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**Proceedings of the Standing Committee on
Resources**

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Department of Industry, Energy and Technology

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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: Evan Beazley

Appearing:

Department of Industry, Energy and Technology

Hon. Andrew Parsons, MHA, Minister

John Cowan, Deputy Minister

Craig Martin, Associate Deputy Minister

Jason Higgins, Assistant Deputy Minister, Industry and Economic Development

Julian Ludmer, Assistant Deputy Minister, Business and Innovation

Megan Nesbitt, Assistant Deputy Minister, Corporate and Strategic Services

Alex Smith, Assistant Deputy Minister, Mineral Development

Phil Ivimey, Departmental Controller

Nena Abundo, Executive Director, Oil and Gas

Paul Carter, Executive Director, Mining Innovation

Susan Wilkins, Executive Director, Renewable Energy

Tansy Mundon, Director of Communications

Michael King, Executive Assistant

Also Present

Hon. Elvis Loveless, MHA, Minister of Transportation and Infrastructure

Hon. Sarah Stoodley, MHA, Minister of Digital Government and Service NL

Barry Petten, MHA

Christine Baldwin, Government Members' Caucus Office

Annie McCarthy, Government Members' Caucus Office

Megan Winter, Official Opposition Caucus Office

Steven Kent, Third Party Caucus Office

Pursuant to Standing Order 68, Barry Petten, MHA for Conception Bay South, substitutes for Craig Pardy, MHA for Bonavista.

Pursuant to Standing Order 68, Elvis Loveless, MHA for Fortune Bay - Cape La Hune, substitutes for Paul Pike, MHA for Burin - Grand Bank.

Pursuant to Standing Order 68, Sarah Stoodley, MHA for Mount Scio, substitutes for Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

The Committee met at 9 a.m. in the Assembly Chamber.

CHAIR (Warr): Good morning, everyone.

Welcome to the Estimates of the Department of Industry, Energy and Technology. Before we get started, just a few housekeeping things to discuss. Number one is if you have your cellphones, if you wouldn't mind putting your cellphones on mute, please.

I want to announce the substitutions this morning. Substituting for the Member for Bonavista is MHA Barry Petten, the MHA for Conception Bay South. Substituting for the Member for Burin - Grand Bank is Elvis Loveless, the MHA for Fortune Bay - Cape La Hune and substituting for the Member for Placentia - St. Mary's is Sarah Stoodley, the MHA for Mount Scio.

Just a few things to discuss, as well, with regard to staff or Committee Members, just wait for your tally light. If it's your position to speak, I mean just wait for your tally light to come on, just identify yourself by raising your hand. We're asked not to make any adjustments to the chairs. These chairs are fitted for the Members of the House, so if you could –

B. PETTEN: I did.

CHAIR: You did?

Well, that's between you and your Leader.

Just a reminder, the water coolers are at the back of the Assembly.

I don't see any unaffiliated Members this morning, but if they come in, I think we've sort of given them 10 minutes at the end of the session.

B. PETTEN: The entire session?

CHAIR: Pardon?

B. PETTEN: The entire session?

CHAIR: The entire session, we give them 10 minutes, yes.

I would look for someone to move the adoption of the minutes of April 3.

J. BROWN: So moved.

CHAIR: Moved by Jordan, seconder by Elvis.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, minutes adopted as circulated.

CHAIR: We'll probably look at taking a washroom break, maybe halfway through, 10:30 or so.

Anyway, the first thing I'll do is ask the Committee to introduce themselves and we'll start off with MHA Lucy Stoyles.

L. STOYLES: Lucy Stoyles, Mount Pearl North, MHA.

S. STOODLEY: Sarah Stoodley, MHA for Mount Scio.

E. LOVELESS: Elvis Loveless, Fortune Bay - Cape La Hune.

C. BALDWIN: Christine Baldwin, GMO.

A. MCCARTHY: Annie McCarthy, Government Members' Office.

J. BROWN: Jordan Brown, MHA Labrador West.

S. KENT: Steven Kent, Sessional Assistant for the Third Party Caucus.

P. FORSEY: Pleaman Forsey, MHA Exploits.

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

B. PETTEN: Barry Petten, MHA for Conception Bay South.

CHAIR: Minister, if I could have you introduce your staff or have them introduce themselves.

A. PARSONS: Andrew Parsons, MHA for Burgeo - La Poile and Minister of Industry, Energy and Technology.

J. HIGGINS: Jason Higgins, Assistant Deputy Minister for Industry and Economic Development.

J. COWAN: John Cowan, Deputy Minister.

C. MARTIN: Craig Martin, Associate Deputy Minister for Energy.

A. SMITH: Alex Smith, Assistant Deputy Minister of Mining and Mineral Development.

S. WILKINS: Susan Wilkins, Executive Director of Renewable Energy.

P. IVIMEY: Philip Ivimey, Departmental Controller.

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

J. LUDMER: Julian Ludmer, Assistant Deputy Minister of Business and Innovation.

M. KING: Michael King, Executive Assistant to the Minister.

T. MUNDON: Tansy Mundon, Director of Communications.

N. ABUNDO: Nena Abundo, Executive Director of Oil and Gas.

CHAIR: Okay, and good morning to you all.

My name is Brian Warr, the MHA for Baie Verte - Green Bay, and joining me at the Table is my colleague, Evan Beazley, from the Speaker's Office.

Anyway, I'll get the Clerk to call the first set of subheads, please.

CLERK (Beazley): For the Department of Industry, Energy and Technology, Executive and Support Services, 1.1.01 to 1.2.03 inclusive.

CHAIR: Shall 1.1.01 to 1.2.03 inclusive carry?

Minister, we're going to have a few remarks from you.

A. PARSONS: I won't belabour this. I'd rather get into the questions and the line by line or any other questions. I have the full team here, so between all of us, we'll certainly do our best to answer any of the questions that come our way.

That's it, let her go.

CHAIR: Thank you, Minister.

1.1.01 to 1.2.03, MHA Petten.

B. PETTEN: Thank you, Chair.

First off, I guess, Minister, your attrition plan, how many positions have been removed in the past year in attrition and what's the target for this year?

M. NESBITT: The targets for the attrition plan were met about two years ago. We don't currently have any attrition targets.

B. PETTEN: Okay.

How many people are employed in the department and how many of those are contractual and temporary?

M. NESBITT: We have 238 active employees: 22 of those are contractual and – I'm sorry, what was the last part of the question?

B. PETTEN: How many are temporary?

M. NESBITT: Temporary, 20.

B. PETTEN: Okay, thank you.

Under 1.1.01, the Minister's Office, last year Transportation and Communications went over budget by \$30,000, spending \$76,000. What was the reason for this extra expenditure?

A. PARSONS: This would have been the first actual year of travel, I guess post-COVID, when you look at when I came in August 2020, I think there might have only been one trip the entirety of 2020, most conferences were still not back on. Same with 2021, I remember we had four or five months where we weren't back to normal, between COVID and the election. Even last year, late starting off and many conferences hadn't restarted. Plus, I'm the first minister from this department that lived outside of the Avalon for the last little while so there is ministerial travels in there.

We're back to doing the Offshore Technology Conference in Houston, PDAC in Toronto and one of the other bigger ones that will be coming in for the first time is a

hydrogen conference in Rotterdam, which will be heavily attended by the province, Energy NL things.

So all the old ones are still there plus we're adding that new one, which comes with a pretty significant cost in terms of getting booth display, accommodations, et cetera. So I think that would make it up.

If I were to guess, looking at the budget, I think you'll see probably – I don't think \$46,000 will cover it this year. I know it is an estimate. I would imagine it would be over again. That's just my guess based on a, hopefully, normal year.

B. PETTEN: Okay, thank you.

1.2.02, Corporate and Strategic Services, again, the Salaries went over by \$50,000. What's the reason for this?

A. PARSONS: I'll take a shot before I let Phil or Megan jump in.

I think the variance there is due to the negotiated salary increases that came with staff.

B. PETTEN: That is correct, is it?

OFFICIAL: Yes.

B. PETTEN: Okay, thanks.

Transportation and Communications, the budget has been increased to \$101,300. What is anticipated for this increase?

A. PARSONS: A big jump there is the travel associated with the world hydrogen conference in Rotterdam, for which this will be our first year having a presence there in terms of physical presence plus staff going. I think there is about an additional \$15,000 or so tied up with that, maybe a little bit more, plus extra conferences. We haven't had people attending for the last few years. This year there has been an increased

presence, especially in PDAC, OTC, things like that.

B. PETTEN: Under Purchased Services, an increased there of another \$40-and-some-odd thousand. What's being anticipated there?

A. PARSONS: You say in Purchased?

B. PETTEN: Purchased Services, yeah.

A. PARSONS: I got it up by \$5,000?

B. PETTEN: 1.2.02.

A. PARSONS: 1.2.02, oh sorry.

I'll let Megan or Phil jump in with that one.

M. NESBITT: That's for the world hydrogen conference as well.

B. PETTEN: Okay.

In Property, Furnishings and Equipment, \$56,000 was spent, only \$6,600 budgeted, what would this have included?

A. PARSONS: I think this year – and correct if I'm wrong – IT equipment had to be replaced including down in – I'm not sure what floor it was – a map plotter and a map scanner as well as divisional laptops and monitors. So it was a big year for equipment replacement.

B. PETTEN: Okay.

Under the Revenue portion there, Provincial, could you give an overview of the revenue. Last year, it was \$98,000 anticipated and \$166,000 was generated. Why was the full amount not received? And I guess, what makes up that other \$86,000?

A. PARSONS: So this comes down to revenue coming from delegates at various conferences. One would be OTC in Houston. There was less than anticipated revenue for the EMMC, which is the Energy

and Mines Ministers' Conference, which was held in July. So that's basically the FPT. There was less money paid because there were fewer people attended due to various reasons, I think, one being the summer; number two, possibly some COVID hangover; and number three, I do think there was some elections that had been held or were about to be held and you saw less presence.

B. PETTEN: Okay, thank you.

That's all my questions for that section, Mr. Chair.

CHAIR: Thank you.

