oil, and natural gas sectors and related infrastructure, and the province's mining and mineral exploration sectors. These sectors are made up of diverse interests that use and develop energy, low carbon fuels and electricity generation, transmission, and distribution infrastructure and that explore for and produce oil, natural gas, coal, and valuable minerals. To support Government's coordinated climate, energy and economic 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, demonstrate leading environmental practices, 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 priorities.

The Ministry carries out this work in support of the [CleanBC plan and Roadmap to 2030](#), as well as 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, regulators, 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), the [BC Energy Regulator, formerly the Oil and Gas Commission](#) (BCER), and is also responsible for the [Assayers Certification Board of Examiners](#).

## Operating Environment

The CleanBC Roadmap to 2030 and the StrongerBC Economic Plan set out the Government's integrated approach for long-term low carbon energy production and use, reducing greenhouse gas (GHG) emissions, and economic recovery. Ministry programs further the advancement of the Province's climate goals through the decarbonization of energy used in the built environment, transportation, and industry. The Site C Project continues, and once complete in 2025, will provide 1,100 megawatts of clean electricity to the BC Hydro grid. The Ministry continues to work with the First Nations Leadership Council to engage with First Nations on current and future opportunities in B.C.'s low carbon energy sector.

Increased global demand for zero-emission vehicles (ZEVs), combined with supply chain shortages across the automotive sector, is driving up the price of both new and used ZEVs. To increase supply of ZEVs to B.C., the Ministry has committed to increase the stringency of the light-duty ZEV mandate and implement regulated targets for medium- and heavy-duty ZEVs. To ensure success of ZEV mandates, CleanBC Go Electric programming is supporting the market transformation with funding and rebate programs in all critical areas including the installation of charging infrastructure in both new and existing residential buildings.

There is a need for energy efficiency as well as fuel-switching policies in the transportation sector. To this end, the Ministry committed to develop, along with other ministries, a Clean Transportation Action Plan to be released in 2023 that will outline further actions to reduce emissions, increase energy efficiency, through reducing distances travelled and switching to more energy-efficient modes like walking, cycling, bus, rail, and marine, and move to low carbon energy in the transportation sector. B.C.'s ZEV sector continues to deliver jobs and significant economic opportunities across the province, supporting approximately 11,300 full-time jobs and contributing \$1.15 billion to the provincial gross domestic product.

B.C. is partnering with the Federal government on the Regional Energy and Resource Tables (RERT), an initiative created by Canada to enable provinces to address barriers and seize economic opportunities enabled by the transition to a low carbon economy. RERT will focus on priority areas and joint Federal-Provincial actions, including aligning resources, timelines, and regulatory processes to accelerate goals outlined in CleanBC and StrongerBC.

Investors and ratings agencies remained increasingly motivated by quantifying new kinds of financial risk. Beyond simple shareholder returns and revenues, markets continued to look for stable investments that align with long-term global goals (i.e., Paris Agreement, the UN Sustainable Development Goals, etc.) and analysts and regulators are including social, environmental and governance (ESG) factors in their investment and procurement decisions. An increased focus on ESG principles is another critical viewpoint for projects and business ventures in the natural resource sector impacting access to capital and overall competitiveness.

B.C.'s mining industry had a strong start to 2022/23 with prices for the province's primary mineral commodities at or near record highs. Commodity markets experienced headwinds

mid 2022 due to tightening global monetary policy and a global energy crisis. While the short-term outlook remains subdued, the long-term outlook remains positive with the demand for critical minerals expected to grow significantly. B.C. is Canada's largest producer of copper and only producer of molybdenum and has potential for nickel, cobalt, graphite, rare earth elements, niobium, platinum group minerals, tantalum, vanadium, and zinc. B.C.'s low carbon mining sector has significant potential to attract global investment and a fair share of the \$3.8 billion in federal funds earmarked for a critical minerals strategy. With new mines and mine expansions anticipated in the near future, the Ministry continues to focus on Indigenous consultation and permitting improvements. The implementation of the *Declaration Act* Action Plan including a commitment to Modernize the *Mineral Tenure Act* that has been identified as a priority by First Nations leadership will be key to the long-term outlook for the sector. The Ministry is working with the First Nation Leadership Council (FNLC) to plan next steps for the MTA modernization process. It is anticipated that there will be multiple stages of collaboration, and individual First Nations, First Nations Organizations and Industry will have multiple opportunities for involvement in the MTA modernization which is anticipated to be a multi-year process.

