

British Columbia Energy Regulator

2024/25 – 2026/27 Service Plan

February 2024



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Board Chair's Accountability Statement



The 2024/25 – 2026/27 BC Energy Regulator Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 2024 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Energy Regulator's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BC Energy Regulator's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read "Chris Hayman", with a long, sweeping flourish extending to the right.

Chris Hayman
Board Chair, BC Energy Regulator
February 7, 2024

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Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 Service Plan outlines how the British Columbia Energy Regulator (BCER) will support the government's priorities and selected action items identified in the most recent [BCER Mandate Letter](#) (dated July 16, 2023).

Purpose of the Organization and Alignment with Government Priorities

The BCER is the regulatory agency responsible for overseeing energy activities in British Columbia. Our role includes the management of natural gas, hydrogen, ammonia, methanol, oil, carbon capture and storage (CCS) and geothermal resources. We regulate energy resources primarily through the [Energy Resource Activities Act \(ERAA\)](#) and other associated laws. As a provincial Crown Corporation, the organization reports to the provincial government through the Minister of Energy, Mines and Low Carbon Innovation.

We ensure activities are undertaken in a manner that protects public safety and the environment, supports reconciliation with Indigenous peoples, conserves energy resources and fosters a sound economy and social well-being. We work collaboratively across government and industry sharing policy and technical expertise in support of B.C.'s transition to low-carbon energy and helping meet future global energy needs.

The BCER carries out our purpose through three core business areas:

- Regulation and policy: provide an effective framework that enables regulatory excellence.
- Responsible resource development: processes and stewardship measures that improve transparency, durability of decisions, and expand opportunities for innovation.
- Compliance and safety: monitor, inspect, audit, and enforce the life cycle of regulated activities, ensuring technical assessments, safety and stewardship measures are effective and reflect best practices.

The 2024/25 Service Plan outlines how the BCER supports government priorities, is aligned with our [Strategic Framework](#) and serves as a roadmap for achieving our vision of a resilient

energy future where B.C.'s energy resource activities are safe, environmentally leading and socially responsible. We have identified three goals for the 2024/25 Service Plan that demonstrate how we are successfully delivering on our mission: A Progressive and Trusted Life Cycle Energy Regulator; Meaningful Reconciliation and Partnership with Indigenous Peoples; and A Healthy, Empowered, Inclusive, and Modern Workforce.

Operating Environment

The BCER operates within a dynamic and evolving environment influenced by numerous factors, including economic fluctuations, technological advancements, environmental concerns, and shifts in energy consumption patterns.¹ These dynamics continually shape the energy sector, creating a complex operational landscape.

On September 1, 2023, the BCER's mandate was broadened to respond to these complexities. This expansion, encompassing hydrogen, ammonia, methanol, and carbon storage from additional sources, is a pivotal step in aligning with the changing dynamics of the energy sector. Facilitated by the Energy Resource Activities Act, this mandate expansion underscores BC's commitment to support a transition towards low-carbon energy sources, achieving specified energy targets, and meeting future energy needs. This expansion is not only in line with the BCER's dedication to a sustainable energy future but also aligns with the broader goals outlined in the Province's [CleanBC](#) plan.

Through the mandate expansion of hydrogen, ammonia, methanol, and carbon storage into its mandate, the BCER is actively contributing to the diversification of clean energy sources. Concurrently, the ongoing implementation of methane emission regulations and robust reporting mechanisms exemplify the BCER's dedication to operationalizing environmental safeguards. Due to these combined efforts, the sector is positioned to meet or possibly surpass the greenhouse gas (GHG) reduction targets outlined in [CleanBC's Roadmap to 2030](#).

The BCER continues its focus on building meaningful, long-term relationships with Indigenous Peoples to ensure their rights and interests are incorporated throughout the regulatory lifecycle. This includes transforming the application referral, consultation and permitting processes to address First Nations' ability to meaningfully exercise their rights. These efforts are guided by ongoing implementation of the [Declaration on the Rights of Indigenous Peoples Act \(DRIPA\)](#), and in agreements with Treaty 8 Nations (Doig River, Blueberry River, Prophet River, Fort Nelson, Halfway River, West Moberly, Sauleteau First Nations, and McLeod Lake Indian Band).

