

Plateau Pipeline Expansion

Presentation to the Minister and Deputy Minister
February 2018



Ministry of
Forests, Lands, Natural
Resource Operations
and Rural Development



Government Response Task Force

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The Problem

The Government of British Columbia faces the challenge and responsibility to protect and defend its interests in the face of the Pronteau Oil Plateau Pipeline (P3) expansion.

The Response

B.C. may move forward in two ways:

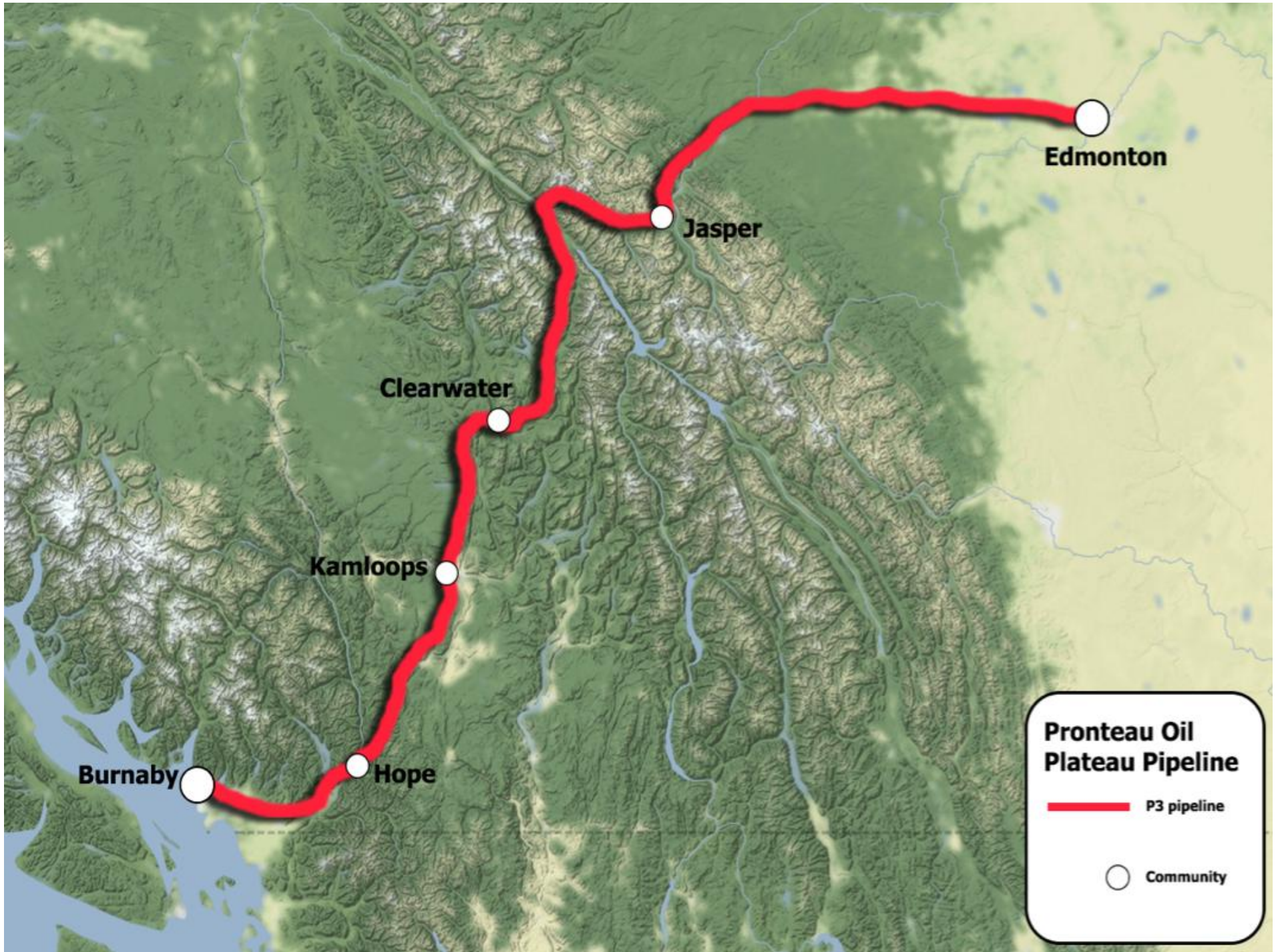
Continue to employ mechanisms to delay implementation of P3.

Develop an implementation plan that promotes B.C.'s interests.

