



A BALANCED APPROACH TO B.C.'S P3 STRATEGY

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BRIEFING OVERVIEW

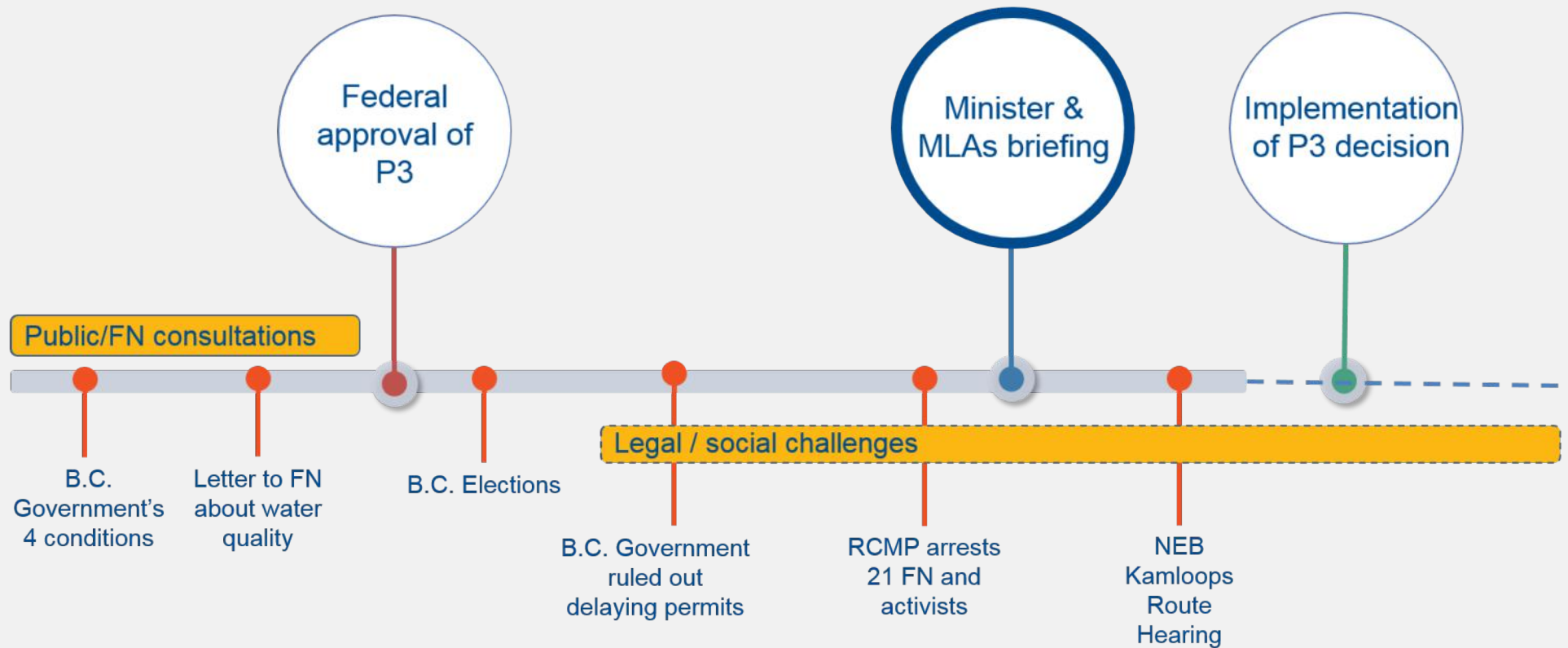
- Policy Context
- Policy Options
- Implementation



POLICY CONTEXT



WHERE ARE WE NOW?