Through the Natural Resource Sector Compliance Management Framework, the Office of the Chief Inspector of Mines (OCIM) provides regulatory oversight of mines and mineral exploration using a range of activities. With more than 3000 permitted mine sites in the province, the Ministry has prioritized inspections in consideration of site and operational risks, to ensure that inspection resources are allocated to the highest risk sites. The OCIM also engages with Indigenous Nations with the goal of increasing collaboration in compliance activities. These activities include general engagement, and training, inspection planning and mine visits, which include mine tours, or accompanied inspections.

On November 24, 2022, Bill 37, the Energy Statutes Amendment Act received Royal assent. Bill 37 establishes the BC Energy Regulator, formerly the BC Oil and Gas Commission, Additional amendments in Bill 37 clarify government's authority to regulate the safe and effective storage of carbon dioxide from any source, advancing a provincial approach to carbon capture, utilization and storage, a key action in the CleanBC Roadmap to 2030. In 23/24 the Ministry will bring Bill 37 into force to expand the BC Energy Regulator's responsibilities to include hydrogen and make consequential amendments.

The majority of natural gas produced in the province continues to make its way via pipelines to Alberta, eastern Canada and into the United States, with the remainder supplying domestic consumers. Strong demand for natural gas throughout North America is expected to continue into 2023. In terms of domestic consumption, the Ministry continues to develop policies, such as the Greenhouse Gas Reduction Standard, to decarbonize BC's natural gas grid and place a cap on emissions from gas consumption in the buildings and industry sectors<sup>1</sup>

B.C.'s natural gas production continued to expand in 2022/23, growing on average by 13% year-over-year with annual production expected to exceed 6.7 billion cubic feet per day for the

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<sup>1</sup> Excluding the upstream oil and gas and Liquefied Natural Gas sectors, which are subject to other regulatory regimes to reduce GHG emissions.

first time. This increased production combined with a higher realized price has translated into an estimated increase of \$1.5 billion to the Province's projected royalties for 2022/23 (totalling \$2.4 billion). Strong demand for British Columbia's natural gas is expected to continue in the coming years and, when combined with the province's new oil and gas royalty system supported by a new land-healing and emissions-reduction pool program, could result in continued strong royalty revenues.

The LNG Canada project is on track for an in-service date around 2025. Both the export facility and its connecting Coastal GasLink pipeline are hitting key milestones and are expected to have steady construction workforce numbers throughout 2023/24. First Nations and local communities are benefitting with contracts and new job opportunities as LNG Canada plans for hundreds of long-term permanent positions. The Woodfibre LNG and Eagle Mountain Pipeline project made progress with the announcement of Woodfibre issuing their final Notice to Proceed in April 2022 and the announcement of a pre-construction budget of \$600M. FortisBC's Eagle Mountain Pipeline has announced a limited Notice to Proceed, and a contract valued at \$341M for the tunnel components of the pipeline project.

The Province and Blueberry River First Nations (Blueberry River) have reached an agreement that will guide a partnership approach to land, water and resource stewardship that ensures Blueberry River members can meaningfully exercise their Treaty 8 rights and provide stability and predictability for industry in the northeast region. In addition, the Province and four Treaty 8 First Nations (Fort Nelson, Saulteau, Halfway River and Doig River First Nations) also reached consensus on a collaborative approach to land and resource planning, and to advance regional solutions to benefit everyone living in northeastern B.C. and Treaty 8 territory. The Ministry continues to work with Treaty 8 Nations to implement the agreement.

## Performance Planning

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

This goal is key to supporting the CleanBC Plan and Roadmap to 2030. The Ministry facilitates energy sectors which demonstrate leading environmental practices while providing opportunities and quality jobs for British Columbians.

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

Decarbonization of the B.C. economy supports the (GHG) greenhouse gas reduction targets set out in the CleanBC Plan and Roadmap to 2030.