Background



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What is the P3 Expansion Project?



\$8-10 billion in government revenue and contributions.



Increases existing capacity from **500,000** to **1 million** barrels of bitumen and oil a day.



There will be a **seven-fold increase** in tanker traffic.

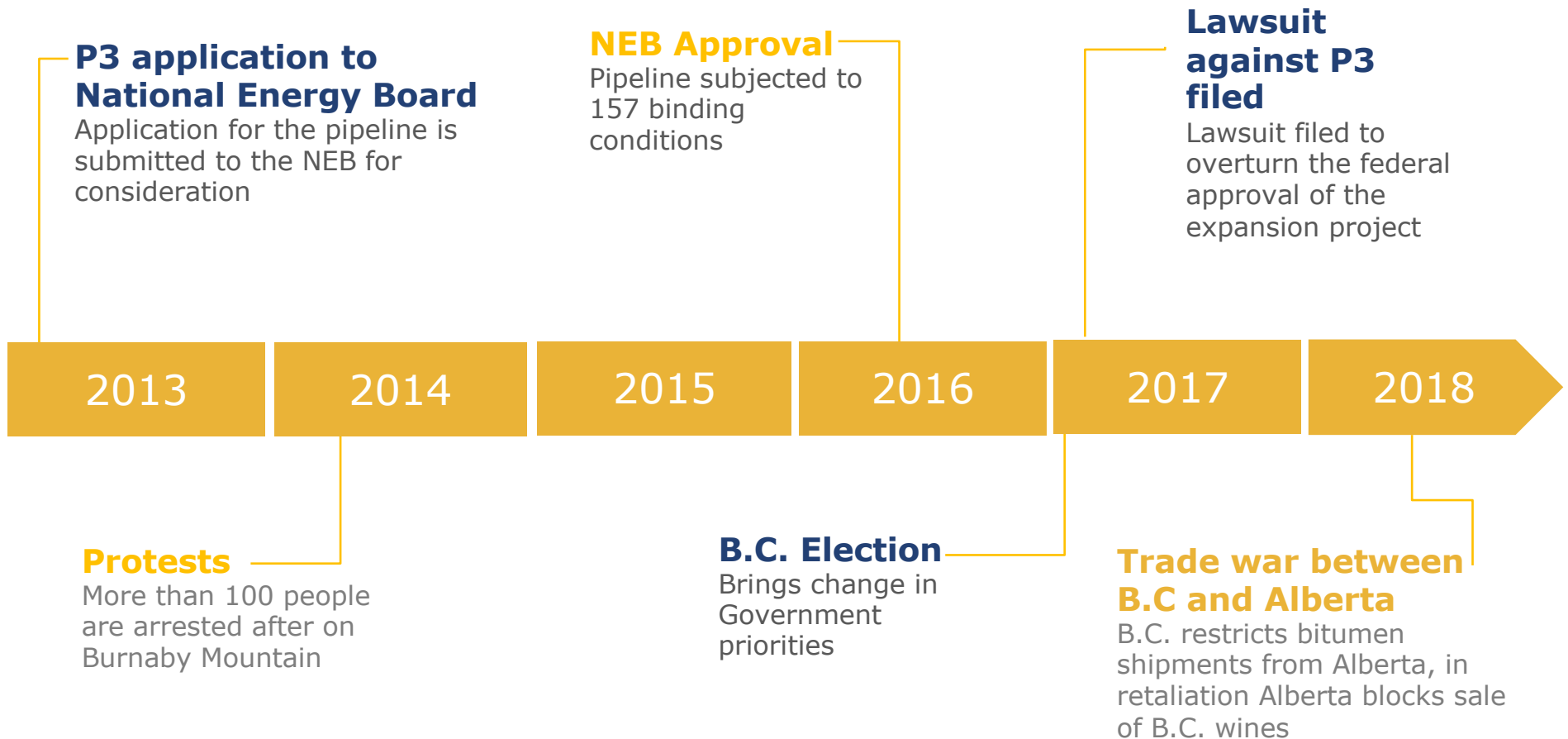


P3 is the **cornerstone project** of Pronteau Oil Canada.