1.1.01 to 1.2.03, MHA Brown.

J. BROWN: Thank you, Chair.

First one there, Minister, how many current vacancies exist in the department and how many current positions are unfilled or new positions are going to be created at this current time?

M. NESBITT: We currently have 66 vacancies and there were 13 new hires in the last fiscal year.

J. BROWN: Perfect.

That's my only question for this section, thanks.

CHAIR: Thank you.

If the Committee is ready for the question.

B. PETTEN: Sorry, just one other question.

CHAIR: On this same section?

B. PETTEN: Yes.

CHAIR: Okay.

MHA Petten.

B. PETTEN: Minister, just one final wrap-up on that conference in Rotterdam, the hydrogen conference. Would you be able to give me a bottom line figure, how much that conference is going to cost, the total including the line items? What do you estimate that conference will cost?

A. PARSONS: \$190,000.

B. PETTEN: Not cheap.

A. PARSONS: None of them are, sadly.

B. PETTEN: That's it for me, Mr. Chair.

CHAIR: Thank you.

If the Committee is ready for the question, shall 1.1.01 to 1.2.03 carry?

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: I'll have the Clerk call the next set of subheads, please.

CLERK: Mining and Mineral Development, 2.1.01 to 2.1.03 inclusive.

CHAIR: Shall 2.1.01 to 2.1.03 inclusive carry?

MHA Petten.

B. PETTEN: Thank you, Chair.

Minister, last year in the Estimates there was a discussion about the possible updating of the *Mineral Act* and the *Mining Act*. Is this something the department is looking at? If so, what updates or changes are you considering?

A. PARSONS: Absolutely, we've been doing work on both the *Mineral Act* I guess you could say, as well as the quarry legislation. I'll double check with the deputy here for the timeline. I think the quarry legislation, we put out a What We Heard document based on the consultation and we're anticipating – is it the fall or spring?

AN HON. MEMBER: (Inaudible.)

A. PARSONS: Anticipating fall legislation coming.

I can't get into too much of it yet, obviously, because we haven't put it out there but you will see fall legislation on that.

On the *Mining Act*, we're in the What We Heard session now, where we've gotten some information back. Maybe I could jump in with the ADM who has been involved in that.

A. SMITH: Yes, we just last week posted a What We Heard document that resulted from our public consultations in the fall on the *Mineral Act* and the *Mining Act*. We're currently going through internal consultations within government departments on those acts and once we get that input, we'll look at the policy and see what changes might be prudent.

B. PETTEN: Thank you.

Last year, there was also discussion about equity in the mining industry and, at that time, there was no discussion regarding equity taking place. Is this still the case and has any mining operators approached government for an equity investment?

A. PARSONS: So there hasn't really been an internal conversation on that. As it stands right now, the province does have money tied up in CFI in St. Lawrence, which hasn't changed. That one is currently in a CCAA process which we'll see – I guess the next step is anticipated in May. It's a court

process, a quasi-bankruptcy process that we'll see where that comes from.

We have had other companies discuss the possibility of investment but it's one of those things where we haven't got a policy for or against, it depends on each situation.

We have not made any investments in equity in the last 12 months. There is nothing on the agenda. If anything, we've tried to show that we're supportive of the industry, but, in many cases, we're better off doing that through geoscience, through junior exploration grants, things like that, rather than taking direct equity in a company.

I don't know if I have anything else to add on that.

B. PETTEN: Thank you.

Do you have any projections on what the price of iron ore is expected to this year? I know the last fiscal year, the province took in \$1.3 billion in corporate income tax, which was much more than originally anticipated partially because the price of iron ore and corporate income tax collected as a consequence of the price.

Can you comment probably on the price of iron ore and do you expect a trend?

A. SMITH: Our current forecast for shipments shows a slight decline for 2023 and that is based on an expected decline in the price of iron ore. Long-term, given concerns with the green economy and the characteristics of the iron ore out of Lab West, it's very high concentration, low impurities and very beneficial for making a greener steel, we expect a continued premium for the products that come out of the province.

B. PETTEN: Thank you.

Under 2.1.01, Geological Surveys, is the \$1 million for Labrador-specific geoscience

contained in these line items? If so, how much is the \$1 million breakdown among the line items?

A. PARSONS: So it's my understanding that a portion of that is in the Salaries section and I believe it may also be distributed throughout a bunch of different line items, but I can toss it over to – I don't know if Alex or Phil or somebody might be able to give a better breakdown of where each one lies.

A. SMITH: Yes, it is contained within each line item. It includes the necessary expenses for the fieldwork, helicopter support, travel, supplies and lab supplies. The exact amounts in each one: there's an initial \$4,000 under Employee Benefits; an additional \$428,000 under Transportation and Communications, the majority of that is helicopter time; and an additional \$40,000 under Supplies. There's nothing under Professional Services and there's an additional \$100,000 under Purchased Services related to very specific analysis that might be done from samples collected through the program.

B. PETTEN: Okay, thank you.

Under Salaries, this year the salary budget for Geological Survey is planned to increase to \$3.15 million. Can you give an explanation of why?

A. SMITH: That salary increase, a portion of that is the negotiated increase but it also includes the salary for the Labrador-specific geoscience program.

B. PETTEN: How many people would be involved with that salary? Do you have an idea how people that covers?

A. SMITH: For the survey itself?

B. PETTEN: Yeah, well –

A. SMITH: Or for the geoscience program?

B. PETTEN: Yeah, well the salary for the survey is planned to increase, right? So I guess it's budgeted for the geological survey, so how many people will be involved into that salaried amount?

A. SMITH: The geoscience program has four additional positions, three geologist III, one geologist II, and there is also some temporary salary in there for students in the summer to support the field program.

B. PETTEN: Okay, thank you.

Transportation and Communications: The budget has been increased to \$822,900; can you please outline what work this will support?

A. SMITH: Again, the increase is solely related to the geoscience program and a majority of that increase is related to helicopter time in Labrador. Where Labrador is so remote, to do the fieldwork you need helicopter support.

B. PETTEN: The Supplies, the same thing with increase to \$182,000.

A. SMITH: Yes, again, Supplies would include supplies for the field but also supplies for the lab to do the analysis that comes out of the work.

B. PETTEN: Under Professional Services, the budget has increased to \$654,000. Can you outline what professional services this would be for and what would be the goals of these additional funds?

A. SMITH: In December it was announced through ACOA, we created a critical minerals geoscience and exploration assistance program and with input from ACOA of \$650,000, which is actually reflected in the revenue down below. So that money, in our budget, is within Professional Services to carry out airborne geophysical surveys. So that is there for two years.

B. PETTEN: Okay, thank you.

Purchased Services: The budget has been increased to \$299,000, almost \$300,000. What work will this support?

A. SMITH: Again, it is related to the Labrador-specific geoscience program. A majority of this increase in Purchased Services is related to laboratory costs for analysis that our lab is incapable of doing.

B. PETTEN: Thank you.

Under Revenue, that \$650,000 in Federal - Revenue is expected; can you tell me what that's for?

A. SMITH: Again, that is ACOA money coming in to fund the airborne geophysical survey.

B. PETTEN: Okay.

Could you provide a list of the projects that will take place this year for the geological survey?

A. SMITH: Certainly. In Labrador we have work planned in four different areas. There is a series of projects in the Hopedale, Central Labrador area that we are doing in partnership with the Nunatsiavut Government and the Geological Survey of Canada.

There is a project in the Schefferville area, looking at iron and critical minerals in that area. Another project on the southeast coast, towards Port Hope Simpson, looking at critical minerals. Then in the Northern Coast of Labrador, we're doing a test of artificial intelligence that would require some fieldwork to verify what comes out of that analysis.

B. PETTEN: Thank you.

A. SMITH: The Island, do you –?

B. PETTEN: Okay, carry on.

A. SMITH: Yeah, we have some work on the Island as well.

There's a series of projects on critical minerals along the South Coast – critical minerals and granite. That's where the lithium was found there a year or so ago. Following up on that, doing work with the Geological Survey of Canada.

There's a project on the West Coast in the Corner Brook, Bay of Islands area again with the Geological Survey of Canada on critical minerals. We're continuing to do the work on gold in the Central area and there is a project in Burin to field verify the airborne geophysical survey that we did a year or so ago. Then the airborne geophysical survey that's in the budget, we're looking at doing it to the north of the survey we did two years ago.

CHAIR: Thank you.

2.1.01 to 2.1.03 inclusive, MHA Brown.

J. BROWN: Thank you so much, Chair.

The first question I'll ask is how many stakes were claimed last year and of the number of mineral staked claims, how many will result in future investment in mining projects currently on the books?

A. SMITH: Staked last year were 28,000 mineral claims. That's down from over 100,000 in 2021, but still a significant number of claims staked. We would hope that each of these would result in exploration programs and hopefully some will be successful and progress down towards development.

J. BROWN: Under the current junior exploration program, how many uptakes do you have this year for that?

A. SMITH: Our mineral exploration assistance program has two parts to it. There's the Junior Exploration Assistance Program, and we are just now clueing up

the payments and analysis to get payments out for this past fiscal year. We're looking at supporting 37 projects under the Junior Exploration Assistance Program.

Then the other work we do is the Prospectors Assistance program, and we have 39 contribution agreements that we will make payments towards this fiscal year.

J. BROWN: Is that up or down from the previous years?

A. SMITH: The Prospectors Assistance program is on par with previous years; 37, 38, 39 is typical. Junior Exploration Assistance was up last year at 31 and is up again this year, up to 37.

J. BROWN: Currently right now, with the program, the critical minerals plan that's current under way, is that going to be made a public document or is that going to an internal document?

A. SMITH: I'm on a roll here. So we're currently preparing a document to outline how we're going to do public consultations on a critical minerals strategy. We'd expect consultations to kick off in the next month and, as with any other consultations we do, we will summarize what we hear in a What We Heard document and then ultimately the strategy would be public facing for sure.