## Key Strategies

- Continue to incorporate direction from the CleanBC plan and CleanBC Roadmap to 2030 into ministry legislation, policies, programs, and operations to meet provincial energy, economic and climate goals.
- Continue to implement the BC Hydrogen Strategy through the BC Hydrogen Office to support the decarbonization of B.C.'s economy and energy systems.
- Work with other ministries, Indigenous communities, local governments, utilities, and other stakeholders to develop a Clean Transportation Action Plan for 2023, that takes an “efficiency first” approach to decarbonizing the transportation sector, and that focuses on five pillars: reduce distance travelled, increase mode shift, improve vehicle efficiency, adopt zero-emission vehicles, use clean fuels.
- Continue to implement legislation and policies to advance energy efficiency and conservation in the built environment, including highest energy efficiency standards and a system to provide energy efficiency information on listed homes.
- Develop and implement a climate-aligned energy framework for B.C. with an overall goal of maximizing our province’s production of clean energy to use at home and for export.
- Work with BC Hydro to implement its Electrification Plan and develop options for Indigenous ownership and/or equity interest in new BC Hydro infrastructure and Indigenous partnership in clean energy projects.

## Discussion

The strategies under Objective 1.1 focus on electrification, low carbon fuels and energy-efficient transportation options, industrial decarbonisation and energy efficiency, all of which support the decarbonization of the B.C. Economy and the CleanBC plan. The Ministry will work with other agencies and stakeholders, including Indigenous nations and communities, to provide opportunities in a more sustainable, greener economy. The Ministry will continue to monitor progress on its CleanBC policies and programs.

The Ministry continues to reduce GHG emissions from transportation fuels through B.C.'s Low Carbon Fuel Standard (LCFS). The LCFS remains one of the most successful approaches to reducing GHGs from transportation. It requires fuel suppliers to progressively decrease the average carbon intensity of the fuels they supply to users in B.C. Effective January 1, 2023, the LCFS increased its stringency by raising the carbon-intensity reduction requirement for gasoline and diesel fuel pools from 20% to 30% by 2030, relative to 2010 levels.

In Spring 2022, the Ministry introduced Bill 15, the Low Carbon Fuels Act (Act), expected to come into force on January 1, 2024. The new Act is intended to enable more GHG reductions and accelerate the transition to low-carbon energy.

The Ministry will continue to implement legislation and policies to advance decarbonization of the natural gas industry, promote energy efficiency and zero-emission vehicles in the transportation sector, including increasing light-duty ZEV targets, under the Zero-Emissions

Vehicles Act and Regulations, and establish targets for other vehicle weight classes, as well as mode shift, energy intensity and vehicle kilometre reduction targets.

The Ministry in conjunction with the Ministry of Transportation and Infrastructure is developing the Clean Transportation Action Plan which purpose is to identify the next set of concrete actions to ensure British Columbia meets its legislated and CleanBC Roadmap to 2030 transportation targets and will be released in 2023.

The Ministry will continue to work with Canada and stakeholders to expand electrification of industries of all sizes across sectors to fast-track their efforts to go green.

This includes continuing to work with BC Hydro to ensure the Province's generation, transmission and distribution assets continue to deliver reliable and cost-effective service.

The Ministry will also work to reduce GHG emissions in the buildings and industry sectors through development of a cap on GHG emissions arising from fossil natural gas consumption in these sectors.

## **Objective 1.2: Quality programs and incentives that encourage British Columbians to choose greener homes, buildings and transportation.**

The Ministry encourages consumers and businesses to switch to low carbon transportation and heating fuels in support of CleanBC outcomes.

### **Key Strategies**

- Increase affordability and accessibility of clean transportation options through GoElectric program investments in public awareness, skills training, advanced research and commercialization, home and workplace charging rebates, public charging and hydrogen fuelling infrastructure, fleets, vehicle rebates across all vehicle classes, and commercial vehicle pilots.
- Work with utility, private and public partners to complete B.C.'s Electric Highway by 2024, to ensure geographic connectivity for EVs across all highways and major roads in B.C., and to install 10,000 public chargers by 2030.
- Enhance utility and provincial energy efficiency programs through improved accessibility, alignment with CleanBC and supports for low-income households.

### **Discussion**

The strategies under Objective 1.2 support clean energy and efficiency upgrades for low-income households and encourage British Columbians to shift to sustainable modes of travel, which will help reduce emissions and make homes more comfortable and affordable. The Ministry will focus on the implementation of programs and raising public awareness, while monitoring its progress towards the listed outcomes.

The CleanBC Roadmap to 2030 (released in October 2021) proposes to complete B.C.'s Electric Highway by 2024 and reach a target of 10,000 public EV charging stations in B.C. by 2030. As of

January 2023, there are over 3,800 public charging stations in B.C., including over 850 fast charging stations.

