July 10, 2019

Dear [Redacted]:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-111-2019)

On June 14, 2019, the Department of Natural Resources received your request for access to the following records/information:

Copies of any briefing materials or reports relating to Bill C-69 prepared in past three months.

The Department of Natural Resources is providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 34(1)(a)(i), 35(1)(d) and 35(1)(f), as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

34. (1)(a)(i) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to harm the conduct by the government of the province of relations between that government and the following or their agencies: the government of Canada or a province;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on
behalf of the government of the province or a public body, or considerations which relate to those negotiations.

Please be advised that the meeting referenced in BN-10274 did not occur as scheduled and as such circumstances have changed and some of the contents of the Note may not be factually accurate.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P. O. Box 13004, Stn. A  
St. John’s, NL A1B 3V8  

Telephone: (709) 729-6309  
Toll-Free: 1-877-729-6309  
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that this letter will be published following a 72 hour period after it is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the letter posted to the Completed Access to Information Requests website within one business day following the applicable period of time.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes

Rod Hynes  
ATIPP Coordinator
Meeting Note
Department of Natural Resources
Atlantic Offshore Competitiveness Roundtable
April 3, 2019, 2:30 – 4:30pm NST
Ottawa, ON

Attendees: Atlantic Canada Offshore Competitiveness Roundtable: The Canadian Association of Petroleum Producers (CAPP), various Oil and Gas Industry representatives, NRCan, The Canadian Environmental Assessment Agency (CEAA), Fisheries and Oceans Canada (DFO), NS Energy, NLNR (Ted Lomond, Doug Trask, Chris Carter).

Purpose of Meeting:
- Meeting Agenda – see attached.

Background:
- In 2017, discussions were initiated between the Canadian Association of Petroleum Producers (CAPP), the Government of Canada, the Government of Nova Scotia and the Government of Newfoundland and Labrador on various competitiveness issues facing the offshore in Atlantic Canada. From these discussions, the Atlantic Canada Offshore Competitiveness Roundtable was formed and an action plan was developed to address multiple concerns.

Agenda Item #1: Working Group: Closing the Competitiveness Gap; Discussion of fiscal modelling and findings
- Stemming from the industry incentives action item for the Atlantic Offshore Competitiveness Roundtable and building on proposed modeling work to be conducted by CAPP, the Atlantic Canada Joint Working Group (ACJWG) was formed in late 2018.

- The ACJWG is an industry-led working group comprising representation from CAPP, multiple upstream companies currently operating offshore NL, Natural Resources Canada, the NL Department of Natural Resources and NS Department of Energy.

- The ACJWG's mandate is to quantify different scenarios and options to close the competitiveness gap, model scenarios and develop recommendations, including potential fiscal tools that could improve the competitiveness of the Atlantic offshore oil and gas industry in attracting investment for exploration and development.

- In February 2019, the ACJWG modelling secretariat was formed in support of the detailed economic and fiscal analysis required in the quantification of options to close the competitiveness gap. The modelling secretariat has met multiple times and is currently progressing generic exploration and asset development scenarios for feed into the analysis.

- CAPP has contracted Wood Mackenzie in support of the ACJWG's mandate and has outlined two development scenarios, including tiebacks, to a shallow water GBS and a deep water FPSO. Data for the GBS and FPSO main field and tieback developments was provided from WM's extensive database with review and input from various CAPP members and the modelling secretariat.
• The base asset development scenarios will be finalized before the end of March. It is intended that the modelling secretariat will identify and analyze government levers that impact competitiveness and test findings with the ACJWG by the end of April 2019.

• In May 2019, the exploration scenario and further lever modeling will be completed with findings to be compiled into a report for sign off and finalization by the ACJWG. The report will be submitted to the Atlantic Offshore Competitiveness Roundtable in June 2019.

Speaking Points:
• The Department of Natural Resources (NR) has completed prior work, in conjunction with Wood Mackenzie, assessing international competitiveness issues. That report, entitled ‘Newfoundland and Labrador, Competitiveness in Oil and Gas Investment’ in was released in February 2018 as an initiative of Advance 2030.

• NR supports the mandate of the ACJWG and will continue to engage in the action plan of the Atlantic Offshore Competitiveness Roundtable.

Agenda item #2: Impact Assessment - Issue #1 (C-69)
• On February 8, 2018, the federal government tabled Bill C-69 which proposes to repeal the Canadian Environmental Assessment Act, 2012 (CEAA 2012) and replace it with the Impact Assessment Act (IAA 2018). The proposed IAA sets out a federal process for impact assessment of major projects in order to assess and mitigate significant adverse environmental effects for projects on federal lands and outside Canada. The CEA Agency will continue, but under a new name - the Impact Assessment Agency (IA Agency).