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Timeline of Events



Constraints and Objectives

Political Constraints



❖ Changing government priorities requires new policy solutions



❖ Municipalities, regions, and Indigenous groups are divided on their position of the pipeline



❖ High media interest and interprovincial tensions are generating national attention

Legal Constraints



- ❖ Section 92(a) of the *Constitution Act* limits jurisdiction on interprovincial projects



- ❖ The Attorney General of British Columbia has ruled out delaying permit processes



- ❖ Blocking the transportation of Bitumen results in heavy litigation and division of powers battle

Key Constraints

Multiple actors with divided interests

Limited legal jurisdiction and authority

Environmental Objectives



Regional Development Objectives



Indigenous-Provincial Relations



Key Objectives

Take leadership as a steward of the environment

Support regional development

Strengthen the Indigenous-Provincial relationship



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Risk Evaluation

	Current Government Position	Pipeline Implementation Policy
Political Constraints	MED	HIGH
Legal Constraints	HIGH	LOW
Environmental Objectives	LOW	MED
Economic Objectives	HIGH	LOW
Indigenous—Provincial Relationship	MED	MED

Moving Forward Implement the P3 Expansion

Failing to establish an implementation policy in the face of P3 expansion leaves British Columbia's interests vulnerable.

A robust pipeline strategy is necessary to safeguard B.C.'s social, economic and environmental interests.



Strategic Implementation Plan

4-Component Plan



1. Invest in Safety and Security



May 2018

Create a \$9 million research and develop fund for bitumen cleaning technology

Summer 2020

Share best practices and contribute to the broader oil-spill response toolkit

2. Affected Communities Oversight Committee



March 2018

Engage communities that are both directly and indirectly affected by the P3 expansion

Summer 2018

Establish a formal committee comprised of key stakeholders from affected communities

Fall 2018 – Pipeline Lifetime

The Committee receives periodic reports from P3 to promote transparency on the implementation status of the 37 conditions

3. Invest in the *Community Clean Energy Fund* and *First Nations Green Energy Business Fund*



July 2018

Collaborate to develop new criteria components for the *Community Clean Energy Fund* and *First Nations Green Energy Business Fund*

Fall 2018

Open call for proposals for projects under the two funds

Winter 2020-2040

Channel \$10 million/year from the Pronteau Oil's *Clean Futures* donation for each of the two funds.

4. Reform Environmental Assessment Process



May 2018

Establish Environmental Assessment Reform Task Force

June 2018 – March 2019

Embark on an extensive public consultation with industry, environmental groups, and Indigenous stakeholders

February 2020

Implement amended *Environmental Assessment Act* legislation

Strategic Implementation Plan

1. Invest in Safety and Security
2. Affected Communities Oversight Committee
3. Invest in the *Community Clean Energy Fund* and *First Nations Green Energy Business Fund*
4. Reform the Environmental Assessment Process



Communications Strategy

Target Audience	Key Messages
General Public	Communicate confidence in government to protect social, economic and environmental interests
Indigenous Stakeholders	Reiterate commitment to strengthening the relationship and respecting the rights of Indigenous peoples
Provincial Public Service	Acknowledge efforts and communicate respect for legitimate process
Provincial Legislature	Communicate need for balance and unity in face of P3
Federal/Interprovincial	Deescalate intergovernmental tension playing out in media



