August 7, 2018

Dear [Redacted]

Re: You are entitled to part of the information you requested – 2018-07065-NSE

Energy received your application for access to information under the Freedom of Information and Protection of Privacy Act on July 16, 2018.

In your application, you’ve requested a copy of the following records:

A copy of the Briefing Book provided to the new minister in July 2018

You are entitled to part of the records requested. However, we have removed some of the information from this record according to subsection 5(2) of the Act. The severed information is exempt from disclosure under the Act for the following reason(s):

- Section 12: information which could harm intergovernmental relations or information received in confidence from another government.
- Section 13: information which would reveal the substance of the deliberations of Executive Council.
- Section 14: advice by or for a public body or minister.
- Section 17: information the release of which would have a detrimental financial or economic impact on NS.
- Section 18: health and safety.
- Section 20: unreasonable invasion of personal privacy.
- Section 21: business confidential information.

The remainder of the record is enclosed.

You have the right to ask for a review of this decision by the Information Access and Privacy Commissioner (formerly the Review Officer). You have 60 days from the date of this letter to exercise this right. If you wish to ask for a review, you may do so on Form 7 – a copy of which is attached. Send the completed form to the Information Access and Privacy Commissioner, P.O. Box 181, Halifax, Nova Scotia B3J 2M4.
Please be advised that a de-identified copy of this disclosure letter and the attached documents may be candidates for public disclosure. If so, the package posted online will not include any of the personal information you may have supplied in the course of making your application under FOIPOP.

Please contact Rubina Ayub at 902-424-5317 or by e-mail at Rubina.Ayub@novascotia.ca, if you need further assistance in regard to this application.

Sincerely,

[Signature]

Simon d'Entremont
Deputy Minister

Attach.
Tab 1  General Administration
A. Minister’s Office
B. Deputy Minister’s Office
C. Departmental Senior Management Committee Structure
D. Scheduling
E. Correspondence
F. Communications
G. Freedom of Information and Protection of Privacy
H. Legal Services

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D. Legislation
E. Financial
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G. Departmental Organizational Charts

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B. Marine Protected Areas (MPAs)
C. Electricity Rate Stability post-2019
D. [Redacted]
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F. Marine Renewable Energy Act Licences and Permits
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H. Pending Cabinet Submissions

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B. Sectoral profile – Offshore Joint Management Regime
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D. Sectoral profile – Electricity
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C. Warwick Mountain Exploration Project  
D. Pan-Canadian Framework on Clean Growth and Climate Change  
E. Development of the Tidal Energy Industry in Nova Scotia  
F. Nova Scotia’s Energy Efficiency Initiatives

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   A. Current Litigation  
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   C. Website
TAB 1  General Administration

A. Minister’s Office

The Minister's Office is located at:

Joseph Howe Building, 11th floor,
1690 Hollis Street, PO Box 2664
Halifax, Nova Scotia B3J 3P7

Individuals currently working in the Minister’s Office are:

- Hon. Derek Mombourquette, Minister of Energy and Mines 424-7793 (office)
- Adam Langer, Minister’s Executive Assistant 424-7063 (office)
- Nadine Landry, Minister’s Executive Administrative Assistant 424-1757 (office) 222-4090 (cell)

B. Deputy Minister’s Office

The Deputy Minister’s Office is located at:

Joseph Howe Building, 11th floor,
1690 Hollis Street, PO Box 2664
Halifax, Nova Scotia B3J 3P7

Individuals currently working in the Deputy Minister’s Office are:

- Simon d’Entremont, Deputy Minister 424-4450 (office)
- Garrett Jung, Executive Coordinator, Office of the Deputy 424-1710 (office)
- Nathalie LeBlanc, Deputy’s Executive Administrative Assistant 424-7227 (office)
C. Departmental Senior Management Committee Structures

Executive Committee
The Executive team includes the Deputy Minister and four Executive Directors and meets weekly. The Director of Regulatory and Strategic Policy joins for a part of this meeting.

Directors Committee
Directors rotate chairing this Committee which consists of senior management (Directors and Executive Directors), and which meets bi-weekly. Issues for information and/or decision making are brought to this committee. Standard agenda items heard by this committee include items such as budget administration, project plans, regulatory and legal matters, communications, conferences, events, correspondence, briefings and HR issues.

D. Scheduling

- Nathalie LeBlanc, Deputy Minister’s Executive Administrative Assistant 424-1757 (office)

The Deputy Minister’s Executive Administrative Assistant has primary responsibility for scheduling appointments. The Deputy Minister’s Executive Administrative Assistant and the Minister’s Executive Administrative Assistant work very closely together in coordinating scheduling for meetings and routine management of daily business for the Offices of the Minister and Deputy Minister.

E. Correspondence

- Emily Chisholm, Administrative Assistant, Regulatory and Strategic Policy 424-8809 (office)

The Correspondence Coordinator records all departmental correspondence. Items requiring action are given a tracking number and a 5-day turn around target date for response.

- Action correspondence is forwarded to a designated Executive Director or the Director of Regulatory and Strategic Policy;
- The Executive Director assigns a Director/Manager to act on the correspondence;
- The Executive Director or Director of Regulatory and Strategic Policy submits completed responses to the Deputy Minister for approval prior to signing by Minister. Controversial items are reviewed by Communications staff prior to approval by the Deputy Minister and Minister.
- If a response is not provided by the 5-day deadline, the Correspondence Coordinator will follow up with the Executive Director and assign an extension if warranted.
F. Communications

Communications Nova Scotia (CNS) works closely with the Department of Energy and Mines to manage and deliver strategic communication services and advice. CNS’s role is to ensure issues are thoroughly reviewed and strategically managed, communication goals are met, and the policies and actions of government are clearly communicated to Nova Scotians.

As part of CNS, Energy and Mines’ communications team communicates core priorities and initiatives in a way that improves engagement, collaboration, education and involvement of and with the client’s key audiences. It does this through applying a variety of practices and tools, including strategic communications planning, ministerial briefings, media relations, special events management, advertising, writing (communications plans, speeches, news releases, briefing notes, etc.), issues management, and stakeholder communications.

Additionally, the communications team plays an integral role in supporting Executive Council through drafting communications plans in support of all Reports and Recommendations and Memorandums to Cabinet.

The communications team draws on central services at CNS to support communications efforts for Energy and Mines. These services include project management, advertising, marketing, digital, research, evaluation, graphic design, internet strategy, editing/distribution of media releases, photography, video, and print production through Queens Printer at the Department of Internal Services.

The Department of Energy and Mines’ communications team includes:

- Toby Koffman, Communications Director 424-1195 (office) 483-5847 (cell)
- JoAnn Alberstat, Communications Officer 424-0438 (office)
- Christine Porter, Administrative Assistant 424-4867 (office)
- Michelle Lucas, Managing Director at CNS 424-2983 (office) 456-3576 (cell)

G. Freedom of Information and Protection of Privacy (FOIPOP)

The purpose of the Freedom of Information and Protection of Privacy Act is to ensure public bodies are fully accountable to the public by giving the public the right of access to records and giving individuals a right of access to, and right of correction of their personal information.
The FOIPOP Act also mandates all public bodies to make every reasonable effort to assist the applicant and to respond to any requests without delay, openly, accurately and completely. FOIPOP clearly outlines the time lines and requirements for compliance.

To provide a consistent approach for the operations related to access to information requests and privacy matters the services were centralized, effective April 2015, into the Information Access and Privacy (IAP) Services Division of Internal Services. As a result of this consolidation, the management of FOIPOP requests, as well as guidance, consulting and advice on privacy matters, are now the responsibility of Internal Services – IAP Services Division.

IAP Services has 27 client departments served by 14 IAP Administrators and three Privacy Specialists. Each IAP Administrator is responsible for a number of portfolios.

In the FY 2017/2018 the Department of Energy received 12 requests.

Roles and Responsibilities

IAP Administrator
Holds the delegated authority from the head of the public body to manage the overall FOIPOP process and make recommendations on disclosure.

IAP Administrator(s) assigned to Energy and Mines:

- Rubina Ayup, IAP Administrator 424-5317 (office)
- Germaine Mombourquette, Alternate 424-5494 (office)

Departmental Liaison
Helps the IAP Administrator navigate the department and identifies subject matter experts to assist in the management of requests. Also acts as contact for program managers in IAP Services.

