

Minister O'Regan's Appearance at the House Committee on Natural Resources
Main and Supplementary Estimates 'B' 2020-21
Friday, December 11, 2020 from 1 :00-3:00PM
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LEGEND:

Black Font: Issue notes unrelated to Estimates

Blue Font: Items from the Main Estimates

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Date: December 11, 2020

The Honourable Seamus O'Regan, Minister of Natural Resources, delivers opening remarks for his appearance before the House of Commons' standing committee on natural resources.

Words: 590

Delivery Time: Est. 5 minutes

Thank you Mr. Chair, colleagues.

I know my time is short but I do want to touch two very important things right off the top.

First, I want to state very clearly that the best thing all of us can do for our Natural Resources Sector is continue to wear a mask, wash your hands and physically distance when possible.

There is hope coming. Vaccines are coming. But we must be vigilant.

Second, I want to send a very clear message to every worker, every family, and every business that is relying on the Keystone XL project.

Our support for this project has been and continues to be unwavering.

On their FIRST call, the Prime Minister discussed Keystone with President-elect Biden. That is the definition of a priority.

I would add that one of the strongest arguments we can make for Keystone is our record on tackling climate change.

Canada has a price on pollution, we are phasing out coal-generated electricity, and we are legislating accountability for our climate targets.

Throughout our resource sectors, we can see that investors are making clear choices. They are putting their money into jurisdictions taking action on climate change and divesting from those they view as not taking action.

Our government is doing its part. Making with significant investments to reduce carbon and methane emissions, and build our capacity for renewables. We are investing in new opportunities and innovation...such as hydrogen, carbon capture, & SMRs.

We want Canada to be the first country that springs to mind when people think of clean technology and innovation. Whether it's energy efficiency. Smart grids. Green infrastructure.

This is the same vision we laid out in our Speech from the Throne this fall. And that we've continued to implement with our Fall Economic Statement last month.

Including:

- Another \$2.6 billion over seven years for retrofits – and jobs – to make our homes more energy efficient.
- And a further \$150 million to build more charging stations for electric vehicles.

We are using natural solutions to fight climate change, with \$3.2 billion to plant an additional 2 billion trees over the next 10 years.

This is in addition to the \$30 million we sought in the estimate to support COVID-19 safety measures in the forest sector, and a further \$22 million this year to combat mountain pine beetle infestations and \$12 million to fight Spruce Budworm in Quebec.

Our forestry sector is a crucial part of both our economy and our fight against climate change.

All of this is taking place while we support our resource sectors and, more importantly, our workers in the midst of a global pandemic.

- We put in place a 75-percent wage subsidy to protect vulnerable jobs - keeping hundreds of thousands of resource workers on the job.
- We announced further support with increased flow-through share flexibility for junior exploration companies – all with a goal of keeping Canadians in the mining sector working. And,
- We announced \$1.7 billion to clean up inactive and abandoned wells; as well as \$395 million to upgrade and repair facilities in our Offshore.

From the beginning, workers have been at the heart of everything we have done. They will continue to be at the heart of everything we do.

I could go on, but I know my time for these remarks is short. So I will stop with this. Our resource sector is the foundation of Canada's recovery and our net-zero future. Together, we must lay the foundation for its success.


I look forward to your questions.

Committee Profile

House of Commons Standing Committee on Natural Resources

43rd Parliament – 1st Session

CONSERVATIVE (4)	<p>Greg McLean (Calgary Centre, AB)</p> <p>Rachael Harder (Lethbridge, AB)</p> <p>Jeremy Patzer (Cypress Hills—Grasslands, SK)</p> <p>Bob Zimmer (Prince George—Peace River—Northern Rockies, BC)</p>
BLOC QUEBECOIS (1)	<p>Mario Simard (Jonquière, QC)</p>
NEW DEMOCRATIC PARTY (1)	<p>Richard Cannings (South Okanagan—West Kootenay, BC)</p>
LIBERAL (6)	<p>Paul Lefebvre (Sudbury, ON)</p> <p>Yvonne Jones (Labrador, NL)</p> <p>James Maloney (Etobicoke—Lakeshore, ON)</p> <p>Bryan May (Cambridge, ON)</p> <p>Maninder Sidhu (Brampton East, ON)</p> <p>Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, BC)</p>

	<p>Greg McLean</p> <p>Riding: Calgary Centre, Alberta</p> <p>Political Party: Conservative</p> <p>Profession: Financial Professional (mostly in the oil and gas sector)</p> <p>Elected to Parliament: October 2019</p>
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General Information:

Before being elected in 2019, Greg McLean worked as a financial professional for 20 years, including work in the oil and gas sector and with start-ups in technology. He leads Criterium Merchant Capital, the financial advisory subsidiary of a Calgary-based consulting firm. He has worked in Alberta’s capital markets as a financier, advisor, a portfolio manager, and Chief Investment Officer. He has managed portfolios of publicly listed and private companies; sourced and structured investments in private equity, venture capital opportunities, and other financings; executed workout strategies with investee companies; and advised on corporate consolidation opportunities and transition activities. He spent six years advising two Canadian Cabinet Ministers, including the Hon. Harvie Andre, M.P. for Calgary Centre, across three portfolios, and the Hon. Jean Corbeil in the Ministry of Transport.

He has spent some of his time as a new MP helping his colleagues understand oil and gas policy, steps the industry has taken toward sustainable development, and reasons that eastern Canadians should prefer western Canadian oil over imports.

On September 8, 2020, he was named the Shadow Minister for Natural Resources & Canadian Northern Economic Development Agency (CanNor). Prior to that, he served as the Deputy Shadow Minister for National Revenue (tax policy issues).

He has a Bachelor of Commerce Degree from the University of Alberta, and an MBA from the Richard Ivey School of Business at the University of Western Ontario.

Analysis:

[Redacted]


Items of interest:

Order Paper Questions:

Nothing relevant at this time. Greg McLean has submitted two Order Paper Questions, but neither were of relevance to the natural resources portfolio (one on Canada Summer Jobs Program and one on vehicle purchases by departments).

Private Members Bills or Motions:

On February 24, 2020, Greg McLean introduced Private Members Bill C-214, An Act to amend the *Income Tax Act*. This enactment amends the *Income Tax Act* to include in the definition “qualifying environmental trust”, trusts that are maintained for the sole purpose of funding the reclamation of an oil or gas well operated for the purpose of producing petroleum or natural gas. He argued that the bill would create equity for the Canadian resource industry by providing a level playing field in the oil and gas sector and a financial instrument that is already available for every other extractive industry in Canada, including pipelines. The bill is currently at second reading debate.

	<h2>Rachael Harder</h2>
	<p>Riding: Lethbridge, Alberta</p>
	<p>Political Party: Conservative</p>
	<p>Profession: Youth Sociologist and Leadership Consultant</p>
	<p>Elected to Parliament: October 2015</p>

Biography:

Before entering public life, Rachael Harder worked as a youth sociologist and leadership consultant, working with businesses and not-for-profit leaders, universities, colleges, and young world-changers. She was raised on a small farm in southern Alberta. She graduated with Great Distinction from the University of Lethbridge and holds a Bachelor of Education and Bachelor of Arts with a General Social Sciences Major in Sociology, Political Science, and Psychology. She has served on the city's Community and Social Development Committee, the Lethbridge Youth Justice Committee, and the Canadian Mental Health Youth Anti-Stigma Leaders' Steering Committee. She also volunteered for the Lethbridge 2019 Canada Winter Games bid and the 2015 Alberta 55+ Winter Games.

Analysis:


Rachael Harder previously served as the Chair of the Standing Committee on Access to Information, Privacy and Ethics. Before that, she was the Shadow Minister for Status of Women. Rachael Harder is new to the Natural Resources Committee. [Redacted]

Order Paper Questions:

Nothing relevant at this time.

Private Members Bills or Motions:

Nothing relevant at this time.

	<p>Jeremy Patzer</p> <p>Riding: Cypress Hills—Grasslands, SK</p> <p>Political Party: Conservative</p> <p>Profession: Telecommunications</p> <p>Elected to Parliament: October 2019</p>
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Biography:

Jeremy Patzer was born and raised on a grain farm in Frontier, Saskatchewan. He went on to work in the telecommunications industry for 10 years, in business and residential settings for both rural and urban areas. All the while, he remained active in politics, serving on the Board of Directors for the Conservative Party Constituency Association since 2015. In the previous session of Parliament, Mr. Patzer was a member of the Industry, Science and Technology Committee.

Analysis:

[Redacted]

Order Paper Questions:

Nothing relevant at this time.

Private Members Bills or Motions:

Nothing relevant at this time.



Bob Zimmer

Riding: Prince George—Peace River—Northern Rockies, BC

Political Party: [Conservative](#)

Profession: Construction Business Owner

Elected to Parliament: May 2011

Biography:

Bob Zimmer was born in Dawson Creek, BC and raised in Fort St. John, BC. He began his career working for his father's family carpentry business and obtained his Red Seal Journeyman Carpentry Certification before going on to own his own construction business. He received an undergraduate degree from Trinity Western University in human kinetics and history/political science, as well as a bachelor's of education degree from the University of British Columbia. He served as Chair of the Standing Committee on Access to Information, Privacy and Ethics in September 2017. Since coming into office, he has sat on several committees including the Standing Committee on Agriculture and Agri-Food, Standing Committee for Veterans Affairs, and the Standing Committee for Procedure and House Affairs. He has also served as Vice-Chair of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities and Critic for Asia-Pacific Gateway. During the previous session of this Parliament, he was the shadow minister for northern affairs and the Canadian Northern Economic Development Agency.

Analysis:

[Redacted]

Order Paper Questions:

Nothing relevant at this time.

Private Members Bills or Motions:

Nothing relevant at this time.



Mario Simard

Riding: Jonquière, Québec

Political Party: [Bloc Québécois](#)

Profession: University Lecturer

Elected to Parliament: October 2019

Biography:

Mario Simard has been a lecturer in political science and social work at the Université du Québec à Chicoutimi since 2005. He holds a bachelor's and master's degree in political science and is currently pursuing doctoral studies in political philosophy at the University of Paris Nanterre. Mr. Simard was a political attaché from 2011 to 2015 for the former member for Jonquière – Alma, Claude Patry, elected as NDP before transferring to the Bloc Québécois during his mandate.

Analysis:

[Redacted]

Order Paper Questions:

Nothing relevant at this time.

Private Members Bills or Motions:

Nothing relevant at this time.

	<h2 style="margin: 0;">Richard Cannings</h2> <p>Riding: South Okanagan—West Kootenay, British Columbia</p> <p>Political Party: New Democratic Party</p> <p>Profession: Biologist and Author</p> <p>Elected to Parliament: October 2015</p>
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Biography:

Mr. Cannings graduated with an Honours B.Sc. in Zoology from the University of British Columbia and a M.Sc. in Biology from Memorial University of Newfoundland. He worked in the Zoology Department at the University of British Columbia for 15 years, and subsequently worked as a consulting biologist.

Prior to his election, Mr. Cannings served as a director on the board of the Nature Conservancy of Canada, and worked with Bird Studies Canada, coordinating surveys on the status of Canada’s bird populations. He also served on the B.C. Environmental Appeal Board for over a decade and as the co-chair on the Committee on the Status of Endangered Wildlife in Canada for eight years.

Analysis:

[Redacted]

Mr. Cannings was a member of the House Committee on Natural Resources for the entirety of the previous Parliament.

Order Paper Questions:

Q-1012 — October 1, 2020 — Mr. Cannings (South Okanagan—West Kootenay) — With regard to the Softwood Lumber Action Plan announced on June 1, 2017, broken down by department or agency and contribution agreement: (a) what companies, organizations or communities have received funding; (b) how much has been received by each community, company or organization; (c) for what purpose has each contribution been used; (d) for each community, company or organization, how many people have been assisted; (e) have all of the original \$867 million dollars been expended, and, if not, how much remains to be expended; and (f) have additional funds been allocated to this action plan or under other government initiatives to assist those negatively impacted by the tariffs put in place by the United States?

Private Members Bills or Motions:

During the previous Parliament, Mr. Cannings sponsored Private Members Bill C-354, calling on the Public Works to allow the use of wood in construction projects. The Bill died at dissolution at second reading in the Senate. PEI Senator Diane Griffin (Liberal-appointed Independent) re-introduced the Bill as S-206 on December 11, 2019.



Paul Lefebvre

Riding: Sudbury, ON

Political Party: Liberal

Profession: Lawyer

Elected to Parliament: 2015

Biography:

An accomplished tax lawyer, business owner, and former Commissioner to the Human Rights Commission of Ontario, Mr. Lefebvre is a resident of Northern Ontario with a passion for improving his community. He owned the local private French-language radio station, 98.9 FM (Le Loup), and expanded its reach by establishing a new station in the Nipissing area. He also owned the francophone newspaper, *Journal Le Voyageur*, where he transformed the weekly publication into a regional newspaper, increasing its circulation from 8,000 to 18,000. Mr. Lefebvre is the past chair of the Sudbury Community Foundation and the 2011 Canadian Francophone games, and the past Vice-President of the Association de la presse francophone. A music enthusiast, he is also a founder and past chair of the Jazz Sudbury Festival. Mr. Lefebvre taught international taxation at the University of Ottawa's Faculty of Law, and has written articles on taxation that have appeared in numerous publications, including *Lawyer's Weekly* and the *Canadian Tax Journal*.

Analysis:

Mr. Lefebvre is the Parliamentary Secretary to the Minister of Natural Resources. The ability to appoint Parliamentary Secretaries to Committees has been reinstated by the government this Parliament. He will play a key role in communicating the work of the committee to the Minister.



Yvonne Jones

Riding: Labrador, NL

Political Party: Liberal

Profession: Journalist and Entrepreneur

Elected to Parliament: 2013

Biography:

Ms. Jones is the Parliamentary Secretary to the Minister of Crown-Indigenous Relations and Northern Affairs. While serving in opposition, Yvonne was the Liberal Critic responsible for Northern Development and the Canadian Northern Economic Development Agency, ACOA, as well as Search and Rescue. Prior to her election to the House of Commons in May 2013, Yvonne was the Liberal MHA for Cartwright-L'Anse au Clair since 1996. During her time as an MHA she served as the Parliamentary Secretary to the Department of Works, Services and Transportation and to the Department of Health. In 2003, Yvonne Jones was the first female in the province to be appointed Minister of Fisheries & Aquaculture. She was also the Minister Responsible for the Status of Women. Yvonne Jones was appointed Interim Leader of the Liberal Party of Newfoundland and Labrador and Leader of the Official Opposition on November 15th, 2007. On July 30, 2010, Yvonne became the official Leader of the Liberal Party of Newfoundland and Labrador.

A graduate of West Viking College, Yvonne began her career as a journalist and has worked throughout the province as a news reporter. She also carried out contract work as a researcher with Memorial University and as a Resource Employment Counselor with Human Resources Development Canada. Yvonne is also an entrepreneur and has owned and operated small businesses in Labrador in both the transportation and tourism sectors. Her first foray into politics was as Mayor of her hometown, Mary's Harbour, Labrador, in 1991. Through her volunteer work with the Battle Harbour Development Corporation, the Combined Councils of Labrador, the NunatuKavut and various literacy groups and councils, Yvonne played a significant role in improving the quality of life not only for the people of her district, but for the people of Newfoundland and Labrador.

Yvonne has also served as the Vice-Chair of the Public Accounts Committee, which analyses the Federal Government's spending along with the work of the Auditor General.



James Maloney

Riding: Etobicoke—Lakeshore, ON

Political Party: Liberal

Profession: Civil Trial Lawyer

Elected to Parliament: 2015

Biography:

In 2014, Toronto City Council appointed Mr. Maloney interim Councillor of Ward 5. A civil trial lawyer by training, Mr. Maloney is originally from Thunder Bay but has lived and worked in Etobicoke for forty years. He earned his Bachelor of Arts degree from Bishop's University, and his Law degrees from the University of Windsor and the University of Wales in Cardiff, UK. Mr. Maloney is the former President of the Toronto Lawyers Club, served on the Board of Directors for the local Franklin Horner Community Centre and the Catholic Children's Aid Society of Toronto. He is the proud recipient of the Queen's Diamond Jubilee Medal. He is Co-Chair of the Toronto Caucus and is a member of the Auto Caucus.

Mr. Maloney was the Chair of the House Committee on Natural Resources throughout the entirety of the previous Parliament and the first session of the current Parliament. He is also a member of the House Standing Committee on Justice and Human Rights.



Bryan May

Riding: Cambridge, ON

Political Party: Liberal

Profession: Management

Elected to Parliament: 2015

Biography:

Bryan May's senior management experience spans roles with non-profit organizations including the YMCA, the Boys and Girls Club of Canada, and the University of Waterloo. Bryan served on the committee for the Oxford Active Living/Youth Action Plan, was a member of the Y Service Club, and was the Executive Treasurer of the Social Planning Council of Cambridge and North Dumfries— an organization focused on collecting, analyzing, and openly sharing data to strengthen community with the goal of eliminating poverty. Bryan's volunteerism in Cambridge includes coaching baseball as well as being a long-time member of numerous charitable organizations. Bryan earned his Bachelor of Arts from the University of Waterloo.

Mr. May is also a member of the House Standing Committee on Veterans Affairs.



Maninder Sidhu

Riding: Brampton East, ON

Political Party: Liberal

Profession: Customs Broker

Elected to Parliament: 2019

Biography:

Maninder Sidhu has lived in Brampton for the past 30 years. He mentors aspiring young entrepreneurs, and is the founder of The Kindness Movement Charity. This charity assists underprivileged school children and the less fortunate in India and here in Canada. After graduating from the University of Waterloo, Maninder built a successful customs brokerage business.



Patrick Weiler

Riding: West Vancouver—Sunshine Coast—Sea to Sky Country, BC

Political Party: Liberal

Profession: Environmental and Natural Resource Management Lawyer

Elected to Parliament: 2019

Biography:

Patrick Weiler is an environmental and natural resource management lawyer who grew up in both West Vancouver and Sechelt. During his career, he has supported governments around the globe to improve the management of aquatic ecosystems, as well as the governance of natural resource sectors on behalf of the United Nations and other international development agencies. Mr. Weiler has represented First Nations, municipalities, small businesses and non-profits on environmental and corporate legal matters within this riding, throughout British Columbia and around the world.

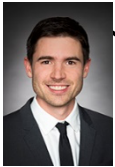
Mr. Weiler is also a member of Standing Committee on Government Operations and Estimates.

Members of the House of Commons Standing Committee on Natural Resources (Oct 2020)

Bob Zimmer
Conservative
 Prince George—Peace
 River—Northern Rockies,
 BC



Patrick Weiler
Liberal
 West Vancouver-
 Sunshine Coast
 Sea to Sky Country
 BC



Greg McLean
Conservative
 Calgary Centre, AB
-Critic-

Yvonne Jones
Liberal
 Labrador, NL



Mario Simard
Bloc Quebecois
 Jonquière, QC
-Critic-



Maninder Sidhu
Liberal
 Brampton East,
 ON



Jeremy Patzer
Conservative
 Cypress Hills—
 Grasslands, SK



Bryan May
Liberal
 Cambridge, ON



Richard Cannings
NDP
 South Okanagan — West
 Kootenay, BC
-Critic-



Rachael Harder
Conservative
 Lethbridge, AB

James Maloney
Liberal
 Etobicoke-
 Lakeshore, ON



Paul Lefebvre
Liberal
 Sudbury
 Ontario
 -Parliamentary Secretary-



[Redacted]

DESCRIPTIVE OVERVIEW OF NRCAN'S 2020-21 MAIN ESTIMATES

KEY MESSAGES

- **In these Main Estimates, Natural Resources Canada is asking Parliament to review total budgetary authorities of \$1.4 billion.**
- **This is a net decrease of \$158.7 million, or 10%, from last year's Main Estimates.**

BACKGROUND

These Main Estimates represent the plans developed in the fall. [Redacted]

Main Estimates consist of *voted* authorities and *statutory* authorities. Voted authorities require annual approval from Parliament, which is sought through an appropriation bill. Statutory authorities represent payments to be made under legislation previously approved by Parliament. Statutory authorities are not voted on and are included in Main Estimates for information purposes to provide a more complete picture of total estimated expenditures.

VOTED AUTHORITIES

Voted authorities are decreasing by \$74.9M from the previous years' Main Estimates due to a \$7M decrease in operating expenditures, a \$2.4M decrease in capital expenditures, a \$22.9M decrease in grants and contributions, and a \$42.6M decrease in Items voted in prior Estimates, as the Budget Implementation Vote used last year is no longer being used. As a result, approved items are now distributed directly to votes within the 2020-21 Main Estimates.

Vote 1 operating expenditures decrease of \$7M is mainly due to:

- \$10.8M decrease for Forest Innovation and Expanding Market Opportunities due to the programs sunsetting on March 31, 2020; support to renew these initiatives was announced in Budget 2019 [Redacted]; and
- \$10.4M decrease for Geo-Mapping for Energy and Minerals initiative due to the program sunsetting on March 31, 2020; [Redacted].

These decreases are offset by:

- \$13.8M increase for collective bargaining for wage increases of newly negotiated agreements.

Vote 5 capital expenditures decrease of \$2.4M is mainly due to:

- \$3.9M decrease in proceeds from the sale of real property, known as the Northwest Quadrant; and
- \$1M decrease for Geo-Mapping for Energy and Minerals initiative due to the program sunsetting on March 31, 2020; [Redacted]

These decreases are partially offset by:

- \$2.6M increase for Ensuring Better Disaster Management Preparation and Response – Earthquake Early Warning due to a planned increase as the program enters its second year.

Vote 10 Grants and Contributions expenditures decrease of \$22.9M is mainly due to:

- \$40.7M decrease for Forest Innovation and Expanding Market Opportunities due to the programs sunsetting on March 31, 2020; support to renew these initiatives was announced in Budget 2019 [Redacted];
- \$36.8M decrease for the ecoENERGY for Renewable Power program as the program nears completion; and
- \$33M decrease for the Investments in Forest Industry Transformation program due to the program sunsetting on March 31, 2020; support to renew this initiative was announced in Budget 2019 [Redacted].

These decreases are partially offset by:

- \$33.5M net increase for the Green Infrastructure programs due to year-over-year variations and reprofiling of funding;
- \$19.4M increase for the Impact Canada Initiative due to year-over-year variation and reprofiling of funding;
- \$11.4M increase due to a transfer from Innovation, Science and Economic Development Canada for Emergency Order for the Southern Mountain Population of Woodland Caribou;
- \$11.2M increase for the Zero Emission Vehicles program as the funding was not in Main Estimates Vote 10 in 2019-20; and
- \$10M increase due to a transfer from Innovation, Science and Economic Development Canada to reduce greenhouse gas emissions from Canadian automotive plants.

Items voted in prior Estimates decrease of \$42.6M due to:

- The Budget Implementation Vote used last year for items announced in Budget 2019 is no longer being used. As a result, approved items are now distributed directly to votes within the 2020-21 Main Estimates.

STATUTORY AUTHORITIES

Statutory authorities are decreasing by \$83.8M from the previous year's Main Estimates mainly due to a decrease of forecasted payments under the Newfoundland Offshore Petroleum Resource Revenue Fund.

FINANCIAL PROFILE

Authorities (\$M)

Source	Public Accounts	Public Accounts	Main Estimates	Main Estimates	Departmental Plan	Departmental Plan
Fiscal Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Operating	570.84	582.67	563.83	556.83	532.25	517.75
Capital	69.18	25.29	14.00	11.61	10.91	7.79
Grants and Contributions	413.91	333.05	471.01	448.12	332.86	171.94
Budget 2019 Measures ¹			42.64			
<i>Total Voted</i>	1053.93	941.01	1,091.47	1,016.56	876.02	697.48
Statutory	585.24	461.96	446.21	362.45	517.37	852.73
TOTAL	1,639.17	1402.97	1,537.68	1,379.01	1,393.39	1,550.21
FTEs²	3,980	4,171	4,433	4,279	4,135	4,075

¹The 2019-20 Main Estimates are the first Estimates that include Budget measures in the departmental authorities.

²Source of FTE information:
2017-18 and 2018-19 from Departmental Results Report;
2019-20, 2020-21, and 2021-22 from the 2022-23 Departmental Plan.

CONTACT: Linda Hurdle, ADM, Corporate Management and Services Sector

DESCRIPTIVE OVERVIEW OF NRCAN'S 2020-21 SUPPLEMENTARY ESTIMATES (B)

KEY MESSAGES

- **In these Supplementary Estimates (B), NRCan is asking Parliament to review an increase of \$285.7 million.**
- **With the approval of these Estimates, NRCan's authorities will increase from \$1,479.6 million to \$1,765.4 million.**

BACKGROUND

Supplementary Estimates (B) 2020-21 include:

1. **New Treasury Board Submissions (\$245.2M)**
 - Funding to support the creation of a new Emissions Reduction Fund (\$159.1M);
 - Funding for safety measures in forest sector operations (COVID-19) (\$30.5M);
 - Funding to combat mountain pine beetle infestations (\$22.2M);
 - Funding to support Indigenous Consultations and Engagement and Capacity Building for Natural Resource Projects (\$17.9M);
 - Funding to renew the Mineral Geoscience Programs (\$14.3M); and
 - Funding to support students and youth (COVID-19) (\$1.2M).
2. **Re-profiles (\$10.3M)**
 - Funding to strengthen environmental protections and address concerns raised by Indigenous groups regarding the Trans Mountain Expansion project (\$3.6M);
 - Funding for efforts to protect the southern mountain woodland caribou (\$3.0M);
 - Funding for the Indigenous Advisory and Monitoring Committee for Energy Infrastructure Projects as part of the Trans Mountain Expansion project (\$2.0M);
 - Funding for Engaging Indigenous Communities in Major Resource Projects linked to Natural Resources Participant Funding Program (\$1.0M);
 - Funding for the Manitoba Soldier Settlement Board (\$0.6M); and
 - Funding for the Framework for Canada-U.S. Collaboration on Cyber Security and Energy (\$0.2M).

3. **Transfers to/from various organizations (net increase of \$9.3M)**

Transfer-In (\$9.8M)

- From the Department of Fisheries and Oceans for the Terrestrial Cumulative Effects Initiative and to support the administration of the Aquatic Habitat Restoration Funding (\$3.6M);
- From the Environment and Climate Change Canada for the 50 Million Tree Program under the Low Carbon Economy Fund (\$3.4M);
- From the Department of National Defense for the Polar Continental Shelf Program in Resolute, Nunavut (\$2.4M);
- From the Treasury Board Secretariat for innovative approaches to reduce greenhouse gas emissions in government operations (\$0.3M);
- From the Department of Foreign Affairs, Trade and Development to adjust funding previously provided for departmental staff located at missions abroad (\$0.1M);
- From the Department of Fisheries and Oceans for the Overall health of the Salish Sea (\$0.1M);

Transfer-Out (\$0.5M)

- To the Department of Foreign Affairs, Trade and Development for the North American Platform Program (\$0.1M);
- To the Department of Industry to support the Zero-Emission Vehicle Initiative (\$0.1M); and
- To the Department of Industry for the Centre of Excellence for Indigenous Mineral Development (\$0.2M).

4. **Internal reallocation from existing reference levels (no impact on authorities)**

- To increase grants (\$0.2M); and
- To increase capital (\$1.5M for building improvements).

5. **Increase to NRCan's statutory authorities (\$20.8M)**

- Payments to support students and youth impacted by COVID-19 (\$14.5M);
- Climate action support payments (\$3.6M); and
- Contributions to employee benefit plans (\$2.7M).

CONTACT: Linda Hurdle, ADM, Corporate Management and Services Sector

Department of Natural Resources

Raison d'être

The Minister of Natural Resources is responsible for this organization.

Natural Resources Canada (NRCan) works to improve the quality of life of Canadians by ensuring that our natural resources are developed sustainably, providing a source of jobs, prosperity, and opportunity, while preserving our environment and respecting our communities and Indigenous peoples.

Additional information can be found in the Organization's Departmental Plan.

Organizational Estimates

	2018–19	2019–20		2020–21
	Expenditures	Main Estimates	Estimates To Date	Main Estimates
		(dollars)		
Budgetary Voted				
1 Operating expenditures	582,670,709	563,825,825	573,243,327	556,830,962
5 Capital expenditures	25,287,927	13,996,000	13,996,000	11,608,000
10 Grants and contributions	333,045,920	471,008,564	504,439,163	448,124,943
– Items voted in prior Estimates	.....	42,636,724	42,636,724	.....
Total Voted	941,004,556	1,091,467,113	1,134,315,214	1,016,563,905
Total Statutory	461,962,421	446,210,499	1,404,505,642	362,450,688
Total Budgetary	1,402,966,977	1,537,677,612	2,538,820,856	1,379,014,593

2020–21 Main Estimates by Purpose

Budgetary	Operating	Capital	Transfer Payments	Revenues and other reductions	Total
			(dollars)		
Innovative and Sustainable Natural Resources Development	279,974,196	3,360,000	350,794,625	(23,910,427)	610,218,394
Globally Competitive Natural Resource Sectors	54,260,323	.....	371,938,924	(307,200)	425,892,047
Natural Resource Science and Risk Mitigation	192,514,227	5,127,000	30,639,000	(14,264,979)	214,015,248
Internal Services	125,867,904	3,121,000	.....	(100,000)	128,888,904
Total	652,616,650	11,608,000	753,372,549	(38,582,606)	1,379,014,593

Listing of the 2020–21 Transfer Payments

	2018–19 Expenditures	2019–20 Main Estimates	2020–21 Main Estimates
		(dollars)	
Grants			
Grants in support of Clean Technology Challenges	1,210,338	19,731,634	41,584,738
Grants in support of Outreach and Engagement, Energy Efficiency and Energy Innovation	2,968,569	2,880,000	3,413,333
Grants in support of Innovative Solutions Canada	300,000	300,000	1,980,000
Grants in support of Oil Spill Recovery Technology under the program entitled Incentives to Develop Oil Spill Recovery Technologies	.....	.....	1,800,000
Contributions			
Contributions in support of Clean Energy for Rural and Remote Communities	12,484,868	21,434,903	52,908,057
Contributions in support of the Emerging Renewable Power Program	16,315,222	48,621,785	48,604,374
Contributions in support of ecoENERGY for Renewable Power	96,836,155	76,611,000	39,851,000
Contributions in support of the Energy Innovation Program	30,819,110	46,599,271	39,131,264
Contributions in support of Clean Growth in Natural Resource Sectors Innovation Program	22,705,509	56,231,780	38,228,735
Contributions in support of the Smart Grids Program	21,314,038	23,301,003	25,854,705
Contributions in support of Energy Efficiency	5,225,910	10,411,317	22,922,922
Contributions in support of Electric Vehicle and Alternative Fuel Infrastructure Deployment	19,308,805	16,500,000	22,840,000
Contributions in support of Spruce Budworm Early Intervention Strategy – Phase II	5,648,044	14,500,000	19,500,000
Contributions in support of Indigenous Advisory and Monitoring Committees for Energy Infrastructure Projects	7,111,021	14,500,000	16,000,000
Contributions in support of Investments in the Forest Industry Transformation Program	18,714,975	33,000,000	11,400,000
Contributions in support of Zero Emission Vehicle Infrastructure	.....	.....	11,150,000
Contributions in support of the clean-up of the Gunnar uranium mining facilities	.....	9,731,000	10,127,000
Contributions in support of the Green Construction through Wood Program	1,302,580	6,071,000	8,696,000
Contributions in support of Accommodation Measures for the Trans Mountain Expansion project	.....	.....	8,000,000
Contributions in support of Climate Change Adaptation	5,783,813	7,100,000	6,630,000
Contributions in support of Clean Technology Challenges	2,212,528	8,577,211	6,085,830
Contributions in support of the Forest Research Institute Initiative	2,368,000	2,368,000	2,368,000
Contributions in support of Earthquake Early Warning	.....	.....	2,000,000
Contributions in support of Wildland Fire Resilience	.....	.....	1,850,000
Contributions in support of the Youth Employment Strategy	8,582,173	558,000	1,373,518
Contributions in support of Indigenous Economic Development	7,833,631	4,485,660	1,000,000
Contributions in support of Cyber Security and Critical Energy Infrastructure Protection	.....	550,000	955,467
Contributions in support of Research	1,983,838	835,000	750,000
Contributions in support of Indigenous participation in dialogues	1,026,892	4,120,000	620,000
Contributions in support of the GeoConnections Program	252,701	500,000	500,000
Total Statutory	406,048,001	387,945,337	305,247,606

Listing of Statutory Authorities

	2018–19 Expenditures	2019–20 Estimates To Date	2020–21 Main Estimates
		(dollars)	
Budgetary			
Payments to the Newfoundland Offshore Petroleum Resource Revenue Fund (<i>Canada-Newfoundland Atlantic Accord Implementation Act</i>)	334,152,233	374,165,337	289,755,606
Contributions to employee benefit plans	54,213,506	58,905,701	57,113,782
Contribution to the Canada/Newfoundland and Labrador Offshore Petroleum Board (<i>Canada-Newfoundland Atlantic Accord Implementation Act</i>)	(1,867,263)	9,475,000	11,187,000
Contribution to the Canada/Nova Scotia Offshore Petroleum Board (<i>Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i>)	(310,873)	4,305,000	4,305,000
Minister of Natural Resources – Salary and car allowance (<i>Salaries Act</i> and <i>Parliament of Canada Act</i>)	86,000	87,700	89,300

Department of Natural Resources

Organization Summary

	Authorities To Date	These Supplementary Estimates		Proposed Authorities To Date
		Transfers	Adjustments	
		(dollars)		
Budgetary Voted				
1b Operating expenditures	587,654,270	968,116	30,689,682	619,312,068
5b Capital expenditures	12,714,513	1,500,000	1,345,000	15,559,513
10b Grants and contributions	515,757,943	6,863,000	223,542,672	746,163,615
Total Voted	1,116,126,726	9,331,116	255,577,354	1,381,035,196
Total Statutory	363,503,212	.....	20,822,923	384,326,135
Total Budgetary Expenditures	1,479,629,938	9,331,116	276,400,277	1,765,361,331

Note: Additional details by organization are available on the Treasury Board Secretariat website – <http://www.canada.ca/en/treasury-board-secretariat.html>.

Explanation of Requirements (dollars)

Budgetary

Voted Appropriations

Funding to support the creation of a new Emissions Reduction Fund	Vote 1b	6,741,730
	Vote 10b	152,384,472
Total		159,126,202
Funding for safety measures in forest sector operations (COVID-19)	Vote 1b	511,094
	Vote 10b	30,000,000
Total		30,511,094
Funding to combat mountain pine beetle infestations (horizontal item)	Vote 1b	212,929
	Vote 10b	22,000,000
Total		22,212,929
Funding to support Indigenous Consultations and Engagement and Capacity Building for Natural Resource Projects	Vote 1b	9,262,710
	Vote 10b	8,654,426
Total		17,917,136
Funding to renew the Mineral Geoscience Programs	Vote 1b	12,615,955
	Vote 5b	1,345,000
	Vote 10b	330,000
Total		14,290,955
Funding to strengthen environmental protections and address concerns raised by Indigenous groups regarding the Trans Mountain Expansion Project	Vote 10b	3,586,341
Funding for efforts to protect the southern mountain woodland caribou	Vote 10b	3,000,000
Funding for the Indigenous Advisory and Monitoring Committee for Energy Infrastructure Projects as part of the Trans Mountain Expansion Project	Vote 10b	2,000,000

Detail by Organization	Department of Natural Resources	
Funding to support students and youth (COVID-19)	Vote 1b	726,319
	Vote 10b	444,197
Total		1,170,516
Funding for Engaging Indigenous Communities in Major Resource Projects linked to Natural Resources Participant Funding Program	Vote 10b	957,863
Funding for the Manitoba Soldier Settlement Board	Vote 1b	618,945
Funding for the Framework for Canada-U.S. Collaboration on Cyber Security and Energy	Vote 10b	185,373
Total Voted Appropriations		255,577,354
Total Statutory Appropriations		20,822,923
Transfers		
Transfers from Other Organizations		
From the Department of Fisheries and Oceans to the Department of Natural Resources for the Terrestrial Cumulative Effects Initiative and to support the administration of the Aquatic Habitat Restoration Funding	Vote 1b	117,773
	Vote 10b	3,500,000
Total		3,617,773
From the Department of the Environment to the Department of Natural Resources for the 50 Million Tree Program under the Low Carbon Economy Fund	Vote 10b	3,363,000
From the Department of National Defence to the Department of Natural Resources for the Polar Continental Shelf Program in Resolute, Nunavut	Vote 1b	2,362,461
From the Treasury Board Secretariat to various organizations for innovative approaches to reduce greenhouse gas emissions in government operations	Vote 1b	255,000
From the Department of Foreign Affairs, Trade and Development to various organizations to adjust funding previously provided for departmental staff located at missions abroad	Vote 1b	116,292
From the Department of Fisheries and Oceans to various organizations to respond to Indigenous concerns on the overall health of the Salish Sea	Vote 1b	90,590
Internal Transfers		
Internal reallocation of resources from contributions (\$150,000) to Grants in support of Outreach and Engagement, Energy Efficiency, and Energy Innovation	Vote 10b	.....
Internal reallocation of resources for improvements to buildings and acquisition of equipment	Vote 1b	(1,500,000)
	Vote 5b	1,500,000
Total		.....
Transfers to Other Organizations		
From the Department of Natural Resources to the Department of Foreign Affairs, Trade and Development for the North American Platform Program Partnership	Vote 1b	(120,000)
From the Department of Natural Resources to the Department of Industry to support the Zero-Emission Vehicle initiative	Vote 1b	(120,000)
From the Department of Natural Resources to the Department of Industry for the Centre of Excellence for Indigenous Mineral Development	Vote 1b	(234,000)
Total Transfers		9,331,116
Total Budgetary		285,731,393

Listing of Transfer Payments

	Estimates to Date	These Supplementary Estimates (dollars)	Revised Estimates
Grants			
Grants in support of Geoscience	.....	330,000	330,000
Grants in support of Outreach and Engagement, Energy Efficiency and Energy Innovation	3,413,333	150,000	3,563,333
Contributions			
Contributions in support of the Emissions Reduction Fund	.....	152,384,472	152,384,472
Contributions in support of COVID-19 Safety Measures in Forest Sector Operations	.....	30,000,000	30,000,000
Contributions in support of Mountain Pine Beetle Management in Alberta	.....	22,000,000	22,000,000
Contributions in support of Accommodation Measures for the Trans Mountain Expansion project	8,000,000	7,086,341	15,086,341
Contributions in support of Investments in the Forest Industry Transformation Program	36,250,000	6,363,000	42,613,000
Contribution in support of Indigenous Natural Resources Partnerships	.....	6,000,000	6,000,000
Contributions in support of the Indigenous Consultations Participant Funding Program	.....	3,612,289	3,612,289
Contributions in support of Indigenous Advisory and Monitoring Committees for Energy Infrastructure Projects	16,000,000	2,000,000	18,000,000
Contributions in support of the Youth Employment Strategy	1,373,518	444,197	1,817,715
Contributions in support of Cyber Security and Critical Energy Infrastructure Protection	955,467	185,373	1,140,840

Listing of Statutory Authorities

	Authorities To Date	These Supplementary Estimates (dollars)	Proposed Authorities
Budgetary			
Contributions to employee benefit plans	58,166,306	2,700,120	60,866,426
Payments to support students and youth impacted by COVID-19 pursuant to the <i>Public Health Events of National Concern Payments Act</i>	.....	14,522,803	14,522,803
Climate Action Support Payments (Energy Manager Program and Clean Energy for Rural and Remote Communities Program) (<i>Budget Implementation Act, 2019, No.1 S.C. 2019, c.29</i>)	.....	3,600,000	3,600,000

COVID-19 AND THE GLOBAL CONTEXT OF CANADA'S NATURAL RESOURCES

Canada is blessed with an abundance of natural resources. Our natural resource advantage positions us to lead the global transition to a net-zero economy while strengthening our economic competitiveness, attracting investments and creating good-paying, middle-class jobs accessible to everyone.