• The Impact Assessment Act will not change the basic assignment of responsibility for impact assessments (IAs) of offshore oil and gas activities that are on the project list or designated by the Minister. The IA Agency will continue to be in charge of IAs for offshore activities on the designated project list with Offshore Boards continuing EAs for smaller projects that are not listed thereunder.

• IAA will change the Offshore Boards’ role in IAs by ensuring its regulatory expertise is clearer than its current role. The Impact Assessment Act mandates the inclusion of the Offshore Boards (referred to as life-cycle regulators) expertise on IA review panels.

Analysis
• Thorough and timely environmental assessment processes are critical to a strong and robust oil and gas sector in the Canada-Newfoundland and Labrador (C-NL) Offshore Area which is a vital component of the Newfoundland and Labrador economy. This sector provides high skill employment, investment, business, and research and development opportunities for the province. It is, therefore, essential that any legislation ensures an effective and efficient regulatory regime while achieving the objectives of enhancing environmental protection.

• The stated policy intent of Bill C-69 is to provide a more rigorous and efficient assessment process with reduced legislated timelines and clearer upfront requirements, but many crucial aspects of the proposed legislation do not fully reflect this.
Potential Speaking Points
- Continued interest and growth in the C-NL offshore oil and gas industry requires a regulatory regime that is efficient, effective, transparent and globally competitive. As it currently stands, C-69 will likely lead to an overly complex regulatory system that does little to improve outcomes or obtain “social licence”.

Agenda item #2: Impact Assessment - Issue #2 (Regulations: Project list and Time management)
- The Federal Government is developing two regulations to support the proposed new Impact Assessment Act.
  - The Regulations Designating Physical Activities, also known as the Project List, identify projects that would be subject to the Impact Assessment Act,
  - The Information Requirements and Time Management Regulations set out the information that a project proponent is required to provide at the beginning of an impact assessment so that potentially affected Indigenous groups, communities, and others can understand what the proposed project involves and whether it could affect them.

Analysis
- The Project List depends on the nature of adverse environmental effects considering such factors as - magnitude, geographic extent, timing, frequency, duration, and reversibility. For exploratory wells, geophysical and geological surveys in the Offshore Area, consideration should be given to the short duration of these operations, application of an extensive suite of standards and enhanced mitigation measures.

- There is low potential for environmental effects from routine discharges/emissions, and there is little likelihood for spills reaching coastal areas of the island of Newfoundland or interaction with existing or proposed critical habitat areas of at-risk marine species.

- There is also a large well-established knowledge base with respect to environmental impacts related to these activities.

- Industry has also learned much in the recent past regarding prevention and response to large spills/blowouts.

- Therefore, such activities should be excluded from the project list under the IAA.

- The inclusion of a mandatory early planning and engagement phase and the mechanism of “stopping the clock” for regulated timelines could lengthen assessment process.

Potential Speaking Points
- Exploratory wells, geophysical and geological surveys activities are of short duration and are subject to specific requirements, including environmental processes, prior to approval by the C-NLOPB. Therefore, such projects should be exempt from the Project List.
Agenda item #2: Impact Assessment - Issue #3 (Regional Assessment)

- The Regional Assessment (RA) provisions under the CEAA 2012 provide the Federal Minister with the authority to establish a Committee to conduct a study of the effects of existing or future physical activities.

- The CEA Agency, the C-NLPOP, NRCan, NR and IIAS have developed an agreement for a Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador, in the C-NL Offshore Area. This will be the first Regional Assessment (RA) under CEAA, 2012.

- A Committee will be established to conduct an RA of the effects of existing and anticipated exploratory drilling in the eastern Newfoundland and Labrador offshore. It is anticipated that the Committee will submit its Report to the Ministers in the Fall 2019.

- The Report received by Ministers is a public document used to inform future regulatory decision-making such as the determination if a federal environmental assessment is required for a specific project or activity.

Analysis

- The RA design allows it to remain applicable under the *Impact Assessment Act*, once that Act comes into force. For example, the Federal Government will exempt offshore exploratory drilling from the project-specific Impact Assessment where a RA is in place, subject to the Minister’s approval.

- The results of the RA are also a factor considered in environmental assessments for projects within the study region in the future. It will also include the Committee’s advice on how to best use the results in a systematic way to aid decision-making.

- These processes are not well defined - there are no mandated triggers or timelines, and there is no clear role for the life-cycle regulator (i.e. the C-NLPOP) in these processes.

Potential Speaking Points

- RA needs to be clearly defined in terms of their function, structure, objectives and processes involved; the decision-making process and the criteria involved in that process; and how the results will be used to inform future projects and activities so as to avoid needless delays and duplication of comparable assessment processes.