Your Departmental Liaison is:

- David Miller, Manager, Regulatory and Strategic Policy 424-8012 (office)
  476-8441 (cell)

Other IAP Services Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meddy Stanton</td>
<td>Manager, Access and Privacy Program</td>
<td>902-424-4879</td>
</tr>
<tr>
<td>Kathy Hartlen</td>
<td>Manager, Privacy Program</td>
<td>902-424-7932</td>
</tr>
<tr>
<td>Maria Lasheras</td>
<td>Chief Information Access and Privacy Officer</td>
<td>902-424-2719</td>
</tr>
</tbody>
</table>
H. Legal Services

- Kim Himmelman, Director of Regulatory and Strategic Policy  
  424-7131 (office)  
  229-2457 (cell)

The Director of Regulatory and Strategic Policy (RSP) maintains the Department’s Legal Priorities Inventory and coordinates action with the Department of Justice’s Legal Services Division. To request legal services, staff are asked to send an e-mail to the Director of RSP with the subject “Request for Legal Services / SUBJECT” including a brief description of the request, a proposed timeline for completion, and the reason for that proposed timeline. Discussions about legal priorities occur at the weekly meeting of the Department’s Executive Committee when there are a high volume of high priority requests.

The Legal Services Division of the Nova Scotia Department of Justice is responsible for the provision of quality legal services to the Government of Nova Scotia. The Department of Justice provides 1.4 FTEs to Energy, and Energy funds 1 additional position. The Lead Solicitor currently assigned to the Department of Energy is:

- Ryan Brothers  
  424-3613 (office)
TAB 2  DEPARTMENT PROFILE

A. Mandate for 2018-2019

The Minister of Energy and Mines is responsible for the supervision, direction and control of all matters relating to geoscience, energy resources, mines and minerals. The 2017 Ministerial Mandate Letters for the Minister of Energy and Minister of Natural Resources outlined that achievement of the mandate was to include the following actions:

1. Implement the Electricity Plan to reduce energy costs.
2. Promote and support development of tidal energy.
4. Work with other Departments to reduce greenhouse gas emissions
5. Continue with enhancements to the non-electric home efficiency program
6. Create a Mineral Resources Development Bank with annual investment of $1.5 million

B. Priorities for 2018-2019

<table>
<thead>
<tr>
<th>Description of Priority</th>
<th>Status</th>
<th>Lead Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore Growth Strategy</td>
<td>Implementing Phase 2, announced in March 2018 with $11.8 million in funding over four years.</td>
<td>Sandy MacMullin (geoscience), Executive Director, Petroleum Resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>902-424-8129</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chris Spencer (regulatory and supply chain development) Executive Director, Business Development and Corporate Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>902-424-6773</td>
</tr>
<tr>
<td>Onshore Oil &amp; Gas</td>
<td>Completed and published to support policy discussions about the Nova Scotia onshore.</td>
<td>Sandy MacMullin, Executive Director, Petroleum Resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>902-424-8129</td>
</tr>
</tbody>
</table>
an interest in our onshore petroleum resources.

**Electricity Reform**
The Electricity Plan translates the energy priorities of Nova Scotians into strategies and actions that will deliver rate stability, cleaner energy, and more choice. The plan is in year three of its implementation.

In 2018-19, the Department will continue to implement the changes in the Electricity Plan.

Keith Collins, Executive Director, Sustainable and Renewable Energy
902-424-2288

**Efficiency Programming**
The Department funds non-electric (e.g. furnace oil, wood, propane or natural gas) energy efficiency programs, delivered by Efficiency Nova Scotia. The focus is on programming for low-income Nova Scotians.

Ongoing

Keith Collins, Executive Director, Sustainable and Renewable Energy
902-424-2288

**Marine Renewables**
Nova Scotia is continuing its work to establish itself as a leader in the marine renewable energy sector.

Ongoing

Keith Collins, Executive Director, Sustainable and Renewable Energy
902-424-2288

**Sustainable Transportation**
The Department of Energy leads an inter-departmental partnership to continue to implement the province’s sustainable transportation strategy "Choose How You Move".

Ongoing

Keith Collins, Executive Director, Sustainable and Renewable Energy
902-424-2288

**Geological Services Programs**
Providing service to the Province and industry that’s focused on economic development, and promotion of the opportunities and risks of the Province’s geological resource endowment.

Ongoing

Donald James, Executive Director, Geoscience and Mines
902-424-2523

**Minerals Management**
Continue to track mineral development activities, coordinate regulatory reviews, and implement mineral management recommendations in response to the May 2014 Report of the Auditor General on mineral management.

Ongoing

Donald James, Executive Director, Geoscience and Mines
902-424-2523
C. Workforce

As of July 2018, the Department has 98.0 full-time employees (FTE) positions, including permanent, term and casual opportunities. Our employees are located at the Department’s two offices in Halifax and the Drill Core library in Stellarton. The Department is comprised of four branches:

- Business Development and Corporate Services;
- Petroleum Resources;
- Geosciences and Mines; and
- Sustainable and Renewable Energy.

Each branch works to support the Department’s vision of being recognized as a collaborative and innovative leader in the transformation of our province’s energy sector.

The current allocation of FTEs within the Department is reflected below:

<table>
<thead>
<tr>
<th>Division</th>
<th>FTE Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>4.0</td>
</tr>
<tr>
<td>Office of the Minister/Deputy</td>
<td>4.0</td>
</tr>
<tr>
<td>Business Development &amp; Corporate Services</td>
<td>21.2</td>
</tr>
<tr>
<td>Petroleum Resources</td>
<td>10.0</td>
</tr>
<tr>
<td>Geoscience &amp; Mines</td>
<td>39.8</td>
</tr>
<tr>
<td>Clean Growth &amp; Climate Change</td>
<td>2.0</td>
</tr>
<tr>
<td>Sustainable &amp; Renewable Energy</td>
<td>17.0</td>
</tr>
<tr>
<td>Total Departmentally Funded Staff</td>
<td>98.0</td>
</tr>
</tbody>
</table>
Executive-level Organizational Chart

- Deputy Minister
  Simon d'Entremont

- Executive Administrative Assistant (Minister)
  Nadine Landry

- Executive Administrative Assistant (Deputy Min.)
  Nathalie LeBlanc

- Executive Director
  Business Development & Corporate Services
  Chris Spencer

- Executive Director
  Petroleum Resources
  Sandy MacMullin

- Executive Director
  Geosciences & Mines
  Donald James

- Executive Director
  Sustainable & Renewable Resources
  Keith Collins
D. Legislation

The Department of Energy and Mines is responsible for the following Legislation:

1) Bituminous Shale Conservation Act
2) Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act
3) Electricity Act
4) Energy Resources Conservation Act
5) Energy-efficient Appliances Act
6) Gas Distribution Act
7) Geoscience Profession Act
8) Gypsum Mining Income Tax Act
9) Maritime Link Act
10) Mineral Resources Act 1990
11) Mineral Resources Act 2016 (pending proclamation)
12) Miner's Relief Societies Act
13) Mining Companies Easements Act
14) Oak Island Treasure Act (pending transition from former DNR)
15) Offshore Petroleum Royalty Act
16) Petroleum Resources Act
17) Petroleum Resources Removal Permit Act
18) Pipeline Act
19) Underground Hydrocarbons Storage Act
20) Undersea Coal Mine Regulation Act
21) Uranium Exploration and Mining Prohibition Act
22) William Davis Miners' Memorial Day Act

E. Financial

Overview of the Department’s 2018-2019 budget

<table>
<thead>
<tr>
<th>Budget Area</th>
<th>Fiscal 2018-19 Authority</th>
<th>Fiscal 2018-19 Current Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Minister &amp; Deputy Minister</td>
<td>32,600</td>
<td>32,600</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>1,152,100</td>
<td>1,170,000</td>
</tr>
<tr>
<td>Sustainable and Renewable Resources</td>
<td>767,400</td>
<td>767,400</td>
</tr>
<tr>
<td>Business and Technology</td>
<td>849,600</td>
<td>849,600</td>
</tr>
<tr>
<td>Petroleum Resources</td>
<td>642,600</td>
<td>642,600</td>
</tr>
<tr>
<td>Petroleum Board</td>
<td>4,305,000</td>
<td>4,305,000</td>
</tr>
</tbody>
</table>
Additionally, the 2018-2019 operating budget of the Geoscience and Mines Branch is $4.704 million. Budgets will be integrated into a single Departmental budget beginning in the 2019-2020 fiscal year.