However, some parts of Canada's natural resources sectors were facing significant challenges that started well before the global pandemic began. The **petroleum industry** has struggled with a prolonged slump in oil prices, dating back to 2014. The situation was exacerbated by the Russia-Saudi Arabia price war this spring. The Canadian **forest sector** was also facing a series of challenges, such as fiber supply issues, caused by fires and pests, market access disturbances, such as the softwood lumber trade dispute with the US, and declining demand for traditional paper products, such as newsprint.

COVID-19 added to those pressures, affecting natural resources operations and long-term viability, impacting Canada's efforts to transition towards a low carbon economy. On the **energy** front, the pandemic caused global oil demand to plunge by as much as a third, global prices to fall by 36%, and Canadian oil sands capital investments shrank to 15-year lows. For the **forest sector**, demand for forest products was hard hit at the start of the pandemic, and NRCan estimates that over 130 facilities closed or curtailed operations affecting over 19,000 employees. However, beginning in mid-April, demand and prices for solid wood products like lumber rebounded strongly, driven by home renovation activity and a rapid recovery in US home building. Nearly all facilities have since resumed operations, and prices for key wood products reached an all-time high in September, positioning this subsector as a leader in Canada's ongoing economic recovery. On the other hand, pulp and paper producers continue to face challenges despite strong demand for some products like tissue and towel and packaging products. The global pandemic has increased the uptake of digital technology, accelerating the long-term, irreversible decline in demand for printing and writing papers. Many pulp and paper facilities are facing challenges in following through on planned conversions to new product lines.

Prior to the pandemic, Canada's **mineral and metals sector** was on strong footing. Minor, short-term shocks such as rail strike, price instability due to US-China trade disputes were an impediment to the sector's full potential. Overall, the sector was on an upward trend at the beginning of 2020, though with over 60 commodities produced in Canada, inevitably some were bucking the trend and struggling (e.g. coal and potash).

The **mining sector** saw sharp declines in demand and prices, leading to several closures and curtailments across Canada, though this was partly due to swift action to protect rural and Indigenous communities from the pandemic. However, most mining commodities have recovered from initial drops either due to being sources of investment (e.g. gold and silver) or economic recovery, with the exception of diamonds, where prices continue to struggle due to severe supply-side disruptions and low demand.

As we now begin to build back better amid a full-blown second wave of COVID-19, our ingenuity and expertise in the natural resources sectors are more essential than ever.

Our sectors are vital to drive sustainable, inclusive growth, and create long-term middle-class jobs and opportunities for communities from coast to coast to coast. Our government is helping to support this recovery by streamlining and modernizing our regulatory review process, advancing our engagement and involvement with Indigenous communities, and collaborating with stakeholders to achieve our net-zero by 2050 goals.

We are also making generational investments in new technologies and accelerating innovation to “future-proof” Canada’s natural resources sectors. That’s why we are:

- Expanding one of the world’s cleanest electricity mixes to produce even more clean energy, as well as create the world’s cleanest and lowest-carbon petroleum industry;
- Supporting the transition of the forest sector towards the bioeconomy through R&D, innovation and market access;
- Creating lasting partnerships with indigenous communities; and,
- Enhancing energy efficiency of our natural resources sectors.

This is urgent work. Achieving net-zero emissions requires bold action. And it means enlisting all Canadians, all regions of our country, all parts of our economy, and all natural resource sectors working together to make this happen.. That includes the forest sector’s key role in advancing biofuels and supporting our mining industry that is producing the critical minerals to power a clean-energy future through everything from solar panels and wind turbines to the next-generation of storage batteries.

Fortunately, our challenge is made easier by the diversity of our energy sector. It is our country’s underlying strength. In addition to our vast oil and gas resources, we are the third-largest producer of hydroelectricity. We are a global leader in solar and wind power, as well as smart-grids, storage technologies and carbon capture. We are also a Tier-1 nation for nuclear energy, and a driver of clean hydrogen production and fuel-cell technologies.

Our mission in this clean-growth century must be a shared one – to create a stronger, more sustainable, inclusive and innovative natural resources sectors. Investors from around the world are making clear choices. They're putting their money into businesses, industries, and jurisdictions that are taking meaningful climate action. And they're divesting from those that, in their view, are not taking meaningful climate action.

How we balance the urgency of combating climate change with new post-COVID demands for a more equitable, shared prosperity is the immediate challenge before us. A challenge that can only be met if all Canadians are part of the answer.

IMPACT OF COVID AT NATURAL RESOURCES CANADA

Re-entry to the workplace

- 22% of NRCan employees (1036) are back working in their building, at least part of the time. Mostly in our laboratories.
- Re-entry to the workplace started in mid-July after extensive preparations to the 49 buildings (procedures, signage, protocols) and engagement with the people (communications, one-on-one discussions with employees, departmental information sessions and building specific orientations).
- Priority for re-entry to the workplace was given to:
 - Employees whose work functions were completely disrupted by working remotely (need for specialized equipment, security requirements, technological limitations)
 - Employees who requested priority due to personal circumstances (mental health or other)
- On-going monitoring of situation at buildings and surrounding communities in order to make decisions about moving forward or back in phased entry, or requirements to make changes to building procedures and protocols based on the evolving public health situation in jurisdictions across the country.

Data on leave 699 (detailed graphs in annex 1)

- Overall, the total number of users of the leave 699 code represents a very small proportion of the total NRCan population.
- Since June 29, 2020, there has been a steady decrease in the **total number of hours** used for the 699 code. The total number of hours used for the 699 code has decreased by 73.8% (1% of employees are still using 699 on a part time basis – which may decrease further following the planned implementation of new TBS guidance on 699 after November 9, 2020).

Services to Canadians that are impacted or have been impacted by COVID

- All of NRCan's critical activities that aim to keep Canadians safe remained uninterrupted by COVID. These include:
 - Geomagnetic Monitoring & Space Weather Forecasting (provides forecasting and information on space weather events to critical infrastructure and emergency management organizations.)
 - Nuclear Emergency Response (provides national response capability for ground-based and airborne surveys of radiation from accidents or deliberate releases.)
 - Seismic Monitoring (provides authoritative information for large, damaging or widely-felt earthquakes in Canada to critical infrastructure and emergency management organizations, as well as media and directly to public.)
 - Canadian Wildland Fire Information Systems (monitors fire danger conditions and fire occurrence across Canada - archived historical to current national information made available through a variety of technology transfer products.)
 - Emergency Geomatics Services (provides subject matter expertise and delivers satellite-derived products and services of near-real time flood extent and river ice roughness classification products.)
 - Administration of the Explosives Act and Regulations (Issuance of manufacturing / storage licences and certificates, import permits, authorization and classification of explosives; administration of regulatory compliance, verification through a national inspection and fireworks certification program.)
- NRCan delivers over 30 other non-critical services directly to the public and other federal government departments. Most of these were impacted in one way or another by COVID-19.

- Most of the impact was a result of the closure of NRCan facilities (staff not able to access NRCan facilities or laboratories to carry out their work or to access classified material) or of the travel restrictions affecting fieldwork, resulting in delays/disruptions of services.
- The closure of NRCan facilities also impacted the department's ability to produce hard copies (paper) of certain documents, resulting in delays to the issuance of licences/certificates / permits/certain letters.
- Most services have resumed, at least partially, as work procedures have adapted and/or some employees have returned to their workplaces.
- Programs that have not been able to resume are those that require travel to remote communities and could potentially put Indigenous communities at risk, such as the Polar Continental Shelf Program and the First Nation Surveying Capacity Development Program.
- A few examples of impacted services that have resumed, at least partially are (full list attached):
 - The Non-Destructive Testing (NDT) personnel certification program was significantly disrupted with processing restrictions and office access issues, along with the network of training and examination centres being closed to candidate clients. The certification program responded with the development and implementation of accommodative policies for processing certification applications and providing extensions to deadlines and due dates.
 - Canadian Certified Reference Materials Project (CCRMP) produces and sells certified reference materials, which analytical laboratories use for Quality Assurance and Quality Control. Due to the closure of the building, it was not possible for CCRMP to ship reference materials to its clients in analytical laboratories in Canada and around the world. Service resumed at the end of August.
 - The Explosives Regulatory Division suspended all physical inspections of explosives and explosives precursor chemical sites. Temporary alternative methods to monitor and promote compliance with the Explosives Regulations were adopted. Services partially restarted in July.

Examples of where NRCan employees went out of their way to support the fight against COVID.

- **Production and distribution of hand sanitizer in the community**
 - Great Lakes Forestry Centre produced over 1,000 litres for local hospitals;
 - CanmetENERGY-Devon produced 30 litres for a community organization that provides meal hampers to families in need;
 - Northern Forestry Centre produced 100 litres for the Edmonton Food Bank; and
 - Pacific Forestry Centre produced 1,000 litres to help address the BC shortage.
- **Donation and distribution of PPE and other materials**
 - Atlantic Forestry Centre donated \$10,000 of PPE and other lab supplies to the New Brunswick COVID-19 testing centre and Memorial University in St. John's;
 - Canadian Nuclear Laboratories donated PPE to their local hospital and collaborated as part of the international effort to develop the Mechanical Ventilator Milano, a low-cost ventilator;
 - NRCan's Lands and Minerals Sector provided lab supplies to the Ottawa Paramedic Service;
 - Pacific Forestry Centre donated PPE to the SafeCare B.C. Operation Protect project;
 - Bells Corners Complex provided gloves and Tyvek suits to the Montfort Hospital; and
 - Geological Survey of Canada gave PPE to the Ottawa Paramedic Service and the Public Health Agency of Canada.
 - The Pacific Forestry Centre developed prototype hand sanitizing stations for the homeless that were set up in the downtown Victoria area. These were then replicated and improved on by other volunteers external to NRCan. NRCan colleagues subsequently produced units in Quebec City.

- **Other**

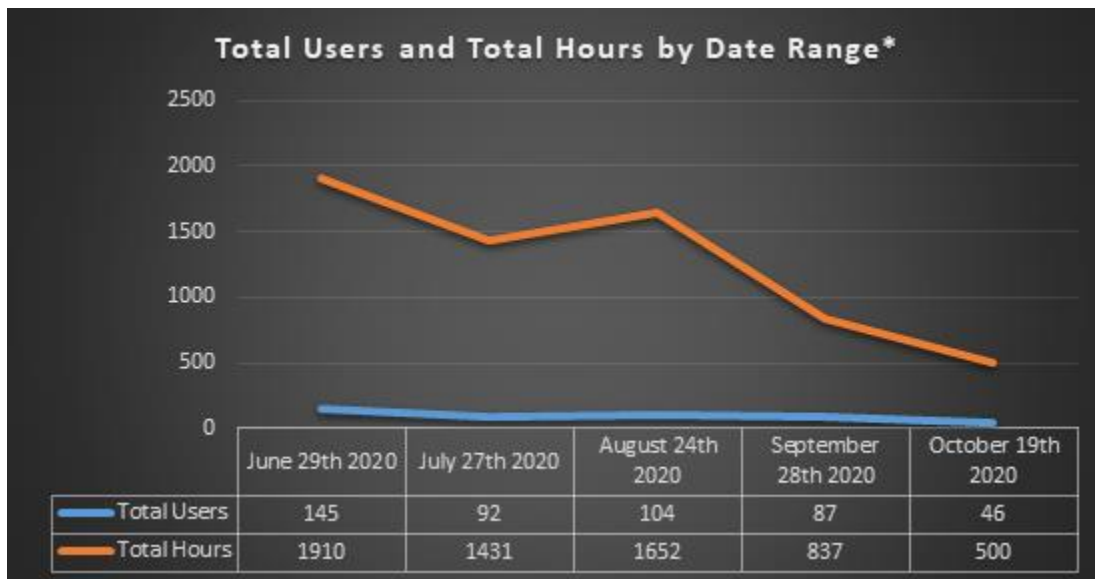
- Polar Continental Shelf Program supported Indigenous Services Canada in moving nurses and health-care providers to remote northern communities in need. PCSP assisted with logistical planning and delivery of flight services.
- CanmetMINING assisted Public Health Agency of Canada by providing a report of seismic activity, air quality and electricity usage in Ottawa to measure the effects of the pandemic.

Annex 1: Leave 699 data

Dates	Number of 699 Code Users	Percentage from the total NRCan population*
June 29th 2020	145	3.23%
July 27th 2020	92	2.05%
August 24th 2020	104	2.32%
September 28th 2020	87	1.94%
October 19th 2020	46	1.02%

* Includes: Indeterminate, Term, Casual, Student and Seasonal

** Data specific to number of users was not collected prior to June 2020.



Oil and Gas Competitiveness and Investment

November 2020

ISSUE

The oil and gas sector is in a fragile state, dealing with liquidity and capital issues as a result of COVID-19, the Saudi-Russia price war, and oil sands divestment. These are compounding what some stakeholders feel was already a challenging investment climate. The federal government is working to ensure that the oil and gas sector remains competitive for generations to come.

KEY MESSAGES

- **Canada's energy sector is a source of well-paying jobs for hundreds of thousands of Canadians from coast to coast to coast. The Government of Canada will continue to stand with the energy sector, to sustain middle-class jobs for generations to come.**
- **We share the frustration of many Canadians because of the current global market challenges for oil and gas. Workers in our energy sector have and continue to face real issues and anxiety about their future.**
- **We also understand the risks posed by climate change and the global trend towards investing in lower carbon energy sources. It is why we are committed to decarbonising our natural resource sectors.**
- **Canada can neither achieve its Paris 2030 targets nor its net-zero emissions by 2050 ambitions without the sustained efforts of the energy sector and its talented workers.**
- **By supporting a strong economic recovery, including in the oil and gas sector, Canadian businesses will continue to attract investments for projects that help to support environmental and social priorities.**

- **To support these efforts, the government has provided targeted relief across the entire economy to help Canadian businesses and workers weather the storm.**
- **This included almost \$2.8 billion in measures to support Canada's oil and gas industry through the recently launched Emissions Reduction Fund, including a \$75 million carve-out for the offshore, up to \$1.72 billion for inactive and orphan well remediation, \$320 million to support jobs and ensure a sustainable, long-term, low-emitting future for Newfoundland and Labrador's offshore industry and expanded eligibility to help Canadian businesses get the financing they need during this period of uncertainty.**
- **We have also announced vital bridge financing to the country's larger companies. This additional support (on commercial terms) is available to all industries in Canada's resource sectors — provided they "commit to future climate disclosures and environmental sustainability goals."**
- **The Government is also investing in the jobs and technologies of the future through a \$100 million investment in the Clean Resource Innovation Network to accelerate the development and adoption of innovative technologies and processes to lower the sector's environmental impacts.**
- **Taken together, the Government has announced a comprehensive set of supports with measures to assist workers, provide tax relief, and introduce new regulatory flexibilities (Output-Based Carbon Pricing System, Clean Fuel Standard).**
- **Overall investment in the oil and gas sector has fallen by 70% since 2014, and has lagged other key producers, notably the US and Australia.**

- **According to the Canadian Association of Petroleum Producers, investment is set to fall by 33% this year to \$23 billion, the lowest level in over 10 years.**
- **The oil and gas sector must continue to give increasing weight to Environmental, Social, and Governance performance to attract investors. The Government stands ready to support the sector as it works to achieve its net zero ambitions.**
- **The Government will continue to do the hard work necessary to attract investment and get Canada's resources to markets, ensuring this sector continues to be an important source of well-paying jobs for Canadians across the country, including for Indigenous communities.**

If pressed on how the Government of Canada is working with the Government of Alberta:

- **We are working with Alberta, whose oil and gas sector is a cornerstone of a strong Canadian economy, contributing billions of dollars and thousands of jobs.**
- **Through regular engagement, the federal government and Alberta are building back a stronger, more resilient oil and gas sector that incorporates Canada's energy transformation and climate change goals.**
 - **In April, we announced up to \$1.72 billion in funding for the Governments of Alberta, Saskatchewan and British Columbia, and repayable funding to the Alberta Orphan Well Association – to clean up orphan and inactive oil and gas wells. This is expected to create thousands of jobs – including an estimated 5,200 in Alberta alone – and provide lasting environmental benefits.**

- **This funding is part of the \$2.8 billion in measures to support Canada's oil and gas industry through the recently launched Emissions Reduction Fund.**
- **We will continue to advance issues of shared priority to help drive economic recovery.**

ISSUE

Natural resource sectors are among the economic sectors hit hardest by the pandemic. The Government of Canada has put in place measures to support the economic recovery.

KEY MESSAGES

- **The Government of Canada knows that the natural resources sector plays a key part in our commitment to create good jobs and a globally competitive economy today, and for years to come.**
- **This means ensuring the competitiveness of our natural resource sectors to support workers, communities and businesses and to support the resilience of Canada’s economy.**
- **The natural resources sector is a key part of the Government’s plan to “build back better”.**
 - **We are investing in critical battery minerals and metals value chains to create jobs and fuel the clean energy transition for Canada by not only providing the raw materials required for clean and digital technologies (e.g., lithium in EV batteries) but also building up the related industries along the value chain.**
 - **We are promoting investments in renewable energy and next-generation clean energy and technology solutions.**
 - **We are supporting manufacturing, natural resource, and energy sectors as they work to transform to meet a net zero future, creating good-paying and long-lasting jobs.**

- **We are working with partners in industry and education institutions to support skills training that will enhance the diversity and inclusiveness of the natural resources sector workforce.**
- **We are ensuring Canadian forests and the forest sector continue supporting nature-based solutions, including the bioeconomy.**

Supplementary messages – COVID-19:

- **In the wake of the pandemic, the Government of Canada supported the natural resources through a range of initiatives:**
 - **Extension of the Mineral Exploration Tax Credit to help exploration companies raise equity funds.**
 - **Support for the clean technology sector through the NRC-IRAP Innovation Assistance Program and the Regional Relief and Recovery Fund.**
 - **\$2.8 billion support for the petroleum sector to help retain and create approximately 10,000 well-paying jobs while enhancing the sector’s environmental performance so it can continue to play a key role in Canada’s clean growth future. The \$2.8 billion includes:**
 - **Up to \$1.72 billion – through funding to the governments of Alberta, Saskatchewan and British Columbia and repayable funding to the Alberta Orphan Well Association – to clean up orphan and/or inactive oil and gas wells. This is expected to create thousands of jobs – including an estimated 5,200 in Alberta alone – and provide lasting environmental benefits.**

- **Up to \$750 million in repayable contributions through a new *Emissions Reduction Fund* to lower greenhouse gas emissions in Canada’s oil and gas sector, with a focus on methane.**
 - **This Fund includes \$75 million, some of which will be non-repayable, to help the offshore industry in Newfoundland and Labrador create and maintain jobs through pollution-reduction efforts.**
- **Expanded eligibility to help Canadian businesses get the financing they need during this period of uncertainty. This support is available to medium-sized businesses with larger financing needs — beginning with companies in Canada’s energy sector — to help them maintain operations and keep their employees on the job.**
- **An additional \$320 million “to support jobs and ensure a sustainable, long-term, low-emitting future” for Newfoundland and Labrador’s offshore industry. The investment is being used toward such things as “safety improvements, maintenance and upgrades of existing offshore infrastructure, as well as research and development, environmental services and clean technology.”**
- **Up to \$30 million to help forest sector small and medium-sized enterprises keep workers and communities safe through the implementation of COVID-19 health and safety measures.**

- **Support for medium sized businesses with larger financing needs to help them maintain operations and keep their employees on the job.**
- **Vital bridge financing to the country's larger companies available to all industries in Canada's resource sectors – provided they "commit to future climate disclosures and environmental sustainability goals."**
- **Job creation and training opportunities for Canadian youth in the fields of science, technology, engineering and math (STEM) in the energy, forestry, mining, earth sciences and clean technology sectors.**

If pressed on uptake of federal support:

- **Approximately 8,500 firms in the forest sector applied for Canada Emergency Wage Subsidy (CEWS), receiving nearly \$600 million in subsidies from March 15th – August 29th.**
- **Approximately 6,630 firms in the energy sector applied for CEWS receiving over \$940 million in subsidies.**

ISSUE

On April 17, 2020, the Government of Canada announced \$1.72 billion in funding to the provinces of Alberta, British Columbia, and Saskatchewan to support the decommissioning and remediation of inactive wells. This included a \$200 million repayable loan to Alberta's Orphan Well Association. These measures have helped retain and create thousands of jobs that will have lasting environmental benefits.

KEY MESSAGES

- **Canada's oil and gas sector has been particularly hard hit by the COVID-19 pandemic and the oil price war this past spring.**
- **The Government of Canada supported thousands of jobs in this important sector of our economy through the \$1.72 billion orphan and inactive well program.**
- **This initiative has provided \$1 billion to the Government of Alberta, \$400 million to the Government of Saskatchewan, and \$120 million to the Government of British Columbia for abandonment and reclamation of inactive wells.**
- **The program has also provided a \$200 million loan to Alberta's Orphan Well Association.**
- **All of the funding agreements have been finalized and there has been significant uptake in each province.**
- **As part of its agreement, the Government of Alberta has committed to implement strengthened regulations to significantly reduce the future prospect of new orphan wells. The result will be a sustainably funded system, where companies rightly bear the costs of environmental responsibility.**
- **Each of the programs will be overseen by a federal-provincial monitoring committee, which will review the performance of the programs on a quarterly basis.**

- **As the resource owners, provinces are responsible for regulating development related to upstream oil and gas, including potential environmental liabilities.**

If pressed on the federal government providing funding to provinces, who are responsible for their own environmental liabilities

- **This program has created thousands of jobs in a sector of the economy that was particularly hard hit due to COVID-19 and the Saudi-Russia oil price dispute.**
- **At the same time, this initiative will reap significant environmental benefits.**
- **Each province is responsible for managing its own environmental liability regime.**
 - **Alberta is working to strengthen its regulations, and has released its liability management policy.**
 - **Saskatchewan has committed to strengthen its regulations.**
 - **British Columbia has updated its regulatory regime, establishing a maximum period of time a well can remain inactive. It is also in the process of further strengthening its regulations to ensure the polluter-pays principle is re-enforced going forward.**

If pressed on why other provinces did not receive funding for their oil, gas and mining environmental liabilities

- **The government has provided a broad range of support throughout the country and for many different sectors of the economy.**

The purpose of this program is to create jobs in a sector of the economy where the impact on jobs was particularly significant.

ISSUE

Offshore oil and gas activity in Atlantic Canada, including exploratory drilling, is of concern to Canadians given the need for careful management and oversight to protect workers and prevent oil spills. In addition, the dual impact of low oil prices and COVID-19 has resulted in a unified call from offshore industry players and the province of Newfoundland and Labrador for federal assistance during the global pandemic.

KEY MESSAGES

- **The Government of Canada recognizes the economic significance of the oil and gas sector to Atlantic Canada, and we are working to strengthen its competitiveness, support employment growth, and protect our environment.**
- **The dual impact of low oil prices and COVID-19 has severely affected Canada's petroleum sector. The Government has announced a number of important financial and regulatory measures that will assist industry as it rebounds from the global pandemic.**
- **Support for industry has included measures such as tax deferrals, access to liquidity and credit for medium-sized energy companies, \$1.7 billion for the remediation of orphan and inactive wells, and wage subsidies to reduce layoffs including an extension of the Canada Emergency Wage Subsidy through to next summer.**
- **We have also announced a \$750 million investment in greenhouse gas reduction with \$75 million earmarked for the offshore sector, and \$320 million to support offshore jobs in Newfoundland and Labrador.**

- **Canada has a mature and robust regulatory framework that governs the full spectrum of offshore oil and gas activities, and ensures the highest standards of safety, environmental protection, and management of offshore petroleum resources.**
- **The offshore petroleum boards have provided strong and independent oversight for more than 30 years – ensuring the safe and environmentally responsible development of Canada’s offshore petroleum resources.**
- **We will continue to work closely with our partners to support jobs and ensure the sustainable, long-term, lower-emitting future of our offshore.**

If pressed on COVID-19 and the need for federal assistance for the offshore sector

- **The offshore sector accounts for up to 25% of GDP and 10% of employment in Newfoundland and Labrador (2010-18 average).**
- **The sector creates opportunity, generates employment, supports local businesses, drives research and development, and promotes education and training, all while generating and maintaining sustainable infrastructure.**
- **The uncertainty caused by the COVID-19 pandemic has resulted in the reduced scope of existing projects, and the deferral or outright cancellation of numerous proposed major offshore projects.**
- **In April, the Government announced the \$750 million Emissions Reduction Fund designed to keep workers employed and assist firms in preparing to reduce greenhouse gas emissions and in conducting research and development. It included \$75 million specifically for investments in the offshore.**

- **In addition, on September 25, 2020 the Government announced \$320 million in federal support for our offshore sector and workers, which will help projects in the Canada-Newfoundland and Labrador offshore get back on track.**

If Pressed on Results of 2020 Call for Bids in the Canada-NL offshore

- **The Canada-Newfoundland and Labrador Offshore Petroleum Board's (CNLOPB)'s latest Call for Bids has resulted in one bid of \$27 Million from BP Canada.**
- **The results of the Call for Bids vary year by year and while the 2020 bids are lower than previous years, this remains encouraging news for Newfoundland and Labrador's offshore industry, its workers, and the oil and gas industry in Canada.**
- **With billions in existing exploration commitments, it is clear that the Canada-Newfoundland and Labrador offshore remains a bright spot for investment and activity.**
- **We will continue to work closely with our provincial partners and do what is necessary to support the offshore sector - a key pillar of Newfoundland and Labrador's economy – and its workers.**

If Pressed on Exploratory Drilling and the Regional Assessment Exemption Regulation

- **The Government is committed to maintaining a competitive and sustainable offshore oil and gas sector, while upholding the highest standards of environmental protection.**

- **The Ministerial Exemption Regulation, announced last June, upholds our commitments and improves the efficiency of the assessment process for offshore oil and gas exploratory drilling projects.**
- **Exploratory drilling is a short-term activity and the environmental effects are well understood. The Regional Assessment in Eastern Newfoundland affirmed that standard measures can be put in place to avoid, or mitigate, potential negative impacts to the marine environment.**
- **The Regulation upholds these robust mitigation measures and strengthens necessary compliance conditions in order for proposed projects to be excluded from a project-specific federal Impact Assessment.**
- **This approach provides industry with the predictability and certainty it has been seeking and ensures Canada's offshore sector remains competitive, without abandoning our marine conservation and environmental protection objectives.**

If pressed on Oil Spills and Safety

- **The Government places the highest priority on health and safety of Canadians and the environment.**
- **Canada's offshore installations and the equipment and training required to operate them must meet strict regulatory standards that are among the highest in the world.**
- **We have confidence in the offshore petroleum boards and their ability to ensure safety and environmental protection.**

- **We recently announced \$320 million for the offshore sector in Newfoundland and Labrador, which will contribute to important safety improvements, maintenance and upgrades of existing offshore infrastructure, environmental services and clean technology.**

If pressed on the need for specific federal support for West White Rose or Terra Nova

- **We recently announced \$320 million for the offshore sector in Newfoundland and Labrador, which will contribute to important safety improvements, maintenance and upgrades of existing offshore infrastructure, environmental services and clean technology.**
- **We continue to work closely with the province and companies to establish the concrete steps needed to support these projects. Workers and their families are at the center of all our discussions.**
- **The Government has worked every day with the province, industry, unions, and investors to sustain the competitiveness of Newfoundland and Labrador's Offshore.**

If pressed on Husky's request for government to take an equity position in the White Rose project

- **The White Rose project is very important to the economy of Newfoundland and Labrador.**
- **We recently announced \$320 million for the offshore sector in Newfoundland and Labrador, which will contribute to important safety improvements, maintenance and upgrades of existing offshore infrastructure, environmental services and clean technology.**

- **Taking a large equity position in the White Rose project is not something we are considering at the moment. Discussions are ongoing about other areas where our government can be helpful and to identify a path forward.**
- **We remain committed to keeping workers employed and assisting firms as they deal with the effects of the pandemic.**

ISSUE

The Government of Canada approved the Trans Mountain Expansion (TMX) project in June 2019, because it is in the public interest. The project is subject to 156 binding conditions by the Canada Energy Regulator. The Government is implementing additional measures, including accommodations to address the potential impacts of the project on Indigenous rights and other concerns.

KEY MESSAGES

- **The Government of Canada remains committed to ensuring the Trans Mountain Expansion project moves forward in the right way.**
- **The project will contribute to Canada’s economic recovery by providing thousands of jobs, delivering petroleum to new and existing markets, and generating revenues to fund clean energy solutions.**
- **Construction is well underway, with approximately 7,300 people working on terminals, pump stations, and installing pipe from Edmonton to Burnaby.**
- **Our government continues to engage with Indigenous groups on the project, including exploring opportunities for economic participation and on the implementation of measures to address potential impacts on rights and other concerns.**
- **As part of our government’s commitment to reconciliation, we continue to work collaboratively with the Indigenous Advisory and Monitoring Committee for the Trans Mountain Expansion project, through which Indigenous groups along the pipeline route and shipping corridor are providing advice and monitoring this major resource project.**

If pressed on route variance:

- **Trans Mountain Corporation has applied to the Canada Energy Regulator to vary the approved route of the Trans Mountain Expansion project through the Coldwater Valley.**
- **The Canada Energy Regulator is expected to begin the adjudication process in January 2021. All potentially impacted Indigenous groups have been notified.**

If pressed on COVID-19:

- **Trans Mountain Corporation continues to safely operate the Trans Mountain Pipeline and construct the expansion project.**
- **Trans Mountain Corporation has implemented comprehensive measures to keep workers and communities safe. Specific measures include:**
 - **Staggering work shifts and following physical distancing guidelines;**
 - **Enhancing cleaning and sanitation protocols;**
 - **Ensuring adequate Personal Protective Equipment;**
 - **Daily health monitoring, including temperature checks;**
 - **Hiring a physician to oversee Trans Mountain Corporation's response and ensure full adherence to all public health directives and guidelines; and**
 - **Engaging with Indigenous communities on the development and implementation of its COVID response measures.**

- **Trans Mountain Corporation is adhering to all public health guidelines, including a BC Public Health Order regarding safe operations of industrial work camps.**

If pressed on protest activity:

- **Canadians have the right to share their views and engage in peaceful protests.**
- **It is important to ensure the safety of the public, local communities, and workers engaged in building the project.**
- **Local, provincial, and federal law enforcement agencies are working together as appropriate to ensure public safety.**

If Pressed on the Worker Fatality:

- **We extend our deepest sympathy to the family, fellow workers and all those affected by this tragedy.**
- **Alberta Occupational Health and Safety is leading the investigation into the fatality. The Canada Energy Regulator shares responsibility for overseeing safety measures, and continues to engage with provincial authorities.**

CONTACT: Ellen Burack, ADM, Major Projects Management Office

ISSUE

On October 19, 2020, the Government approved the NOVA Gas Transmission Ltd. (NGTL) 2021 System Expansion Project with 35 conditions. The Project is a \$2.3 billion, 344-kilometre expansion to the existing NGTL natural gas pipeline system in Alberta, proposed by TC Energy.

KEY MESSAGES

- **Our government believes in a competitive and sustainable natural resources sector and that good projects must go ahead with the full confidence of Canadians.**
- **After careful consideration, our government approved the NOVA Gas Transmission Ltd. (NGTL) 2021 System Expansion Project because it is in the public interest.**
- **This decision was based on facts, science, Indigenous knowledge, and careful consideration of the concerns of potentially impacted Indigenous communities, as well as wildlife.**
- **Over 17 months, Natural Resources Canada undertook extensive Crown consultations as part of fulfilling our duty to consult and, where appropriate, accommodate and mitigate potential impacts on the rights and interests of Indigenous communities.**
- **The decision to approve NGTL 2021 demonstrates our government's commitment to moving forward with good projects that get our resources to new markets and create good jobs, while protecting the environment, species at risk, and respecting the rights of Indigenous peoples.**

If pressed:

- **Reconciliation with Indigenous peoples remains a core priority for the Government of Canada.**
- **In making its decision to approve the project, our government made amendments to the Canada Energy Regulator's conditions for approval, related to caribou and Indigenous engagement. These include:**
 - **strengthening five conditions proposed by the regulator and adding one new condition in order to better address impacts to section 35 Indigenous rights and help mitigate the disruption of the project's construction on caribou habitat;**
 - **requiring the restoration of 3,840 hectares of caribou habitat, 30 times the size of the habitat impacted by the project; and**
 - **requiring the establishment of an Indigenous Working Group to assist with the planning for restoration and monitoring for the protection of the Little Smoky caribou range.**
- **In addition, the government approved a new accommodation measure for the project by expanding the eligibility for the Terrestrial Cumulative Effects Initiative.**
- **Canada established this accommodation measure for the TMX project, and it will provide funding to Indigenous groups to build their capacity and conduct studies on the cumulative impacts of major projects.**

- **NGTL 2021 will add 344 kilometres of new pipeline to the existing NOVA Gas Transmission system, giving natural gas producers better access to markets for their products and helping facilitate the phase out of coal-fired electricity by 2030.**
- **The \$2.3 billion project is of significant importance in Alberta and for economies across the country. It will help power the successful restart and recovery of our economy by creating up to 2,920 direct jobs and contributing about \$1.2 billion to Alberta's GDP.**

ISSUE

LNG Canada, the only liquefied natural gas infrastructure project under construction in Canada, and largest private sector investment in Canada's history, includes a natural gas liquefaction facility, the Coastal GasLink pipeline, and a marine terminal to export surplus Canadian natural gas to some of the world's fastest growing economies in Asia. The project recently faced challenges with protests against pipeline development and the impacts of the COVID-19 pandemic. However, it remains on track to begin exporting by 2025.

KEY MESSAGES

- **The \$40-billion LNG Canada project – Canada's largest private sector investment – is under construction and on track to be in operation by 2025.**
- **The proponents are committed to ensuring the project moves forward in a way that recognizes and respects the affected Indigenous groups. As well, they are taking measures to protect their workers and communities from the risks of COVID-19.**
- **At the height of construction, the project will create up to 10,000 jobs in Canada.**
- **It will also create billions of dollars in government revenues and hundreds of millions of dollars in construction contracts for Indigenous businesses.**

If pressed:

- **The LNG Canada project will be the world's cleanest large-scale LNG facility, in terms of GHG emissions intensity.**

- **The facility will supply natural gas to Asian countries, such as China, which depends on coal for nearly 60% of its power generation needs. The coal displacement potential of Canadian LNG would support lower global GHG emissions.**

If pressed on Coastal Gaslink:

- **The Coastal GasLink pipeline will help Canadian natural gas reach new markets.**
- **This project went through a thorough provincial review, and remains fully under provincial jurisdiction.**

If pressed on the relationship with the Wet'suwet'en:

- **The Government of Canada is committed to renewed relationships with Indigenous peoples, and to working with the Wet'suwet'en Nation to advance reconciliation through government-to-government discussions.**
- **Our commitment to continue negotiations to implement Wet'suwet'en rights and title is strong, and demonstrated by our ongoing work under the MOU that was signed earlier this year.**

ISSUE

The Government of Canada is investing heavily in clean technology in the resources sector to support Canada's low-carbon future. In the Fall Economic Statement, the government announced additional initiatives, such as support for home retrofits and the imminent launch of the SMR Action Plan by the end of 2020. In the Speech from the Throne, the government committed to launch a new fund to attract investments in making zero-emission products and cut the corporate tax rate in half to for these companies to create jobs and make Canada a world leader in clean technology.

