



**PROVINCE OF NEWFOUNDLAND AND LABRADOR  
HOUSE OF ASSEMBLY**

First Session  
Fiftieth General Assembly

---

**Proceedings of the Standing Committee on  
Resources**

June 1, 2021 - Issue 2

Department of Industry, Energy and Technology

---

Published under the authority of the Speaker of the House of Assembly  
Honourable Derek Bennett, MHA

## **RESOURCE COMMITTEE**

Department of Industry, Energy and Technology

---

Chair: Brian Warr, MHA

Vice-Chair: Jordan Brown, MHA

Members: Pleaman Forsey, MHA  
Sherry Gambin-Walsh, MHA  
Craig Pardy, MHA  
Paul Pike, MHA  
Lucy Stoyles, MHA

Clerk of the Committee: Sandra Barnes

---

Appearing:

### **Department of Industry, Energy and Technology**

Hon. Andrew Parsons, MHA, Minister  
John Cowan, Deputy Minister  
Philip Ivimey, Departmental Controller  
Fiona Langor, Assistant Deputy Minister, Business and Innovation  
Craig Martin, Associate Deputy Minister  
Tansy Mundon, Director of Communications  
Megan Nesbitt, Assistant Deputy Minister, Corporate and Strategic Services  
Gillian Skinner, Assistant Deputy Minister, Industry and Economic Development  
Alex Smith, Assistant Deputy Minister, Mining and Mineral Development  
Pierre Tobin, Assistant Deputy Minister, Energy

### **Also Present**

Hon. John Abbott, MHA, Minister of Children, Seniors and Social Development  
Hon. Gerry Byrne, MHA, Minister of Immigration, Population Growth and Skills  
Hon. Krista Lynn Howell, MHA, Minister of Municipal and Provincial Affairs  
Paul Lane, MHA, Mount Pearl - Southlands  
Lloyd Parrott, MHA, Terra Nova  
Scott Reid, MHA, St. George's - Humber  
Perry Trimper, MHA, Lake Melville  
Steven Kent, Political Researcher, Third Party  
Megan Winter, Political Researcher, Official Opposition

Pursuant to Standing Order 68, Krista Lynn Howell, MHA for St. Barbe - L'Anse aux Meadows, substitutes for Lucy Stoyles, MHA for Mount Pearl North.

Pursuant to Standing Order 68, Scott Reid, MHA for St. George's - Humber, substitutes for Paul Pike, MHA for Burin - Grand Bank.

Pursuant to Standing Order 68, John Abbott, MHA for St. John's East - Quidi Vidi, substitutes for Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

Pursuant to Standing Order 68, Lloyd Parrott, MHA for Terra Nova, substitutes for Craig Pardy, MHA for Bonavista.

The Committee met at 6:02 p.m. in the Assembly Chamber.

**CHAIR (Warr):** The meeting last night, May 31, of the Department of Tourism, Culture, Arts and Recreation, is there a mover for that, please?

**P. FORSEY:** So moved.

**CHAIR:** Mover, MHA Forsey.

Seconder? MHA Brown.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, minutes adopted as circulated.

**CHAIR:** Okay, tonight we're considering the Estimates of the Department of Industry, Energy and Technology.

Probably what I'll do is just start here on my right. Before I go ahead, I just want to make sure that when it's your turn to speak, just wait for your tally light to light and you're free to go.

We just want you to introduce yourself. Then, we'll go to the department and the minister's opening remarks.

**K. HOWELL:** Krista Howell. I'm the Minister of Municipal and Provincial Affairs and the Member for St. Barbe - L'Anse aux Meadows.

**L. PARROTT:** Lloyd Parrott. MHA for Terra Nova and critic for Industry, Energy and Technology.

**J. BROWN:** Jordan Brown, the MHA for Labrador West.

**S. KENT:** Steven Kent, Researcher for the Third Party caucus.

**S. REID:** Scott Reid, MHA for St. George's - Humber.

**P. FORSEY:** Pleaman Forsey, MHA for Exploits.

**M. WINTER:** Megan Winter, Researcher with the Official Opposition caucus.

**J. ABBOTT:** John Abbott, MHA for St. John's East - Quidi Vidi.

**P. TRIMPER:** Perry Trimper, MHA for Lake Melville.

**P. LANE:** Paul Lane, MHA, Mount Pearl - Southlands.

**CHAIR:** Thank you to the Committee Members.

Minister?

**A. PARSONS:** Andrew Parsons, Minister of Industry, Energy and Technology.

**J. COWAN:** John Cowan, Deputy Minister, Industry, Energy and Technology.

**C. MARTIN:** Craig Martin, Associate Deputy Minister for Industry, Energy and Technology.

**G. SKINNER:** Gillian Skinner, Assistant Deputy Minister, Industry and Economic Development, Industry, Energy and Technology.

**A. SMITH:** Alex Smith, Assistant Deputy Minister of Mining and Mineral Development, Industry, Energy and Technology.

**P. TOBIN:** Pierre Tobin, Assistant Deputy Minister of Energy, Industry, Energy and Technology.

**P. IVIMEY:** Philip Ivimey, Departmental Comptroller, Industry, Energy and Technology.

**F. LANGOR:** Fiona Langor, Assistant Deputy Minister of Business and Innovation, Industry, Energy and Technology.

**T. MUNDON:** Tansy Mundon, Director of Communications.

**M. NESBITT:** Megan Nesbitt, Assistant Deputy Minister of Corporate and Strategic Services.

**CHAIR:** Thank you.

Can I have the Clerk call the first set of subheads, please?

**CLERK (Barnes):** The first subhead is Executive and Support Services, 1.1.01 through 1.2.03 inclusive.

**CHAIR:** Shall 1.1.01 through 1.2.03 inclusive carry?

Minister, opening remarks, please.

**A. PARSONS:** Yes, thank you.

I'll make it very quick. I'm happy to have the team here. In the grand scheme of things, we don't have a lot of time and there's probably a lot to cover, so I'll keep it brief and turn it over to my colleagues to get at it.

**CHAIR:** MHA Parrott.

**L. PARROTT:** Thank you, Minister.

Can we obtain a copy of the minister's briefing binder?

**A. PARSONS:** I think we have four copies here. We have one for the Official Opposition, NDP and we have two for the independents, which I think should do. We can provide them to everybody.

I'm not sure if we have them here, do we? Yeah, we have them here.

**L. PARROTT:** Just for clarification, is it okay if I leave my mask off while this back and forth is going?

**A. PARSONS:** That's fine by me.

**CLERK:** Yes.

**L. PARROTT:** Okay.

Can you outline the department's attrition plan? How many positions have been removed this year through attrition?

Do we need to identify ourselves every time?

**CHAIR:** Just raise your hand and wait for your tally light, whoever is speaking.

**A. PARSONS:** What we can do is undertake to provide that information. They don't have the actual number here, but we can get that to everybody. That's not a problem.

**L. PARROTT:** Do you know how many people are employed in the department?

**A. PARSONS:** I don't.

I'll toss it at –

**OFFICIAL:** 243.

**A. PARSONS:** 243.

**L. PARROTT:** How many retirements have occurred in the last year?

**A. PARSONS:** That might be a little hard and I'll tell you why. We have about three months there where the department – we're only going since August, so the number might be off. What I would suggest, just to make sure we get it right, I want to make sure we – when you go back to last year we've only actually had nine months of information. So I don't know if we have that here. I just want to make sure we don't put in something that involves TCAR.

**L. PARROTT:** Right, I don't believe we have that.

**OFFICIAL:** Eight retirements.

**A. PARSONS:** Eight? Okay.

**L. PARROTT:** I'd ask any of the questions that you don't have the information for, just indicate that you'll provide the information at a later date.

**A. PARSONS:** Yeah. What we can do is any information that is provided will go to everybody without asking. Everybody will get the same thing.

**L. PARROTT:** Thank you very much.

How many vacancies are currently not filled in the department?

**M. NESBITT:** We currently have 53 vacancies.

**L. PARROTT:** Intentions to fill them?

**A. PARSONS:** There are none that I'm aware of that are not getting filled. Some are having difficulty for various reasons: some are high turnover by nature and some because we're still coming through the pandemic, but there's no intent to move anyone.

**L. PARROTT:** Okay.

In the last nine months or 12 months, have any of the positions been eliminated? If so, can you indicate what they are?

**M. NESBITT:** Other than through attrition, no.

**L. PARROTT:** So through attrition though, will they be backfilled or will they be left vacant?

Are any of the positions now redundant?

**A. PARSONS:** I have no idea.

**M. NESBITT:** No, the ones that remain after the attrition plan, those vacancies remain on the books.

**L. PARROTT:** Okay.

How many layoffs have occurred in the department in the last year?

**A. PARSONS:** Layoffs?

**L. PARROTT:** None? Okay.

How many new hires have taken place in the last 12 months?

**M. NESBITT:** Two in the last (inaudible.)

**L. PARROTT:** Of the two new positions that have been hired, I assume the 53, has there been an effort to fill those? Are those two a result of that or is the 53 just sitting there stagnant?

**M. NESBITT:** There are a number of recruitment actions that are ongoing in the process to fill the vacant positions.

**L. PARROTT:** Thank you.

How many contractual and short-term employees are currently in the department?

**M. NESBITT:** Seven contractual.

**L. PARROTT:** Short-term?

**M. NESBITT:** Zero.

**L. PARROTT:** Okay.

Did the department receive any funds from the COVID fund? If so, what was it for?

**A. PARSONS:** Was it the federal fund or the finance?

**L. PARROTT:** Both actually.

**A. PARSONS:** Both. Okay.

**CHAIR:** Can I just interrupt here for a second, please. I don't think I was quite clear with regard to the answering of the questions. If the minister is directing the answer to come from one of his staff, just raise your hand and say your name.

It's only for Broadcast. We can see it here but the Broadcast Centre downstairs needs to know that. Raise your hand, say your name and then give the answer.

Thank you.

**A. PARSONS:** Do you have that broken down by division?

**P. IVIMEY:** To a certain extent (inaudible.)

**L. PARROTT:** Yeah, that's fine.

**A. PARSONS:** I'd say just go general, but then as we go through each one, there is a breakdown of that and I think it might be easier.

**P. IVIMEY:** We did receive money from the COVID fund, from the provincial COVID fund from the Department of Finance. That would've went towards a couple of initiatives within the department, so that would have gone towards the Small Business Assistance Program and as well the Tourism and Hospitality Support Program. We also would've received funding from the federal government as well in terms of oil and gas industry support. You'll see that as we go through the Estimates as well.

**L. PARROTT:** Okay.

Minister: Has COVID impacted the department, or your ability for service delivery?

**A. PARSONS:** Well, I'm going to speak sort of generally here and I will leave it open to – again, I can only speak to the department since August, so I cannot go back in time to March, we'll say; different department and I wasn't involved. Again, I don't remember getting asked this question. I don't think you were the critic when we did it first.

**L. PARROTT:** I wasn't, no.

**A. PARSONS:** Yeah, so I don't remember getting it then.

I would generally say no. We're managing to get – in fact, we're probably getting more meetings done. We get a lot of interest as it relates to mining, or different players or business opportunities and now it's easier for these groups to meet with us virtually than before with the travel. So there are certain ways that it has helped.

I haven't had any complaints. We have a lot of staff working from home, but everybody is managing to do everything online or virtual. So I

think about the IET front-line regional development officer in Stephenville is still managing to get contacts there. I haven't had anything brought to me.

If somebody wants to put their – I think Gillian might want to chime in on a couple. Me, it's been great.

**G. SKINNER:** I just wanted to add on the COVID-response programs, the fact that our staff have had to add the delivery of and approval of probably about 5,000 applications under those programs. As the minister pointed out, the ability to work online, using different resources and how we've worked, the staff have been able to deliver on those additional commitments due to COVID. So that would be outside of how we deliver, but just the additional volume.

**L. PARROTT:** Okay.

**A. PARSONS:** If I could go back to the identified previous question: Four positions through attrition.

**L. PARROTT:** Okay.

**A. PARSONS:** Thanks, Philip.

I don't know if there's anything to follow up on that.

**L. PARROTT:** No, no, that's fine.

I won't just say August, but someone from the department can ask, I guess, COVID has presented great issues for everyone and, obviously, the ability to meet virtually, the lack of travel and different things. Has the department identified any savings as a result of the way of operating over the last 12 to 18 months?

**A. PARSONS:** Absolutely.

I don't know if we have a cumulative number, but as we go through this you will absolutely see savings from – this department in particular – trade shows, not going. I can't say whether that's a good thing or a bad thing in terms of what the value is of going, but there are absolutely savings as you go through each one

on the different trade shows, on just different in-person visits, travel that's not happening.

I don't know if I can go further than that. Alex Smith might be able to talk about the mining side.

**A. SMITH:** The field program for the Geological Survey last summer did not go ahead due to COVID concerns, so there are some fairly significant savings associated with that.

**L. PARROTT:** Okay.

We will move over into executive and support services there, 1.2.01, Executive Support. Last year, Salaries went over budget by \$38,900. Can you explain – that is an anomaly, I guess.

**A. PARSONS:** I'll take a stab at it and someone can correct me when I fool it up.

I think what it was is we had a change out of executive staff. We had one ADM go out and became the ADM for the Health Accord people, for Dr. Parfrey and Sister Davis, but she was still being paid from our department even though she was seconded. At the same time, we had an ADM come in. I believe it was Megan Nesbitt. I think I covered that off there. There was a portion of time where we covering both salaries.

**L. PARROTT:** Are any of the 53 vacancies from Executive Support or are those vacancies from elsewhere in the department?

**A. PARSONS:** I'm assuming elsewhere. I'm not aware of any vacancies on the executive side.

**L. PARROTT:** Okay.

We'll go to 1.2.02, Corporate and Strategic Services. In '20-'21, there was a significant savings in various line items, such as Employee Benefits, Supplies and Professional Services, but the budget for '21-'22 has not been decreased. Can you explain why there's no decrease?

**A. PARSONS:** I guess what I can do is when you go down through this whole one you'll see savings in Salaries, obviously, due to vacancies. The Employee Benefits I think was seminars and conferences that did not happen. Less than

anticipated travel, obviously, when we look at T and C there. You're looking at about \$80,000 difference. Less office expenditures. There was no need for Professional Services expenditure for promotional efforts. You'll notice the next one, Purchased Services: Again, trade shows make up the biggest part of that.

I think the reason you'll see most of them are back to normal is that we anticipate a normal year. We are banking on a normal year and preparing for that. Now, whether that happens obviously depends on a whole bunch of things, but we're preparing for that fact, that we can get through the next year. If the trade shows are there, then our people will participate.

**L. PARROTT:** I guess the reason the question is asked, because we're three months in now and maybe three months away from being normal, I guess. So you're six months into a 12-month cycle and the budget hasn't changed.

**A. PARSONS:** No, but, at the end of the day, like everything with COVID is a guess. We might be back to normal in two months. We might be back to normal in six months. It's better to go –

**L. PARROTT:** And we might be locked down.

**A. PARSONS:** Exactly. So I mean all of this, let's be honest here, the same with the last budget, a lot of it is guesswork and trying your best to anticipate. The best thing is to go with what he have. I would rather go high and not spend as much than go low and we're out of budget and getting dinged on that end.

**L. PARROTT:** Yeah, fair.

So we go to Revenue - Provincial, can you please give me an overview of the revenue, the \$86,000 that wasn't generated but it's carried over to this year?

**A. PARSONS:** That was the Houston Offshore Technical Conference. Normally, I think there are groups that come along with the province and they pay to participate.

**L. PARROTT:** Yeah.

**A. PARSONS:** And they did not come. We did not get the revenue that was anticipated there.

**OFFICIAL:** The conference didn't happen.

**A. PARSONS:** The conference didn't happen, but normally these groups would come along and be a part of it and nobody went.

**L. PARROTT:** We charge a fee or is it a cost, I guess.

**A. PARSONS:** We charge a fee to go to that?

**M. NESBITT:** Yes, we do. We own the booth. We cost share the event with Noia and ACOA and the delegates pay a fee in order to get the benefits from the conference and the booth.

**L. PARROTT:** Thank you.

Last line item, we only went through the ones right? When we pass, it was just –

**CLERK:** We're only at 1.2.03

**L. PARROTT:** Okay.

That was good. I'll hand it off to –

**CHAIR:** MHA Brown, 1.1.01 to 1.2.03 inclusive.

**J. BROWN:** Thank you, Mr. Chair.

On the one there 1.2.03 this bracket, this Administrative Support, Capital. It's budgeted \$100, nothing happened. What is the reasoning for this?

**A. PARSONS:** It's a placeholder for capital expenditures.

**J. BROWN:** Okay.

**A. PARSONS:** And there haven't been any. I think there was one maybe a couple of years ago. I'm trying to get this right. Last year in Alex's shop there's one but it's a placeholder. I think there was something down there, was it in the lab?