The CleanBC Go Electric Program was designed to reduce barriers to the adoption of electric vehicles (EVs), including the cost of vehicles, access to infrastructure, public awareness, and skills training. It has been highly successful in starting the transition to a transportation system that is powered by clean energy British Columbia is a leader in the adoption of ZEVs and has one of the highest uptake rates of zero-emission vehicles in North America. In 2023, the CleanBC Go Electric Passenger Vehicle Rebate program will be transitioning its funding source to revenues generated from BC Hydro’s sale of credits created through the Low Carbon Fuel Standard.

In 2021, light-duty zero-emission vehicle sales represented 13% of all new light-duty vehicle sales in British Columbia. The Ministry will continue to build off this success and in 2023 will draft legislation to increase light-duty vehicle sales targets under the Zero-Emission Vehicles (ZEV) Act to 26% of new light-duty vehicles sold by 2026, 90% by 2030, and 100% by 2035.

The CleanBC Better Homes and Better Buildings program provides financial incentives to help households, businesses and the public sector save energy and reduce GHG through heating equipment replacement and building envelope improvements. CleanBC Better Homes and Better Buildings has \$71.6 M in base funding from fiscal 2023 through fiscal 2025.

## Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[1a] Clean, renewable and low carbon energy as a share of total utility and transportation energy sales <sup>1</sup>	32%	33%	34%	35%

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

<sup>1</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 data.

## Discussion

The provincial energy objectives in the CleanBC plan confirm the role of electricity and other low carbon fuels (such as hydrogen, bioenergy, and geothermal) in reducing emissions where they displace higher carbon energy sources. This performance measure directly relates to the goal of an innovative, low carbon energy portfolio in BC, by measuring the proportion of clean, renewable, and low carbon energy relative to GHG emitting energy sources. An increasing share of clean, renewable and low carbon energy will be achieved through measures such as increasing the proportion of biofuels in transportation; supporting fuel switching from fossil natural gas to electricity or low carbon alternatives (e.g. renewable natural gas) by gas utility customers. Targets under this measure are projected from historical performance, with 1% improvement per year selected for consistency with 2030 CleanBC targets.

## Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[1b] Zero-Emission Vehicle sales per cent of new light-duty vehicle sales.	10%	23%	28%	32%
[1c] Zero-Emission vehicle sales per cent of on-road medium- heavy-duty vehicle sales	0.5%	1%	3%	5%

Data Source: Compiled by Ministry of Energy, Mines and Low Carbon Innovation staff from ZEV sales. The Zero-Emission Vehicles Regulation defines a light-duty vehicle as one that weighs 3,856kg (8,500lbs) or less.

### Discussion

Transportation accounted for 38 per cent of B.C.'s total GHG emissions in 2021. As a result, to reduce GHG emissions and meet B.C.'s climate targets, significant and sustained action needs to be taken to reduce GHG emissions from light, medium and heavy-duty vehicles. Increased adoption of ZEVs will contribute to reductions in B.C.'s GHG emissions and improve air quality. Performance measure 1b measures progress towards Government's target of increasing the number of light duty ZEVs in B.C., reaching 100% of all new light-duty vehicle sales by 2035, while new measure 1c tracks Government's commitment to implement a medium- and heavy-duty vehicle ZEV standard. Due to the increasing pressure ZEVs place on clean energy supplies and infrastructure, transitioning to clean electricity and hydrogen in the transportation sector necessitates significant efforts to reduce overall transportation energy demand (e.g., shift goods movement from truck to rail, and passenger movement from individual vehicles to walking, cycling, transit including passenger rail, etc.). The Clean Transportation Action Plan will outline further policies and performance measures in that area.

## **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.**

A sustainable sector provides opportunities for all British Columbians, while contributing to a clean economy that combats climate change.

### **Objective 2.1: A strong, responsible, low carbon and innovative mining sector that creates good, family supporting jobs.**

Innovation in mining contributes to the sector's competitiveness and fosters technological change which supports sustainable employment.