Meeting the Objectives

Environmental Stewardship

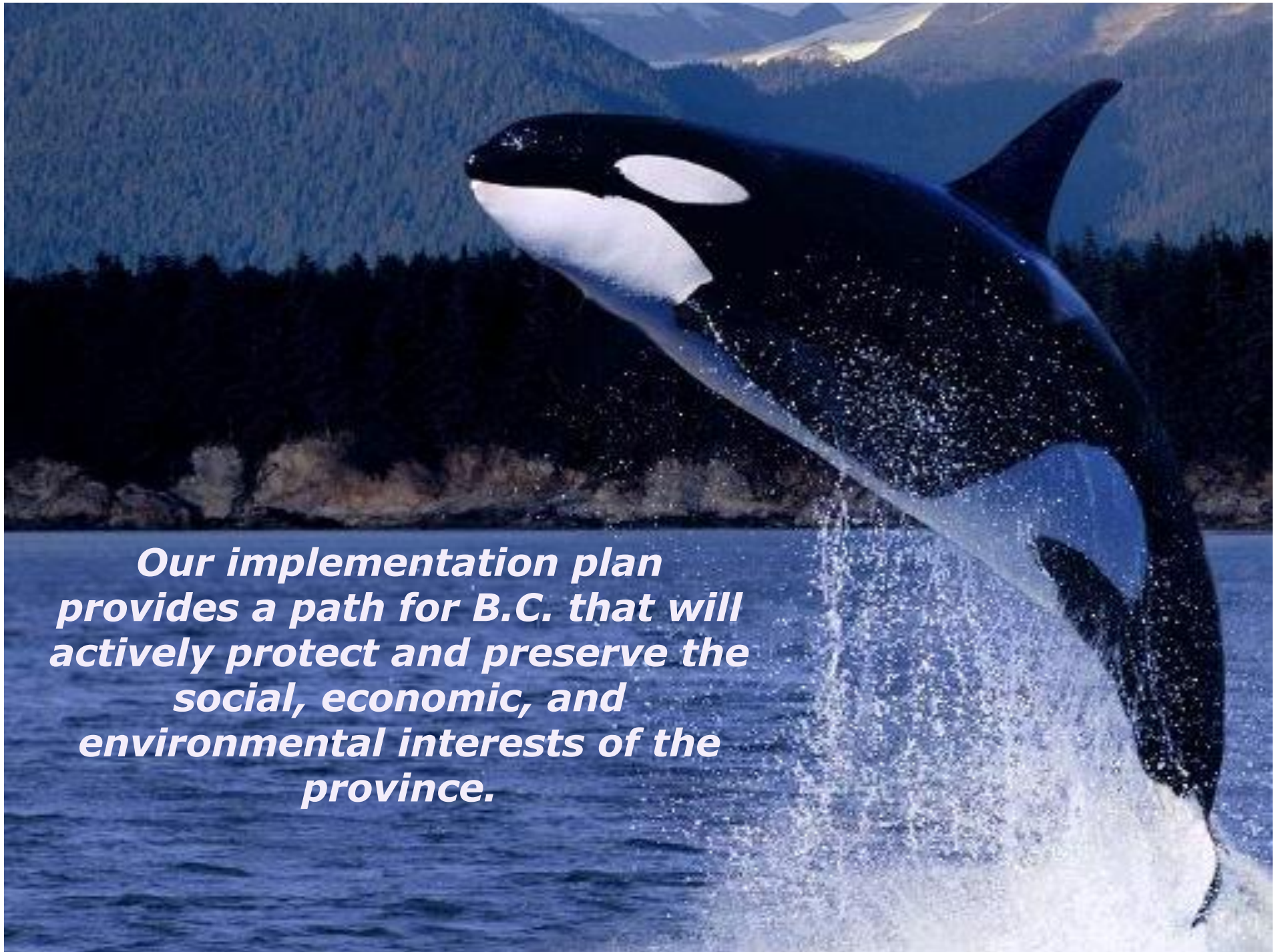
BC will take control of its environmental future by channeling Pronteau Oil's donations into green energy development and and spill technology.

Regional Development

Revenues from P3 expansion will fuel regional development initiatives.

Indigenous-Provincial Relations

Indigenous participation in pipeline oversight and a rights-based environmental assessment process.



***Our implementation plan
provides a path for B.C. that will
actively protect and preserve the
social, economic, and
environmental interests of the
province.***

Thank You



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Annex A: Revenue Breakdown

Total Revenue: \$8-10 billion between government revenue and private contributions	
Government Revenue <small>* Estimated over 20 year period</small>	Private Monetary Contributions
<p>\$2.2 billion from increased oil and gas investment</p> <p>\$1.5 billion from higher netbacks</p> <p>\$1 billion from project operations</p> <p>\$500 million from increased government revenue from dividends</p> <p>\$400 million will be from project development</p> <p>\$400 million will be from revenues associated with increased tanker traffic.</p> <p>\$25 million in additional municipal property taxes</p>	<p>\$2.5 billion Contribution to the Clean Futures Program</p> <p>\$200 million upgrade of spill response team, including 115 new employees and 26 new Vessels</p>

Annex B: Section 92A, *Constitution Act 1982*

(1) In each province, the legislature may exclusively make laws in relation to

- (a) exploration for non-renewable natural resources in the province;
- (b) development, conservation and management of non-renewable natural resources and forestry resources in the province, including laws in relation to the rate of primary production therefrom; and
- (c) development, conservation and management of sites and facilities in the province for the generation and production of electrical energy.

(2) In each province, the legislature may make laws in relation to the export from the province to another part of Canada of the primary production from non-renewable natural resources and forestry resources in the province and the production from facilities in the province for the generation of electrical energy, but such laws may not authorize or provide for discrimination in prices or in supplies exported to another part of Canada.

(3) Nothing in subsection (2) derogates from the authority of Parliament to enact laws in relation to the matters referred to in that subsection and, where such a law of Parliament and a law of a province conflict, the law of Parliament prevails to the extent of the conflict.