KEY MESSAGES

- **Investments in clean energy, clean technology, and innovation are the foundation for achieving Canada's target of net-zero emissions by 2050 while also enhancing competitiveness and creating jobs.**
- **That is why, in the Fall Economic Statement, the government announced multiple investments in clean energy. These include:**
 - **\$2.6 billion over 7 years to NRCan to help homeowners improve their home energy efficiency by providing up to 700,000 grants of up to \$5,000 to help homeowners make energy-efficient improvements to their homes, up to one million free EnerGuide energy assessments, and support to recruit and train EnerGuide energy auditors to meet increased demand.**
 - **\$150 million over 3 years to NRCan to help increase confidence that charging and refuelling stations are available and conveniently located where and when they are needed.**

- **\$25 million to help proponents complete engineering assessments, community engagement, and environmental and regulatory studies for strategic interties. This work will help inform and complement the Canada Infrastructure Bank's efforts to identify and address financial gaps in the projects.**
- **In addition to these investments, the Small Modular Reactor Action Plan to accelerate SMR development and deployment across Canada will be launched by the end of 2020.**
- **And the Government's upcoming climate plan will highlight further work and investments in renewables, clean fuels, and hydrogen.**
- **This will help Canada meet its target of net-zero emissions by 2050, for which we introduced the *Canadian Net-Zero Emissions Accountability Act*.**
- **Our clean growth economy builds on our strong foundation of clean energy resources, including hydro, wind, solar, and nuclear, and is one that unleashes our potential in electrification, energy efficiency, low carbon fuels, and carbon capture and storage.**
- **We will continue to work with provinces and territories, as well as the private sector, to make Canada the most competitive jurisdiction in the world for clean energy and clean technology companies.**

If pressed on Clean Energy Technology:

- **Investing in clean technology is critical to helping industry decarbonize over time while remaining competitive.**

- **We know that trusted global institutions, like the International Energy Agency, have told us that mature clean technologies are expected to only contribute to 25% of the emissions reduction required to achieve net-zero emissions.**
- **This is why the Government of Canada has made, and continues to make, significant investments in clean technology and innovative R&D.**
- **We will continue to work with key partners to strengthen investments in clean technology, with a focus on mission-oriented innovation programs.**
- **We are also working with partners to develop the secure supply chains that we need for critical minerals, and that will enable the deployment of clean technology, including batteries that can be used in electric vehicles.**

If pressed on the Government's clean energy record:

- **We are making generational investments in new technologies and accelerating innovation to “future-proof” Canada’s energy sector to achieve net-zero.**
- **Our efforts include:**
 - **Creating the world’s cleanest oil and gas industry, which is contributing 75 percent of all the clean-tech investments in Canada;**
 - **Enhancing energy efficiency; and**
 - **Expanding one of the world’s cleanest electricity mixes to produce even more clean energy to power even more of our national economy.**

ISSUE

Homes and buildings account for 17% of Canada's emissions and increasing their energy efficiency, including through ambitious energy codes and energy retrofits, is key to meeting our climate targets while growing our economy and recovering from the COVID-19 pandemic.

KEY MESSAGES

- **Driving energy efficiency is a key component of the Government's plan to build a strong and more resilient Canada.**
- **Significantly reducing energy use in new and existing buildings will move us closer to our climate goals, while also reducing energy costs and energy poverty, creating well-paying and local jobs, and increasing the health and comfort of buildings.**
- **The Fall Economic Update committed:**
 - **\$2.6 billion to provide up to 1 million free EnerGuide energy assessments;**
 - **up to 700,000 grants of up to \$5,000 to Canadians for energy efficiency retrofits for homes; and**
 - **support to recruit and train EnerGuide energy auditors to meet increased demand.**
 - **A complementary loans program will also be outlined in the coming months.**
- **This builds on the Government's Speech from the Throne commitment to create thousands of jobs and cut energy costs for Canadian families and businesses by retrofitting homes and buildings.**

- **Significant efforts to reduce emissions in homes and buildings by driving energy efficiency are already underway. We are:**
 - investing in skills training for workers in the energy efficiency sector, and have ramped up support for e-training opportunities during the COVID-19 pandemic;
 - leading a process to develop and drive adoption of stringent new energy codes for buildings together with provincial and territorial partners and industry stakeholders;
 - helping home and building owners understand, track and manage their energy use through benchmarking and labelling programs like EnerGuide and ENERGY STAR Portfolio Manager; and
 - prioritizing high-performing equipment and appliances through the *Energy Efficiency Regulations* and well-recognized labels like ENERGY STAR.
- **Budget 2019 provided \$950 million to the Federation of Canadian Municipalities' Green Municipal Fund to advance energy efficiency in homes and buildings, with new funding streams to support large and small communities launched earlier this year.**
- **Our current and future initiatives will complement the Canada Infrastructure Bank's Growth Plan, which will invest \$2 billion in large-scale building retrofits, and support the Government's Enhanced Climate Plan to meet our 2050 goal of net-zero emissions.**

Supplementary messages on building codes

- **Provinces and territories determine how homes and buildings are constructed in their respective jurisdictions in keeping with the commitments we all agreed to under the Pan-Canadian Framework.**

- **We work closely with provincial and territorial governments and with industry partners to develop model national codes for provinces to adopt.**
- **The next codes for new homes and buildings are expected to be published in late 2021 and will offer a minimum performance improvement of 10% over the current model codes, as well as performance improvement tiers ranging from 25% to 75%.**
- **Work is also underway to develop the first energy code for existing buildings and homes. This is on track to be published in 2025.**

Supplementary messages on skills and training

- **In spring and summer 2020, Natural Resources Canada provided funding to the Canadian Institute for Energy Training (CIET) and the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) to support virtual training to Canadians at a discounted rate, to ensure workers have the skills they need to lead our clean energy future.**
- **We are also working to lessen the burden on municipalities in adopting building codes, including through a project with the Alliance of Canadian Building Officials' Associations (ACBOA) to develop online training, instructional materials and exams for national energy codes.**
- **Canada is also supporting Efficiency Canada to work with the energy efficiency sector to create a hub that will promote skills training and help Canadians better understand how to transition into the in-demand energy efficiency workforce.**

- **Natural Resources Canada is also working with Employment and Social Development Canada (ESDC) to identify opportunities to help grow the skilled workforce that is necessary for the energy efficiency sector.**

ISSUE

Canada's forest sector remains challenged by fibre supply issues, declining demand for paper, and trade issues - challenges that have been intensified by COVID-19. The Government of Canada continues to support innovation, market diversification and Indigenous-led forest projects to secure jobs in rural and Indigenous communities and advance green economic recovery.

KEY MESSAGES

- **Almost a quarter million workers and over 300 communities across Canada rely on the forest sector for employment and long-term prosperity.**
- **The Government of Canada is supporting the forest sector through investments in market diversification, innovation, and the bioeconomy to create and sustain good jobs and to enhance the sector's resilience and competitiveness.**
- **Through the recent Fall Economic Statement, the government committed \$3.16 billion over ten years starting in 2020-21 to plant two billion trees.**
- **We are investing \$82.9 million in the forest sector to accelerate the adoption of transformative technologies and products.**
- **An investment of over \$12 million will provide economic development opportunities for Indigenous communities in the forest sector.**
- **Finally, we are providing up to \$30 million to help small and medium-sized businesses in the forest sector offset the costs of COVID-19 health and safety measures. This will help keep businesses running and workers and communities safe.**

- **We continue to work with industry, provinces and territories, and Indigenous communities to strengthen the long-term competitiveness of Canada's forest sector.**

If Pressed On Support for Resolute's Kenogami Mill In Saguenay, Quebec

- **We recently launched a call for proposals under the Investments in Forest Industry Transformation (IFIT) program that resulted in 70 submissions from across Canada representing over \$2.3 billion in total potential investments.**
- **This demonstrates the sector's interest in moving up the value chain, producing higher value products and contributing to Canada's economic recovery.**
- **My department will launch a second call for proposals in early 2021 and I encourage companies who are considering strategic investments in innovation to apply for funding at that time.**

If Pressed on Quebec Forest Sector Support

- **Quebec-based forest stakeholders receive significant support through various Government of Canada programs.**
- **Since 2015, the IFIT program has funded 15 different innovative projects across Quebec's industry.**
 - **We invested \$4.9 million towards Uniboard's Val D'Or particleboard facility to help install a new dryer and upgrade their production line.**
 - **Last year, we supported Resolute Forest Products' advanced biomaterials diversification investment into cellulose filaments production.**

- **Our Forest Innovation Program continues to support FPIinnovations' targeted R&D activities serving the diversification and new products development needs of Quebec-based forest products facilities.**
- **The support is enabling FPIinnovations to accelerate the development of biodegradable, sustainable filter media for single-use face masks, in response to COVID-19.**
- **Since 2016, the Indigenous Forestry Initiative has funded 13 projects in Québec, valued at almost \$4 million, including \$30,000 to support Ungava Gourmande, a Cree entrepreneur, to establish a small non-timber forest product business that uses traditional, sustainable harvesting techniques to harvest and process forest berries to make jellies.**

ISSUE

Canada's softwood lumber industry has recovered from COVID-19 disruptions, with sawmills across the country operating at full or near-full capacity to take advantage of strong prices driven by robust home building and renovation activities. The vast majority of the estimated 12,500 sawmill workers impacted by COVID-19 curtailments are now back at work. Canada's publicly traded lumber companies posted outstanding Q3 financial results, including an average 40% year-over-year increase in sales and strong repayment of financing facilities. The Final Results of the First Administrative Review of softwood lumber duties, announced on November 24, 2020, will reduce the burden on many Canadian producers, with the "all-others" rate falling from 20.23% to 8.99% and rates for most investigated companies declining by more than half. The exception to this is Resolute Forest Products, who will see their duty rate increase from 17.90% to 20.25%. New rates for implicated companies will apply on a going forward basis once published in the U.S. Federal Register, expected on November 30. The perpetuation of these unwarranted duties, and the increase in rates facing Resolute Forest Products, will continue to constrain competitiveness and jobs. Despite current strength, softwood lumber duties continue to hinder competitiveness. Natural Resources Canada supports Global Affairs Canada in opposing these duties, while investing in forest sector innovation, market diversification and Indigenous economic development opportunities to secure jobs and resilient forest communities.

KEY MESSAGES

- **Canada's softwood lumber industry is an economic staple in communities across the country – it has bounced back from COVID-19 disruptions and is helping to fuel recovery in both Canada and the United States.**
- **Our government continues to press for a negotiated settlement of the Softwood Lumber Dispute. We believe an agreement is possible and in the best interest of both countries.**
- **The longer this dispute drags on, the greater the risk to thousands of jobs on both sides of the border.**

- **We will continue to vigorously defend Canada's vital forest sector in the face of U.S. trade action through all channels available.**

RESPONSIVE – IF ASKED ABOUT RESULTS OF FIRST ADMINISTRATIVE REVIEW OF SOFTWOOD LUMBER DUTIES

- **While a reduction in tariffs for some Canadian producers is a step in the right direction, Canada is disappointed that the United States continues to impose unwarranted and unfair duties on Canadian softwood lumber.**
- **Canada strongly disagrees with this decision, which will result in higher duties for Resolute Forest Products, a company that employs thousands of hard-working people in Quebec and Ontario.**
- **I will continue to work with my colleague Minister Ng to determine a path forward, including whether and how to challenge this baseless trade action.**

ISSUE

Canada is committed to using nature-based solutions to help fight climate change – including planting two billion incremental trees to clean the air, make communities greener, and create jobs. In the recent Fall Economic Statement, the Government committed \$3.16 billion over ten years starting in 2021-22 to plant these trees, as part of the \$3.9 billion commitment to nature-based climate solutions with Environment and Climate Change Canada, and Agriculture and Agri-Food Canada.

KEY MESSAGES

- **Through the recent Fall Economic Statement, our Government has taken an important step in advancing our commitment on nature-based climate solutions by allocating \$3.9 billion over ten years, starting next year, to enhance the ability of Canada's forests, wetlands, peatlands and grasslands to absorb and store more carbon.**
- **This includes \$3.16 billion for Natural Resources Canada to partner with provinces, territories, non-governmental organizations, Indigenous organizations and communities, municipalities, and others to plant two billion incremental trees over the next decade.**
- **Through tree planting, we will help fight climate change, enhance our forests, protect biodiversity and create good jobs.**
- **We are not starting from scratch.** The Federal Government has already supported the planting of 150 million trees under the Low Carbon Economy Fund and the Disaster Mitigation Adaptation Fund.
- **We also supported the plantation of 750,000 trees of a planned two million along the Highway for Heroes, from Trenton to Toronto.**

- **We have been engaging with Canadians since last November, including a workshop in March; and, most recently we engaged 700 individuals and organizations to discuss how to plant these two billion trees in urban areas, on private lands, with provinces and territories, and in partnership with Indigenous Peoples.**
- **Over 600 million trees were planted across Canada in 2020. In fact, two billion trees over 10 years represents a 40% increase. We believe the skilled labour force is out there to support the full supply chain from seed centres to nurseries, to identifying and preparing sites, to planting trees and monitoring for survival.**
- **While planting a tree may sound simple, ensuring that it can be done on this scale and in a sustainable requires good science and precise planning so that the right tree will be planted in the right place. It requires time. We will get this right.**

If pressed on no new trees planted:

- **Recent engagement with stakeholders has been required to gather the information needed to design this complex initiative.**
- **Officials are currently reviewing feedback received from stakeholders through recent information sessions.**
- **We are developing a made-in-Canada solution for planting these trees, and will be in a position to communicate the plan in due course.**

CONTACT: Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7243

ISSUE

While the mining industry is a key contributor to Canada's economic well-being, global trade tensions continue to create uncertainty for the global economy and commodity markets. The Government of Canada will continue to support the mineral industry to ensure it remains competitive.

KEY MESSAGES

- **Canada's mining industry is a source of well-paid, middle class jobs in Canada's rural, remote, and northern communities. It is also an important source of jobs and economic opportunities for Indigenous peoples.**
- **As countries invest and recover from COVID-19, Canada has an opportunity to position itself as a sustainable, secure supplier of inputs for a clean, global economy.**
- **Working with the provinces and territories via the Canadian Minerals and Metals Plan we have a long-term vision—backed by a concrete action plan to boost competitiveness and secure Canada as the leading mining nation.**
- **Our collaboration includes critical minerals and strengthening Canadian supply chains for batteries and clean tech applications.**
- **To support industry through the COVID-19 pandemic, we have introduced specific mining-related measures:**
 - **A 12-month extension for junior mining exploration companies to spend capital raised via flow-through shares, allowing them to safely plan when to continue operations; and**
 - **We amended the Nunavut Mining Regulations to waive rent on mineral leases for one year.**

- **We have maintained our tax competitiveness and made strategic investments in innovation and infrastructure:**
 - **\$365 million to extend for five-years the Mineral Exploration Tax Credit, which helps junior exploration companies raise the capital to find new mines and create the mining jobs of tomorrow;**
 - **\$247 million to the Yukon Resource Gateway Project, to upgrade infrastructure and support the development of new mines in the territory;**
 - **\$10 million *Crush It! Challenge* to advance clean technology, reduce environmental impacts and improve energy efficiency at Canadian mines; and**
 - **\$5 million through the Clean Growth Program to support the electrification of Goldcorp's Borden mine, helping reduce greenhouse gas emissions and enabling the transition to a low-carbon future.**

Supplemental Messages:

- **Canada's minerals and metals are critical inputs to clean technologies that will secure a low-carbon future.**
- **Canada's mining industry is a global leader in environmental practices and corporate social responsibility.**
- **We will build back better and our mining sector will play a key role in attracting investment and strengthening Canada's competitiveness.**

ISSUE

Canada and its allies are concerned about reliance on non-market economies for the critical minerals and metals required for manufacturing and defense industrial bases. The EU, the U.S., Japan and Australia are collaborating to take action in cooperation to secure supply chains and ensure access to critical minerals for technologies used in global defense, renewable energy and advanced manufacturing. Canada has the potential to serve as an important supplier of these “critical minerals” and to develop associated downstream industries.

KEY MESSAGES

- **Canada is a secure and sustainable supplier of critical minerals needed to support the development of clean technologies, communications technology, aerospace and defense, and advanced manufacturing.**
- **Developing Canada’s critical mineral industry has the potential to secure market share for these minerals, grow our economy, and create jobs for Canadians.**
- **Efforts to build resilient global critical mineral supply chains will require international cooperation, which is why Canada is working collaboratively with its allies.**

The Canada-U.S. Joint Action Plan on Critical Minerals Collaboration:

- **Recognizing the importance of an integrated North American approach, Prime Minister Trudeau and President Trump committed to developing a Joint Action Plan on Critical Minerals Collaboration in June 2019.**
- **The Plan positions our countries to make a significant contribution to broader efforts with our allies to address global supply chain challenges.**

- **Our collaboration increases industry competitiveness in both Canada and the U.S, jointly addresses security and defence concerns and facilitates minerals trade and investment.**
- **Canada currently supplies 13 of the 35 critical minerals needed by the U.S., with the potential to supply many more.**

Other International Actions on Critical Minerals:

- **Canada is also engaging with other international allies – including the EU, Japan, and Korea – to seek diversification of trade and investment flows.**
- **The Prime Minister and President of the European Council and President of the European Commission have agreed to deepen work on a strategic partnership on critical raw materials to support the green transition.**

Building a Battery Value Chain in Canada:

- **As the global economy transitions to a carbon neutral future, a major area of focus is electric vehicles and the manufacture of batteries.**
- **Canada has an abundance of cobalt, graphite, lithium and nickel, the minerals needed to make next-generation electric batteries.**
- **This is our advantage, and our opportunity, to develop the next generation of battery supply chains, right here in Canada.**
- **This, combined with Canadian expertise and a strong manufacturing base give Canada a competitive edge.**

ISSUE

Indigenous people and communities have expressed concerns about major natural resource projects, including their ability to participate in assessment and regulatory processes, and contribute to the mitigation of potential impacts on their Aboriginal and treaty rights.

KEY MESSAGES

- **Canada has strengthened its approach to meaningful consultation, acknowledging the importance of partnerships when it comes to developing major natural resource projects in Canada.**
- **Working with Indigenous peoples to find solutions will lead to better economic, social and environmental outcomes.**
- **Canada has moved away from developing solutions for Indigenous communities to collaborating and partnering with them.**
- **We are committed to achieving reconciliation with Indigenous peoples through a renewed, nation-to-nation, government-to-government and Inuit–Crown relationship that is based on the recognition of rights, respect, co-operation and partnership.**

If pressed on Bill C-69:

- **Bill C-69 shows Canada’s commitment to engaging with Indigenous groups early in project development and throughout the review process, and to ensuring their Indigenous knowledge is considered prior to making decisions on major projects.**
- **The Impact Assessment Agency of Canada administers the funding programs, which can support Indigenous groups interested in participating in federal impact assessments and other Agency engagement initiatives and activities.**

- **As a result of this bill, the Canada Energy Regulator will also ensure more inclusive engagement and greater Indigenous participation in project decisions.**
- **As part of its commitment to advance reconciliation, the Canada Energy Regulator established an Indigenous Advisory Committee in August, to enhance involvement of Indigenous communities in CER-regulated projects.**

If pressed on UNDRIP Legislation:

- **Together with Indigenous peoples, we are committed to establishing a relationship based on the affirmation of rights, respect, co-operation and partnership. That is why we are committed to introducing legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples by the end of 2020.**
- **Our new bill will establish a collaborative path forward that will help build relationships and greater predictability over time.**
- **Free, prior and informed consent is both a foundational principle of the Declaration and a roadmap for building relationships and consensus as parties work together in good faith and create a climate of confidence in decisions impacting on Indigenous rights and interests.**
- **It is about making every effort towards establishing mutually acceptable arrangements, building consensus, and working together.**
- **We are committed to working in partnership with Indigenous Canadians to implement this important legislation.**

Nuclear Energy & Small Modular Reactors

November 2020

ISSUE

In February 2020, Minister O'Regan announced that NRCan would launch Canada's SMR Action Plan in fall 2020 and launch a review of the Radioactive Waste Policy Framework.

On November 16, 2020, Natural Resources Canada launched a review to modernize its Radioactive Waste Policy, to build upon the existing radioactive waste policy and ensure that it is based on the best available science, continues to align with international practices, and reflects the values and principles of Canadians.

In the coming weeks, Canada's Small Modular Reactor Action Plan will be launched by the federal government and more than 100 organizations, including 7 provincial and territorial governments (AB, SK, ON, NB, PEI, YT, NU). The Action Plan was originally scheduled to be launched on November 18, 2020, but was delayed (new date TBD) as submissions from Action Plan partners were still coming in.

KEY MESSAGES

- **Small modular reactors (SMRs) represent the next wave of nuclear innovation.**
- **As a global leader in nuclear energy and nuclear safety, Canada is well-positioned to be a leader in the safe and responsible development of this new technology.**
- **SMRs are an emerging technology that could:**
 - **play a role in reducing greenhouse gas emissions;**
 - **deliver good, middle-class jobs for Canadians; and**
 - **be an economic opportunity of significant interest across Canada and around the world.**
- **This is why in October 2020 the federal government announced an investment of \$20-million in a "Generation 4" SMR technology in Ontario through the ISED Strategic Innovation Fund. This is one of the steps the federal government is taking to invest in nuclear innovation.**

- **The government is working with partners from across the country to launch Canada’s SMR Action Plan in the coming weeks. It will outline progress made and ongoing efforts across Canada to turn Canada’s SMR Roadmap into reality.**
- **There has been considerable interest and we have received submissions by over 100 partners, including provinces and territories, indigenous organizations, utilities, industry, research institutions, civil society, and other stakeholders.**
- **Canada’s SMR Action Plan will emphasize that Canada is seizing the SMR opportunity and is well-positioned to develop this technology.**

If pressed on AB, SK, ON and NB’s Memorandum of Understanding to Advance SMRs:

- **The Government of Canada welcomed the MOU by the Governments of Alberta, Ontario, New Brunswick and Saskatchewan on SMRs.**
- **We also see the potential of SMRs as a promising new technology that could play a critical role in reducing greenhouse gas emissions, while also delivering good, middle-class jobs for Canadians.**
- **We look forward to engaging with all interested provinces, Indigenous partners, and stakeholders to discuss how the federal government can support their ongoing efforts.**

If pressed on the SMR Roadmap and Action Plan:

- **In 2018, Canada’s SMR Roadmap brought together utilities, provincial and territorial governments, industry and other interested stakeholders to chart a path forward for SMRs in Canada. It also included early engagement with Indigenous communities and civil society groups.**

- **In 2020, the Government of Canada has been working with over 100 partners from across the country and we will launch Canada’s SMR Action Plan in the coming weeks.**
- **The SMR Action Plan will outline progress made and ongoing efforts across Canada to turn the Roadmap into reality by key enablers, partners, and stakeholders, including:**
 - **provincial and territorial governments;**
 - **municipalities;**
 - **power utilities;**
 - **SMR innovators;**
 - **electricity, oil and gas, and mining associations;**
 - **research institutions, labour, and civil society; and**
 - **some Indigenous voices.**
- **Canada’s SMR Action Plan will emphasize that Canada is seizing the SMR opportunity and is the best country to develop this technology.**

If pressed on the timing of the SMR Action Plan

- **In February 2020, Minister O’Regan announced that Canada’s SMR Action Plan would be launched in fall 2020.**
- **There is a high level of enthusiasm surrounding the SMR Action Plan – with new submissions continuing to be received.**
 - **We are working hard to finalize and announce the SMR Action Plan in the coming weeks; but it is imperative that we get it right, not just get it out.**

- **We benefited from the important dialogue with stakeholders and partners on SMRs that occurred during the First Nations Power Authority SMR Forum and Generation IV and Small Reactors Summit (G4SR-2).**

If pressed on nuclear safety:

- **The Government of Canada places the highest priority on public safety and environmental protection in all nuclear activities and has established one of the most stringent and internationally recognized nuclear regulatory systems in the world.**
- **Our world-class nuclear safety regime is administered by the Canadian Nuclear Safety Commission (CNSC) – an independent regulator that makes science-based, objective decisions, and regularly undergoes peer-reviews from world-renowned organizations.**
- **The CNSC is committed to maintaining the highest standards in nuclear safety and security.**
- **As an International Atomic Energy Agency (IAEA) Member State, Canada strives to implement practices that align with the best practices and guidelines of the international community.**

If pressed about Canada's need for an enhanced radioactive waste policy:

- **Protecting the health and safety of Canadians and the environment is our top priority. The Government of Canada is committed to ensuring that Canada has a robust framework in place to ensure the safety of nuclear energy, radiation, and radioactive waste.**
- **That is why on November 16 we launched a public engagement process to review and modernize our policy for Radioactive Waste Management.**

- **To support the ongoing and safe use of nuclear energy today, as well as future nuclear development, it is time to look at our radioactive waste policies in Canada.**
- **All radioactive waste in Canada is safely managed according to international standards at facilities that are licensed and monitored by our world-class regulator - the Canadian Nuclear Safety Commission.**
- **But we must continue to modernize policies to promote long-term management solutions.**
- **We want to build on our strong radioactive waste policy and ensure that it is based on the best available science, continues to meet best international practices, and reflects the values and principles of Canadians.**
- **This commitment addresses international recommendations and national concerns, ensuring that Canadians can have confidence in the long-term solutions for all of Canada's nuclear waste.**
- **Over the next few months we will work with stakeholders and talk to Canadians to ensure that Canada has a strong policy framework and a clear plan in place for the safe, long-term management of all of our nuclear waste, including any future waste from SMRs.**

Clean Growth in Natural Resource Sectors Innovation Program

Funding Profile:

- \$49.61M in 2020-21 funding (\$11.38M Vote 1, \$38.23M Vote 10).
- Part of overall commitment of \$152.54M from 2017-18 to 2021-22 to enable NRCan to invest in clean technology research, development, and demonstration projects in the areas of energy, mining, and forestry.
- This program is focused on working with the provinces and territories on advancing clean technologies towards commercialization in order to address pressing environmental challenges and benefit from economic opportunities in Canada's natural resource sectors.

KEY MESSAGES

- **Investments in clean technology and innovation are the foundation for achieving Canada's emission reduction targets and the transition to a low-carbon economy.**
- **The Clean Growth Program provides \$155 million over four years for the co-funding of clean technology research, development and demonstration projects with provinces and territories.**
- **It enables natural resource operations to better reduce their environmental impacts on air, land, and water, while enhancing competitiveness and creating jobs.**

- **There have been 32 projects announced that are helping our natural resource sectors to improve their environmental and economic outcomes. Projects like:**
 - **The Borden Mine— Canada’s first full-electric mine, in Chapleau, Ontario, which is reducing its greenhouse gas emissions by 70% (\$5 million, Newmont Goldcorp Canada).**
 - **The TMP-Bio project is piloting a novel process to convert wood to sugars and lignin to create new bioproducts, which can reduce GHG emissions, land-use, and water impacts (\$2 million, FP Innovation).**
 - **The first in kind Canadian geothermal pilot plant, that will help to reduce the GHG emissions from oil operations (\$5 million, Razor Energy).**
- **The Clean Growth Program is helping to mobilize Canadian clean technologies, and ensuring our resource sectors are a source of Canadian prosperity and growth for years to come.**

BACKGROUND

The Clean Growth Program (CGP), which launched in November 2017, provides \$155M over four years for the co-funding of clean technology RD&D projects with provinces and territories, in Canada’s energy, mining and forestry sectors. The funding covers five areas focused on pressing environmental challenges and economic opportunities facing Canada’s natural resource operations:

- Reducing greenhouse gas (GHG) and air-polluting emissions;
- Minimizing landscape disturbances and improving waste management;
- The production and use of advanced materials and bioproducts;
- Efficient energy use and productivity; and
- Reducing water use and impacts on aquatic ecosystems.

The program aims to advance clean technologies so that natural resource operations can better reduce their environmental impacts on air, land, and water. It provides a unique opportunity to strengthen federal and provincial/territorial collaboration and leveraging of funds, as only projects partnering with provinces/territories (financially/in-kind) can be considered for funding under this program. It also brings providers and adopters together to provide innovative and cross-cutting solutions to natural resource sector issues.

The program has 42 contribution agreements in place, with 3 more projects in the final stages of the due diligence process and/or with contribution agreements being negotiated. Thirty-two projects have been publicly announced to date.

The CGP is also one of the programs highlighted in late 2018 as part of the \$1.6B package to support to the oil and gas sector. Specifically, \$50M in funding commitments for projects with an expected total value of \$890M were included. These projects, will use new technologies to reduce energy requirements and improve production and the environmental performance of the oil and gas sector. For example:

- MEG Energy’s Modified VAPOur Extraction (eMVAPEX) technology in Christina Lake, AB, will efficiently increase bitumen production, achieve sustainable cost savings and minimize environmental impacts, by reducing greenhouse gas emissions by 40% (\$5M).
- Canadian Natural Resources Limited’s in-pit extraction process will separate oil sands into solids, bitumen and water at its Horizon oil sands mine site, thus reducing diesel trucks and power needs by 50% (\$5M).

The CGP is expected to invest in projects that contribute to Government of Canada’s environmental and economic objectives. For example, it is expected to result in:

- GHG emission reductions of 0.3 to 0.7 megatonnes per year by 2026;
- Water use reductions by 100,000 m3 to 2,000,000 m3 per year by 2026;
- A decrease in waste by 20,000 tonnes to 30,000 tonnes per year by 2026;
- A net increase in employment (800 direct and indirect jobs annually); and
- Creation of new revenue streams, and improvements in public confidence.

Program funding was provided from FY2017-2021 and has since been profiled into FY2021-22 to accommodate the funding needs of selected projects. No new funding was included in this extension. The program now sunsets on March 31, 2022 and is fully subscribed and no longer accepting applications. No new funds were allocated to the CGP in Budget 2019.

Departmental Results Framework (DRF)

This initiative falls under the “Innovative and Sustainable Natural Resources Development” Core Responsibility in the NRCan’s DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Vote 1 Operating	3.65	3.46	6.52	11.38	1.00	26.01
Vote 5 Capital	0.00	0.00	0.00	0.00	0.00	0.00
Vote 10 Grants and Contributions	0.00	20.07	53.23	38.23	15.00	126.53
Total	3.65	23.53	59.75	49.61	16.00	152.54

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Drew Leyburne, ADM, Energy Technology Sector 343-292-6448

Clean Technology Challenges

Funding Profile:

- \$48.81M in 2020-21 funding (\$1.14M Vote 1 and \$47.67M Vote 10).
- Part of overall commitment of \$73.91M for Impact Canada clean technology challenges from 2017-18 to 2020-21 to develop breakthrough cleantech solutions.
- This program is supporting the transition to a low-carbon economy, creating new economic opportunities and delivering on the government's experimentation agenda.

KEY MESSAGES

- **Investments in clean technology are the foundation for clean growth and achieving Canada's emission reduction targets.**
- **In 2020-21, \$48.8 million is allocated to NRCan for cleantech challenges under the Impact Canada initiative.**
- **NRCan has launched six challenges, working closely with stakeholders to define ambitious targets and drive innovators to achieve them.**
- **The Women in Cleantech Challenge is supporting women-led cleantech companies. An all-women jury selected finalists and will recommend a \$1 million grand prize winner next year.**
- **The Generating New Opportunities: Indigenous Off-Diesel Initiative is readying 15 'Energy Champions' to break ground in their communities on their first clean energy projects.**

- **Other challenges are aimed at: accelerating affordable green aviation fuel; designing the power grid of the future; slashing energy use in mining; and optimizing new battery technology.**
- **With this program, we are innovating in two ways: pushing the limits of cleantech, and also how we design and deliver programs with partners for greater impact.**

BACKGROUND

Through Budget 2017, the Government of Canada announced the creation of the Impact Canada initiative to provide a vehicle for the federal government to pilot innovative policy and program approaches.

The Impact Canada initiative is a horizontal initiative led by the Privy Council Office. NRCan was provided with \$75 million over four years to deliver the clean technology stream to address persistent barriers in cleantech development and adoption, such as reducing reliance on diesel in northern and remote communities. The initiative introduces a challenge-based approach, setting ambitious but achievable goals in order to identify and develop breakthrough solutions.

NRCan launched six clean technology challenges under the Impact Canada initiative:

- **Women in Cleantech Challenge** aims to help level the playing field for Canadian women entrepreneurs in the area of clean technology
 - *Persistent barrier: Chronic underrepresentation of women in leadership positions in cleantech*
- **Sky's the Limit Challenge** is seeking a breakthrough on made-in-Canada green aviation fuels
 - *Persistent barrier: GHGs from aviation that cannot be addressed through other means (i.e. light-weighting, electrification)*
- **Canada-UK Power Forward Challenge** is bringing Canada and UK innovators together to design the power grids of 2030
 - *Persistent barrier: Real time integration and management of multiple distributed energy resources at the grid edge*
- **Crush It! Challenge** is seeking a breakthrough solution to deliver a step change in energy efficiency in rock crushing and grinding
 - *Persistent barrier: The energy intensity of crushing and grinding rock*
- **Indigenous Off-Diesel Initiative** is supporting the development and implementation of clean energy plans to reduce diesel use in remote communities
 - *Persistent barrier: Capacity in communities to plan and implement sustainable clean energy solutions*

- **Charging the Future Challenge** is seeking to accelerate Canada’s most promising battery innovations
 - *Persistent barrier: Slow pace of innovation in made-in-Canada battery technologies*

Since launching in 2018, the program received almost 400 proposals from a range of sectors across the country seeking to address persistent barriers for each challenge. A total of 43 finalists have been selected across all six challenges. The grand prize winners for all six challenges will be announced in 2021-22.

There are a number of exciting projects being developed under the different Impact Canada clean tech challenges. The Women in Cleantech Challenge is supporting six women to develop their companies, including Amanda Hall (Alberta) who has developed an improved method of lithium-ion resource extraction. Her approach has the potential to create an inexpensive and sustainable source of green lithium for batteries used in electric vehicles, portable devices and mobile gadgets, all of which are fast-growing, multibillion-dollar markets.

The Sky’s the Limit Challenge is supporting four finalists to develop a sustainable aviation fuel with the most GHG emission reductions at the lowest cost and the most potential for commercial scale-up. FORGE Hydrocarbons is developing their “Lipid to Hydrocarbon” technology and its unique ability to produce renewable aviation fuels from waste fat and oil feedstocks.

While not formally a part of the funding commitment for this series of clean tech challenges under Impact Canada, the Oil Spill Recovery Technology Challenge is following the same design approach and leveraging the Impact Canada platform.

Departmental Results Framework (DRF)

This initiative falls under the Core Responsibility of Innovative and Sustainable Natural Resources Development in NRCan’s DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2017-2018	2018-2019	2019-2020	2020-2021	Total
Vote 1 Operating	1.10	1.97	1.96	1.14	6.17
Vote 5 Capital	0.00	0.00	0.00	0.00	0.00
Grants	0.18	1.21	7.83	41.58	50.80
Contributions	0.06	2.21	8.58	6.09	16.94
Vote 10 Grants and Contributions	0.24	3.42	16.41	47.67	67.74
Total	1.34	5.39	18.37	48.81	73.91

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Drew Leyburne, ADM, Energy Technology Sector

Climate Action Support Payments (Energy Manager Program and Clean Energy for Rural and Remote Communities Program)

Funding Profile:

- \$3.6 million (M) in 2020-21 funding (Statutory) for two programs.
 - \$3.1 M for the **Energy Manager Program** to support industrial, commercial and institutional facilities in adopting energy efficiency solutions.
 - \$0.5 M for a top up to the **Clean Energy for Rural and Remote Communities Program**.
- These programs support the government's climate change agenda and Canada's transition to a low-carbon economy.

KEY MESSAGES

- **The Government of Canada is investing in renewable energy innovation and delivering economic growth, competitive industries, and clean jobs, while protecting the environment through next-generation clean energy and technology solutions.**
- **The Supplementary Estimates B provide \$3.6 million for two programs that support Canada's transition to a low-carbon economy: the Energy Manager Program and the Clean Energy for Rural and Remote Communities Program**

Energy Manager Program:

- **In 2019, we launched the \$3.1 million *Energy Manager Program*, which supports energy efficiency by embedding energy managers and energy management approaches in small and medium-sized enterprises, municipalities, universities, schools, hospitals, and Indigenous communities.**

- **The program also supports energy audits, fleet assessments, training, and customized energy use analysis, which helps program participants to make strategic investments that ultimately result in significant reductions in energy use, operating costs, and GHG emissions.**
- **Some 21 projects are currently underway, involving 17 energy managers and at least 15 energy assessments.**
- **Through this initiative, NRCan is helping to address barriers that industrial sectors and jurisdictions face to improving their energy efficiency practices.**

Clean Energy for Rural and Remote Communities Program:

- **In Budget 2017, the government committed to support *clean energy in rural and remote communities* by providing \$220 million over six years to deploy and demonstrate renewable energy technology, encourage energy efficiency, and build skills and capacity.**
 - **\$4.47 million was allocated from the Climate Action Incentive Fund for this program from 2019-2020 to 2020-2021 to support two Indigenous-led clean energy projects in Ontario, focused on reducing diesel as a source of heat by transitioning to biomass systems and high-efficiency wood stoves.**
 - **Through these projects, Canada is reducing reliance on diesel in rural and remote communities. This supports climate change mitigation, reconciliation with Indigenous peoples, and provides new opportunities for meaningful employment and economic growth.**

BACKGROUND

The Climate Action Incentive Fund (CAIF) is an Environment and Climate Change Canada (ECCC) program under the *Pan-Canadian Framework on Clean Growth and Climate Change*. This program is funded from the proceeds of the federal carbon pollution pricing system. Programming proposed in 2019 was made available in Saskatchewan, Manitoba, Ontario, and New Brunswick, where provinces had not committed to their own carbon pollution pricing systems in 2019-20. NRCan, in collaboration with ECCC, is delivering two initiatives under the CAIF. As part of the Enhanced Climate Plan, ECCC is proposing a new approach to return future revenues from pollution pricing.