POLICY CONTEXT

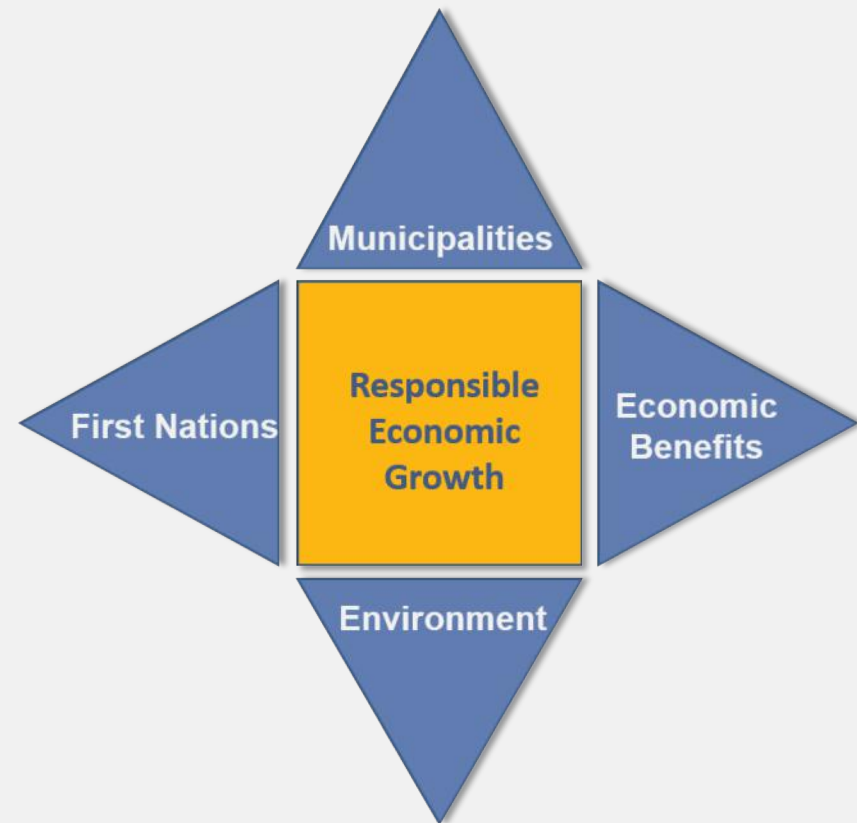
POLICY OPTIONS

IMPLEMENTATION

THE PROBLEM:

ACHIEVING A BALANCED APPROACH TO RESPONSIBLE ECONOMIC GROWTH

How can B.C. achieve **responsible economic growth**, keeping in mind these **four major considerations** and the **broader national interest**?



POLICY CONTEXT

POLICY OPTIONS

IMPLEMENTATION

KEY CONSIDERATIONS

MUNICIPALITIES

- **Legitimacy** & fairness (risk of loss of public trust)
- Plurality of views
- Environmental impact
- Local interest in economic spinoffs

FIRST NATIONS COMMUNITIES

- **Duty to consult** and respect for Indigenous interests and rights
- Plurality of views
- Environmental impact
- Communities' interest in economic spinoffs

ENVIRONMENT

- Environmental concerns (e.g. GHG, leaks, wildlife endangerment)
- **Sustainability** (addressing present and evolving environmental concerns, while recognizing the link between the environment and the other dimensions)

ECONOMIC ISSUES

- Industry's **sensitivity to time** (P3 proposal may be abandoned due to delays and process uncertainties)
- Additional growth driver for the province (local jobs & investments, increased tax revenues, access to global oil markets, reduced oil imports)



POLICY CONTEXT

POLICY OPTIONS

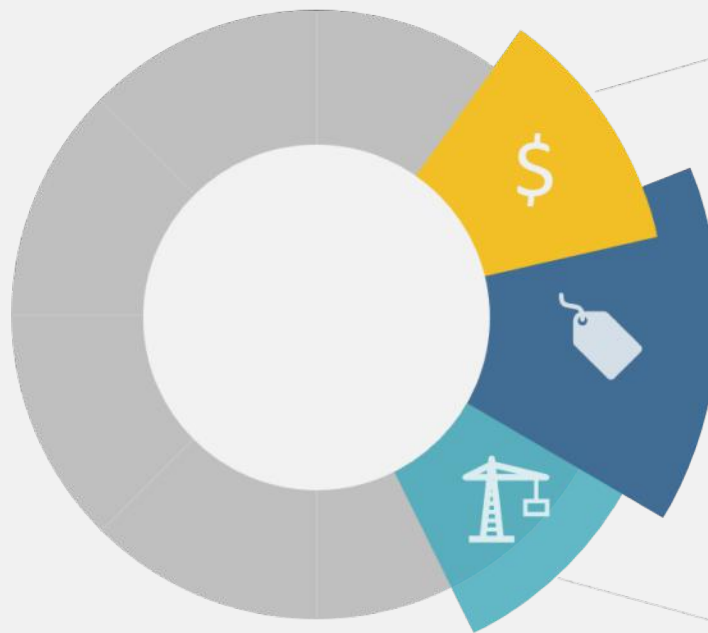
IMPLEMENTATION

ECONOMIC BENEFITS

KAMLOOPS AS A TEST

Potential economic benefits for Kamloops are **significant, but dependent on:**

- Acting timely
- Greater certainty in the process
- Maintaining investor confidence in our energy sector
- Maintaining public/FN confidence in process