**F. Agencies, Boards and Commissions (ABCs)**

*Canada-Nova Scotia Offshore Petroleum Board*

The Board is the independent joint agency of the Governments of Canada and Nova Scotia responsible for the regulation of petroleum activities in the Nova Scotia Offshore Area. The Board reports to the federal Minister of Natural Resources Canada and the Nova Scotia Minister of Energy. Additional information can be found in Tab 6.

Chief Executive Officer: Stuart Pinks

Chair of the Board: Keith MacLeod
*Managers – deals with External Consultants with Specialized Expertise routinely

Updated July 2018
ADVICE TO MINISTER

CONFIDENTIAL

ISSUE: Offshore Call for Bids NS 18-1 and 18-2

ISSUE / CURRENT SITUATION:


- In May 2018, the Ministers of Energy and Natural Resources Canada exercised their joint authority under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act and its federal equivalent to set these decisions aside and reject the Calls. In setting the decisions aside, the Ministers noted that they would be pleased to reconsider decisions to issue Calls for Bids in the same area with an extended timeline.

BACKGROUND:

- A Call for Bids is a formal announcement by the CNSOPB that an Exploration Licence(s) is available to be awarded through a competitive bidding process. The land parcels in which licences are available are nominated by industry or government, or posted by the CNSOPB for inclusion in the Call. Accompanying a Call will be the CNSOPB’s geological and geophysical assessment of the parcels using all available public data.

- Call for Bids ‘Forecast Areas’ are published on a rolling three-year basis. The 2018 forecast is for a large area west of Sable Island.

ANALYSIS:

RECOMMENDATION / ADVICE:
ISSUE: Marine Protected Areas (MPAs)

CURRENT SITUATION:

- In 2010, under the United Nations Convention on Biological Diversity, Canada agreed to protect 10% of its coastal and marine areas by 2020 (Aichi Target 11). A commitment to meet this target was in the Liberal Party of Canada election campaign platform in 2015.
- As of December 2017, Canada had protected approximately 7.75% (446,159 km²) of its waters, an increase from <1% (<60,000 km²) in 2016.
- The Department of Intergovernmental Affairs is the provincial lead on this file.

BACKGROUND:

- As a global commitment, Aichi Target 11 must be operationalized in an extremely wide variety of national circumstances with different legislative, regulatory and management contexts and tools.
- In Canada, several types of marine protected areas (MPAs) have been identified that may ‘count’ towards the targets:
  1. Oceans Act Marine Protected Areas (established by Fisheries and Oceans Canada)
  2. Marine Refuges, formerly called ‘Other Effective Area-Based Conservation Measures’ or OEABCMs (established by Fisheries and Oceans Canada)
  3. National Parks and National Marine Conservation Areas (established by Parks Canada – none in or proposed for Atlantic Canada)
  4. National Wildlife Areas and Migratory Bird Sanctuaries (established by Environment and Climate Change Canada – none in or proposed for Atlantic Canada)
  5. Various Provincial designations (none in Atlantic Canada)
- The most significant contribution to the national targets to date has been from Oceans Act MPAs and Marine Refuges as well as a single large National Marine Conservation Area.

Size of Marine Protected Areas in Canada by Type (km²)

- Oceans Act MPAs (11 MPAs) and Marine Refuges (51 MPAs)
- National Marine Conservation Areas (3 MPAs) and National Parks (14 MPAs)
- National Wildlife Areas and Migratory Bird Sanctuaries (55 MPA)
- Provincial Designations (694)
ANALYSIS:

National Progress Towards Meeting the Targets

- The Federal Government has aggressively pursued MPA development across the country over the past year. Nova Scotia was an early leader in marine protection but has been surpassed by other jurisdictions in both absolute size and percentage of areas protected.

Progress Towards Meeting the Targets in Nova Scotia

- Nova Scotia has two existing and Oceans Act MPAs and seven existing Marine Refuges. See attached table for details.
- Nova Scotia currently has 26,500 km² or ~5% of its marine waters protected.
- Nova Scotia also has a joint federal-provincial moratorium on oil and gas activities covering 14,500 km² on Georges Bank. However, the moratorium does not meet the five Marine Refuge criteria as fisheries remain active in the area.
- The ‘Western/Emerald Banks Conservation Area’, which covers a large part of the fisheries management area known as the ‘Haddock Box’, is Nova Scotia’s largest existing Marine Refuge.
  - The Marine Refuge prohibits the use of bottom-contact fishing gear or other gear that impacts groundfish.
National Advisory Panel on MPA Protection Standards

- In response to criticism about allowable oil and gas activities in the Laurentian Channel Oceans Act MPA, Minister Dominic LeBlanc launched a National Advisory Panel on MPA Protection Standards in Fall 2017.

- The Panel will provide recommendations on minimum standards and specific activities to be permitted or prohibited in each MPA. Criteria respecting Marine Refuges are not part of the Panel’s scope. DFO has already worked with the IUCN, with Nova Scotia’s support, to establish operational guidelines for Marine Refuges in the Canadian context.

RECOMMENDATIONS:

- Direct staff to continue to support Intergovernmental Affairs’ work leading negotiations with the federal government on this file. Support the Provincial position that Canada’s marine protected area initiative should be based in science and focused on achieving tangible environmental gains without unduly impacting the Province.

PREPARED BY: Jordan Nikoloyuk, Policy Analyst, 902-424-7891
DATE: April 20, 2018
CONTACT: Kim Himmelman, Director, Regulatory and Strategic Policy, 902-424-7131
DEPARTMENT: Department of Energy and Mines
<table>
<thead>
<tr>
<th>Existing and Proposed marine protected areas in Nova Scotia waters</th>
<th>Size (km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oceans Act Marine Protected Areas</strong></td>
<td></td>
</tr>
<tr>
<td>St Anns Bank Marine Protected Area</td>
<td>To conserve and protect habitat, biodiversity and biological productivity</td>
</tr>
<tr>
<td>The Gully Marine Protected Area</td>
<td>Protect the health and integrity of the Gully Ecosystem, including natural biodiversity physical structure and productivity.</td>
</tr>
<tr>
<td>Fundian Channel-Browns Bank Area of Interest (proposed)</td>
<td>To conserve and protect the ecological integrity of the area, including its biodiversity, productivity, ecosystem components, and special natural features.</td>
</tr>
<tr>
<td>Eastern Shores Islands Area of Interest (proposed)</td>
<td>To conserve and protect the ecological integrity of the area, including biodiversity, productivity, ecosystem components, and special natural features.</td>
</tr>
<tr>
<td><strong>Marine Refuges (Fisheries Act)</strong></td>
<td></td>
</tr>
<tr>
<td>Western and Emerald Bank Conservation Area</td>
<td>All bottom-contact fishing gear or gear known to interact with groundfish.</td>
</tr>
<tr>
<td>Corsair and Georges Canyon Conservation Area</td>
<td>All commercial bottom-contact fishing gear.</td>
</tr>
<tr>
<td>Jordan Basin Conservation Area</td>
<td>All commercial bottom-contact fishing gear.</td>
</tr>
<tr>
<td>Northeast Channel Coral Conservation Area</td>
<td>All commercial bottom-contact fishing gear.</td>
</tr>
<tr>
<td>Emerald Basin Sponge Conservation Area</td>
<td>All commercial bottom-contact fishing gear.</td>
</tr>
<tr>
<td>Sambro Bank Sponge Conservation Area</td>
<td>All commercial bottom-contact fishing gear.</td>
</tr>
<tr>
<td>Lopehlia Coral Conservation Area</td>
<td>All commercial bottom-contact fishing gear.</td>
</tr>
<tr>
<td>Eastern Canyons Conservation Area (proposed)</td>
<td>To be determined: focus will be bottom-contact fishing</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>71,658</strong></td>
</tr>
</tbody>
</table>
ISSUES: Electricity Rate Stability post-2019

ISSUE / CURRENT SITUATION:
- There will be a regulatory proceeding at the Nova Scotia Utility and Review Board (UARB) in 2019 to set electricity rates post-2019.

BACKGROUND:
- The Electricity Plan Implementation Act of 2015 caused a UARB hearing to set rates for the 2017-19 period as a rate stability plan. This occurred in place of annual rate hearings in this period. 2019 will be the first opportunity after this rate stability period to set new rates.
- Electricity rates are determined by two major components. The ‘base cost of fuel’, determined by actual fuel costs, and the ‘general rate,’ which includes the utility’s return on equity, management and labour costs, and other operating, management and generation costs.
- The 2019 rate proceeding could be limited to resetting the base cost of fuel in rates, or could include a broader “General Rate Application”. The nature and timing of the hearing is yet to be determined.
- The original rate stability hearing identified an expected rate increase in of 6% in 2020.
  - Since that hearing, government has worked to mitigate the projected increase through changes to the Community Feed-in-Tariff (COMFIT) and development tidal programs.