1. Energy Manager Program

NRCan was allotted funds for the Energy Manager Program (EMP). The EMP is designed to support small and medium-sized enterprises (SMEs), municipalities, universities, schools and hospitals (MUSH), as well as Indigenous communities in Saskatchewan, Manitoba, Ontario, and New Brunswick (the four jurisdictions that had not adopted their own carbon pricing system equivalent to the federal system). The federal government passed the Greenhouse Gas Pollution Pricing Act in June 2018. This required all provinces to establish a carbon pricing mechanism. If provinces did not establish a carbon pricing system, or their system did not meet federal standards, the federal government implemented a carbon pricing backstop and committed to return funds collected in those jurisdictions to those same jurisdictions. The provinces subject to the federal backstop were Saskatchewan, Manitoba, Ontario, and New Brunswick, so our program was targeted to those four jurisdictions

NRCan provides funds to the SME and MUSH to hire energy managers in their organizations and/or energy consultants to conduct energy assessments. Projects are selected through a competitive process to fund the highest ranked projects. Funds are provided through a contribution agreement between NRCan and the SME or MUSH. To date, 21 contribution agreements have been signed with SME and MUSH organizations for projects to hire 17 energy managers and conduct 15 energy assessments. NRCan will reimburse eligible salaries and professional services expenses to proponents based on submission of invoices and progress reports.

The EMP addresses persistent market barriers to the adoption of energy management approaches, like the need for customized data and analysis to support decision-making on investments in energy efficiency solutions.

The objective is to increase the capacity for facilities and organizations to identify and adopt energy efficiency opportunities, by offering program funding for:

- Growing the network of qualified energy managers to implement energy strategies and build an energy efficiency culture;
- Energy assessments to overcome barriers to identifying and doing energy-saving projects;
- Fleet assessments to explore fuel-switching and fuel reducing options; and,
- Energy training to raise competencies and increase access to skilled practitioners.

Potential outcomes: Conducting energy assessments and having dedicated energy managers on staff will help to identify opportunities for energy savings within a given building or organization.

2. Clean Energy for Rural and Remote Communities

The Clean Energy for Rural and Remote Communities (CERRC) program is part of NRCan's Green Infrastructure funding. The program is receiving \$217.8 million over six years starting in 2018-19. The 2017 Budget initially allocated \$220M to the program. Two streams have been launched under this program: a call for renewable energy demonstration and deployment projects, and a call for capacity building proposals.

Reducing reliance on diesel in rural and remote communities, many of which are Indigenous, will decrease Canada's carbon footprint, support climate change mitigation, contribute to healthier communities, and provide new opportunities for jobs and economic growth.

The program delivers on key actions in the Pan-Canadian Framework on Clean Growth and Climate Change and supports the government's commitment towards reconciliation with Indigenous Peoples.

The Clean Energy for Rural and Remote Communities program received \$4.47 million of the Climate Action support payments from 2019-2020 to 2020-2021 to fund two projects in Northern Ontario. Of that original amount, \$500,000 is being spent this year to complete the work on one of the projects:

- Sagatay Cogeneration LP, wholly owned by Whitesand First Nation, (\$3.67 million in 2019-2020 and \$500,000 in 2020-2021) is undertaking the engineering design and tendering work in preparation for the purchase and installation of a 5MW combined heat and power system to power and heat a pellet plant in the community and for the construction of a wood merchandizing yard. The final project would displace 1.2 million litres of diesel fuel and create over 70 ongoing jobs in the community; and
- Nishnawbe Aski Nation received \$300,000 in 2019-2020 toward their project designed to exchange existing woodstove heating appliances in six remote NAN communities with upgraded high efficiency woodstoves. This will reduce fossil fuel heating use by lowering demand on community electricity supply, currently provided by diesel generators.

Departmental Results Framework (DRF)

The objectives and expected outcomes of these programs contribute to Canada's climate change and clean growth strategies and support NRCan's Innovative and Sustainable Natural Resources Development core responsibility.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	Total
Vote 1 Operating - Energy Manager Program	0.55	0.00	0.55
Statutory - Energy Manager Program		3.10	3.10
Statutory - Clean Energy for Rural and Remote Communities Program	3.97	0.50	4.47
Total Statutory Climate Action support Payments	3.97	3.60	7.57
Total Voted and Statutory	4.52	3.60	8.12

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922

Climate Change Adaptation

Funding Profile:

- \$11.61M in 2020-21 funding (\$4.93M Vote 1, \$0.05M Vote 5, and \$6.63M Vote 10).
- The \$11.61M is part of a \$53.17M program that runs from 2016-17 to 2021-22 for both the Climate Change Adaptation program and the Building Regional Adaptation Capacity and Expertise (BRACE) program.
- This program delivers on the Government's climate change agenda by enabling NRCan to improve Canada's resilience to the impacts of a changing climate.

KEY MESSAGES

- **The Government of Canada is committed to addressing the challenges posed by climate change. This includes enhancing resilience to climate change impacts.**
- **NRCan is investing \$11.6 million to work with industry, communities, governments, and community organizations to develop knowledge, tools and capacity to adapt to climate change.**
- **The funding is being used to:**
 - **support 44 projects to assess risks, costs and approaches to adapt to climate change in coastal management, forestry, infrastructure, mining, and energy;**
 - **build capacity and expertise in public and private sector organizations to address climate-related risks so they are better able to take action on climate adaptation;**

- **produce a new national assessment of climate change impacts and adaptation actions for Canada;**
- **provide information on permafrost to improve transportation infrastructure in the North; and**
- **develop a better understanding of climate impacts for mining risk management strategies for active, inactive/decommissioned mines.**
- **The work strengthens our climate change response and advances adaptation and resilience goals of the Pan-Canadian Framework on Clean Growth and Climate Change.**

BACKGROUND

Canada's climate is changing and will continue to change. These changes pose new risks and create new opportunities for our infrastructure, society, environment and economy. In addition to our efforts to reduce the impact of human action on the climate, Canada needs to prepare for future climate realities and ensure that we are ready and able to prepare, and adapt.

Natural Resources Canada (NRCan) launched the Climate Change Adaptation program in 1998. It was renewed in 2016 at \$35 million over five years. For the first time, ongoing funding of \$3.8 million per year, starting in 2021-22, was secured to support a baseline of adaptation work beyond the conclusion of this five-year cycle of the program.

The objective of the funding is to increase the resilience of industry and communities to the impacts of a changing climate. The funding supports in-house scientific research and co-funds projects to produce information and tools that regions and industries need to understand and adapt their operations to the effects of a changing climate.

In Budget 2017, the Government of Canada announced additional funding of \$260 million for 2017-2022 to support the adaptation and resilience goals of the Pan-Canadian Framework on Clean Growth and Climate Change. Included in this funding program is the Building Regional Adaptation Capacity and Expertise (BRACE) program which is delivered by NRCan. BRACE builds adaptation capacity and expertise in businesses, communities and Indigenous organizations. Training, internships and other activities will help organizations build awareness and use regionally-specific knowledge and tools to take action to adapt to climate change. BRACE funding will also increase the availability and accessibility of regional information in the national assessment of climate change impacts and adaptation by engaging more regional stakeholders and reflecting their knowledge in the assessment process. Of the \$260M, \$18M over 5 years (2017-2022) was allocated to support the BRACE program.

Upcoming milestones in 2020-2021:

Canada in a Changing Climate, the national assessment of climate change impacts and adaptation, will release chapters of the National Issues and Regional Perspectives volumes throughout 2020-2021. Regional chapters will be released on a rolling basis starting in November 2020 with the Prairie Provinces chapter. The National Issues Report will be released in a single volume in early 2021, and the remaining Regional Perspectives chapters will be released over spring and summer 2021.

Canada's Climate Change Adaptation Platform Plenary is the only mechanism in Canada that brings together multi-sectoral partners and stakeholders to focus exclusively on adaptation and discuss solutions-based approaches. The next plenary meeting will take place online in winter 2020. The agenda will continue to reflect the need for a holistic approach to adaptation, which considers the intersecting nature of climate change impacts across communities, sectors, and regions.

Canada's electricity and mining industries will finalize new guidance to support their members in integrating climate change resilience in all areas of their work.

Geoscience research will continue to advance and refine techniques to validate and improve regional scale permafrost mapping, including the development of protocols for mapping thaw sensitivity in select transportation corridors and development areas to better identify problematic areas for infrastructure development.

Departmental Results Framework (DRF)

Geoscience falls under the "Natural Resource Science and Risk Mitigation" Core Responsibility in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022*	Total	2022-2023 & Ongoing
Vote 1 Operating	3.52	4.55	4.86	5.23	4.93	4.35	27.44	3.32
Vote 5 Capital	0.06	0.15	0.13	0.13	0.05	0.09	0.61	0.09
Vote 10 Grants and Contributions	0.60	1.00	5.90	7.20	6.63	3.79	25.12	0.00
Total	4.18	5.70	10.89	12.56	11.61	8.23	53.17	3.41

* 2021-22 is the last FY for BRACE funding, while first ongoing FY funding for the Climate Change Adaptation Program.

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Jeff Labonté, ADM, LMS

Contributions in Support of Energy Efficiency

Funding Profile:

- \$68.37 million (M) in 2020-21 funding (\$45.45M Vote 1 and \$22.92M Vote 10) to increase energy efficiency in Canada's buildings, industrial and transportation sectors.
- Together, these programs and activities support the government's climate change agenda and Canada's transformation to a low-carbon economy.

KEY MESSAGES

- **Driving energy efficiency is a key component of the Government's plan to build a strong and more resilient Canada.**
- **Energy efficiency will move us closer to our climate goals, while helping businesses and families save money, making Canadian industries more competitive, generating clean jobs, and creating a healthier environment for future generations.**
- **This funding was announced in Budget 2017, which laid out the government's plan to invest \$21.9 billion in initiatives supporting the implementation of the Pan-Canadian Framework.**
- **In 2020-21, \$68.4 million is supporting energy efficiency programming, including contributions to Canadians, businesses and industry, research and partnerships to:**
 - **Improve energy efficiency standards for equipment and appliances;**
 - **Develop and drive adoption of more stringent national energy codes for new and existing homes and buildings, in collaboration with provinces, territories, and industry; and**

- **Implement energy management systems in large buildings and industrial facilities to improve energy efficiency and reduce costs.**
- **Working closely with provinces and territories, industry, associations, and research groups, we are advancing long-term energy efficiency efforts that drive Canada's transformation to a low-carbon economy.**

BACKGROUND

Types of projects or activities funded under energy efficiency programs in 2020-21 include:

- Updating and introducing new **energy efficiency standards for products** under Canada's Energy Efficiency Regulations (primarily Vote 1) and advancing the Market Transformation Roadmap to support transition to energy efficient, low-carbon space and water heating technologies.
- Developing building energy **codes for new and existing buildings** (primarily Vote 1);
- Co-funding of provincial/territorial **demonstration programs** providing necessary evidence on the cost effectiveness of adopting **more stringent building codes**; as well as targeted industry calls to drive innovation and enable the construction of highly energy efficient buildings across Canada.
- **ENERGY STAR certification** in industrial facilities and commercial and institutional buildings.
- Supporting the implementation of energy management systems such as the ISO 50001 energy management standard in industrial facilities and in the commercial and institutional buildings sector.
- Capital investments to improve energy use and encourage fuel switching in automotive manufacturing plants.

Costs: Contribution agreements to support the above activities will be negotiated at the project level.

Expected results in 2021 for overall energy efficiency programming, as prepared for NRCan's 2020-2021 Departmental Plan, is 600 PJ in total annual energy savings by 2030, resulting from the adoption of energy efficiency codes, standards, and practices. The ultimate outcome of programming is improved energy efficiency in target sectors (industry, equipment, building, housing, and transportation).

Departmental Results Framework (DRF)

The objectives and expected outcomes of these programs contribute to Canada's climate change and clean growth strategies and support NRCan's Core Responsibility #2: Innovative and Sustainable Natural Resources Development, Programs: Energy Efficiency; Energy Innovation Program.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2016-2017	2017-2018	2018-2019	2019-2020*	2020-2021*	2021-2022*
Vote 1 Operating	31.68	31.69	45.55	46.92	45.45	43.21
Vote 10 Grants and Contributions	2.85	4.53	9.51	11.66	22.92	16.65
Total	34.53	36.22	55.06	58.58	68.37	59.86

*Includes transfer from Industry Canada to NRCan for Energy Efficiency programming in the Automotive Sector

2022-2023	2023-2024	2024-2025	2025-2026	2027 & Ongoing
43.59	41.98	42.94	40.93	31.52
15.99	16.47	15.84	12.83	3.62
59.58	58.45	58.78	53.76	35.14

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACTS

- 1) Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922
- 2) Drew Leyburne, Assistant Deputy Minister, ETS, 343-292-6448

Creation of a New Emissions Reduction Fund

Funding Profile:

- \$159.13 million (M) in 2020-21 funding (\$6.74M in Vote 1 and \$152.38M in Vote 10).
- Part of an overall commitment of \$750M from 2020-21 to 2026-27 to help achieve net-zero emissions by 2050 and as part of Canada's economic response to the COVID-19 pandemic.
- This program delivers on the government's climate change agenda and the transition to a low-carbon economy.

KEY MESSAGES

- **Canada's energy sector is critical to the restarting and rebuilding of the economy. The Government of Canada wants to support the sector and help transform it to meet a net-zero future.**
- **The government created the Emissions Reduction Fund to help businesses reduce greenhouse gas emissions, with a focus on methane.**
- **Methane emissions are one of the most potent greenhouse gases and Canada's oil and gas sector is the source of 43 percent of those emissions.**
- **The Emissions Reduction Fund provides incentives to companies to maximize methane and other greenhouse gas emissions reductions, protect the environment, and advance research and development in the oil and gas sector.**
- **The Fund will maintain jobs and opportunities for Canadians in the sector while positioning industry to keep up with, and lead, the global energy transition. Making it more globally competitive in a post-pandemic environment.**

- **Onshore and offshore oil and gas companies can now apply to the program.**
- **Funding is also available to support research, development and demonstration to advance new GHG abatement technologies, such as improvements to oil and gas production, while reducing flaring and other direct emissions.**
- **The government will continue to advance measures to reduce emissions across the economy, in line with our 2030 climate targets and the commitment to achieve net-zero by 2050. Reducing emissions from methane is a significant part of this plan.**

BACKGROUND

Three programs fall under the Emissions Reduction Fund:

Onshore deployment program (Vote 1: \$5.37M; Vote 10: \$128.60M):

- Offers up to \$675 million to onshore upstream and midstream oil and gas companies by March 2022 to lower or eliminate routine venting of methane rich natural gas from conventional, tight and shale oil and gas operations. Examples of a project that eliminates intentional venting includes gas conservation projects where 100% of hydrocarbon gas is conserved for re-use on site or for sale, or gas conservation and gathering projects that eliminates routine flaring of gas.
- It offers repayable and partially repayable contributions.
- Eligible recipients approved for funding will be offered a 5-year payback period with three different options for repayment.

Offshore deployment program (Vote 1: \$0.71M; Vote 10: \$0):

- Official opening of the intake period for offshore deployment sharing started on November 9, 2020.
- Provides up to \$42 million for capital projects designed to either reduce offshore GHGs or improve the environmental performance of offshore oil spill monitoring, detection and response activities.
- Emissions reducing projects could include flare tip technology upgrades, compressor efficiency improvements and platform electrification.
- On the spill side of the program, the deployment of early detection and surveillance technology for improved spill recognition is an example of an eligible project.
- Contributions are fully repayable.

Offshore research, development and demonstration (Vote 1: \$0.66M; Vote 10: \$23.78):

- Supports research, development and demonstration activities to decarbonize the Newfoundland and Labrador offshore sector. Funding will be delivered using an initial recipient, Petroleum Research Newfoundland and Labrador, who will select and manage eligible projects.
- Project contributions will be non-repayable.

The Emissions Reduction Fund was officially launched on October 29, 2020 with:

- The official opening of the intake period for onshore deployment, which closed on November 30, 2022 [Redacted]; and,
- The selection of Petroleum Research Newfoundland & Labrador as the partner for offshore RD&D.

The Emissions Reduction Fund falls under NRCan’s Core Responsibility to advance Innovative and Sustainable Resources Development.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	Grand Total
Vote 1 Operating	6.74	9.24	4.59	2.54	2.54	2.50	2.50	30.65
Vote 10 Grants and Contributions	152.38	559.86						712.24
Grand Total	159.13	569.10	4.59	2.54	2.54	2.50	2.50	742.89

Figures above exclude EBP and PSPC/SSC amounts.

The total including these amounts is \$750M.

Rounded to 2 decimals.

CONTACTS:

- **Mollie Johnson, Low Carbon Energy Sector**
- **Glenn Hargrove, Strategic Petroleum Policy and Investment Office**
- **Drew Leyburne, Energy Technology Sector**

ecoENERGY for Renewable Power

Funding Profile:

- \$41.34M in 2020-21 funding (\$1.49M Vote 1, \$39.85M Vote 10).
- Part of overall commitment of \$1.41B (2007-2021) to support electricity production from low-impact, renewable electricity projects.
- This program supports the government's climate change and clean growth objectives.

KEY MESSAGES

- **The Government of Canada is making important strides in the transition to a low-carbon economy.**
- **Through the \$1.39 billion ecoENERGY for Renewable Power Program, we have supported 104 renewable energy projects that represent 4,458 megawatts of capacity.**
 - **For example, Western Sustainable Power's 66 MegaWatt Blue Trail Wind Farm, located in Alberta, received \$20 million in funding from the program over ten years.**
- **By funding these types of initiatives, the Government will advance projects and deliver programs to support electricity production from clean, reliable sources.**

Responsive – declining Vote 10 funds

- **Funds are reduced each year as contribution agreements complete their ten-year incentive payments.**

- **Fiscal year 2020-21 is the final year that eligible projects are able to receive their incentive under the program.**

BACKGROUND

The ecoENERGY for Renewable Power program was introduced in January 2007 to support 14.3 terawatt-hours of electricity production from about 4,000 megawatts (MW) of renewable power capacity. The program provides a production incentive of one cent per kilowatt-hour for up to 10 years to eligible low-impact, renewable electricity projects constructed over the period of April 1, 2007 to March 31, 2011.

By March 31, 2011, the program had committed \$1.39B to 104 projects representing 4,458 megawatts of capacity.

The following provides the amount of funding that was committed by provinces:

Province / Territory	Number of Projects	Dollar Value of Approved Projects
AB	8	\$166M
BC	19	\$305M
SK	0	0
MB	1	\$42M
ON	47	\$466M
QC	10	\$199M
NB	5	\$87M
PE	4	\$39M
NS	8	\$70M
NL	2	\$17M
YK	0	0
NT	0	0
NU	0	0

Departmental Results Framework

This item corresponds to the Innovative and Sustainable Natural Resources Development core responsibility.

FINANCIAL PROFILE

	From 2007-08 to 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Vote 1 Operating	14.83	1.00	0.99	1.06	1.03	1.49	20.40
Vote 5 Capital		-	-	-	-	-	-
Vote 10 Grants and Contributions	913.05	137.94	119.55	106.68	76.61	39.85	1,393.68
Total	927.88	138.94	120.54	107.74	77.64	41.34	1,414.08

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922

Electric Vehicle and Alternative Fuel Infrastructure

Including transfer to Department of Industry to support the Zero Emission Vehicle Initiative

Funding Profile:

- \$38.53M funding in 2020-21 (\$2.47M Vote 1, \$36.06M Vote 10)
 - \$38.65M in Mains (\$2.59M Vote 1, \$36.06M Vote 10).
 - \$0.12M in Supps B funding (Vote 1) transferred to the department of Innovation, Science and Economic Development, to address gaps in the regulatory framework related to electric vehicle chargers.
- Part of overall commitment of \$182.5M from 2016-17 to 2021-22 to enable emission reductions from the transportation sector by supporting the deployment and demonstration of electric vehicle and alternative fuel infrastructure.
- This program supports the government's climate change agenda and Canada's transformation to a low-carbon economy.

KEY MESSAGES

- **The Government of Canada is committed to putting more low-emission vehicles on the roads in Canada. We have a goal of 100 percent of light-duty sales being zero emission by 2040.**
- **The recent Fall Economic Statement announced an additional investments of \$150 million for zero emission vehicle infrastructure that will help us achieve our targets.**
- **This is in addition to the \$182.5 million it has already committed to support a coast-to-coast network of charging stations for electric vehicles, natural gas stations along key freight corridors and hydrogen stations in metropolitan centres.**

- **Funding in 2020-21 also includes \$36 million for NRCan to implement repayable contribution agreements, that are cost-shared with other levels of government and the private sector, for new charging and refuelling stations; develop and revise codes and standards; and advance demonstration projects.**
- **To date, NRCan has approved projects that will result in the build out of 1,108 EV fast-chargers, 22 natural gas stations and 15 hydrogen stations.**
- **With the successful completion of these projects, all funds will be expensed and all program targets will be met or surpassed.**

SUPPLEMENTAL MESSAGES

- **NRCan has also approved 32 demonstration projects aimed at addressing technological gaps and barriers to the introduction of electric vehicles, such as developing charging options for public transit, multi-residential units, and people without dedicated parking; addressing grid integration issues; and improving the functionality of network management systems for electric vehicle infrastructure.**
- **NRCan is also transferring \$120,000 to the department of Innovation, Science and Economic Development to address a critical gap in existing regulations (under the purview of Measurement Canada) pertaining to the retail sale of electricity in electric vehicle chargers. This is the first and only such transfer.**
- **The resources will enable Measurement Canada to collect the technical data needed to inform updates to existing regulations. These updates will ensure that consumers are accurately charged for electricity as technology evolves.**

- **This will enable greater adoption by Canadians, which is key to meeting Canada’s ambitious target for zero emission-vehicle sales, and achieving our goal of net-zero emissions by 2050.**

If pressed on progress on Canada’s Zero Emission Vehicle Sales targets:

- **The Speech from the Throne reaffirmed our commitment to getting more zero emission vehicles on the road in Canada, by making ZEV’s more affordable while investing in more charging stations across the country.**
- **To reach our targets, we know that a whole of government approach, including a variety of measures across the value chain, are required to tackle all barriers to greater deployment.**

BACKGROUND

The Electric Vehicle and Alternative Fuel Infrastructure Program (\$182.5M over 6 years) seeks to establish a coast-to-coast network of fast-charging stations along the national highway systems, natural gas refuelling stations along key freight corridors and hydrogen refuelling stations in major metropolitan areas. The investments also support the demonstration of next generation and innovative electric vehicle charging and hydrogen refueling technologies, as well as the development and alignment of Canada/U.S. codes and standards for electric and low carbon fueled vehicles and refueling infrastructure.

For the **Deployment Component** (\$96.4M), in summer 2020, the Program administered its last request for proposals (RFP). With the results of this RFP, NRCan will commit all program funds and meet or exceed the overall six-year program targets, supporting the establishment of:

- a coast-to-coast network of 1,108 fast chargers against a target of 1000
- 22 natural gas stations against a target of 21
- 15 hydrogen stations against a target of 15

To date, the **Demonstration Component** (\$76.1M) has resulted in implementation of six fast-chargers and 163 Level-2 chargers across Canada in real-world demonstration projects. These projects have provided innovative solutions in the urban environment (e.g., at multi-unit residential buildings and for EV owners without dedicated parking) and at workplaces.

The **Codes and Standards Component** (\$10M/4yrs) supports the development and revision of codes and standards for low-carbon vehicles (e.g., electric, natural gas, and hydrogen) and refuelling infrastructure to ensure there is alignment between Canada and the U.S. This addresses a barrier to the operation of these vehicles across jurisdictions and

provides assurance that consumers can drive and refuel where and when required. It also ensures clean tech companies in both countries can design products to a single set of technical specifications, reducing the time to market and saving them money on certification.

To date, there are agreements in place that will result in more than 27 codes, standards, and best practices developed by March 2021 exceeding the target of six per year.

Need for Transfer to Measurement Canada

EV charging infrastructure and the EV technologies and model availability is rapidly evolving and is providing both opportunities such as faster charging time, but also several challenges, including measurement (often referred to as metrology), which is required for retail sale of electricity by unit of measure (kWh). Currently, EV charging station hosts/operators are limited to billing by unit of time or parking space rather by units of electricity used, which puts some EV owners with vehicles with slower charging speeds at a disadvantage.

This program complements the **Zero Emissions Vehicle Infrastructure Program** (see note on ZEVIP) investments that go beyond the national highway system, and focus on EV level 2 charging at workplaces, commercial and multi-unit residential buildings and projects for fleets (e.g. taxis, car sharing), mass transit and inner city delivery. Budget 2019 provided NRCan with \$130M (over five years) to further expand Canada's zero-emission vehicle infrastructure and deploy 20,000 new recharging and hydrogen refuelling stations in more focused locations where Canadians live, work and play, including:

- Multi-unit residential buildings;
- Workplaces;
- Commercial spaces;
- Street charging and public parking spots; and
- Remote areas.

Budget 2019 also included:

- \$300M over three years to Transport Canada for a federal purchase incentive of up to \$5,000 for electric battery or hydrogen fuel-cell vehicles;
- \$5M over five years to Transport Canada to work with auto manufacturers to secure voluntary ZEV sales targets; and,
- A 100 percent accelerated capital cost allowance for medium- and heavy-duty ZEVs purchased by businesses.

These previous investments will be completed by commitments highlighted in the recent Fall Economic Statement, which proposes to further accelerate ZEV uptake by providing an additional \$150 million over 3 years, starting in 2021-22, for zero emission vehicle infrastructure and an additional \$287 million in funding for vehicle purchase incentives that will make zero emission vehicles more affordable for Canadians.

Departmental Results Framework (DRF)

The objectives and expected outcomes of these programs contribute to Canada's climate change and clean growth strategies and support NRCan's Core Responsibility #2: Innovative and Sustainable Natural Resources Development, Program: Low Carbon Transportation, and the Energy Innovation Program.

FINANCIAL PROFILE

In Millions							
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total
Vote 1 Operating	1	1.97	2.43	2.47	2.59	2.39	12.85
Vote 1 Transfer to the Dept. of Industry					(0.12)		(0.12)
Vote 10 Grants and Contributions	13	31.09	21.16	39.10	36.06	27.97	168.05
Total	14	33.06	23.59	41.57	38.53	30.36	180.78

This program is part of Green Infrastructure (Phase I and II) envelope. The vote 10 amount of \$36M appears in the 2020-21 Main Estimates listing of Transfer Payments under Energy Innovation Program (\$13.22M) for the electric vehicle demonstration and under electric vehicle and alternative fuel infrastructure (\$22.84M) for the electric vehicle deployment.

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS

- 1) Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922
- 2) Drew Leyburne, Assistant Deputy Minister, ETS, 343-292-6448

Emerging Renewable Power Program

Funding Profile:

- \$49.84M in 2020-21 funding (\$1.24M Vote 1 and \$48.60M Vote 10)
- Part of overall commitment of \$199.21M from 2018-19 to 2022-23 to expand the portfolio of commercially-viable, investment-ready, renewable energy technologies available in Canada and support development of new supply chains.
- This program delivers on the government's climate change agenda and objective of transitioning to a low-carbon economy by reducing electricity sector greenhouse gas emissions.

KEY MESSAGES

- **Canada is taking action to increase the share of renewable energy in our electricity supply mix.**
- **The Emerging Renewable Power Program will invest \$200 million over five years to deploy emerging renewable energy projects that have yet to gain a foothold in Canada, such as geothermal, tidal and next generation solar.**
- **Through this initiative, our government is helping to address barriers to the deployment of emerging renewable energy technologies in Canada.**
- **The funding will expand the portfolio of commercially viable, investment-ready, renewable energy technologies available in Canada.**
- **The program also supports development of new supply chains and will reduce electricity sector greenhouse gas emissions.**
- **The program launched on January 18, 2018.**

- **One additional project developed by Sustainable Marine Energy, in Nova Scotia – has been announced since the last Mains report, for a total of five projects.**
- **These projects include instream tidal, geothermal and advanced solar. One project remains in the due diligence phase.**
- **The Main Estimates amounts will be used to meet the contribution agreement financial obligations for approved projects and for program operations.**

BACKGROUND

A key pillar of the Pan-Canadian Framework on Clean Growth and Climate Change is to reduce emissions from electricity generation. In 2017, 66.8% of Canada's electricity generation came from renewable energy, mostly from hydro, but also from wind, biomass and solar. While these technologies have established knowledge and skill capacity as well as a supply chain, emerging renewable technologies have yet to take hold. Emerging renewable projects face higher risks, costs, and more regulatory issues than projects using established renewable energy sources. The Emerging Renewable Power Program (ERPP) will fill this gap by supporting projects where technologies have been successfully deployed at the utility scale in other countries but not yet in Canada; or have been successfully demonstrated in Canada but not yet commercially deployed.

The request for proposal phase closed April 20, 2018. All of the emerging renewable electricity generation technologies were represented, including offshore wind, geothermal, in-stream (ocean) tidal, advanced solar and bioenergy. The five-year program will end March 31, 2023 and expire March 31, 2030.

Three technologies – geothermal, in-stream tidal and advanced solar – are supported by the program. Offshore wind projects will not be directly supported by the program, however, CanmetENERGY - Ottawa and the Geological Survey of Canada - Atlantic are working together to generate an offshore wind considerations map that includes a review and assessment of seabed foundation conditions in the offshore regions of the Maritimes, ecologically sensitive areas and wind resource amongst other factors.

Province / Territory	Number of Projects	Dollar Value of Approved Projects
AB	2	\$15.3M Contribution Agreement (CA) for a \$49M project, and \$25.5M for a [Redacted] project
BC		
SK	1	\$25.6M CA for a \$51.3M project
MB		
ON		
QC		
NB		
PE		
NS	2	\$29.8M CA for a [Redacted] project and \$28.5M for a [Redacted] project
NL		
YK		
NT		
NU		

Departmental Results Framework (DRF)

The program supports NRCan's Innovative and Sustainable Natural Resources Development core responsibility. The operational outcomes include: increased jobs, increase in renewable technology supply chains in Canada, environmental benefits, and increase in awareness and understanding of regional energy resources and impacts from renewable energy projects.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Vote 1 Operating	1.61	1.22	1.24	1.24	1.18	6.49
Vote 5 Capital	0.00	0.00	0.00	0.00	0.00	0.00
Vote 10 Grants and Contributions	23.24	48.62	48.60	48.60	23.66	192.72
Total	24.85	49.84	49.84	49.84	24.84	199.21

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922

Energy Innovation Program

Funding Profile:

- \$50.10M in 2020-21 funding (\$25.49M Vote 1, \$0.50M Vote 5, and \$24.12M Vote 10).
- \$50.08M annually in ongoing funding beginning in 2022-23 to enable NRCan to deliver Canada's core energy innovation program.
- This program delivers on the government's climate change agenda and objective of achieving net-zero emissions by 2050 by reducing energy sector greenhouse gas emissions.

KEY MESSAGES

- **The Energy Innovation Program invests in research, development, and demonstration of clean energy technologies, in order to better position Canada to meet its 2050 net-zero targets.**
- **It brings together all players in the energy innovation space, including federal and other levels of government, private sector firms, academia, not-for-profits, Indigenous communities, and international partners.**
- **In 2019, NRCan launched two funding calls with strategic partners under the Energy Innovation Program:**
 - **Breakthrough Energy Solutions Canada, an investment of \$20 million and a first-of-its kind public-private initiative, in partnership with the Bill Gates-led Breakthrough Energy Ventures and the Business Development Bank;**

- **It is aimed at getting clean energy technologies in the areas of buildings, electricity, manufacturing, and transportation to market faster; and**
- **A co-investment call by the Canadian Emissions Reduction Innovation Network and Alberta Innovates to accelerate technologies that reduce methane emissions in the oil and gas sector.**
- **Examples of projects supported by this program include:**
 - **Carbon Cure – breakthrough technology that captures, stores and utilizes unwanted carbon dioxide emissions to produce concrete in Dartmouth (NS).**
 - **Ekona Power - producing industrial-scale zero emissions hydrogen from natural gas and generating clean power and carbon for use or storage in Vancouver (BC).**

BACKGROUND

The Energy Innovation Program (EIP) focuses funding on RD&D of clean energy technologies with the potential to reduce GHG emissions by 2030. It will directly enable implementation of the Pan-Canadian Framework on Clean Growth and Climate Change.

The program was made ongoing in Budget 2017 and launched two targeted calls in FY 2019-20. The Breakthrough Energy Solutions Canada (BESC) initiative has selected 10 projects and the Canadian Emissions Reduction Innovation Network (CERIN) has selected two projects.

The BESC initiative was born out of Canada's participation in Mission Innovation. This first-of-kind program was jointly designed and implemented with high-profile investor Breakthrough Energy Ventures (BEV) and subsequently the Business Development Bank of Canada (BDC).

This program will invest up to \$40M for breakthrough energy technologies with the ability to reduce global emissions by 1 percent. It will provide exclusive access to business services and private investor forums to build firms capable of bringing tech to market. The \$12M CERIN, jointly launched by AB Innovates, is designed to build technology-testing infrastructure at key research and industry facilities within Canada to reduce methane and short-lived climate pollutant emissions from the oil and gas industry.

NRCan and AB Innovates will each co-invest up to \$6M to support consortia that accelerate the development, validation, and deployment of technologies for the oil and gas sector that reduce methane emissions.

Thirty-six projects initially funded through the B2016 Energy Innovation Program have now been completed. In 2020-21, the program will provide funding to 27 projects advancing the following targeted missions:

- Improving energy efficiency and processes to reduce emissions from energy end-use (e.g., energy efficiency in industry, buildings, and transport; carbon capture and use) - 7 projects
- Accelerating electrification and maximizing benefits of low-emitting heat and power (e.g., renewables, smart grid, energy storage) - 8 projects
- Developing cleaner hydrocarbons and renewable fuel pathways (e.g., tailings management, emissions, reductions, bioenergy) - 9 projects

A core strength of the EIP is its link to science and policy expertise within NRCan to support key innovations to address barriers to clean energy innovation. This includes recognition of the fundamental role that energy plays in both the environment and the economy, and the reality that cleaner technologies must be economically competitive to be broadly adopted.

This program was reviewed as part of the scope of the Horizontal Business Innovation and Clean Technology review. The focus of the program on the energy system in Canada and its flexibility to work with technology producers, technology adopters, regulators and other levels of government makes it a critical delivery vehicle for innovation to achieve Canada’s clean growth objectives while maintaining economic competitiveness.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023 & Ongoing
Vote 1 Operating	24.52	26.10	25.58	25.29	25.49	25.47	25.46
Vote 5 Capital	0.80	0.34	0.50	0.74	0.50	0.50	0.50
Vote 10 Grants and Contributions	0.12	25.26	24.12	24.12	24.12	24.12	24.12
Total	25.44	51.70	50.20	50.15	50.10	50.08	50.08

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

The Grant and Contribution amount of \$24M is part of the 2020-21 Listing of Main Estimates of transfer payments under Energy Innovation Program \$39M.

CONTACT: Drew Leyburne, ADM, Energy Technology Sector, 343-292-6448

Grants in Support of Outreach & Engagement, Energy Efficiency, and Energy Innovation

Funding Profile:

- \$3.41 million (M) in 2020-21 Main Estimates Vote 10 funding for grants in support of outreach and engagement, energy efficiency and energy innovation which support research, development and demonstration of clean energy technologies, and energy efficiency in Canada.
- \$0.15M in Supplementary Estimates (B) to be transferred from Vote 10 Contributions to Vote 10 Grants. NRCan is seeking additional authority for this grant to meet increased demand for these types of activities in 2020-21.
- These grants serve to:
 - Promote energy efficiency, by developing and enforcing regulations that prescribe standards and labelling requirements for relevant products, as well as collect data on energy use;
 - Support energy innovation by providing funding for research, development, demonstration, and first commercial installations; and
 - Support outreach and engagement activities, such as memberships and conferences.

KEY MESSAGES

- **This funding supports activities with international and domestic organizations to enhance knowledge of natural resource policies and priorities; share information and technologies with stakeholders; and promote fields of study and careers in the natural resources sector.**
- **This promotes the competitiveness of Canada's natural resources sector and the harmonization of energy efficiency policies internationally, and helps accelerate the deployment of high-efficiency technologies.**

- **For example, funding supports activities of the International Energy Forum (IEF) and the Organization for Economic Co-operation and Development Office (OECD), for the development and implementation of the Nuclear Energy Agency's (NEA's) Nuclear Education, Skills and Technology (NEST) Framework.**
- **NEST is intended to help nuclear nations attract top global talent and help organize research to address real-world energy problems.**
- **Another example is the annual membership fee to the International Energy Forum (IEF) to enable the promotion of Canada's energy policy and commercial interests.**
- **A third example is the promotion of bioenergy via the International Energy Agency (IEA), where member countries collaborate to promote the production and supply of biomass.**

BACKGROUND

The funding authority for grants in support of Outreach and Engagement, Energy Efficiency and Energy Innovation was originally approved as part of the Departmental Class Grants and Contributions Program (DCGCP) authority, commencing in 1997 and continuing throughout the years, with the objective of supporting the research, development and promotion of activities that contribute to the achievement of departmental objectives. The program has been essential as it enabled NRCAN to fund grant and/or contribution initiatives that do not fall within other existing approved transfer payment authorities. For instance, it allowed NRCAN to fund activities related to natural resources such as research papers, workshops, conferences, forums of discussion, seminars, development or enhancement of new technology, memberships to organizations, dissemination and distribution of publications.

The DCGCP's Terms and Conditions (Ts&Cs) were used by sectors across NRCAN on a project specific basis (ad hoc projects) and regularly by the Geo-mapping for Energy and Minerals (GEM) program, the housing elements of Energy Efficiency programming and the Program for Energy Research and Development (PERD) for which no specific Ts&Cs existed.

[Redacted]

Departmental Results Framework (DRF)

This line item corresponds to all core responsibilities included in NRCan's DRF as this program can be accessed by any sector within the department on an as needed basis.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	Main Estimates 2020-21	Supps B 2020-2021	Revised Estimates	Ongoing
Vote 10 - Contributions		(0.15)		
Vote 10 - Grants	3.41	0.15	3.56	3.41
Grand Total	3.41	0.00	3.56	3.41

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimal.