## Key Strategies

- Modernize the *Mineral Tenure Act* in accordance with the *Declaration Act* Action Plan.
- Support reconciliation with Indigenous peoples, continuously improve consultation and engagement processes on relevant permit applications and support work on strategic agreements for major mine developments through the newly created Priorities Advancement and Indigenous Relations Branch.
- Continue to improve the authorizations review process for mining applications by implementing updated guidance documents and policies, as well as streamlined processes for application reviews for major and regional mines and exploration projects.
- Develop a BC Critical Minerals Strategy to position BC to supply materials to the emerging clean global economy, accelerate the domestic low-carbon shift and access federal funding opportunities.
- Update regulatory and policy tools that support and align improving B.C.'s stewardship of biodiversity and land use planning with a competitive, prosperous low carbon mining future.
- Develop options to launch a Mining Innovation Hub to support training in new technology, low carbon approaches, environmental management and regulatory excellence.

## Discussion

The strategies focus on innovation, reconciliation with Indigenous peoples, engagement and process improvement. These initiatives all contribute to a mining sector that is both competitive and sustainable, supporting the creation of lasting employment for all British Columbians. Through the federal/provincial Regional Energy and Resource Tables, the Ministry will be contributing to and monitoring progress towards a Critical Minerals Strategy and exploring options for federal funding.

The Ministry is currently evaluating options for development of a BC Critical Minerals Strategy which will guide work in this policy area and to access BC's share of the \$3.8 billion in federal funds earmarked for critical minerals in Canada.

The Ministry sees an opportunity to develop a BC Critical Minerals Strategy that is complementary to the federal strategy while advancing provincial interests. BC is engaging with federal counterparts to explore opportunities for collaboration on critical minerals initiatives, including funding for Indigenous engagement, geological assessments and downstream/manufacturing/recycling related activities.

The BC Geological Survey has initiated a modest, 3-year critical minerals program in 2022/23 in collaboration with the Climate Action Secretariat in support of the CleanBC Roadmap to 2030. This \$1.85 million program will focus on completing initial geological assessments to understand critical minerals production potential.

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

Industry oversight contributes to both a safe and sustainable sector which produces the minerals needed to transition to a low carbon economy.

### Key Strategies

- Continue enhancing environmental, climate and health and safety standards by reviewing legislation and regulations and continuing the 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 and contributes to reconciliation with Indigenous nations.
- Ensure that owners of mining and exploration projects are bonded and responsible for environmental clean up costs associated with any abandoned projects and continue to support the Public Interest Bonding Strategy for all large industrial sites led by the Ministry of Environment and Climate Change Strategy.
- Continue implementing the mine audits program by evaluating the effectiveness of the regulatory framework for mining in B.C. and implementing actions in response to recommendations.
- Ensure timely communication about health and safety incidents to support continuous improvement opportunities for mine operators.
- Continue identifying abandoned mines and assessing and mitigating public hazards.

### Discussion

The strategies reflect a combined oversight focus on responsible development, the environment, health and safety as well as the impacts of the sector on climate. This supports the continuous improvement envisioned in Objective 2.2. Continuing audits, the Code Review Committee's ongoing work, and the internal tracking of mine inspections per performance measure 2b will ensure tangible results over the coming fiscal.

### Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[2a] B.C.'s share of Canadian mineral resource development investments	16.5%	17%	17.5%	18%

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

This may be influenced by provincial actions related to critical minerals and reconciliation, as well as overall global market conditions.

## Discussion

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 measure reflects the B.C. mining sectors' competitive performance. Since 2017, B.C. has seen its share of Canadian mineral resource development investment increase by approximately 0.4% annually. An annual increase of 0.5% for this performance measure is now a realistic target for B.C., especially considering that overall Canadian investment increased by more than 30% from 2020 to 2021 with another anticipated increase in 2022. The level of investment in B.C.'s mineral resources is a measure of the sector's competitiveness. Additionally, given the increasing focus on responsible investment by financial institutions, it is also a reflection of B.C.'s high ESG standards.

## Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[2b] Minimum mine inspections	1600	1600	1600	1600

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

## Discussion

Compliance verification is a key regulatory oversight under the Natural Resource Compliance Management Framework for ensuring mines are operating responsibly and protecting the environment, human health and public safety. In Budget 2019, Government strengthened the Ministry's ability to undertake compliance verification work through increased funding to hire new Mines Inspectors. With this consistent and stable funding, the OCIM can properly allocate resources to plan for a consistent minimum number of inspections, year-over-year, while maintaining the ability to work collaboratively with Indigenous Nations on compliance activities, and to efficiently and effectively respond to complaints, undertake escalated enforcement as necessary and respond to and investigate incidents. Planned versus actual inspection targets are monitored and adjusted as necessary, with the OCIM often exceeding the inspection target through efficiencies and responsible use of resources. The 1,600 inspection targets year over year are in line with the extra resources allocated in Budget 2019 (when the targets were 1,350) and allow some flexibility for Ministry staff to apply a risk-based approach to enforcement.