Agenda item #2 Impact Assessment - Issue #4 (Bay du Nord)

- Equinor, in partnership with Husky Oil, is proposing to install and operate a floating offshore oil and gas production facility in the Flemish Pass, approximately 450 kms east of St. John’s. As proposed, the Bay du Nord Development Project would be in operation for approximately 30 years, with the potential for additional wells and tie-backs to the production facility.

A Memorandum of Understanding (MOU) was entered into between the CEA Agency and the C-NLOPB on the Integrated Environmental Assessment and Development Application Review of the Bay du Nord Development Project.

Analysis
- This MOU is intended to:
  - foster cooperation between the Parties, encourage effective and timely public participation, promote certainty and predictability of process and avoid regulatory duplication and unnecessary delay in the EA and Development Application review of the Project;
  - to that end, describe the roles and responsibilities of the Parties to enable timely, well-informed decisions; and
  - establish an administrative framework that will facilitate the efficient and effective EA and Development Application review of the Project.

Potential Speaking Points
- The world will need oil for the near future and Newfoundland and Labrador’s oil is one of the greenest produced. Further development of Bay du Nord will attract additional investment in other unexplored deepwater basins. The Provincial government is committed to advancing exploration and development opportunities and the scale of opportunity offshore is immense.

- The Government of Newfoundland and Labrador is committed to environmental protection, and all decisions on future economic development should be rendered using an evidence-based balanced approach. The integrated Environmental Assessment and Development Application Review facilitated by this MOU is one way to operationalize such an approach.

Agenda item #3 (Marine Protected Areas)
- In 2010, Canada agreed to Marine Conservation Targets (MCTs) established under the United Nations Convention on Biological Diversity to conserve 10 percent of coastal and marine areas through effectively managed networks of protected areas and other effective area-based conservation measures in place by 2020.

- The Federal Government announced in 2017 that it had reached 7.75 percent of its MCT. NL has contributed ~1.76 percent (22 percent of total) towards this MCT. The Department of Fisheries and Oceans (DFO) is subsequently continuing its plans to meet its 10 percent MCT commitment.

- Following the 2017 announcement the Minister of DFO has launched a National Advisory Panel on Marine Protected Area (MPA) Protection Standards.

- The mandate of the Panel is to gather perspectives and offer recommendations to the Minister of DFO on categories and associated protection standards for federal MPAs, using International Union for the Conservation of Nature (IUCN) guidance as a baseline.

- The Panel provided its recommendations in a final report to the Minister of DFO on September 26, 2018. The Federal Government has yet to respond to the Panel's recommendations.
Analysis

Potential Speaking Points

- Protecting the environment and growing the economy must go hand-in-hand. We are committed to a competitive offshore industry and to ensuring a stable and predictable offshore environment. Sustainable offshore oil and gas activities can take place while meeting our marine conservation objectives.

- As oil and gas activities continue to move forward in the offshore, regulators and departments will work together to ensure that the impacts of activities to the marine environment are minimized.

Agenda Item #4: Fall Economic Statement/Budget 2019 – Accelerated Investment Incentive

- The 2018 Fall Economic Statement was tabled on Nov. 21, 2018 and focused on increasing Canadian competitiveness in the wake of significant corporate tax cuts by the United States.

- The Government of Canada proposed changes to the tax treatment of capital investment with the changes falling under three main headings:
  1. Accelerated Investment Incentive;
  2. Immediate business write offs on effectively 100% of the cost of machinery and equipment in the manufacturing or processing (M&P) of goods; and
  3. Immediate business write offs on effectively 100% of the cost of specified clean energy equipment.

Accelerated Investment Incentive (All)

- Canada’s Income Tax Act generally allows taxpayers to deduct a portion of the cost of depreciable property from their business or property income as a capital cost allowance (CCA).

- Under the CCA system, the costs of depreciable properties are pooled into various CCA classes and deductible at a rate per year generally estimated to equate to the useful life of the properties in each class. The All will generally allow businesses to deduct CCA faster to increase the attractiveness of making capital investments in Canada.

Analysis

- The proposed legislative amendments will be temporary in nature, having effect for investments made after November 20, 2018, and before 2024, with reduced incentives for investments made after 2023 and before 2028.

- All will generally apply to qualifying property belonging to all CCA classes, with the exception of property in CCA classes belonging to M&P machinery and equipment and clean energy equipment.
• Depending on existing tax rules, the All will allow from 1.5 to 3 times the CCA a business can deduct in a year prior to 2024, with enhanced benefits falling to 1.25 to 2 times normal CCA deductions prior to 2028.

• The All will also accelerate the deductibility of Canadian development expenses (CDE) and Canadian oil and gas property expenses (COGPE). CDE and COGPE are tax pools specific to Canada's natural resource sector. Drilling and completion costs are generally included in CDE and deductible at a rate of 30% per year whereas COGPE generally includes intangible costs associated with the acquisition of Canadian resource properties and is deductible at a rate of 10% per year.