ANALYSIS:

RECOMMENDATION / ADVICE (if appropriate):

PREPARED BY: Peter Craig, Team Lead Solar and Smart Energy, 902-424-4115
DATE: July 9, 2018
CONTACT: Scott McCoombs, Director, ERETP, 902-424-7305
DEPARTMENT: Energy
ISSUE: Project Plan Review – Minas Tidal Limited Partnership

ISSUE / CURRENT SITUATION:

- Minas Tidal Limited Partnership (Minas) has submitted a Project Plan for their proposed project at Berth A at the Fundy Ocean Research Centre for Energy. The Plan describes the technology, developmental milestones and anticipated operational area required for their marine operations.

BACKGROUND:

- In December 2014, the Department awarded Minas a feed-in tariff (FIT), with the two component parts aggregating to 4 MWs.
- These FIT Approvals expire December 17, 2018 and June 30, 2019.
- Until the recent proclamation of the Marine Renewable Energy Act, Energy managed tidal activities at FORCE under individual Project Agreements. The current Agreement for Minas has been extended and will expire July 30, 2018.
- Tidal projects are required to receive Licences under the new Act.
- To obtain a Licence, Minas is required to submit an updated Project Plan detailing the technology that will be deployed, project milestones as well as a proposed licence area. Minas is seeking approval of their technology, and an extension to the timeline required for their commercial operation date.

ANALYSIS:

[Redacted content]
ADVICE/RECOMMENDATIONS:

•
•
•

PREPARED BY: Steve Sanford, Senior Policy Analyst, 902-717-5603
DATE: July 9, 2018
CONTACT: Sandra Farwell, Director, Sustainable and Renewable Energy 902-424-1700
DEPARTMENT: Energy and Mines
ISSUE: *Marine Renewable Energy Act* Licences and Permits

CURRENT SITUATION:

**Licenses**
- There are five berth-holders at the Fundy Ocean Research Centre for Energy (FORCEx) that will require licences under the *Marine Renewable Energy Act* to deploy.
- The berth-holders have been operating under project agreements that were written before the Act was developed. The berth-holders will apply for renewal of their Project Plans agreements and the subsequent issuance of licences.
- Cape Sharp Tidal Venture (CSTV) has completed this process and received the first licence from the Department under the new Act.
- The Department is currently reviewing Project Plan submissions from the four other FORCEx berth holders. The Minister must issue a decision to Black Rock Tidal Power (BRTP) by July 27, 2018 and to Minas Tidal Energy by July 30, 2018 – or provide extensions to their Project Agreements for them to remain compliant under the *Marine Renewable-energy Act*.

**Tidal Demonstration Permit Program**
- The Department is also accepting and reviewing Marine Renewable-energy Permit Applications. There are two permit applications currently under review:
  - BRTP has applied for an unconnected permit to test their PLAT-I device in the Grand Passage area of Digby Neck. Scheduled deployment date is August 2018.
  - [Redacted]
- The applications have not yet been deemed administratively complete. Once this is done, the Minister will have 90 days to issue a decision.

BACKGROUND:

**Licenses**
- In 2014, Black Rock Tidal Power and Minas Energy both received Feed-in Tariff (FIT) approval for their projects at the FORCEx site. Project Agreements with 4-year terms were signed between the Department and the berth holders.
- In 2018, a licensing regime was established under the *Marine Renewable-energy Act*. The FORCEx berth holder agreements were grandfathered into licences under the Act.
- Berth holders who submit an approved Project Plan will be issued a licence under the *Marine Renewable-energy Act*.

**Tidal Demonstration Permit Program**
- The Demonstration Permit Program was launched following proclamation of the *Marine Renewable-energy Act* in January 2018.
- Proponents may apply to the Permit Program for unconnected permits and demonstration permits (grid-connected). The demonstration permit stream is capped at 10 megawatts (MW), with rates determined by the Minister.
- Big Moon Canada Corporation was issued the first demonstration permit [for 5 MW] in April.
RECOMMENDATION / ADVICE:

Staff will bring license and permit applications and recommendations to the Minister’s attention as decisions are required.

PREPARED BY: Hillary MacDonell Clean, Energy Development Coordinator, 717-7026
DATE: July 9, 2018
CONTACT: Sandra Farwell, Director, Sustainable & Renewable Energy, 424-1700
DEPARTMENT: Department of Energy and Mines
ISSUE: Mineral Resources Act, Regulations and Online Minerals Registry Update

BACKGROUND:
The Province’s amended Mineral Resources Act was passed in the Legislature in the spring of 2016 (Bill 149). This was the first significant review and amendment of the Act in more than 25 years. The new Act modernizes mineral tenure, reduces administrative burden for industry, and should help to improve public confidence in the regulatory framework and in the industry. Amendments to the Act were passed in the spring of 2018.

ANALYSIS:
The Mineral Resources Act is the Province’s ‘mining act’. In general, the Act and Regulations describe how industry acquires and maintains licenses to carry out exploration and mineral leases to carry out mining.

Work on reviewing the Act and regulations occurred over several years and included consultations with industry, other government departments, environmental non-government organizations, the public and the Mi’kmaq. Some notable changes within the new Act include:

- a 2-year renewal (from 1-year) for mineral exploration licenses;
- requiring industry assessment reports to be filed every 2 years rather than annually;
- modifying exploration work credits (i.e., modernizing exploration expenditure requirements to keep licences in good standing);
- lowering fees for acquiring and renewing mineral exploration licenses;
- streamlining the process for accessing private land for mineral exploration;
- requiring industry to implement community engagement plans;
- eliminating Special Licenses, which previously required Executive Council approval, to explore for salt and potash; introducing a fair, open and competitive process for industry to acquire a license to explore for coal.

RECOMMENDATION

PREPARED BY: Donald James, Executive Director, G&M, 902-424-2523
DATE: July 9, 2018
DEPARTMENT: Energy and Mines
TAB 4    CLIENTS / STAKEHOLDERS / PARTNERS
A. Clients / Stakeholders / Partners

**Key Contacts**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Contact</th>
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<tbody>
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<td>Scott Balfour</td>
<td>President and CEO, Emera Inc.</td>
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<td></td>
<td>Admin:</td>
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<tr>
<td>Chief Paul J. Prosper</td>
<td>Energy Lead – Assembly of Nova Scotia Mi'kmaq Chiefs</td>
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<td></td>
<td>Chief of Paqtn'kek First Nation</td>
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<tr>
<td>Chief Terrance Paul</td>
<td>Mining Lead – Assembly of Nova Scotia Mi'kmaq Chiefs</td>
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<tr>
<td></td>
<td>Chief of Membertou First Nation</td>
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<td>Ray Ritcey</td>
<td>CEO, Maritimes Energy Association</td>
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<td>Minister Dominic LeBlanc</td>
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<td>John Hawkins</td>
<td>President, Heritage Gas</td>
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<td>Karen Hutt</td>
<td>President and CEO, Nova Scotia Power</td>
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<tr>
<td>Mr. Peter Gurnham</td>
<td>Chair, Nova Scotia Utility and Review Board (UARB)</td>
<td>902-424-4448</td>
</tr>
</tbody>
</table>
Sectoral Profile – Offshore Joint Management Regime

As oil and gas activity in the Nova Scotia offshore area is jointly managed by the federal and provincial governments, Natural Resources Canada (NRCan) is an important partner for the Department of Energy and Mines. The Department also works closely with the NL Department of Natural Resources, as the governments of Canada, Nova Scotia and Newfoundland and Labrador have agreed to work together on legislative and regulatory changes for all of Canada’s offshore areas.

Key Facts:
- The Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act and mirror federal version of this Act (jointly referred to as the Accord Acts) establish the legal framework for the joint management of the Nova Scotia offshore.
- The federal and provincial governments cannot amend the Accord Acts without the other party’s agreement on making the same changes.
- The Canada-Nova Scotia Offshore Petroleum Resources Accord (signed in 1986) is a political document that set the stage for the joint management regime.
- The Accord is a very powerful agreement as it recognizes Nova Scotia as the principal beneficiary of petroleum resources and as a full participant in matters impacting in the offshore.