+\$4M/year
Municipal tax base

+\$750,000
Signing bonus

\$500M
Construction spending

\$50M
Workforce spending

6,000 jobs
Construction



POLICY CONTEXT

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POLICY OPTIONS



THE OPTIONS

1 DECISION & IMMEDIATE ENGAGEMENT

Based on **previously completed consultations**:

- Address unresolved environmental, municipal and First Nations concerns with Pronteau
- P3 Implementation Agreement **if existing concerns are resolved**

2 PRE-ENGAGEMENT COST-BENEFIT ANALYSIS

Initiate **further consultations**:

- Preceded by information-sharing
- Followed by final cost-benefit analysis (economic outcomes vs. social costs)
- P3 Implementation decision, **depending on results of analysis**

3 DECISION, ENGAGEMENT & OVERSIGHT

Decision, followed by **ongoing engagement with Pronteau and the public**:

- P3 Implementation Agreement requiring **response to concerns throughout design, construction, and operation**
- Ongoing information-sharing, consultations, and oversight by new body
- **Scalable to other projects**



POLICY CONTEXT

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EVALUATION MATRIX

	1 DECISION & IMMEDIATE ENGAGEMENT	2 PRE-ENGAGEMENT COST-BENEFIT ANALYSIS	3 DECISION, ENGAGEMENT & OVERSIGHT RECOMMENDED
LEGITIMACY [Municipalities]	X	✓	✓
DUTY TO CONSULT [First Nations]	X	✓	✓
TIME SENSITIVITY [Economic outcomes]	✓	X	✓
SUSTAINABILITY [Environment]	X	X	✓

Ultimate Outcome: Responsible Economic Growth for B.C.