• Accelerated CDE and COGPE effectively allow businesses to claim an additional 15% deduction for new CDE, and an additional 5% deduction for new COGPE, for years that end before 2024. Accelerated benefits are reduced to 7.5% and 2.5% for new CDE and COGPE respectively after 2023 and before 2028.

• Budget 2019 confirms Canada's intentions to proceed with these previously announced measures.

Potential Speaking Points
• The Department of Natural Resources supports the federal tax initiatives as they improve fiscal competitiveness and align with actions under Advance 2030, the Way Forward on Oil and Gas.

Prepared/Approved by: Regulatory Affairs (H. Simms, C. Carter)
Economics and Benefits (G. Collins, N. Abundo)

Deputy Minister Approval: [Signature]

March 27, 2019
## Agenda

**Atlantic Offshore Competitiveness Roundtable**  
April 3, 2019, 2:30 – 4:30pm NST  
Ottawa, ON

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<td><strong>Welcome and Introductory Remarks</strong></td>
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<td>- Christyne Tremblay, Deputy Minister, Natural Resources Canada to provide opening remarks</td>
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<td>1:10-1:35</td>
<td><strong>Agenda Item 1: Working Group: Closing the Competitiveness Gap</strong></td>
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<td>- Discussion of fiscal modelling and findings</td>
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<td>1:35-2:00</td>
<td><strong>Agenda Item 2: Impact Assessment</strong></td>
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<td>- Regulations: Project list and Time management</td>
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<td>- Regional Assessment</td>
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<td>- Bay du Nord</td>
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<td>2:00-2:25</td>
<td><strong>Agenda Item 3: Marine Protected Areas</strong></td>
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<td>- Government Response to National Advisory Panel</td>
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<td>2:25-2:50</td>
<td><strong>Agenda Item 4: Fall Economic Statement/Budget 2019</strong></td>
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<td>- Accelerated Investment Incentive</td>
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<td>2:50-3:00</td>
<td><strong>Next Steps</strong></td>
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<td>- Timing and agenda for next meeting</td>
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Information Note
Department of Natural Resources

Title: Discussion Papers regarding the Proposed Project List and Timelines – Proposed Impact Assessment Act

Issue: The Government of Canada (GoC) has released discussion papers on the Proposed Project List and Information Requirement and Time Management Regulations proposed under Bill C-69.

Background and Current Status:
- On February 8, 2018, the GoC tabled Bill C-69 which proposes to repeal the Canadian Environmental Assessment Act, 2012 (CEAA 2012) and replace it with the Impact Assessment Act (IAA). The proposed IAA sets out a federal process for impact assessment of major projects in order to assess and mitigate significant adverse environmental effects for projects on federal lands and outside Canada.

- On May 1, 2019, the GoC released discussion papers on the Proposed Project List and Information Requirement and Time Management Regulations. Consultation on both discussion papers was open until May 31, 2019. Earlier discussion papers on these two proposed regulations were released for consultation in the spring of 2018, on which the Department of Natural Resources (NR) provided comments (OCOR-30687).

- As under the CEAA 2012, the Minister of Environment and Climate Change continues to have the power to designate projects, if in the Minister’s opinion the project may cause adverse effects within federal jurisdiction or adverse direct or incidental effects, or public concerns related to those effects warrants a designation. Under the IAA, a committee of Ministers will approve the final Project List.

- The discussion paper argues that offshore oil and gas projects related to exploration and production are of concern and should be automatically included as a designated project. This is because of their potential adverse effects on fish and fish habitat and aquatic species at risk, relating to accidental releases or spills, noise or other disturbances.

Analysis:
- The federal government’s stated policy intent was to provide a more rigorous and efficient assessment process with reduced legislated timelines and clearer upfront requirements. However, the proposed legislation does not always reflect this original stated policy intent. A review of the discussion papers raises issues of concern.

- The discussion paper on time management indicates that the decision about whether a project is in the public interest would consider “whether effects of the project would hinder or contribute to Canada’s environmental obligations and commitments in respect of climate change.”
• It is unclear how greenhouse gas emissions will be considered in the IAA. It is indicated that a strategic assessment on climate change is currently underway that will provide direction on how greenhouse gas emissions will be considered.

Mining
• The project list for mining is based on ore production capacity of a mining project with a higher capacity needed to trigger IAA than under the current system.

• The project list does not take into account whether a project involves underground or open pit mining; the Mining Association of Canada has been lobbying for less stringent criteria for underground mining due to less associated ground disturbance.