Roles and Responsibilities:
- The Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) is the independent agency responsible for the joint management of petroleum resources, on behalf of the provincial and federal government. See Tab 6 for additional information.
- The Ministers for NRCan and the NS Department of Energy and Mines are the Ministers responsible for the Accord Acts as a whole. The NS Department of Labour and Advanced Education is responsible for Part IIIA of the Accord Act, the section on occupational health and safety.
- The Ministers for NRCan and Department of Energy and Mines review fundamental decisions of the CNSOPB, issue joint directives, consult on benefits plans, advise the CNSOPB on policy issues or studies, appoint officers and approve the CNSOPB’s budget.
- A fundamental decision is a decision made by the CNSOPB respecting the exercise of certain powers, duties or functions outlined in the Accord Acts, and these are sent to Ministers for review. Within 30 days of receipt of a fundamental decision, the federal and provincial Ministers can set the decision aside (i.e. stop the decision from moving forward), if they jointly agree on this action.
- The federal Minister can independently set aside fundamental decisions related to security of supply of petroleum resources.
- The provincial Minister can independently set aside decisions related to the contents of development plans and decisions impacting the Bay of Fundy or Sable Island, and can issue directives on fundamental decisions on the Bay of Fundy or Sable Island.
Sector Profile – Marine Renewable Energy

Globally, the marine renewable energy sector is moving to develop technologies, technical expertise and a supply chain to support this emerging industry. A large number of tidal energy devices are under development or deployed at a demonstration scale with no one design having yet emerged as a clear front-runner. This situation has presented a strategic window of opportunity for Nova Scotia to build on experience, establish appropriate policy, economic, and legal conditions, and work towards creating the next generation of technology and services that will lead to commercial development.

Nova Scotia has established itself as a leader in tidal energy with the development of feed-in tariffs for large- and small-scale tidal energy projects, and a test facility for tidal energy devices (Fundy Ocean Research Center for Energy, known as FORCE). Nova Scotia is working to move aggressively in this sector, while still progressing incrementally to ensure that there is no harm to the environment, the public, or other marine users. There may be significant economic opportunity in this sector for Nova Scotia. The Province is now positioned to inform future decisions through demonstration scale deployments working to reducing costs, before embarking on a path with a commercial-scale goal of deploying 300 MW of generation capacity.

Cape Sharp Tidal Venture, the first project deployed at the FORCE site, reports it has spent more than $33 million with Nova Scotia companies based in Halifax, Chester, and Pictou on two ocean turbines. More than 250 people have been employed on this project in Nova Scotia.

Key Developers / Approved Projects

FORCE is a demonstration facility approved for 22 MW, broken up into five berth holders (Cape Sharp Tidal Venture, Minas Tidal LP, Black Rock Tidal, Atlantis and Halagonia) – each approved for deployment of tidal arrays between 4 – 5 MW per project. Each berth holder holds a Feed-in Tariff agreement allowing them to sell electricity at a rate of $.53/kWh.

Projects were also approved through the Community Feed-in Tariff (COMFIT) for 3 MW. In 2011-12, Fundy Tidal Inc. (FTI) was issued small scale tidal COMFIT approvals in Digby Gut, Grand Passage and Petit Passage. In 2017, a new entity, Spray Energy Limited Partnership, owned by Tribute Resources Inc. and Control Energy Inc., was created to acquire Petit Passage and Grand Passage COMFIT approvals. However, the projects have halted due to a derivative action filed by company shareholders. The COMFIT approvals expire in December 2018.

Big Moon Power has been issued two permits under the new demonstration permit program – one permit to test their 100kW device that is not connected to the grid, and another for a 5 MW grid-connected project on the Blomidon peninsula. The rate set is at $.35/kWh, a stepped decrease from the FORCE FIT rates. There is 5 MW remaining to be allocated in this demonstration permit program and the Department has received interest from several other companies.
Sectoral Profile – Electricity

Electricity in Nova Scotia is effectively delivered by Nova Scotia Power Inc. (NS Power), which owns all the transmission lines, most local distribution and much of the generating equipment in Nova Scotia. Electricity is regulated exclusively by the provincial government.

Key Facts:

- NS Power is wholly owned by Emera, a publicly traded multi-national company based in Halifax. Government has no financial interest or direct control over the company.
- There are six additional small municipal electric utilities (Antigonish, Berwick, Canso, Lunenburg, Mahone Bay and Riverport), which have traditionally received their electricity service from NS Power under a Municipal Electricity Rate. Since the wholesale electricity market was opened to competition in 2007, these six electric utilities have been free to purchase all or part of their electricity from NS Power or any other competitive supplier using NS Power’s approved Open Access Transmission Tariff.
- Government sets statutory requirements for the sector through the Electricity Act and the Public Utilities Act, as well as regulations. These are enforced by the Nova Scotia Utility and Review Board (UARB).

Roles and Responsibilities:

- The UARB is responsible for ensuring NS Power adheres to all legal and regulatory requirements and for arbitrating disagreements between stakeholders.
- NS Power is required to provide electricity service to all customers in Nova Scotia, and to do so in a way that meets the requirements of the Public Utilities Act and all other statutory and regulatory obligations.
- Any member of the public may participate in regulatory proceedings. Groups of ratepayers are represented in all regulatory proceedings by designated agents.
  - The Consumer Advocate represents residential ratepayers and is appointed by the UARB.
  - The Small Business Advocate represents small and mid-sized business and is appointed by the UARB.
  - Some other parties commonly present are:
    - Port Hawkesbury Paper, the single largest ratepayer in the Province;
    - The “industrial group”, composed of 12 larger ratepayers;
    - EfficiencyOne;
    - The Municipal Electric Utilities, usually jointly represented; and,
    - The Nova Scotia Department of Energy and Mines and Nova Scotia Environment
  - Participation beyond this core group depends on the nature of the proceeding and the subject being addressed.
Sectoral Profile – Energy Efficiency

Energy efficiency and conservation can play a major role in decreasing energy costs and reducing the environmental impacts of energy development and energy use. The holder of the Efficiency Nova Scotia franchise, which is currently EfficiencyOne, is an important partner for the Department of Energy and Mines.

Key Facts:

- Since 2008, Nova Scotia has reduced its annual demand for electricity by 10%. Going forward, the programs currently in place will allow the province to reduce annual electricity use by an additional 1.2% every year.
- The current electricity use reduction from 2008 levels through efficiency programs provides roughly $165 million in annual bill savings for electricity ratepayers.
- In 2016, Nova Scotia also avoided 840,000 million tonnes of greenhouse gases emissions through the success of its energy efficiency program since 2008.
- Energy efficiency activity has also fueled the growth of a robust industry that directly provides 1,400 full-time jobs in the province.
- Since 2010, EfficiencyOne has evolved from a start-up operation to a North American industry leader and Canada’s only energy efficiency utility, with over 150 contractors and partners in their network.

Roles and Responsibilities:

- The Nova Scotia Public Utilities Act requires NS Power to undertake reasonably available, cost-effective electricity and conservation activities in an effort to reduce costs for its customers.
- As the current Efficiency Nova Scotia franchise holder, EfficiencyOne has the exclusive right to supply NS Power with electricity efficiency and conservation services, and is deemed to be a public utility in relation to its franchise activities.
- The franchise holder may undertake other energy efficiency and conservation activities through the Efficiency Nova Scotia franchise, with consent from the Minister of Energy and Mines (currently EfficiencyOne has programs relating to water conservation and non-electric efficiency).
- The Public Utilities Act requires EfficiencyOne and NS Power to enter into three-year agreements detailing the electricity efficiency and conservation services EfficiencyOne will provide, and the amount NS Power will pay for the supply of those services. These agreements are reviewed through a hearing at the Utility and Review Board.
- EfficiencyOne also has a contract with the Province of Nova Scotia to deliver energy efficiency programming for low-income Nova Scotians who heat their homes with oil and other fuels, and is also managing a new program to further address the efficiency needs of First Nations homes.
Sector Profile – Nova Scotia Utility and Review Board

The Nova Scotia Utility and Review Board (UARB) is an independent quasi-judicial body, created under the *Utility and Review Board Act* (The Act), which has both regulatory and adjudicative mandates encompassing approximately thirty-two statutes.