**CONTACT: Linda Hurdle, CMSS
Mollie Johnson, LCES
Drew Leyburne, ETS**

Innovative Approaches to Reduce GHG Emissions in Government Operations

Funding Profile:

- \$0.26 million (M) in 2020-21 funding (Vote 1) transferred from the Treasury Board of Canada to Natural Resources Canada.
- Part of the overall commitment of \$0.97M from 2020-2021 to 2021-2022 to enable NRCan to seek emissions reductions from federal building and fleet operations.
- This program provides funding to departments to explore and share innovative approaches to reducing greenhouse gas emissions thereby contributing to the government's climate change agenda.

KEY MESSAGES

- **The Government of Canada is making important strides in the transition towards a low carbon economy and the goal of achieving net-zero emissions by 2050.**
- **These are ambitious targets that require aggressive actions across all sectors of the economy. The government is leading by example by advancing innovative approaches to reduce emissions in federal building and fleet operations.**
- **Buildings are a big part of GHG emissions – and the Government of Canada is a big property owner. So, when we make changes in how we use energy, we can have an important impact.**
- **This overall transfer of \$970,000 allows NRCan to support the development of advanced control strategies to optimize operation and reduce energy use and emissions in government buildings.**

- **To date, NRCan’s Greening Government Program has supported federal organizations to reduce emissions by just under 200 kilotonnes, and to reduce energy use by more than 55,000 gigajoules.**
- **Another component of Greening Government Operations programming is focussed on reducing emissions from government vehicles.**
- **Since launching in 2017, we have worked across departments and agencies, to analyze vehicle use and identify lower carbon options.**
- **To date 14 departments, representing 12 of the largest government fleets are being assessed. This represents over 3,000 administrative class vehicles – 75% of the program’s target.**
- **Recommendations made to date on 1,400 vehicles could result in over \$5.9 million in potential fuel savings and 1.3 kilotonnes of greenhouse gas emissions reductions annually.**

BACKGROUND

The Greening Government Fund was established to provide funding on a competitive basis for departments to explore and share innovative approaches to reducing greenhouse gas (GHG) emissions in government operations. It is funded by departments and agencies that generate more than 1 kilotonne of GHGs per year from air travel. Only departments and agencies that contribute to the fund are eligible to access it. TBS administers this fund, a call for expression of interest starts the process and members of the technical review committee (membership includes various departments) evaluates/approves submissions.

Through this funding, Natural Resources Canada (NRCan) will deliver two projects in support of a Government of Canada transition to low-carbon fleets and to automate the implementation of predictive building controls for wide-spread adoption among federal departments and the Canadian energy sector. Specifically, the projects will:

- Enable portfolio-wide deep retrofits of buildings and to facilitate low-carbon fleets through RETScreen Software additions. This includes portfolio-wide low-carbon asset planning, project tracking and deep retrofits for federal buildings.
- Optimize district energy system operation and sequencing using model-based predictive controls with an aim to reduce the natural gas use and associated GHG emissions at the DND Valcartier Base and NRC Montreal Road Campus.

This is intended to transform the operation of district energy systems and enable the development of support tools for the deployment of optimal controls across the federal district energy system stock.

As part of the Greening Government Strategy, starting in fiscal year 2019-20 the Government of Canada committed that 75% of light-duty administrative fleet vehicle purchases be zero-emission or hybrids. This builds on the commitment that new executive vehicle purchases be zero emission or hybrids as of fiscal year 2018-19. The overall goal is for 80% of the administrative fleet to be zero emissions by 2030.

NRCan offers departments a turnkey solution to green their fleet. Using telematics devices, NRCan collects data in real-time from existing vehicles. After one year, NRCan provides recommendations to fleet managers on vehicle right sizing, retrofits and fuel switching. Twelve of the government's largest fleets are currently being assessed.

Results to date:

- Over 1,400 vehicles have been assessed and recommendations made. An additional 1,600 vehicles are undergoing assessment. In total, this represents 75% of the program target of 4,000 vehicles.
- 1.3kt potential GHG reductions annually.
- Over \$5.9 million in potential fuel savings.
- 339 vehicles identified as suitable for replacement with electric vehicles (Hybrid, Plug-in Hybrid, Electric and Hydrogen Fuel-Cell) and 178 vehicles identified as no longer required.

Departmental Results Framework (DRF)

This initiative falls under the “Innovative and Sustainable Natural Resources Development” Core Responsibility in NRCan’s DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	Grand Total
Vote 1 Operating	0.26	0.71	0.97
Grand Total	0.26	0.71	0.97

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACTS

- 1) Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922
- 2) Drew Leyburne, Assistant Deputy Minister, ETS, 343-292-6448

Oil Spill Recovery Technology

Funding Profile:

- \$2.78 million (M) in 2020-21 funding (\$0.98M Vote 1 and \$1.8M in Vote 10).
- Part of overall commitment of \$14.62M from 2019-20 to 2023-24 to enable the rapid development of new oil spill recovery technologies.
- This funding delivers on the Government of Canada's commitment to ensure cutting-edge solutions are available in the event of a spill into marine and inland water environments.

KEY MESSAGES

- **The economy and the environment go hand in hand. It is important that we protect our oceans and inland waterways, keeping them healthy, clean, and safe for future generations.**
- **As part of the government's strategy to mitigate the environmental effects related to the Trans Mountain Expansion project, \$14.62 million over five years will spur the development of new oil spill recovery technologies.**
- **This funding will be delivered in the form of a new prize-based challenge that mobilizes innovators from across the globe to develop high-impact solutions tailored to the Canadian context.**
- **The challenge will be designed in close collaboration with industry, Indigenous communities, spill responders, regulators, and other experts, to ensure its relevance and effectiveness.**
- **This is part of a Government of Canada-wide effort to accelerate the adoption of innovative funding approaches to deliver meaningful results to Canadians.**

BACKGROUND

The oil spill response challenge is part of the government's broad response strategy to address the 16 recommendations related to marine shipping in the Canada Energy Regulator's (CER) reconsideration report on TMX. Recommendation 14 recommends that the government incent, through grants and contributions, the development of new oil spill recovery technologies to ensure cutting-edge solutions are available in the event of a spill into marine and inland water environments.

The development of new oil spill recovery technologies for Canadian oil products is a niche area with limited market demand and strong regulatory considerations informed by the government's oil spill response regimes. New oil spill recovery technologies would not be expected to develop rapidly in the absence of government investment. Additionally, there is a high level of public uncertainty towards Canada's technological capacity to recover or clean up oil spilled in marine and freshwater environments, including from Indigenous peoples and communities.

The challenge is currently within its design and scoping phase, which involves significant stakeholder engagement to frame the challenge and ensures the design supports the desired outcome. The main activities of 2019/20 and the first half of 2020/21 were related to stakeholder engagement and collaborative program design, including:

- engagement with Indigenous communities, innovators, end-users, and science experts/regulators across Canada;
- challenge design consultation; and
- program refinement.

Launch of the program is anticipated in late 2020-21.

This challenge will leverage the government-wide *Impact Canada* platform, established through Budget 2017 and led by the Privy Council Office, which provides tools to enable departments to use innovative program approaches for greater impact. As part of Impact Canada, NRCan has already launched six clean technology challenges.

Departmental Results Framework (DRF)

This initiative falls under the Core Responsibility of Innovative and Sustainable Natural Resources Development in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Grand Total
Vote 1 Operating	0.55	0.98	0.87	1.36	0.86	4.62
Vote 10 Grants and Contributions	-	1.80	1.90	1.40	4.90	10.00
Grand Total	0.55	2.78	2.77	2.76	5.76	14.62

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Drew Leyburne, Assistant Deputy Minister, ETS, 343-292-6448

Smart Grids Program

Funding Profile:

- \$27.38M in 2020-21 funding (\$1.53M Vote 1, \$25.85M Vote 10).
- Part of overall commitment of \$99.04M from 2018-19 to 2021-22 to support the demonstration and deployment of smart grid technologies to reduce GHG emissions and foster innovation and clean jobs.
- This program supports the government's climate change and clean growth objectives.

KEY MESSAGES

- **The Smart Grid Program is helping to bring cleaner and renewable energy onto a smarter electricity grid by supporting projects' up-front construction costs, thereby helping to address regulatory and market barriers.**
- **The program is accelerating development of smart grids to reduce GHG emissions and generate economic and social benefits.**
- **For example, building smart infrastructure increases the efficiency, flexibility, and reliability of the grid. Smart grids also improve renewable energy penetration, and maintain cyber security.**
- **The program began in early 2018, and will invest \$100 million over four years, to demonstrate promising, near-commercial smart grid technologies (\$35M) and deployment of fully integrated smart grid systems (\$65M).**
- **To date, the Smart Grid Program is funding 21 projects and is expected to fund one additional project.**

- **One example is a project that will make Lac Mégantic (QC) the first “smart city” in Québec (\$3.4 million NRCan contribution out of a total project cost of \$8.5 million). The project is demonstrating and deploying distributed energy resource technologies in an innovative micro-grid and increasing the adoption of decentralized renewable energy generation.**

BACKGROUND

The Pan-Canadian Framework on Clean Growth and Climate Change (PCF) commits federal, provincial and territorial governments to work together to support the deployment and demonstration of smart grid integrated systems “to improve the reliability and stability of electric grids and to allow more renewable power to be added.”

Smart grid systems deliver on that PCF commitment by enabling system efficiency and increased asset utilization, increased electricity system reliability and resiliency, providing strategic grid flexibility allowing increased levels of renewable energy, maintaining or enhancing cyber security and reducing GHG emissions. **Often this requires finding new ways to work within or adapt existing business models and regulations, which are generally not designed with smart grid technologies in mind.**

The program formally launched on January 15, 2018, and a Request for Proposals (RFP) was issued at the same time. The RFP closed on March 4, 2018, with 86 proposals received, 74 of which were deemed “program eligible.”

Proposals were subjected to a rigorous technical review by the Project Review Committee, an independent panel made up of 25 members representing federal departments, national laboratories and experts from Canadian post-secondary institutions.

Proposals were ranked by program alignment, scope, risk and expected outcomes. The projects selected are diverse, featuring a range of technology types. For example: distributed energy resource management systems; grid monitoring and automation; renewable integration; electric vehicle integration; and energy storage.

Due diligence has been completed on 28 projects. To date, 27 contribution agreements have been signed (projects that have a demonstration and deployment component are considered hybrids and require two contribution agreements). Nineteen projects have now been announced.

By March 31, 2020, the program had committed \$45.110M to nine Smart Grid Deployment projects, \$11.2M to six Smart Grid Demonstrations and \$27.9M (\$12.66M deploy + 15.25M demo) to six hybrids. **Program funding goes mainly to support up-front project costs, e.g., for capital investments and labour associated with construction.** The following is the amount of funding that was committed by province:

Province / Territory	Number of Projects	Dollar Value of Approved Projects
AB	4	\$14,777,613
SK	1	\$5,519,184
ON	8	\$26,859,996
QC	3	\$15,500,000
NB	2	\$11,422,000
NS	1	5,111,000
PE	1	4,373,250
YK	1	\$650,000

Departmental Results Framework (DRF)

The program supports NRCan's Innovative and Sustainable Natural Resources Development core responsibility. The operational outcomes include: increased development and deployment of smart grid capabilities, demonstration projects that move emerging technologies closer to commercial readiness, Canadian smart grid sector growth and innovation, environmental and economic benefits.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-2019	2019-2020	2020-2021	2021-2022	Total
Vote 1 Operating	1.51	1.46	1.53	1.55	6.05
Vote 5 Capital	0.00	0.00	0.00	0.00	0.00
Vote 10 Grants and Contributions	22.63	21.30	25.85	23.21	92.99
Total	24.14	22.76	27.38	24.76	99.04

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS

- 1) Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922
- 2) Drew Leyburne, Assistant Deputy Minister, ETS, 343-292-6448

Zero Emission Vehicle Infrastructure

(Linked to Encouraging Canadians to Use Zero Emission Vehicles)

Funding Profile:

- \$11.72M in 2020-21 funding (\$0.57M Vote 1, \$11.15M Vote 10).
- Part of overall Budget 2019 commitment of \$130M over five years to support the development of charging and refueling stations for zero-emission vehicles at locations where Canadians live, work and play.
- This program supports the government's climate change agenda and Canada's transformation to a low-carbon economy.

KEY MESSAGES

- **The Government of Canada is committed to putting more low-emission vehicles on the roads in Canada. We have a goal of 100 percent of light-duty sales, being zero emission by 2040.**
- **In last month's Fall Economic Update the Government announced investments of \$150 million for zero emission vehicle infrastructure that will help us achieve our targets.**
- **Funding in 2020-21 also includes \$11 million for NRCan to implement repayable, cost-shared, contribution agreements to build additional ZEV charging and hydrogen refuelling stations.**
- **This builds on the Government's overall commitment of \$130 million to support charging and hydrogen refuelling stations for zero-emission vehicles at workplaces, public parking spots, commercial and multi-unit residential buildings, and remote locations across Canada.**

- **This funding will enable greater adoption by Canadians, which is key to meeting Canada’s ambitious target for zero emission-vehicle sales, and achieving our goal of net-zero emissions by 2050.**
- **The program administers at least three request for proposals per year, and each yields about 2,500 new chargers. This approach keeps NRCan on-track to meet program targets.**

If pressed on progress on Canada’s Zero Emission Vehicle Sales targets:

- **The Speech from the Throne reaffirmed our commitment to getting more zero emission vehicles on the road in Canada, by making ZEV’s more affordable while investing in more charging stations across the country.**
- **To reach our targets, we know that a whole of government approach, including a variety of measures across the value chain, are required to tackle all barriers to greater deployment.**

BACKGROUND

The Zero Emissions Vehicle Infrastructure program (ZEVIP) investments go beyond the establishment of fast chargers on the national highway system, and focus on EV level 2 charging at workplaces, commercial and multi-unit residential buildings and projects for fleets (e.g. taxis, car sharing), mass transit and inner city delivery.

Budget 2019 provided NRCan with \$130M (over five years) to further expand Canada’s zero-emission vehicle infrastructure and deploy 20,000 new recharging and hydrogen refuelling stations in more focused locations where Canadians live, work and play, including:

- Multi-unit residential buildings;
- Workplaces;
- Commercial spaces;
- Street charging and public parking spots; and
- Remote areas.

Resources will also support targeted projects for the electrification of mass-transit and delivery trucks.

The first Request for Proposals (RFP) in 2019 targeting public places and on-street charging will result in the installation of over 2,600 chargers. The second RFP in summer 2020 focussed on multi-unit residential charging and workplaces and projects to be recommended for funding will yield approximately 2,800 EV chargers.

The Program administers at least three RFPs per year and each yields about 2,500 new chargers, keeping NRCan on track to meet its overall program targets.

Budget 2019 also included:

- \$300M over three years to Transport Canada for a federal purchase incentive of up to \$5,000 for electric battery or hydrogen fuel-cell vehicles;
- \$5M over five years to Transport Canada to work with auto manufacturers to secure voluntary ZEV sales targets; and,
- A 100 percent accelerated capital cost allowance for medium- and heavy-duty ZEVs purchased by businesses.

These previous investments will be completed by commitments highlighted in the recent Fall Economic Statement, which proposes to further accelerate ZEV uptake by providing an additional \$150 million over 3 years, starting in 2021-22, for zero emission vehicle infrastructure and an additional \$287 million in funding for vehicle purchase incentives that will make zero emission vehicles more affordable for Canadians.

This programming complements the **Electric Vehicle and Alternative Fuel Infrastructure Program** (\$182.5M over 6 years; see note on EVAFIDI) that seeks to establish a coast-to-coast network of fast-charging stations along the national highway systems, natural gas refuelling stations along key freight corridors and hydrogen refuelling stations in major metropolitan areas. The investments also support the demonstration of next generation and innovative electric vehicle charging and hydrogen refueling technologies, as well as the development and alignment of Canada/U.S. codes and standards for electric and low carbon fueled vehicles and refueling infrastructure.

Departmental Results Framework (DRF)

The objectives and expected outcomes of these programs contribute to Canada’s climate change and clean growth strategies and support NRCan’s Core Responsibility #2: Innovative and Sustainable Natural Resources Development, Program: Low Carbon Transportation, and the Energy Innovation Program.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-20	2020-21	2021-22	2022-23	2023-24	Grand Total
Vote 1 Operating	0.55	0.57	0.83	2.08	2.10	6.14
Vote 10 Grants and Contributions	9.35	11.15	34.10	34.10	34.00	122.70
Grand Total	9.90	11.72	34.93	36.18	36.10	128.84

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS

- 1) Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922
- 2) Paula Vieira, Director, Office of Energy Efficiency, LCES, 613-513-3789

50 Million Tree Program

Funding Profile:

- \$3.36 million (M) in 2020-21 funding (Vote 10) transferred from Environment Climate Change Canada to Natural Resources Canada.
- NRCan anticipates a supplemental transfer of \$3.36M in 2022-2023 bringing the overall investment to \$15M.
- Part of overall commitment of \$15M from 2019-2020 to 2022-2023 to support alternative greenhouse gas (GHG) emissions reduction programming that contributes to Canada's clean growth and climate change plan (Pan-Canadian Framework on Clean Growth and Climate Change).

KEY MESSAGES

- **The Government of Canada is making important strides in the transition to a low carbon economy by supporting and promoting tree planting, forest stewardship, awareness, and forestry education.**
- **On June 5, 2019, the Government announced its intention to invest up to \$15 million over four years to support Forests Ontario's 50 Million Tree Program.**
- **The funding provided by Environment and Climate Change Canada's Low Carbon Economy Fund, is administered by Natural Resources Canada through the Forest Innovation Program.**
- **The Forest Innovation Program supports research, development and technology transfer across Canada's forest sector.**
- **Planting trees is a practical and affordable way for landowners to increase their property value, invest in their community, and contribute to a healthy environment for wildlife and people to enjoy—now and for the future.**

- **The Government of Canada is committed to fostering healthy forests which are essential to keep our air clean, our communities safe, and our economy strong.**
- **Investing in Canada’s forests creates a natural legacy for generations of Canadians.**

If pressed on how many trees have been planted to date

- **According to Forests Ontario’s website, more than 30 million trees have been planted so far through this program.**
- **Existing federal programs are already supporting tree planting, with approximately 150 million seedlings expected to be planted by 2022 through the Low Carbon Economy Fund and the Disaster Mitigation and Adaptation Fund.**
 - **The trees planted through these programs will help Canada reach its goal of planting 2 billion trees over the next 10 years.**

BACKGROUND

The original one-year Memorandum of Understanding (MOU) with Environment and Climate Change Canada (ECCC) ended on March 31, 2020 in the amount of \$4.91 million. A new MOU between ECCC and Natural Resources Canada (NRCan) was signed on June 25, 2020 to include fiscal years 2020-21, 2021-22 and 2022-23. The departments agreed to provide up to \$10.09 million in funding to Forests Ontario in support of its 50 Million Tree Program (MTP). The funding will be transferred from ECCC’s Low Carbon Economy Fund to the NRCan-Forest Innovation Program to enter in a contribution agreement with Forests Ontario. The Forest Innovation Program was recently renewed for three years ending on March 31, 2023.

Forests Ontario has administered the 50 MTP since 2007 and has planted over 30 million trees to date. The funding announcement by Canada was in response to the Government of Ontario’s decision to cancel funding to Forests Ontario on April 2019. The Government of Canada’s funding ensured the continuation of the 50 MTP.

This initiative falls under the “Globally Competitive Natural Resource Sectors” Core Responsibility in NRCan’s DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	Grand Total
Vote 10 Grants and Contributions	4.91	3.36	3.36	11.64
Grand Total	4.91	3.36	3.36	11.64

ECCC to transfer an additional \$3.36M in 2022-23 bringing the total investment to \$15M.

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Beth MacNeil, ADM – Canadian Forest Service (613-852-7243)

Combat Mountain Pine Beetle Infestation

Funding Profile:

- \$22.21 million (M) in 2020-21 funding (\$0.21M in Vote 1 and \$22M in Vote 10).
- Part of overall commitment of \$61.37M from 2020-2021 to 2022-2023 to address challenges posed by the spread of the mountain pine beetle in Alberta and across Canada.
- This program delivers on the government's commitment to invest in the management of harmful pests that damage ecosystems and potentially affect the economy and the environment.

KEY MESSAGES

- **The Government of Canada is committed to ensuring that healthy forests contribute to the well-being of all Canadians.**
- **We recently announced \$68.4 million over three years in support of Alberta's efforts to address the challenges posed to the forest sector and communities by the spread of the mountain pine beetle.**
- **This includes \$60 million for province-based management operations and research, \$6.9 million for impact mitigation in national parks, and \$1.5 million for federal research.**
- **We are currently moving into implementation of these measures. This includes \$22 million in 2020-21 as part of these Supplementary Estimates for pine beetle detection and infested tree removal across Alberta, as well as research projects that support effective and efficient operational decisions.**

- **This investment will allow governments, academia, industry, and other stakeholders to continue working together to protect Canada's forests and ensure the forest sector remains a vital driver of the economy, and a source of jobs and opportunities for Canadians.**

BACKGROUND

Mountain pine beetle (MPB) is one of the most damaging native forest insects in western Canada. Successive years of favourable weather for insect development and survival, linked to climate change, combined with an abundance of suitable mature pine hosts on the landscape have all contributed to the massive and unprecedented MPB infestation. This outbreak began in British Columbia in the 1990s and continued through to about 2010, and has been active in Alberta since 2006. It has caused widespread serious economic, social and environmental impacts resulting from multiple mill closures and lay-offs, extensive salvage operations to harvest dead timber while it is still usable, and disruption of sustainable forest management operations.

About 15% (or 5.5 million hectares) of Alberta's forest area is pine that is susceptible to MPB, and more than 40% of this forest area has been affected to date. Pine contributes the second highest volume to Alberta's timber harvest, after spruce. The value of timber at risk alone is currently more than \$11 billion.

The Government of Alberta has invested more than a half a billion dollars in the past decade in beetle detection and control. Alberta currently invests \$30 million annually in MPB control. The federal government has delivered a considerable response to the MPB infestation to date, with investments totaling \$349.6 million since 2002, primarily in British Columbia.

The new federal initiative aims to support the forest sector and communities of Alberta where the MPB infestation is currently active as well as to protect other jurisdictions that will be affected by further eastward spread. It will enhance efforts to manage MPB impacts in Alberta, slow the inter-jurisdictional spread of the beetle across Canada, and it will mitigate wildfire risks, specific to MPB infestation, in the Rocky Mountain National Parks.

Federal funding announced on October 8, 2020 contributes to NRCan's core Responsibility for Natural Resource Science and Risk Mitigation, and includes:

- \$60 million to the Government of Alberta, through NRCan, for forest management and research;
- \$6.9 million to Parks Canada to mitigate mountain pine beetle impacts, including wildfire risks, in the Rocky Mountain National Parks; and
- \$1.5 million to NRCan to enhance its core research program.

The three primary components of the initiative are:

- Aerial and ground surveys to detect and monitor MPB populations and MPB-killed trees in Alberta and at province's border with Saskatchewan;
- Direct MPB control, which consists of felling infested trees and then piling and burning them; and
- Scientific research to understand the risks posed by the eastward spread of MPB across Canada, and to optimize management decisions.

However, the new investment for MPB management will also include a modest funding allocation to the mitigation of beetle impact on endangered whitebark pine and limber pine in Alberta, through seed collection and use of pheromones as a repellent to minimize colonization of these tree species by the beetle.

As the principal national forest research organization in Canada, NRCan's Canadian Forest Service (CFS) will augment existing research capacity for improving scientific understanding and the economic and ecological risks posed by MPB's spread eastward. By generating new knowledge to assess MPB risks and reducing uncertainties, scientific research informs forest managers' decisions, allowing them to identify and take more timely action. Benefits accrue from gains in control effectiveness or from avoided costs with the application of proactive or preventative management measures.

Forest communities across Alberta will benefit from enhanced job security resulting from the protection of wood supply for the forest industry, and from public safety with the reduction of fire risk or tree hazards in forests impacted by the beetle infestation. The new federal initiative will also provide a direct source of employment in the forestry and the natural sciences sectors in Alberta.

This investment benefits the environment by protecting wildlife habitat and biodiversity. For example, in Alberta, MPB infestations are occurring in key caribou habitat and adjacent forests. Controlling MPB populations in these forests will minimize impact to this critical habitat and aid recovery of threatened caribou herds.

The initiative also helps mitigate effects of climate change through enhanced carbon storage in forests. Science has shown that wide-scale insect infestations can change infested forests from a carbon sink to a carbon source, resulting in net emissions to the atmosphere. Forest management, which may include forest protection from infestations, is outlined in the Pan-Canadian Framework on Clean Growth and Climate Change as an important action to enhance carbon storage in forests.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	2022-2023	Grand Total	Ongoing
Vote 1 Operating	0.21	0.55	0.51	1.27	0.53
Vote 5 Capital		0.05	0.05	0.10	0.00
Vote 10 Grants and Contributions	22.00	18.96	19.04	60.00	0.00
Grand Total	22.21	19.56	19.60	61.37	0.53

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Beth MacNeil, ADM – Canadian Forest Service (613-852-7243)

Efforts to Protect the Southern Mountain Woodland Caribou (Investments in Forest Industry Transformation)

Funding Profile:

- \$14.95 million (M) in 2020-21 funding (\$0.55M Vote 1 and \$14.4M Vote 10).
 - \$11.95M in Mains funding (\$0.55M Vote 1 and \$11.4M Vote 10).
 - \$3M in 2020-21 Supps B funding (Vote 10). Re-profile of funds to align funding from previous year.
- Part of overall commitment of \$34.84M from 2019-2020 to 2022-2023 to support forest industry transition in the context of conservation measures for the central group of the Southern Mountain Caribou.
- This program aligns with Natural Resources Canada's Departmental Results Framework indicator of Enhanced competitiveness of Canada's natural resources sectors.

KEY MESSAGES

- **The Government of Canada believes that the protection of our natural resources, the environment and wildlife can and must go hand-in-hand with growing the economy. This includes sustainable development of our resources at the same time as job creation.**
- **Combined, the Main and Supplementary Estimates B provide \$14.9 million in 2020-21 funding.**
- **The funding will be delivered through NRCan's Investments in Forest Industry Transformation (IFIT) program and will provide investments to accelerate the commercialization of highly innovative, first-in-kind technologies at Canadian forest industry facilities.**

- **It is part of an overall commitment of \$34.8 million from 2019-2020 to 2022-2023 to support forest industry transition in the context of conservation measures for the central group of the Southern Mountain Caribou.**
- **The Governments of Canada and British Columbia are committed to working with industry – including in the forest and mining sectors – and communities to listen to their concerns and support the competitiveness of natural resource sectors.**
- **The Government of Canada stands ready to support the transition of forest sector companies to the bioeconomy across Canada.**
- **In addition to this \$34.8 million, Budget 2019 invested up to \$251.3 million over three years for the renewal of Natural Resources Canada’s forest sector programs, which will strengthen the overall supply chain further and increase the competitiveness of the sector.**

BACKGROUND

On February 21, 2020, the governments of Canada and British Columbia, and the West Moberly and the Saulneau First Nations finalized a Partnership Agreement (PA), and the governments of Canada and British Columbia executed the Bilateral Agreement for the protection and recovery of Southern Mountain Caribou (SMC).

The PA provides a framework for government-to-government cooperation on caribou recovery for the Central Group of SMC. The agreement recognizes the possible impact of measures on the forest industry noting that:

- the forest industry and the local and regional economies are affected by factors and trends unrelated to caribou recovery; and
- Caribou recovery and restoration measures can stimulate innovation, have positive economic effects, and be compatible with regional economic development.

As such, an additional \$35 million in federal funding has been identified to help mitigate the impact of conservation measures related to Southern Mountain Caribou on forest industry firms. This funding will be delivered through NRCan’s Investments in Forest Industry Transformation (IFIT) program and will provide investments to accelerate value-added and bio-economy development.

The IFIT program facilitates the adoption of transformative technologies, products, and processes by bridging the gap between development and commercialization. The IFIT program aims to create a more competitive and resilient forest sector with a focus on low-carbon projects that result in new or diversified revenue streams. In addition to the \$35 million for SMC, the program was renewed for three years in Budget 2019, with \$82.9 million in funding to support industry innovation and transformation.

Departmental Results Framework (DRF)

This initiative aligns with Core Responsibility – Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	Grand Total
Vote 1 Operating		0.55	0.50	0.50	1.54
Vote 10 Grants and Contributions	6.00	11.40	11.45	4.45	33.30
Vote 10 Grants and Contributions - Reprofile	(6.00)	3.00	3.00		-
Total Vote 10	-	14.40	14.45	4.45	33.30
Grand Total	-	14.95	14.95	4.95	34.84

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Beth MacNeil, ADM – Canadian Forest Service (613-852-7243)

Investments in Forest Industry Transformation Program

Funding Profile:

- \$27.42 million (M) in Supplementary Estimates A 2020-21 funding (\$2.57M Vote 1 and \$24.85M Vote 10).
- Part of an overall commitment of \$321.52M from 2010-11 to 2022-23 to support the forest industry and affected communities by helping to diversify markets through new products, promoting innovation in the sector.
- This program delivers on the government's competitiveness agenda and the transition to a low-carbon economy.

KEY MESSAGES

- **The government is investing in the transformation of the forest sector in the face of a number of challenges, including:**
 - **the COVID-19 pandemic;**
 - **the softwood lumber dispute with the U.S.;**
 - **a declining fibre supply;**
 - **increased frequency and severity of natural disturbances such as pest outbreaks and wildland fire exacerbated by changing climate; and**
 - **a changing demand for many paper products.**
- **Through Budget 2019, the Investments in Forest Industry Transformation (IFIT) program was renewed for three years (2020-21 to 2022-23) with an investment of \$82.9 million.**
- **The IFIT program helps accelerate the commercialization of highly innovative, first-in-kind technologies at Canadian forest industry facilities.**

- **Since 2010, the IFIT program has funded 45 projects involving world-first technologies that are expected to create and maintain over 5,000 jobs in the forest sector, and lead to the creation of 500 new direct innovation jobs across Canada.**
- **Recently, the IFIT program supported Resolute Forest Products in Quebec in their wood fibre production project. This project produces cellulose filaments that are derived entirely from renewable sources and have a wide variety of beneficial uses in many industries, such as transportation, construction and energy.**
- **Previously, the program provided \$1.9 million to StructureCraft in British Columbia to automate the production of Dowel Laminated Timber to be used in green construction projects.**
- **Under its most recent call for proposals, launched this past summer, the program received 70 project proposals representing \$511 million.**
- **This demonstrates the sector's interest in moving up the value chain, producing higher value products and contributing to Canada's economic recovery.**

BACKGROUND

Since 2010, the Investments in Forest Industry Transformation (IFIT) program has been supporting the forest sector and the communities that depend on it to bring about first-in-kind innovation and transformation that has:

- Diversified markets with new, higher value products (new biomaterials, advanced building products and construction materials);
- Increased competitiveness and economic sustainability (creating jobs and new revenue streams for companies and diversifying product portfolios); and
- Increased environmental performance (production of green electricity and renewable fuels, reduction of greenhouse gas emissions, increased energy efficiency, carbon capture).

To date, the program has successfully funded 45 projects involving 20 world-first technologies, creating new products or diversifying proponents' product offerings.

Current spending by proponents and contributions from other sources demonstrate that, for every dollar invested by the program, four dollars was leveraged from other sources.

The IFIT program has been consistently oversubscribed. Through five calls for proposals, the program received 313 proposals worth \$7.6B in total project costs, with over \$1.86B in funding being requested from the program.

In March 2019, the IFIT program was renewed for an additional three years (2020-21 to 2022-23) with an investment of \$82.9 million.

In its most recent call for proposals launched in July 2020, the program received 70 proposals, requesting more than \$511 million in funding from IFIT and representing potential investments of more than \$2.3 billion.

In the context of the ongoing COVID-19 pandemic, this level of engagement demonstrates a sustained interest by the forest industry to continue to invest in innovative technologies, to ensure they remain competitive, create economic growth and improve the environmental sustainability of their facilities.

An evaluation of the program in 2019 found that IFIT continues to be relevant and aligned with Government of Canada and NRCan priorities that focus on economic competitiveness for the forest sector. It was determined that the program addresses a gap in funding support for high-risk innovation in the forest sector.

The current funding profile includes funding transferred from the Department of Industry for efforts to support forest industry transition in the context of conservation measures for the central group of the Southern Mountain Caribou (SMC). Details are included in the note on “Efforts to Protect the Southern Mountain Woodland Caribou.”

The Government of Canada stands ready to support the transition of forest sector companies into value-added and bio-product opportunities in British Columbia, and across Canada. This initiative will further support forest sector diversification, increase competitiveness, and strengthen the overall supply chain.

IFIT falls under NRCan’s Globally Competitive Natural Resource Sectors Core Responsibility.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2010-2011 to 2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
Vote 1 Operating	9.58	1.93	2.39	2.34	2.40	2.57	2.56	2.56	26.33
Vote 10 Grants and Contributions	115.32	20.80	39.52	12.00	33.00	24.85	24.85	24.85	295.19
Total	124.90	22.73	41.91	14.34	35.40	27.42	27.41	27.41	321.52

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS: Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7243

Forest Research Institutes Initiative

Funding Profile:

- \$2.37M in 2020-21 funding (Vote 10).
- Established in 2005, the Forest Research Institutes Initiative (FRII) provides funding to FPInnovations, to enable work on codes and standards that maintain and diversify markets, reduce energy consumption and improve environmental performance.
- This program delivers on the government's commitment to invest in forest sector transformation and the innovative use of wood.

KEY MESSAGES

- **Our government is making significant investments in the transformation of the forest industry.**
- **This investment of \$2.37 million for 2020-21 is increasing the environmental performance of Canadian forest operators and wood product manufacturers and enhancing market access through developing new building codes and standards relating to the manufacturing and use of wood products in tall-wood buildings.**
- **Delivered by FPInnovations, in collaboration with provinces and industry partners, the knowledge gained through the Forest Research Institute Initiative has supported:**
 - **Work to harmonize North American and international codes and standards to preserve and expand the market for wood products;**
 - **Improved performance of resource roads in Canada's wetlands;**

- **Improved safety for workers, including new hard hat technology for forest operations; and**
- **Improved safety in forest operations by testing for example rollover-warning systems with contractors and collect lateral acceleration data from trucks.**

BACKGROUND

The Forest Research Institute Initiative (FRII) was established in 2005 to make funding available to Forintek Canada, the Forest Engineering Research Institute (FERIC), and the Pulp and Paper Research Institute of Canada (PAPRICAN), which were merged under the banner of FPInnovations in 2007. Through the FRII, NRCan provides \$2.368 million to FPInnovations through existing departmental reference levels (A-base funding). Research funded under the FRII is largely in areas of public good, such as lumber and building codes and standards for construction and fire performance, and improved environmental performance of forest operations.

FPInnovations scientists chair or participate in over 130 committees, sub-committees and task groups responsible for drafting critical pieces of regulatory documents being considered in the development of national and international codes and standards.

NRCan also provides funding to FPInnovations under the Forest Innovation Program (\$25.1 M in 2020-21), for the R&D of next generation products and processes. The FRII was evaluated as part of NRCan's Forest Sector Innovation sub-program evaluation. The evaluation report and its recommendations were approved by the Departmental Evaluation Committee on December 4, 2014. Overall, the evaluation of the FRII was positive and underlined the ongoing need for this program.

Departmental Results Framework (DRF)

This initiative falls under the "Globally Competitive Natural Resource Sectors" Core Responsibility in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-2019	2019-2020	2020-2021	2021-22 & Ongoing
Vote 10 Grants and Contributions	2.37	2.37	2.37	2.37
Total	2.37	2.37	2.37	2.37

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimal.

CONTACT: Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7543

Green Construction Through Wood Program

Funding Profile:

- \$10.19M in 2020-21 funding (\$1.49M Vote 1 and \$8.70M Vote 10)
- Part of overall commitment of \$54.62M from 2018-19 to 2022-23 to enable NRCan to encourage greater use of wood in non-traditional construction projects in Canada.
- This program delivers on the government's climate change agenda and the transition to a low-carbon economy.

KEY MESSAGES

- **The Green Construction Through Wood (GCWood) Program reduces the carbon footprint of construction in Canada by increasing wood use in non-traditional construction.**
- **This increases the demand for Canadian wood products and creates good, middle-class jobs for Canadians.**
- **This federal investment of \$10.2 million for 2020-21 is the third of a four-year, \$39.8 million commitment in Budget 2017 under Canada's Pan-Canadian Framework for Clean Growth and Climate Change.**
- **To date, the GCWood program has committed to supporting over a dozen demonstration projects, including high-rise buildings and low-rise commercial buildings.**

- **Examples include the 10-storey Arbour tall wood building at George Brown College and the four-storey mass timber office building that will become the Toronto and Region Conservation Authority’s new head offices.**
- **The GCWood program is likewise providing over \$2.5 million in support for the implementation of the Canadian Wood Council’s Wood Education Roadmap initiative that aims to increase the capacity of post-secondary institutions to deliver wood-based design, engineering and construction courses.**
- **The program has facilitated revisions to the 2020 National Building Code of Canada to allow taller wood buildings, beyond the current limit of six storeys.**

BACKGROUND

The Green Construction through Wood (GCWood) program will deliver \$10.2 million in funding in 2020-21 to demonstrate and support the use of wood and mass timber in non-traditional construction projects, such as tall wood buildings, low-rise non-residential buildings and bridges, as part of the government’s efforts to position Canada as a leader in the global low-carbon economy.

This federal funding is provided to private companies, industry associations, research associations, and standards organizations to support activities such as:

- Demonstration projects of wood-intensive structures, including high-rise buildings, low-rise non-residential buildings, and timber bridges;
- Research and development, technical information, and associated code committee work to support adoption of tall wood buildings into the National Building Code of Canada (NBCC); and
- Development and provision of wood-focused education programs, design software, costing models, life-cycle assessment and other tools for architects, engineers, code officials, builders, students, and other stakeholders.