**J. BROWN:** Oh, yes, yes, yes.

**A SMITH:** A new analyzer, ICT for the lab.

**J. BROWN:** Okay, that brings back memories now.

**A. PARSONS:** It's a placeholder again but there is nothing budgeted to happen.

**J. BROWN:** Other than that for this particular section, I have no other questions for this section here.

**CHAIR:** Can I have the Clerk call the next set of subheads, please?

**CLERK:** Are we voting the –

**CHAIR:** Okay, yes. We'll vote on those first subheads.

Looking for a mover to approve 1.1.01 to 1.2.03 inclusive.

Mover MHA Brown; seconder MHA Parrott.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.03 carried.

**CHAIR:** Second set of subheads, please.

**CLERK:** Okay.

Mining and Mineral Development, 2.1.01 through 2.1.03 inclusive.

**CHAIR:** 2.1.01 to 2.1.03 inclusive.

MHA Parrott.

**L. PARROTT:** 2.1.01, Transportation and Communications: A significant savings in 2020 to 2021, but this year's budget has not been decreased. Can you please explain why?

**A. PARSONS:** So this is the Mining and Mineral Development, Geological Survey?



**L. PARROTT:** It is, 2.1.01.

**A. PARSONS:** So this is what Alex referred to earlier: The field season had been cancelled last year.

**L. PARROTT:** Yes.

**A. PARSONS:** But it will be up and operational this summer.

**L. PARROTT:** Under Professional Services, the budget for Professional Services has been decreased by \$21,000. Is there a reason?

**A. PARSONS:** There was an extra expenditure last year. It came from an airborne geophysical work plan. That was budgeted last year, but that's not a year-over-year thing. It was a special budget last year. I don't know if I have to add anything else, Alex?

**L. PARROTT:** So that project has come to an end?

**A. PARSONS:** That project is complete. So you'll see there it's \$271,700. Pretty much all spent, and then back to somewhat normal.

**L. PARROTT:** Okay.

Can you please give an overview of the variance in the line item for Purchased Services? What accounts for the savings in 2020 to 2021?

**A. PARSONS:** Same thing. Less than anticipated analysis going on. So the same way there's less field work, I'm assuming that there's less work being done in the lab, but anticipating that work will continue on again as per normal this summer. I think everything is looking good on that front, Alex?

**A. SMITH:** Yes. We are proceeding with the field program for the Geological Survey this summer.

**L. PARROTT:** I see it comes under Purchased Services, so I assume that all the lab work happens outside of government offices. Do we contract that out, is that?

**A. SMITH:** So we have a lab within government that does basic analysis for metals.

There are some more detailed analyses that are sent away, chronology-type of stuff that we can't handle in-house.

**L. PARROTT:** Okay.

**A. SMITH:** But most analysis is done in-house.

**L. PARROTT:** To the tune of \$229,000 gets sent away, or is that a combination of in-house and ...?

**A. SMITH:** Well, that's supplies for the lab. That would also include just general purchased services. Supplies for the lab would be included in that, as well as analysis outside of the lab.

**L. PARROTT:** Okay, thank you.

Under Revenue - Provincial, \$250,000 in revenue was not received. Why not?

**A. PARSONS:** Yes. Do we have that? The \$250,000 in the revenue there, provincial.

**A. SMITH:** When we submitted the proposal for the airborne geophysical surveys, a revenue item was added during the budget that wasn't planned for. Part of what the geological survey provides is free public geoscience to help incentivize the mineral exploration industry. So we had no opportunity to collect revenue.

**L. PARROTT:** Alex, can I just get you to bend you mic back towards you a little bit. You're a little hard to hear.

**A. SMITH:** Do you want me to repeat that?

**L. PARROTT:** Perfect. No, I heard you, but it was just a little – yes.

Can you provide a list of projects which will take place this year for Geological Survey?

**A. SMITH:** We can provide a list. I don't have it off the top of the head, but we can certainly provide a planned field program.

**L. PARROTT:** Okay.

Budget documents talk about an extra \$2.5 million for geoscience. Is this mineral geoscience or geoscience in support of the oil

industry? And where will I find it in the Estimates book?

**A. PARSONS:** It is not oil industry; it is geoscience. I don't know if Phil or Alex can talk about where we have it put.

**A. SMITH:** It wouldn't be in this book. I haven't actually seen the Estimates from this latest budget, but it is intended to be geoscience. It is one-year funding for data collection, which could be similar to the airborne geophysical survey.

**L. PARROTT:** So is the funding coming from provincial government?

**OFFICIAL:** Yes.

**L. PARROTT:** And it is not in Estimates?

**A. PARSONS:** Listen, I can throw Siobhan and them under the bus right quick.

**L. PARROTT:** No, I'm just saying, it is \$2.5 million.

**A. PARSONS:** It is provincial funding; there is not federal funding. It is geoscience, not oil, but where it is supposed to be or ...

**OFFICIAL:** (Inaudible.)

**L. PARROTT:** \$2.5 million.

**A. PARSONS:** I thought it was – do we have \$1.7 million?

**L. PARROTT:** You have \$2.5 million now, Minister. Hold her to it.

**A. SMITH:** There was \$1.7 million for the Mineral Incentive Program, which is an ongoing funding, but there was an announcement of \$2.5 million in the Budget Speech. It is not included in our working binder because it was after this.

**L. PARROTT:** Okay.

**A. SMITH:** I haven't seen the actual Estimates document.

**L. PARROTT:** Can the minister provide us with that information after tonight?

**A. PARSONS:** Yes, absolutely.

**L. PARROTT:** All right, thanks.

**A. PARSONS:** I can guarantee you it is there or there is going to be a racket.

**L. PARROTT:** Thank you.

2.1.02, Professional Services: Last year Professional Services went over budget by \$51,200. Can you explain why?

**A. PARSONS:** Yes, so this came from a 2017 grievance proceeding under the Miner Rights Adjudication Board. It led to – there were some compensation expenses incurred. Maybe what I can do is – I don't know if, Alex, you have the background in this. Something came from then, it only got decided last year and somebody got paid out but I'm not quite aware of the ...

**A. SMITH:** Generally the expenses for members of the Mineral Rights Adjudication Board comes from our salary budget. There was a dispute for the 2017-related fees to one of the board members and there was a settlement. Because there was a settlement, it came out of our Professional Services instead of our Salaries.

**L. PARROTT:** Okay.

Was that adjudication anything to do with the, I guess, the gentleman that was on *Dragon's Den*? Is that the same?

**A. PARSONS:** Mr. Brace. No, I don't that was the same one, because his was not launched until 2020. I think it was something along those lines or more recent.

**A. SMITH:** It definitely wasn't that.

One other thing about the board is it's a very minimal budget reflected in our budget and the amount of grievances is a function of how many grievances are filed. It's really tough to budget for.

**L. PARROTT:** Okay.

Purchased Services last year went over budget by \$114,500. Can you explain why?

**A. PARSONS:** Which one? Where?

**L. PARROTT:** 2.1.02, Minister, Purchased Services.

**A. PARSONS:** Purchased Services?

**L. PARROTT:** Yes, below Professional Services.

**A. PARSONS:** The long and short of it, this has to do with the Moneris fees. I guess we have to pay banking fees. It's weird because I actually asked the same question. The more claims that are staked, the more that we actually have to pay. We only budgeted a certain amount, but there were so many stakes that were claimed last year that we actually ended up paying more. Is that right?

**OFFICIAL:** (Inaudible.)

**A. PARSONS:** Cool.

**L. PARROTT:** So year over year, we expect more claims to be staked again this year I assume than were planned last year, I guess.

**A. PARSONS:** Yes. It's one of those things where last year it was budgeted at \$69,500 and it went up. This year you'll see the budget is for \$83,500. Now, it's like any year; it's hit or miss. I'd love for it to be higher because that means there's more work going on.

**L. PARROTT:** 2.1.03, Mineral Development, Salaries in '20-'21: There was a salary savings of \$213,400. In the previous year there were also salary savings. Can you please comment on this and are there positions vacant right now?

**A. PARSONS:** It's definitely vacancies. I'll let Alex jump in there on the detail.

**A. SMITH:** The Mineral Development Division houses the mining engineering section, which has several engineering positions that are often difficult to fill. That would reflect the salary savings. We've recently filled two positions and we're seeking to fill the third, but it's hard to attract a suitable candidate.

**L. PARROTT:** Obviously, government – and the minister and I agree on this – are bullish on

mineral development and mining, current operations in Newfoundland and Labrador. I'd just like for the minister to comment on the state of Tata Steel, IOC, Valentine Lake, Tacora: any of these that you see as ...

**A. PARSONS:** Well, I think Alex can jump in because he's been dealing with them primarily. I've had general calls, but to be honest with you I don't hear a whole lot from them. They're up and running. To be honest, when I first got in I had the early calls with the different groups, but they're generally working away; you don't hear from them. A lot of them are just talking about how much more they can do.

One thing we are trying to work with them on is the tech side saying: Okay, let's all invest here. Is there a way we can make your operation more efficient, maybe save some money somehow? Can we find different ways to produce? I'll let Alex jump in because he might have a better rundown, where he deals with them every day.

**A. SMITH:** We had anticipated at the start of COVID that the mining industry would be heavily affected. I guess in the early days the commodity prices dipped, but since then, they've recovered to the point where commodities are higher than they were when COVID hit. IOC and Tata, for instance, are benefiting from extremely high, almost record-high iron prices.

Is there anyone else in particular ...?

**L. PARROTT:** Actually, my time has expired, but I have a couple of more questions when we come back around.

**CHAIR:** Thank you.

MHA Brown, 2.1.01 to 2.1.03.

**J. BROWN:** Thank you, Mr. Chair.

I, too, would like a list of the ongoing fieldwork for this coming year. Also, when you update him on why that money is not listed for the stuff, can you let me know too?

**A. PARSONS:** Anything we send out will be uniform and to everybody that's attending.

**J. BROWN:** Perfect. Thank you so much, Minister.

Another general question there: In the Greene report they mention about 5 per cent equity stakes in mining as well. I want to know if this is something that this department is currently exploring or looking at to look at those equity stakes.

**A. PARSONS:** In the mining?

**J. BROWN:** Yeah.

**A. PARSONS:** It's not a conversation I have had yet, not that I'm aware of. Like I say, to be honest with you, it's not a conversation we have had. We have not been approached by anybody about it. Right now, most of our attention has been on – we have the report, the report has been reviewed, but it certainly has not been actioned in that regard. Right now, we're dealing mainly – when we talk about the Labrador portion, we're talking over in your neck of the woods. We don't hear a lot, to be honest with you, at all.

Lately, we had the Joyce Lake conversation that's going on. We were talking to them. In Newfoundland, obviously, it's a pretty big gold play. You still have fluorspar; you still have different groups going on there. Equity has not been a conversation. I'm not saying I'm opposed to it at all, but it's just not a conversation we have had yet because of the ongoing – the top issues we're seeing every day, which would be Muskrat, Come By Chance, Terra Nova and the rest of the oil and gas industry. That's consumed a lot of the oxygen in the room.

**J. BROWN:** Not the sleepy old mining industry.

**A. PARSONS:** The mining industry – there's the saying that usually when you're not hearing it, it's good news. We're not hearing anything.

**J. BROWN:** That's good.

**A. PARSONS:** It's because it's good news. Like I say, great recovery. They've been contributing to the community. Sometimes you just have to stay out of the way.

**J. BROWN:** Absolutely.

Perfect. Thank you, Minister.

Speaking of up in northwestern Labrador with the direct-ship ore, is there any work being done up there with the geoscience on the direct-ship ore?

**A. SMITH:** One of the programs that we have proposed for this summer is based out of Schefferville. We're currently considering Public Health considerations where Schefferville is in Quebec and the work would be in Labrador. We're trying to work that out, but one of the planned programs is based there.

**J. BROWN:** Okay, perfect.

Thank you, Deputy Minister.

Just going back to that there. Obviously, with the (inaudible), any work planned to be done with the Strange Lake or with the (inaudible) arm deposits that are currently held by government?

**A. SMITH:** Both those are recommendations from the PERT report, but they're not being advanced at this time.

**J. BROWN:** Okay.

Any geoscience or any work being done with those things or are they going to be idled this summer?

**A. SMITH:** There's no geoscience planned in the Strange Lake or Julienne Peninsula, no.

**J. BROWN:** Thank you.

Going with that there now, how many projects are currently up for environmental or review from the department for new operations or new mineral deposits?

**A. SMITH:** New operations, there are a couple that have been recently released: Maritime Resources' gold project in King's Point area; Vulcan Minerals is going to process some old gypsum tailings in the Bay St. George area; and the Joyce Lake iron ore project, Direct Shipping, is under evaluation, as is Marathon Gold.

**J. BROWN:** Anything like that. Quarries and pit – would this be covered under Mining and Minerals or would quarries and pits be under another section?

**A. SMITH:** Quarries are handled by the Mineral Lands Division of the department.

**J. BROWN:** Currently, the state of the review – when they had the quarry and pit review, where is that right now?

**A. SMITH:** We just filed or posted the What We Heard document for our quarry review. The comment period for that is ended and we are now evaluating the input to feed into potential changes to legislation.

**J. BROWN:** Perfect. Thank you.

Also with this now, with tailings and all that stuff under there, is that currently under this section, or would tailings be under the Department of Environment?

**A. SMITH:** It would depend on what you want to know about the tailings but –

**J. BROWN:** Reclamation, dust control: things like that.

**A. SMITH:** Under the *Mining Act*, any operation needs to have a development plan, which would outline how they're going to handle their tailings. A rehab and closure plan which would outline how they rehabilitate at the end of operations. There are certain issues with tailings – dusting would be one – that may fall under the purview of Environment.

**J. BROWN:** Okay. Perfect.

Thank you, Deputy Minister.

Those are all my questions for this section here now.

**CHAIR:** Okay, Thank you.

Just a question toward the Member for Lake Melville or the Member for Mount Pearl North, is there one going before the other tonight?

I recognize the Member for Mount Pearl - Southlands.

**P. LANE:** Thank you.

Minister, I'm not doing line by lines because of my limited time; I have just some general questions.

Minister, can you give us a little more insight into what the plans are for Nalcor. I mean, we have Nalcor, we have NL Hydro, we have OilCo, you have the department: there is obviously an awful lot of duplication I would suggest – well, I don't need to suggest, I'm sure you know that – a lot of savings that can be found. Muskrat Falls is pretty much clued up.

Can you give us any more detail as to what this may look like? Will OilCo remain stand alone? We only just created a stand alone a year ago. Is it the plan to stay that way or to have one entity, two entities or three entities?

**A. PARSONS:** Well, I guess the first problem is I'm not going to give you the level of detail you want because of various reasons, one being do I know 100 per cent where this is going to go? Absolutely not.

There's no doubt that we are now at a point with the project where it's 99 per cent complete. We know that the timing is still on, we know the cost estimates have been the same since last September, we know that there's power being generated. So perhaps the biggest task that corporation ever had is just about complete, so now is the time. But there's going to be work that has to be done.

We know that the CEO has always indicated that he – 2021 was going to be his last year. So that tells you there that there will be changes in the organization from that sense. That was always the plan of Mr. Marshall. I haven't heard anything different.

But I don't want to prejudge. I also have to be careful, because there are two things to keep in mind here – and I'm just sort of tossing it out there. There's the Nalcor that gets questions asked and is villainized and we all like to talk about. Certainly, I did when I was on that side, and I've done it on this side. But then there are

the hundreds and hundreds of employees that work for Nalcor and have no part in any of the big decisions. They have to go home tonight and they have to go to sleep and they have to pay the bills. So I'm careful about that, too. That's why I'm a little bit always guarded with my language.

Plus the fact, too, that by saying something that you might think gets you some applause, publicly, you may bring about different repercussions from a legal point of view. I don't want to do or say something that causes trouble down the road.

So what I can say is that generally I agree that, obviously, we have duplication there. I think there is always a way to streamline just about anything, but when you take the corporation whose biggest goal has now been accomplished, we have to look at what does it look like.

So I'm not going to prejudge it. I do not have in mind exactly what that is going to look like. OilCo, as you say, same thing, it only came about two or three years ago.

**P. LANE:** Not even that.

**A. PARSONS:** Right. I think it was 2018 or 2019, I think. So that's there, very new. So we're going to look at them.

I've spoken to the board and they are absolutely up for it. They say why wouldn't you, why wouldn't you look at us to see what we can and how we need to do it. They were formed differently than Nalcor. It was different legislation that had some of the issues that Nalcor presented were not there with OilCo because they could be handled through the legislation.