A. PARSONS: If I could just jump in on that excellent answer.

What I would suggest is part of this challenge is ensuring that the globe is aware of what we have here. So the more publicity that we can attract to the province and possibilities here, it's a positive. I'm not sure if there will be any commercial sensitivity parts of it, but the plan itself would definitely, as the ADM said, have to be a public document. But it is right now good that we're getting a lot of attention from other jurisdictions, including the US, on where we're going.

J. BROWN: Perfect, thank you.

Under the junior miners' program, have they asked for more assistance or what you're hearing is they're content with the current thing, or are you hearing they would like a larger plan or a different plan or anything like that?

A. SMITH: I think with any assistance program, they'd always like more. But in December, along with the airborne geophysical survey work we're doing with ACOA, as part of the critical minerals geoscience and exploration assistance program, we're also getting \$1.3 million additional Junior Exploration Assistance money that will be targeted at projects that have critical minerals as a primary or secondary exploration target. So it wouldn't support gold exploration but would support copper, cobalt, nickel exploration.

CHAIR: Minister Parsons.

A. PARSONS: If I could add on to that, I can tell you that when I meet with the Prospectors Association and Norm Mercer and team, I have not had a meeting yet where they didn't come in asking for more – every single meeting. It's kind of a running joke now – we've had a lot of productive meetings. They come in, usually with a big agenda of things they want to do and we've been pretty responsive to their asks. Anyway, it's a good relationship that we have with them actually.

J. BROWN: Yeah, I've met with some of the ones in Labrador and the same thing. A little bit more would be nice, they keep saying to me – a little bit more would be nice.

A. PARSONS: Absolutely.

J. BROWN: But prospectors, they're an interesting group in themselves.

Under 2.1.03, under Grants and Subsidies, there's a large increase going forward. What's that related to?

A. SMITH: Again, that's the critical minerals, geoscience and exploration assistance program where we're working with ACOA to provide an additional \$1.3 million in Junior Exploration Assistance targeting critical minerals.

J. BROWN: Perfect.

And the federal revenue in that section?

A. SMITH: Again, that \$1.3 million is the ACOA money that's funding that additional –

J. BROWN: Okay, so ACOA would be funding that extra piece there.

A. SMITH: Yeah.

J. BROWN: Perfect, thank you so much.

That's all my questions for that section.

CHAIR: Thank you.

Anything further MHA Petten on 2.1.01 to 2.1.03 inclusive?

B. PETTEN: Thank you, Chair.

Under 2.1.02, under Mineral Lands, under Salaries, could you please provide an overview of the Salaries line item? Last year, \$1.3 million budgeted and \$1.4 million spent and this year the budget is planned for \$1.4 million. So what's the extra? Is that the salary increases?

A. SMITH: The increases to this year's budget is salary increases. The overage from last year is related to a couple of temporary positions that we have in processing the backlog of mineral assessment reports, as well as some work on quarries.

B. PETTEN: Okay.

Under Purchased Services, it went over by \$140,000.

A. SMITH: So when claims are staked, the fees are paid online so that coverage is related to Moneris fees for claims staked.

B. PETTEN: 2.1.03 under Salaries there under Mineral Development. There was salary savings actually of \$145,000, but in 2023-24 the budget is increased to a total of \$1.352 million. Could you please provide some information on what's happening here?

A. SMITH: Again, the increase is related to negotiated salary increases. The decrease in salary is related to some challenges we have filling technical positions. For instance, there is a mineral development engineer position that has been vacant for a couple of years. I just found out last week that we have succeeded in filling that position so hopefully we'll spend the full salary this year.

B. PETTEN: Okay.

Under Professional Services, last year Professional Services went over budget by \$20,000; \$115,000 was spent, what happened there?

A. SMITH: We have \$100,000 budgeted for the maintenance of the dams at the orphaned and abandoned mine sites. That is broken down as \$55,000 in Professional Services and \$45,000 in Purchased Services. But depending on the work that needs to be done, that money may be spent under either Professional or Purchased Services. So the work done this year was with consultants. We did a dam breach analysis at the Hope Brook site, as well as we had some advice on just general dam safety issues from a consultant as well.

B. PETTEN: Okay.

Transportation and Communications is \$30,000, so I'm assume that would be from conferences or – an increase – salary savings, sorry. Sorry, I misread that, there is

a salary savings in Transportation and Communications of \$29,000.

A. SMITH: That is made up of several items. With the vacancies that we had there was some decreased travel associated with site visits and such. We have some helicopter money in there to access the Hope Brook mine site but were able to hitch a ride with an exploration company so we saved about \$10,000 on that.

B. PETTEN: Okay.

My colleague for Exploits has a couple of questions. He's not quite ready but I think he's getting there now.

P. FORSEY: I'm up now.

Just to go back to the list of projects you were giving us across the Island. I'm just wondering in Central Newfoundland if we could get a breakdown of those actual projects.

A. SMITH: How would you define Central?

P. FORSEY: You did say Central were doing gold.

A. SMITH: Yeah, so there are three projects. The descriptions have big words that I have a hard time pronouncing them. One is in the northeast Dunnage zone, examining regional outcrops in the northeastern zone and collaborate with active gold exploration companies; another is a Golden Baie project where we're doing some site visits with Canstar Resources; and then we're going to go to the TRU Precious Metals Golden Rose Project to examine relationships between the poorly understood regional host rocks and looking at copper, gold, silver and then it sort of ties into the Marathon area as well.

P. FORSEY: Okay, thank you.

I'm good.

CHAIR: Okay, thank you.

If the Committee is ready for the question, shall 2.1.01 to 2.1.03 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against.

Carried.

On motion, subheads 2.1.01 through 2.1.03 carried.

CHAIR: I'll get the Clerk to call the next set of subheads, please.

CLERK: Energy Development, 3.1.01 to 3.1.09 inclusive.

CHAIR: Shall 3.1.01 to 3.1.09 inclusive carry?

MHA Petten.

B. PETTEN: Thank you, Chair.

The Labrador-Island Link is still experiencing trouble. Is there any update available on this?

A. PARSONS: So I can start off with that. I think they've done some testing over the last week or so including over the weekend and that testing – fingers crossed – has been successful. I think Sunday both poles tested at 500 megawatts, I believe. My understanding is now on Thursday, they are going to go up to 675 or 700, which is an absolutely crucial test.

So, right now, everything is looking good. I'm very – knocking on wood here – very cautiously optimistic that we'll have positive results on Thursday and then over the weekend. So we'll see where we are there.

B. PETTEN: Good, nice to hear.

The fiscal framework announced for wind energy is for hydrogen wind production. Will there be a framework announced for any industry that wishes to use wind to produce electricity and export it to use in traditional means, like transmission lines?

A. PARSONS: Basically, yes, the fiscal framework that we have put together now has basically been done on an export basis. So the next phase of this, at some point, is how do we take wind and electricity generated and incorporate it into our current system? That has not been determined yet. There's a lot of work that has to be done around that. Then we will have to figure out, I don't know if it's so much a fiscal framework as what is the purchase price? What is the offtake going to be for that? What does it cost you to generate? What is the reliability and then how does that work?

So that's definitely something that's in the pipeline, along with, when you think about electricity generation and transmission as a whole, that's not just a big global topic, it's a big topic here as well as in other jurisdictions. So, in our case, we have the benefit of saying that we have assets we can develop, mainly for use here, but as well as for export. Other provinces are worried about decarbonization, getting off coal and figuring out how they are going to acquire electricity.

Quebec, as many people know, is talking about what their future plan is. Their premier has indicated publicly that he wants to build, so everybody is sort of in that thing now. Where wind fits into that is to be determined. Right now, basically, the wind side of this is definitely for the export opportunities.

B. PETTEN: Thank you.

This is a question about the electricity grid. We want people to move away from oil heat and move to electricity. There is also movement to incentivize EVs.

Can our electricity grid in the province sustain all this? How much more of a load can the transmission lines carry?

J. COWAN: Absolutely. Newfoundland and Labrador Hydro is planning; they're going through reliability resource adequacy studies in terms of the system. They're planning for increased electrification on the system. So constantly planning, looking at existing assets that they may need in the future, be it the Bay d'Espoir number eight – extra unit in Bay d'Espoir.

Yes, the system can handle the existing load, the increase with electrification, so, yes.

CHAIR: MHA Parsons.

A. PARSONS: Right now, there's no doubt that we have to keep our eye on future industrial development opportunities, as well as moving – in some cases, we talk about, especially Labrador and remote sites where there's diesel. We talk a lot about wanting to move to renewables, but we also have to deal with reliability.

One of the big things, I think, that has guided Hydro, especially in the last 10 years, is the DarkNL situation where we want to move forward, but we cannot compromise reliability for the renewable side, which is the challenge. Plus the fact that in many cases the renewables are a fiscal challenge when it comes to production, which is often the case of why we still have diesel situations.

So right now, there are a bunch of different opportunities, as the DM mentioned. There's Bay d'Espoir; there's a possibility of upgrades at Churchill; there are possibilities of upgrades – Gull Island is always there as a consideration. Everybody knows the assets that are there, the development is a whole other story.

So we're in an enviable position, when we go outside, in the sense that we have the

opportunities here, it's just about the planning, the design and then the production of this. At the same time, knowing that you do have EV increases coming in; we have increased numbers of that, we have to electrify, and then talking when it comes to home heating programs and things like that.

So it's a constant mix with different inputs and outputs. But the thing that makes me feel good is that we are not in the same challenges other provinces have where they are going to be forced to bring it in from elsewhere, whereas we have the possibility of production here which is definitely a better spot to be, I think.

B. PETTEN: Okay, thank you.

Are there any conversations happening regarding offshore wind energy?

A. PARSONS: Yes, absolutely. So just in the last two weeks we signed the offshore Regional Assessment study with the federal government – us and Nova Scotia. The difference being that the offshore wind is similar to offshore oil in the sense that it is dual jurisdiction, we have to work with the federal government.

Part of that, I think, is an 18-month process. Basically, paid for by the feds but involving Indigenous consultation, consultation with industry experts, communities, you name it. The other side is, yes, we do have industry itself that has expressed interest in our offshore. That is a constant conversation within our department, but they also know that right now it has to go through that process with the federal government. So a lot of it is doing parallel planning; let's do the work while that's going on. Instead of waiting for this to come, we need to move forward now.