As BCER sustains itself financially through industry fees and levies and has oversight for the full lifecycle of energy resource activities, there are ongoing efforts to review its revenue model, aiming for continued financial self-sufficiency while minimizing fluctuations linked to

¹ These patterns refer to changes in the ways individuals, businesses, and industries utilize and demand energy over time. This can encompass alterations in the types of energy sources preferred, the efficiency of energy use, and the overall demand for energy across different sectors.

application fees or production revenue. Moreover, the organization is proactively managing risks associated with permit holder insolvency, orphan sites, and dormant sites through the implementation of its Comprehensive Liability Management Plan and Permittee Capability Assessment. These initiatives underscore the BCER's dedication to prudent financial management and the proactive mitigation of potential environmental and regulatory risks within the energy sector.

Looking forward to the 2024/25-2026/27 period of this Service Plan, the BCER is well-prepared to offer continuous oversight for the [Coastal GasLink \(CGL\)](#) and [LNG Canada](#) projects as they commence operations, reaffirming our commitment to responsible and effective energy regulation. BCER's proactive approach ensures the effective and efficient management of these significant energy projects, fostering economic growth, job creation, and advancing British Columbia's position as a preferred jurisdiction to invest in. In doing so, our dedication to environmental considerations and sustainability goals stands resolute.

Performance Planning

Goal 1: A Progressive & Trusted Life Cycle Energy Regulator

We are a progressive and trusted life cycle energy regulator. We demonstrate regulatory excellence across the full life cycle of energy resources that support a safe, responsible, responsive, and innovative energy sector for the benefit of British Columbians.

Objective 1.1: Demonstrate Operational Excellence & Stewardship in the Public Interest

We use trusted processes and embrace innovative technologies to ensure energy resource activities are safely and effectively planned for, developed, managed, maintained, and restored in a manner that fully considers the environment, the rights of land owners, Indigenous knowledge, community well-being, and contributes to B.C.'s competitive investment climate.

Key Strategies

- Collaborate with other government, ministries and agencies to deliver on Action 2.6 in the [Declaration Act Action Plan](#),² by developing policies, programs, and initiatives to advance collaborative stewardship of the environment, land and resources.
- Collaborate with Indigenous Peoples, industry, stakeholders, and academia to develop new assessment processes, tools, and application review procedures and increase the effectiveness of regulatory processes.
- Enhance checks of each company's financial health through the [Permittee Capability Assessment](#) program, with the continued goal to mitigate liability risks and minimize pressure on the Orphan Site Reclamation Fund (OSRF).

Discussion

The BCER is focusing on the collaborative development of strategic environmental policies, as per the implementation of the Declaration Act Action Plan (DRIPA), specifically Action 2.6. We are committed to ongoing engagement with Indigenous Peoples in the process. Additionally, we work in close alignment with other natural resource agencies to execute on the Action Plan, ensuring a coordinated and effective approach to environmental management.

Collaborative efforts involving Indigenous Peoples, industry stakeholders, and academia contribute significantly to improving assessment processes and tools, to ensure regulatory

² Action 2.6 is to “Co-develop strategic-level policies, programs, and initiatives to advance collaborative stewardship of the environment, land, and resources, that address cumulative effects and respects Indigenous Knowledge. This will be achieved through collaborative stewardship forums, guardian programs, land use planning initiatives, and other innovative and evolving partnerships that support integrated land and resource management.”

processes are not only current but also inclusive, responsive, and aligned with the public interest.

To establish public trust concerning liability management and timely restoration, the BCER is set to review its existing revenue model. Focused effort in this area will enable us to ensure that liabilities are managed throughout the life cycle of energy development and that obligations and environmental responsibilities at the end of a project's life are met.

Objective 1.2: Advance B.C.'s Energy Transition to a Low-Carbon Economy

We work collaboratively with Government, Indigenous Peoples, environmental groups and industry, to share regulatory policy and technical expertise, provide operational leadership, and evolve our regulatory model to support B.C.'s energy transition to a low-carbon economy that meets future energy needs.

Key Strategies

- Develop and implement the regulatory frameworks needed to operationalize BCER's expanded mandate and support the transition to low-carbon emission sources of energy.
- Ensure employees have knowledge about energy transition, and our operational and technical staff are supported in training and experiential activities to ensure effective and leading regulatory frameworks.