I know it's not the answer you want, but it's no different than when I'm out talking to the media. There's still some time required and it's not a conversation you want to have publicly or, sort of, speculate about publicly because it does cause some harm to people that none of us want to see harmed.

The other thing I will say is regardless of what the future holds you have to look at the silver linings. One of the silver linings out of Muskrat

was that we do have a lot of people that have a lot of expertise that we can hold on to for various means. They've built that up.

I've always been told that we've built some talent. Similar to the oil industry, we have all this talent that was not there and that has now been built up and we are in danger of losing that talent. Now, the trick is you don't want to lose that talent. Everybody in that field will tell you how long it took to build it and you don't want to just let that dissipate.

**P. LANE:** Okay. Thank you, Minister, I appreciate that.

I agree with you. I mean, despite my feelings about what went on with Muskrat Falls and everything else, the reality of it is I hang that on a handful of people, who I won't name, but I could name. You're right, there are all kinds of people working there that are doing great work and they have families. For me, it's not about doing anything to harm them, but the reality of it is that the project is winding down, we do have duplication and we're up to our neck in debt. So I think we do need to do something, but obviously it has to be done thoughtfully and I would agree with that.

Minister, I'm assuming now, it should go without saying, but I would guess that the public consultation that's currently going ahead right now on the PERT report, if there was going to be a proposal to make any significant changes with Nalcor, NL Hydro and so on, you would have your own separate public process. Like, you wouldn't say: Oh, well, we did the PERT report consultation and nobody really said anything so, therefore, we have free rein to sort of do whatever.

**A. PARSONS:** Sorry, you're saying to have public input on a corporate reorganization within government.

**P. LANE:** I guess, Minister, what I'm saying is if you're going to make any – I mean, that would be, potentially, a huge undertaking, right, I would think for any of these things. It's fine to say we're going to do a public consultation on things, but if we're going to make major changes to Crown corporations and everything else that could have an impact on the public and so on, I

would hope that there would be at least reaching out to stakeholders who may have an interest in it. As opposed to just going ahead and making wholesale changes, and then saying: Oh, well, we consulted with everyone because we did the PERT report and you could've sent in an email to engageNL.

**A. PARSONS:** Yeah. So, again, just tossing it out there in no particular order, I thought you meant we're going to have a public engagement session with anybody who wants to, can have input on it. Quite frankly, there are a lot of voices out there that I don't need to hear what they have to say. What's their expertise, besides commenting on a poll? Do you know what I mean?

But what you're saying, the second time there, absolutely.

**P. LANE:** Yeah.

**A. PARSONS:** Absolutely. Look, what I would say is this, the PERT report is one thing. These were conversations I was having, we were having, other people – you were having – well before Dame Greene came out with that.

**P. LANE:** Absolutely, 100 per cent.

**A. PARSONS:** And I will say that one of the benefits of being a small province is that a lot of people take the time to correspond with me with their thoughts and feelings on just about any number of issues. Some of them thank you for your time, some may not agree. Some of them you may follow-up on. This is one where there have been lots – there are lots out there.

What I would say is that, at the end of the day, I've been tasked with doing it. It's like anything, when you're tasked with governing, you go out and do it, and if people don't like what you do then you're not going to have that opportunity much longer.

**P. LANE:** Yeah.

**A. PARSONS:** I've always liked to say that I'm going to listen to as many people as I can before I make – or we make – the decision.

**P. LANE:** Sure.

**A. PARSONS:** Right. Listen, let's be honest here, is hydroelectricity my background? No, it's not. So, again, I need to listen to a lot of people to figure out what's best. We're not just talking about production and management and sale of energy, we're talking about corporate structures and a whole number of things. But, thankfully, we have a lot of lessons in the past to learn from. There are a lot of good people out there in this province that we're going to be listening to before we move forward.

**P. LANE:** Yeah, okay, thank you.

Minister are there any plans to sell off any transmission assets and so on to Newfoundland Power?

**A. PARSONS:** Not a question or a conversation I'm having right now at all.

**P. LANE:** Okay.

**A. PARSONS:** No.

**P. LANE:** Okay.

My final question before I run out of time. I have more, but I've only got time for one. On the technology piece, which I really believe there's a lot of – as government has said, and I agree – there's an awful lot of opportunity. A lot more opportunity than I really had thought of until I started talking to people. Even the gaming industry is pretty amazing, actually. I met with this gamers group. I was shocked to learn that there are all these companies are actually doing it and the potential that's there.

Even talking to the gamers group, they're saying a lot of it is you need to have people with certain skill sets and so on to make this take off. I'm sure that's the same for anything in tech.

Is your department working with CNA or MUN or whoever to try to get people trained up for all this stuff or –

**A. PARSONS:** If I didn't know the difference, I would think I gave you that question to ask me.

No, absolutely, that is exactly where we are going, and it's probably one of the most exciting parts because it is new. The same thing, you

come in – same as you, I didn't have a lot of background in that area and there is a lot of promise and it is one of those things where you're proving that a pandemic doesn't hurt you; location doesn't hurt you. We have companies in Newfoundland and Labrador that are expanding in light of geographic constraints, COVID constraints or any other number of constraints.

But one of the biggest issue has been the talent pipeline. One of the biggest issues that come from that – it is like many things in government: If it is just within my shop, I have control. But that issue is beyond IET. It affects Education and it affects over in Minister Byrne's department, Immigration. We can't just provide that talent from here in Newfoundland and Labrador. We need to have talent coming from elsewhere.

Same thing, we have a number of different opportunities on the education side. Our thought process – or certainly mine – has been K-12, let's get in there. So we are investing in groups like Brilliant Labs doing coding. Tom Osborne just announced the plan. Ten schools are pilot projects and there is going to be money going in there so that people can come in there, get university credit, get the training and get a bursary going towards CNA or MUN to do this computer science-type course.

We're working with private colleges, as well as MUN, as well as CNA, to improve the offerings that are out there. We need to put the skills that are there, that we need – we need to make sure that is represented here. We're talking about microcredentials. I just met with Keyin College; I've talked to CNA; I've talked to CompuCollege, you name it about what can we do there to get people in there and get them out in the industry.

The companies will tell you that these are the skill sets that we need, whether it is stack engineers, whether it is coders, whether it is digital experts. There are a million things that I certainly don't have much background in, we need to build that pipeline. We are working with our post-secondary institutions to do that and they have been really responsive.

I tell you, I always had a complaint about the school system. I always said it was tough to

break in. We've talked about financial literacy or coding or this or that, you know. It was hard to break into that curriculum. They have really taken it and run with it – the school district, the Department of Education – so there is a lot of work going on together. And, of course, techNL, which is sort of like the advocacy group of this industry, has been right into it. There is a lot of good going on there. There is probably going to be – the companies will tell you – anywhere between 2,000 and 4,000 jobs are going to be available and in many cases they have jobs that they just can't fill.

I do happen to follow a lot of these companies, whether it's on Twitter or whatever, and every day: We're looking for this person; we're looking for that person; we're looking for this. Now we just need to make sure our people have that background and that skill set to go there.

The other thing is you look at the oil and gas industry. I've always been hesitant to tell people. They say: Well, what am I supposed to do? Well, if you go out and say, well, you should retrain, then you're giving up on the oil industry. But at the same time, I've had people in the oil industry come to me and say: You know what? I'm pragmatic; I don't mind looking to retrain. So taking their skills, whether it's an engineering background, and just applying it somewhere else.

I've actually met people – I think it was over in the Eastern Health Living Lab – people there who were oil and gas and are now down working with 3-D printers, building off hip joints. It's amazing stuff, right.

I don't know if that answered it. I just ranted on.

**P. LANE:** No, no, it's good.

**A. PARSONS:** It's exciting.

**P. LANE:** I think it's very exciting.

**CHAIR:** Thank you.

**P. LANE:** Thank you.

**CHAIR:** MHA Parrott, do you have anything left in 2.1.01 to 2.1.03?



**L. PARROTT:** I do.

**CHAIR:** Okay, thank you.

**L. PARROTT:** It's been a tough year, and obviously we've had some great success in mining, but we've had some failures too. Just a question about – I assume it's still the Beaver Brook Antimony Mine – the mine just outside Glenwood.

**A. PARSONS:** Yeah.

**L. PARROTT:** It shut down during COVID. Any ongoing efforts to reopen or do we know what the status is?

**A. PARSONS:** I'm actually supposed to meet with them. We have had conversations, and I'm supposed to meet with them – if it's not next week, it's the week after – to talk to their CEO about what we can do. Like I said, I don't have anything to report except to say (a) I know they are in difficulty and (b) we're willing to work with them on their issues. Actually, I think the Minister of Finance – obviously, given her previous role here and her background and her new role – is willing to talk to them as well.

**L. PARROTT:** Okay.

One of the things that has always come to my attention – and full disclosure, I grew up in Wabush, Labrador, the same as Mr. Brown did. Mining is a big part of Labrador. I look to Wabush 3, Voisey's Bay underground and different places, and I understand that certainly with Wabush 3, the procurement process is a little different and you do see a lot of out-of-province plates doing work there, a lot of out-of-province materials coming in.

What really bothers me is Voisey's Bay underground. I'll say Voisey's Bay underground currently procures all its fuel from Quebec. It procures all of its materials from Quebec. If you take the time to visit Voisey's Bay, you will find every single vehicle that's up there carries a Quebec licence plate that operates here in Newfoundland 365 days a year for multiple years. There has to be opportunity in that for this government. Part of that, perhaps, is a road to Voisey's Bay, which is something that was promised, and a power line, which is something

that was promised. Instead, we have more diesel generation plants and no path forward. What's the plan?

**A. PARSONS:** Okay. Before I chime in, I don't know if John or Alex wants to chime in first and then I come in?

**J. COWAN:** (Inaudible) diesel generation. I know that the company had been exploring wind and alternative energy sources. I haven't been part of those discussions recently but they have been investigating that. Our government certainly is interested in alternative energy. In terms of the road and the cost and the transmission line, the cost of those is extremely high, especially the transmission line. I know that the cost of a transmission line to the North Coast was estimated to be in excess of \$1 billion.

**A. PARSONS:** Alex, before I jump in, do you have anything?

**A. SMITH:** I do know that when they were doing feasibility studies on the Voisey's Bay underground, they considered the transmission line and discounted it because of the timing risk associated with environmental assessments that would be associated with it at the time.

With respect to benefits, there is a benefits agreement with the province that is probably more stringent than other benefits agreements – first and fair opportunity to Newfoundland procurement. I would also point out their training program and their partnership with the Indigenous communities up north. They're shown as a model for other mining companies with respect to the Indigenous partnerships.

**L. PARROTT:** Yes, no question. I agree their model, certainly with Indigenous people, is great and it is great to see that Marathon Gold is taking a step in the same direction.

I guess my point is that when you look at diesel generation plants – I mean, through no fault of our own, North Atlantic isn't operating, but we ought to have been supplying the fuel there from day one and we haven't been and it is a huge miss. I can tell you from personal experience that if I was going to take a vehicle and go to a job site anywhere else in Canada with

Newfoundland plates on, it would not be allowed to happen. It happens up there on a daily basis and we're the ones that are responsibly for it. I would suspect that this department, the one that regulates mining, would be very interested in something like that, as would SNL and other portions of government.

**A. PARSONS:** All I can say to you is that, honest to God, since August 19, that issue has never been raised with me, but the purpose of meetings and situations like this is to be aware. Obviously, I mean, that is the kind of stuff that the people talk about and the people hear. It has never been brought to me up to this point. Now that it has been, yes, I have no problem looking and seeing what's going on and if there is a solution or what is actually going on.

**L. PARROTT:** One other question and then I am finished with the section, and it is pretty simple. Where I live and certainly other parts of the Island – I mean, I have recently flew in behind where all the gold exploration is going on and in a helicopter and had a look at what is going on. I will say it is astounding and it is exciting and there are lots of good things happening.

If we have one or two mines that want to begin construction and open in Newfoundland over the next 12 to 24 months, even with Muskrat Falls online, and if we were to take Holyrood off-line, do we have the ability to power them?

**J. COWAN:** Yes, absolutely. You're talking about Valentine Lake; there are 20 to 40 megawatts there. With Muskrat Falls there are 168 megawatts, I think, after Holyrood is taken off-line, which is 490 megawatts. There's a 160-megawatt block to Nova Scotia. Even with the Supplemental Block, there's still power there. We also have a *Reliability and Resource Adequacy Study* at the PUB. They're looking at a P90 versus a P50 on the system. That could be an additional 60 megawatts of capacity on the system. So there is capacity.

At the end of the day, Newfoundland and Labrador Hydro has a duty to serve. If there was a customer there that requires power, they will provide that power to them. They also have additional generation sources. They could look at on the Island at some point, if Muskrat Falls

becomes fully subscribed; there's the Bay d'Espoir plant, so there's additional generation that can be gained from that.

**L. PARROTT:** Yes, I asked the question based on a big mining company that looked to set up operations in Grand Falls, Bishop's Falls. Obviously, my understanding is they could not do it because of a lack of power.

**J. COWAN:** Right.

That was a while ago, but I was in the department at that time. They wanted in excess of 500 megawatts of power at the time, which was well above what the system could handle. Again, Hydro has a duty to serve, so they would find that power or they would create that generation.

We did look at alternatives to try to find them power. We looked at non-firm power, so they could take power in the summer when we have lots of power. When we get close to peak, they could come off and drop the load. We certainly investigated that and we investigated that with other companies as well.

**L. PARROTT:** Okay, thank you.

No more questions.

**CHAIR:** Thank you.

MHA Brown, do you have anything else in this section?

**J. BROWN:** No, I'm good for this section right now.

Thank you.

**CHAIR:** Okay.

Is the Committee read for the question?

Shall 2.1.01 to 2.1.03 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.1.03 carried.

**CHAIR:** MHA Parrott, if you just want to use your two minutes, we will start in – I'll get the Clerk to call the next subheads, please.

**CLERK:** Energy Development, 3.1.01 through 3.1.08 inclusive.

**CHAIR:** Shall 3.1.01 to 3.1.08 inclusive carry?

MHA Parrott, do you want to use your remaining time to start it off here?

**L. PARROTT:** Yes, let's go.

3.1.01, Energy Policy: Under Salaries, can the minister please give an overview of the Salaries line? Was the position left vacant for '20-'21?

**A. PARSONS:** The variance would have been due to vacancies within the division.

I don't know if there are any further details on that one. Craig, maybe?

**C. MARTIN:** It would have been due to vacancies within the division. The manager of – I can't say which position it was, but one of those was vacant and recruited over the course of the last year. That pretty much covers what the vacancies would've been over the last year.

**L. PARROTT:** Okay.

Under Professional Services, can you please give an overview of the \$271,500? What accounts for the increase we're seeing here?

**A. PARSONS:** Okay, so I know that last year's dip was due to lower than anticipated services.

As for the extra hundred, Craig ...?

**C. MARTIN:** That relates to a federally funded initiative relating to high-efficiency wood stoves that's being pursued. You'll see down below there's \$80,000 offsetting revenue on that same line item, (inaudible) –

**L. PARROTT:** Sorry, did you say high-efficiency wood stoves?

**C. MARTIN:** It's planning for high-efficiency wood stoves.

**L. PARROTT:** Has anyone talked to the Minister of Forestry about woodcutting permits?

**A. PARSONS:** That's a federally funded initiative.

**L. PARROTT:** Okay. Yikes.

Purchased Services: Can you please give an overview of the \$35,400? Only \$6,200 was spent last year, but \$35,400 is budgeted again this year.

**A. PARSONS:** That would be – let me see now. Is that staff working from home? Staff working from home and we anticipate people coming back in sooner rather than later. So that's why you'll see the exact same figure is budgeted in. We have had different points where people were back and then they're gone home and they're back again.

**L. PARROTT:** Under Grants and Subsidies, I'm just wondering, is that the diesel subsidy? Why would it go over budget in particular last year?

**A. PARSONS:** I think it was higher than anticipated subsidy expenditures.

Craig, did you want to jump in about why it's gone over \$660,000?

**C. MARTIN:** Two items there in particular; one is that the diesel subsidy program was slightly over the budget. I think it was about \$2.3-something million. The other portion, as well, is we had the Interest Assistance Program in place last year under the COVID relief with respect to people who ran into problems with their billings. That's also being paid out of that fund.

**CHAIR:** I remind the hon. Member his speaking time has expired.

MHA Brown, 3.1.01 to 3.1.08.

**J. BROWN:** Thank you, Mr. Chair.

The Atlantic clean energy plan, how is that going and what are the talks and everything like that with the – I guess it's the Atlantic Loop and all that as well.