Relevant to the Department of Energy and Mines is its mandate related to electricity and natural gas regulation. The UARB exercises general supervision over all electric utilities operating as public utilities within the Province. This includes setting rates, tolls and charges; regulations for provision of service; approval of capital expenditures in excess of $250,000 and any other matter the UARB feels is necessary to properly exercise its mandate. The UARB also has the authority to grant franchises for the distribution of natural gas in Nova Scotia, including general regulatory supervision over the granted franchises, pipelines, gas plants and underground hydrocarbon storage facilities.

Roles and Responsibilities:

- The primary role of the UARB is to conduct hearings and render impartial decisions on matters affecting public interest, including individual rights of appeal.
- Responsibility for the Act is assigned to the Minister of Finance.
- The UARB is comprised of eight full-time Members (including a Chair and Vice-Chair) along with a staff of approximately 32.
- UARB Members are appointed by Cabinet following an independent selection process and serve until the age of 70.
- Under the Act, the Chair is responsible for the administration of the UARB.
- Board hearings are generally open to the public. While most hearings are one to two days in length, some hearings involving natural gas franchise applications, power rate applications, expropriation matters and municipal incorporation can last up to a few weeks. The Department of Energy and Mines often participates in hearings related to electricity or natural gas as an intervenor.
- There are limitations on the level of interaction which can occur between the UARB and Government without jeopardizing the UARB’s independence, which is essential in maintaining public trust.
- The Department of Energy and Mines sets the legal framework for energy related matters and the UARB operates under the authorities and responsibilities granted under the various statutes. In recent years, the Department of Energy and Mines has amended or introduced new legislation and regulations related to electricity rates, renewable to retail market, energy efficiency and renewable energy rates.
**ISSUE: Nova Scotia’s Offshore Growth Strategy**

**ISSUE / CURRENT SITUATION:**

- The Department of Energy and Mines is in the first year of a $14.4 million provincial investment in the Offshore Growth Strategy (OGS) - Phase two.
- The OGS is a long-term strategy and its continued funding will help ensure the province has an offshore oil and gas industry and supply chain that contributes to the prosperity of Nova Scotia.
- The OGS is aimed at increasing investment in exploration to maintain an offshore industry and building local capacity to ensure Nova Scotia companies are benefiting from opportunities.
- Phase two of the strategy will include:
  - collecting core samples and high-resolution mapping information of the ocean bottom and sub bottom;
  - working with Morocco to reconstruct seismic images from 200 million years ago when Morocco and Nova Scotia separated;
  - updating the Play Fairway Analysis with new information from offshore drilling results; and
  - building new areas of research and strengthening existing research capacity.
- The Department has completed a number of deep-water piston coring programs and geoscience modelling initiatives that are being used to grow industry investment interest.
- From an investor standpoint, Nova Scotia has developed a solid reputation for acquiring valuable geoscience data and performing relevant analytical study work required to attract the attention of supermajor oil and gas companies, as well as foreign national oil companies.
- The OGS also supports work to:
  - modernize existing regulations for offshore operators through the Frontier and Offshore Renewal Initiative (FORRI), which is a partnership between the federal government and provinces of Nova Scotia and Newfoundland and Labrador; and
  - build the capacity of the local supply and service sector, ensuring Nova Scotia companies can capture opportunities locally, regionally and internationally.

**BACKGROUND:**

- Canada’s first offshore natural gas project, the Sable Offshore Energy Project, began producing gas in 1999 and the most recent Deep Panuke natural gas project began producing gas in 2013. Both projects are nearing the end of their life-cycle.
- To date, combined Shell and BP have acquired approximately 20,000 km² of new 3D seismic data and two deep water exploration wells have been drilled by Shell.
- In 2007, Nova Scotia faced the prospect seeing no exploration interest from industry in the Nova Scotia offshore.
- To understand why exploration interest in the offshore had declined, the Department undertook a dialogue with industry. Offshore exploration and production companies identified the complexity of Nova Scotia’s offshore geology as a significant factor in their investment decisions.
- Government chose to invest in research to de-risk offshore petroleum investment decisions. The $15 million Play Fairway Analysis (PFA), released in 2011, provided geoscience information at a
level of quality and detail consistent with industry needs and identified significant resource potential. Both Shell and BP have credited their exploration bids in part to the PFA.

- In 2011, Shell was awarded four deep water parcels for a combined work expenditure bid of $970 million. Subsequently, Shell was awarded an additional two deep water and two shelf parcels for $32 million, resulting in a combined work commitment of more than $1 billion.
- In 2012, BP was awarded four deep water parcels for a total work commitment of $1.05 billion.
- In 2015, Statoil was awarded two deep water parcels for a total work commitment of $85 million.
- In February 2016, significant amendments were made to the provincial and federal versions of the Accord Acts that represent a significant strengthening of environmental protection requirements in the offshore.

ANALYSIS:

- It has been clearly demonstrated that investment in petroleum geoscience and marketing brings in and retains investment.
- The OGS was successful in attracting Statoil to offshore Nova Scotia.
- It is critical that Nova Scotia maintains a current working understanding of its petroleum potential as new wells are drilled and as new development projects are proposed. Staying current will impact future policy decisions.

RECOMMENDATION / ADVICE:

PREPARED BY: Alison Tracy, Team Lead Regulatory Project, 902-424-0953
DATE: July 9, 2018
CONTACT: Sandy MacMullin, Executive Director, Petroleum Branch, 902-424-8129
DEPARTMENT: Energy and Mines
ISSUE: Warwick Mountain Mineral Exploration Project

ISSUE / CURRENT SITUATION:
The Department of Energy and Mines is preparing a call for exploration proposals for mineral exploration in the Warwick Mountain area of northern Nova Scotia.

BACKGROUND:
- Department of Natural Resources (DNR) geologists have been studying the Wentworth Valley – Warwick Mountain area, a region straddling the Cumberland – Colchester boundary, since 2011. They have interpreted the geology to be favourable for gold deposits.
- Part of the area to be covered by the exploration license is overlapped by the French River Watershed.
- A mineral exploration license only allows low-disturbance exploration activities. Should any mine be proposed, a thorough process of regulatory review and approvals, community and Aboriginal consultation will be required.
- To provide DNR with the best opportunity to study the mineral potential of the area, Lloyd Hines, the Natural Resources Minister at the time, closed the area for exploration in March 2016.
- A digital library of the data collected by DNR between 2011 and 2017 was released in March 2018.
- A mineral license holder must comply with the requirements of the Mineral Resources Act and the Environment Act, as well as all other relevant provincial and federal Acts and regulations.
- DNR has been engaging with the community since May 2016 on the project.
- A requirement of holding an exploration license under the new Mineral Resources Act will be for the licensee to have a community engagement plan.
• The Warwick Mountain area was covered by mineral exploration licenses from 2007 to 2009, and 2012 to 2013.
• Today there are almost 1000 mineral exploration licenses active across the province.

ANALYSIS:

RECOMMENDATION:

PREPARED BY: Donald James, Executive Director, G&M, 902-424-2523
DATE: July 11, 2018
CONTACT: Donald James, Executive Director, G&M, 902-424-2523
DEPARTMENT: Energy and Mines
ISSUE / CURRENT SITUATION:

- The Pan-Canadian Framework on Clean Growth and Climate Change (weblink) is a plan that was developed and initiated by the Government of Canada (GOC) to grow Canada’s economy while reducing greenhouse gas (GHG) emissions.
- Nova Scotia pushed for – and won – flexibility in how we would adopt the Pan-Canadian Framework’s carbon pricing components, through a negotiated bilateral Agreement in Principle (AIP). Much of this was built on the fact that the GOC recognized Nova Scotia’s achievements in reducing GHGs by >30% over the past decade, backed by investments of more than $4.5 billion.
- Nova Scotia Environment is the Province’s lead Department in working with the GOC on the Pan-Canadian Framework, and in particular, the development of the Province’s cap and trade system to reduce GHG emissions.
- The Department of Energy and Mines supports Nova Scotia Environment’s work and focuses on potential impacts on the electricity and fuels sectors.
- Energy and Mines is also the lead on developing projects for and capturing federal funding opportunities to help reduce GHGs in the energy sector. One such funding stream recently levered is the GOC’s commitment of $14 million/year for four years from the Low Carbon Economy Leadership Fund (LCEF). Nova Scotia is investing $3 million a year for four years to support this.
- The LCEF funded Integrated Low Carbon Homes Program for Nova Scotia will be focused on supporting oil-heated and other non-electrically heated homes to increase energy efficiency, save on energy bills, and reduce GHG emissions through the following program mix:
  - Home Energy Assessment – includes a home evaluation and customized recommendations from a Certified Energy Advisor to help save energy and money. Incentives are provided for building envelope measures such as insulation.
  - Green Heat – offers rebates on the installation of efficient heating systems, including a heat pump, wood or pellet heating system, etc.
  - Efficient Products Installation – provides free direct installation of efficiency measures including low flow showerheads, faucet aerators and tank/pipe wrap.
  - Solar PV - Incentives for residential Solar PV installations.
  - Community Programming – to support greater program take-up, as well as assist Municipalities and communities to further new funding projects with the GOC.
- Through LCEF funding, over the next four years 10,000 homes could be upgraded, 20,000 homes could receive free energy efficient products and 2,000 solar installations could be completed. Through this, Nova Scotia expects to reduce GHGs by approximately 70,000 tonnes each year.
- Energy and Mines will also be working to support the best use of other federal funds, including a potential $17.2 million/year allocation from the GHG mitigation stream of Infrastructure Canada, and the Natural Resources Canada Emerging Renewable Power Program.
- Canada also funded a Regional Electricity Cooperation and Strategic Infrastructure Initiative (RECSI) study to identify electricity infrastructure projects with the potential to achieve significant GHG reductions in Atlantic Canada.
In April 2017, the Council of Atlantic Premiers established the Atlantic Clean Energy Partnership (ACEP) to promote low income energy efficiency, smart and storage technologies, electrification of transportation, other new renewable energy technologies, as well as move forward the potential system enhancements identified by the RECSI process.

BACKGROUND:

- Nova Scotia’s investments in reducing GHG emissions to date include $1.7 billion in renewable energy, $1.5 billion for energy efficiency and heat pumps and $1.6 billion for the Maritime Link.
- The AIP outlines the GOC’s commitment to invest alongside Nova Scotia in further GHG reductions, in part from recognition of Nova Scotia’s early action over the past years to:
  - decarbonize the electricity sector by transitioning out of coal to renewable energy;
  - accelerate the electrification of transportation and buildings;
  - cooperate and partner across the region, as Atlantic Canada, Eastern Canada and the North-Eastern US all move toward decarbonization and electrification.
- The three-part AIP includes:
  1. a renewed equivalency agreement in the electricity sector;
  2. a cap and trade system customized for Nova Scotia’s achievements and conditions; and
  3. agreement by the Federal Government to make further investments in GHG reductions.
- Most of Nova Scotia’s GHG reductions have and will come in the electricity sector, under the equivalency agreement, so future rate impacts from the cap and trade system will be limited.

ANALYSIS:

- Nova Scotia has already started work with the other Atlantic Provinces on the ACEP priorities.

RECOMMENDATIONS/ADVICE:

- Department of Energy and Mines staff will continue to coordinate with Nova Scotia Environment in their role as the lead Department on this file.
ISSUE: Development of the Tidal Energy Industry in Nova Scotia

ISSUE / CURRENT SITUATION:

- Nova Scotia is a leader in the global tidal energy sector, attracting investments from Europe, the United States, Asia, and Canada.
- Nova Scotia will be home to one of the first demonstration-scale, grid-connected array of devices in the world.
- In this new and emerging industry, there is a first-mover advantage for Canadian businesses to gain experience in Nova Scotia and export to the global market.
- The berth holders at the Fundy Ocean Research Center for Energy (FORCE) are required to deploy their projects by December 17, 2020 and are in the process of transitioning to licences, based on updated project plans to be approved by the Department.

BACKGROUND:

- In 2015 the Province awarded developmental tidal feed-in-tariffs (FITs) to five projects at FORCE. These rates were set by the Utility and Review Board (UARB) at a rate of $0.53/kWh.
- The FORCE site hopes to see the deployment of 22 MW via the 5 berth holders:
  - Cape Sharp Tidal Venture: 2 x 2 MW OpenHydro devices
  - Minas Tidal LP:
  - Black Rock Tidal:
  - Atlantis:
  - Halagoria:
- Cape Sharp Tidal was issued a 10-year license in May 2018 for their berth at FORCE. The other berth holders are undergoing the transition from a project agreement to a license as their updated project plans are approved.
- The Marine Renewable-energy Act was proclaimed on January 23, 2018. The amendments included a new opportunity for tidal developers to test their technologies in NS through a demonstration permit program. The Act includes permitting and licensing regimes and will enable the Province to plan and manage the tidal industry in a safe, responsible way.
- The new demonstration permit program can enable projects outside FORCE, and has a program cap of 10 MW, and a project cap of 5MW.
- The exact rate/kWh is established on a project-by-project base by the Minister.
- Big Moon Power has received the first permits under this program for its project on the Blomidon/Cape Split peninsula in April, one permit for its 100kW prototype device, and a second permit for its 5 MW, grid-connected project at a rate of $0.35/kWh. The Commercial Operation Date (COD) for the project is April 2021.
- Community FIT (COMFIT) projects were awarded to Fundy Tidal Inc. for a total of 3 MW in Digby Gut, Petit and Grand Passages.
ANALYSIS:

- Other leading tidal energy jurisdictions include the United Kingdom (Scotland in particular) and France. Nova Scotia’s strong resource, policy framework, financial support and ocean technology supply chain have made it globally competitive with these jurisdictions.
- The federal and provincial governments have invested >$40 million in FORCE’s cable and transmission infrastructure to allow for the turbines to connect to the NS power grid.
- The Province has invested, through the Offshore Energy Research Association, over $5.5 million in research to support the tidal industry.
- The Province has not directly funded any tidal energy projects.

- Addressing issues around global competitors and developing Nova Scotia’s knowledge base and supply chain requires an emphasis on ensuring projects reach the water on a timely basis.
- New federal funding sources were announced in 2017, with NRCan’s Clean Growth Program and the Emerging Renewables Power Program identified as funding opportunities for tidal. However, further support will be needed to grow the industry to commercialization.
- Private investment in tidal in the local Nova Scotia economy has totaled ~$74 million to date, with ~$49 million from Cape Sharp and ~$22 million from Black Rock Tidal.
- More than 100 Nova Scotian businesses have contributed to the creation of the FORCE facility, its ongoing research and monitoring programs, and construction of new turbines.

Prepared by: Sandra Farwell, Director, 902-424-1700
Date: July 11, 2018
Contact: Keith Collins, Executive Director, SRE, 902-424-2288
Department: Energy and Mines
ISSUE: Nova Scotia’s Energy Efficiency Initiatives

ISSUE / CURRENT SITUATION:

- Nova Scotia has achieved great success using energy efficiency programs to reduce energy costs for homes and businesses, lower GHG emissions, create local jobs, and support economic growth.
- Since 2008, Nova Scotia has reduced its annual demand for electricity by 10%. Going forward, the programs currently in place will allow the province to reduce annual electricity use by an additional 1.2% every year and has resulted in an annual savings of $165 million per year.

BACKGROUND:

- Nova Scotia’s energy efficiency initiatives are delivered by both the Department of Energy and EfficiencyOne (as detailed in TAB 4e – Sectoral Profile). The Department’s current programming includes:
  
  **Low-Income Homes:**
  - The Province helps low-income homeowners and renters reduce the burden of energy costs through investment in the HomeWarming program, which provides eligible low-income Nova Scotians with a home energy assessment and energy efficiency upgrades at no charge. In 2017-18, annual savings for Provincially-funded HomeWarming participants averaged $904.
  
  **First Nations Communities:**
  - In 2017, the Department of Energy and Efficiency Nova Scotia started working with Nova Scotia’s First Nations communities to deliver a pilot program providing home energy assessments, deep energy retrofits, and energy efficiency education and training for community members. Funding of $1.5 million over 2 years will support this program.
  - The province is also funding several pilot programs to identify new non-electric and non-low income energy efficiency initiatives that can be delivered with little or no direct incentive. For example: the ViewPoint voluntary energy labelling program and the Property Assessed Clean Energy financing programs in several municipalities.

  **Regional Collaboration:**
  - In April 2017, the Atlantic Premiers created the Atlantic Clean Energy Partnership. Through this initiative, Nova Scotia is working with other Atlantic provinces on the development of a regional proposal to the Federal government seeking funding support for energy efficiency programs for low income homes.