Discussion

Developing and implementing robust regulatory frameworks is crucial for advancing BC's low-carbon energy future. These frameworks, aligned with the BCER's expanded mandate, serve as the foundation for operationalizing the transition to low-carbon emission sources of energy. Clear and effective regulations provide the necessary guidance and standards for the energy sector, facilitating the integration of cleaner and more sustainable practices.

Ensuring that employees possess the requisite knowledge about energy transition is equally vital. This knowledge empowers staff to navigate the complexities of the evolving energy landscape, fostering informed decision-making and adaptability to emerging trends. Additionally, supporting operational and technical staff through training and experiential activities enhances their capabilities, enabling them to develop, implement and enforce leading regulatory frameworks effectively.

By prioritizing education and skill development within the organization, BCER not only ensures the competence of its workforce but also contributes to a culture of innovation and continuous improvement in the sector. This, in turn, strengthens the regulatory oversight necessary for the successful transition to low-carbon energy sources. The combination of well-crafted regulatory frameworks and a knowledgeable, skilled workforce positions BCER as a key player in driving the province's sustainable energy future, reducing carbon emissions and aligning with broader environmental goals.

Objective 1.3: Build Public Trust & Provide Energy Information

The public trusts and understands our role as an energy lifecycle regulator, including the safety, environmental, social and governance factors applied in decision making.

Key Strategies

- Working with provincial agencies and First Nations, redesign an approach to cumulative effects management that meaningfully considers the cumulative effects of a project on the environment and on the rights and interests of Indigenous peoples.
- Engage with partners and stakeholders on environmental, social and governance (ESG) considerations to ensure regulatory changes align with public interests.
- Share information about regulated activities, including utilizing data and analytics, to increase transparency in BCER's regulatory framework and decisions.

Discussion

Building public trust and providing comprehensive energy information is crucial for the BCER's effectiveness as an energy lifecycle regulator. A trusted regulatory body is better positioned to navigate the complexities of the energy sector, address public concerns, and facilitate a smooth transition to sustainable energy practices.

Redesigning the approach to cumulative effects management and continuing to transform the BCER's Indigenous engagement approach including application referral, consultation and permitting processes to address the First Nations' ability to meaningfully exercise their rights, undertaken in collaboration with provincial agencies and First Nations, is a key strategy that emphasizes a more inclusive and holistic decision-making process. By considering the cumulative effects of projects on the environment and the rights and interests of Indigenous peoples, and transforming its processes, the BCER not only demonstrates a commitment to environmental and social responsibility but also ensures that the public understands and has confidence in the regulatory decisions made.

BCER is engaging with partners and stakeholders on ESG considerations in the regulatory process. This collaborative approach ensures that regulatory changes align with public interests, fostering transparency and accountability. By involving diverse perspectives, the BCER strengthens its decision-making processes and builds trust in the regulatory framework. The BCER is in the early stages of assessing how to address ESG more effectively in its own operations and the industries it regulates.

Effectively communicating information about regulated activities, utilizing data and analytics, and enhancing transparency within the regulatory framework are crucial elements in building and sustaining public trust. By providing accessible and understandable information, the BCER aims to foster informed discussions, reduce ambiguity, and position itself as a transparent and accountable authority in the community's eyes. This commitment extends to continuous improvement in compliance and enforcement activities, working collaboratively with the Environmental Assessment Office and other agencies to ensure that companies and operators consistently meet their regulatory obligations. Through these efforts, the BCER strives to

uphold the highest standards of regulatory compliance and enforcement, reinforcing its role as a reliable and responsible regulatory body.

Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1a] Hectares of restored dormant wells as a percentage of total disturbed dormant area.	9%	25%	40%	45%	48%

Data source: Identification of the restored type A dormant wells are confirmed through submissions of restoration declarations from permit holders' data retrieved from the database. The hectares are calculated with a standard assumption area of 1.44 ha per site.

Discussion [1a]

This performance measure is a targeted expectation for industry's restoration of certain dormant wells under the [Dormancy and Shutdown Regulation \(DSR\)](#). The percentage of restored hectares is used as an indicator of progress and adherence. As milestones are achieved, there is an expectation of significant growth in the percentage of restored hectares, resulting in improvements to healing the land.

The number of hectares of disturbance that will be restored is a measurement of industry's adherence to the restoration timelines [under Section 15\(3\)\(a\) of the DSR](#). Industry annual reports of restoration activities are evaluated to identify the number of wellsites restored which in turn provides the total disturbance of dormant area restored.