NRCan may fund projects to a maximum of 100% of the project costs, which, for demonstration projects, must be the incremental cost associated with designing and building with wood over traditional materials.

The GCWood program builds on the success of the Tall Wood Building Demonstration Initiative, which saw NRCan fund two successful demonstration projects: the Origine building in Quebec (the tallest all-wood condominium building in North America at 13 storeys) and the Brock Commons Tallwood House student residence on the University

of British Columbia campus (the tallest hybrid wood building in the world at time of construction at 18 storeys).

In 2020-21, the program will support selected demonstration projects to offset the cost of being the “first mover” of such innovative wood-intensive initiatives. GCWood will also facilitate revisions to the 2020 National Building Code of Canada to support the construction of taller wood buildings, well beyond the current limit of six storeys. The program will also support the development of education programming, the dissemination of knowledge and best practices, and the creation of strategic tools to assist designers, engineers, and builders to support and ensure the success of future projects.

Encouraging the use of wood in Canada’s construction industry will help the Government of Canada achieve its climate change goals, while increasing the demand for Canadian wood products and creating good, middle-class jobs for Canadians.

Departmental Results Framework (DRF)

This program corresponds to NRCan’s Strategic Outcome 1: Canada’s Natural Resource Sectors are Globally Competitive.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Vote 1 Operating	2.31	1.92	1.49	1.56	1.59	8.87
Vote 5 Capital	0.00	0.00	0.00	0.00	0.00	0.00
Vote 10 Grants and Contributions	1.76	6.07	8.70	15.72	13.50	45.75
Total	4.07	7.99	10.19	17.28	15.09	*54.62

*Budget 2017 announced a 4-year, \$39.8 million program (see funding profile box), but the reality of the Financial Profile is that it is a 5-year, \$54.6 million program. This final year has yet to be publicly announced.

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACTS: Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7243

Indigenous Economic Development

Funding Profile:

- \$5.09 million (M) in 2020-21 funding (\$0.76M Vote 1 and \$4.33M Vote 10)
 - \$1M in Main Estimates funding (Vote 10) for the Indigenous Forestry Initiative (IFI), to promote greater economic participation of Indigenous communities in the forest sector.
 - \$4.09M in Supplementary Estimates A funding (\$0.76M Vote 1 and \$3.33M Vote 10).
- \$1M in annual ongoing funding (Vote 10) for the Indigenous Forestry Initiative (IFI).
- Part of Budget 2019 investment of \$12.6M in incremental new funding from 2020-21 to 2022-23 to continue to expand the IFI to support more and larger Indigenous-led forestry projects.
- This program delivers on the government's Indigenous reconciliation and forest sector competitiveness agendas, to support Indigenous economic development through participation in the forest economy.

KEY MESSAGES

- **A renewed nation-to-nation relationship with Indigenous peoples means working together to change the economic landscape in Indigenous communities.**
- **The government has made a commitment to work with Indigenous peoples to ensure that communities gain long-term sustainable benefits from natural resource projects.**
- **NRCan's Indigenous Forestry Initiative invests \$1 million annually to support forest-based, Indigenous economic development across Canada.**

- **Since 2017, the program has supported 93 Indigenous-led, forest-based economic development projects.**
- **For example, the IFI provided \$500,000 to support Agoke Development Limited Partnership in Ontario to train 40 members of participating First Nations communities to work in the forest products sector as truck drivers, millwrights, power engineers and heavy equipment mechanics.**
- **In addition, the IFI and Indigenous Services Canada's Strategic Partnerships Initiative provided Teslin Tlingit Council in Yukon with \$595,000 to help purchase biomass wood chip boilers that heat 13 community buildings, including the Teslin Community School.**
 - **These boilers will displace over 100,000 litres of heating fuel per year and create employment for the community in biomass harvesting and maintenance of the district heating system.**
- **In Budget 2019, Canada announced three years of additional funding to the IFI, for up \$12.6 million, starting in 2020-21.**
- **Under its most recent call for proposals, launched this summer, the IFI received a record 110 proposals seeking over \$75 million. This represents a 25% increase in applications from last year and almost 70% increase in funding demand.**
- **This demonstrates the effectiveness of the IFI both in advancing our collective commitment to the bioeconomy and to building vibrant rural and Indigenous communities.**

BACKGROUND

The Indigenous Forestry Initiative (IFI) enhances Indigenous participation in Canada's forest sector. Strengthening the Indigenous presence in the forest economy advances Canada's competitiveness, as well as this government's Indigenous reconciliation agenda.

Through the IFI, NRCan works with Indigenous communities to support tangible natural resources-based economic development across Canada, with a focus on the forest sector, making investments in three key areas:

- Clean technologies and participation in Canada's emerging forest bioeconomy;
- Use and management of forest resources; and
- Environmental stewardship.

Since its launch, the IFI has provided funding to over 250 projects with over 112 Indigenous communities across Canada, with ever-increasing interest from new prospective applicants.

In June 2017, the Softwood Lumber Action Plan (SLAP) was announced to support affected workers and introduce loan guarantee programs; reduce the risk of job losses and support affected communities; and stabilize operations, diversify markets and promote innovation in the sector. Under SLAP, IFI's core ongoing \$1 million per year appropriation was boosted by \$10 million over three years (2017-18 through 2019-20). NRCan also leveraged an additional \$950,000 from Canada's Strategic Partnerships Initiative (SPI) to support investments in Northern and Remote Forest Biomass projects. Since 2017, Canada has supported 93 Indigenous forestry projects.

In Budget 2019, an additional \$12.6 million in incremental (2020-21 to 2022-23) new funding was announced to boost IFI's core ongoing \$1 million per year. This funding will help expand the IFI to support more and larger Indigenous-led forestry projects in addition to a growing interest in the program.

In 2017-18, NRCan received 20 funding applications to the IFI. In 2018-19, it received 50 applications. During the 2019 call for proposals, the program received 82 applications, and in its most recent call for proposals, the IFI received a record 110 proposals seeking over \$75 million. This represents a 25% increase in applications from last year and almost 70% increase in funding demand.

Departmental Results Framework (DRF)

This initiative is linked to the strategic outcome to foster globally competitive natural resources sector in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024 & Ongoing
Vote 1 Operating	0.43	0.68	0.68	0.76	0.76	0.75	0.00
Vote 10 Grants and Contributions (Mains)	2.00	4.49	4.49	1.00	4.33	4.33	1.00
Vote 10 Grants and Contributions (Supps A)				3.33			
Vote 10 Grants and Contributions subtotal	2.00	4.49	4.49	4.33	4.33	4.33	1.00
Total	2.43	5.17	5.17	5.09	5.09	5.08	1.00

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7243

Innovative Solutions Canada

Funding Profile:

- \$2.60 million (M) in 2020-21 funding (\$0.55M Vote 1 and Vote 10 \$2.05M). This funding includes an anticipated increase of \$70K in Supplementary Estimates C.
- Part of overall commitment to spend 1% of intramural R&D and procurement budget, totaling \$2.6M for 2020-21.
- Delivers on the government's commitment to innovation by addressing barriers in the development of early-stage research and development and late-stage prototypes.

KEY MESSAGES

- **Announced as part of Budget 2017, the Innovative Solutions Canada program, led by Innovation, Science, and Economic Development Canada, aims to address barriers to early-stage research and development by helping Canadian innovators and entrepreneurs scale up and develop domestic markets for pre-commercial innovations and prototypes.**
- **NRCan is one of 20 participating departments and agencies in this program, and has a set-aside target of \$2.6 million by the end of 2020-21.**
- **As part of this program, NRCan has two active plastics challenges:**
 - **A biofoam challenge, launched in 2019-20, to improve bio-based foam insulation, currently in Phase 1; and**
 - **A bioplastics challenge with Agriculture and Agri-Food Canada to improve the compostability of bioplastics, currently in Phase 2.**

- **These challenges support the Government of Canada's commitments to eliminate plastic waste while also diversifying our forest sector.**
- **NRCan is currently developing an additional challenge to launch in 2020-21.**

BACKGROUND

Announced as part of the Innovation and Skills Plan contained in Budget 2017, Innovative Solutions Canada (ISC) is designed to support Canadian small business scale-up and prototype development. Participating federal departments and agencies issue public challenges to small businesses to achieve specified outcomes. In return, the government will have access to the latest, most innovative products and services.

The Innovation, Science and Economic Development Canada (ISED) led program will help develop a domestic market for early-stage, pre-commercial innovations, and will provide a mechanism for government to partner with innovative, eligible Canadian small businesses on the creation of unique intellectual property.

It will also facilitate the subsequent testing and validation of prototypes, preparing a pathway to commercialization. An eligible Canadian small business is defined as one with less than 500 employees.

ISC is structured around a graduated, three phase process:

- Phase 1 (Proof of concept) – an eligible Canadian small business may receive up to \$150,000 for up to six months (through a grant or contract) to prove the scientific and technical feasibility, and commercial potential, of a novel idea that addresses a public sector challenge.
- Phase 2 (Proto-type development) – an eligible Canadian small business may receive up to \$1 million for up to two years (through a grant or contract) to develop a prototype based on the proof of concept in Phase 1. Similar to the U.S. SBIR, only half of companies that enter Phase 1 would move into Phase 2.
- Phase 3 (Procurement) – based on the success of the prototype developed in Phase 2, the federal department or agency that supported early stage R&D may opt to procure the novel technology or service from the eligible Canadian small business.

An additional component - the testing stream - was added in 2019-20. This new stream replaced the former Build in Canada Innovation Program.

Currently, NRCan has two active grant-based challenges:

1. Improved Compostability of Biobased Plastics (Bioplastics) challenge was launched by the Canadian Forest Service (CFS) and Agriculture and Agri-Food Canada (AAFC) on September 20, 2018. It seeks to accelerate the development of novel compostable bioplastics derived from forest residue and agricultural feedstock.
2. Bio-Based Foam Insulation (Biofoam) Challenge was launched by CFS and the Energy Technology Sector on June 27, 2019. It seeks to develop spray foam or rigid board insulation panels predominately derived from forest residues.

Bioplastics Phase 2 has two projects qualifying for funding. NRCan has funded both projects at \$1 million each.

Biofoams Phase 1 has funded three projects, and all three projects are still conducting Phase 1 activities. Biofoams will enter Phase 2 in FY 2021-22.

A new challenge is expected to be launched in FY 2020-21 with two Phase 1 anticipated to be funded \$150,000 each (\$300,000 Vote 10).

Departmental Results Framework (DRF)

The Bioplastics and Biofoam challenges falls under the Globally Competitive Natural Resource Sectors strategic outcome in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-2019	2019-2020	2020-2021	Total
Vote 1 Operating	0.00	0.00	0.55	0.55
Vote 5 Capital	0.00	0.00	0.00	0.00
Vote 10 Grants and Contributions	0.30	0.70	2.05	3.03
Total	0.30	0.70	2.60	3.60

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS

Frank Des Rosiers, Assistant Deputy Minister, SPI, 613-513-9947
 Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7243

Safety Measures in Forest Sector Operations (COVID-19)

Funding Profile:

- \$30.51 million (M) in 2020-21 funding (\$0.51M in Vote 1 and \$30M in Vote 10).
- Enables NRCan to offset the costs faced by small and medium-sized forest sector companies associated with COVID-19 health and safety measures.
- This program is helping to maintain critical forest sector jobs and tree-planting infrastructure, in support of climate commitments.

KEY MESSAGES

- **The Government of Canada recognizes that small and medium-sized forest sector businesses have incurred significant costs to keep workers and local communities safe from the pandemic.**
- **In response, we are providing up to \$30 million this fiscal year via provinces and territories to offset these costs.**
- **By reducing pressure on vulnerable forest sector businesses, we are helping to maintain critical jobs and economic opportunities in rural communities.**
- **Through this initiative, we are also securing the tree-planting capacity needed to maintain Canada's position as a sustainable forest management leader and deliver on our commitment to plant 2 billion trees.**

BACKGROUND

On July 10, 2020, Minister O'Regan announced the Government of Canada's intent to provide up to \$30 million to offset the incremental costs facing forest sector small and medium-sized operations associated with implementing COVID-19 health and safety measures. This support helps to secure critical forest sector jobs, recognizing the significant costs shouldered by forest sector companies, including tree-planting firms, to keep workers and communities safe.

Program implementation is now underway, with contribution agreements being developed with participating jurisdictions. Each jurisdiction has been assigned a funding allocation based on its relative forest sector employment and tree planting activities. Participating jurisdictions will distribute funding according to a process of their choice. Funding will be provided to eligible forest sector businesses having incurred additional costs specifically associated with implementing COVID-19 health and safety measures, for example, the purchase of personal protective equipment, handwashing stations, extra vehicles and accommodations in work camps, extra sanitization efforts, and facilities for self-isolation in work camps. To be eligible, costs must be incremental (i.e., not incurred under a business as usual scenario), discrete (i.e., productivity variations are excluded) and occur at a place of work (i.e., costs of employees isolating at home are not eligible). Funds under this program are expected to flow in early 2021 and will cover eligible costs incurred between April 1, 2020 and March 31, 2021.

This emergency response program is scheduled to sunset on March 31, 2021.

This line item corresponds to the NRCan Core Responsibility: Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021
Vote 1 Operating	0.51
Vote 10 Grants and Contributions	30.00
Grand Total	30.51

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Beth MacNeil, ADM – Canadian Forest Service (613-852-7243)

Spruce Budworm Early Intervention Strategy (EIS) – Phase II

Funding Profile:

- \$21.46 million (M) in 2020-21 funding (\$1.96M Vote 1 and \$19.50M Vote 10)
- Part of overall commitment of \$73.64M from 2018-19 to 2021-22 to support the implementation of the Spruce Budworm Early Intervention Strategy – Phase II.
- This program delivers on the Government’s clean growth and climate change agenda.

KEY MESSAGES

- **The Government of Canada is committed to ensuring our forests contribute to the well-being of all Canadians.**
- **We took action alongside the Atlantic Provinces and forest industry by making available up to \$74 million over four years to prevent the spread of spruce budworm.**
- **This funding supports research into an innovative Early Intervention Strategy (EIS). This strategy reduces spruce budworm populations in Atlantic Canada’s forests, and prevents development of an outbreak, tree defoliation, and wood supply loss.**
- **In 2020-21, federal science investments in New Brunswick, Newfoundland and Labrador, Quebec, and Ontario total approximately \$10.5 million, and 17 research projects are being advanced.**

- **These investments will yield valuable information on how budworm outbreaks develop and spread, best management practices for applying the EIS, and using the EIS as a tool in critical habitats and forest watersheds.**
- **Spruce budworm populations in Atlantic Canada remain low and there has been no negative impact on wood supply, the forest sector, or the economy.**
- **We continue to be concerned by the extent of damage caused by the spruce budworm outbreak in Quebec. For this reason, we have and will continue dedicated research efforts with our provincial colleagues in Quebec.**
- **The Government is dedicated to demonstrating scientific leadership to understand and mitigate the risks to our forests and industry posed by damaging forest pests.**
- **We will continue to ensure the forest sector remains a vital driver of Canada's economy and a source of jobs and opportunities.**

BACKGROUND

The Early Intervention Strategy – Phase II (EIS) program is currently in year three of four (2020-21), and research results to date continue to be positive and spruce budworm (SBW) populations in the region remain low. Defoliation from SBW is minimal and there has been no impact on the region's wood supply.

In 2020-21, 17 SBW research projects are being advanced and federal investments in New Brunswick, Newfoundland and Labrador, Ontario, and Quebec are approximately \$10.5 million (NRCan internal funding = \$2.1M; contribution program = \$8.4M). These investments support an experimental EIS treatment program to protect Atlantic Canada's forests, and a suite of research on SBW population dynamics, forecasting outbreaks, non-target effects, treatment and monitoring best practices, new pheromone tools, SBW management as a conservation tool, and the impact of climate change on SBW outbreaks.

The 2020-21 treatment program was completed in June/July 2020 in New Brunswick and Newfoundland and Labrador, treating 65,000 ha, which is an increase from the

10,000 ha that were treated in 2019. This indicates that budworm populations are rebounding as forecast but remain low. Notably, this is the first year that the Province of NL implemented an EIS treatment program.

These positive results indicate that the Early Intervention Strategy is working and this is good news for the region’s forests. Less budworm means a lower risk of spread further into NB and NL, other Atlantic Provinces, and Maine. Scientists think that the EIS treatments may be pushing the populations low enough so factors such as natural enemies are keeping them below outbreak thresholds.

Although results to date are reassuring, management efforts for SBW are not over as the risk of an outbreak remains high. There is currently an advanced, large-scale outbreak of SBW in Quebec that started in 2006. By 2020, more than 13.5 million hectares of forest in Quebec have suffered defoliation. This represents an area greater than the entire province of New Brunswick. Natural migration of SBW moths from infested areas in Quebec have been observed and are contributing to increases in populations in NL and NB. However, researchers are cautiously optimistic that EIS will continue to hinder an outbreak in Atlantic Canada.

The outbreak in Quebec is advanced and extensive, and, therefore, the provincial government has focused its efforts on mitigating impacts. Quebec remains generally supportive of the research conducted by NRCan under the federal EIS program, and some of its components may have more immediate application in this province. Officers from the Quebec Ministry of Forests, Wildlife and Parks (MFWP) have indicated to NRCan that they are closely monitoring progress of the EIS work in Atlantic Canada.

The initiative relates to NRCan Core Responsibility for Natural Resource Science and Risk Mitigation (CR1) and Departmental Result 1 - Canadians have access to cutting-edge research to inform decisions on the management of natural resources.

Through the Forest Pest Risk Management Program, the initiative will contribute to this result by implementing and validating a novel forest pest management approach supported by science knowledge and tools to address issues that could have significant negative impacts on Canadian forest values and resources. This approach will be available to forest managers across Canada for application against any impending outbreaks of spruce budworm.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-2019	2019-2020	2020-2021	2021-2022	Total	2022-2023 & Ongoing
Vote 1 Operating	1.69	1.94	1.96	1.85	7.44	0.72
Vote 10 Grants and Contributions	9.20	14.50	19.50	23.00	66.20	0.00
Total	10.89	16.44	21.46	24.85	73.64	0.72

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Beth MacNeil, Assistant Deputy Minister, CFS, 613-852-7243

Wildland Fire Resilience

Funding Profile:

- NRCan received a total of \$38.5 million (M) in funding for wildland fire in Budget 2019.
- This funding is split into two initiatives for execution and reporting:
 - National Risk Profile – Wildfire (\$4.6M over five years), and
 - Wildfire Resilience (\$33.9M over five years and \$5.4M ongoing).
- Both initiatives transfer amounts to Natural Sciences and Engineering Research Council of Canada (NSERC) from Vote 1 and Vote 10 across years 1 to 5.
- Wildfire resilience funding includes:
 - 2020-21: \$6.34M (\$3.49M in Vote 1, \$1.00M in Vote 5, and \$1.85M in Vote 10) retained at NRCan; and
 - beginning in 2024-25 and ongoing: \$4.89M.
- This program delivers on the government’s commitment to strengthen the resiliency of Canadians to natural disaster events, including wildland fire.

KEY MESSAGES

- **Natural disasters are increasing in frequency and magnitude, threatening the safety and economic stability of Canadians.**
- **Budget 2019 announced over \$151 million to ensure better disaster management preparation and response. Of this, NRCan received \$38.5 million in funding to fight wildland fires.**
- **This total funding is divided between this Wildland Fire Resilience initiative and the National Risk Profile initiative.**

- **Of the total allocation, NRCan has transferred over \$5 million over five years to the Natural Sciences and Engineering Research Council to establish a university research network on wildland fires.**
- **This Budget funding strengthens resiliency and reduces disaster risk in support of the Federal, Provincial and Territorial Emergency Management Strategy.**
- **This funding will:**
 - **Increase the ability for communities to assess risk and execute risk reduction action plans;**
 - **Enhance nationally integrated systems to deliver a coordinated deployment of resources in response to natural disasters; and**
 - **Improve access to reliable, current and comprehensive information regarding natural disasters for all Canadians.**
- **Through this funding, our government is helping strengthen the resiliency of Canadians to natural disaster events.**

BACKGROUND

The 2019 Budget announced \$151.2 million over 2019-20 to 2023-24 for Ensuring Better Disaster Management Preparation and Response. This announcement confirmed the government's commitment to the Federal/Provincial/Territorial *Emergency Management Strategy* to allow Canada to better predict, prepare for, and respond to weather-related emergencies and natural disasters.

This budget initiative is led by Public Safety Canada and includes collaboration between Public Safety, NRCan, Environment and Climate Change Canada, and Indigenous Services Canada. NRCan is a key player in the federal government's effort to strengthen Canada's resilience to growing disaster risks. Of the 2019 Budget announcement, NRCan was allocated \$88.4 million over five years and \$7.91 million per annum ongoing. Of these amounts, \$27.56 million over five years and \$4.89 million ongoing were allocated to strengthen community resilience to wildfires.

Achievements 2019-2020:

- signed a Memorandum of Understanding with the Natural Sciences and Engineering Research Council of Canada (NSERC) for the establishment of a research network on wildland fire that will focus on identified fire knowledge gaps;
- completed the Project Identification Phase of the Canadian Wildland Fire Information Framework (CWFIF) project, which is the first step in ensuring the successful integration of this inter-agency data-sharing platform into NRCan Information Management and Information Technology (IMIT) systems; and
- signed or approved-in-principle 10 contribution agreements with key national and regional partners for capacity building and laying the groundwork for technical work (e.g. data exchange, modelling) and tool development (e.g. risk assessment and management) in years 2-5.

Activities Upcoming 2020-2021, NRCan:

- will expand engagement of key national partners (e.g. provincial, territorial and other wildfire agencies) and begin the design phase for the CWFIF and the Canadian Forest Fire Danger Rating System, in order to modernize agency data exchange practices and wildfire danger modelling in Canada.
- Continue to work with FPT partners toward the development of the first National Risk Profile for Canada (NRP). This NRP will incorporate a strategic national risk and capability assessment that uses scientific evidence and stakeholder input to create a forward-looking picture of risk and capabilities that can inform prioritization and decision-making to support disaster risk reduction, including for wildland fire.
- Work with FPT partners and the Canadian Interagency Forest Fire Centre (CIFFC) to enable strategic, national level approaches to fire prevention and mitigation, including through expanded FireSmart programming.

Departmental Results Framework (DRF)

This work is part of core responsibility ‘Natural Resource Science and Risk Mitigation.’

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Total	2024-25 & Ongoing
Vote 1 Operating	2.75	3.49	3.43	3.41	2.46	15.54	2.49
Vote 5 Capital	0.38	1.00	1.25	0.70	0.45	3.78	0.40
Vote 10 Grants and Contributions	0.80	1.85	2.05	2.05	1.50	8.25	2.00
Total	3.93	6.34	6.73	6.16	4.41	27.57	4.89

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Beth MacNeil, Assistant Deputy Minister, CFS, 343-292-8555

Accommodation Measures for the Trans Mountain Expansion Project

(linked to Environmental Protections and Addressing Concerns, and Terrestrial Cumulative Effects Initiative)

Funding Profile:

- In July 2019, the Government of Canada allocated \$598M in new funding over six years to support a suite of measures related to the decision to approve the Trans Mountain Expansion (TMX) project. This includes:
 - \$20.83M in 2020-21 funding (\$5.74M Vote 1 and \$15.09M in Vote 10).
- This funding delivers on the Government of Canada's commitment to move forward in the right way on TMX, including addressing project-related impacts.
- As part of the overall commitment of \$598M, NRCan will receive \$61.07M from 2019-20 to 2023-24 to deliver measures: 1) that address the potential impacts of the Project on Indigenous rights and interests identified by Indigenous groups during the Phase III consultations on TMX; 2) that respond to CER recommendations to the Crown (February 2019 Reconsideration Report); and, 3) for a post-decision implementation strategy for the project.

KEY MESSAGES

- **The Government of Canada remains committed to ensuring the Trans Mountain Expansion project moves forward in the right way.**
- **The Project will contribute to Canada's economic recovery by providing thousands of jobs, delivering petroleum to new and existing markets, and generating revenues to fund clean energy solutions.**
- **To protect the environment and address potential impacts to Indigenous rights and interests, the Government of Canada allocated \$598 million in new funding over six years to support a suite of measures related to the TMX project decision.**

- **This funding delivers on the Government of Canada’s commitment to move forward in the right way on TMX, by addressing project-related impacts through eight accommodation measures for Indigenous peoples and a series of responses to the Canada Energy Regulator’s recommendations to the Crown.**
- **Natural Resources Canada, along with Transport Canada, Environment and Climate Change Canada, Fisheries and Oceans Canada and the Canadian Coast Guard, are delivering this suite of measures.**
- **NRCan received \$6.57 million in 2019-20 funding and \$20.83 million in 2020-21 funding to:**
 - **Support Indigenous-led studies to better understand potential terrestrial impacts of major natural resource projects;**
 - **Build capacity in Indigenous communities on terrestrial cumulative effects interests; and**
 - **Coordinate a whole-of-government approach to project implementation, reporting and tracking.**
- **To date, over 90 contribution agreements have been signed with Indigenous groups for NRCan’s measures.**
- **The government remains confident that it has taken the necessary steps to get this right and to move forward with the project in the right way.**

BACKGROUND

Following Governor in Council approval of the project in June 2019, incremental funding of \$71M over five years was provided to NRCan for four measures:

1. The Terrestrial Studies Initiative (\$9.8M);
2. The Terrestrial Cumulative Effect Initiative (\$28.2M);
3. Response to NEB Recommendation 14 – Oil Spill Recovery Technology Development Program (\$15.5M); and
4. NRCan’s role in the coordination of Phase IV (\$17.5M).

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Grand Total
Vote 1 Operating	4.57	5.74	5.88	0.85	0.85	17.89
Vote 10 Grants and Contributions (Mains)	5.00	8.00	9.50	6.00	6.00	35.09
Vote 10 Grants and Contributions (Supps B Reprofile)	(3.59)	3.59				0.00
Vote 10 Grants and Contributions (Transfers from DFO)	0.59	3.50	4.00			8.09
Vote 10 Grants and Contributions subtotal	2.00	15.09	13.50	6.00	6.00	43.18
Grand Total	6.57	20.83	19.38	6.85	6.85	61.07

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to two decimal places.

CONTACT

Ellen Burack, Assistant Deputy Minister, Major Projects Management Office
Lindsay Noad, Director General, TMX

Centre of Excellence for Indigenous Mineral Development

Funding Profile:

- \$0.23 million (M) in 2020-21 funding (Vote 1) transferred from Natural Resources Canada to Innovation, Science and Economic Development Canada.
- Part of an overall transfer of \$0.7M from 2020-2021 to 2022-2023 to help build knowledge and capacity for Indigenous communities to meaningfully participate and represent their rights and interests in the minerals and metals sector.
- This investment delivers on the government's commitment to reconciliation by collaboratively developing initiatives and promoting a mutually supportive climate for economic partnership and resource development.

KEY MESSAGES

- **The Government of Canada is committed to a renewed relationship with Indigenous peoples and to implementing the Canadian Minerals and Metals Plan (CMMP).**
- **Advancing Indigenous participation in mining is a key priority, which includes ensuring that Indigenous peoples share in the prosperity of mineral resource development.**
- **Through the CMMP, we are contributing \$700,000 over three years of the total \$1.8M federal investment, beginning in 2020, to the Waubetek Business Development Corporation for the creation of the Centre of Excellence for Indigenous Mineral Development.**
- **The funds are supporting salaries, professional services, overhead and meetings.**

- **This investment will enable more meaningful participation for Indigenous peoples, and build their knowledge base and capacity to represent their rights and interests in the mining sector.**
- **The Centre of Excellence also serves as a pilot for the concept, which could be replicated in regions across the country for natural resources more broadly.**
- **Through this initiative, we are supporting reconciliation and economic participation, bolstering capacity building for Indigenous peoples, and ensuring Indigenous communities benefit from Canada's endowment of natural resources.**

BACKGROUND

Natural Resources Canada (NRCan) through the Lands and Minerals Sector (LMS) transferred funds to Innovation, Science and Economic Development Canada (ISED) through the Federal Economic Development Initiative for Northern Ontario (FedNor) to develop the Centre of Excellence for Indigenous Mineral Development (the Centre) under the Northern Ontario Development Program (NODP). A Memorandum of Understanding (MOU) between NRCan and ISED was signed in February 2020.

NRCan's investment in the Centre is through the Canadian Minerals and Metals Plan (CMMP). Launched in 2019, the CMMP was developed with the provinces and territories and informed by extensive engagement with Indigenous peoples, industry, and other stakeholders. It includes six strategic directions of focus, including advancing the participation of Indigenous peoples in the mining sector to support the process of reconciliation and increased economic opportunities for Indigenous communities. Commitments under this strategic direction include exploring more opportunities to increase Indigenous procurement and business activity, introducing integrated mine training programs, and encouraging more agreements between Indigenous communities and project proponents.

The Centre is being established by the Waubetek Business Development Corporation, which is an Indigenous-owned and controlled organization that delivers business financing and economic development services to First Nations and Indigenous businesses located throughout North-Eastern Ontario. They offer commercial loans services, business counselling and support to individuals and communities, and regional economic services in collaboration with their member First Nations on fisheries, mining, aquaculture, and tourism.

The Centre will enable Indigenous peoples seeking meaningful participation in the minerals sector by building the knowledge and capacity to represent their rights and interests. In addition, the Centre will create an awareness of the mining sector, offer key information to understand it, and facilitate an environment to foster participation and opportunities for interested Indigenous communities and peoples.

The Centre will be housed within the Laurentian University campus in Sudbury, ON. This will enable the initiative to not only have a physical space but also access to research capacity to support the development of the pillars.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	2022-2023	Grand Total
Vote 1 Operating	(0.23)	(0.23)	(0.23)	(0.70)
Grand Total	(0.23)	(0.23)	(0.23)	(0.70)

Figures above exclude EBP and PSPC/SSC amounts.

Rounded to 2 decimals.

CONTACT: Jeff Labonté, ADM-LMS

Engaging Indigenous Communities in Major Resource Projects Linked to Natural Resources Participant Funding Program

Funding Profile:

- \$0.96 million (M) in 2020-21 funding (Vote 10).
- Re-profile of funds from 2019-20 into 2020-21 to address issues surrounding Indigenous consultations and support the government's broader reconciliation agenda.
- Part of the overall commitment of \$9.24M, including \$5.53M in contribution funds (Vote 10) from 2016-17 to 2019-20 for participant funding to support meaningful Indigenous Crown consultations for legacy projects that were assessed under the *Canadian Environmental Assessment Act, 2012* and the *National Energy Board Act*.

KEY MESSAGES

- **The Government of Canada is committed to supporting meaningful Crown consultations with Indigenous groups that are potentially impacted by natural resource development projects.**
- **This funding represents contributions for Indigenous groups potentially impacted by the Nova Gas Transmission Limited expansion projects, to participate in Crown consultation activities through a federal Participant Funding Program.**
- **This funding supports the government's ability to meaningfully consult with Indigenous peoples under s.35 of the *Constitution Act, 1982*, while supporting reconciliation.**

BACKGROUND

NRCan re-profiled \$957,863 of Vote 10 Contributions funding from 2019-20 to 2020-21 for a Participant Funding Program, supporting Crown consultations for legacy projects being assessed under the *Canadian Environmental Assessment Act, 2012* and the *National Energy Board Act*.

In 2019-20, NRCan completed Crown consultations for the environmental assessment for the Manitoba Minnesota Transmission Project (MMTP) and initiated consultations on Nova Gas Transmission Line 2021 (NGTL 2021).

While Indigenous groups potentially impacted by NGTL 2021 were offered participant funding in June 2019, many groups only sought funding once the official Phase III consultations launched on February 19, 2020 when the CER released the NGTL 2021 recommendations report. As a result, \$780 thousand of available 2019-20 G&C funding was provided to Indigenous groups, leaving \$960 thousand in unused funds in 2019-20. This funding is now available for Indigenous groups to access in 2020-21.

This funding supports Natural Resource Canada's Core Responsibility 3, Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total
Vote 1 Operating	0.94	0.94	0.97	0.86		3.71
Vote 10 Grants and Contributions	1.70	1.48	0.61	1.74		5.53
Vote 10 Grants and Contributions - Reprofile				(0.96)	0.96	-
Total Vote 10	1.70	1.48	0.61	0.78	0.96	5.53
Grand Total	2.64	2.42	1.58	1.64	0.96	9.24

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Ellen Burack, Assistant Deputy Minister, MPMO, 343-292-8830

Indigenous Advisory and Monitoring Committee for Energy Infrastructure Projects as Part of the Trans Mountain Expansion Project

Funding Profile:

- \$20.93 million (M) in 2020-21 funding (\$2.93M Vote 1 and \$18M Vote 10).
 - \$18.93 million (M) in Mains funding (\$2.93M Vote 1 and \$16M Vote 10).
 - \$2M in 2020-21 Supps B funding (Vote 10). Re-profile of funds to enable the Indigenous Advisory and Monitoring Committee to continue to address needs of Indigenous groups potentially impacted by the construction of the TMX pipeline.
- Part of the overall commitment of \$68.97M from 2017-18 to 2021-22 to enable NRCan to support the Indigenous Advisory and Monitoring Committees, which provide Indigenous monitoring and oversight of the Trans Mountain Expansion and Line 3 pipeline projects.
- This program delivers on the government's commitment to get the Trans Mountain Expansion project built the right way.

KEY MESSAGES

- **Collaborative, inclusive and meaningful Indigenous involvement in the review, monitoring and oversight of the Trans Mountain Expansion (TMX) project ensures it is built the right way.**
- **In 2016, the Government of Canada committed to work in partnership with potentially impacted Indigenous communities by providing \$68.97 million over five years to implement the co-developed Indigenous Advisory and Monitoring Committees for Line 3 and TMX.**

- **The committees’ work is addressing common interests shared by Indigenous communities– the monitoring of traditional territories and waters, safety of communities, and the protection of the environment and Indigenous culture.**
- **For example, for the first time in Canada, Indigenous monitors are accompanying federal regulators on interprovincial pipeline inspections.**
 - **Over 50 Indigenous monitors from impacted communities along the TMX corridor have been trained through the Indigenous Advisory and Monitoring Committee.**
- **The committee for TMX is also supporting 87 community capacity projects led by Indigenous communities located along the project route to address specific concerns.**
- **The IAMC for TMX enhances the monitoring and oversight of the project and demonstrates a new way that the government and Indigenous peoples can work in partnership on resource development.**

BACKGROUND

The Indigenous Advisory and Monitoring Committee (IAMC) for the Trans Mountain Expansion (TMX) project was co-developed with potentially-impacted Indigenous communities to provide a meaningful forum for them to engage with regulators, provide advice on Indigenous priorities, and participate in the monitoring of each project.

The Terms of Reference for the IAMC clearly state that its work is “without prejudice” and therefore participation does not indicate that a community supports or opposes the project(s). It is an additional forum for engagement and does not replace or diminish the respective duties and obligations of the Crown and Trans Mountain Corporation to Indigenous peoples.

In 2016, the government committed up to \$68.97 million over five years to implement the co-developed Indigenous Advisory and Monitoring Committee for TMX by:

- supporting Indigenous participation in the committee;
- funding community-led projects, as directed by the committee, that align with the their respective priorities; and
- establishing a secretariat led by Natural Resources Canada to help administer the committee.

The IAMC uses a significant portion of its funds to co-develop and implement the Indigenous Monitoring Program to provide Indigenous monitoring and oversight of the project over its full lifecycle (pre-construction through decommissioning). Indigenous Monitors are selected by each committee to be in the field with CER inspectors, overseeing construction and operations.

Other TMX committee priorities include: emergency management, impacts of work camps on women and girls, marine shipping and engagement.

This work forms the basis of a renewed relationship between Indigenous peoples impacted by the project and federal departments and regulators.

Beyond the committee priorities, engagement directly with Indigenous communities is ongoing to identify their priority issues along the corridor, and is advancing contribution projects to address these issues.

As construction of the TMX line has been delayed and COVID-19 impacted some activities late in the year, funding for Fiscal Year 2019-2020 was not fully utilized was re-profiled into 2020-2021, and 2021-22.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total
Vote 1 Operating	3.15	3.90	3.92	2.93	2.57	16.47
Vote 10 Grants and Contributions	4.75	7.21	14.50	16.00	10.04	52.50
Vote 10 Grants and Contributions - Reprofile			(5.03)	2.00	3.03	0.00
Total Vote 10	4.75	7.21	9.47	18.00	13.07	52.50
Grand Total	7.90	11.11	13.39	20.93	15.64	68.97

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Ellen Burack, Assistant Deputy Minister, MPMO, 343-292-8830

Indigenous Consultations and Engagement and Capacity Building for Natural Resource Projects

Funding Profile:

- \$17.91M in 2020-21 funding (\$9.26M in Vote 1 and \$8.65M in Vote 10)
- Overall, the government will provide \$38.82 million (M) over five years, starting in 2020-2021, to Natural Resources Canada for a dedicated team to support the consideration of natural resource development projects, to conduct Indigenous consultations on legacy energy projects undergoing federal environmental assessment, and renew the Indigenous Partnerships Office - West.
- This program delivers on strengthening capacity to support the consideration of natural resource projects, and meaningful Indigenous consultations and engagement on major energy projects.

KEY MESSAGES

- **Funding of \$38.82 million over five years, starting in 2020-21, will be provided for Natural Resources Canada (NRCan) to identify solutions to emerging issues affecting resource projects, and to conclude consultations with Indigenous peoples on legacy energy projects undergoing federal impact assessments.**
 - **This includes the NGTL Edson Mainline Expansion Project, NGTL North Corridor and Trans-Québec & Maritimes.**
- **The capacity of the government to support the natural resource sector and attract investors is critical during Canada's economic recovery.**

- **The funding will also support Indigenous participation in energy infrastructure development in British Columbia and Alberta.**
- **Of this funding, \$17.91 million will be provided in 2020-21.**
- **A globally competitive natural resources sector supports the Government's objective of promoting economic recovery by creating good jobs.**

BACKGROUND

Canada has one of the world's largest and most diverse natural resource endowments. The natural resources sector employs about 900,000 people, 16% of whom are Indigenous, and represents 17% of nominal GDP for the Canadian economy and accounts for 50% of exports. These factors position the sector to support and play an important role in Canada's economic recovery and reconciliation, including through the development of natural resource projects.