The other good thing about offshore is that we do have, as opposed to onshore, fiscal regimes which were difficult to craft. Offshore we have a lot of precedent; we can

just look at Scotland, other places like that. There's a lot of precedent to look at to see how they do it, so it's exciting. It's not as busy, we'll say, as onshore right now, but it is a definite subject and opportunity.

B. PETTEN: It's on the radar for sure, yes.

Minister, the Atlantic Loop: I know the federal budget speech mentioned it, but they never mentioned Newfoundland and Labrador, which I found ironic. Is there any update on that?

A. PARSONS: Yes, what I would tell you is that similar to when the Loop was actually announced a few years back, it was a bit of a surprise. We had never heard the term; it was something they crafted up. So when that budget announcement came, I would say it was a bit of a surprise to us, considering our team is still in consultations and conversations with the feds and other provinces on the Loop.

You'd have to ask the federal government why the province's name was not there. That's a great question for them.

What I would say, though, is it's hard to talk about a loop or getting people off coal when you don't factor Newfoundland and Labrador in. So we're here, we're going to continue on. We've got a lot of irons in the fire and we'll let them explain why or why not – I almost don't care that the name wasn't there in the federal budget document, because without us I don't think anything really moves forward for the other provinces. That's just me.

B. PETTEN: It would kind of be oval; it wouldn't be a real loop, would it?

A. PARSONS: They're going to have to change the terminology.

B. PETTEN: On March 17 the province announced a review of the oil and gas assets. Any idea when this will be completed or made public?

A. PARSONS: So there's no deadline on it per se. Rothschild, who were commissioned, did do the initial review; now, this moves forward into part two. I would suggest that my MO is always to make everything as public as possible to allow for the avoidance of transparency questions. What's the point of having anything done where people question you on being secretive? I've been on both sides of that. It's an easy target.

That's being said, this one is complicated by the fact that we do not want to compromise our fiscal position or our advantage by disclosing commercial information out to buyers. Right now, we're looking at we have equity and we have opportunity, what is it worth? What is the valuation currently? Even that valuation has changed in the last two years. The valuation in August of 2020 was far different than what the valuation will be in August of 2023. It's one of those things. It's like anything. Any asset you have, there comes a time where you should consider looking at whether it's an opportunity to sell or not sell and there are a bunch of different factors baked into that.

Right now, I don't have anything to offer. Except to say that I think the value has increased, I think just based on a number of factors when you look at the industry as a whole in the last 24 months. We'll wait to see what comes back.

So I'll make as much public as I can, but not at the detriment of compromising – if there was a sale or opportunity, doing something to lessen that, because the equity is owned by the province and by province, we mean everybody.

B. PETTEN: Thank you.

Given that the review with oil and gas is ongoing, is buying equity in future projects like Bay du Nord, something that you're considering?

A. PARSONS: We do have an opportunity to buy equity in the Bay du Nord Project. There has not been a decision made on that yet. I don't want to compromise or harm any current discussions and negotiations going on. The big thing is that there is the opportunity, should we take it.

Any decision on that will be based on a number of factors, primarily what is the overall value to the province and what is the long-term outlook of that. By taking equity, we have to look at the long term when the asset is done. Then, there's decommissioning and all these other things.

Plus the fact that we've seen enough volatility in this market. Just over the last 10 years we've had a couple of times when that value has gone down. So we have to base it on long-term assessments which are difficult at best, especially in a time of transition where it's gotten more volatile.

So we'll do an assessment. There will be a bunch of people way smarter than me that will look and say do we think it's a good investment to take for the province, and the decision will be made and then go from there. But, right now, there's no decision.

B. PETTEN: Thank you.

CHAIR: Thank you.

3.1.01 to 3.1.09 inclusive.

MHA Brown.

J. BROWN: Thank you, Chair.

Has there been any significant progress made on any decisions to upgrade any of our current hydroelectric facilities like Churchill Falls or Bay d'Espoir?

A. PARSONS: So I'll lead off on that, but I'll leave it to John to follow up since he's also been in touch with Hydro, probably more regular than me in terms of officials to officials.

So right now there have been a lot of conversations as it relates to possible upgrades like, say, Bay d'Espoir 8, Churchill, Gull, which is a whole, much bigger conversation as opposed to upgrades we will say at other places, plus Holyrood itself is a constant conversation in terms of the necessity of it to keep us, you know, in light for the ongoing future. Each one is based on what is the work that's entailed there. What is the capital cost of that versus what is the output of that?

For instance, Bay d'Espoir probably comes with the lower price tag but also a lower output; whereas Churchill probably comes with an over a billion-dollar price tag but probably over 1,000 megawatts as well. Gull itself – I don't consider Gull in the same conversation but Gull, you know, over 2,000 and probably the most attractive undeveloped hydroelectric asset in North America, which is why it generates so much attention but comes with a plethora of issues, including the fact that we would require negotiation with Innu governments and other Indigenous governments to see where that goes.

So right now, I know Hydro is really in the thick of it, especially when it comes to Bay d'Espoir. I'll let John add some context all this.

J. COWAN: So in terms of Bay d'Espoir, I mean Hydro continues to invest in the penstock. There's a fairly robust program there, you know, and it's certainly in the tens of millions of dollars. In terms of the Upper Churchill – in terms of the greater upgrades of the facility, no, but I know over the last number of years they've upgraded some of the runners to improve the efficiency of the plant and also have a very, I guess, robust maintenance program to make sure that the assets is maintained.

J. BROWN: Thank you so much.

Related to offshore winds or anything like that – I know you're going through the

process with the federal government, but is there also any discussions on what the bidding process would look like, where that is going to be a part plan?

A. PARSONS: So we haven't moved that far down the path yet. Although I would guess that it will not be exactly the same as onshore, and the good news is that we do have precedent to use, both in our offshore oil regime that we've gone through as well as the fact that other jurisdictions – I look at Scotland now which makes more from its offshore wind bid process than it makes from its offshore oil bid process.

So while we're not there yet, I think we have a lot of different places to look for guidance in that, along with the fact that I think we need to let the regional assessment play out a little bit. Because, obviously, that has to factor in how we go down that road.

J. BROWN: Perfect, thank you so much.

Regarding onshore wind farms, have there been any discussion or any policy work done on if they want to connect to our main grid, who would pay for the connection and the upgrades required?

A. PARSONS: So that is an ongoing conversation as to – basically we talk about next phases. So the first part you have to consider is the grid itself and what the grid can take. What the grid can handle in terms of input from onshore wind sources. The second part is, does it require extra transmission? What's the cost? The third part is what is the cost to produce it? I mean it's fine and dandy if you're going to produce it and it's going to cost us far more than what we're already paying. I don't know if that's a conversation.

In many cases in other jurisdictions, they are being subsidized because the cost is much higher but it's the process of decarbonization, lower emissions; whereas, in this case, we're far ahead of most provinces in terms of the greening of the

grid and we see it more as an economic development opportunity rather than the necessity of getting off coal and things like that.

So there's a lot of work to be done. I would suggest it would be led by the department in conjunction with Newfoundland and Labrador Hydro. They are a big part of this, as well as whatever resources we need. So like I say, there is work ongoing for that being done by Hydro in terms of what can we take in. We'll see what comes from that.

J. BROWN: Perfect, thank you.

Speaking of decarbonization, can we get an update on the actualization of the Renewable Energy Plan, how it's currently unfolding?

A. PARSONS: Just say that one again, Jordan, sorry.

J. BROWN: The rollout of the Renewable Energy Plan that was released, how is that going? Can we get an update on that?

A. PARSONS: Well, this is a good opportunity to let Susan Wilkins, the executive director, talk about because she is brains behind the operation.

S. WILKINS: We've made significant progress in the first year of the Renewable Energy Plan with lifting the wind moratorium, announcing the Crown land nomination and bid process, signing a letter of intent with the City of Hamburg, extensive consultations with industry and our stakeholders. There were 21 actions in the first year. The department has decided to include the update of the Renewable Energy Plan within an overall energy update and that will be released in the coming weeks.

J. BROWN: Thank you so much, I appreciate that.

Another one I mentioned there is the Twin Falls site, the abandoned power plant there. From my understanding, it needs to be cleaned up and everything like that. Is the department going to be involved in the cleanup of that site?

A. PARSONS: So I don't have any current info to pass on to you there, but I would imagine if there's cleanup involved, that it would likely fall to Minister Davis and ECC as well to be a part of that conversation. So that's something we can take offline and get you an update on. I don't have anything here to provide you, but no issue trying to get you the most recent. But I can't imagine we would be the sole responsibility of that; I think Bernie's shop would have to be involved.

J. BROWN: Yeah, the last report was from the Natural Resources Department in 2011, I believe it was. So I just wanted to get an update on that. The report was from you guys, but I don't know if it got kicked over to Environment.

A. PARSONS: So much has changed.

J. BROWN: I know, perfect. Anyway, I appreciate that. I'm with my time there now.

Also, could we get an update on the natural gas plan and the bringing of natural gas ashore?

A. PARSONS: Yeah, so I can lead off on that and then I'll toss it to Craig or Nena to give maybe a more specific update. The big thing is that with the 2023 budget, we are moving forward with a natural gas resource, sort of, study, which would basically – I think it's the first time in some time that we're actually committing funds to see what are the opportunities. Obviously it's a big conversation nationally and internationally in the sense that there is absolutely a demand and projected to still be a demand for the ongoing future.

In other provinces, we have to deal with jurisdictional issues including pipelines crossing borders and things like that. We feel we have an opportunity there to work for it. We do know that the operators themselves, for probably the first time in a while, are certainly playing ball and being helpful to the process. It wasn't always the case. That was not where their business lined up. That was not where their heads were. So we've committed, I think, in the range of \$4.6 million or \$5 million to do the study. So that money obviously hasn't been spent yet. We had to go through RFPs and see who was going to come in.

But I'll let Craig or Nena, whoever wants to take it and run with it.