ANALYSIS:

- The current electricity use reduction from 2008 levels through efficiency programs provides roughly $165 million in annual bill savings for electricity ratepayers.
- In 2017, Nova Scotia also avoided 840,000 million tonnes of greenhouse gases emissions (GHG) through the success of its energy efficiency programs.
- Energy efficiency activity has fueled the growth of a robust industry that directly provides 1,400 full-time jobs in the province.
- Since 2010, EfficiencyOne (formerly Efficiency Nova Scotia Corporation) has evolved from a start-up operation to a North American industry leader and Canada’s first energy efficiency utility, with over 150 contractors and partners in their network.
RECOMMENDATION / ADVICE:

- Continue to support energy efficiency programs and pilot new initiatives to reduce Nova Scotia’s energy consumption, lower energy costs with a focus on helping those who need it most, reduce GHG emissions and support economic growth.
- Continue to engage with the Federal government and the other Atlantic Provinces, to ensure that Nova Scotia is successful in leveraging federal funding for our energy efficiency initiatives.

PREPARED BY: Bob Green, Senior Policy Analyst, 902-424-8098
DATE: July 9, 2018
CONTACT: Nancy Rondeaux, Director, EESE, 902-424-4458
DEPARTMENT: Energy and Mines
A. Canada-Nova Scotia Offshore Petroleum Board

CNSOPB Profile

The Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) was established under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act and a mirror federal version of the legislation (jointly referred to as the Accord Acts). The CNSOPB is the independent agency responsible for the regulation of petroleum activities in the Nova Scotia Offshore area.

Mission
The efficient, fair and competent regulation of exploration and production activities enabling safe and responsible development of Nova Scotia’s offshore petroleum resources.

Vision
The CNSOPB is respected both locally and internationally for its proficient regulation of offshore petroleum activities providing high benchmarks for others to emulate.

CNSOPB Mandate
The CNSOPB is responsible for the regulation of petroleum activities in the Nova Scotia offshore area, including:

- health and safety of offshore workers;
- protection of the environment;
- management and conservation of offshore petroleum resources;
- compliance with the provisions of the Accord Acts that deal with Canada-Nova Scotia employment and industrial benefits;
- issuance of licences for exploration and development; and
- resource evaluation, data collection, curation and distribution.

Priorities for 2017-18

The CNSOPB’s strategic priorities are:

- Organizational Excellence;
- Optimizing Regulatory Processes; and
- Proactive Communication/Stakeholder Relations.

These three strategic priorities are intended to ensure that the CNSOPB continues to deliver on its mission and vision. The CNSOPB’s work is focused on fulfilling the regulatory mandate set out in the Accord Acts. This year the CNSOPB will be working to further strengthen the CNSOPB’s ‘Licence to Regulate’ with the public, Aboriginal groups, and other stakeholders, and will continue
to actively support and respond to the many government led initiatives currently underway to refine and modernize the regulatory regime.

Key industry activity requiring CNSOPB regulatory attention in 2017-18 includes:

- ongoing production operations at the Sable Offshore Energy Project (SOEP);
- review of end of well reports, and follow-up on any outstanding issues, related to Shell Canada Limited’s (Shell Canada) 2016-17 deep water exploratory drilling program;
- BP Canada Energy Group ULC (BP Canada) deep water exploratory drilling program in 2018 including responsibilities for the conditions established through the environmental assessment conducted pursuant to the Canadian Environmental Assessment Act, 2012 (CEAA, 2012);
- SOEP’s and Deep Panuke’s planning for, and potential commencement of decommissioning and abandonment activities; and
- addressing the potential of further exploration in the Canada-Nova Scotia offshore area by other licence holders (e.g. Statoil Canada Ltd. (Statoil Canada)) and other interested parties.

Senior Management Structure

The CNSOPB is governed by a Board of Directors. The Board of Directors has the accountability for and directs the policy and programs of the CNSOPB. It is the link between the CNSOPB and the federal and provincial governments. The CNSOPB Board consists of five members who are appointed to fixed terms of office – two from the Province, two from the federal government and a Chair who is jointly appointed by the two governments. Each government may also appoint one Alternate Member to serve only in the absence or incapacity of any member first appointed by it. Currently, the two federal member positons are vacant.

Current Board of Directors membership:

<table>
<thead>
<tr>
<th>Position Name</th>
<th>Member</th>
<th>Term Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Chair</td>
<td>R. Keith MacLeod</td>
<td>August 2021</td>
</tr>
<tr>
<td>2. Provincial Member</td>
<td>Paul Taylor</td>
<td>March 2019</td>
</tr>
<tr>
<td>3. Provincial Member</td>
<td>Roger Percy</td>
<td>February 2022</td>
</tr>
<tr>
<td>4. Provincial Member</td>
<td>Harrold Giddens</td>
<td>February 2022</td>
</tr>
<tr>
<td>5. Federal Member</td>
<td>Corrina Bryson</td>
<td>June 2023</td>
</tr>
<tr>
<td>6. Federal Member</td>
<td>Barbara Pike</td>
<td>June 2023</td>
</tr>
<tr>
<td>7. Federal Member</td>
<td>Douglas Gregory</td>
<td>March 2020</td>
</tr>
</tbody>
</table>
Reporting to the Board of Directors is the Chief Executive Officer, Stuart Pinks, who is responsible for leading the day-to-day operations, with a total staff complement of forty-three professional and support personnel. The CNSOPB maintains its principal office in Halifax, Nova Scotia and its Geoscience Research Centre in Dartmouth, Nova Scotia.

Other statutory officers are appointed by the Board of Directors, these include the Chief Safety Officer, Robert Normore, and Chief Conservation Officer, Carl Makrides. At the CNSOPB’s request, governments have designated certain CNSOPB employees as operational safety officers, occupational health and safety officers, and conservation officers pursuant to the Accord Acts. Collectively, these statutory officers are empowered to carry out specific legislative duties and responsibilities as detailed in the Accord Acts and the regulations.

Management Team
There are six management personnel reporting directly to the CEO:

- Shanti Dogra, General Counsel;
- Carl Makrides, Director, Resources (also Chief Conservation Officer);
- Dena Murphy, Director, Operations/Health, Safety & Environment;
- Christine Bonnell-Eisnor, Director, Regulatory Affairs & Finance (also Secretary of the Board and Registrar);
- Troy MacDonald, Director, Information Services; and
- Stacey O’Rourke, Director, Communications.

Legislation
The CNSOPB has authority granted under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act and a mirror federal version of the legislation. The CNSOPB implements the following regulations on behalf of the provincial and federal governments (the Nova Scotia versions are referenced):

- Canada-Nova Scotia Offshore Area Diving Operations Safety Transitional Regulations
- Canada-Nova Scotia Offshore Marine Installations and Structures Occupational Health and Safety Transitional Regulations
- Canada-Nova Scotia Offshore Marine Installations and Structures Transitional Regulations
- Canada-Nova Scotia Offshore Petroleum Administrative Monetary Penalties Regulations
- Canada-Nova Scotia Offshore Petroleum Cost Recovery Regulations
- Canada-Nova Scotia Offshore Petroleum Financial Requirements Regulations
- Nova Scotia Offshore Area Certificate of Fitness Regulations
- Nova Scotia Offshore Area Petroleum Geophysical Operations Regulations
- Nova Scotia Offshore Area Petroleum Installations Regulations
- Nova Scotia Offshore Petroleum Drilling and Production Regulations

Financial
The 2018-19 budget for the CNSOPB is $8,610,000, with 50% each from the Province of Nova Scotia and the Government of Canada. On behalf of the two Governments, the CNSOPB seeks to cost recover its entire budget from industry each year in a manner consistent with the Canada-Nova Scotia Offshore Petroleum Cost Recovery Regulations, which came into effect for the 2016-17 fiscal year. The recovery of the CNSOPB budget occurs through ongoing project fees and one-time application fees charged to offshore operators, based on a daily charge out rate established each year. This daily rate is set based on the CNSOPB’s annual budget and the volume of activity planned in each year, and is approved by the two governments as part of the CNSOPB’s budget approval process.
TAB 7 SUPPLEMENTARY INFORMATION

A. Current Legal Proceedings
The Department of Energy and Mines is currently involved in the following legal proceedings. Questions about these proceeding should be directed to Kim Himmelman, Director of Regulatory and Strategic Policy.

Litigation

Intervention in quasi-judicial proceedings

B. Legislation to be Proclaimed
C. Website

Content development for the website is led by the program or project leads working through the Communications Division and Communications Nova Scotia.