This program supports Natural Resources Core Responsibility 3, Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Grand Total
Vote 1 Operating	9.26	8.11	2.04	2.11	2.11	23.63
Vote 10 Grants and Contributions	8.65	6.54				15.19
Grand Total	17.91	14.65	2.04	2.11	2.11	38.82

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Ellen Burack, Assistant Deputy Minister, MPMO, 343-292-8830

Indigenous Participation in Dialogues

Funding Profile:

- \$0.62M is the total Vote 10 listed in 2020-21 Main Estimates for Indigenous Participation in Dialogues, which includes:
 - \$0.30M for Nature Legacy Initiative – Caribou; and
 - \$0.32M for Impact Assessment and Regulatory Processes – NEB Modernization.

KEY MESSAGES

- **Reconciliation with Indigenous peoples remains a core priority for this government, and we continue to move forward as a partner on this path.**
- **In 2019-20, \$17.27 million was used to facilitate a meaningful two-way dialogue and consultation with all 129 potentially impacted Indigenous groups on the Trans Mountain Expansion project.**
- **The government remains confident that it has taken the necessary steps to get this right and that the reconsideration and consultations were done properly by following the guidance set by the Federal Court of Appeal.**
- **The Federal Court of Appeal’s decision in February 2020 affirms that the renewed Crown–Indigenous consultations addressed the flaws identified by the court, and that the government delivered on its legal duty to consult Indigenous peoples through a meaningful, two-way dialogue.**

- **The Main Estimates further support the government's commitment to ongoing engagement and consultation with Indigenous groups, providing:**
 - **\$320,000 to Impact Assessment and Regulatory Processes; and**
 - **\$300,000 to the Nature Legacy Initiative which enables collaboration with Indigenous peoples to protect Canada's biodiversity.**

BACKGROUND

On October 3, 2018, following the Federal Court of Appeal's decision that quashed the original approval of the TMX project, the government announced re-initiated TMX Phase III consultations with all Indigenous groups potentially impacted by the project. Then Minister of Natural Resources, Amarjeet Sohi, began the process by engaging with groups on how to get the process right and ensure that Indigenous perspectives and views were meaningfully considered. Through this process, the Crown consultation teams engaged in meaningful, two-way dialogue and we have discharged on our legal duty to consult.

No relationship is more important to the government than the one with Indigenous peoples. The government's path forward reinforces Canada's commitment to its relationship with Indigenous peoples in Canada. The government remains confident that it has taken the necessary steps to get this right and that the reconsideration and consultations were done properly by following the guidance set by the Federal Court of Appeal.

Participant funding was offered to all 129 Indigenous groups on the Crown List for the reinitiated TMX Phase III consultation process. This funding was offered starting on November 2, 2018. The Impact Assessment Agency of Canada administered NRCan's participant funding for this process. There were 111 contribution agreements signed for an amount up to \$4.63M. NRCan has transferred \$4.4M to the Impact Assessment Agency of Canada to reimburse Indigenous groups for their participation in this process. All of the 111 contribution agreements have been closed as TMX Phase III Consultations are complete.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
Vote 10 Grants and Contributions	0.33	0.62	0.62	0.30	0.30	2.17
Total	0.33	0.62	0.62	0.30	0.30	2.17

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

Respond to Indigenous Concerns on the Overall Health of the Salish Sea

Funding Profile:

- \$0.09 million (M) in 2020-21 funding (Vote 1) transferred from the Department of Fisheries and Oceans to Natural Resources Canada.
- Part of overall commitment of \$0.45M from 2019-2020 to 2023-2024 to provide scientific and technical support for a horizontal initiative to address Indigenous concerns with ecosystem health in the Salish Sea.
- This program delivers on the government's reconciliation agenda and the sustainable management of natural resources.

KEY MESSAGES

- **The Government of Canada is committed to reconciliation with Indigenous peoples and the sustainable management of natural resources.**
- **This \$90,000 will allow NRCan to participate in a horizontal initiative to address First Nations' concerns with ecosystem health in the Salish Sea.**
- **While the Department of Fisheries and Oceans leads the Salish Sea Initiative, it relies on partnerships with NRCan, Environment and Climate Change Canada, Transport Canada, and Parks Canada.**
- **NRCan's role is to provide scientific and technical expertise to support the objectives of the Salish Sea Initiative. This work includes data integration of marine geoscience information applicable for marine planning.**
- **In 2019-20, the first year of this five-year initiative, NRCan compiled and processed legacy data related to earthquakes and marine landslides in the region.**

- **Through the Salish Sea Initiative, NRCan will contribute scientific knowledge to support Indigenous participation in monitoring and planning.**

BACKGROUND

The Salish Sea Initiative (SSI) will contribute to the Government of Canada’s response to the Canada Energy Regulator recommendations related to accommodations for the Trans Mountain Expansion project. In particular, it responds to the recommendation to develop a regional cumulative effects management plan for the Salish Sea and to report publicly, on an annual basis, on the status of measures to address cumulative effects on the Salish Sea.

The SSI will establish a co-developed governance arrangement between Indigenous communities and Canada to address cumulative effects of human activity in the Salish Sea. The initiative will establish a collaborative governance structure and deliver long-term funding to support capacity building, monitoring, research, knowledge acquisition, knowledge integration and sharing to inform adaptive management.

The SSI is a horizontal initiative that aligns with the Department of Fisheries and Oceans’ departmental results framework. The NRCan portion of the budget aligns with the Core Responsibility Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Grand Total
Vote 1 Operating	0.09	0.09	0.09	0.09	0.09	0.45
Grand Total	0.09	0.09	0.09	0.09	0.09	0.45

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Jeff Labonté, ADM, Lands and Minerals Sector

Strengthen Environmental Protections and Address Concerns Raised by Indigenous Groups Regarding the TMX Project

Funding Profile:

- \$20.11 million (M) in 2020-21 funding (\$6.72M Vote 1 and \$13.39M Vote 10).
 - \$16.52M in Mains funding (\$6.72M Vote 1 and \$9.8M Vote 10)
 - \$3.59M in 2020-21 Supps B funding (Vote 10). Re-profile of funds from 2019-20 into 2020-21 to further advance the Terrestrial Studies Initiative (\$2.14M), the Terrestrial Cumulative Effects Initiative (\$1.10M), and Phase IV Indigenous Engagement (\$0.35M).
- Part of the overall commitment of \$67.01M, including \$44.5M in Vote 10, from 2019-2020 to 2023-2024 for Natural Resources Canada to support the implementation of accommodation measures and responses to the National Energy Board's recommendations for the Trans Mountain Expansion project and for post-decision implementation.

KEY MESSAGES

- **The Government of Canada is committed to implementing accommodations and initiatives to address concerns of Indigenous groups regarding potential impacts of the Trans Mountain Expansion project.**
- **This funding represents contributions to Indigenous groups for: the Terrestrial Studies Initiative (TSI) and the Terrestrial Cumulative Effects Initiative (TCEI); and continued engagement during the project implementation phase.**
 - **The TSI will support Indigenous-led studies to better understand TMX's potential impacts, including on traditional land use.**

- **The TCEI involves building capacity and supporting Indigenous-led studies on the cumulative effects of development in freshwater and terrestrial environments.**
- **During 2019-20, NRCan entered into 63 contribution agreements with Indigenous groups potentially impacted by the TMX project for accommodation initiatives and post-decision engagement activities.**
- **To date, in 2020-21, NRCan has entered into an additional 24 agreements with Indigenous groups potentially impacted by the TMX project.**

BACKGROUND

NRCan re-profiled \$3,586,342 of Vote 10 Contribution funding from 2019-20 to 2020-21 to further advance two TMX Accommodation measures for Indigenous communities, the Terrestrial Studies Initiative (TSI), and the Terrestrial Cumulative Effects Initiative (TCEI), as well as ongoing engagement with Indigenous groups.

Indigenous groups did not access funding to the extent anticipated in 2019-20 for a variety of reasons including a delay in receipt of funding by NRCan, groups taking longer than anticipated to assess how to access the programs, and impacts to engaging with Indigenous groups due to COVID-19.

This funding supports Natural Resource Canada's Core Responsibility 3, Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Grand Total
Vote 1 Operating	5.12	6.72	6.76	2.21	1.71	22.51
Vote 10 Grants and Contributions	5.00	9.80	11.40	7.40	10.90	44.50
Vote 10 Grants and Contributions - Reprofile	(3.59)	3.59				-
Total Vote 10 Grants and Contributions	1.41	13.39	11.40	7.40	10.90	44.50
Grand Total	6.53	20.11	18.16	9.61	12.61	67.01

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Ellen Burack, ADM, MPMO

Terrestrial Cumulative Effects Initiative and to Support the Administration of the Aquatic Habitat Restoration Funding

Funding Profile:

- \$3.62 million (M) in 2020-21 funding (\$0.12M Vote 1, \$3.5M Vote 10) was transferred from the Department of Fisheries and Oceans (DFO) to NRCan for the administration of the Aquatic Habitat Restoration Fund Initiative, a Trans Mountain Expansion Project (TMX) accommodation measure.
- Part of a commitment of \$7.77M from 2020-2021 to 2021-2022 to be transferred to NRCan to administer funding to Indigenous groups for the Aquatic Habitat Restoration Fund (AHRF), on behalf of DFO.

KEY MESSAGES

- **The Government of Canada is committed to implementing accommodation measures and responding to Canada Energy Regulator recommendations to respond to the impacts of the Trans Mountain Expansion project on Indigenous rights and interests.**
- **This funding represents \$3.5 million in contributions to Indigenous groups and \$120,000 in operating funding for the Aquatic Habitat Restoration Fund (AHRF) in 2020-21, to be transferred from the Department of Fisheries and Oceans (DFO) to NRCan.**
- **The AHRF is one of eight accommodation measures put in place to address the impact of the Project on Indigenous rights and interests.**
- **Specifically the AHRF, responds to concerns about potential impacts to fish and fish habitat. The Government and Indigenous groups will collaborate to co-develop an aquatic habitat restoration program.**

- **This transfer of funds from DFO to NRCan streamlines the delivery of capacity funding to Indigenous groups through a one-window approach.**
- **It allows NRCan to deliver AHRF capacity funding to Indigenous communities on behalf of DFO, in conjunction with the capacity funding for the Terrestrial Cumulative Effects Initiative, which NRCan is also delivering.**

BACKGROUND

DFO will transfer to NRCan a total of \$3,617,773. This includes: \$3,500,000 in Vote 10 funding for dissemination to Indigenous participants via contribution agreements, and \$117,773 in Vote 1 operating funding for internal staff support and operating costs to deliver the Aquatic Habitat Restoration Fund (AHRF) capacity funding for Indigenous communities implicated in the Trans Mountain Expansion project.

NRCan and DFO have put in place an Interdepartmental Letter of Agreement (ILA) to streamline funding delivery through a one-window approach for two TMX accommodation measures providing capacity funding: Terrestrial Cumulative Effects Initiative (TCEI) and the AHRF.

Under the terms of the ILA, NRCan will deliver AHRF capacity funding to Indigenous communities on behalf of DFO. AHRF contributions to Indigenous groups are currently forecast at \$3.5 million for 2020-21 and \$4 million for 2021-22.

This funding supports Natural Resource Canada's Core Responsibility 3, Globally Competitive Natural Resource Sectors.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	Grand Total
Vote 1 Operating	0.12	0.15	0.27
Vote 10 Grants and Contributions	3.50	4.00	7.50
Grand Total	3.62	4.15	7.77

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Ellen Burack, ADM, Major Projects Management Office

Departmental Staff Located at Missions Abroad

Funding Profile:

- \$0.12 million (M) in 2020-21 funding (Vote 1) is returned from the Department of Foreign Affairs, Trade and Development to adjust for funding previously provided for departmental staff located at missions abroad.
- This return reflects the cancellation of a position located in Beijing, China, due to COVID-19 and changing priorities.
- In addition, \$0.35M is being returned from the Department of Foreign Affairs, Trade and Development on an ongoing basis as permanent funding had initially been transferred to the Department of Foreign Affairs, Trade and Development for position located in Beijing, China.

KEY MESSAGES

- **In November 2018, NRCan created a Natural Resource Officer in Beijing, China.**
- **However, in March 2020, NRCan cancelled the yet-to-be-staffed position.**
- **The decision to cancel the position was taken because of COVID-19 and changes in NRCan's priorities.**
- **This cancellation led to GAC returning to NRCan a portion of funds that had previously been transferred in anticipation of filling the position.**

BACKGROUND

Natural Resources Canada participates in Global Affairs Canada's (GAC) program to operate and support missions. In November 2018, NRCan created a Natural Resource Officer in Beijing, China. However, the position was not staffed and NRCan cancelled the position in March 2020 in the context of Covid-19 and changing priorities.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	Ongoing
Vote 1 Operating	0.12	0.35
Grand Total	0.12	0.35

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Frank Des Rosiers, SPI

Earthquake Early Warning

Funding Profile:

- \$7.71 million (M) in 2020-21 funding (\$3.11M Vote 1, \$2.6M Vote 5, and \$2M Vote 10).
- This program delivers on the Government's commitment to strengthen resilience to increasing disaster risks by enabling NRCan to better protect Canadians and their infrastructure from the impacts of earthquakes.
- The \$7.71M is part of a \$33.93M program that runs from 2019-20 to 2023-24.

KEY MESSAGES

- **Natural disasters are a growing threat to the safety and economic stability of Canadian communities.**
- **Earthquakes in urban areas present the greatest single-event risk in terms of potential for lives lost and economic impact for Canada.**
- **NRCan will invest nearly \$34 million over five years (2019-20 to 2023-24) to install an earthquake early warning system:**
 - **\$17.9 million for a core warning system that will target critical infrastructure; and**
 - **\$16 million in contributions to provinces, territories, municipalities, Indigenous communities and community organizations to install sensors in areas of high seismic risk and support earthquake early warning.**
- **NRCan began preparations for the procurement and installation of the sensors and related software in 2019-20.**

- **Earthquake Early Warning will allow Canada to better prepare for, and reduce the impact of natural disasters.**

BACKGROUND

The Earthquake Early Warning program is part of a broader government effort led by Public Safety Canada to strengthen Canada's resilience to growing disaster risks. Budget 2019 announced the government's commitment to the Federal/Provincial/Territorial *Emergency Management Strategy* to allow Canada to better predict, prepare for, and respond to weather-related emergencies and natural disasters.

Earthquakes in urban areas present the greatest single-event risk for potential lives lost and economic impact for Canada. Earthquake disaster scenarios for a single earthquake on the west coast and in the Ottawa-Quebec corridor have estimated costs of \$75 billion and \$61 billion respectively (AIR Worldwide, 2014).

Current strategies in Canada to minimize earthquake impacts rely on rigorous enforcement of seismic provisions of building codes for new structures. The next level of protection is provided by an earthquake early warning system (EEW), giving seconds to minutes' notice before strong shaking starts. The early warning can be used to protect critical infrastructure, such as stopping trains and traffic, parking sensitive equipment, closing valves. It can also prepare emergency response systems such as automatically opening firehouse doors, and can disseminate warnings to the public.

NRCan will spend \$33.93 million over five years (2019-20 to 2023-24) to install an earthquake early warning system, and \$2.41 million per annum for ongoing system maintenance. Of that total, \$17.9 million will be directed at the installation of a core early warning system implemented and maintained by the federal government to target monitoring of federally-critical infrastructure. Another \$16 million in financial contributions will allow the system to be enhanced by local and regional additions of sensors of a common standard by other stakeholders in areas of high seismic risk as well as to support innovation in the field of EEW.

The first year of the project (2019-20) focused on preparations for the procurement and installation of the seismic sensors and the related software. NRCan also hosted workshops with stakeholders in Vancouver and Ottawa to provide background on the EEW program, to validate plans, and to initiate partnerships for development and implementation of the sensor network.

During 2020-21, \$3.11 million (Vote 1) and \$2.60 million (Vote 5) will be for the purchase of half of the sensors for the core federal system, to be followed with start of installation. Tenders have been posted for sensors and other equipment. \$2.0 million (Vote 10) is intended for contributions to provincial/territorial/municipal and Indigenous community and other stakeholders for additional sensors in areas of high seismic risk as well as supporting innovation in the EEW systems. Discussions with some potential recipients including Indigenous communities are under way.

The Earthquake Early Warning program corresponds to the core responsibility: Natural Resource Science and Risk Mitigation.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Total	2024-2025 & Ongoing
Vote 1 Operating	0.68	3.11	3.58	2.51	2.85	12.73	2.15
Vote 5 Capital	0.00	2.60	2.60	0.00	0.00	5.20	0.26
Vote 10 Grants and Contributions	0.00	2.00	4.00	4.00	6.00	16.00	0.00
Total	0.68	7.71	10.18	6.51	8.85	33.93	2.41

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS: Jeff Labonté, ADM LMS

Framework for Canada-U.S. Collaboration on Cyber Security and Energy

Funding Profile:

- \$2.25M in 2020-21 Main Estimates funding (\$1.29M Vote 1 and \$0.96M Vote 10).
- Re-profile in 2020-21 Supplementary Estimates B of \$0.19M of funds from 2019-20 into 2020-21 (Vote 10).
- The vote 10 portion is distributed using contributions in support of the Cyber Security and Critical Energy Infrastructure Program.
- Part of an overall commitment of \$9.02M from 2018-2019 to 2022-2023 to enable NRCan to advance engagement with the U.S. on cyber security and energy.
- This funding delivers on the government's commitment to strengthen Canada's cyber security.

KEY MESSAGES

- **As Canada's critical infrastructure systems become more interconnected, cyber incidents have the potential to compromise national security and public safety.**
- **The Government of Canada is committed to defending Canadians against these cyber threats.**
- **Our U.S. partners face this same evolving cyber threat landscape, and NRCan is working directly with its U.S. counterparts to protect our cross border energy infrastructure that includes more than 100 pipelines and transmission lines.**

- **Through Budget 2018, the government committed \$507.7 million over five years, beginning in 2018-19, and \$108.8 million per year ongoing, to support Canada's new *National Cyber Security Strategy* and to establish the Canadian Centre for Cyber Security.**
- **Of this, \$10 million, over five years, was provided to NRCan to bolster the cyber security of Canada's energy sector and support our work with trusted international partners.**
- **For example, we are working with the U.S. to safeguard our system. This includes cyber simulations, information sharing, joint research and development, training, and standards development.**
- **We will continue to work with our international, provincial, territorial, and industry allies to strengthen cyber resilience, protect critical infrastructure, and develop domestic cyber capacity.**

If pressed on the re-profile of funds

- **In 2019-20, two contribution agreements lapsed funds:**
 - **One due to a delayed joint announcement, which is required to initiate work.**
 - **The other related to the emergence of COVID-19. The pandemic required the proponent, a national industry association, to focus on supporting members and ensuring continuity of essential services across Canada.**
 - **Both proponents have now indicated that their projects will progress as expected.**

BACKGROUND

The Government of Canada has invested \$507.7 million over five years, and \$108.8 million per year thereafter, to fund a new National Cyber Security Strategy, which was released on June 12, 2018. Of this, \$10 million over five years was allocated to NRCan to develop a “Framework for Canada-U.S. Collaboration on Cybersecurity in the Energy Sector.”

[Redacted]

NRCan and the DOE are deepening collaboration and enhancing communication through high-level government engagement and initiatives [Redacted]. This includes:

- The U.S. Energy Government Coordinating Council (EGCC) and Electricity Sub-sector Coordinating Council (ESCC) meetings in Washington, DC in January 2020. The ESCC serves as the principal liaison between the U.S. government and the electricity sector and aims to coordinate efforts to prepare for, and respond to disasters or threats to critical infrastructure;
- NRCan participation in the DOE’s inaugural Industrial Control Systems International Hackathon in November 2019, where officials worked to test the resilience of energy systems’ operational technologies to cyberattack (prior to COVID-19, NRCan had intended to host a similar event in Canada in the fall of 2020);
- Coordination of cross-border participation at key cyber security events (e.g., North American Electric Reliability Corporation’s GridSecCon in November 2019); and
- Information sharing and simulation exercises (e.g., NRCan invited DOE to a tabletop exercise with Canadian government and industry in February 2020).

This will reinforce NRCan’s role as the lead federal department for the energy and utilities sector (one of ten critical infrastructure sectors in Canada) by providing clear direction and outcomes to strengthen the security and resilience of the sector in the face of an evolving threat environment.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Grand Total
Vote 1 Operating	1.41	1.35	1.29	1.28	1.28	6.60
Vote 10 Grants and Contributions	0.19	0.55	0.96	0.41	0.31	2.42
Vote 10 Grants and Contributions - Reprofile		(0.19)	0.19			-
Total Vote 10	0.19	0.36	1.14	0.41	0.31	2.42
Grand Total	1.60	1.71	2.43	1.69	1.59	9.02

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922

GeoConnections Program

Funding Profile:

- The government has committed \$4.23 million (M) in ongoing funding (\$3.73M Vote 1 and \$0.5M Vote 10).
- The GeoConnections Program facilitates the integration of extensive sources of geospatial data with world-class governance and engineering expertise via international and domestic networks of communities, standards bodies, science and technology.
- The program leverages networks to integrate standardized data sources as a foundation for complex multi-faceted issues including climate change adaptation, our changing Arctic, Indigenous reconciliation and economic diversification.

KEY MESSAGES

- **The GeoConnections program aims to improve the efficient access, sharing and use of geospatial data, which helps us better understand, for instance, the potential impacts of natural disasters, and how best to address them through climate change adaptation.**
- **It does so by co-funding the development and adoption of innovative geospatial technologies with industry partners.**
- **Canada is recognised by the United Nations Global Geospatial Information for our expertise in helping to develop a common approach for countries to develop national disaster implementation plans based on geospatial data.**

BACKGROUND

The GeoConnections Program keeps Canada at the cutting edge of integration and use of geospatial data on the internet. Geospatial information adds spatial dimension and locational context to digital infrastructure.

GeoConnections funds research and encourages innovation by the private, public and academic sectors in the field of integration of geospatial data. The program annually co-funds innovative projects that favour the adoption and evolution of the Canadian Geospatial Data Infrastructure (CGDI) with the eligible beneficiaries.

The operating activities of the GeoConnections Program (\$3.73M in Vote 1) encompass the human resources components; the activities related to federal, provincial and territorial coordination via the Canadian Council on Geomatics; activities related to the advancement of operational policies and international geospatial standards; and the operationalization of standards to meet Canadian policy requirements.

GeoConnections is active in the following networks:

- Open Geospatial Consortium, as a Strategic Member, to further trade diversification and technical expertise and to maintain Canadian voice on par with the U.S., UK and Europe;
- Canadian Council on Geomatics, sharing governance with provinces, territories, and federal departments to contribute to policy priorities with geomatics; and
- International Hydrographic Organization to build a Marine Spatial Data Infrastructure with Department of Fisheries and Oceans, the National Geospatial-Intelligence Agency (NGA-USA), and Arctic Spatial Data Infrastructure composed of circumpolar mapping and hydrographic agencies.

Examples where GeoConnections provided a net benefit to Canadians include:

- Sharing data among Arctic countries and Indigenous organizations thanks to the Arctic spatial data infrastructure (e.g. maritime boundary limits) and the geospatial activities of Inuvik in the Northwest Territories.
- The Yukon Government provides location-based data, through an online coordinated information network enabling simultaneous consideration of multiple factors and potential resource project impacts, to support decisions on water licensing.
- Golder Associates, a resource extraction consulting company, indicated that its use of geospatial information and technologies enabled it to offer more enhanced services to clients and also to offer services a lot more efficiently than could be done previously.
- In 2013, Alberta was able to prioritize and direct infrastructure rebuilding efforts following the 2013 floods, and this enhanced the deployment of rebuilding efforts by focusing them in areas of greatest need.

Departmental Results Framework (DRF)

GeoConnections falls under Innovative and Sustainable Natural Resources Development Core responsibility in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 & ongoing
Vote 1 Operating	4.16	4.16	3.73	3.73	3.73	3.73
Vote 10 Grants and Contributions	0.5	0.5	0.5	0.5	0.5	0.5
Total	4.66	4.66	4.23	4.23	4.23	4.23

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Frank Des Rosiers, ADM, SPI

Improvements to Buildings and Acquisition of Equipment

Funding Profile:

- \$1.5 million (M) to be transferred from Vote 1 Operating to Vote 5 Capital in 2020-21 for improvements to buildings and acquisition of equipment.
- This funding will enable NRCan to make improvements to buildings and acquire equipment that will support health and safety and delivery of science.

KEY MESSAGES

- **Ensuring that our staff have a safe and healthy work environment and the necessary equipment to conduct their work is key to delivering on the department's mandate.**
- **This \$1.5 million transfer from operating will be added to our existing capital funding and used to make improvements to buildings and to acquire equipment.**
- **For example, some of this funding will be used to replace infrastructure (water main) at our research facilities in the National Capital Region and to replace vehicles used by our scientists to conduct field work. These fleets are located at our various facilities across the country.**

BACKGROUND

In 2020-21, NRCan has the opportunity to make capital purchases beyond what had been planned at the time of Main Estimates. These additional capital purchases will be made using funding that was initially included in Vote 1 Operating. The overall spending authority of the department will not change as a result of this transfer.

This transfer will support all core responsibilities of the department.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021
Vote 1 Operating	(1.50)
Vote 5 Capital	1.50
Grand Total	0.00

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Linda Hurdle, CMSS

North American Platform Program Partnership

Funding Profile:

- \$0.12 million (M) in 2020-21 funding (Vote 1) transferred from Natural Resources Canada to Department of Foreign Affairs, Trade and Development.
- NRCan participates in the advocacy stream of the North American Platform Program partnership to further strengthen a whole-of-government approach for advancing Government of Canada priorities in the U.S. and Mexico.
- This program, through a coordinated and integrated approach contributes to raise awareness among U.S. and Mexico stakeholders, decision-makers, and influencers of Canadian positions and interests in these markets, the opportunities for mutual economic benefits, and the negative impact of barriers.
- 2020-21 funding was reduced from \$0.16M to \$0.12M to reflect changed activities as a result of Covid-19.

KEY MESSAGES

- **Advancing and safeguarding Canadian policy and commercial interests in the United States and Mexico is a key priority for the Government of Canada.**
- **\$120,000 for this fiscal year will be transferred to Global Affairs Canada to fund NRCan's participation in the North American Platform Program to support advocacy initiatives and events in the United States and Mexico.**
- **NRCans' participation in the program will:**
 - **contribute to reinforcing the importance of the North American natural resource relationship with the United States and Mexico;**

- **enhance NRCan’s presence in both markets at a time of uncertainty; and**
- **promote collaboration with Canada’s network of missions in the United States and Mexico.**
- **To date, NRCan’s participation in the program has increased the level of advocacy on several priority files (e.g. critical minerals, energy security and infrastructure, uranium, aluminum) with key United States officials and Congress.**
- **It has also facilitated access to an expanded network of key interlocutors in the United States government, businesses and other organizations.**

BACKGROUND

NRCan joined the North American Partnership Program (NAPP) in 2018. The NAPP partnership is led by Global Affairs Canada and consists of a network of Government of Canada departments and agencies (e.g. AAFC, ECCC, ISED, etc) and an extended network of embassies, consulates and trade offices in the United States and Mexico.

The COVID-19 crisis and persisting travel restrictions have impacted the way Canada’s advocacy objectives are being pursued. Given that many anchor events have been cancelled or postponed, NRCan is continuing to work with Canada’s missions in the United States and Mexico, with federal, provincial and private partners on planning efforts for major events and on innovative advocacy approaches, such as web-based conferences, to continue to get Canada’s messages across the key audiences.

This initiative falls under the “Core Responsibility–Globally Competitive Natural Resource Sectors” in NRCan’s DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-2020	2020-2021	Grand Total
Vote 1 Operating	(0.16)	(0.12)	(0.28)
Total	(0.16)	(0.12)	(0.28)

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimal.

CONTACT: Frank Des Rosiers, SPI

Polar Continental Shelf Program

Funding Profile:

- \$2.36 million (M) in (Vote 1) transferred from the Department of National Defence (DND) to NRCan for the Polar Continental Shelf Program (PCSP) in Resolute, Nunavut.
- This transfer is to fund the incremental operation and maintenance costs of hosting the Canadian Armed Forces Arctic Training Centre at the PCSP facility in Resolute.

KEY MESSAGES

- **The Department of National Defence (DND) is transferring \$2.36 million in 2020-21 to NRCan to fund the incremental operation and maintenance costs of the Polar Continental Shelf Program (PCSP) facility in Resolute, Nunavut.**
- **This supports the activities of the Canadian Armed Forces Arctic Training Centre hosted at the PCSP facility.**
- **This funding covers operating costs at the facility, such as heat and electricity, snow removal, building maintenance, janitorial services, land leases, and facility management.**
- **This 25-year partnership with DND optimizes the use of existing federal infrastructure and extends continued support to the scientific community.**

BACKGROUND

Since 1958, Polar Continental Shelf Program (PCSP) provides safe, efficient and cost-effective logistics in support of science and federal government priorities.

PCSP’s mandate, as defined in the *Resources and Technical Surveys Act* (1994) is to “coordinate logistics support and provide related assistance for the purposes of advancing scientific knowledge of the Arctic region and contribute to the exercise of Canada's sovereignty in that region and its adjacent waters.”

The PCSP has been facilitating field logistics to support Canadian Armed Forces Arctic Training since 2008. In 2010, NRCan and DND signed a 25-year Memorandum of Understanding (MOU) to support the expansion of the existing PCSP facility in Resolute to enable Canadian Armed Forces Arctic Training Centre annual training activities to be hosted at the PCSP facility. In return for access to the expanded PCSP facility and logistical support, DND committed to providing NRCan with 40% of the total annual operating costs of the Resolute facility.

The \$2.36 million represents the 2020-21 transfer to NRCan to cover DND’s share of incremental facility operating and maintenance costs. This funding covers costs such as heat and electricity, snow removal, building maintenance, janitorial services, land lease, and facility management.

The PCSP-DND partnership demonstrates how a whole of government approach can optimize use of existing federal infrastructure and extends support to the scientific community (who benefit from an extended field season and increased capacity at the facility in Resolute). The PCSP is the principal Canadian provider of terrestrial Arctic logistical support to academic and government researchers.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2017-2018	2018-2019	2019-2020	2020-2021
Vote 1 Operating	2.45	2.55	2.69	2.36
Total	2.45	2.55	2.69	2.36

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Jeff Labonté, ADM-LMS

Support Students and Youth Impacted by COVID-19 Pursuant to the *Public Health Events of National Concern Payments Act*

Funding Profile:

- \$17.11 million (M) in 2020-21 funding (\$0.77M Vote 1, \$1.82M Vote 10 and \$14.62 Statutory).
 - \$1.41M in 2020-21 Main Estimates funding (\$0.04M Vote 1 and \$1.37M Vote 10).
 - \$15.7M in 2020-21 Supplementary Estimates B funding (\$0.73M Vote 1, \$0.44M Vote 10, and \$14.52M Statutory contributions).
- To create 500 jobs for youth in the natural resources sector and to ensure continuity of services during COVID-19 and support youth in gaining work experience and contribute to the green recovery of Canada's economy.
- Part of a wider government investment through the Youth Employment and Skills Strategy, led by Employment and Social Development Canada.
- This program delivers on the government's commitment to ensure that natural resource sectors remain a source of good middle class jobs, prosperity and opportunity across the country, including supporting resource communities and workers as they shift into cleaner technologies and help Canada meet its climate action objectives.

KEY MESSAGES

- **Young Canadians play an important role in shaping the future of Canada's green economy.**
- **Through these 2020-21 Estimates, NRCan received a total of \$17.1 million. Of this amount, \$14.5 million to create 500 Green jobs for youth in the natural resource sectors and ensure continuity of services during COVID-19, and support the green recovery of Canada's economy.**

- **The Government of Canada invested \$40 million over the last five years to create over 2,300 jobs for youth in natural resources sectors in all provinces and territories and with 50% employment equity.**
- **In addition, NRCan provides ongoing funding of \$600,000 to deliver 30 internships per year.**
- **The Fall Economic Statement responded to the Speech from the Thrones commitment to "create jobs by significantly scaling up the Youth Employment and Skills Strategy, to provide more paid work experiences next year for young Canadians". As a partner of the Youth Employment and Skills Strategy, NRCan is positioned to receive additional funding in 2021-22.**
- **As part of the modernized strategy, NRCan has adjusted the program to better serve Indigenous and northern youth by removing barriers and adding supports.**
- **NRCan will continue to work with Employment and Social Development Canada and with 10 other departments to deliver the Youth Employment and Skills Strategy.**

BACKGROUND

Creating green jobs in the natural resources sector contributes to the Minister of Natural Resources' mandate to ensure the sector remains a source of jobs, prosperity, and opportunity. It also addresses severe shortages in the sector for skilled workers from science, technology, engineering and mathematics (STEM) fields.

Employment and Social Development Canada (ESDC) collaborates with 10 other departments to deliver the Youth Employment and Skills Strategy (YESS), including: NRCan; Agriculture and Agri-Food Canada; Canada Mortgage and Housing Corporation; Canadian Heritage; Department of Indigenous Services; Environment and Climate Change Canada; Global Affairs Canada; Innovation, Science and Economic Development Canada; National Research Council; and Parks Canada.

NRCan has been delivering as a partner of YESS since 1997. The increased investments received through Budgets 2016, 2017 and 2019 allowed NRCan to significantly increase its impact on youth employment.

- In 2016-17, NRCan's STIP received \$1.2 million to deliver 100 green job internships, in addition to the existing funding of \$0.6 million.

- In Budget 2017, NRCan received \$16.4 million to create 1,200 internships, including 1,100 green jobs, over two years, with 1,188 delivered over the period.
- In 2019-20, STIP received \$8 million in increased funding from ESDC (in addition to \$0.6 million in A-base funding) to deliver 503 internships with a focus on youth furthest from employment (Indigenous youth, youth in the north, and youth from rural and remote communities).
- In April 2020, STIP received \$14.52 million through Statutory appropriation authority under s. 2(1) of the *Public Health Events of National Concern Payment Act* to create 500 green jobs for youth in the natural resource sectors and ensure continuity of services and support the COVID-19 response and recovery of Canada's economy.

Through the Fall Economic Statement and the announced investments in the Youth Employment and Skills Strategy, NRCan is positioned to receive additional funding in 2021-22.

Through incremental funding of \$40 million over the past five years, STIP has created over 2,300 STEM jobs for youth within the natural resources sector. Offering wage subsidies and providing on-the-job-training for youth, is proven to be an effective way to de-risk the on-boarding of new talent and support employers growth and competitiveness, especially small and medium-size enterprises – 49% of STIP employers during 2017-19 delivery.

Through NRCan's engagement with Indigenous youth on barriers to employment and the subsequent steps taken by the program to remove the identified barriers in the 2019-20 program, NRCan has shown leadership and taken concrete steps to respond to and increase participation. By removing post-secondary education requirement, increasing wage subsidy for youth furthest from employment and including training, in 2019-20, based on preliminary results, NRCan has seen a doubling of participation by Indigenous and northern youth, from 5% to 12%. In 2020-21, preliminary data suggest another increase of participation by Indigenous and northern youth from 12% to 20%.

With over 80% of interns typically finding full time employment following their internship, over 50% representation of women, and over 80% of positions considered to be in clean technology, NRCan's STIP has actively contributed to building a diverse and future-ready workforce across Canada and is well positioned to deliver under a modernized YESS.

This program falls under the Globally Competitive Natural Resource Sectors Core Responsibilities in NRCan's DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Ongoing
Vote 1 Operating	0.13	0.52	0.44	0.40	0.04	0.04
Vote 1 Operating - COVID					0.73	-
Vote 1 Total	0.13	0.52	0.44	0.40	0.77	-
Vote 10 Grants and Contributions	1.64	7.56	8.96	8.14	1.37	0.56
Vote 10 Grants and Contributions - COVID					0.44	-
Vote 10 Total	1.64	7.56	8.96	8.14	1.82	-
Statutory - Grants and Contributions					14.52	-
Grand Total*	1.77	8.08	9.40	8.54	17.11	0.60

*Includes an annual ongoing amount of \$0.60 million
 Figures above exclude EBP and PSPC/SSC amounts.
 Rounded to 2 decimals.

CONTACT: Vik Pant, ADM, Office of the Chief Scientist

Renew the Mineral Geoscience Programs

Funding Profile:

- \$14.3 million (M) in renewed funding (\$12.62M Vote 1, \$1.35M Vote 5, \$0.33M Vote 10).
- Part of overall commitment of \$131M from 2020-2021 to 2026-2027 and \$4.93M ongoing, to enable NRCan to advance geoscience research.
- This program delivers on the government's commitment to creating a stronger, more resilient Canada, both paving the way for future job creation and supporting the development of a green economy.