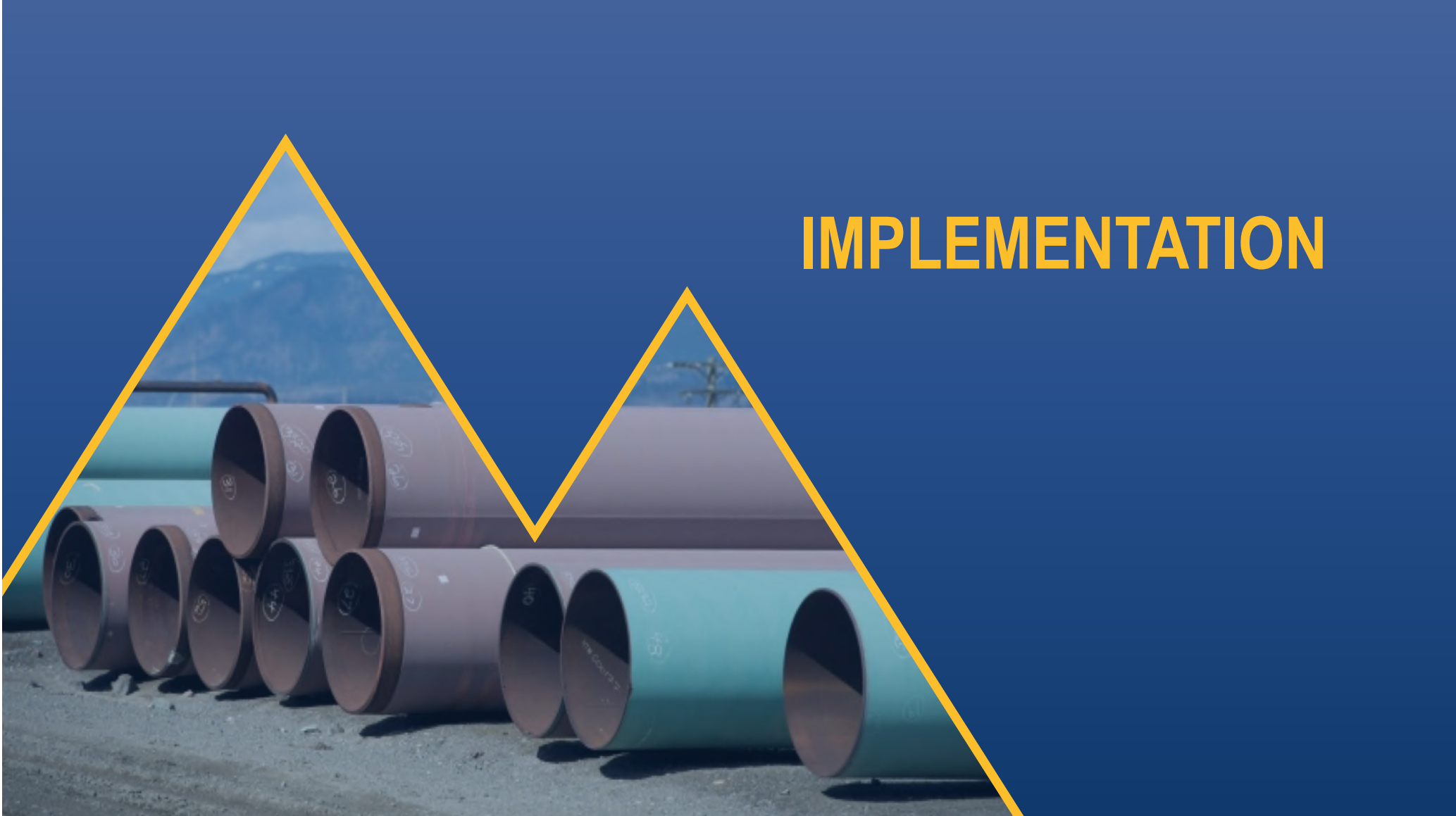


POLICY CONTEXT

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IMPLEMENTATION



IMPLEMENTATION STRATEGY



ORGANIZATIONAL STRUCTURE

- Dedicated, multi-stakeholder **Panel** within the existing **Climate Solutions and Clean Growth Advisory Council** (“Responsible Growth Panel”)
- **Budget** estimated at \$2M/year



ECONOMIC GROWTH

- Negotiate **share of revenue** for B.C.
- Support **Community Benefit Agreements negotiations**
- **Jobs: Prioritize B.C.**



ENERGY AND ENVIRONMENT

- Part of existing **Cumulative Effects Framework**
- Enhanced **Environmental Emergency Program (EEP)** - spill fund
- **Clean Future Program** (\$2.5B over 20 years)
- **Renewable energy**
- **B.C.-Alberta Environmental Coop Agreement**



ONGOING COMMUNITY ENGAGEMENT

- Monitor **Pronteau's First Nations engagement efforts**
- Initiate ongoing **public consultations**
- **Communication plan**



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IS IT FEASIBLE? A NEW WAY FORWARD.



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COMMUNITY OUTREACH

TARGET AUDIENCE	KEY MESSAGES
General Public	<ul style="list-style-type: none">• Balanced approach to responsible economic growth• Decision cannot be delayed• Information on P3's potential benefits• Public's input is important to the government (transparency)• Bringing together industry and stakeholders• Government will continuously address environmental concerns• Regular updates on P3 development
First Nations	<ul style="list-style-type: none">• New process is respectful of Indigenous interests and rights• B.C. is committed to maintain ongoing dialogue
Industry	<ul style="list-style-type: none">• Building capacity for clean energy• B.C. is a trusted business partner

Primary Strategy: Premier/Ministers, assisted by local MLAs, will visit communities along the P3 corridor to listen to concerns and convey key messages.



POLICY CONTEXT

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ADDRESSING RISKS TO THE GOVERNMENT

RISK	MITIGATION
Pronteau's resistance to P3 Implementation Agreement	<ul style="list-style-type: none"> • Provide information on the benefits for Pronteau (reduced legal exposure, supports corporate social responsibility values, builds trust with communities)
Negative public response	<ul style="list-style-type: none"> • Information campaign and ongoing consultations • Communicate P3's potential benefits
Environmental degradation	<ul style="list-style-type: none"> • Investment in Clean Future Program • British Columbia–Alberta Environmental Cooperation Agreement
Risk of oil spill	<ul style="list-style-type: none"> • Enhance the <i>Environmental Emergency Program</i> (EEP) • Polluter-pay principle
B.C not benefiting from P3's economic spinoffs	<ul style="list-style-type: none"> • "Prioritize B.C." requirement in P3 Implementation Agreement • Negotiate share of revenue for B.C.
Strained relationship with Alberta	<ul style="list-style-type: none"> • Reassure Alberta on B.C.'s commitment to maintaining the relationship and to act in timely fashion