As a trusted full life cycle energy regulator, the BCER evaluates the above industry reporting on an ongoing basis to evaluate adherence to the regulation, and includes processes such as: internal report reviews, evaluation against technical databases, field confirmation through inspections and the Certificate of Restoration Audit Program.

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1b] Percentage of high-priority corrective action plans outstanding within allocated timelines	<1%	<1%	<1%	<1%	<1%

Data source: Corrective Action Data, contained within a spreadsheet in TEAMS.

Discussion [1b]

Public Safety is at the core of BCER's mandate. Pipeline and facility integrity management programs are a key component of the BCER's regulatory framework ensuring pipelines and facilities are operated in a manner that is safe and environmentally responsible. The BCER conducts audits for compliance. High-priority corrective actions are assigned to permit holders

where an audit has identified a core integrity management process has not been developed or fully implemented by the permit holder.

This performance measure focusses on pipeline and facility integrity management by demonstrating identified corrective actions have been completed within the allocated timeline.

The target fosters public trust as energy activities are being held to a high standard of public safety and environmental responsibility.

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1c] Progress of oil and gas industry targets in reducing methane emission from 2014 levels identified in the CleanBC Roadmap to 2030	15%	35%	45%	55%	60%

Data source: Ministry of Environment industrial greenhouse gas reporting.

Discussion [1c]

Methane is a greenhouse gas and increased concentrations in the atmosphere contribute to climate change. Reducing methane emissions from oil and gas operations is recognized as one of the most effective ways to reduce greenhouse gases.

The performance measure tracks how industry meets the CleanBC target of methane reduction by 75 per cent from 2014 levels by 2030 and near elimination by 2035. Based on the provincial inventory of greenhouse gas emissions, baseline methane emissions from the oil and gas sector in 2014 were 3.3 million tonnes of CO₂ equivalent. The BCER will integrate newly available regulatory tools into its processes, aiming to boost the efficiency and effectiveness of current data recording methods. This integration is expected to result in improved accuracy and timely data in measuring industry methane emissions.

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1d] Satisfaction level on how well the BCER is engaging stakeholder groups	88%	88%	88%	88%	88%

Data source: Survey of a wide range of land owner and local government stakeholders throughout the province, conducted every year by an external third party. The results are tracked and analyzed internally.

Discussion [1d]

The performance measure reflects the effectiveness of the BCER’s engagement efforts with land owners and local government. The BCER targets a high-level of stakeholder satisfaction and will continue to work with local government officials, land owners and affected stakeholders to take meaningful actions to inform them on who the BCER is and our mandate, as well as looking to mitigate potential negative impacts on their quality of life.

Active involvement with stakeholders, especially those directly impacted by regulated activities, constitutes a fundamental pillar of our operational framework. Recognizing the intricate dynamics of our engagement initiatives, we have established 88 percent as a judicious benchmark for our service standard commitment. This benchmark is deemed reasonable considering the inherent variability in stakeholder participation and awareness levels within our surveyed demographic. Maintaining the judicious benchmark year over year indicates a successful engagement program.

Goal 2: Meaningful Reconciliation & Partnership with Indigenous Peoples

We seek to have meaningful reconciliation and partnerships with Indigenous peoples. We honour Indigenous rights, titles, and values as foundational in our decision-making and apply this in all facets of our work with First Nations and Indigenous communities as partners in building B.C.'s energy resource future.

Objective 2.1: Effective Government to Government Relations with First Nations.

We work in partnership with First Nations to advance solutions and increase community well-being.

Key Strategies

- Build employees' understanding of the history of Indigenous peoples in Canada by implementing the BCER's Indigenous Learning and Development Plan to ensure appropriate consideration and incorporation of Indigenous interests into business practices across the regulatory lifecycle.
- Collaborate with First Nations to transform the application referral, consultation and permitting processes to address the Nations' ability to meaningfully exercise their rights.
- Continue commitment to the co-development of the [Aboriginal Liaison Program](#) (ALP) to build collaborative compliance and enforcement programs through agreements with Indigenous communities.

Discussion

No measure on its own can encompass the complexity of reconciliation, but strategies and measures are selected for their ability to demonstrate progress in the BCER's approach to improving relationships as we shift to long-term, enduring relationships with First Nations.