Offshore Oil and Gas
• Government of Newfoundland and Labrador's (GNL) believes exploratory wells - and other offshore low impact exploration activities should be exempt from the Project List. These projects are generally of short duration and subject to specific requirements, including environmental processes, prior to approval by the C-NLOPB. They are also monitored for compliance.

• The GNL recently entered into an agreement with the GoC to conduct a regional assessment of offshore oil and gas exploratory drilling. The agreement allows exempting offshore exploratory wells from undergoing a project-specific federal environmental assessment in areas where a regional assessment is in place and where the proposed project conforms to the conditions set out in the regional assessment.

• In the current discussion paper, the language for exempting exploration wells states assessment is required “except when it is proposed in an area for which a regional assessment has been carried out and it is in conformity with the conditions for exemption approved by the Minister for that regional assessment.”

• The principle of joint management, in which both the GoC and GNL have equal decision-making authority over oil and gas activities in the Canada-Newfoundland and Labrador Offshore Area, must be preserved. Therefore, a federal minister should not have unilateral decision-making authority in the area governed by the Atlantic Accord and the Accord Implementation Acts. The Province has highlighted this concern in previous submissions to the GoC.

Electricity
• With respect to electricity, thresholds for inclusion into the Project List are intended to reflect major projects yet the threshold for several renewable energy categories has been lowered and a number of renewable energy project types are added. This increases the potential number of projects that would require assessment and could potentially delay and add prohibitive costs to otherwise viable projects. Provincial projects that could be subject to the IAA include potential offshore wind development and hydro projects in Coastal Labrador that affect Marine Protected Areas.

• Due to the small size of these projects, NR would anticipate a negative impact on project sanction decisions should these be subject to IAA, for example, due to potential for
interference from groups in other jurisdictions that are not direct stakeholders in the region. Such interference could delay and or reduce provincial opportunity to reduce GHG via reduced diesel consumption in remote communities on diesel generation.

- The Lower Churchill Project, when assessed for Federal Environmental Assessment, included both the Muskrat Falls (Phase 1) and Gull Island (Phase 2) hydro developments. The paper indicates that under the proposed IAA, as under the current law, the Minister would be prohibited from designating a project if the carrying out of the project has substantially begun, or if a federal authority has already made a decision under another Act of Parliament that permits the project to be carried out. Based on this, the Province understands that Gull Island would not require assessment per the IAA.

Time Management
- Timelines need to remain reasonable to allow for timely development of projects. While the proposed legislation seeks to establish timelines for IAs which are extended to the planning and decision phases, it also introduces a new mandatory early planning and engagement phase and the mechanism of “stopping the clock” for regulated timelines. The proposed requirements could result in lengthy delays in the assessment process that could unnecessarily impede project development.

- In the case of offshore oil and gas activities, it is the GNL’s position that timelines for approval of offshore projects must be comparable with internationally jurisdictions (i.e. UK/Norway) for our industry to remain globally competitive.

Other Issues
- It is reasonable to have some flexibility for the Minister and Cabinet through different parts of the regulatory process, in order to accommodate exceptional circumstances or requirements. The IAA, however, affords the Minister and Cabinet the apparent arbitrary power and discretion to pause, suspend or cancel a project throughout the project assessment life cycle. This does not respect the joint management principles of the Accord Acts.

Action Being Taken:
- NR staff reviewed the papers and prepared comments for submission to MAE whom will collate comments from interested departments and will forward to the GoC.

Prepared/Approved by: H. Simms / C. Carter / K. Bradbury / A. Smith / P. Canning / C. Snook

Divisional Use:  

May 22, 2019
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<th>Early Planning</th>
<th>Impact Statement Preparation</th>
<th>Impact Assessment Review</th>
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<td><strong>CEAA 2012</strong></td>
<td>Regulatory: 55 days</td>
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<td>Regulatory: 0 days (included in the 365 days for review)</td>
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<td>Proponent*: 30 days (Detailed Project Description)</td>
<td>Proponent*: 400 days*</td>
<td>Proponent*: 100 days (Info Request Response)</td>
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<td><strong>Proposed IAA</strong></td>
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*Proponent time is required to prepare regulatory submissions and is not part of the "regulated" timelines under CEAA 2012. Proponent time is estimated based on experience with preparation of documentation for typical offshore development projects. Proponent time may increase with addition of new socioeconomic assessment and stakeholder requirements.

** Panel led reviews.

*** [Redacted]
Meeting Note
Department of Natural Resources
EMMC Deputy Ministers’ Meeting
Monday, May 27, 2019, 8:30 - 11:45 am
Vancouver, BC – Vancouver Convention Centre

Attendees:
• Federal and Provincial Territorial (FPT) Deputy Ministers (DMs) of Energy and Mines
• Ted Lomond, Deputy Minister, Government of Newfoundland and Labrador

Purpose of Meeting:
• To receive a planning update on EMMC 2019 and to have a roundtable discussion on strategic priorities. An agenda for the DMs’ meeting can be found at Annex 1.