**A. PARSONS:** Well, I'll let John start off and then I'll chime in.

**J. BROWN:** Okay.

**J. COWAN:** Amongst the officials, there have been discussions with the federal government and the four Atlantic provinces, utilities from each of the provinces. There's a draft report prepared talking about opportunities within the region – I don't believe the report has been released yet, so they're still in the editing phase – from the Atlantic Clean Energy Partnership, looking at opportunities in the four provinces.

**J. BROWN:** Okay, perfect.

Another question too: I know you were talking about the availability of power to the mining industry there in the last section when it comes to generation. If the mining companies expand to what they want to expand – obviously, their amount of electricity, especially in my region, is an excessive amount of electricity that they're going to be wanting – do we have capability in Labrador to provide that efficiently, or will there be a significant upgrade cost required?

**J. COWAN:** It's an interesting question. Certainly, with Muskrat Falls, that could serve the Island and Lab West. IOC certainly is interested in getting into greener energy to improve its product. There is power to serve IOC. They're interested in Muskrat Falls' power.

Again, there are opportunities for other generation in Labrador. There are opportunities related to the Upper Churchill Falls powerhouse there down the road. As the plants expand and the mines come on stream, it takes years to get those mines up and running. Hydro would plan to provide that generation when the generation is required.

**J. BROWN:** Perfect.

Talking about Lab West, I know as you said, in the Supply Report there were 17 different

options or combinations of options to go with. One of the options was to connect Wabush yard to the Mont-Wright yard and create a redundancy loop. Also, that would draw power (inaudible). Is there any headway with that project?

**J. COWAN:** That project has been investigated for a long time; I certainly remember having the discussion with Jim Haynes a number of years ago. He's a very reputable individual in that area. There would be great value in having that redundancy loop. Hydro, again, is constantly look at the system in Labrador to make sure that it can serve the people of Labrador. If and when that loop is required, they would then invest in that.

**J. BROWN:** Perfect.

Now, going north to Menihek dam, the current project for the new yard upgrades and lines to go up to Tata Steel, is there any option to go and connect the rest of the mines up there with power from the Menihek dam?

**J. COWAN:** I have not been approached by that. I remember dealing with the Menihek dam and the transmission lines, and working with the federal government to try to get those lines built. Certainly, if the power is there, the opportunity exists and the companies express interest, there is no reason why we wouldn't investigate that.

**J. BROWN:** The Joyce Lake plan calls for diesel generation to their mine. The lines are going to pass right by their rail-switching yard. Wouldn't it be energy policy to ask them to go on Hydro compared to adding more diesel generation use in our province?

**J. COWAN:** Yes. It would only be preferable to use diesel in peaking situations. Absolutely, the department and Hydro should be investigating opportunities to provide green energy to those locations.

**J. BROWN:** Perfect. Thank you.

The Churchill Falls, right now they're obviously going through some upgrades, which are finding efficiencies, and they're creating more energy from the original service plate. Is that a new block of power being created? Is that earmarked

for Labrador industrial use or is it going to be sold on the open market?

**J. COWAN:** The upgrades that I am aware of at the Upper Churchill Falls – so they were upgrading some of the exciters, so it is not a big amount of energy being produced right now. The real opportunity is in the future. If you upgrade all the exciters, there is approximately 300 megawatts. If you upgrade the powerhouse, there is another 1,000 megawatts. But right now that additional power would fall under the existing contract, of which CF(L)Co, the province, own 65 per cent and Hydro-Québec owns roughly 35 per cent.

**J. BROWN:** Perfect. Thank you.

Any other upgrades of that? Obviously, we talked about the Labrador Interconnected and the interesting arrangement that it is. Does the department look at anything to remove the Labrador Interconnected, put it in the interconnect with the Island and force the same rates upon us as the Island right now?

**J. COWAN:** No, the government has never discussed that. The power that is in Labrador from the Upper Churchill, that 2.5 cents, that power is there for Labrador. So, no, there is no discussion to change the rate structure in Labrador.

**J. BROWN:** Remote diesel right now: I know in the past we've talked about removing the North Coast, South Coast and moving them to more energy-efficient systems because, obviously, we need to reduce our carbon footprint. What current plans does the department have right now on getting these smaller communities off diesel or minimizing their diesel use?

**J. COWAN:** We are actively working with the communities. It was in a plan that had been announced previously by the provincial government in terms of reducing diesel use in those – there are 19 remote systems in the province and most of them are in Labrador. Nunatsiavut is vigorously investigating renewable energy opportunities, so that would be wind/hydrogen/solar. High-efficiency wood stoves also provided real opportunity on the North Coast of Labrador.

The province is actively investigating. We have proponents visiting the department to seek out opportunities. That is a definite area of interest for government.

**J. BROWN:** Moving on to hydrogen, I know, obviously, that's a big thing now; a lot of the world's leading technologies. There are pretty exciting things in the world of hydrogen, both green and blue hydrogen. Does the department have any research or any development with its energy policy on the opportunities to create blue and green hydrogen?

**A. PARSONS:** What I can say – and it's more on the general level and I'll leave it to Craig or John to jump in – is that even prior to the Greene report we had been having conversations with various firms; you would get people that would contact the department to have a meeting and talk about their idea. The reality is that it is pricey and so you're trying to figure out who's real and who's not real.

What I can say is since the Greene report you have multiple companies, outfits contacting us because we have the resources there that would help them get their hydrogen to whatever market that is. It's something that's actively being explored, but it would involve partnerships. Right now, it's coming in, but I would say that there's more attention in the department paid to that now than there ever has been prior.

I'll let Craig and John jump in too, because they have a little bit more knowledge on that than me.

**J. COWAN:** Just really to reiterate the minister's point. Obviously, the department is interested in bringing as much value as it can to the province. We have excess energy. We don't have excess capacity. Our clean hydroelectric energy can be used to create hydrogen.

To the minister's point, we have proponents approaching us and we are clearly interested in developing space in this area. The Government of Canada is interested in it, as is the province.

**J. BROWN:** Perfect. Thank you.

When it comes to that, obviously, I know you have energy versus capacity. Any current or upcoming projects or anything that are being

discussed by the department to add capacity to the current electrical system?

**J. COWAN:** The projects that have already been presented before the PUB would be Bay d'Espoir, Unit 8, which is a 150-megawatt capacity project. There's an opportunity to gain some additional capacity from the Grand Falls assets, Exploits assets. Again, I talked about the powerhouse, Upper Churchill, additional capacity there.

There were other projects on the Island: Portland Creek and, another one, Round Pond. Both of them have capacity associated with them. The most economical project would be, right now, Bay d'Espoir, Unit 8.

**J. BROWN:** (Inaudible.)

Moving on to that there now, would the province entertain – or this department recommend – removing the moratorium on rivers on the Island for hydro development?

**J. COWAN:** We haven't had that discussion in the department.

**A. PARSONS:** Not at all.

**J. BROWN:** Not at all. Okay. Perfect.

**CHAIR:** I remind the hon. Member his speaking time has expired.

**J. BROWN:** Thank you.

**CHAIR:** MHA Parrott, 3.1.01 to 3.1.08.

**L. PARROTT:** Just back to 3.1.01, Purchased Services. You indicated that the savings came from people working at home. Can you give us examples and tell me exactly what savings there are from people working at home?

**P. IVIMEY:** Some of the savings you see there underneath Purchase Services is, for example, we pay leasing costs on the photocopiers for Xerox. We pay per copy, per what's being printed in the office. Obviously, if you don't have staff within the office and everyone is working at home, your Xerox, your printing costs and your copying costs are way down.

As well, water cooler rentals and stuff like that, water coming in to the building – again, there is no staff in the building so we're not replenishing the water coolers around the office. It's just various miscellaneous kind of office-type conditions like that, which are really just showing savings there.

**L. PARROTT:** Okay.

Under Grants and Subsidies, there was an indication that this was interest relief. Interest assistance relief was the word used. Would you have the number? How much of that was interest assistance relief? If you don't, can you get it for us in the package that's provided later?

**P. IVIMEY:** Yeah, the amount was \$488,000 for last year.

**L. PARROTT:** Okay.

Just one question of interest with regard to Grants and Subsidies, diesel and all that good stuff. Is this number affected at all by the shutdown of the North Atlantic oil refinery and the five cents that's been tacked on to price and different things?

**C. MARTIN:** No.

**L. PARROTT:** No? Okay.

Under Revenue - Federal, how is this \$80,000 number generated? Where is it coming from?

**A. PARSONS:** It's from the feds for a project that's a joint fed-prov. project that's not announced yet that will be announced very soon. It's completely funded by the feds.

**L. PARROTT:** Joint project funded by them?

**A. PARSONS:** Yes.

**L. PARROTT:** Okay. All right.

The previous minister talked about a renewable energy plan. Is there an update on a renewable energy plan?

**A. PARSONS:** Well, I don't know what the previous minister said was the timeline. In my

head, it's always been that it will come out in 2021.

**L. PARROTT:** It was supposed to be August 1.

**A. PARSONS:** Yes, I can't say if it's August 1.

**L. PARROTT:** I'm joking.

**A. PARSONS:** We don't have a timeline right now except 2021.

**L. PARROTT:** So you're hoping to get that this year?

**A. PARSONS:** That's absolutely the hope. There's more attention paid on it, I think, now even than there was six months ago. Just speaking anecdotally from what I hear and who contacts me.

**L. PARROTT:** Come By Chance oil refinery, something that affects every man and woman in Newfoundland and Labrador in my opinion. Can you provide any information on the current future of the refinery and what's the challenge? What happens if we can't find a new owner, I guess, is what I'm ...

**A. PARSONS:** Well, what I can do, I'll sort of speak generally, and then I'll toss it over to Craig, I think, has probably been most intimately involved from our team. It's generally been with John, Craig and Paul Parsons, who's not here.

As of today, right now, we do know that Silverpeak is engaged in conversations with a prospective buyer. Again, as I've always said, this is their deal. We hold certain levers, obviously, environmental, liability. Right now, we have that funding package that's been in place since January, which expires the end of the June. I think up until now we've probably expended about \$9 million of that \$16 million. Basically, they send us a bill or an invoice or a claim every month. We examine it, make sure that they've met all the conditions: primarily keeping the place warm, keeping bodies there, all stuff that – you know this stuff.

Right now, I can say anecdotally that the union has met with the prospective purchaser. There are a lot of different things, but, at the end of the day, we cannot force the deal.

Now, we've only been planning up until June. After that, what happens? I don't get too caught up in it because I've seen this job long enough now that things change so rapidly. What I will say – and one of the troubling things – is that refinery capacity around the world is going down every single day. You're looking over in different European countries or over in Africa; you're seeing the refineries shutting down or you'll see a country has two; now they're down to one.

I will say there is not a long list of people that are looking to come to take over a refinery. That's the sad truth. So we're working on this one here.

I don't know if Craig can add anything to it, any colour or – we also have to be careful, because again, it's not our deal to talk about and I don't want to put something out there that messes it all up.

**C. MARTIN:** Just to follow up on the minister's statement. It is a challenge to say much about it, given that they're in their own internal commercial discussions right now. But as reported in the media, they are in active commercial discussions with a potential buyer and things are happening right now in real time.

**L. PARROTT:** So while I understand the commercial sensitivity and certainly the competition bureau portion and all that good stuff, we do hold the indemnity to the licences and environmental responsibility if it falls through.

Now, back in December of last year, I believe, there was an application for North Atlantic tank farm incorporated. They did incorporate, I don't know where it went past that. I've asked the question several times about whether or not there's a possibility that the tank farm is separated from the refinery, and I believe, personally, that's a bad idea. Maybe you can or cannot comment on that.

What I will add to that is that while I believe that the refinery business is in a bad place, I also believe that Newfoundland is left in a worse place if we don't have a refinery. When you look at someone who supplies 100 per cent of our propane, 100 per cent of our jet fuel – if

planes start flying again – a big portion of our diesel, certainly for the thermal generation plants, and we now have to ship it all in. We don't have the capacity to ship in propane, contrary to what people have been saying. We almost ran out of fuel a few weeks ago, contrary to what the company tried to make government believe. But, listen, that 52 million gallons of fuel that came in on a Friday and barely passed the test – failed first test – started going in the tanks, but we could've been without gasoline for an extended period of time. And that's the truth of it.

So is there a secondary plan if the refinery doesn't succeed?

**A. PARSONS:** Well, what I can say right now is we cannot – I'm not sure what else we're supposed to do. We have that one refinery. We are helping to fund to keep it warm so that a private deal can take place. I don't know if the province is in a position to go and take it over, to expropriate it, to buy it. I don't think that's our primary line of business.

I get the other side, the risks of it, but if the province gets in to buying refineries then we – that's the problem. I get what you're saying, but right now we have been importing. It's not an ideal position. That's the reality. It is not an ideal position.

**L. PARROTT:** I appreciate your candour, and I understand plan A, but I guess – I'll use propane as an example – the reality of propane is that there's no ship in North America that can ship to that refinery. So they can't get to those holding tanks, it has to come in by truck. The East Coast of Canada does not have the capacity to ship propane here via road. I'm sure you would agree with me that Marine Atlantic does not have the capacity to ship propane here via ship – TDG and all the restrictions that are associated with that.

We didn't run out last year on the basis that the refinery had a full tank of propane when they shut down. They managed to have shipments coming in plus disperse what they had in their tanks. That isn't how it is anymore and we could very well, at some point, run out of propane. Do we have a plan? There has to be a plan B.

**A. PARSONS:** Right now, I can just honestly tell you – and, Craig, I'll let you jump in here if you want – the same level of fear is not being brought to us. We're concentrating on trying to help this company sell the refinery. Yes, there are lots of possible things that could happen or that can happen, but I can't get caught up in that and I'm certainly not going to go out to the public and –

**L. PARROTT:** I'm not asking you to do that. I'm asking you (inaudible) –

**A. PARSONS:** – put the fear of God into them.

What I would say is, look, generally speaking right now – the other side I will put out there: The minute I start looking at a future where it's not there, it won't take long for people to say: You gave up on that some quick.

The reality is, right now, my attention is on trying to help to do what we can to move the refinery. If that deal does not happen, then we will move forward and we will see what the other options are. Right now, we also cannot force the company to negotiate with anyone. We have certain levers we can pull.

**L. PARROTT:** Yes, I know. Absolutely.

**A. PARSONS:** But right now there's a prospective deal and that is the hope.

What I will say is I think, overall, the deal we achieved in January is a hell of a lot better than the deal we would have achieved in September, October when it first came out. I think time will show that we made the wise move in making the deal and making it when we did.

**L. PARROTT:** Okay.

3.1.02, under Petroleum Development, Professional Services: Can you please give an overview of this line item and what accounts for the savings last year and where will this year's money be spent?

**A. PARSONS:** Professional or Purchased?

**L. PARROTT:** Professional Services, Minister.

**A. PARSONS:** Okay.



Less than anticipated consulting service requirements.

**L. PARROTT:** Okay.

Under Purchased Services, last year Purchased Services went over budget. Can you please detail why?

**A. PARSONS:** Variance due to higher than anticipated Purchased Services expenditures due to the renewal of various software maintenance agreements.

Some of this software that we're using, you don't know that it's going to expire then. It came due; you have to pay for it. Shouldn't have to pay for it this year.

**L. PARROTT:** Okay.

**CHAIR:** Excuse me.

I remind the hon. Member that his speaking time is expired.

MHA Brown.

**J. BROWN:** Thank you, Chair.

Can the minister provide an update from anything with rate mitigation right now?

**A. PARSONS:** What I would say is I can't provide a whole lot more candour or information than the Premier provided in the House today. It is ongoing. There's a team working on it that's led by Brendan Paddick. The feds have Serge Dupont. Like everything, it takes time. It's like any of these high-level, complex negotiations between the federal government and the province, there are a whole lot of factors at play.

The only thing I would say that changed over the last year is that we do know the drop-dead date that we need to have in place is there coming upon us. It does add a little more urgency. Not that there wasn't urgency before, but it is like any of us in life, when you know the end is in sight, that creates an urgency.

That's basically all I have. I don't have a lot more answer than that.

**J. BROWN:** No, that's fine.

Can the minister provide an update on the Labrador-Island Link and the software with that?

**A. PARSONS:** I'll let John jump in, but what I would say is the software side – I think that's the GE you're talking about?

**J. BROWN:** Yeah.

**A. PARSONS:** From what I understand that has been moving forward. I think they're actually better off than they were six months ago. John may have some more in-depth knowledge on it.

**J. COWAN:** It is progressing, for sure. The interim bipole software has been working, as I'm sure you know. There is roughly – the 260 megawatts is the turbine one at Muskrat Falls, so power is flowing to the Island at roughly 150 megawatts.

Testing is ongoing with the next round of bipole software; the overall completion date for the project is November 15. There's been no shift in that date for a number of months, so things have been working very positively with the project.