C. MARTIN: So, as the minister indicated, we got money in this year's budget for the natural gas resource assessment that's going to focus on the Jeanne d'Arc Basin to look at actually quantifying the resources available out there. The other piece that's still ongoing, actually, is the natural gas royalty as well. We had Van Meurs engaged this past year in terms of providing advice on that particular royalty and the plans are to start doing public consultation later this year with respect to that royalty.

So essentially, the goal here is to have the resource assessment done, the royalty in place so it's up in the window in order to attract the interest and investment.

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

Going from that, do we have a timeline of roughly when you think you would have this study complete or some kind of, you know, What We Heard kind of thing in that or is that the timeline a bit broad there?

C. MARTIN: So this study is going to happen over the course of this fiscal year. The results of this are going to be, likely, early next fiscal year in terms of release. Right now, as the minister indicated, there's

about \$4.8 million there. The bulk of that is salaries for staff in order to do the assessment and also to acquire the data to do the assessment, the seismic data.

J. BROWN: All right. Perfect.

Thank you so much.

CHAIR: Thank you.

3.1.01 to 3.1.09 inclusive.

MHA Petten.

B. PETTEN: Thank you, Chair.

Oil and Gas, can you give us an update on Bull Arm and what activity is now taking place there and what's planned for the years ahead?

A. PARSONS: I can lead off by saying that Bull Arm has recently been notified that DF Barnes has acquired work on the *Terra Nova*, additional work that was required when she came back from Spain. I just met with Bull Arm and DF Barnes last week, I believe, so I'm waiting on updated numbers. I think that's an evolving target when it comes to *Terra Nova* and what the actual work scope is.

The good news, though, is that Bull Arm is going to be busy for the next little while, plus the fact that it was busy prior to the *Terra Nova* going over. There was some quayside work being done there.

I'll toss it to Nena maybe to add a little more substance to that and what's going on.

N. ABUNDO: As the minister said, DF Barnes has a contract to do work on the *Terra Nova FPSO* so that'll be happening soon. DF Barnes also has a number of other contracts out there. They're cold stacking the *Henry Goodrich* and that contract is there for another year. That rig is probably not going anywhere so it is it just

cold stacked. Transocean has it out there but they've got that there for another year.

They also have the contract for the module hull and generation shops for the lay down for staging of Seadrill components. That ends later this month, actually.

There are also a couple of leases by Kelson & Kelson that is tied to the refit for the Braya refinery. So they actually have warehousing and the paint and blast building.

There's been a fair bit of interest in the site most recently, obviously, for potential Bay du Nord work, but also there's been a lot of companies that have been touring the site and interested in it for potential wind development, hydrogen wind developments.

B. PETTEN: Thank you.

There's also been a recent RFP to finish up some work on the module hull roof replacement also there was work done some two or three years ago. So is there any – I suppose basically refresh my memory on what repair work was being done at Bull Arm and what has been done previously.

N. ABUNDO: For this upcoming year, they have a capital budget of around \$3 million and the plans are to replace the roof on the module hall and also some piping replacement and upgrades for the chlorination building.

B. PETTEN: Thank you.

Any insight into the West White Rose Project, is there an update of when production may begin?

N. ABUNDO: West White Rose? Actually, I do have an update.

The concrete pour – I have to read this because it is more technical – for the conical slip for the CGS began on March 27 and it's expected to last about 60 days. It's

going to take the inner shaft of the CGS from its current 46.85 metre height to 139.2 metres. Following that operation, they're going to carry out work to complete the top of the shaft and that's going to take about four months.

Right now, there are about 1,200 Trades NL workers on site as well as other management. Trades NL is expecting that to actually increase to about 1,500 to 1,800 people in the coming months.

B. PETTEN: A massive structure, isn't it; amazing.

Is there an update on the Bay du Nord project and when we can expect an update on the benefits agreement with the proponent and the province?

A. PARSONS: This one is still a day-to-day topic. When I say that, we are literally meeting and talking with Equinor on a day-to-day basis. There were meetings last week; there are meetings this week and we are dealing with the framework agreement.

I don't want to say much more than that except to say that we have heard from multiple people, whether it is the Opposition, whether it is Trades NL, Energy NL, regular Newfoundlanders and Labradorians, it is something we hear from. It would be fair to say that our mindset has been guided by what we are hearing, it is hard not to.

The long and short is that we feel this is a Newfoundland and Labrador project, we have ensured that Equinor gets that message. They are a Norwegian company, so if you were to build something in Norway you would expect Norwegians to work it. We are building this in Newfoundland and Labrador, this is a Newfoundland and Labrador project and we want Newfoundlanders and Labradorians to be the primary beneficiary of that. We continue to work on it.

There has been regular contact; I can't say much else. I think I have done as good a job as I can of not negotiating in public, which I don't think is to our benefit. As hard as it is sometimes because it is something that people want to know about and I don't blame them for that. We continue to go at it; we've heard loud and clear from people, any decision we make we feel we want to get the best value for this. It's a huge, huge opportunity for a lot of reasons. I mean, this is going to be the newest one done. It's going to be different than what has been done in the past and when you look at discoveries there, and the fact that Equinor is doing more drilling, there's a lot of opportunity here.

So it's ongoing. We've been at the table and in fact we've been extremely responsive. The credit for that I give to the team. Whenever there is correspondence exchanged, there's immediate follow-up. I give Equinor credit; they want to make this work, too. They are like any entity. They want to get the best value for themselves. That's to be expected. That's not a philanthropic organization, none of them are.

So we'll continue to work together. Hopefully – I would love nothing more than to find a positive announcement soon but we have to let the process continue to play out.

B. PETTEN: Thank you, Minister, and everyone.

We appreciate and support your position, as you're well aware, but thanks for that update.

With respect to Bay du Nord, is there clarity on how the royalty under the UN Law of the Sea will be paid?

A. PARSONS: Not yet. UNCLOS is still something that is a day-to-day consideration. This will be the first project ever that would be subject to UNCLOS.

We've made our position clear to the federal government that we feel it's on them, not on us. We also would be supportive of the fact that we don't want to see a project which – each of these projects, when you talk the proponents, are economically challenged. They have to make it economically feasible. Adding this in does not do that.

So there has been no decision made on that. We've put our position forward clearly and in writing on numerous occasions. I've spoken about it publicly to the feds, that's how we feel. So there is no resolution as of yet, still continues on. Still an active conversation and topic.

B. PETTEN: Thank you.

Some line by lines, under 3.1.01 Energy Policy, Salaries, the budget for Salaries is planned increase to \$1.89 million. What's the reason for this? What positions are being added or are there positions being added?

A. PARSONS: Absolutely, on two fronts here, one is the negotiated salary increases which form a part of this, as well as we've added another a number of positions under the Renewable Energy Division.

I'll ask Susan, how many are coming in.

S. WILKINS: Ten.

A. PARSONS: Ten new positions to deal with this emerging front that previously hadn't – it had been done but it was done within the structure. Because of the opportunities presented, we've increased that and sort of split them up and it's led by Susan.

B. PETTEN: Okay, thank you.

Transportation and Communications, I'd like some context on that line. Last year, it was \$55,500 budgeted and only \$30,000 spent, but this year the budget increased to \$105,000.

A. PARSONS: It's a combination of factors here. We had less travel because of the fact that the federal government was still doing work from home so that changed some things; the C-NLOPB was working from home. So there were fewer meetings, a smaller amount of travel required.

It's increased because of the renewable energy team and costs associated with the travel they had to undertake as well. A sum of that going towards registration for the World Hydrogen Summit.

B. PETTEN: Under Professional Services, just an overview. Could you give me an overview of the planned budget increase to \$491,000? What accounts for the increase that we're seeing here?

A. PARSONS: I think the biggest portion of this is to support the ongoing operations of the renewable energy team that previously hadn't been contemplated.

B. PETTEN: Grants and Subsidies: would this be the diesel subsidy? Is that correct?

A. PARSONS: I think the answer is yes to that one.

B. PETTEN: Okay.

Under revenue for federal, there's \$80,000 expected but not received. What happened there?

A. PARSONS: I think that one is there was revenue expected to be received on a high-efficiency wood stove feasibility study. It was not received because the study did not go forward yet that I'm aware of. So we haven't received it.

B. PETTEN: Okay. Thank you.

CHAIR: Thank you.

3.1.01 to 3.1.09 inclusive.

MHA Brown.

J. BROWN: Perfect. Thank you.

Under 3.1.02, the \$4-million increase under Purchased Services, is this for the LNG study?

A. PARSONS: Yes.

J. BROWN: Okay, perfect.

Under 3.1.03 for the C-NLOPB, the Grants and Subsidies has increases. What is the reasoning for the increases to the board?

A. PARSONS: Twofold here. This is the additional operating requirements of the C-NLOPB that they've indicated. I can probably get some further details soon. I would assume it has to do with an increase in the mandate. They're going to be going from C-NLOPB to C-NLOEB. That's my assumption. We'll follow up on that.

The other thing to keep in mind is that it is a 100 per cent cost recovery from industry. So like I said, that's my understanding of why it's gone up.

J. BROWN: Okay.

Their role is shifting so they have to get new people.

A. PARSONS: Yes, that's my understanding.

J. BROWN: All right, perfect.

Under 3.1.04, Royalties and Benefits, the salary increases there.

A. PARSONS: That's the negotiated salary increases, I think, from previous years.

J. BROWN: All right, that will be everything for that section there.

Under 3.1.05, there's a decrease in the Grants and Subsidies for Oil and Gas Industry Support. Is that for the coming of the end of the COVID –?

A. PARSONS: OGIRA.

J. BROWN: Okay.

A. PARSONS: So this was, if you remember, we received some federal monies, Oil and Gas Industry Recovery Assistance, or what we call OGIRA. We've reached the end of that. There's still been some – and I'll let Nena talk about it – carry-over that's going on. Nena could probably do a better job than me of explaining, but that is why you see the big change there.

N. ABUNDO: Yeah, basically that is we thought that those funds would have been fully expended, but we were a little late starting when we first had the project. Some projects have had to extend timelines into the next fiscal year, so it is a combination of extended timelines and cash flow requirements.