Background:
• The last EMMC DMs’ Teleconference was held on April 9, 2019.

• The meeting will begin with registration and breakfast (8:30 – 9:00 a.m.) and then continue as per the following agenda:
  o Welcoming remarks (9:00 – 9:05 a.m.) – see Agenda Item 1
  o EMMC planning (9:05 – 10:20 a.m.) – see Agenda Item 2
  o Health break (10:20 – 10:35 a.m.).
  o Strategic discussion (10:35 – 11:35 a.m.) – see Agenda Item 3
  o Closing remarks (11:35 – 11:45 a.m.) – see Agenda Item 4

• The meeting will be followed by optional Clean Energy Ministerial/Mission Innovation (CEM10/MI-4) events, which DMs have been pre-registered for (May 27, 2019 events only).

• Of note is the DMs Lunch with Canadian Clean Energy Leaders from the Student Energy CEM10/MI-4 Youth Leaders Forum (12:00 – 1:00 p.m.) occurring after the EMMC DMs’ Meeting. NRCan advises that each DM will sit with a student delegate from their respective jurisdiction. It is expected that Canadian Clean Energy Leaders Youth Council will deliver a presentation to DMs and discuss issues related to energy and clean growth.

Agenda Item 1: Welcome/Opening Remarks (CICS/NRCan/BC)
• The Canadian Intergovernmental Conference Secretariat (CICS) will provide an introduction and logistics overview prior to opening remarks by conference co-chairs Natural Resources Canada (NRCan) and BC.

Analysis
• This meeting is expected to provide further information on: (1) EMMC planning (Agenda Item 2), including a discussion on logistics/site visit and an overview of Open and Joint Closed Sessions, Closed Mining Sessions and Closed Energy Sessions and (2) to allow PTs to engage in a roundtable discussion on recent updates (Agenda Item 3). An update will also be provided on the Canadian Minerals and Metals Plan (CMMP) and the development of a Clean Electric Future framework.

Potential Speaking Points:
• Thank you to Natural Resources Canada and BC for hosting this meeting today. I am looking forward to discussions on EMMC 2019.
Agenda Item 2: EMMC 2019 Planning (NRCan/BC)

- The co-chairs for EMMC 2019 are BC and Canada. The draft program can be found at Annex 2.

- Under EMMC, there are currently eight working groups under the Energy Steering Committee (ESG) and six under the Mines Intergovernmental Working Group (IGWG).

- For a complete listing of proposed deliverables from the ESG, see Information Note Energy and Mines Ministers’ Conference (EMMC) Energy Working Groups.

- For a complete listing of proposed deliverables from the IGWG, see Information Note Energy and Mines Ministers’ Conference (EMMC) Mines IGWG Working Groups.

Analysis

- During EMMC Ministers will be invited to participate Indigenous Led Sessions, Open Sessions with invited industry stakeholders, a Closed Energy and Mines Ministers Joint Session, Closed Energy Ministers Session and Closed Mines Ministers Session.

- The draft detailed program for EMMC 2019 shows Ministers having at least two interactions with Indigenous leaders, one of which is an Indigenous-Led Session on Indigenous participation in natural resource projects. In addition, there are open sessions on sustainable finance, women in natural resources and competitiveness.

- There are two Joint Closed Energy and Mines Ministers’ Sessions planned for EMMC 2019. The first is a one hour-long session that is expected to include a speaker (TBD) and discussions on market opportunities and the new Invest in Canada Agency. NRCan also suggested a brief presentation by Global Affairs Canada on ongoing trade issues (this is not currently reflected on the draft program). A second 25-minute Joint Closed Energy and Mines Ministers’ Session is scheduled to allow for the approval of the communique and for closing remarks.

- In addition to the Joint-Closed Sessions, there is a nearly two-hour long Closed Energy Ministers’ Session on maximizing Canada’s energy advantage through FPT collaboration. The session will begin with a discussion on the development of a framework for a clean electric future, which stems from a commitment made by First Ministers at a December 2018 meeting. Ministers will be able to discuss opportunities and next steps related to the framework. The session will also hear from cyber security experts and will conclude with an energy information video and future priorities discussion. Deliverables will be endorsed at this session.