POLICY CONTEXT

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BOTTOM LINE

In Kamloops and across B.C., P3 has raised environmental and economic **concerns within local population and First Nations communities.**

Our recommendation – decision, engagement, and oversight – **balances** these concerns; it is both **legitimate and timely.**

If a balance can be achieved in Kamloops, it can reproduced. This **sustainable, long-term investment** serves the **overall interests of B.C.**

“Inform, Impact, and Inspire.”

- Kamloops Indian Band



**THANK YOU.
QUESTIONS?**



APPENDICES

- A. Sustainable Development Model
- B. First Nations Communities in Kamloops
- C. Abandoned Pipeline Projects
- D. Option 1 – Decision & Immediate Engagement
- E. Option 2 – Pre-Engagement Cost-Benefit Analysis
- F. Option 3 – Decision, Engagement & Oversight
- G. B.C. Climate Action Legislation



APPENDIX A – SUSTAINABLE DEVELOPMENT MODEL

Interaction between the
dimensions of
responsible economic
growth



APPENDIX B – FIRST NATIONS COMMUNITIES IN KAMLOOPS

- Five First Nations in Kamloops and surrounding area
- Attended P3 consultations



APPENDIX C – ABANDONED PIPELINE PROJECTS

Numerous pipeline projects were abandoned in 2017.



PROJECT	DESCRIPTION	ABANDONED
TransCanada's Energy East	4,500 km from Alberta to Quebec and New Brunswick	October 5, 2017
TransCanada's Eastern Mainline	370 km from Markham, ON to South Dundas, ON	October 5, 2017
Petronas/ TransCanada's Pacific Northwest LNG	900 km Hudson's Hope, B.C. to Lelu Island, B.C.	July 25, 2017
Nexen Energy's Aurora LNG	Prince Rupert Region, B.C.	September 14, 2017
Imperial Oil's Mackenzie Gas Project	1,200 km from Beaufort Sea region, NWT to northern Alberta	December 28, 2017

APPENDIX D: OPTION 1

Decision & Immediate Engagement



STRENGTHS

- Immediate response addresses the industry's sensitivity to time
- Responds to existing concerns raised at consultations

WEAKNESSES

- Loss of public confidence, because it does not answer legitimacy and fairness concerns
- Risk of public protests due to immediate engagement with Pronteau
- Exposes the province to legal challenges on grounds of improper consultation of First Nations
- Does not anticipate future environmental impact and public concerns
- Risk to coalition

APPENDIX E: OPTION 2

Pre-Engagement Cost-Benefit Analysis



STRENGTHS

- Answers the public's call for information
- Renewed consultation process answers questions of legitimacy and fairness
- Evidence-based decision-making
- Mitigates legal exposure by incorporating plurality of views in the process

WEAKNESSES

- Potential loss of economic outcomes due to lengthy process
- Lengthy/delayed process exposes the province to legal challenges by industry

APPENDIX F: OPTION 3

DECISION, ENGAGEMENT & OVERSIGHT



STRENGTHS

- Forward-thinking – in line with B.C.'s sustainability values
- Groundwork for future energy projects
- Mitigates legal exposure by incorporating plurality of views in the process
- Legitimacy

WEAKNESSES

- Risk of public protests due to immediate engagement with Pronteau
- Limited risk to coalition

APPENDIX G – B.C. CLIMATE ACTION LEGISLATION



- Greenhouse Gas Reduction Targets Act (GGRTA)
Passed in November 2007; came into force January 2008
- Carbon Tax Act
Passed in May 2008; came into force July 2008
- Greenhouse Gas Industrial Reporting and Control Act (GGIRCA)
Passed in November 2014; came into force January 2016
 - Greenhouse Gas Emission Reporting Regulation
Greenhouse Gas Emission Control Regulation
 - Greenhouse Gas Emission Administrative Penalties and Appeals Regulation
- Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act
Passed in April 2008; came into force December 2009
- Clean Energy Act
Passed in June 2010; came into force June 2010
- Energy Efficiency Act
Passed in 1996