So the amount of money hasn't changed at all, it has just moved into this fiscal. But we've already had the money from the federal government to cover it, so it's just the cash flowing into this fiscal.

J. BROWN: Perfect, thank you.

With all this money that's obviously out, has every project been paid now, or are there still some hang-ups on paying out? Or this should be the end. Everything has been paid?

A. PARSONS: I can't say everything has been done in full yet. Some of the things will continue on. But it's more of just a natural evolution of certain projects having delays, a little bit late starting up. So the goal was we were supposed to have it all done, I think, by March of this year. I think we did get an extension in some cases. Everything is winding down and we'll have a review done of all the different projects.

J. BROWN: Okay, perfect. Thank you so much.

Under 3.1.06, Oil and Gas Corporation of Newfoundland and Labrador, last year was \$19 million and now it's down to \$7 million. What is the rationale behind the end of this?

A. PARSONS: Perhaps Phil can better explain, but if you look at slide 16 as well, on 3.1.08, you'll see Oil and Gas Corporation there where it went from \$3.9 million up to \$15 million. So these two sections are connected.

J. BROWN: Okay.

P. IVIMEY: Yeah, it's just a reprofiling of the funding there. So in the previous year, the funding for the seismic program was underneath 3.1.06 and for the current year it will be under 3.1.08. So that's the difference there. If you combine those two budget amounts it's the exact same amount, it's just moving from one area to the other.

J. BROWN: Okay, reprofiling.

Under 3.1.07, Energy Initiatives, this is just a placeholder for some projects. What was the project that cost \$187 million?

A. PARSONS: These are energy initiatives. This was money that was received from the federal government. This is a portion of the money that we actually put into rate mitigation that we just put out the other day.

J. BROWN: Okay.

A. PARSONS: This is where the funding came from.

J. BROWN: Okay.

So there's nothing budgeted for this year on it. Is this just a one-time payment from the federal government or ...?

A. PARSONS: My understanding is that it's not anticipated but we'll wait and see what comes up. It's hard to tell. I can't say for sure. In some of these here we have to deal

with Finance as well, so we sort of wait and see what Finance tells us.

J. BROWN: Okay, so we should see an update later on, on this particular initiative.

A. PARSONS: Absolutely.

J. BROWN: Speaking of rate mitigation on there, does it look like there'll be just lump sum payments from the federal government on this? Or like you said, we'll have to wait and see every year now, on what's going to happen there?

A. PARSONS: I think it's tied into net profits interest, which is the big component there. So I don't know if that's a clear amount every year. Obviously, I would imagine there will be fluctuations to that amount, but that's where it's supposed to be coming from.

I cannot tell you in terms of timelines or when the amounts calculated are figured out, but I would hope that every year there's an amount coming from that which we have the option then, to put into rate mitigation if it is required. That's one of the big components of that agreement that was made.

J. BROWN: Okay, perfect.

So we're not sure exactly how much every year but it's based off the Hibernia profits.

A. PARSONS: Yes.

J. BROWN: All right, perfect. Thank you there.

That would be my last question for this section.

Thanks.

CHAIR: Thank you.

3.1.01 to 3.1.09 inclusive.

MHA Petten.

B. PETTEN: Thank you, Chair.

Still under 3.1.01, Come By Chance: Can you provide any information on the current future of the refinery, especially as it relates to the switch to biofuels?

A. PARSONS: So from my understanding, I would lead off by saying excellent progress is being made. We all know that in September we had a tragic situation there, which for obvious reasons has delayed the progress, but it has not delayed the desire of Braya and partners to continue on with the project. Obviously, there's a lot of work, investigation and dealing with the workers: everything combined.

The good news is that I think, from a project perspective, the amount of activity out there has been unprecedented. I mean, up to one point, of 700 workers ongoing out there. To the point where, when you're talking to the union, they've run out of workers and they've had to bring workers from elsewhere because the union simply didn't have anybody else to go to work, which is a good problem to have.

So I think while there are been some delays – I don't know if John or Craig or somebody might know a little more in terms of deliverables, but what I can tell you is that the amount of expenditure out there is significant. Basically everything is looking good and I think there's possibly a milestone coming up in June in terms of moving on to the next phase.

J. COWAN: Correct. I mean, I don't have a lot to add, other than I think they're targeting the fall for their first shipment.

B. PETTEN: Good stuff.

Under the Revenue - Provincial, there's \$21,100 received. Where did this come from?

A. PARSONS: I think – and I'll leave it to Phil to correct me if I'm wrong – they paid for something in US dollars and it was supposed to be paid in Canadian dollars. So we actually got the refund back from the vendor.

B. PETTEN: Perfect.

A. PARSONS: All the credit goes to the crowd here.

B. PETTEN: Minister, high-efficiency wood stove study, is that going to be done this year?

S. WILKINS: We respected the NCC research advisory council when they recommended the project not proceed. Rather, they would like a letter of support for future funding requests to the federal government.

B. PETTEN: Okay, thank you.

Under 3.1.02, Petroleum Development, I see the salary budget being increased to \$1.7 million. Can you give us some context of what staff are being added there?

A. PARSONS: So, twofold, it's the negotiated salary increases as well as the funding to go along with natural gas resource assessment. I'm not sure how many staff that encompasses. I don't know if we know that number, Craig?

C. MARTIN: There are six additional positions associated with that, but they're not for the full year. They do come on, on a varying point, over the course of the 12-month period.

B. PETTEN: Contractual?

C. MARTIN: Yes.

B. PETTEN: Okay.

Employee Benefits increased \$24,900. I guess that's just entails those contractual positions that's just all part of it.

C. MARTIN: Yes.

B. PETTEN: Some context on the Transportation and Communications line. Last year \$50,700 was budgeted and only \$35,500 was spent. This year it is increased to \$90,700. Why the –?

A. PARSONS: So that's a combination of lower than anticipated travel last year for various reasons. I think the mining conference alone, which is generally held in March and last year was held in June, which I think had an impact on attendance. I could say, from my own personal – going to the one last year in June and this year's in March, March was way, way bigger. So there were just fewer people going.

You'll see an increase there coming up and that's for all the same reasons, especially the natural gas assessment transportation associated with travel that the team might have to take on that project.

B. PETTEN: Okay.

Under Professional Services, what accounts for savings last year and where will the \$64,000 be spent?

A. PARSONS: I think the generic response to that one is less than anticipated professional service requirements, but I don't know if I have the specifics here. I think it was just not as much money going out.

B. PETTEN: Purchased Services increased to \$4.1 million. Can you explain what that's about?

A. PARSONS: That's solely, I believe, to go towards natural gas resource assessment, so I would assume that's the purchased services side of that. Craig might have some detail.

C. MARTIN: The bulk of that relates to the natural gas resource assessment. The two main expenses there: the purchase of the data is in the range of about \$2.8 million, and then there's also software and software licensing required in the range of about \$1.2 million.

B. PETTEN: Okay, thank you.

Under 3.1.05, Oil and Gas Industry Support, the budget documents list \$50 million to continue for Offshore Exploration Initiatives. Where would we see this in the Estimates?

A. PARSONS: I believe that's in there, is it not?

C. MARTIN: Yes, that's part of that amount. That amount, the \$69 million, there's essentially about \$7.3 million there for the OGIRA fund.

B. PETTEN: Yeah.

C. MARTIN: There's \$50 million for the Offshore Exploration Initiative and there's approximately \$12 million there for the IBDF.

B. PETTEN: Okay, thank you very much.

Grants and Subsidies: Could we get a breakdown of the \$189 million? How much of this was for the Innovation and Business Development Fund and how much was for the oil and gas recovery fund? Is there a breakdown of where this money went?

C. MARTIN: So last year's budget was approximately \$6 million for the IBDF and \$180 million for the OGIRA.

B. PETTEN: Okay.

CHAIR: MHA Forsey.

P. FORSEY: Back to the wind energy, land nominations closed March 23, I think it was. How many bids came in for Exploits in that area?

A. PARSONS: That's not something we can release at this time. All we've indicated right now is that we received 19 bids for a variety of areas throughout the province. For commercial reasons and other information disclosure reasons, we're not putting out anything as of yet.

P. FORSEY: All right.

A. PARSONS: Put it this way: It may affect the process going through depending if we say who got what, where, so we don't really want to affect the process as of yet.

P. FORSEY: I just didn't know if there was one, two or whatever just come in for Central. I didn't know. I know you mentioned 21 or 19.

A. PARSONS: I can't say anything else.

P. FORSEY: Fair enough.

A. PARSONS: I'd love to. Put it this way: I'd get myself in trouble.

P. FORSEY: Okay.

That's it for me.

CHAIR: Thank you.

So if the Committee is ready for the question, shall 3.1.01 to 3.1.09 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.1.09 carried.

CHAIR: I'll have the Clerk call the next set of subheads, please.

A. PARSONS: Mr. Chair, maybe this is a good juncture before we start the next one if we can allow for the break for all members.

CHAIR: Absolutely.

We'll be back for 10:30, please.

A. PARSONS: Perfect.

Thank you, Sir.

Recess

CHAIR: Okay, thank you and welcome back to the Estimates of the Department of Industry, Energy and Technology.

I'll ask the Clerk to call the next set of 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 Petten.

B. PETTEN: Thank you, Chair.

What's the current coverage rate of cellular in the province? I guess, what's the current availability of broadband in the province?

A. PARSONS: So I don't have the cell number here. I don't know if Jason might be able to find it and track it down.

On the broadband coverage, what I can say is with the recent federal-provincial investment of \$136 million, I think, the goal is by 2025 to have 98 per cent or 99 per cent. In fact, I think it's supposed to be less than 1,000 households that should not have that access. So the investment is started now.

The work has started, but the reality is it's going to take some time just with the engineering. If you don't have coverage by

now, it's generally because it's a difficult engineering feat to get the coverage to some of these areas and increasing the fibre and things like that.

On the cell coverage, we've got a few projects that are still in works in terms of small cell that we worked on with communities. I think there's a difference between community coverage and highway coverage. I, for one, will still say that highway coverage is very frustrating, extremely frustrating, but it's one, though, that, obviously, there's a higher investment required. It's a smaller, not even economical business case. There's power concerns in terms of having the power to do it. Then when you look at the amount of roadway we have here.