- During an Energy Steering Group call (May 17, 2019), NRCan advised that the Framework for a Clean Electric Future (which has evolved to be termed “Clean Power Plan” (CPP)) may be presented as a deliverable for Ministers. PTs were interviewed over the winter months on clean electricity priorities but have had no role in developing the interim document that NRCan has been working on. DMs will be asked whether such a deliverable should be presented to Ministers. A draft deck on the CPP was circulated on May 24, 2019 (Tab 6). The purpose of the deck is to update DMs on recent work and to discuss next steps.
It is NR’s understanding that the document would be used to inform First Ministers on development of the CPP at their next meeting (expected at the end of 2019). Given that NRCAn drafted the report with minimal opportunity for PTs to review and shape the document, a deck may be a more suitable.

The CPP is a separate initiative from the Atlantic Regional Clean Power Roadmap. The Roadmap is a commitment of the Atlantic Premiers and the Government of Canada to outline how the Federal Government, Atlantic Provinces and electric utilities can collaborate to develop a regional, long-term electricity supply plan.

There is also a two-hour long Closed Mines Ministers’ Session on the trends, challenges and priorities in the minerals and metals sector. The session will focus on the CMMP and will give Ministers an update on its progress and an opportunity to provide feedback.

During the first part of the Ministers’ Closed Session, a deck titled “Canada’s Minerals and Metals Sector: A diagnostic and forward-looking analysis” will be presented. The deck contains a summary of information from the Pricewaterhouse Coopers report and is meant to establish the state of industry and facilitate discussion.

Following this, another deck will be presented highlighting the six strategic directives of the CMMP, and the Pan-Canadian Initiative associated with each directive. The deck also highlights the individual or joint actions, whether existing or future, connected with each directive. These actions were compiled with feedback from PTs through the Mines IGWG, as members were asked to identify their jurisdictional priorities for inclusion. Provincial priorities are aligned with the immediate actions in Mining the Future.

Ministers will also be given the opportunity to provide feedback regarding the CMMP.

In addition to the Open and Closed sessions, there is an EMMC Banquet on July 15 and various optional presentations, tours and a networking reception on July 16.

Leads will seek to have Deputy Ministers’ approve deliverables via email over the coming weeks rather than discussing and seeking endorsement during the May 27 DM meeting.

Potential Speaking Points:

- Newfoundland and Labrador thanks NRCAn and BC for its update.

- We look forward to more details on the workings of how the Ministers will provide feedback during the interactive session into the preparation of the CMMP action planning.

- NL is preparing its own action planning for Mining the Future 2030 and plans to align these actions with the CMMP actions.

- Given Newfoundland and Labrador has not yet seen the proposed deliverable on the Clean Power Plan, we cannot support a deliverable going to Ministers we have not seen. Newfoundland and Labrador would suggest a presentation updating Ministers on the topic, which the Province could provide input into.

- Newfoundland and Labrador looks forward to participating in all EMMC sessions. Given the Minister’s clean energy mandate and the recently released Protecting You from the Cost...
Impacts of Muskrat Falls plan, we are especially interested in sessions on electrification and the development of a Clean Power Plan.

Agenda Item 3: Strategic Discussions (NRCan/BC)
- The goal of the Strategic Discussions agenda item is to allow for roundtable discussion on PT priorities, particularly those governments newly elected.

Analysis
Muskrat Falls Project (MFP)
- The overall construction of the MFP is at 97 per cent complete. Generation is at 94 per cent completion with first power scheduled for Q4 2019 and final commissioning in Fall of 2020. Both the Labrador Transmission Assets (LTA) connecting Churchill Falls and Muskrat Falls and the Labrador-Island Transmission Link (LIL) connecting Muskrat Falls to the Island are at over 99 per cent completion.

- Commissioning and testing of the new transmission assets continues with power flowing across LIL from the Churchill Falls Generating Station to the island. Bringing power from Labrador to the island added to winter reliability.

- The total incurred project cost is $9.121 billion with the cost of the generation facility being $4.756 billion, the cost of the LTA being $855 million and the cost of the LIL being $3.5 billion. The estimated capital cost of the project (excluding financing) is $10.1 billion.

- Last year, Newfoundland and Labrador residents filled more than 4,650 jobs in the project. The total number of people working on the project in 2018 included over 600 females and over 450 people who identified as Indigenous. In March 2019, 2,421 individuals worked on the project and 93 per cent of them were residents of the province.

Rate Mitigation
- On April 15, 2019 the Government of Newfoundland and Labrador released a plan entitled “Protecting You from the Cost Impacts of Muskrat Falls”, which is designed to protect residents from increases to electricity rates and taxes resulting from MFP costs.

- To manage electricity rates, approximately $725.9 million is expected to be required to address Muskrat Falls costs in the first full year of electricity generation. To address this cost, the proposed framework includes:
  o Newfoundland and Labrador Hydro Net Operations Savings and Revenue ($178.2 million)
  o Newfoundland and Labrador Investment ($249.1 million)
  o Reducing Expenses ($39.4 million)
  o Raising Revenue ($59.2 million)
  o Managing Financing ($200 million)

- Actions outlined in the Plan are currently being implemented in the lead up to MFP coming online. Agenda items at EMMC 2019 that would support the Plan include discussions on electrification and the FPT work to develop a Clean Power Plan.
**Mines**


- The goal of the plan is to strategically position Newfoundland and Labrador as a globally competitive, top tier jurisdiction for mineral exploration and development.

