

Ministry Report



December 2007

Ministry of Energy, Mines and Petroleum Resources

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MINISTER'S MESSAGE



Richard Neufeld
Minister of Energy, Mines
and Petroleum Resources

As stewards of this Province, we have a responsibility to manage our natural resources in a way that ensures we meet our needs while preserving our resources for tomorrow. The BC Energy Plan places our province at the forefront of environmental and economic leadership. In the months since the Plan was released, we have made inroads into the development of clean, green technologies. Developments such as the new Hartley Bay hydroelectric project, BC Hydro's Standing Offer for clean electricity projects and funding for First Nations and remote communities have created opportunities in the energy sector that will benefit all British Columbians.

In the year ahead, the first projects to be funded by the \$25 million Innovative Clean Energy Fund will aid the development of new energy technology solutions. Alternative energy sources and ambitious BC Energy Plan conservation targets will help us meet our commitment to electricity self-sufficiency by 2016.

ENERGY PLAN IN ACTION

In February, the province set ambitious targets to develop one of the healthiest energy industries in the world. The BC Energy Plan: A Vision for Clean Energy Leadership included 55 Policy Actions that focused on our natural strengths and the competitive advantages of our clean and renewable energy sources.

These actions, and the continued implementation of the BC Energy Plan, demonstrate our ongoing commitment to environmental leadership, conservation, energy security, and investment in innovation.

▶ Energy Plan Update - Alternative Energy

Activities	Progress to Date
<p>Policy Action No. 31 Issue an expression of interest followed by a call for proposals for electricity from sawmill residues, logging debris and beetle-killed timber to help mitigate impacts from the provincial mountain pine beetle infestation.</p>	<p>Issued an expression of interest for BC Hydro's Bioenergy Call for Power. The Call for Power will help recover value from pine beetle-damaged timber by converting it and other biomass resources into electricity.</p> <p>Government issued Special Direction 10 under Section 3 of the <i>Utilities Commission Act</i>, to support Energy Plan implementation.</p>
<p>Policy Action No. 29 Establish the Innovative Clean Energy Fund to support development of clean power and energy efficiency technologies in the electricity, alternative energy, transportation and oil and gas sectors.</p>	<p>The \$25 million Innovative Clean Energy Fund was implemented on September 1, 2007 to support projects that create new energy technology sectors where B.C. has a competitive advantage, such as ocean energy and technology, and that offer solutions to our energy challenges, such as remote off-grid communities.</p>

Did you know?

B.C. is a clean energy hot spot. Generating over \$1.9 billion in revenue, British Columbia is a world leader in the research, development and deployment of environmental technologies, employing close to 18,000 people.

CENTRE OF EXCELLENCE OPENS IN FORT ST. JOHN

On October 19, Minister Neufeld opened the \$12 million Oil and Gas Centre of Excellence/Jim Kassen Industry Training Centre at the Northern Lights College campus in Fort St. John. The new training centre will create 180 new full-time student spaces and prepare graduates for entry into the oil and gas industry. The Centre will help meet B.C.'s fastest growing sector's long-term labour needs.



From left to right: Peace River South MLA Blair Lekstrom; Energy, Mines and Petroleum Resources Minister Richard Neufeld; Northern Lights College President Jean Valgardson; Advanced Education Minister Murray Coell and Northern Lights College Board Member Wendy Normandeau.

► Energy Plan Update - Oil and Gas

Activities	Progress to Date
<p>Policy Action No. 44 Pursue regulatory and fiscal competitiveness in support of being among the most competitive oil and gas jurisdictions in North America.</p> <p>Policy Action No. 45 Enhance infrastructure to support the development of oil and gas in British Columbia and address impediments to economic development such as transportation and labour shortages.</p> <p>Policy Action No. 46 Encourage the development of conventional and unconventional resources.</p>	<p>Two new royalty programs: the Infrastructure Royalty Credit Program and the Net Profit Royalty Program.</p> <p>The Province of British Columbia awarded \$90 million in royalty credits under the Infrastructure Royalty Credit Program to 17 companies for 25 road and pipeline projects in 2007. The program will support oil and gas exploration and production to improve access to new and underdeveloped areas of the northeast.</p> <p>British Columbia launched a new Net Profit Royalty Program to encourage the development of oil and gas resources that have higher costs and technical complexity on July 31, 2007. The program will assist the development of resources that are unlikely to be developed otherwise by focusing on resources that are technically complex, remote from existing infrastructure, require enhanced recovery; or in the Interior Basins.</p>
<p>Policy Action No. 48 Promote exploration and development of the Interior basins with a priority focus on the Nechako Basin.</p>	<p>The Province provided \$200,000 in funding to the University of Victoria on April 4, 2007 for research to increase the understanding of the geology, mineral, and oil and gas potential in the Nechako Basin, an area heavily infested by the mountain pine beetle.</p>