**J. BROWN:** Can the minister provide an update on the synchronous condensers at Soldiers Pond and how they are operating?

**A. PARSONS:** The same thing. I think that there's been progress on that. They had to come in and do pretty extensive replacement I think it was.

**J. COWAN:** It was synchronous condenser number three; I think that is now up and running. It is either one or three. I pretty sure it is three. Remediation has taken place on that and it is now available to provide voltage control on the system. Likewise, work on synchronous condensers one and two are progressing. They're not on critical path so they expect those to be prepared and ready in time.

**J. BROWN:** Perfect. Thank you.

The Labrador-Island Link, I know there were some issues with cable and some other things in

the past. Have there been no other issue with the transmission lines outside of that?

**J. COWAN:** Yes, there was an icing event back in February that caused some issues with some of the parts of the line. Those were repaired within a month and there haven't been any issues since.

**J. BROWN:** Thank you, Deputy Minister.

We're talking about wind, solar, hydrogen: all these other options. Like you said, there are partners coming forward wanting to explore the opportunity of setting up here.

Would the 2012 amendment to the Electrical Power Control Act have to be amended to allow these people to come and do work with it?

**A. PARSONS:** That's the one where the amendment –

**J. BROWN:** Nalcor (inaudible).

**A. PARSONS:** I can't remember what the bill number was, but (inaudible) monopoly bill –

**J. BROWN:** Bill 61, I believe. Yeah.

**A. PARSONS:** Yeah. Do we require legislative change, John?

**J. COWAN:** I know there was an order-in-council related to onshore wind. That order, if we got to that point, may have to be rescinded, but I don't believe we'd have to do anything legislative, no.

**J. BROWN:** Okay. So there are no barriers for, say –

**A. PARSONS:** Put it this way: It would not be an issue, from my perspective, policy-wise, to change legislation to allow for that. Not at all.

**J. BROWN:** Perfect. Just making sure.

Now, there were some talks about work at Grand Falls dam and all that stuff there, too. Are there any planned upgrades or anything like that for that or Star Lake? What's the other thing, the other one? Any of those ones, any ongoing work

that would need to be completed on those older dams right now?

**J. COWAN:** The remediation on the dam – so work has been ongoing on the dam since I was first in the department, which would've been in 2012-2013. Hydro has a fairly robust capital plan. The assets have come a long way since that time. I think there's roughly a \$20-million spend. I'm not sure exactly what the capital budget is this year; I would have to look into it. I certainly can find that out.

**J. BROWN:** Perfect. Thank you.

Now, I know there has been a drier season in some of the reservoirs. Obviously, we as a province have to sell power to Kruger. Is this going to be an ongoing problem with the water levels in any of the reservoirs?

**A. PARSONS:** Say that one again, Jordan.

**J. BROWN:** You know this past season that we've had the reservoirs lower.

**A. PARSONS:** Yeah.

**J. BROWN:** Is this going to be an ongoing issue with the reservoirs for the Island's dams?

**A. PARSONS:** It's not been identified that I'm aware of. That one was unusual and there's some talk that – I don't know if it was completely just drying out or if it was a management issue as well. I don't know if there's anything else to add. It's not a top-of-mind concern, nor have we had anybody come and say this is something you guys need to be prepared for on an ongoing basis.

**J. BROWN:** Perfect. All right.

**J. COWAN:** If I can just add to the minister's point. The hydrology reports this year were probably the best they've been for the Island since I've been around this, which is almost 11 years ago now. So the water on the Island, actually, is probably the best it's ever been.

**J. BROWN:** Okay, it's just this one particular event with their dam.

**J. COWAN:** With Grand Lake, yes.

**J. BROWN:** Royalties and Benefits: Obviously, I know we have an extensive royalty plan and everything like that. I know that the PERT report talked about getting rid of or selling off some of the benefits or some of the agreements we have with the offshore oil for cash. Is there any talk in the department having to do with any of that?

**A. PARSONS:** No.

**J. BROWN:** No, okay.

**A. PARSONS:** No.

**J. BROWN:** No, all right.

**A. PARSONS:** Not right now. It's not a conversation –

**J. BROWN:** You're prepared to have.

**A. PARSONS:** No.

**J. BROWN:** Okay.

Other than that, I will move along there now because that's my last question for that.

**A. PARSONS:** If I could jump in, Mr. Chair.

**CHAIR:** Yes.

**A. PARSONS:** It's 7:31 there. Can I suggest we take a five-minute washroom break, everybody stretch their legs and then we come back? Is that cool?

**CHAIR:** All in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** There we go.

### Recess

**CHAIR:** 3.1.01 to 3.1.08.

Mr. Brown, if you would like to continue on with the time that you have remaining.

**J. BROWN:** Yeah, I'll start right here.

Oil and Gas Corporation, what is the current activity and anything that is going on inside that

right now? Like operational activity or anything like that that is going on right now at the Oil and Gas Corporation?

**A. PARSONS:** You mean –

**J. BROWN:** Like ongoing projects or anything they're currently doing.

**A. PARSONS:** They have their ongoing seismic work that was contracted so they are still doing that. Plus, they are actively involved in any negotiation or matter we're dealing with in the oil and gas sector, we'll say. If I'm talking to Terra Nova then OilCo is a part of that.

**J. BROWN:** Okay, so they're current activity is current projects but also any potential new and upcoming projects.

**A. PARSONS:** Absolutely.

**J. BROWN:** Okay.

**A. PARSONS:** Anything to do with that industry, current or prospective, they are absolutely involved in. Plus, the fact that they deal very much – Dr. Richard Wright, I think is his last name, he is very involved in the seismic side trying to get the best data forward and put out there.

**J. BROWN:** Yeah.

All of Nalcor's oil and gas side, is that completely all moved over to Oil and Gas now or is there some stuff –?

**A. PARSONS:** Pretty sure.

**P. TOBIN:** All of the former Nalcor staff involved in the oil and gas part of the business were transitioned over to OilCo. So as the minister correctly points out, they are involved with seismic and those sorts of activities, but they also manage the existing equity positions that the province, through a management services agreement between OilCo and Nalcor.

**J. BROWN:** Okay. Perfect.

So all oil and gas activity is over in OilCo now?

**P. TOBIN:** Except the ownership of the existing equity positions that rest with Nalcor but being managed through a management services agreement by OilCo.

**J. BROWN:** Okay. That makes sense, absolutely. I just wanted to get clarity on what is going on there.

Is there any upcoming projects that will probably in the near future that OilCo is doing right now or is there anything that they – or is it more or less status quo right now?

**A. PARSONS:** What I would say is that there are always a lot of interesting things on the horizon. One thing that obviously gathers a lot of attention is Bay du Nord. We know that it was placed on hold this year, but there's a lot of potential there.

So, obviously, OilCo and our department would be in conversation with Equinor and other people to talk about that. Really, there was a lot of work that went on in that prior to the end of 2020. Now, Equinor themselves are sort of in a discussion about where do they want to situation themselves in the future in terms of their different options. So it's our job to put forward the best case.

Craig, I don't know if you want to jump in on anything else that we're ...

**C. MARTIN:** No, I mean most of their day-to-day activities are involved in, really, primarily two programs. One would be the seismic program, which is one arm of OilCo. That's the acquisition of the data and the review of the data analysis and dissemination of the data. Then the second piece, obviously, their primary role would be the management of those existing assets in terms of the mancom meetings, decisions, financing, all those types of arrangements.

**J. BROWN:** Perfect, thank you so much.

**CHAIR:** I remind the hon. Member his speaking time is expired.

**J. BROWN:** Thank you, Mr. Chair.

**CHAIR:** I certainly recognize the hon. the Member for Lake Melville.

**P. TRIMPER:** Thank you, Mr. Chair.

Thanks to the Committee for an opportunity to participate with some questions.

I'm looking at my points and my time, I think I'm going to go from maybe the smallest to the largest. Let's see how well I do with that.

First of all, Minister, I wonder if you would entertain a letter from the Goose Bay Airport Corporation to look at drill core storage that is down in Otter Creek. We've had some conversations in the past. So this is drill core from previous mining exploration. It's actually tying up some opportunities for the Airport Corporation to expand, and it's in a previously – well, it's still a provincially owned building – it was the Wildlife Division and adjacent buildings. It would be nice if we could get it relocated somewhere else.

I can offer up some alternatives now as we're looking at some other buildings. I just wondered what might be a good arrangement. Perhaps I can get a letter drafted and sent to you explaining what the issue is.

**A. PARSONS:** Absolutely.

**P. TRIMPER:** Okay, thank you. That would be great.

**A. PARSONS:** What I would say, though, just my opinion, is that if you send a letter but it concerns other departments, just cc the other departments on the same letter. Like you say, if it involves government space, I would cc TI on that as well so we all have access to the same letter. If it's a multi-department issue.

**P. TRIMPER:** Sounds like a plan, thank you.

A lot of what I'm thinking about here this evening is how can we generate additional revenues? One area that I've been working on, and it doesn't completely apply here, but it's in the forest industry, and an opportunity for Crown Lands to be charging a lot more for stumpage and royalty fees. So that's the theme

I've got running through some of my questions and some of my points.

I am curious, in terms of the manufacturing responsibility of this department, does this department have a role with those involved in secondary processing of wood products? I don't see reference to it in the document, but it's manufacturing so I'm wondering if it's caught in there. I'm just trying to think of a financial strategy here.

**A. PARSONS:** I'm trying to think now. We obviously do have input with manufacturing that would fall here, but I don't know if Gill might want to jump in. I don't know if we have any particular specific ones.

**G. SKINNER:** Nothing specific, but we do work with Forestry and companies that are looking at this space. We've had some different discussions in the last year or two with some different companies that are interested. We work with them on a case by case and look at, from the secondary processing perspective and from a manufacturing perspective, is it in line with, kind of, the export potential that we would be looking at or how it would support other local development?

**P. TRIMPER:** I'm thinking, as the minister responded earlier to my point, this may be a multi-departmental opportunity. I've been speaking with Forestry. We have locked in, as they say, stumpage royalty fees for many years. We are not very nimble. If anyone's had to go out and buy a two-by-four right now, you know exactly the point I'm getting to. We're still selling, as a province, our raw materials for a very low price and the next step in the line before it gets to the consumer is making a lot of money. I'm just wondering: How can we get in on that action? I'm just wondering what role your department may be playing there.

**G. SKINNER:** Yes, again, as you pointed out, it's really a collaborative relationship with FFA in this case. That's why in our forestry strategy we are a key partner and player looking at innovation and R & D but, also, within the sector, what are the opportunities for actually exploring new opportunity. We are working with them on those specific ideas and commitments

as we have laid out. There's certainly opportunity to further explore those.

**P. TRIMPER:** Okay, great.

Alberta, for example, is a jurisdiction that's just moved to do this. There are some amazing numbers there in terms of revenue generated.

Twenty-three years ago or 22 years ago, I spent a year and a half of my life on a wild scheme; nevertheless, I still think it has some opportunity. My colleague from Labrador West just referenced it lightly, but in terms of proceeding with Gull Island in terms of a next opportunity on the Churchill River, where is the department in thinking about installing some extra turbines and/or is that the reference you're making in terms of powerhouse enhancements? Because I would see that being a lot less risk to develop, say, two more turbines

Back in '98-'99, we were looking at rerouting Lac Brûlé in the Romaine River to put more water in. I'm dealing with flood situations on the Churchill River and I watch – and I just showed my colleague from Mount Pearl – a lot of water being spilled over because we don't have a way to capture it and so on. I just wonder: Is this concept of extra turbines being considered as well or is that a part of the powerhouse considerations?

**J. COWAN:** My understanding, having been at the Upper Churchill, is there is space within the Upper Churchill for an additional turbine. So what has been discussed is not those additional turbines, it would be exciters, so upgrading exciters on the existing turbines –

**P. TRIMPER:** Those 300 megs, yeah.

**J. COWAN:** Yeah, and an actual upgrade at the powerhouse, so that would be exclusive of any additional turbines.

**P. TRIMPER:** Okay. I'm just trying to wonder what the capital cost might be for that versus proceeding with Gull Island.

**J. COWAN:** I do agree that the capital cost for that type of a project would be significantly less than developing Gull Island.

**P. TRIMPER:** Another good way to generate some revenues.

Then, I guess, I have another point on the mining side and royalties. I learned recently, from a little bird, that IOC in its 83 years of operation, we make 5 per cent royalties from the IOC operations. I guess there's not much opportunity to go back and open up this deal, but I was quite surprised at the low percentage rate. I understand it comes back to some historic arrangements that were set up. I'm looking at iron ore at \$240 a ton and I'm thinking: Wow.

I don't know if anybody has a comment about mineral royalties and these new projects and how the department approaches them. I'm sure folks are trying to get the best deal we can each time. I'm just looking at the tremendous windfalls for some of these companies right now.

**A. PARSONS:** Alex, did you ...?

**A. SMITH:** The taxation for IOC is certainly based on pre-Confederation legislation. In considering whether to adjust such things, we have to consider how potential investors in the province would look at the jurisdiction if the rules are changed mid-development. So that's certainly a serious consideration in any kind of change after the fact.

**P. TRIMPER:** I guess that's always the fear. I've spent a lot of my career with the mining industry and certainly when times are good the opportunities are there and I see entities falling over themselves to get in there.

I wondered if the officials here could provide just a very easy to understand ratio – and this is almost a communication piece. For every dollar, for example, we invest – let's go to the oil and gas industry – in exploration, what would our return be? Do we have those kinds of numbers?

As I go through the budget and I go through the documents, in all these great projects it's talking about how many tons and so on, but what does the province receive on each of these projects and/or if it's safe and commercially sensitive, can we go with for every dollar we put in we receive \$100 back in oil revenues from our existing projects.

**A. PARSONS:** What I would say is I think we do have some numbers we can provide. So instead of throwing out something that may not be accurate – because I know I saw back when we did the exploration incentive I had some charts that we were looking at, the problem is I just cannot –

**P. TRIMPER:** Okay.

**A. PARSONS:** – recall them now. I know that, in fact, the PERT report might have had some mention of for every dollar invested what was that return. But I don't have it right here at this moment.

**OFFICIAL:** (Inaudible.)

**A. PARSONS:** (Inaudible.)

**OFFICIAL:** Yeah.

**P. TRIMPER:** Yeah. I'm just looking at world decisions and what happened last week and some of the shocks through the industry and so on, I think it's going to be really important for our province to have these kinds of communications to push back on those who will start to drift in another direction.

One final point, and I heard my colleague from Terra Nova talk about data centres earlier and bitcoins, and I'm seeing an opportunity. We still are being courted in the Upper Lake Melville area for data farms and cryptocurrencies and so on about the possibility – I've been pushing whenever somebody will listen about the idea of having an industrial park set up at Muskrat Falls where we can take power off directly, it doesn't have to be converted and run a series of these clients and we can perhaps handle them all in one-stop shopping there. I'm not sure where that is on any planning radar, whether it has ever gotten that much traction, but we do continue to have some courting; although, I would suggest it has slowed down dramatically.

**J. COWAN:** We've discussed opportunities of companies hooking up at the busbar next to Muskrat Falls to reduce the transmission costs and we have had proponents suggest that they hookup and build next to the Upper Churchill Falls. I mean, there are things that we would certainly consider.

**P. TRIMPER:** Yeah. It must be like the *Field of Dreams*, we'd have to go first I think.

Thank you.

**CHAIR:** Thank you.

I'll turn things back to MHA Parrott, 3.1.01 to 3.1.08 inclusive.

You did have some –?

**L. PARROTT:** Yeah, I do, lots.

**CHAIR:** Okay.

**L. PARROTT:** I'm here for a while.

The icing event that was referenced earlier as being minor. Any idea what the cost was?

**J. COWAN:** I don't know if I referenced it being minor. The remediation took place within a month so it was reasonable. I would have to look into the cost but I can certainly get that for you.

**L. PARROTT:** I would suggest having helicopters flying around with graphite rods is probably not reasonable, that's why I would like to understand the cost.

**J. COWAN:** Right. So I would think that Hydro-Québec, they used that process where they have those helicopters drag that pole along the lines so it has been found to be an efficient process to de-ice the lines. I agree, helicopters are not cheap.

**L. PARROTT:** I would also like to understand the procurement process for these helicopters coming in because it has been indicated to me that there was Newfoundland helicopters that were capable of doing that work.

**J. COWAN:** Absolutely, I will contact Newfoundland and Labrador Hydro and find out – or Nalcor, I should say, and find out why.

**L. PARROTT:** Thank you.

Offshore wind, I haven't heard a whole lot of discussion about it now – a few years ago, but I haven't heard much since. But Copenhagen

infrastructure and Beothuk and a few other people were talking and very bullish on it. Has there been any path forward? Is there still a plan?