- The Provincial Government envisions that by 2030:
  - Five new mines;
  - Sustainable direct employment of more than 6,200 people in operations;
  - Doubling annual exploration expenditures to $100 million (or at least 5 per cent of Canadian total);
  - $4 billion in annual mineral shipments (or at least 10 per cent of the Canadian total);
  - A workforce that is more diverse and includes a minimum of 30 per cent women - double the current level;
  - Ensuring the province is consistently ranked as a top three Canadian jurisdiction in permitting times; and
  - Ensuring the province is consistently ranked overall as a top three Canadian jurisdiction by industry.

- In addition to achieving goals mutually set by government and the provincial mining industry, *Mining the Future 2030* strategically positions Newfoundland and Labrador to avail of opportunities under the Canadian Minerals and Metals Plan.

- Government is currently working on the development of implementation plans for each action.

**Bill C-69**

- On February 8, 2018, the GoC tabled Bill C-69, an Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts which proposes to repeal the Canadian Environmental Assessment Act, 2012 (CEAA 2012) and replace it with the Impact Assessment Act (IAA). The proposed IAA sets out a federal process for impact assessment of major projects in order to assess and mitigate significant adverse environmental effects for projects on federal lands and outside Canada.

- The federal government’s stated policy intent was to provide a more rigorous and efficient assessment process with reduced legislated timelines and clearer upfront requirements. However, the proposed legislation often does not reflect this original stated policy intent.

- On May 1, 2019, the GoC released discussion papers on the Proposed Project List and Information Requirement and Time Management Regulations. Consultation on both discussion papers is open until May 31, 2019. NR has provided comments outlining significant concerns.

- On May 16, 2019, the Members of the Independent Senators Group (ISG) released amendments to Bill C-69. These amendments were proposed during the clause-by-clause process in the Standing Senate Committee on Energy, the Environment and Natural Resources. While there are some improvements, there are remaining outstanding issues for
the Province. It is also unclear whether the House of Commons will accept these amendments, either partially or in total.

Potential Speaking Points:
- Government's direction has been to develop our clean energy opportunities in hydro and wind that will provide power to reduce diesel consumption in isolated communities and provide power to other jurisdictions in need of clean energy.

- We released our Protecting You from the Cost Impacts of Muskrat Falls plan in April 2019. The goal of the plan is to ensure ratepayers and taxpayers do not bear the additional burden of Muskrat Falls. We are in the process of implementing the plan now.

- Mining the Future 2030, an initiative of The Way Forward, is a plan to grow the Newfoundland and Labrador mining industry and create jobs throughout the province in collaboration with Indigenous governments, groups and community stakeholders.

- Mining the Future 2030 is strategically aligned with the Government of Canada's Canadian Minerals and Metals Plan. This alignment provides Newfoundland and Labrador with the prospect of working with the federal government to build on our strengths, capitalize on opportunities and support a minerals industry that drives propensity.

- The principle of joint management, in which both the GoC and GNL have equal decision-making authority over oil and gas activities in the Canada-Newfoundland and Labrador Offshore Area, must be preserved and a federal minister should not have unilateral decision-making authority in the area governed by the Atlantic Accord and the Accord Implementation Acts.

- The Designated Projects List should exclude well-understood, routine projects and activities with proven mitigations such as exploration, geophysical activities, and expansions to existing offshore projects. As well, any projects that have already undergone extensive environmental assessment processes should be excluded from further review.

- Timelines for environmental assessments processes must be globally competitive and not exceed those of comparable international jurisdictions.

- Clarity around Regional Assessments is required and the legislation should incorporate provisions that identify the desired outcome, assessment timelines, and the role of the C-NLOPB in the process.

Agenda Item 4: Closing Remarks (NRCan/BC)
- NRCan and BC DMs will make closing remarks.

Analysis
- It is not known when the next meeting or teleconference of EMMC DMs will be. Leads have suggested that deliverables will be approved via email in the coming weeks.

Potential Speaking Points:
Newfoundland and Labrador thanks NRCan and BC for hosting the meeting today. We look forward to being back in BC in July for EMMC 2019.

Prepared/Approved by: L. MacDonald / K. Bradbury
Deputy Minister Approval:

May 23, 2019
Annex 1: Draft Agenda – Energy and Mines Deputy Ministers’ Meeting

[see attached]
Annex 2: EMMC 2019 Draft Program

[see attached]