Maybe Jason can follow up with some context on any numbers there that he can pass along.

J. HIGGINS: When it comes to broadband, we've got 99 per cent of residents having access to some type of service, but when it comes to high speed, we're at or about, probably, slightly above 75 per cent coverage now, but when you get to rural areas that's where we start to see some of our challenges. So we're probably just above 50 per cent coverage there, which has still been, you know, a slight improvement over time.

As the minister alluded to, the major investment recently announced will get us up to 99 per cent coverage by 2026, which will make a big difference. Again, as the minister alluded to, we've got about 1,000 households left so they'll be the focus in the out years.

When it comes to cellular, we've got, and again as the minister alluded to, 95 per cent coverage in our communities. So the population is covered that way, but the challenges come on the roadways, some of the major highways and roadways. We're at or about 67 per cent, and I'm using round

numbers just for context. So that'll be a focus for us in the coming years as well.

B. PETTEN: The budget lists \$25 million over four years. Is there a schedule to how much per year?

J. HIGGINS: Yes. So what we anticipate now is \$10 million in the coming year, \$10 million in the year after that and then \$2.5 evenly in the next two years.

B. PETTEN: Okay. Thank you very much.

Under 4.1.01, some line by lines, Professional Services, can you provide an overview of the Professional Services are purchased here, specifically what accounts for the increase in the budget, increasing to \$428,500?

A. PARSONS: So a lot of this, when you see the changes in numbers this year, it's because we're hosting something called the Southeast United States-Canadian Province Alliance or SEUS-CP for short. So we're hosting that, I believe, in June or July of this year. It's our first time hosting since either 2009 or 2011. It's one of those. I get it confused.

So, basically, this is an alliance made up of Atlantic provinces as well as Quebec, I believe, and a number of southeast states. So you have a number of governors and premiers travelling here. It was held last year just outside Atlanta, I believe. It was in Georgia last year and the Premier attended. So this year was our turn to host. So we've had to put, as you can tell therein, I think it was an additional \$23,000 under Supplies, \$155,000 under Professional, about \$309,000 under Purchased. You'll see under Revenue, we are going to get about \$300,000 from ACOA towards this. Then there is another \$100,000 from the Atlantic Trade and Investment Growth agreement, which is federal funding. We'll probably get about \$132,000, roughly, from sponsorships and registration fees.

So that's the thing, there is going to be an investment required, money going out as well as money coming in. This is one of those things where we probably won't have to host it again until at least another decade.

B. PETTEN: Grants and Subsidies, can you provide some information regarding these Grants and possibly list the recipients?

A. PARSONS: What I would say is that one of those is for a shared commitment to economic development in Atlantic Canada with the Government of Canada, Nova Scotia, New Brunswick and PEI. Some promotion, develop and start-up of business networks and some promotion of the competitive advantages of the province in target markets.

Maybe Jason or Julian would have some further detail to provide on that.

J. LUDMER: Yes, a lot of this is going to be support for marketing export related initiatives, trade expansion, et cetera, as there are a large number of companies that would be supported. I believe in the last year we supported 70 companies, for example, to participate in tradeshow and conferences. We help them to prepare for those conferences to promote their products and to engage with other businesses to further their business expansion and trade expansion plans.

B. PETTEN: Thank you.

Under 4.1.02, the Investment Attraction Fund, under Loans, Advances and Investments, there is \$8 million per year fund, last year was only \$2.3 million was spent. Is there a challenge in awarding the funding or getting the funding out the door?

A. PARSONS: I think sometimes this is driven by the market. We always have \$8 million, but I think we are actually par for the course in terms of money that went out last year. In some cases, depending on our venture capital and things like that – it

comes down to who is asking us for the money for the drawdown. Sometimes they ask, sometimes they don't.

The good news is that it is better to have, in some cases, more than we need, although I would also love to see us tap that out completely.

What I will say is that we have the same amount budgeted this year. We are working on some new programming to go along with that and I am hoping to see it out soon. I can't say any more than yet without getting myself in trouble, but we have some new ideas that we are trying.

The whole purpose is, again, we are constantly in a competition with Atlantic Canada and the rest of Canada. So it's about trying to make yourself more attractive for somebody to come in and invest here and then what is the benefit that we get from them.

B. PETTEN: Okay.

Revenue - Provincial, could you please provide an explanation where this revenue of \$332,000 came from?

A. PARSONS: I think that \$332,700 is loan repayments that were made over the course of the year from companies that may have got repayable loans or interest-free loans. That would be the payments that come in from those companies.

B. PETTEN: Okay.

4.2.01, Business Analysis, the revised estimate for Salaries – I guess that's salary adjustments again?

A. PARSONS: Yes, salary adjustments for negotiated salary increases.

B. PETTEN: Okay.

Purchased Services: Can you provide an overview of last year's savings. There were savings of almost \$240,000.

J. LUDMER: This is again related to investment attraction. These are purchased services to support those efforts. So since there was a bit of reduced activity in the fiscal year also there was some reduced use of purchased services.

B. PETTEN: Grants and Subsidies: Can you provide a list of where the \$430,000 in grant money was given out?

A. PARSONS: We can provide a list. This would be funding that's used to cover federal income tax rebates for companies that qualified for the EDGE Program. So that's where you come in, you create so many jobs and you get the rebate back. So we can provide that.

I think we've got a few companies that still qualify under EDGE and we have one new one, I think, last year in Fonemed. I think Fonemed was the new addition to that.

B. PETTEN: Okay.

Under 4.3.01, Innovation and Business Investment, can you provide a list of how this grant money, the \$16.8 million, was distributed?

J. LUDMER: Yes, this money is used to fund commercial and non-commercial research and development in the province, as well as business development efforts. So approximately \$13.75 million is allocated for research and development, commercial and non-commercial and around \$3.1 million for business development.

B. PETTEN: Okay.

A. PARSONS: Just if I can add to that. So these would be under the IBIC board. So there's a board of individuals outside government that basically take the applications, do the grading, submit it up to

us for approval. There is an outside, arm's-length board, usually made up of individuals who are in the field, that give us the analysis on whether we should invest or not invest.

B. PETTEN: Okay, thank you.

CHAIR: Thank you.

4.1.01 to 4.3.01 inclusive.

MHA Brown.

J. BROWN: Just a quick question there. For funding and everything like this, is there many uptake from co-operatives or any kind of groups like that for any of this funding that is trying to get out the door there?

A. PARSONS: Absolutely.

So co-operatives do fall under this department. I just had a meeting with the head of the Co-operatives, Lloyd Hayden last Thursday. So the long and short is that yes, there is money there that goes to co-operatives and, in fact, we're actively trying to increase what goes to co-operatives because I, personally, think that it's the primary – it can be a success story in certain fronts. One of those being child care and we've seen that happen in Labrador. We've seen it happen in my own neck of the woods.

So we're trying our best to, in fact, try to generate the co-operative story in other communities. In fact, I think it has a real opportunity to help rural communities where you have individuals who are looking to move out of the business and may not have a successions plan. It's an opportunity for communities and areas to keep the community viable by investing in that.

Another big example, obviously, is the Leading Edge or Atlantic Edge Credit Union's movement. So we have a number of investments. I think we just put about \$100,000 into that group as a whole, which is their core funding, working on a

memorandum of understanding with them that should be executed soon. But if anything, we'd love to find more ways to find successes. I think the co-operative movement is an excellent way to generate success.

J. BROWN: Perfect.

I know that some mentioned updates and review of the legislation surrounding co-operatives. Is there any work being done on that in your department?

A. PARSONS: I think that might fall under Service NL. I think the legislation is under Service NL.

J. BROWN: Okay. So you guys provide the funding but the legislation is housed somewhere else on it?

A. PARSONS: I think so.

J. BROWN: Okay, perfect.

That's my only question for this section.

Thank you.

CHAIR: Thank you.

MHA Petten.

4.1.01 to 4.3.01 inclusive. Anything further?

B. PETTEN: No.

CHAIR: The Committee is 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.'

That section is carried.

On motion, subheads 4.1.01 through 4.3.01 carried.

CHAIR: I'll ask the Clerk to call the final set of subheads, please.

CLERK: Industry and Economic Development, 5.1.01 to 5.4.01 inclusive.

CHAIR: Shall 5.1.01 to 5.4.01 inclusive carry?

MHA Petten.

B. PETTEN: Thank you, Chair.

We are moving along quicker than I thought, but that's never a bad thing. It is all good.

5.1.01 – some line by lines – so Salaries are expected to increase again by \$1.3 million. I probably know the answer but –

A. PARSONS: Negotiated salary increases, again, yes.

B. PETTEN: Transportation and Communications: The savings there was the result of –

A. PARSONS: Less travel.

B. PETTEN: Yes.

A. PARSONS: Same thing.

B. PETTEN: Answering ourselves, right?

Under Purchased Services, it was over spent by \$1.3 million in '22-'23. Any reason why?

A. PARSONS: Yes. So that is related to the Atlantic Cable Facility management contract. Basically, going back to 2007-ish when that was created formerly through Persona now through EastLink, it was negotiated that there would be a 10-year vacation on payments with that. Now that's come owing, so we have to pay the cost to keep the line intact, as well as damages.

For instance, there are actually ships that, you know, drop anchor, sever the cable and we are on the hook for the costs.

So that was our bill that was due this year and I think that you could see that continuing on an ongoing basis while we had that. We do have conversations with outside providers on the possibility for partnering and doing different things with this redundancy. Those are ongoing and we'll wait and see what we hear back, but that's where that cost comes from.

B. PETTEN: Thank you.

Grants and Subsidies: Could you give us an overview of where the \$100,000 was given last year?

J. HIGGINS: Generally speaking, that line item is for work we do with the craft industry. So there's a craft wholesale show here locally that we support our craft producers in. There's also the Atlantic Canada craft show, which we support. Also, we do things like innovation challenges, ad hoc things, which fall under that category.

B. PETTEN: Okay, thank you.

I remember that from a previous life when I was over in that department. In that section, I remember the craft fairs.