**A. PARSONS:** It is absolutely a conversation. Number one, you have the renewable plan that will be focussing on that. There are players out there, they are coming to us: we entertain them. We try to work with them to see what they want, what they require. That is basically what I can say at this point, that we are absolutely open to it. Whether it's onshore or offshore, that's something where we need to be. In fact, when you look at it, it's a no-brainer but it comes down to capital expenditure, capital investment and what are you going to be prepared to put in.

**L. PARROTT:** So some of the proponents offshore have been pumping LNG back into the ocean floor and there is a belief that it is retrievable and there is a lot out there. With an LNG transshipment terminal – there is a market in Europe – any further discussion? I know there was some significant engineering done.

**A. PARSONS:** There are multiple conversations ongoing on LNG. I don't know how much is there, it is a huge amount, as you know and I'm sure we could go to OilCo –

**L. PARROTT:** Some say over a billion barrels.

**A. PARSONS:** Yeah, there is a ton there. The companies have never wanted anything to do with it, but I think with everything going on in the last year, I think they are slowly starting to turn their heads to the fact that this may be a revenue stream, but you need that other partner to come in that is going to build the transshipment, that's going to figure how to do it.

What I am going to say is that, while it has been around for however long in the conversation, there has been multiple conversations happening but it is the same thing. There is permitting, there is land acquisition, they have to raise capital. There's some excitement there, but I always temper that with it takes time.

**L. PARROTT:** Yes.

Terra Nova – a sensitive topic, I understand – I’m just wondering if there’s any update that can be given on the vessel given the fact that, obviously, parts and capabilities are here for everything up until we get to the hull.

**A. PARSONS:** Right now, that is a project that is probably the biggest pressing issue that we are dealing with. Lots of information out there, which is fine, but it won’t be coming from me. We’re dealing with the seven partners.

What I will say is that when this is all said and done, I will have no problem communicating the province’s position on this. Right now, it just wouldn’t be fair to do that. When you’re dealing with multiple partners, each with their own mindset and space where they want to be and different goals and aspirations, it makes it difficult.

**L. PARROTT:** I’ll ask this, and you may or may not be able to answer, but is there any fear of a ripple effect from the failure of Terra Nova? In my mind, as goes Terra Nova, as goes West White Rose and other projects and we’re left with somewhat of a monopoly in the industry.

**A. PARSONS:** It depends on who you talk to. Does anybody know? I don’t think so.

**L. PARROTT:** Okay.

**A. PARSONS:** What I will say is that I’ve heard it, I get it, and I’ve heard the other side and I get that. But I don’t think there’s anybody, except for probably the biggest player, Cenovus, who is going to tell you, especially on the West White Rose, what their intention is, but we will see.

**L. PARROTT:** Bay du Nord is, obviously, bullish. We all believe that there’s a huge potential and all that good stuff, but potential doesn’t get us anywhere. Equity stake, is that still on the table?

**A. PARSONS:** Equity stake in ...?

**L. PARROTT:** Our equity investment in Bay du Nord.

**A. PARSONS:** That’s a conversation that I’d be willing to have, but it’s not escalated to that point right now. Again, right now, we know that

it’s a significant resource. There’s a lot of talk in the industry and on the street about what’s there and what the plan is.

I think the biggest issue I deal with is that there’s not going to be anything tomorrow. We have all these people out there right now wondering what can they do today. Even with amazing news, you won’t see anything happening tomorrow and that’s the tough part.

**L. PARROTT:** Yes.

West White Rose: Again, I think that the general public doesn’t necessarily understand, but oil rigs aren’t one size fits all. We have a substantial asset between here and Texas that is substantially completed. My guess – I’m guessing, speculating – the only way that proceeds is if somebody comes in and buys it out, decides to move forward and, obviously, buys the rights. Have there been any conversations on that?

**A. PARSONS:** There are ongoing conversations. I think Cenovus still has to figure out where their place is and what they want to do. I think a lot of these companies have spent the last year trying to protect their bottom lines, protect their internal, so they’re not worried about spending the money. I think – this is just my speculation, as well – that the asset is far enough along that it has a hell of a lot of value. It’s not so early on that it can be scrapped.

**L. PARROTT:** Can’t walk away.

**A. PARSONS:** But that’s just my opinion. I’m not the guy sitting with a billion dollars.

**L. PARROTT:** Yeah, we agree. We have the same opinion on that.

CNOOC is here doing a drill right now with the Stena Forth; it’s one hole. Obviously, we need more exploration going on than that. I know that government incentivized exploration and it didn’t appear as if there were a lot of takers. Obviously, we haven’t seen much uptake on exploration rights offshore; actually, no offering this year in some of them.

**A. PARSONS:** Yeah.



**L. PARROTT:** What's the plan? Everybody knows that the offshore is driven by exploration.

**A. PARSONS:** Absolutely.

There are two things here: There's what you can control and what you can't control. We cannot force companies to go out. I just think it was the worst year in a number of years, all round. These companies, they're not putting the money into exploration that they were. They were just not going out there; they were trying to protect the bottom line.

I think we can do what we control. Number one, we did put the money into exploration incentive. If you think about it, it's not a small step. It's not like an Alberta in 2000 with a ton of cash that can go out and spend it. We don't have that ability; we have to use ingenuity to get us there, but I think we showed that was the step we were willing to take.

The other thing is that we continue the investment into seismic this year. I think it was around the same ballpark. So that investment, I think, shows that we're trying to do what we can. What I think is that all the signs are pointing in the right direction in the sense that the price continues to go up, it's recovered very nicely. It makes it easier for these companies to figure out are we going to put that money into it next year.

**L. PARROTT:** So we're a full year behind, though, on exploration. Would we not have been better off taking less money to – and by less money, I mean go out for bids and see where they come back, just to see if we could attract people. Obviously, our goal is to make money and generate revenue for the province, but one is better than none I guess is my point.

**A. PARSONS:** Put it this way: I think everybody is a year behind when it comes to that; we weren't the only ones hard hit by this. I like where we are. The reality is that when this hit in March versus – it's hard to be able to position yourself when you don't know where this is going to go. These companies didn't even know. All they were doing was just trying to turn off the taps and trying to not bleed.

It's easy to say we could do this and do that, but at the end of the day, these are multinational billion-dollar companies and we're a province of 500,000 people. That's the difficulty.

**L. PARROTT:** Right.

I'll go to section 3.1.04, Royalties and Benefits. Professional Services: Last year \$157,000 was budgeted and nothing was spent. This year it's \$142,900.

**A. PARSONS:** I'll let Craig talk about it because Craig would understand Royalties and Benefits, what was normally done and what we didn't do last year.

**C. MARTIN:** Professional Services around Royalties and Benefits is normally kept there in place because – again, similar to what Alex indicated earlier on their judiciary board – a lot of that goes through dispute resolution when issues arise and professional services are required on that front. Really, what it has come down to is we've had lesser – or even, last year, nothing going on from a dispute-resolution perspective whereby those professional services were required, and no particular project where they were required at that point.

**L. PARROTT:** 3.1.05, Oil and Gas Industry Support, Grants and Subsidies: Can you give me a breakdown of the \$10.9 million and how much of this was the Innovation and Business Development Fund and how much was the oil and gas recovery fund?

**P. IVIMEY:** The breakdown of the \$10.9 million that was spent last year: Approximately \$1.9 million was related to the Innovation and Business Development Fund and \$2 million of that was related to oil and gas industry support funding, with the remaining \$7 million going towards NARL that we spoke to earlier.

**CHAIR:** Thank you.

I remind the hon. Member his speaking time has expired.

I'll turn it over to MHA Brown, 3.1.01 to 3.1.08.

**J. BROWN:** Absolutely.

If you wanted, for the 3.1.05, the breakdown there from the federal – so what was received in 2021? Was that the money transferred to the federal government to us for the offshore oil and gas relief?

**OFFICIAL:** Yes.

**J. BROWN:** Okay.

Then, obviously, the budgeted for this year, that's the remaining amount of money for this year that has to be disbursed?

**A. PARSONS:** I'm trying to think now. Is that the breakdown there? What's the breakdown for the \$325 million?

**OFFICIAL:** Yes, that's the breakdown for the \$325 million.

**A. PARSONS:** I think it's \$13 million for the Innovation and Business Development Fund. There's \$9.6 million budgeted for NARL and about \$302 million, \$303 million for Oil and Gas Industry Support.

**J. BROWN:** Okay.

Then, obviously, the \$6 million from provincial revenue, that's the money that was put in for NARL?

**A. PARSONS:** No, that would be money associated with the Innovation and Business Development Fund.

**J. BROWN:** Okay, so that's that.

3.1.06, Oil and Gas Corporation, obviously, we discussed this before, the extra increase in funding this year, what project was that for?

**A. PARSONS:** I'll let Pierre explain that variance.

**P. TOBIN:** A pretty basic thing going on there. During *Budget 2020*, it was the first year that OilCo's budget was separated from the Nalcor budget, so due to the COVID-19 circumstance as well as constraints on the release of the *Budget 2020*, essentially the budget didn't get updated to reflect OilCo's true budget.

**J. BROWN:** Okay.

**P. TOBIN:** And this year it does.

**J. BROWN:** Okay. So it was the start-up year variance and then this is what it should be now.

**P. TOBIN:** That is correct.

**J. BROWN:** Okay. Perfect. Thanks.

That is all for me for that. Thank you so much. That is all my questions for this section.

**CHAIR:** Okay.

We'll turn it back to MHA Parrott.

**L. PARROTT:** So out of the \$320 million that was allocated from the federal government, how much is left?

**A. PARSONS:** If you take out the \$175 million that has been conditionally promised to Terra Nova, what's left after that, plus the \$32 million that is tied up with the supply side that is waiting to be spent?

**C. MARTIN:** Right now, in terms of actually committed: There is \$41.5 million committed to the West White Rose Project that was announced there back in January, I believe. There is \$38 million committed to the Hibernia Project. There is also a proposal in from Hibernia for approximately \$26 million that was still being reviewed at this point – it hasn't been awarded. There's the \$32 million RFP that went out with respect to the Oil and Gas fund. There is \$175 million that has been put there right now in the MOU to Terra Nova.

**L. PARROTT:** So, obviously, I don't really want to think about it, but what happens to the \$175 million if something – I mean, obviously, the clock is ticking on it.

**A. PARSONS:** Yeah.

**L. PARROTT:** It is a very sensitive topic but we have to ...

**A. PARSONS:** What I would suggest is that given the partners that are in Terra Nova, there

has not been anybody coming to look for that money –

**L. PARROTT:** Yeah.

**A. PARSONS:** – because they know that the money is committed. However, I am quite confident – and I'm hoping that I don't have to worry about this plan B, but if something were to go sideways on that, I'm pretty confident that money could be reallocated to something else and I bet you there would be a lot of demands. Nobody is coming at us because it has been committed for six months.

**L. PARROTT:** Okay.

Oil and Gas Co. and the Moya Greene report both indicated that we're not globally competitive, and I think there are lots of arguments why and why not. Is there a plan to change that?

**A. PARSONS:** Well, it's frustrating at times, and I'll tell you why. The argument I always get is: How do you compare to Norway? I say: Well, b'y, Norway is a country and we're not. That's one of the biggest frustrations. Even if you look at the task force report, they came up with X number of recommendations. There's only so much we can do as a province within the federation, but we also have to deal with – the federal government is a player in this and we have the C-NLOPB on the safety side. A lot of the recommendations – and I just use that as one example, but it's hard to compare ourselves to Guyana or to Norway or anybody like that because we're not in the same boat as them.

I'd like to think, as a province now, number one, I think that we can compare – we are competitive, but the good thing about doing this task force now is we have a bunch of smart people in the industry who knows a heck of a lot more than me that have come in and said: All right, here's the different things you can do. That's, right now, basically what we're going to do. But the big part of that is we have to get the feds and C-NLOPB on that implementation committee because some of the recommendations are tripartite and it's hard to – do you know what I mean?

**L. PARROTT:** I do.

**A. PARSONS:** That's the frustrating thing. Again, the other thing, too, is that I have to work based on the situation we find ourselves in; whereas, if you're the Energy Minister in Norway, you're reaping the benefits of decisions made decades in the past where you have this legacy fund. Do you know what I mean?

So I'm always open to consideration, but I think that we've done a lot of work over the last little while that, hopefully, now we can turn around and spin it out into making it better. Plus, the fact that you throw in – I mean, put it this way, and you know this, the minute you try to do something with oil now, I have various media outlets that do nothing but criticize you.

**L. PARROTT:** It's all good, though. We're not here to please the media.

Obviously, through industry and the task force and others, we've heard that a part of the problem is we make it too hard to come and too easy to leave. Have there been any ongoing conversations with the feds? Environmentally, obviously, there's been bills passed and stuff, but we don't appear to get the support that we need in order to attract, to force people to go to work early and make them stay here.

**A. PARSONS:** Well, I could toss it over to Craig and John to see if they – or Pierre, I don't know if Pierre has anything to add.

I mean, to be honest with you, like, right now we have these agreements in place and they seem to be working, but at the same time it's up to the C-NLOPB a lot of times to figure out whether they're going to – are they going to make a decision on something. A lot of the regulatory side there's not a whole heck of a lot we can do. The big thing we can do is provide support and provide an attractive royalty regime, which I think the companies would show that we're in the ballpark.

**L. PARROTT:** Okay.

3.1.06, Grants and Subsidies, can you give me a breakdown of what the \$33 million was used for?

**A. PARSONS:** So I think that's the one Pierre just did.

**P. TOBIN:** And I can give a breakdown of the \$33 million.

**A. PARSONS:** Yes, absolutely.

**P. TOBIN:** I explained why the overage, if you like, from the past budget here this year, but with respect to the breakdown, it includes a net operating cost for OilCo, including Bull Arm Fabrication, of approximately \$7.4 million, which is comprised of your standard stuff: Salaries, Professional Services, computer software, hardware and so on for OilCo proper. But also with respect to Bull Arm operating costs associated with a major fabrication site: snow clearing, insurance and utilities.

The balance of the \$25.8 million, it involves 3D-seismic geoscientific studies and resource assessments from the geoscience side of OilCo. The bulk of that is the 3D-seismic program taking place in the current year.

**L. PARROTT:** Do we have a long-term plan for Bull Arm?

**P. TOBIN:** It's a major fabrication facility in the province, as you well know. Right now, it is being managed through OilCo. There's a dedicated person there making sure the asset is protected. In the capital budget this year, we have \$4 to \$5 million to make sure critical stuff like the roofs in the main building there, the module hall, the shops associated with the module hall, flood protection for the main module hall, which, of course, it is the key building on that site. So we're making sure that the site is protected.

Right now, there are a couple of semi-submersibles that are cold stacked there. We have the Terra Nova FPSO that's there at the quay. That's pretty basic. We have DF Barnes who has a lease there. They're looking for more work for the site. But it gets down to where that work is. We've come through a COVID year, obviously, which is where activity has been very, very low.

Winning work on an international basis that has not been mandated to the province through benefits agreements is very difficult stuff to do.

**L. PARROTT:** Yeah, so in 2016 there was an EOI that came out from Bull Arm, and, obviously, it went by the wayside; multiple proponents with interest, and some with very serious long-term plans. It never came to fruition. You can go to NorSea and different proponents that were globally recognized that had plans and the government ignored.

The only way that anything happens in Bull Arm is if there's – as my question was – a long-term plan. Nobody is going to lease the site for a year or two years and try to develop it. There's no way to develop a site in one or two years.

I'll ask again: Is there a long-term plan for Bull Arm?

**A. PARSONS:** This is the part where I could say we're here to do the budget Estimates line by line. I think we've given an answer as to what's going on. I could get into the back and forth of we're going to do this and do that, but I don't know if that's going to satisfy you.

I think we're doing what we can, based on – it's the same conversation on just about anything. Whether it's the oil and gas, we should have done this, or the Bull Arm, we should've done that, or electricity, we should do this; the reality is that's a difference in opinion, strategy and direction. I think we're doing what we can based on the situation we find ourselves in.

Now, I know that's not going to satisfy your question, but what I would say is that I'm also not going to try my best here tonight to convince you otherwise.

**L. PARROTT:** Fair.

3.1.07, Loans, Advances and Investments: I expected to see about \$111 million here for the equity investment in Bay du Nord and it's not. Has it been deferred? What's going on?

**A. PARSONS:** You expected to see how much there for Bay du Nord?

**L. PARROTT:** \$111 million was the equity investment that was committed. It was in the budget last year; it was in the budget the year before.

**A. PARSONS:** Well, given the fact that it's delayed, there wouldn't – you know what I mean?

**L. PARROTT:** It remained in the budget; it was just deferred to next year. That's why I'm asking. It's not even a line item anymore is what I'm asking.