Building effective Government to Government relations begins internally with the BCER's Indigenous Learning and Development Plan which aims to bring about several key outcomes. It will complement the organization's Individual Development planning process, ensuring employees engage with Indigenous learning as part of their professional growth; build a structured learning syllabus offering a range of scalable learning opportunities related to

Indigenous history and culture; and track progress thereby ensuring accountability through the program’s participation.

The BCER is committed to continue to transform its Indigenous engagement approach including the application referral, consultation and permitting processes to address the First Nations’ ability to meaningfully exercise their rights. This commitment to inclusivity and recognition of the rights and interests of Indigenous peoples in decision making processes related to land use and resource management helps demonstrate an operational commitment to modernizing and enhancing regulatory processes and stewardship in the public interest.

We will continue with the ALP, a partnership between First Nations, the BCER, and other natural resource agencies. The program is designed to establish partnerships, enhance communication, empower Indigenous communities with information, and promote understanding of traditional knowledge and development impacts. The ALP provides opportunities for Liaisons to build relationships, for the BCER to deepen our understanding of Indigenous peoples’ values and traditional knowledge, and for Liaisons to participate in training and oversight of natural resource development while ensuring their community’s voices are heard. Additionally, BCER remains open to other compliance agreements with nations, aligning with our commitment to fostering collaboration and understanding across diverse Indigenous communities.

Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2a] Percentage of BCER staff who have participated in learning opportunities to improve their understanding of Indigenous peoples	79%	95%	98%	100%	100%

Data source: Internal tracking of annual Individual Development Plans and attendance at the BCER’s learning events. Targets are based on an employee count of 275.

Discussion [2a]

The performance measure will be based on internal audit of employees’ participation in individual and organizational learnings on Indigenous peoples’ traditional knowledge and experiences. The BCER expects that by implementing the Indigenous Learning and Development Plan, we will build understanding of the history of Indigenous Peoples in Canada that will assist in ensuring appropriate consideration and incorporation of Indigenous interests into business practices across the regulatory lifecycle.

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2b] Percentage of expenditures under the Orphan Site Reclamation Fund directed to Indigenous owned or partnered service providers	17%	10%	10%	10%	10%

Data source: Internal audit documents

Discussion [2b]

The performance measure underscores the BCER’s dedication to ongoing collaboration with First Nations in the restoration of orphan sites. It involves actively supporting the participation of Indigenous-owned and partnered companies within the restoration economy. The BCER aims to allocate contracts and subcontract opportunities to these companies from the annual work plan expenditures, thereby contributing to the economic well-being and sustainability of Indigenous communities.

For FY 2022/23 the increase in contracts and spending with Indigenous service providers exceeded expectations which may be due in part to extraordinary spending on restoration. The BCER is closely monitoring this trend to discern whether it is a one-year occurrence and remains open to adjusting targets in future years.

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2c] Number of orphan sites per fiscal year reclaimed with ecologically suitable species following engagement with local Indigenous communities	25	25	30	35	40

Data source: Internal audit of documents

Discussion [2c]

The performance measure identifies how many orphan sites in natural areas³ will be reclaimed using ecologically suitable species, following engagement with local Indigenous communities.

The goal of the BCER for the 2024/25 fiscal year is to reclaim up to 30 orphan sites, encompassing both private and Crown land.

Relationships with First Nations are strengthened by collaborating in the development of the final orphan site goals. These engagements in the execution of reclamation activities are

³ Natural areas are those with native landscape and vegetation characteristics that are appropriate for reclamation prescriptions, typically without agricultural, commercial, or residential features.

fundamental to understanding Indigenous peoples' ties to the land, inherent environmental values, ongoing use, and reconciliation.

The organization has been completing ongoing pilot projects and building partnerships with First Nations in developing reclamation programs, as well as providing opportunities for communities to lead reclamation initiatives.

Goal 3: A Healthy, Empowered, Inclusive, and Modern Workforce

We are a safe, diverse, and modern workplace of choice that embraces collaboration and continuous improvement, and where our people are engaged and empowered.

Objective 3.1: Empowerment, Diversity of Thought, & Collaboration

Our people are valued for their expertise, diverse perspectives and lived experience, and are empowered with the leadership, training, technologies, and tools to work effectively and collaboratively in advancing the work of the BCER.