## **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.**

The Ministry strives to ensure that B.C. oil and gas is produced responsibly and contributes to positive social and economic outcomes for all British Columbians.

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

Reducing the carbon footprint of oil and gas activities enhances the industry's ESG performance.

#### **Key Strategies**

- Work with the BC Energy Regulator and the Climate Action Secretariat (CAS) to develop a policy framework that requires new oil and gas facilities to minimize greenhouse gas emissions as much as possible and achieve net zero emissions by 2050.
- Work with the BC Energy Regulator and CAS on the development of a sector-specific approach to reducing methane emissions through world-class regulations and research, an integrated methane measurement and monitoring program, and the promotion of innovative technologies.
- Encourage industry to invest in emission reduction technologies through the development and launch of a new program that will repurpose deep well credits into a land-healing and emissions-reduction project pool and explore options for transitioning any remaining oil and gas subsidies to clean energy and tech sectors.
- Work with the BC Energy Regulator and CAS to ensure an appropriate enabling environment to support the deployment of carbon capture and sequestration to reduce carbon dioxide emissions from the oil and gas sector.

#### **Discussion**

This objective and its strategies support Government's climate goals and the implementation of the CleanBC Roadmap to 2030 in relation to the oil and gas sector. The strategies all focus on emissions reduction and the storage of greenhouse gases. GHG reduction positively impacts the province's carbon footprint and supports its ESG credibility. This in turn contributes to long-term economic sustainability, ensuring that the sector can continue to provide high-paying jobs and revenue to the Province as it transitions to a low-carbon energy future.

The Roadmap to 2030 includes commitments to reduce (GHG) emissions produced by the oil and gas industry in line with its sectoral target of 33-38 percent reductions from 2007 levels by



2030. This includes a commitment to achieve a 75 percent reduction in methane emission from 2014 levels by 2030 and near elimination of methane emissions by 2035. Through its work with BCER and CAS, EMLI will review and strengthen methane emissions regulations to ensure achievement of the 2030 target. Delivery of other commitments in the Roadmap to 2030 supported by these strategies include:

- Requiring all new large oil and gas facilities (including LNG facilities) to submit plans to achieve net zero emissions by 2050;
- Advancing a provincial approach to carbon capture, utilization and storage and negative emissions technologies.

### **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.**

Oil and natural gas activities generate revenues to the Crown that support services such as health care and education and facilitate reconciliation with First Nations.

#### **Key Strategies**

- Promote price transparency and public accountability in the gasoline and diesel market through the implementation of the *Fuel Price Transparency Act*.
- Implement B.C.'s new oil and gas royalty system that encourages additional oil and gas emissions reduction projects, supported by a new land-healing and emissions-reduction pool program.
- Oversee and support the continued implementation of the LNG Canada Project and Woodfibre LNG Project 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.
- Advance the production and use of hydrogen by creating regulatory certainty for the BC Energy Regulator's expanded role in order to generate economic opportunities, reduce emissions and transition to clean energy.
- Continue to work with companies involved in or pursuing LNG projects to ensure alignment to B.C.'s framework for natural gas development and specifically the five conditions, which now include a commitment from industry that local communities benefit.
- Work to implement a cumulative effects and conservation management framework in Northeast B.C. with respect to oil and gas development, as part of the Province's commitment to meeting the B.C. Supreme Court declarations from *Yahey v B.C.*

## Discussion

The strategies focus on transparency, GHG emission reduction, and initiatives that support clean growth and reconciliation with Indigenous peoples. This value-added approach supports the positive economic and social outcomes envisaged by the goal and objective for the responsible development of B.C.'s oil and gas resources. A fair return provides revenue that supports valuable public services like health care and education. In addition to measure 3b, which reports our investment relative to Canada, the Ministry will work with its industry and regulatory partners to ensure that development occurs in a responsible manner.

The Roadmap commits BC to a net zero future, which will be backed by legislation. As a result of its net zero pledge, the Province will be instituting a new requirement for all new industrial facilities, including oil and gas facilities, to have enforceable plans to achieve net-zero emissions by 2050.

## Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[3a] Annual GHG reductions from infrastructure improvements under royalty programs	210,000 tonnes	290,000 tonnes	410,000 tonnes	500,000 Tonnes

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

## Discussion

This measure tracks the GHG reductions from oil and gas infrastructure royalty programs, which directly relates to the environmentally responsible development of oil and gas resources in B.C. The purpose of the programs is to help achieve the oil and sectoral targets and methane reduction targets, while also facilitating job creation, rural development and maintaining competitiveness. 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.

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

On May 19, 2022, the Province announced a new oil and gas royalty system. The new royalty system encourages additional oil and gas emissions reduction projects, which will be supported through a new land-healing and emissions-reduction pool program. Using this pool, companies may transfer existing deep-well credits to a pool to fund healing the land and emission-reduction work that goes beyond regulatory requirements. This new program will

contribute to achieving the emission reduction targets under Performance Measure 3a in addition to the emission reductions achieved from projects approved under previous infrastructure programs as those projects are completed and emission reductions are verified.

**Performance Measures**

Performance Measure	2022/23 Forecast <sup>1</sup>	2023/24 Target	2024/25 Target	2025/26 Target
[3b] Relative annual investment in natural gas and oil exploration and development (B.C. as % of Canada)	N/A	14%	14%	14%

Data source: Ministry of Energy, Mines and Low Carbon Innovation based on information from Statistics Canada and Canadian Association of Petroleum Producers Net Cash Expenditure historical data and forecasts. All data is only available and provided by calendar year.

<sup>1</sup> Statistics Canada data not available until later in 2023

**Discussion**

Investment in the development of and reducing emissions from B.C.’s oil and gas resources are 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 and the reduction of the carbon intensity of natural gas production, supports job creation, economic growth, and infrastructure development in B.C., and 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. Investment in B.C.’s oil and gas resources and the return it provides to the Province in the form of revenues support the provision of benefits and services to British Columbians. These revenues also provide the means to advance reconciliation with B.C.’s Indigenous Nations.

## Financial Summary

Core Business	2022/23 Restated Estimates <sup>1</sup>	2023/24 Estimates	2024/25 Plan	2025/26 Plan
<b>Operating Expenses (\$000)</b>				
Mines Competitiveness and Authorizations	24,551	28,383	23,716	24,207
Mines Health, Safety and Enforcement	12,693	13,670	13,898	13,898
Electricity and Alternative Energy	38,888	41,365	41,598	41,598
Oil and Gas	17,271	17,706	17,795	17,795
Strategic and Indigenous Affairs	2,515	2,669	2,695	2,695
Executive and Support Services	13,638	14,615	13,469	13,651
Innovative Clean Energy Fund Special Account	2,403	10,128	7,933	7,933
<b>Total</b>	<b>111,959</b>	<b>128,536</b>	<b>121,104</b>	<b>121,777</b>
<b>Capital Expenditures (\$000)</b>				
Executive and Support Services	586	546	546	546
<b>Total</b>	<b>586</b>	<b>546</b>	<b>546</b>	<b>546</b>
<b>Other Financing Transactions (\$000)</b>				
BC Energy Regulator Receipts	(44,000)	(45,000)	(46,000)	(47,000)
BC Energy Regulator Disbursements	44,000	45,000	46,000	47,000
Net Cash Requirements (Source)	0,000	0,000	0,000	0,000
<b>Total Receipts</b>	<b>(44,000)</b>	<b>(45,000)</b>	<b>(46,000)</b>	<b>(47,000)</b>
<b>Total Disbursements</b>	<b>44,000</b>	<b>45,000</b>	<b>46,000</b>	<b>47,000</b>
<b>Total Net Cash Requirements (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 2022/23 have been restated to be consistent with the presentation of the 2023/24 Estimates.

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

## Appendix A: Public Sector Organizations

As of February 28, 2022, the Minister of Energy, Mines and Low Carbon Innovation is responsible and accountable for the following:

### [BC Energy Regulator](#)

The BC Energy Regulator is a single-window regulatory agency with responsibilities for regulating oil, gas, hydrogen and renewable geothermal operations in B.C. The BC Energy Regulator regulates activities from exploration and development to pipeline transportation and reclamation.

### [BC Hydro](#)

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., and 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.