**C. MARTIN:** Essentially, where we are at this point is – as Equinor themselves noted – the project has been deferred at this point in time. As the minister indicated there earlier, we're still talking back and forth with them. They're not currently in active negotiations ongoing because they've turned somewhat internal, in the sense that they're looking at the project as a whole at this point in time, given their more recent exploration activities.

So at this point in time they're dealing with the partnership group and their own internal activities, in terms of looking at the project overall. As a result, there's no anticipated need to expend the funding in this current fiscal year.

**CHAIR:** MHA Brown, did you have any further questions in 3.1.01 to 3.1.08?

**J. BROWN:** I have one, Mr. Chair.

**CHAIR:** Okay.

**J. BROWN:** 3.1.08, Energy Initiatives, the \$250 million: Is that our payment for the Muskrat Falls Project that is coming due?

**A. PARSONS:** Yes.

**J. BROWN:** All right and that's a one-time thing for this current ...

Perfect. Thank you.

That's my only question for that.

Thank you.

**CHAIR:** Okay, I'll turn it back to MHA Parrott.

**L. PARROTT:** 3.1.07: Can you please outline where the \$1.98 million went last year and what the \$4.3 million is allocated for this year?

**A. PARSONS:** I'll let Pierre take the \$1.9 million.

**P. TOBIN:** (Inaudible) some of the work done last year would've been assessments and those sorts of things for bigger capital works that are going to actually happen this year. For example, this year we're going to see roof repairs, as I pointed out, on the main module hall. Last year, that work couldn't get done, didn't get done, but there was some preparatory work, which makes up a portion of that for sure.

**L. PARROTT:** Have the tenders been put public for the roof repairs in there yet?

**P. TOBIN:** For that level of detail, I would actually have to check with the board. I know the work is certainly planned for the current year.

**L. PARROTT:** Okay.

Just to go to 3.1.08, the \$250 million that's being transferred in and out. Just an overview – I heard MHA Brown ask a question, but is that specifically for Muskrat Falls?

**A. PARSONS:** Yes.

**L. PARROTT:** Okay.

No more questions on this section.

**CHAIR:** Okay, is the Committee ready for the question?

Shall 3.1.01 to 3.1.08 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.1.08 carried.

**CHAIR:** Can I have the Clerk read the next subheads, please.

**CLERK:** Business and Innovation, 4.1.01 to 4.3.01 inclusive.

**CHAIR:** Shall 4.1.01 to 4.3.01 inclusive carry?

MHA Parrott, you still have some time left there.

**L. PARROTT:** Thank you.

Professional Services, 4.1.01: Can you provide an overview?

**A. PARSONS:** Both of these, the Professional and Purchased, is lower than anticipated trade shows, client site visits and I think it's the Atlantic trade growth mission or whatever it's called. None of that happened; therefore, a lot of that cost was going to travel.

**L. PARROTT:** I just ask you – you don't have to answer the question, I guess, but I'll ask. I just want to go back to the previous section there. Again, the \$2.5 million that's going in and going out, I'm just wondering where the money is coming from.

**A. PARSONS:** The \$250 million?

**L. PARROTT:** Yeah.

**J. COWAN:** That's a true-up payment that will come back to Nalcor.

**L. PARROTT:** Okay. Thank you.

Back to 4.1.01, Grants and Subsidies. I'm just looking for a little bit of information regarding these grants and a list of the recipients.

**A. PARSONS:** I don't know if we have that list here, do we?

**F. LANGOR:** Under Grants and Subsidies, under this item, it's actually tied to the Atlantic Trade and Investment Growth agreement. So we make a contribution annually, along with our Atlantic counterparts, and it's reflected here on this line.

**L. PARROTT:** Okay. Thank you.

Under the revenue portion, it appears that only \$131,000 of federal revenue was received. Can you explain?

**F. LANGOR:** Again, that was tied to the fact that due to COVID and travel restrictions, a lot of the missions that were planned under that agreement didn't take place, so we didn't get the countervailing revenue associated with that.

**L. PARROTT:** Okay. Thank you.

4.1.02, Investment Attraction Fund, Loans, Advances and Investments: There's an \$8-million per year fund; however, last year only \$674,000 was spent and the year before \$1.9 million was spent. Is there a challenge in awarding funding or getting this funding out the door?

**A. PARSONS:** I don't know if there's a challenge, per se, as it's a timing issue at times. I don't know if Gill or Fiona wants to talk about (inaudible).

**F. LANGOR:** Again, when you look at investment attraction generally, it's a very long-term process. In terms of decisions being made in this particular year, given COVID, we didn't see a lot of companies that were making major investment decisions. We're expect that's going to change in the upcoming year, so we're looking to, again, increase back up to our \$8 million.

**L. PARROTT:** Okay. Thank you.

Under provincial revenue, can you please provide an explanation of where this revenue is coming from? 4.1.02 again.

**F. LANGOR:** This is basically due to loan repayments that we've received throughout the year. Part of the Investment Attraction Fund provides repayable loans to proponents. That's just money received.

**L. PARROTT:** Okay.

4.2.01, Purchased Services: Can you provide an overview of last year's savings? Specifically, why were there savings of \$505,000? I'll also note that the year before there was a significant savings of almost \$500,000.

**A. PARSONS:** Is this 4.2.01?

**L. PARROTT:** It is, yeah.

**A. PARSONS:** And this is in the Purchased Services?

**L. PARROTT:** Correct, yeah.

**A. PARSONS:** I know it has to do with Investment Attraction funding. As for further detail, I don't know.

Fiona?

**F. LANGOR:** There was \$500,000 that was actually budgeted to hire consultants to assist with the development of an investment attraction strategy. We had actually gotten ready to go out with an RFP and then COVID hit, so things were put on hold. The plan is to return to that plan again this year, so the \$500,000 remains.

In addition, there's some funding there for things like doing Dun & Bradstreet reviews on companies and due diligence.

**L. PARROTT:** My question I guess is that it's happened two years in a row now. I understand the COVID explanation, but the previous year was a pretty similar amount. It's a bit of a pattern.

**A. PARSONS:** I don't know.

**L. PARROTT:** Yeah, I know you wouldn't. Fair answer.

**A. PARSONS:** Talk to (inaudible).

**L. PARROTT:** Can we get an answer?

**F. LANGOR:** Sure, we can get that information for you.

**L. PARROTT:** All right, thank you.

**A. PARSONS:** Just so it's on the record here, Fiona would not have been the ADM responsible at the time either.

**L. PARROTT:** Okay, perfect.

**A. PARSONS:** There has been some changeover, so new ADM, new minister. We can definitely provide that.

**L. PARROTT:** I appreciate it.

Under Grants and Subsidies, none of the allocated funding was given out. Can you please provide some information regarding that grant line item? Was there a challenge in awarding the funding or getting the funding out the door (inaudible)?

**A. PARSONS:** That one's due to EDGE. That's an EDGE account.

**L. PARROTT:** Okay. No, that's good.

**A. PARSONS:** So nothing went out.

**L. PARROTT:** 4.3.01, Grants and Subsidies: Can you provide a list of how this grant money was distributed and rationale as to why the spending went over budget for '20-'21?

**A. PARSONS:** Gill?

**G. SKINNER:** The variance there is due to the COVID programming. This is the research and development and business development funding. This is where the Tourism and Hospitality Support Program and the Small Business Assistance Program were. Throughout mid-year, this would be where you see the increase in expenditures.

**L. PARROTT:** Okay.

I'm good here.

**CHAIR:** Okay. Thank you.

MHA Brown, 4.1.01 to 4.3.01.

**J. BROWN:** Right now with the accelerated growth plan and all those other things, what – like the minister said, they're hoping to get back to normal hopefully within the next six months or anything like that. Are there any projects or plans that are waiting in the pike to come down, pending reactivation of the rest of the world?

**G. SKINNER:** Actually, while we were experiencing COVID this year and the industry

experiencing significant challenges, we did see a critical increase in investment in business enterprise R & D. Which is a critical indicator in – and a good indicator of – companies investing in technology R & D, intellectual property, which are opportunities for growth.

We've actually seen quite a bit of engagement from industry. We also, at any given time right now, probably have, on the economic development programming, in excess of \$20-odd million in different projects under review at any given time from business, regional development and so on.

**J. BROWN:** All right, perfect.

I know the hon. Member for Mount Pearl - Southlands indicated – and the minister seemed very excited about it – obviously the technology and stuff, development in the technical world and stuff like that. Are there any indicators like that business, like computer sciences, technology, video games, graphic design, all that stuff – is there any indication that would be a bigger market coming down the pike now, more significantly than other years?

**G. SKINNER:** What I would say to that in short is, yes, from the perspective of digitalization across all industries; it means that technology is playing a large role in multiple sectors. That means the skill set required can be applicable in multiple industries.

If you look at all the evidence – and we have been looking at the evidence around innovation, around technology – and that's what's driving a lot of the agenda is where results are, where we can see results, where we know there's opportunity to make a difference. Certainly, being able to work with post-secondary institutions, private, public and other players – techNL and others – in this space, we know that there is growth opportunity. We can see just by the example around the increased investment by businesses in R & D and innovation that there's a focus on growing their companies. That requires that skill set and increased investment in tech.

**J. BROWN:** I know that earlier the minister mentioned the pilot project with high schools. Is there any bit of interest in adult education, older

people wanting to upgrade their skills or anything like that? Is that anything this department would be interested in helping with?

**A. PARSONS:** Yeah, absolutely. I think if anything, I would consider us the facilitator, because normally that falls under what was formerly AESL; now it sort of falls under Education. It's like we're working together, because we're driving – we're dealing with techNL. We're dealing with these companies; we're helping to fund and to invest, so we're talking to them. We then communicate with Education saying here is a huge need. Then, it is almost a triangle; they in turn are talking there.

You are seeing post-secondary institutions that are now changing the offerings to provide fairly quick and – even on the job, you're seeing those internships. They're pretty quick and responsive. It's not like it seemed – maybe it is just anecdotal – that you had to figure out if you're going to go to school in September or you're going to go in January, and if you missed those cut-offs, then you were in trouble. Now, they're much more responsive. They could start just about any time. Even if you're there, a lot of people are going in and they're not even finishing; they're getting scooped up by employers. There is a lot of give-and-take and a lot of work there. Yes, that's absolutely something where I think we need to go; in fact, I think there are people that are probably not as adequately trained as they could or should be and there is lots of opportunity there to find the right match.

**J. BROWN:** Yeah. I know there are a lot of people I grew up with that never went to any post-secondary; they went to high school and then went into a job. They were really interested in that industry but at the time there was nothing here for them, per se. Now, they are getting really interested saying – they see the announcements, they see the stuff that is going on: Verafin, Other Ocean and all that stuff. They're interested in getting into that world now, as 30-year-olds, so they are looking for something where they can get proper training to actually get jobs in something that they're actually interested in.

**A. PARSONS:** In the same way that we have labour – not us, but there is LMEDA funding.



We're helping to fund people to go to get a trade or get educated. The same way now, we need to start to funnel the LMDA money over into these new opportunities that previously weren't really considered.

**J. BROWN:** Perfect.

I'll move on to Sector Diversification, 5.1.01.

**CHAIR:** We need to ...

**J. BROWN:** Oh, was that a different line item? Sorry, I thought it was all part of the – my apologies, I thought it was in the same as Business Development.

**CHAIR:** So you are finished with your questions there?

**J. BROWN:** Yeah, I'm finished with the section there.

Thanks.

**CHAIR:** Is the Committee ready for the question?

Shall 4.1.01 to 4.3.01 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.3.01 carried.

**CHAIR:** I'll ask the Clerk to signal the next subheads, please.

**CLERK:** Industry and Economic Development, 5.1.01 through 5.3.01 inclusive.

**CHAIR:** Shall 5.1.01 to 5.3.01 inclusive carry?

MHA Parrott.

**L. PARROTT:** Thank you.

5.1.01, Diversification: Under Salaries there is a salary savings here. Can somebody please outline the savings?

**A. PARSONS:** Vacancies. There was one change there, I think if I get this right. When you look at this year's Estimates, last year had a 27th pay period. I think last year – actually, when we were doing the Estimates in the last budget, that was the explanation for a lot of the changes every time. That's one of the things there.

The change between last year's budget and the actuals would be vacancies. What I can say is that hiring can often be a slow process at the best of times and last year certainly did not help.

**L. PARROTT:** I'll just go back to that. Earlier tonight, there was an indication that there were 53 vacancies throughout the department. Are all of those vacancies taken for account through – obviously there are some disparities in salaries throughout all the budget and the plan is to hire these people, but it's midstream and it seems like a full year budget. Am I right in saying that?

**A. PARSONS:** Gill.

**G. SKINNER:** I'm just going to speak to this in particular on the 5.1.01. There are also a couple of situations where people may have moved out of or taken temporary assignments for 13 or 15 weeks that kind of thing and then move back into their positions. We didn't fill for those short-term periods in those cases, so you would have seen some savings.

There was also some adjustment here with TCAR as we work through the restatements and repositioning. There were a couple of people in this shop that were tourism product-development folks, that kind of thing.

**L. PARROTT:** Okay.

Under Professional Services, can you please outline why the \$25,300 Professional Services line is unspent.

**A. PARSONS:** That's the one that went from \$26,000 to \$7,000?

**L. PARROTT:** Yeah.

**A. PARSONS:** Last year, we had the IBIC – Innovation and Business Investment Corporation – operation team. That is a board. They didn't have any in-person meetings. Normally, there would be travel involved and per diems to have – these people aren't paid but their travel and arrangements are paid. They didn't have much in terms of travel.

**L. PARROTT:** On a go-forward basis from a savings standpoint, does your department plan on having any of these board meetings virtually as you have over the last ...?

**A. PARSONS:** This is the great conundrum. As I was going through these myself – and I was looking at how my last year went – I think next year you will see some variation. Do I think it can stay 100 per cent virtual? No.

**L. PARROTT:** No.

**A. PARSONS:** But do I think that it should go back to the way it was? No. So now, it's trying to find out what is that right medium. I don't think there is any exact way to do that. It's about figuring it out. I think we need a place at the table when it comes to Houston and when it comes to these shows. I think we need to be there because virtual is not going to cut it when another jurisdiction is there in person.

That being said, I look within our province when we're having different meetings. There's no need for people to travel when we can do certain of these meetings virtual. I think you're still going to see some adjustment going forward and trying to find that sweet spot there.

**L. PARROTT:** Under Purchased Services there's a little bit of an anomaly. They overspent by \$1.3 million.

**A. PARSONS:** Atlantic Cable.

**L. PARROTT:** But they overspent by \$1.2 million in '19-'20.

**A. PARSONS:** Yeah.

I don't know if Gill wants to jumps in there, but that's the Atlantic Cable Facility, extraordinary repair costs.

**G. SKINNER:** This was related to the Atlantic Cable Facility and the dark fibre. We've been going through a process. Based on the contract there are certain maintenance charges that came into play at a later point in the contract. For the first 10 years, those costs were not included and then they triggered into the recent years.

We've been going through a process of looking at generating options from interested parties and we're currently in the process right now.

**L. PARROTT:** Just so I'm clear, it's an anomaly and will not be an annual expense? Or do we expect that this will be an annual expense?

**G. SKINNER:** Our objective, again, is to look at those options and have a limited RFP issued to how best can that work for the Government of Newfoundland and Labrador and the province.

**L. PARROTT:** Okay. Thank you.

Under Grants and Subsidies, can you give me an overview of the variance in this line item?

**A. PARSONS:** I think there were fewer disbursements this year than anticipated. Maybe what I'll do is I'll let Gill jump in on the reason for the drop again.

**G. SKINNER:** Again, this was just a situation where there was a small drop in terms of actuals. We fund craft initiatives here and some innovation supports. Because there were some initiatives down in terms of less sessions, that kind of thing, a lot of the activities we've been supporting we've been able to do through existing projects or new projects through programming. That would be the reason for this year. Those funds, obviously, going into the future are for the craft initiatives and innovation supports.

**L. PARROTT:** Again, I'll ask: The anticipation is that line item amount will stay around \$115,000 or is that something that will fluctuate year to year?

**G. SKINNER:** That will likely stay around \$115,000. Those activities are pretty solid in terms of what they're utilized for: wholesale,

craft shows, those kinds of things that will be moving, likely, back to in person.

**L. PARROTT:** Okay. Thank you.

Federal revenue: I'd like to understand where the federal revenue comes from and how the additional funding was received.

**A. PARSONS:** That is fed revenue for the Canadian Safety and Security Program. I believe that's actually now been removed. That's why it's not there. I think it was probably anticipated at one amount. Why did it go up? Gillian probably knows more.

