Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-221-2019)

On October 23, 2019, the Department of Natural Resources received your request for access to the following records/information:

It is my understanding that the Department of Natural Resources recently struck a natural gas working group committee. Please provide a list of all members of that committee. Please provide the agendas and any presentations prepared for any meetings held to date of the committee.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The responsive records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a) and 35(1)(f)(g) of ATIPPA, 2015 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;

35. (1)(f) 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 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;
35. (1)(g) 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 prejudice the financial or economic interest of the government of the province or a public body.

Pages 8 to 13 of the attached presentation have been withheld in full under the aforementioned sections of ATIPPA, 2015.

The Department asserts that S.35(1)(f) applies to the redactions made because it would reveal positions or plans or considerations which relate to future negotiations, said negotiations being at a yet to be determined time in the future.

The Department would further assert that S.35(1)(g) would apply because the disclosure of the redacted pages could reasonably be expected to prejudice the financial interest of the Government of Newfoundland and Labrador by disallowing the best possible development opportunities which we would otherwise have access to if we reveal our yet to be determined plans so early in the development of this new industry.

In addition to the two subsections of 35.1, the Department further claims that S.29(1)(a) applies to the specific redactions made in the presentation. The Department asserts that the information in the presentation was prepared to provide advice and recommendations to the minister for the possible development of a natural gas regime.

The Department contends that the Government of Newfoundland and Labrador must be allowed to develop the best possible natural gas program for the people of the province and to release the information redacted prematurely would impair if not prevent that development. The Department states that once the framework has been developed then it could be feasible to release the information redacted, however to do so this early in the process would impact future negotiations with operators, bring pressure to bear on the department when developing royalty or other fiscal regimes and could provide competitors with inside information that would lead to less than optimal benefits for the public.

The Department of Natural Resources wishes to clarify that the natural gas group is not a formal committee but an internal working group of various divisions of the Natural Resources Energy Branch (Economic & Benefits, Petroleum Engineering, Petroleum Geoscience, Regulatory Affairs and Royalty Administration) and Nalcor Oil & Gas. These divisions have been identified as having the relevant cross section of expertise to conduct research and analysis relating to natural gas priorities outlined in Advance 2030 and to inform government on potential development of a natural gas framework. The Department does not characterize it as a steering committee that has been appointed by government with a formal membership or charter. There has been one meeting to date on October 8, 2019 (see agenda attached). Meeting participants were representatives from the above noted departmental divisions and Nalcor Oil and Gas.
There was a presentation that was circulated in advance of the meeting and used as a basis to facilitate discussion (see presentation attached).

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide access to the requested information. 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. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to 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

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Please be advised that responsive records will be published following a 72 hour period after the response 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 responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.

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
Natural Gas Working Group
Meeting Agenda
October 8, 2019
10:00 am to 12:00 noon

1. Welcome and Intro (5 minutes)

2. Purpose of working group (10 minutes)
   a. Advance 2030 – natural gas priorities

3. Natural Gas Framework – Group discussion (50 minutes)
   a. Framework elements - (e.g. resources, development options, infrastructure/market opportunities, fiscal and regulatory)
   b. Challenges/barriers for gas commercialization
   c. Provincial readiness for gas commercialization
   d. Industry perspective and expectations
   e. Overlapping actions within Advance 2030 and/or other ongoing work
   f. Other considerations?

4. Work plan / actions – Group Discussion (30 minutes)
   a. Near, mid and long term actions/work goals to inform framework development and align with Advance 2030
   b. Discuss near term work focus for the group, schedule and deliverables
   c. Stakeholder engagement/collaboration – who, what, why, when and how
   d. Previous work/studies and information sharing
   e. Other items?

5. Next steps (10 minutes)
   a. Items arising from the meeting including any work plan items
   b. Meeting schedule for working group (10 minutes)

6. Concluding remarks (5 minutes)
Advance 2030 – Natural Gas Framework

Update and Next Steps

September 9, 2019
## Advance 2030 – Natural Gas Priorities (Feb 2018)

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Priority</th>
<th>Actions</th>
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<tr>
<td>Immediate (within 24 Months)</td>
<td>Accelerate Development – collaboration and innovation play an important role in accelerating the pace of offshore oil and gas development</td>
<td>➢ Initiate a framework for natural gas exploration and development</td>
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| Mid-Term (2022)     | Develop a natural gas development plan. With the discovery of additional resources, market opportunities for natural gas are anticipated. | ➢ Advance initiatives to ensure provincial readiness for gas commercialization, including regulation, development models, local supply opportunities, and labour requirements.  
➢ Focus activity on attracting global investment for commercial gas production.  
➢ Examine domestic utilization strategies for natural gas as a low-carbon fuel. |
| Long-Term (2030)    | Achieve commercial natural gas production that will create both local and global market opportunities. | ➢ Promote investment in new infrastructure, technology and leverage expertise in order to pursue market opportunities for commercial gas production.  
➢ Focus on expanding natural gas resource exploration and development. |
Natural Gas Resources and Related Offshore Activity

Offshore Labrador Licence Area:
- While drilling for oil, 4.24 trillion cubic feet (tcf) of gas discovered in 5 shallow water locations; no exploration/drilling activity in several decades.
- No development infrastructure in Labrador.
- Labrador Strategic Environmental Assessment (SEA) ongoing.
- Call for Bids delayed to 2021 to allow time for SEA completion.

Eastern Offshore Region Licence Areas:
- Deepwater offshore region
- BeicipFraclab studies – undiscovered gas potential of 193.8 tcf.
  (2016 to 2018 call for bids areas – Orphan, Flemish & East Jeanne d’Arc)
- Various exploration licences currently held in the region.
- CEAA reviews – 4 ongoing (BHP, BP, Chevron, CNOOC); 2 approved (Equinor, ExxonMobil)
- Bay du Nord oil project in the southern Flemish (2025 first oil).

Jeanne d’Arc Licence Area:
- 8.34 tcf of natural gas resource across 11 discoveries.
- Oil production since 1997 with 4 producing projects.
- Mature area with various licence holdings (PLs, SDLs, ELs).
- CEAA reviews – 3 ongoing for exploration (Suncor, Husky, ExxonMobil).
- Current gas production associated with oil and used for power generation at platform; excess gas is re-injected for enhanced oil recovery or future utilization.
- No natural gas transport infrastructure to shore.
Natural Gas Exploration and Development Framework

- Resource Potential
  - Fiscal & Regulatory Regime
- Development Options
  - Investment & Infrastructure Opportunities

Advance 2030
Draft Work Plan

Interdepartmental and stakeholder engagement/collaboration: information, input, advice
Internal Working Group

NR Economics and Benefits

NR Petroleum Engineering

NR Petroleum Geoscience

OilCo

NR Regulatory Affairs
Offshore Natural Gas Study – Rystad Energy

- In January 2019, the Department of Natural Resources issued a request for proposals to conduct study work focused in two areas:
  - a review of offshore natural gas projects and trends globally to better understand key drivers and enablers for successful projects
  - an overview of the trends and outlook for global natural gas markets
- Rystad Energy was awarded the study work in February 2019. The final report was delivered on May 1, 2019 entitled, "International Jurisdictional Scan of Offshore Natural Gas Development Options"
Next Steps

- Convene internal NR and OilCo working group to discuss and begin execution of work plan
- As required, engage stakeholders – e.g. C-NLOPB, companies, associations (CAPP, NOIA)