Oil and Gas Events

Royal BC Museum - Energy Conservation - September 18

BC Hydro Power Smart and the Royal BC Museum are assessing the museum's energy use to identify innovative ways to save up to 600,000 kilowatt hours of electricity by 2010. The partnership includes collaboration on an energy conservation education program for museum visitors, as well as an online outreach program to teach B.C. school children about conservation.

Energy and Mines Ministers' Conference in Whistler

On September 24, 2007, the federal, provincial and territorial energy ministers met in Whistler as part of the 64th Annual Energy and Mines Ministers' Conference.

Building on priorities identified at the 2006 energy ministers' meeting in Whitehorse, the ministers agreed to collaborate on new energy technology partnerships.

Priority areas for discussion included cleaner fossil fuels, advanced energy end-use, alternative and renewable energy sources, bioenergy, and hydrogen production, storage and conversion. The ministers agreed that energy efficiency and conservation have the potential to reduce energy demand in Canada by an amount equal to almost 25 per cent of today's energy use by 2030.

Continued on page 4, see CONFERENCE

BC HYDRO STANDING OFFER UPDATE

BC Hydro, as directed by the provincial government in BC Energy Plan: Electricity Policy Action No. 11, is to "establish a standing offer for clean electricity projects up to 10 megawatts." A 10 megawatt hydro project typically provides 40 GWh per year of energy, or enough electricity to power 4,000 households.

Projects eligible for the Standing Offer Program must be proven technologies, i.e., those already on the market for at least three years, 10 megawatts or less and either clean, renewable or cogeneration with an overall efficiency greater than 80 per cent.

BC Hydro sought feedback on the proposed terms and conditions of the Standing Offer Program from potential developers, First Nations, customers and other stakeholders throughout the summer and is now in the process of developing the Standing Offer Program.

www.bchydro.com/standingoffer

► Energy Plan Update - Electricity

Activities	Progress to Date
<p>Policy Action No. 10 Ensure self-sufficiency to meet electricity needs, including "insurance."</p> <p>Policy Action No. 27 Pursue BC Hydro's planned Remote Community Electrification Program to expand or take over electricity service to remote communities in British Columbia.</p>	<p>Government issued Special Direction 10 under Section 3 of the <i>Utilities Commission Act</i>, to support implementation of these two policy actions.</p>
<p>Policy Action No. 11 Establish a standing offer for clean electricity projects up to 10 megawatts.</p>	



Minster Neufeld (Minister, Energy, Mines and Petroleum Resources), Bev van Ruyven (Executive VP, Customer Care and Conservation, BC Hydro), Bob Elton (President and CEO, BC Hydro) and Pauline Rafferty (CEO, Royal BC Museum).

This builds on the recent announcement that all governments are working collaboratively to enhance energy efficiency standards in the model national energy code for buildings by 25 per cent by 2012.

The ministers also endorsed “Moving Forward on Energy Efficiency: A Foundation for Action”, prepared by the Federal/Provincial/Territorial Assistant Deputy Ministers’ Steering Committee on Energy Efficiency. The Plan outlines how significant improvements in energy efficiency and conservation are fundamental to ensuring Canadians have secure, reliable and competitively priced supply of energy for the long term.