Revenue - Provincial: There's \$14,000 in revenue. Where did this come from?

A. PARSONS: I think this was received from a previous investment. This is just revenue, I guess, we got from an investment we had made. This would be the return on it.

J. HIGGINS: Similar to the scenario Julian described where revenue that comes back in from an investment, which was unbudgeted but received.

B. PETTEN: Okay, thank you.

5.2.01, Regional Economic and Business Development, under Salaries, there was savings of \$920,000. What happened there?

A. PARSONS: All due to vacancies, and I can tell you that's one where, as a minister, you see the requests for staffing action come in and you have to sign off. The number that I see on this, it's extremely hard to hold on to talent throughout this province right now. Number one, just the job market, the way it is, there are lots of opportunities and openings. Number two, we're competing with the federal government, which is never fun. As well as the private market right now is increasingly coming after employees.

So it's not a case of not trying to fill. We constantly run job opportunities. We constantly have people coming in, but there's a lot of opportunity out there right now. The big thing to note there is there's not a decrease. We're not trying to reduce any positions. We want economic development officers out there. There's a lot I think we can work on here, too. The possibility of how do we continue to work on regional economic development.

We actually have them all coming together, hopefully this year, for the first time in a number of years, where they're coming together for a conference. There's been a lot of turnover in the last number of years with this, too, so it's a chance for everybody to meet, meet with the staff. It's easier to bring everybody together than have staff fan out throughout the province and indicate the priorities.

B. PETTEN: Okay, thank you.

Transportation and Communications, last year there was a savings of \$95,000. What contributed to that?

A. PARSONS: Same thing. Less staff, less travel to the sites.

B. PETTEN: Got you.

Under 5.3.01, Grants and Subsidies, there was \$9.96 million, almost \$10 million, up to \$19 million, almost \$20 million given out. Could we have a list of the recipients?

J. HIGGINS: The \$9.96 million is under a couple of different categories. One is for community capacity building. So you probably get \$250,000, \$300,000 that go to municipalities, Chambers of Commerce, industry associations, to help build their own internal capacity. Things as straightforward as governing a board to developing proposals.

The bigger chunk of that money is under our Regional Development Program, where throughout the province in all the different regions we support things, similar applicants for infrastructure, feasibility studies, research and development, marketing for different events in different sectors. So that's where most of that would go.

There is also a portion that goes to our partnership funding, we call it, that's our partnerships with our industry associations like econext and techNL. You'll also see Federation of Co-operatives in there as an entity we support, Organization of Women Entrepreneurs, ACADA, so that's where a good chunk of that goes as well, to support their efforts, which is a natural extension of what we try to do in our department.

B. PETTEN: Why wasn't the full amount given out?

J. HIGGINS: We're still working on that, Sir, because a lot of our money flows in the last quarter. I think we have until April 12 to get all that disbursed so we'll see where we are in the coming days.

B. PETTEN: Come back and ask you next month.

J. HIGGINS: Yes, that's true. A lot of it goes in the last quarter, so most of our crew are

busy trying to get those payments disbursed up to April 12.

B. PETTEN: I appreciate that.

Under Revenue - Federal, can you detail how the \$126,300 was received?

A. PARSONS: That's a variance for a grant payment, wasn't it?

OFFICIAL: Yes.

A. PARSONS: So that's a variance due to grant repayment received related to a grant issued in the previous fiscal year.

B. PETTEN: Okay.

5.4.01, under the Green Transition Fund, could you outline what the salary complement is here and are these new employees or employees coming from another area?

J. HIGGINS: This is a new line item. There are two positions that would be new, that we would have to create to administer that fund. It's a \$100 million fund over 12 years that comes from the West White Rose project extension. What we've got there now are individuals who are pretty much developing and devising the fund. So there will be more details to come on the fund itself, but that's what those two positions are.

B. PETTEN: Okay.

Transportation and Communications, how is this \$65,000 calculated? What does that include?

J. HIGGINS: That there is in anticipation of promoting and communicating on the fund, the program itself, and also transportation that would come with meetings with various industry associations, potential clients and applicants. So it's really under the category of promoting the program and communicating on it.

A. PARSONS: I can just add a little context to this. So this is brand new, basically, that we got out of West White Rose. We know what the cap is; we've got \$6 million. But it was a matter of basically establishing from scratch a new fund. So the reality is that we put in baselines, probably through analysis of all the rest of our T&C and Purchased Services and what we felt the needs were.

I mean, this is the first year of an estimate, so when we come back next year that number may or may not change depending on what we see driving demand and things like that. I hope that it matches because it will show that your analysis was right on, but there's another part of me hopes that the demand is so much that we have to go over on certain things.

Either way, the good news is that there is a revenue there that we can count on and see where it goes, right?

B. PETTEN: So under Grants and Subsidies, how will the \$5.75 million be allocated? What's the criteria?

A. PARSONS: So we announced it last year, we're going to be coming out again now and putting out the analysis and what we expect of people, what are the parameters for application. So this will be application based. People, industry, academia, you name it, will come in, they'll put the applications in. We know how much we have to give, we'll put a criteria in, a matrix of scoring and how that's going to be figured out, all under a certain fund.

You'll get some that will come in that may not qualify because they don't fit the needs, but the goal is to make sure that it gets out there because, generally, there are a couple of things. There's a lot of good research – we saw this under OGIRA – there's a lot of good research comes out of it. The second part there is the job creation aspect of this. So it's good on a number of fronts.

It's in this sector for which it's burgeoning right now. Everybody is talking about green transition. Everybody is talking about these ways to decarbonize current industries such as mining, such as offshore. It's absolutely needed and we felt it was a good takeaway from when we figured out the West White Rose sort of, reassessment and reimagining.

B. PETTEN: Thank you.

CHAIR: Thank you.

MHA Brown, 5.1.01 to 5.4.01 inclusive.

J. BROWN: Under 5.4.01, have there been any early expressions of interests in these grants and what kind of projects would those expressions be at this time?

J. HIGGINS: No specific expressions just yet. But I think in early days of the program we'll generate a lot of interest.

J. BROWN: Just for clarification, so the source of revenue that \$6 million, that comes from the agreement with West White Rose Extension?

J. HIGGINS: Yes.

J. BROWN: So it is going to be \$6 million every year or is there an increase or escalator in that?

A. PARSONS: I think it's based on \$100 million overall. So it may not stay at \$6 million. I think there's an escalator that's in there.

Craig might have a bit more.

C. MARTIN: This was the \$100 million committed by the White Rose project for the Green Transition Fund. So I think the payment period, it's in place for roughly 12 years and it's on an escalating basis. It starts at \$6 million and increases over time. I think it's \$6 million for the first three years, until West White Rose gets back out

producing oil or the terms of the new CGS project and then it escalates from there. I think it's \$12 million on the back end.

J. BROWN: Okay, perfect.

That's all my questions for this section.

Thank you.

CHAIR: 5.1.01 to 5.4.01, MHA Petten.

B. PETTEN: My questions are done.

I just wanted just a minute to thank the minister and his staff. I read in the Estimates binder, actually *Hansard*, I don't know, the minister alluded to he's been in this Estimates process now for some – I guess last year it would have been 11 or 12 years for you, is it?

A. PARSONS: Yes.

B. PETTEN: Yes, me too. As the minister always rightfully points out, I've been around this place a lot longer than most. As a previous life, I used to sit over there with former ministers and do Estimates, so I always like to remind and tell people that I'm not just on this side, I know what it's like over there and I appreciate the work that all your staff do. I've seen it first-hand myself. I do really appreciate it.

I do appreciate, Minister, you're forthcoming with your answers. I just said to Megan and Pleaman that the answers are great, they're clear and they're to the point. There's a lot to be said for that, so I just want to tip my hat to all of you for your time.

This is another point I'll put on record, it's the fastest Estimates I've ever been in, so I don't know who to thank for this. I thank everyone for that, but, obviously, we appreciate your time, of course.

A. PARSONS: Thank you.

CHAIR: Before I go to MHA Brown, if the Committee is ready for the question, shall 5.1.01 to 5.4.01 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subhead 5.1.01 through 5.4.01 carried.

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 of 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 of the Department of Industry, Energy and Technology carried without amendment.

CHAIR: MHA Brown, I'll just pass it to you for some final remarks.

J. BROWN: Thank you, Chair.

I want to thank everyone over there in the department for coming and answering the

questions. Like I said, I echo my colleague, it's usually pretty – the last number of years this department has been pretty clear and decisive and we get the answers, so I really appreciate that. Like I said, I also appreciate the speed at which it was done today. It's always nice.

So thanks everybody and I will see you all again next year.

CHAIR: Minister Parsons.

A. PARSONS: Thank you for that.

Just a few things and I don't want to belabour it. I think the speed of this is indicative of the lack of obfuscation, which is a fancy way of saying we try to be forthcoming. I think that leads to more answers. This has always been my favourite part of the entire budget process, far more useful, I think, than sometimes budget debate. I've always felt that way and I'm glad you feel that way.

As well as the fact, I point out that people like Jordan have regular meetings with the department. It's because we try our best to communicate information that's information to him. The offer is out there for critics. I know in this case Barry is probably handling eight departments now.

As you'll notice, this is a pretty diversified department from craft shows right up to oil and gas negotiations, to a pretty rapidly evolving renewable sector. The only reason we're as clear and as successful as we are is because I'm surrounded by an awesome, awesome team. My knowledge is, I'll say, broad, but certainly not even as close, as deep and thorough as the people that are surrounding me, which is why, if there's good work done here, they get the credit for it, as well as all the people that helped formulate the information they have.

So it's a good team and I'm glad this worked well for everybody. I'm appreciative.

CHAIR: Thank you, Minister Parsons.

I, too, thank your team for a great effort here this morning, as I do for the Resource Committee. Thank you to Evan, my colleague here from the House of Assembly, for assisting me this morning.

With that, I'll entertain a motion for adjournment.

L. STOYLES: So moved.

CHAIR: Moved by Lucy.

This meeting is adjourned.

Thank you.

On motion, the Committee adjourned.