**G. SKINNER:** Yes, that was actually a project that we were working on with C-CORE and the federal government. The federal government was funding the project entirely, so that's where the revenue came from. The project ended and concluded; therefore, it will not appear going forward.

**L. PARROTT:** Did they fund the overage or is that something we were responsible for?

**G. SKINNER:** No, they funded all of it, a hundred per cent. It's just the cash flow changed a little bit from the start of the project to the conclusion.

**L. PARROTT:** Okay. Thank you.

5.2.01, Regional Economic and Business Development, Purchased Services: I would like an explanation of the savings. Have we considered decreasing the budget to carry over these savings?

**A. PARSONS:** That saving would have been the same thing when you think about how spread out that entity is across the province. A lot of it was just lower costs for work to home. Many of them are actually still not back. I guess the budget is to have it back there, but given the fact that we are three months in or whatever, we're not going to see the same, and then where does it go? That's a bigger conversation that I think we need to have within government.

**L. PARROTT:** Just curious, obviously across all departments, it's the same conversation: It was created by COVID. Have there been any

conversations with regard to having some employees remain home after – just from a cost-savings standpoint.

**A. PARSONS:** I'm not privy to that. I'm sure they are, but it would be amongst, perhaps, Human Resource Secretariat, Cab Sec, whoever. I know that there are these conversations – plus the unions.

There are conversations going on. I'm aware of it but I'm not actively a part of it. What I will say is that it's going to be interesting because there's no cookie-cutter model we can put here. Every department is different and it's hard to just say: Well, this department should be the same as that when their functions and their people are completely different.

**L. PARROTT:** Just one other – not one other question, but with regard to your staff that has worked at home, I assume that most of the staff of the department are based here in St. John's. Is that a fair statement?

**A. PARSONS:** Well, what I would say is that when it comes to Regional Economic Development, in Gillian's shop they're spread all over the province. I would suggest most of the mining team is here. Obviously, when you look at the entities, OilCo is mainly here. Of the 200 proper that work in IET the vast majority, I would say, are in St. John's.

**L. PARROTT:** Okay.

5.3.01, Grants and Subsidies, this past year \$6.2 million of the \$9.9 million was given out. I'd like to get a list of the recipients.

**A. PARSONS:** I'll let Gill – do you want to take that one?

**G. SKINNER:** Yeah that's not a problem.

Yes, we can certainly get a list of the funded projects, no problem.

**L. PARROTT:** Okay.

**G. SKINNER:** That would be the Regional Development Fund, largely, so various community organizations, municipalities and other industry associations.

**L. PARROTT:** Okay.

In 2021 there was funding left unawarded, also in '19-'20.

**G. SKINNER:** Yup.

**L. PARROTT:** Is there any reason why we haven't been giving out all the money?

**G. SKINNER:** I would say this is largely – a lot of the projects here are multi-year projects. When COVID was introduced a lot of organizations shifted a bit. Some of the project scopes got pushed out. Some of these projects are still very much in play but the cash flow changes and you would see some of those clue up in this current fiscal year.

The demand is actually quite high, but it's also working with – this is the fund that leverages largely ACOA and other federal funding. There has been so much of a push on getting COVID relief out to businesses and community organizations that that's been a large priority, but the demand is certainly there.

**L. PARROTT:** Okay.

**CHAIR:** Thank you.

MHA Brown.

**J. BROWN:** Thank you, Mr. Chair.

5.3.01, you said for the revised from '20-'21, we see, obviously, you just discussed it, it was down but now it's going to be, obviously, significantly higher. What's are the projects and grants that are going to be under this with the significant increase?

**G. SKINNER:** This would be the Regional Development Fund at \$9.96 million and then \$5 million for the broadband investment. As was announced in the budget, that would be the first \$5 million of that –

**J. BROWN:** Okay, so this is where the broadband is going to be housed.

As we've seen recently some of the carriers have been significantly increasing their rates, especially to small start-ups to use their systems.

Seeing as we're going out for the broadband program, we're leveraging money, the carriers are going to come in and put money in and the federal government is going to put money in. Are we going to put stipulations on these carriers that they have to stay competitive rates to the smaller start-ups and stuff that want to use their system? It seems that the larger, very wealthy telecom companies are throwing their weight around and snuffing out smaller investment. It is disheartening to see when you have local companies wanting to get in the market being snuffed out by these large multinationals.

**A. PARSONS:** I can jump in before Gill does.

One of the biggest things is that it's federally regulated. You are dealing with the CRTC so it's not like we can come in and just do provincial legislation on that. We could find ourselves in a difficult situation or an unenforceable situation.

The situation that you described is absolutely – you're not speaking on something that I'm saying no, it's not there or no, I don't agree. I am with you, it's one of the frustrating aspects. Even then, you have to go through a procurement process when you're dealing with this so it's not like you can just waltz your way around it.

It is difficult and that is the part about the system that we work within is that you have bigger companies – not just in telecommunications, but whatever – able to use their might to buyout or trample on everybody else. You're sort of forced to deal with them if you want to advance the cause that all our constituents call about, which is connectivity.

**J. BROWN:** Absolutely.

I know we know it is more of a federal, CRTC thing but I know we're getting into the idea – well, we're not getting into it, we're into it – of investing in telecom or connectivity and that. Will there be any room that we will be telling the federal government that this is not appropriate because we are just trying to get some of our residents – just for the first time – hooked up to high speed Internet or cellphone service or anything like that? The first thing they have to deal with is absolutely unreasonable

rates for something that, actually, two-thirds was paid for by government to set-up.

**A. PARSONS:** That is the age-old question on just about anything for which we deal with the feds. I wouldn't say it is a partisan issue, it doesn't matter who is in Ottawa and it doesn't matter who is here. It is always going to be that issue where I'm sure we're not the only jurisdiction that's having that conversation with them and every so often you're hearing that there are actions being taken to limit providers in what they can do. It's amazing to listen to them, but then the providers are pretty smart and willing to work around them some how.

It is just one of those – every so often in government you get these issues that are age-old, ever-present, extremely frustrating, hard to figure out solutions to and you can't just say no because the fact is, at the end of the day, we need to find that way to get connectivity, whether it's the cell coverage or, as we saw in the last year, we need the broadband.

**J. BROWN:** Yeah.

**A. PARSONS:** I have multiple ministers in Ottawa that I'm trying to reach out to and work with here, but I know I am not the only provincial minister that complain about the same thing.

**J. BROWN:** Yes, absolutely.

We have the issue, obviously, with telecom in the sense that they come in under the guise: We're upgrading. Well, my cell coverage is getting smaller and smaller and smaller because they're upgrading, but my constituents' bills are getting higher and higher and higher. Sometimes these upgrades are partially paid by the federal government or something like that. My constituents come to me and go: Well, the government put in so much of this money, why is my bill going up; my taxpayer money going into a project but it's being managed by someone else? Then they come in and say: Well, we just did an upgrade. But you paid partial of the upgrade.

**A. PARSONS:** I'll tell you this now Telco is not the only entity that reaches out for government

money to help us pay for their regular maintenance.

**J. BROWN:** Yes.

**A. PARSONS:** It's frustrating.

**J. BROWN:** It is. That's the thing I want to ask, especially now where I found out where this money (inaudible). I wanted to ask the question.

A lot of these projects, we're paying a third on. Actually, technically, two-thirds because federal money, obviously, is still taxpayer money, but Telco seem to have the idea that it's free rein over some of our residents. It's getting absolutely, 100 per cent frustrating that they're paying the burden of an upgrade that they already paid for once. This is what I just want to say. This is my venting right now, personally. Anyway, thanks for this. I do agree that we should be doing more upgrades.

I know that recently – I think it was yourself – talked about the idea of – no, Minister Byrne, I believe – encouraging people to move back to Newfoundland to work from home. We're obviously going to go back to these telcos; we're going to need more infrastructure if that plan takes off, because there are a lot of regions in this place that people would want to live but they just don't have the correct connectivity to facilitate the new world of working from home, computer engineering, all that stuff that you can do from home.

We're obviously going to have to come back to these guys again, but we have to do it in a way that it's not going to be some strange cost burden back to the ratepayer when we, as government, are using taxpayers' money to put in this infrastructure.

**A. PARSONS:** (Inaudible.)

**J. BROWN:** Perfect. And that's all my –

**A. PARSONS:** Your point is not lost on us.

**J. BROWN:** Perfect. Thank you.

**A. PARSONS:** Absolutely not.

**J. BROWN:** Thank you, Minister.

That's everything for this.

**CHAIR:** Thank you.

MHA Parrott, further questions?

**L. PARROTT:** Yes.

Under revenue on 5.3.01, there's \$413,700 received from federal. Just wondering where that came from.

**A. PARSONS:** I'm going to let Gill ...

**G. SKINNER:** Again, that's the Regional Development Fund, so projects that are implemented by community organizations. There were two major projects that changed in scope. Normally, with community groups we help them out and give them a 50 per cent advance upfront so that the project can get started. In this case, there were two projects: one for the Bonne Bay Marine Station and one for the Town of Trinity. Those changed scope or reduced, so the money was returned to the province.

**L. PARROTT:** I'd like to make a closing statement. I don't know if I should do it now or –

**CHAIR:** We'll get through these subheads first and then I'll come back to you.

**L. PARROTT:** Okay, I only have one more question. That's why I asked that one.

Broadband: I'd like to understand the province's and the federal government's investment this year and what it looks like in coming years.

**A. PARSONS:** I can speak about ours. We know that the feds just before had put X number of billing in and then they re-upped that in the last budget in their Universal Broadband initiative.

I think the theme for ours was not only to jump onside of that, but we thought that over three years, \$25 million, it's just a number of things. Number one, it ties in with some of the themes we have, which is population growth. In order to get that, you need to have connectivity. It ties into the age-old complaint that we all have from

all our constituents about health and safety and economic.

But I think two things that stuck with me in COVID – and everybody probably has the same story. When we have kids that are going to MUN down in Isle aux Morts and can't do their online classes because they don't have that connectivity, well, that sticks with us. I bet you every one of us has someone like that.

You can speak to any post-secondary institution. The fact is I don't know if – what is the model going to look like in the future? Maybe not so much with MUN, but CNA and some of the other post-secondary private institutions have already said we don't need in-person learning anymore; we can do just as much here. We can do different modules. We can do things. We need to improve that service.

We now know that we have a dedicated fund that we can leverage with the telcos, with the other operators, with the feds and we need to close that gap there on 50/10, wherever it is. As well, I would point out it's not just broadband. It absolutely is cellular, Wi-Fi, you name it.

Again, we have that dedicated fund of – I think it's \$7 million this year?

**OFFICIAL:** (Inaudible.)

**A. PARSONS:** \$5 million this year, and then \$10 million the next two years I think it is.

**L. PARROTT:** I'll just go back – and this is my last question. It's a great conversation and we all agree, but this year's budget and the Greene report both talk about Telehealth technology start-ups, ways to bring people back home to have them working from rural Newfoundland. I would argue in my district I have multiple government employees that are working from home and they don't even have Internet. How that works, I have no idea, but it is happening; make no mistake about it.

Obviously, for us to take that next step forward, certainly with Telehealth and to put people on a level playing field, cell towers, Internet and broadband are going to be essential. We can argue all we want about our ability to deliver

some of this stuff, but we can't in sections of this province right now.

We're nowhere near close. Students are on a different playing field with regard to home-schooling and patients are on a different playing field with regard to Telehealth and the inability to get on that computer and have a meeting with a doctor, or even get on a cellphone and have a conversation. Is there a real fast-forward button that is going to be pressed or ...?

**A. PARSONS:** Well, I don't think there is any fast-forward you can press because it is not until you're actually – let's just look at Telehealth. We can put in all the connectivity we want, but it's not just our control, we must deal with the association of physicians –

**L. PARROTT:** Oh, absolutely.

**A. PARSONS:** – we have to deal with unions; we have to deal with everybody else. We have to deal with billing codes; we have to deal with MCP.

What I would say is that I think all of us have the same perspective on what needs to be done. It is when you get on that journey that you realize all the different little barriers that come up that you have to wade through. It's frustrating but you have to get through that. In fact, I think you could come out with three times as much money as that and if you don't take the time to do it right, you're going to end up wasting it. You're going to end up throwing money at it because somebody is out there waiting to take that from you and not give you anything in return.

**L. PARROTT:** No question.

**A. PARSONS:** Right.

**L. PARROTT:** No more questions.

**CHAIR:** Thank you.

If the Committee is ready for the question, shall 5.1.01 to 5.3.01 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 5.1.01 through 5.3.01 carried.

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, Department of Industry, Energy and Technology, total heads, carried.

**CHAIR:** Shall I report the Estimates for the Department of Industry, Energy and Technology carried?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, Estimates for the Department of Industry, Energy and Technology carried without amendment.

**CHAIR:** I certainly want to extend an opportunity for the minister to have a few closing remarks. I know he is going to keep them short and sweet.

**A. PARSONS:** All I would say is that no matter what side you sit on, these are the best things about the entire budget process. What I would also say is I think I am in the most important department in government. That's how I feel. Sorry, Minister.

The most important thing – and I think anybody who was in this room saw it tonight – is it's an extremely intricate, complex fast-moving department. The only reason that I am able to do

what I do is I'm surrounded by the best. We have a lot of really great people – just listening to them tonight, there are so many files; there is so much to do there.

I'm really lucky to have all this team around here and they are surrounded by teams. I really want to thank them. We get here and get to talk about all the good stuff that happens – and it's like the iceberg, people do not realize the work that is being done behind the scenes. These are the people and their teams doing it. Thank you guys for bailing me out. There we go.

**CHAIR:** I'll offer MHA Parrott a minute for remarks.

**L. PARROTT:** Thank you.

I actually echo Minister Parson's remarks. I think it's the most important department in the province right now, certainly for the next little while.

You guys do great work. My questions are no reflection of my thoughts of the department; I think the department does great work. I'd love to see a little bit more engagement across the floor, but Minister Parsons will tell you that he'd like to see me engage him a little bit more too, so it goes all the way around.

Just one comment I'd like to make, because I heard some comments around EDGE and stuff. I'd really push the fact that if EDGE is – if we're not able to put that money out then we need to look at ways to spend it in other places. It's so important, the promotion of business and start-up and stuff. It's a good way to help things move forward.

**A. PARSONS:** If I could say to that, EDGE is something – years before I ever got in politics, dealing with regional economic development pissed me off, really frustrated me. Since I've gotten in here, there's a conversation ongoing.

We want to make the program better. So I'm actually with you there, we want to make it better. And that's nobody's fault, it's just the biggest issue I think with this department or within government is the day-to-day can consume you. You need to see the forest through the trees and that's one of those programs.

I'm betting that when we come back here next year that hopefully we've seen some of the changes that we want to do and that we're in the process of doing.

**L. PARROTT:** Perfect.

To all of you I'd like to extend my thank you and my gratitude. I think you do great work. I think that the last 18 months certainly have been extremely challenging, both from an economic and from a health and wellness standpoint.

I think that you guys have done great work on the last two budgets. I appreciate everything you do and I look forward to working with you guys over the next little while. I extended to Minister Parsons several times. I have a bit of a background in oil and gas and construction and stuff. If anybody ever wants to reach out to me with questions or just see where my head is on something, by all means reach out to me. I'm always available.

Thank you very much.

**CHAIR:** MHA Brown, closing remarks?

**J. BROWN:** Thank you, Mr. Chair.

I want to thank everyone for coming here now. It's nice to see you all again. I know we only met very recently in September, most of it, but anyway, thanks for doing this. Thanks for answering my questions, being extremely helpful and adding some insight to that.

Like I said, I came out of the mining industry, so that always will fascinate me now and forever, but it's nice to get to learn a bit about the oil and gas industry and stuff. I'm not as familiar with that, but it's nice to get a bit of background insight to that.

If anyone else knows over there, I do have a huge interest in hydroelectricity too, as in private industry; I did do a lot of work for Churchill Falls so that was fascinating as well. Thanks for keeping my intrigue and filling me in on this stuff.

I want to thank the minister for his time too. It's always great. I know I always have interesting conversations with him as well, both from a



professional and comic book related, but it is fine. It is great.

Thank you, everybody. Thank you to my Chair and colleagues for sitting through this with us. It is always wonderful.

Stay safe. Thank you so much.

**CHAIR:** Just a couple of closing remarks. I certainly want to thank the Committee for their participation as well, to the department and to our Clerk tonight for keeping us on schedule and giving me some guidance.

Just to let you know that our next meeting of our Committee will be Thursday, June 3, at 9 a.m. We will be considering the Estimates of the Department of Fisheries, Forestry and Agriculture.

With that, I would accept a motion to adjourn.

So moved by MHA Brown.

Thank you.

On motion, the Committee adjourned.