Brendan Bell (Minister of Industry, NT), Jim Rondeau (Minister of Science, Technology, Energy and Mines, MB), Mel Knight (Minister of Energy, AB), Richard Neufeld (Minister of Energy, Mines and Petroleum Resources, BC), Gary Lunn (Natural Resources Minister, Government of Canada), Kevin Krueger (Minister of State for Mining, BC), Archie Lang (Minister of Energy, Mines and Resources, YT), Donal Arseneault (Minister of Natural Resources, NB), Maynard Sonntag (Minister of Industry and Resources, SK), David Simailak (Minister of Economic Development and Transportation, NU), Claude Bechard (Minister of Natural Resources and Wildlife, QC).

CAREER FAIRS

The Ministry hosted its fourth annual career fair series in communities throughout the province throughout September and October. Attracting just over 1,100 participants, the fairs connected job seekers with opportunities and industry contacts.

The career fairs took place in Prince George, Kamloops, Kelowna, Castlegar, Chiliwack, Nanaimo, Fort St. John, Dawson Creek and Fort Nelson. Designed to help meet the demand for skilled workers, the fairs have attracted more than 11,000 attendees in the past four years. These face-to-face opportunities also resulted in a five per cent hire rate for those who completed applications at the first three career fairs.



Kelowna Career Fair, September 18, 2007.

► Energy Plan Update - Skills Training

Activities	Progress to Date
Government will advocate on behalf of Crowns and industry for a dedicated power engineering option at UBC and other institutions offering electrical engineering programs.	\$720,000 provided for training and education programs that support energy efficiency.
Policy Action No. 47 Support the growth of British Columbia’s oil and gas service sector.	Opening of the Oil and Gas Centre of Excellence in Fort St. John.
Policy Action No. 52 Work with First Nations to identify opportunities to participate in and benefit from oil and gas development.	Oil and Gas career information fairs to support B.C. becoming one of the most competitive oil and gas jurisdictions in North America. Three Career Fairs held in northeast B.C. at First Nations’ request.
Policy Action No. 53 Support First Nations in providing cross-cultural training to agencies and industry.	

Contact Us

The Ministry of Energy, Mines and Petroleum Resources welcomes your comments. If you would like to comment on one of our stories or suggest a future story please e-mail us at:

Pab.EMPR.Newsletter@gov.bc.ca

Please advise us by e-mail if you would like to unsubscribe to this newsletter. Please view our [privacy statement](#).



The Best Place on Earth

COMMUNITY ACTION FUND EXPANDS TO 44 COMMUNITIES

On October 18, Ministers Richard Neufeld, Barry Penner and Ida Chong announced \$370,000 in funding to expand the Community Action on Energy and Emissions (CAEE) program into 14 communities across the province.

With 44 local governments and First Nations groups participating, the expanded program brings us closer to the Energy Plan Policy Action No. 9 of increasing participation of local governments. Community leadership in energy efficiency and conservation will help the province meet our future energy needs and electricity self-sufficiency by 2016.

Each community will receive a funding allocation of between \$15,000 to \$25,000 to reflect the community's commitment to conserve energy, reduce greenhouse gas emissions, and undertake unique policy approaches. Energy efficiency and conservation is critical to reducing British Columbia's greenhouse gas emissions by 33 per cent by 2020

The CAEE program is a collaboration among the provincial ministries of Energy, Mines and Petroleum Resources, Environment and Community Services as well as Natural Resources Canada, the Fraser Basin Council, Community Energy Association, BC Hydro, FortisBC, Terasen Gas and the Union of BC Municipalities.

CAEE is administered on behalf of the Province by the Fraser Basin Council, a non-profit organization with a mandate to create a more sustainable future – economically, socially and environmentally.

www.bcclimateexchange.ca/

► Energy Plan Update - Energy, Conservation and Efficiency

Activities	Progress to Date
Policy Action No. 9 Increase the participation of local governments in the Community Action on Energy Efficiency Program and expand the First Nations and Remote Community Clean Energy Program.	\$670,000 in funding to support the development of clean, efficient energy and energy conservation projects for First Nations and remote communities. \$220,000 to support developers in meeting higher energy efficiency targets in new building designs. This will help support the goal to implement new energy efficiency standards for buildings by 2010. \$370,000 (\$100,000 MEMPR) to support 14 new communities selected to join the Community Action on Energy and Emissions (CAEE) program.