Key Strategies

- Continue to implement the BCER Workforce Plan and pursue opportunities, including the use of advanced analytics, to provide insights from existing data or new data sets to strengthen analysis and decision-making.
- Pursue an inclusive, supportive culture across the BCER by expanding diversity and inclusion training and working collaboratively with the Equity, Diversity, and Inclusion (EDI) Advisory Committee to identify and implement appropriate actions and measures.
- Conduct a comprehensive corporate workplace policy review to establish strong governance and accountabilities.

Discussion

Appreciating the expertise, varied perspectives, and real-world experiences of our employees, the BCER is committed to cultivating a healthy, empowered, inclusive and modern workforce. Informed by both data and direct employee feedback, our objective is to anticipate current and future needs while staying aligned with our strategic direction.

Presented within the BCER Workforce Plan, this comprehensive roadmap outlines our commitment to continuous improvement, ensuring that the organization is well-prepared to achieve its goals, and embodies the values of a healthy, empowered, inclusive, and modern workforce. The BCER has established an employee-driven EDI Committee which represents a crucial step in advancing our EDI goals and setting clear parameters for measuring progress. The committee strives for ongoing enhancement through educational initiatives, advocacy, and actionable strategies. Its focus includes the elimination of barriers to inclusion, the cultivation of an equitable, diverse, and inclusive work environment, effective outreach on EDI matters, and the promotion of a broader understanding of EDI among employees.

Importantly, the committee provides an essential platform for employees to suggest improvements and actively influence positive change within our organization.

The BCER initiated a policy renewal project in December 2022 that included the development of a Policy Framework. The new framework will establish strong governance and accountabilities for policies and ensure an EDI lens is applied. Each fiscal year, the BCER will undertake a comprehensive policy review process and will rewrite or redesign policies to meet the requirements of the new framework. Policies will further the BCER’s objectives to create a safe workplace where employees are empowered and where diverse ideas sought, valued, and included in decision-making.

Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[3a] Voluntary staff turnover rate	≤10%	≤10%	≤10%	≤10%	≤10%

Data source: Internal database.

Discussion [3a]

The performance measure reflects our commitment to transition into a modern workplace that positions the BCER as an employer of choice. The performance measure tracks the progress by maintaining staff turnover rate below 10 per cent and will be based on voluntary departures from the organization. This target is consistent with other public service agencies.

Financial Plan

Financial Summary

\$000s	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Operations				
Revenues				
Industry Levies	\$56,750	\$58,328	\$60,757	\$62,254
Application Fees and Other	17,460	11,470	10,570	10,370
Total Revenue from Operations	74,210	69,798	71,327	72,624
Expenses				
Salaries and Benefits	37,585	40,375	41,600	42,800
Indigenous Funding	6,205	5,890	5,890	5,890
Other Operating	28,992	23,533	23,837	23,934
Total Expenses from Operations	72,782	69,798	71,327	72,624
Net Surplus from Operations	\$1,428	\$ -	\$ -	\$ -
Orphan Site Reclamation Fund (OSRF)				
OSRF Revenues				
Liability Levy	\$15,000	\$15,000	\$15,000	\$15,000
Interest	1,050	200	200	200
Total Revenue from OSRF	16,050	15,200	15,200	15,200
OSRF Expenses				
Obligatory Orphan Site Estimates	5,300	5,000	6,000	7,000
Discretionary Reclamation	10,800	8,650	7,610	6,570
Salaries and Administration	1,378	1,550	1,590	1,630
Total Expenses from OSRF	17,478	15,200	15,200	15,200
Net Deficit from OSRF	\$(1,428)	\$ -	\$ -	\$ -
Annual Surplus	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$92,154	\$92,154	\$92,154	\$92,154
Accumulated Surplus	\$7,556	\$7,556	\$7,556	\$7,556
Capital Expenditures	\$6,271	\$5,000	\$5,000	\$5,000

Note: The above financial information was prepared based on Canadian public sector accounting standards.

¹The BCER's policy is to accrue the obligatory estimated costs to protect the environment and public at time of orphan declaration. ²Discretionary reclamation costs, used to restore land to a standard, are expensed as incurred and are separate from obligatory estimates.

Key Forecast Assumptions, Risks and Sensitivities

The BCER's main revenue source is from industry levies, with a sizable portion coming from a gas production levy. Production volume forecasts, which are provided by the Ministry of Energy, Mines and Low Carbon Innovation, are projecting modest increases for the next three years over 2023/24 levels. The BCER also receives revenue from levies on oil production, pipelines & large LNG facilities, application fees, and interest.

On September 1, 2023, the BCER's mandate was broadened in response to evolving complexities in the energy sector. This expansion, which now encompasses hydrogen, ammonia, methanol, and carbon storage from additional sources, represents a pivotal step in aligning with the changing dynamics of the energy landscape. Work is currently underway to determine the costs associated with the new activities under this expanded mandate and to develop a sustainable funding model, building upon the legislative foundation provided by the Energy Statutes Amendment Act passed in November 2022.

Following the 2021 *Yahey v. British Columbia* decision, the Province and Blueberry River First Nations have successfully concluded negotiations for natural resource activities. This comprehensive agreement seeks to strike a balance between treaty rights and the consideration of cumulative impacts in decision-making. The BCER is diligently assessing any potential impact this final agreement may have on the organization's operating expenses.

The OSRF is funded from the Orphan Site Restoration Levy, managed by the BCER to restore all orphan sites in a manner that is timely, efficient, and respects land owners and our Treaty 8 partners. The BCER remains on track to restore all orphan sites within 10 years of designation and the CleanBC Roadmap to 2030 commitment to clean up 100 per cent of orphan wells (designated as of October 2021), by 2030.

The BCER's three-year financial outlook is consistent with the financial information in the government's fiscal plan and is based on the key assumptions therein. The BCER has no major capital plans more than \$50 million as defined by the *Budget Transparency and Accountability Act*. Cash flow required to fund capital will be provided by operations. The BCER has zero debt and does not expect to incur any during the next three years.

Management's Perspective on Financial Outlook

The BCER's financial outlook with comparative revenues, expenses, and capital spending over the Service Plan years 2024/25 to 2026/27 is outlined in the financial summary table. Key assumptions influencing the financial position of the BCER are in line with risks, uncertainties and operational influences discussed within the Strategic Direction and Operating Environment sections.

Appendix A: Mandate Letter from the Minister Responsible



Date: July 16, 2023

Chris Hayman
Chair
Board of Directors
BC Energy Regulator
2950 Jutland Road
Victoria, BC V9T 5K2

Dear Mr. Hayman,

On behalf of Premier Eby and the Executive Council, I would like to extend my thanks to you, your board members and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations – including Crowns, Health Authorities and Post Secondary Institution Boards – support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home – in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for the BC Energy Regulator (BCER), sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office (CABRO) will continue to support you and your board on recruitment, appointments and professional development, as well as ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy and planning.

In addition to continuing to make progress on your 2021 mandate letter, I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following new priorities within your approved budget:

- Continue to transform the BCER's Indigenous engagement approach including the application referral, consultation and permitting processes to address the First Nations' ability to meaningfully exercise their rights. These efforts will be guided by ongoing implementation of *the Declaration on the Rights of Indigenous Peoples Act*, and the recently signed Treaty 8 and Blueberry River First Nations Agreements in conjunction with First Nations.
- Build effective regulatory frameworks that enable British Columbians to transition into low-carbon emission sources of energy and that are responsive to a changing environment and continue engagement with those affected by energy resource development.
- Continue to improve BCER's compliance and enforcement activities to ensure that companies/operators meet their regulatory obligations, working in collaboration with the Environmental Assessment Office and other agencies.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,



Josie Osborne
Minister

Date: July 16, 2023

cc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Shannon Baskerville
Deputy Minister
Ministry of Energy, Mines and Low Carbon Innovation

Kevin Brewster,
Director
BC Energy Regulator

Ken Cameron,
Director
BC Energy Regulator

Patrick Kelly,
Director
BC Energy Regulator

Natascha Kiernan,
Director
BC Energy Regulator

Sharon Singh,
Director
BC Energy Regulator

Michelle Carr
Chief Executive Officer/
Commissioner BC Energy Regulator



Chris Hayman,
Chair
Date: August 11, 2023



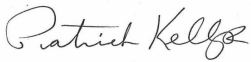
Shannon Baskerville,
Director
Date: August 11, 2023



Kevin Brewster,
Director
Date: August 11, 2023



Ken Cameron,
Director
Date: August 11, 2023



Patrick Kelly,
Director
Date: August 11, 2023



Natascha Kiernan,
Director
Date: August 11, 2023



Sharon Singh,
Director
Date: August 11, 2023