KEY MESSAGES

- **Canada's world-leading minerals and metals industry is primed to supply the crucial elements for the global transition to a clean and digital economy. The Government of Canada is committed to ensuring it remains competitive.**
- **Which is why we are providing \$131 million over seven years, starting in 2020-21, to renew two flagship geoscience programs led by NRCan: the Geo-mapping for Energy and Minerals program (GEM) and the Targeted Geoscience Initiative (TGI).**
- **GEM provides geoscientific knowledge of the immense untapped resources in Canada's north and informs mineral resource opportunities in the context of a changing climate.**
- **TGI provides next-generation geological knowledge and innovative techniques to target deeply buried mineral deposits.**

- **Together, GEM and TGI provide junior exploration companies with valuable knowledge to identify and develop future mines across the country, while supporting deeper Northern, remote, and Indigenous communities and organizations in decision-making on land-use planning.**
- **The programs' economic impact over the past decade has been at least seven times the original federal investment, as noted by Ernst & Young.**
- **Their accomplishments include: the creation of the first digital maps of Canada's north; and the development of next-generation models of ore deposits to guide mineral exploration.**
- **The renewed programs will also include a focus on critical minerals, such as battery metals, that are key to Canada achieving net-zero emissions by 2050.**
- **By providing strong federal public geoscience research, the two programs support the implementation of the Canadian Minerals and Metals Plan and the Canada-US Joint Action Plan on Critical Minerals Collaboration.**
- **Through this initiative, we are helping to maintain Canada's position as a top location for mineral investment, and stimulate the green economy associated with critical minerals.**

BACKGROUND

Through GEM and TGI, in line with its legislated responsibility to provide public geoscience knowledge, NRCan conducts research to better understand the geological context around Canada's mineral deposits. The geoscience knowledge generated through these programs' research not only helps mineral exploration companies plan efficient and effective exploration campaigns, but can also help governments and communities plan land use and the successful development of the infrastructure that enables access to

mineral resources. As a result of these benefits, NRCan mineral geoscience research helps to attract investment in Canadian mineral exploration and development, contributing to a stronger economy.

By providing knowledge necessary for mineral resource development, GEM and TGI support the Minister of Natural Resources' commitment to implement the Canadian Minerals and Metals Plan (CMMP), a policy framework developed in close collaboration with provinces and territories, Indigenous peoples, and industry to seize opportunities in the global minerals sector. NRCan's national-scale geoscience, spanning multiple jurisdictions, is complementary to that conducted by the territories and provinces within their own jurisdictions, as set out in the Intergovernmental Geoscience Accord.

GEM and TGI also support the Canada-US Joint Action Plan on Critical Minerals Collaboration, by helping position Canada as a secure and reliable source of critical minerals which are: (1) essential to the economic and national security of allied nations, (2) vulnerable to global supply chain disruptions, and (3) key to achieving net-zero emissions by 2050.

Targeted Geoscience Initiative

TGI was first launched in 2000 with the goal of stimulating cost-effective private sector exploration for mineral resources. Under this ongoing goal, TGI has continually reoriented its approach to keep pace with scientific advances and the needs of the mineral industry. From an initial focus on characterizing mineral deposits, since 2010 TGI has moved towards understanding the systems leading to deposit formation. By understanding how and where mineral deposits are formed across Canada, TGI develops statistical models to predict mineral potential. TGI will continue to generate geoscience knowledge and innovative techniques to enhance effectiveness of deep exploration for Canada's key economic minerals.

Geo-Mapping for Energy and Minerals

GEM was launched in 2008 to bridge the significant geoscience knowledge gaps in Canada's North, recognizing a lack of knowledge in this area which presented a barrier to mineral exploration and economic development. The first 12 years of GEM brought geological understanding of the north to a minimum foundational level, identifying in broad strokes what mineral deposits are present, and what geological processes occurred in the north over the approximately 4.5 billion years of the Earth's dynamic history to create and distribute these deposits. Despite progress in the last decade, the North remains under-mapped relative to Canada's south. Over its next seven years, GEM will continue to fill this gap, with greater detail around priority areas. This new phase of GEM will also investigate more recent and uniquely Northern processes (such as permafrost thaw), whose interplay with climate change and the Northern environment have additional implications for mineral exploration and development, in particular for the infrastructure that enables these projects.

Program Productivity

Previous program phases have been highly productive. Over the last decade, GEM and TGI have collectively generated more than 3400 public geoscience knowledge publications, which have been downloaded more than 300,000 times by industry, academia, and others. In addition, the programs have generated more than 50 industry collaborations, have initiated more than 450 engagement activities in 65 Northern and Indigenous communities, have provided more than 650 opportunities for earth science students and postdoctoral researchers, and have allocated almost 100 grants for external scientific work aligned with program objectives.

A 2020 study by Ernst and Young underscored the economic impacts of GEM and TGI, finding that in the last decade, both programs have already generated at least \$1.22 B of economic benefits, with private industry investing at least \$7.30 for every federal dollar. This value is expected to increase over time as companies continue to use GEM and TGI research to inform mineral exploration. The Ernst and Young results align with a 1999 study of Canada's public geoscience programs estimating that \$1 of public geoscience investment yielded \$5 of exploration spending, and discovery of about \$125 in resources.

Milestones and Deliverables

Both programs will follow the standard milestones for scientific programs, which is to say that they will include a phase of research planning, followed by active scientific operations, followed by research close-out and planning for the future. One minor difference is that GEM plans to complete its close-out at the end of 2026-2027 to align with the end of the renewal period, whereas TGI aims to wrap up its first round of research in 2024-2025 so as to transition to an ongoing, steady-state program beginning in 2025-2026.

Specific deliverables will vary by research project, but will include items such as production of scientific and technical publications (including reports, maps, datasets, analytical tools/methods, etc.) and development of active scientific collaborations.

Given its Northern focus, GEM will engage Indigenous groups and Northern associations in the co-development of its research priorities. The program will involve Northern and Indigenous communities at all stages of its research activities. In addition, the program will offer capacity-building opportunities for Northerners and Indigenous peoples. GEM will convene an active Advisory Group of Northerners, representing the diversity of the Northern community, to provide key advice on building respectful and sustainable relationships with Indigenous and Northern peoples, communities, and organizations, as well as maximizing the uptake of GEM knowledge by Northerners.

Both the Geo-Mapping for Energy and Minerals (GEM) program and the Targeted Geoscience Initiative (TGI) fall under NRCan's Core Responsibility of *Natural Resource Science and Risk Mitigation*.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Vote 1 Operating	12.62	18.80	19.82	19.57	17.03
Vote 5 Capital	1.35	1.80	1.59	1.52	1.10
Vote 10 Grants and Contributions	0.33	1.25	1.25	1.25	1.25
Grand Total	14.30	21.85	22.66	22.34	19.38

	2025-2026	2026-2027	Grand Total	Ongoing
Vote 1 Operating	14.15	12.85	114.85	3.93
Vote 5 Capital	0.50	0.50	8.35	0.50
Vote 10 Grants and Contributions	1.25	1.25	7.80	0.50
Grand Total	15.90	14.60	131.00	4.93

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Jeff Labonté, ADM, Lands and Minerals Sector

Manitoba Soldier Settlement Board

Funding Profile:

- \$0.62 million (M) in 2020-21 funding (Vote 1).
- This is a re-profile of the remaining funds from 2019-20 into 2020-21 from the initial \$1M that was set aside for legal title review concerning the transfer of Soldier Settlement Board (SSB) mineral rights to Manitoba.
- This funding is part of the overall commitment of up to \$14.5M from 2015-16 to 2020-21 to enable NRCan to compensate Manitoba for accumulated federal royalties from resource development on these lands and to transfer all SSB mineral titles, per a 2016 agreement with the province.

KEY MESSAGES

- **The Government of Canada seeks to re-profile \$620 thousand for the legal title review of Soldier Settlement Board mineral rights.**
- **This supports the agreement reached in 2016 between the governments of Canada and Manitoba to transfer the administration of Soldier Settlement Board mineral rights from Canada to Manitoba.**
- **The agreement included transferring up to \$14.5 million in federal royalties collected from these mineral rights to Manitoba.**
- **Canada will return the balance of funding to Manitoba, less further legal costs, once the legal work is complete.**

BACKGROUND

The Soldier Settlement Board is an initiative through which the Government of Canada purchased land in various provinces to sell to First World War veterans, while reserving the mineral rights beneath the land surface for the federal government. Since that time, the federal government has leased some of these mineral rights for the production of oil and gas, and collected royalties from that production.

In early 2015, NRCan reached an agreement-in-principle with Manitoba to transfer all rights for Soldier Settlement Board titles, a number of other surplus federal mineral titles, and a payment of up to \$14.5 million to the province based on accumulated federal royalties from resource development on these lands.

The agreement is careful to avoid impacts on established or asserted Aboriginal or treaty rights by ensuring that the federal government does not transfer minerals on existing reserves or Surrendered Indian Reserve lands.

As a final step in the full execution of the agreement, NRCan will transfer the remaining balance of funding to Manitoba once the legal review and title transfer are complete.

This initiative falls under the “Globally Competitive Natural Resource Sectors” Core Responsibility in NRCan’s DRF.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2015-2016	2016-2017	2018-2019	2018-2019	2019-2020	2020-2021	Grand Total
Vote 1 Operating	0.02	13.11	0.49	0.13	0.74		14.50
Vote 1 Operating - Reprofile					(0.62)	0.62	0.00
Total Vote 1	0.02	13.11	0.49	0.13	0.12	0.62	14.50
Grand Total	0.02	13.11	0.49	0.13	0.12	0.62	14.50

Figures above exclude EBP and PSPC/SSC amounts.
Rounded to 2 decimals.

CONTACT: Glenn Hargrove, Strategic Petroleum Policy Investment Office

Clean up of Gunnar Mine Uranium Mining Facilities

Funding Profile:

- \$10.13M in 2020-21 funding (\$10.13M Vote 10).
- Part of overall commitment of \$12.30M from 2006-07 to 2022-23 to assist Saskatchewan with the remediation of the Gunnar uranium mine site.
- This project aligns with the government's agenda for Responsible Natural Resource Management.

KEY MESSAGES

- **The Government of Saskatchewan is responsible for the Gunnar Mine remediation project.**
- **In 2006, the Government of Canada committed \$12.3 million over three project phases to assist with environmental assessment and licensing, remediation, and post-closure monitoring of the abandoned site.**
- **There are no commitments for the Government of Canada beyond this amount.**
- **The federal government has contributed \$1.13 million to the first phase of the project.**
- **The funding in these Main Estimates provides \$10.13 million to implement the remediation and monitoring phases.**
- **Of this amount, \$9.73 million has been re-profiled from last year as federal funds cannot be transferred until minor amendments to the Agreement with Saskatchewan are made to reflect the type of licence issued for the project.**

- **Canada provided proposed amendments to the Agreement in September 2017 that would allow the remaining payments to be made; however, Saskatchewan has not responded.**

Responsive on Court Challenge

- **As indicated in the May 31, 2019 Statement of Defence, Canada is in compliance with the 2006 Memorandum of Agreement with Saskatchewan and is fully prepared to meet all requirements under this Agreement.**
- **As the matter is before the courts, it would not be appropriate to comment further.**

BACKGROUND

The former Gunnar uranium mine, located in northern Saskatchewan, produced uranium concentrates from 1955 to 1964 for the United States and the United Kingdom. The mine operated and closed under the provincial mining regulations that were in place at the time, which were minimal compared to today's standards. The site does not pose a significant environmental risk; however, the tailings require covering to reduce radiation exposure.

In 1990, the private owners had their mining and surface leases for the Gunnar mine cancelled by provincial ministry of mines and the property reverted to the province. In 2000, the *Nuclear Safety and Control Act* entered into force, and the Gunnar Mine site became subject to licensing by the Canadian Nuclear Safety Commission (CNSC), which requested that Saskatchewan bring forward a licence application for the site.

In 2005, Saskatchewan proposed a cost-effective remediation plan for the Gunnar site and sought federal funding to assist with the cleanup. Federal funding of up to \$12.3M was approved, and in 2006, Canada and Saskatchewan signed a Memorandum of Agreement (MOA) for the remediation of the Gunnar site. Under the MOA, Canada agreed to provide up to 50% of Saskatchewan's estimated \$24.6M cost of the project over three phases. As the property owner, Saskatchewan has operational and legal responsibility for the project, which is being managed by a provincial Crown corporation, the Saskatchewan Research Council.

In 2007, NRCan made a \$1.13M payment to Saskatchewan for Canada's share of Phase 1 of the Project (environmental assessment and licensing). Additional payments totaling up to \$9.335M will be made for Phase 2, the implementation phase, after the project receives specified regulatory approvals from the CNSC and the Saskatchewan Ministry of the Environment. A further \$1.835M in payments will be made for Phase 3, post-closure monitoring.

In November 2015 and November 2016, the CNSC reviewed the proponent's preliminary remediation plans and authorized remediation work to begin once the detailed plans were developed and approved.

CNSC staff approved the detailed plans to remediate the tailings in July 2017 and approved the detailed plans to remediate other areas of the site, such as the waste rock piles, in June 2020.

Since 2010, Saskatchewan has expanded the scope of the project and it is now twelve years behind schedule and eleven times over budget. In 2015, Saskatchewan had spent \$60M on the project and posted a liability on the provincial public accounts of \$222M for its estimate of the remaining costs. It has expanded the scope of the work further since 2015 and had spent \$160M as of March 31, 2020. As of April 2020, the remaining funds in the liability were \$109M; however, an updated estimate of the final cost of the project has not been provided since 2015.

Saskatchewan has requested additional federal funding for the project on several occasions. NRCan has held the position that no further funding will be made available beyond that provided in the Agreement and that Saskatchewan should pursue more cost-effective remediation options.

In accordance with the Memorandum of Agreement, Phase 2 and Phase 3 payments by Canada will be made available after:

- (1) The CNSC issues a Uranium Mine Decommissioning Licence, allowing remediation activities to begin at the site; and
- (2) The Saskatchewan Ministry of Environment issues an Approval to Decommission permit allowing the Saskatchewan Research Council to begin remediation work at the site.

However, the licencing and permitting process has proceeded differently than intended in the MOA and minor amendments will be required to permit the remaining federal payments to be made. NRCan provided Saskatchewan with options for amending the MOA in September 2017; however, no reply has yet been received.

On November 27, 2018, the Saskatchewan government filed a legal action against the Government of Canada for the additional costs of the Gunnar uranium mine remediation project. Saskatchewan filed an amended Statement of Claim on March 11, 2020. Saskatchewan is asking the court to award it \$78.9M (to cover half of what it has already spent on Gunnar clean-up activities). It also will be asking the court to issue an order that the federal government "contribute equally" to all remaining costs. Canada denies the claims being made by Saskatchewan, and the Department of Justice filed the government's Statement of Defence on May 30, 2019 and an Amended Statement of Defence on August 23, 2020. No trial date has yet been set, however, a court-required mediation session between the parties took place on September 10, 2020, but no resolution was achieved

Departmental Results Framework

This item corresponds to the Innovative and Sustainable Natural Resources Development core responsibility.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2006-07	2007-08 to 2019-20	2020-21	2021-22	2022-23	Total
Vote 10 Grants and Contributions	1.13	0.00	10.13	0.40	0.65	12.30
Total	1.13	0.00	10.13	0.40	0.65	12.30

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACT: Mollie Johnson, Assistant Deputy Minister, LCES, 343-292-8922

Employee Benefit Plans

KEY MESSAGES

- **This statutory item of \$60.87 million in 2020-21 includes costs for the employer's share of contributions and payments to the Public Service Superannuation Plan, the Canada and the Quebec Pension Plans, Death Benefits, and the Employment Insurance accounts.**
- **The budget for Employee Benefit Plans is calculated as a percentage of the personnel budget. This percentage applies government-wide and fluctuates from year-to-year.**

BACKGROUND

Employee Benefit Plans (EBP) budget is a statutory authority. Statutory authorities flow from prior acts of Parliament. These authorities do not require additional approvals and are presented to Parliament in the Main and Supplementary Estimates for information purposes.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-20 ¹	2020-21 ²	2021-22 ³	2022-23 ³
Statutory - EBP (Main Estimates)		57.11		
Statutory - EBP (Supps A)		2.70		
Statutory - EBP (Supps B)		1.05		
Total	60.62	60.87	56.62	55.99

¹ Total authorities as per the Public Accounts of Canada for 2019-20.

² Estimates to date for 2020-21.

³ Amounts included as part of Planned Authorities for the fiscal years in the 2020-21 Departmental Plan.

CONTACT: Linda Hurdle, ADM, Corporate Management and Services Sector

Statutory Atlantic Offshore Program

Funding Profile:

- \$305M forecast for fiscal year 2020-21 for the Statutory Atlantic Offshore Program which consists of:
 - \$289.76M (\$84.41M decrease) in payments to the Newfoundland Offshore Petroleum Resource Revenue Fund;
 - \$11.19M (\$1.71M increase) in contributions to the Canada-Newfoundland and Labrador Offshore Petroleum Board Budget;
 - \$4.31M (no change) in contributions to the Canada-Nova Scotia Offshore Petroleum Board Budget;
 - \$0M (no change) in payments to the Nova Scotia Offshore Revenue Account; and
 - \$0M (no change) in payments of the Crown Share Adjustment for Nova Scotia Offshore Petroleum Resources.
- Parliamentarians do not vote on these statutory funding items.

KEY MESSAGES

- **Under the *Atlantic Accord Acts*, NRCan collects royalties from offshore petroleum activities and then acts as a flow-through by transferring those exact amounts to the provinces of Newfoundland and Labrador and Nova Scotia.**
- **Royalties vary from year to year – mainly due to changes in production levels, oil and gas prices, and operator costs.**
- **As the amounts collected are the same as the amounts transferred, there is no material impact on the federal government's budget.**
- **In 2020-21, royalties collected and transferred to Newfoundland and Labrador and Nova Scotia are forecast to decrease by \$84.4 million.**

- **This forecast was prepared in 2019 and was based on an anticipated decrease in oil and gas production in the Canada-Newfoundland and Labrador offshore.**
- **Based on what we know today, actual transfers to the provinces are expected to be even lower given the impacts of low oil prices and the global pandemic.**
- **Consistent with last year, no royalty or Crown Share transfers to the province of Nova Scotia are expected. This is because production has ended at the only two gas projects, Sable and Deep Panuke, which are being decommissioned.**
- **NRCan also funds 50 percent of the operating budgets for the two Offshore Petroleum Boards.**
- **These funds are drawn from NRCan's statutory account and are not dependent on an annual vote in Parliament. The funding is cost recovered up to 100 percent from industry and returned to Canada.**

BACKGROUND

The Minister of NRCan is responsible under the Accord Acts to make payments to the provinces of NL and NS that are equivalent to the revenue amounts (e.g. royalties) received by Canada in relation to offshore oil and gas activities. Under the Accord Acts, the Government of Canada (NRCan) collects these royalty payments from industry on a monthly basis, and transfers the same amount directly to the provinces. In essence, NRCan acts only as a flow through and any actual royalties received and transferred to the provinces are revenue-neutral and have no material financial impact on NRCan or the Government of Canada. Under the Accord Acts, the Minister of NRCan is also responsible for funding 50% of the offshore petroleum boards' budgets. Finally, pursuant to the Crown Share Adjustment Payments Regulations, the Minister of NRCan is responsible for making Crown Share Adjustment payments to the province of Nova Scotia.

The Statutory Atlantic Offshore Program under the Atlantic Accord Acts is comprised of five components: 1) the Newfoundland Offshore Petroleum Resource Revenue Fund; 2) the Nova Scotia Offshore Petroleum Resource Revenue Account; 3) the Canada-Newfoundland Offshore Petroleum Board budget; 4) the Canada-Nova Scotia Offshore Petroleum Board budget; and 5) the Crown Share Adjustment Payments.

Offshore Revenue Funds

Amounts equal to the offshore revenues collected by the Receiver General for Canada are credited to the Newfoundland Offshore Petroleum Resource Revenue Fund and the Nova Scotia Offshore Petroleum Resource Revenue Account. The amounts credited to these two revenue funds are then paid to the provinces of Newfoundland and Labrador (NL) and Nova Scotia (NS).

Natural Resources Canada (NRCan) forecasts royalty revenues for offshore petroleum projects located in the Canada-NL and Canada-NS offshore areas. For the Main Estimates process, these forecasts are prepared in August of the previous year.

Royalty revenues in Main Estimates for 2020-21 are forecast to decrease in the Canada-NL offshore due to expected decrease in production, mostly attributable to a planned six-month maintenance shutdown at the Terra Nova project between April and September 2020, as well as a projected increase in capital expenditures for offshore producing projects such as Terra Nova and White Rose. However, when considering the unforeseen impacts of low oil prices and the global pandemic, including the Terra Nova project being offline since late 2019, actual transfers for 2020-21 are likely to be lower than originally forecast in Main Estimates.

Consistent with 2019-20, we are forecasting no royalty revenue transfers to the province of Nova Scotia due to the end of production at the Deep Panuke and Sable Offshore Energy projects. Should any future transfers occur, they would be associated with royalty re-assessments/audits.

Crown Share Adjustment Payments

The Minister of Natural Resources makes the Crown Share Adjustment Payments (CSAP) to the province of NS from the Consolidated Revenue Fund under sections 246 to 249 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*.

In the 1980's, the Government of Canada obtained the right to acquire an interest in offshore projects under the National Energy Program (NEP) and NS negotiated the right to acquire a portion of this federal interest. When the NEP was discontinued, CSAP was captured under the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and provided NS with the equivalent benefit to what it would have received had the federal government obtained an interest in an offshore project and had NS been able to exercise its crown share right.

In 2012, the Crown Share Adjustment Payments Regulations (the Regulations) were promulgated to enable the Minister of Natural Resources to make Crown Share Adjustment Payments to NS from the Consolidated Revenue Fund.

The Regulations contain a detailed calculation methodology that NRCan applies to determine the statutory payments. Crown Share Adjustment Payments are a function of actual revenues earned and costs incurred arising from qualifying oil and gas production in the Canada-NS offshore area.

The Sable Offshore Energy Project and the Deep Panuke Project both qualified for Crown Share Adjustment Payments. We are not forecasting any Crown Share Adjustment Payments to the province of NS in 2020-21, due to the end of natural gas production at both projects. Should any future Crown Share Adjustment Payments arise, it would only be a result of future audits of royalties paid in previous years.

The Offshore Petroleum Boards

The Canada-NL Offshore Petroleum Board (C-NLOPB) was created in 1986 and the Canada-NS Offshore Petroleum Board (CNSOPB) was created in 1990 through the Atlantic Accord Acts for the purposes of regulating the oil and gas industry in the Canada-NL and Canada-NS offshore areas.

The role of the offshore petroleum boards is to regulate exploration for, and development of, hydrocarbon resources, in a manner that conforms to the statutory provisions for worker safety, environmental protection, and the effective management of land tenure. Pursuant to the *Atlantic Accord Acts*, the Government of Canada and the provincial government each fund 50% of the offshore petroleum boards' budgets. Canada's funds are drawn from NRCan's statutory account and are not dependent on an annual vote in Parliament. The offshore petroleum boards recover up to 100% of costs from industry, which are remitted in equal portions to governments throughout the year.

The C-NLOPB's budget forecast for 2020-21 is for \$22,375,000 (50% of which will be funded by the Government of Canada) and the CNSOPB's budget forecast for 2020-21 is for \$8,610,000 (50% of which will be funded by the Government of Canada). The Government of Canada approves the federal portion of the budget once the offshore boards submit their annual budget requests and after the provincial portion has been approved.

The actual 2020-21 budget request received from the C-NLOPB in February 2020 is consistent with what was forecast in the 2020-21 Main Estimates, and the actual 2020-21 budget request received from the CNSOPB is 8.6% lower than what is forecast in the 2020-21 Main Estimates. As the offshore board budgets are expected to be fully cost recovered from industry in 2020-21, any changes over the original forecast amount would have no impact on governments.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-20	2020-21	2021-22	2022-23
Payments to the Newfoundland Offshore Petroleum Resource Revenue Fund	374.17	289.76	445.17	781.16
Payments to the Canada-Newfoundland and Labrador Offshore Petroleum Board	9.48	11.19	11.19	11.19
Payments to the Canada-Nova Scotia Offshore Petroleum Board	4.31	4.31	4.31	4.31
Total Statutory Offshore	387.95	305.25	460.66	796.65

* Rounded to 2 decimals.

CONTACT: Glenn Hargrove, ADM, Strategic Petroleum Policy and Investment Office

Minister's Car and Salary

KEY MESSAGES

- **As per the *Salaries Act* and the *Parliament of Canada Act*, Cabinet Ministers are entitled to an annual salary and motor vehicle allowance, which covers the cost of conducting government business.**
 - **The allowance has been increased by \$1,600 from \$87,700 in 2019-20 to \$89,300 in 2020-21 based on annual adjustments to the Minister's salary.**
-

BACKGROUND

The salary and car allowance is a statutory authority. Statutory authorities flow from prior acts of Parliament and do not require additional approvals. They are presented to Parliament in the Main Estimates for information purposes.

The budgets for ministers' offices are funded from existing departmental reference levels. The budgets for Ministers' offices are intended to cover the costs of conducting portfolio and other official government business. These budgets are in addition to and separate from entitlements that a Minister has as a Member of Parliament.

The salary of each Cabinet Minister, as well as of both Government House Leaders, is provided for in section 4 of the *Salaries Act* and the Minister's motor vehicle allowance is provided for in paragraph 63(2) of the *Parliament of Canada Act*.

The Minister's salary is adjusted annually by an index published by the Department of Employment and Social Development to reflect the Minister's salary increase. The Minister's motor vehicle allowance is a set amount provided for in the *Parliament of Canada Act* and is set at \$2,000. The motor vehicle allowance is inclusive of the Minister's salary.

FINANCIAL PROFILE

Current Funding Profile (in dollars)

	2019-20¹	2020-21²	2021-22³	2022-23³
Statutory	87,700	89,300	89,300	89,300
Total	87,700	89,300	89,300	89,300

¹Total authorities available as per the Public Accounts of Canada 2019-20.

² Supplementary Estimates B authorities for 2020-21.

³ Amounts included as part of the Annual Reference Level Update 2021-22.

CONTACTS

- 1) Linda Hurdle, ADM, Corporate Management and Services Sector
- 2) Grace Chennette, Director General, Finance and Procurement Branch

Atomic Energy of Canada Limited

Funding Profile:

- Proposed funding for Atomic Energy of Canada Limited (AECL) in 2020-21 is \$1.25B (compared to \$1.2B in 2019-20). The funding increase is due to an anticipated increase in decommissioning and waste management activities for 2020-21.
- AECL will receive \$230,678 in transfers in Supplementary Estimates B (2020-21) from the Department of National Defence to support the Canadian Safety and Security Program (CSSP). Defence Research and Development Canada's CSSP aims to strengthen Canada's ability to anticipate, prevent/mitigate, prepare for, respond to, and recover from acts of terrorism, crime, natural disasters, and serious accidents through the convergence of Science and Technology (S&T) with policy, operations, and intelligence.
- All of this funding will help AECL deliver on its mandate: enabling nuclear science and technology (S&T) for the benefit of Canadians, and addressing Canada's radioactive waste management and decommissioning responsibilities.
- This also includes funding the federal government has committed to renew and revitalize the Chalk River Labs.

KEY MESSAGES

- **Canada's nuclear industry is a driver of innovation and an important part of our non-emitting energy mix, displacing over 50 million tonnes of carbon emissions across Canada every year.**
- **Atomic Energy of Canada Limited is seeking \$1.25 billion to deliver on its mandate.**
- **Proposed funding in 2020-21 is just over \$56 million more than in 2019-20, reflecting a higher level of activity and spending in decommissioning and waste management.**

- **Overall, funding in 2020-21 will enable AECL to manage Canada's radioactive waste and decommissioning liabilities, and operate the nuclear labs under a Government-owned, Contractor-operated model, including the revitalization of the Chalk River Laboratories.**
- **Granting funding from the Canadian Safety and Security Program to AECL will create collaborative opportunities for S&T experts to work with partners from different public safety and security domains to support the development of knowledge, tools, processes and strategies that are essential for safeguarding Canada, its people, institutions, and infrastructure.**

If pressed on GoCo

- **Under the Government-owned, Contractor-operated model (GoCo), AECL is responsible for monitoring the progress of the contractor.**
- **Regarding the extension of the contract with Canadian Nuclear Energy Alliance, AECL will make its decision based on a review of Canadian Nuclear Laboratories' performance under the oversight of Canadian Nuclear Energy Alliance.**

BACKGROUND

Atomic Energy of Canada Limited (AECL)'s nuclear sites have been managed and operated under a Government-owned, Contractor-operated (GoCo) model since mid-September 2015. AECL receives all funding necessary to deliver on its mandate through the Main Estimates.

AECL works closely with Canadian Nuclear Laboratories (CNL), which operates and manages AECL's sites on its behalf, to leverage these investments and bring value for money to Canadian taxpayers. Canadian Nuclear Laboratories provides necessary science and technology work in support of the needs and priorities of 13 departments and agencies; undertakes environmental remediation to clean up legacy waste, and provides services to commercial customers, at commercial rates.

Under the GoCo Contract, CNL is owned by a private-sector consortium, the Canadian National Energy Alliance (CNEA), which includes SNC-Lavalin, Jacobs and Fluor.

Funding in 2020-21 (\$1.25B) is \$56.65M more than in 2019-20 (\$1.2B), reflecting a higher level of activity and spending in decommissioning and waste management.

Funding for AECL for 2020-21 can be broken down as follows:

AECL Main Estimates, 2020-21

Decommissioning and Waste Management – \$837.0M

The objective is to address environmental responsibilities and liabilities safely and responsibly. These liabilities have been created as a result of decades of nuclear S&T activities at AECL sites. This includes infrastructure decontamination and decommissioning, and the remediation of contaminated sites and radioactive waste management at AECL sites and other sites for which the Government of Canada has accepted responsibility. Responsible decommissioning and radioactive waste management is necessary to clean up AECL's sites and make way for new infrastructure that will support the ongoing nuclear S&T mission at the Chalk River Laboratories.

Nuclear Laboratories - \$416.94M

The Chalk River Laboratories are Canada's largest S&T complex. They are host to more than 2,800 employees, including a large number of engineers, scientists and technical staff. The work undertaken at the laboratories supports Canada's federal roles, responsibilities and priorities in the areas of health, energy, the environment, safety and security. The laboratories also provide services to third parties on a commercial basis. The Chalk River site is currently undergoing an important renewal and modernization that will transform the site into a modern, world-class nuclear S&T campus, thanks to the federal government's investment of \$1.2B over ten years, beginning in 2015-16.

AECL Supplementary Estimates B, 2020-21

The additional \$230,678 funding will help AECL deliver on its mandate by sharing its nuclear S&T expertise with Defence Research and Development Canada, for the benefit of all Canadians.

Government-owned, Contractor-operated model

In 2015, AECL and CNEA signed a contract, establishing the GoCo model between AECL and CNEA. AECL's mandate is delivered by CNL. AECL determines the priorities with CNL deciding how to implement them. AECL remains the owner of all assets and liabilities of CNL.

The initial term of the GoCo contract was six years with an option allowing AECL to extend the term of the Contract for one successive period of up to four years. The initial six-year term will end in September 2021.

There are several groups who oppose the GoCo model. Critics are concerned the model allows the government to transfer responsibility for nuclear waste to the private sector/third parties. [Redacted] The GoCo put CNL employees into the private sector and in September 2018, after a three-year transition period, their participation in the public service pension plan ended.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-20	2020-21 (Mains & Supps B)	2021-22	2022-23
Vote 1 Operating and capital expenditures	1,197.28	1,253.94	1,238.90	901.27
Vote 1b Program expenditures - Supps B		0.23		
Total	1,197.28	1,254.17	1,238.90	901.27

Figures above exclude EBP and PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS

- 1) Tanya Gauvin, Corporate Controller (AECL)
- 2) Jeannine Ritchot, ADM CPS (NRCan)

Atomic Energy of Canada Limited

Raison d'être

The mandate of Atomic Energy Canada Limited (AECL) is to enable nuclear science and technology and manage the Government of Canada's radioactive waste and decommissioning responsibilities.

The Minister of Natural Resources is responsible for this organization.

Additional information can be found in the Organization's Corporate Plan Summary.

Organizational Estimates

	2018–19	2019–20		2020–21
	Expenditures	Main Estimates	Estimates To Date	Main Estimates
		(dollars)		
Budgetary Voted				
1 Payments to the corporation for operating and capital expenditures	826,233,292	1,197,282,026	1,197,832,026	1,253,935,845
Total Voted	826,233,292	1,197,282,026	1,197,832,026	1,253,935,845
Total Statutory	3,000,000	.....	.....	.....
Total Budgetary	829,233,292	1,197,282,026	1,197,832,026	1,253,935,845

2020–21 Main Estimates by Purpose

Budgetary	Operating	Capital	Transfer Payments	Revenues and other reductions	Total
			(dollars)		
Nuclear decommissioning and radioactive waste management	837,000,000	.....	.....	.....	837,000,000
Nuclear laboratories	231,935,845	185,000,000	.....	.....	416,935,845
Total	1,068,935,845	185,000,000	.....	.....	1,253,935,845

Atomic Energy of Canada Limited

Organization Summary

	Authorities To Date	These Supplementary Estimates		Proposed Authorities To Date
		Transfers	Adjustments	
		(dollars)		
Budgetary Voted				
1b Payments to the corporation for operating and capital expenditures	1,253,935,845	230,678	. . . . .	1,254,166,523
Total Budgetary Expenditures	1,253,935,845	230,678	. . . . .	1,254,166,523

Note: Additional details by organization are available on the Treasury Board Secretariat website – <http://www.canada.ca/en/treasury-board-secretariat.html>.

Explanation of Requirements (dollars)

Budgetary

Transfers

Transfers from Other Organizations

From the Department of National Defence to various organizations to support the Canadian Safety and Security Program	Vote 1b	230,678
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Total Transfers	230,678
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Total Budgetary	230,678
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SUPPLEMENTARY ESTIMATES (B), 2020–21

Expenditures by Program or Purpose

Budgetary	Estimates to Date	These Supplementary Estimates				Total	Revised Estimates
		Operating	Capital	Transfer Payments	Revenues and other reductions		
				(dollars)			
Atomic Energy of Canada Limited							
Nuclear laboratories	416,935,845	.....	230,678	.....	.....	230,678	417,166,523
Programs not included in these Estimates	837,000,000	.....	.....	.....	.....	.....	837,000,000
Total	1,253,935,845	.....	230,678	.....	.....	230,678	1,254,166,523
Total Budgetary	1,253,935,845	.....	230,678	.....	.....	230,678	1,254,166,523

SUPPLEMENTARY ESTIMATES (B), 2020–21

Budgetary Expenditures by Standard Object

This table shows the forecast of total expenditures by Standard Object, which includes the types of goods or services to be acquired, or the transfer payments to be made and the funds to be credited to the vote.

Definitions of standard objects available at: <http://www.tpsgc-pwgsc.gc.ca/recgen/pceaf-gwcoa/2021/7-eng.html>

Budgetary Expenditures by Standard Object

	Personnel	Transportation and communications	Information	Professional and special services	Rentals	Purchased repair and maintenance	Utilities, materials and supplies	Acquisition of land, buildings and works	Acquisition of machinery and equipment	Transfer payments	Public debt charges	Other subsidies and payments	Less: Revenues and other reductions	Total
	1	2	3	4	5	6	7	8	9	10	11	12		
Atomic Energy of Canada Limited	230,678	.....	230,678
Total	230,678	.....	230,678

Canadian Nuclear Safety Commission

Funding Profile:

- The government is seeking a total of \$143.8M for the Canadian Nuclear Safety Commission (CNSC) in the 2020-21 Main Estimates, a decrease of \$0.8M from the 2019-20 Main Estimates.
- The net decrease is due to an increase of \$1.4M in voted authorities, offset by a decrease of \$2.2M in statutory authorities.
- CNSC will receive \$360,736 in transfers in Supplementary Estimates B (2020-21) from the Department of National Defence to support the Canadian Safety and Security Program (CSSP). Defence Research and Development Canada's CSSP aims to strengthen Canada's ability to anticipate, prevent/mitigate, prepare for, respond to, and recover from acts of terrorism, crime, natural disasters, and serious accidents through the convergence of Science and Technology (S&T) with policy, operations, and intelligence.
- The CNSC receives approximately 70% of its funding from regulatory fees charged in accordance with the CNSC's *Cost Recovery Fees Regulations*.

KEY MESSAGES

- **Canada's nuclear industry is a driver of innovation and an important part of our non-emitting energy mix, displacing over 50 million tonnes of carbon emissions across Canada every year.**
- **Through the Canadian Nuclear Safety Commission's regulatory oversight, the Canadian nuclear industry continues to operate safely.**
- **Highlights of CNSC's key activities planned for 2020-21 include:**
 - **Ensuring the safe use of nuclear energy and materials in Canada;**

- **Leading the environmental assessment for the first licence application to prepare a site for a small modular reactor in Canada at the Chalk River Laboratories in Ontario;**
- **Providing regulatory oversight of the refurbishment of the Darlington and Bruce nuclear generating stations; and**
- **Continuing to develop a strategy to incorporate reconciliation with Canada's Indigenous peoples into CNSC's activities.**
- **Funding from the Canadian Safety and Security Program to CNSC will create collaborative opportunities for S&T experts to work with partners from different public safety and security domains to support the development of knowledge, tools, processes and strategies that are essential for safeguarding Canada, its people, institutions, and infrastructure.**

BACKGROUND

The CNSC spends the majority of its funding on its one core responsibility – nuclear regulation. Approximately 30% of the CNSC's budget is used to fund activities that are not subject to cost recovery.

CNSC Main Estimates 2020-21

The CNSC's 2020-21 Main Estimates of \$143.8M will support programs within its defined set of core responsibilities as follows:

Nuclear Regulation (\$99.3M): The CNSC regulates the use of nuclear energy and materials to protect health, safety, security and the environment; implements Canada's international commitments on the peaceful use of nuclear energy; and disseminates objective scientific and regulatory information to members of the public. The CNSC maintains a regulatory framework and conducts licensing (including environmental assessments), compliance verification, and enforcement. The CNSC is committed to building and maintaining the confidence of the public and Indigenous peoples through transparent, open, and inclusive regulatory processes.

Internal Services: (\$44.6M): Services in support of programs and/or that are required to meet the CNSC's corporate obligations.

Variation

The 2020-21 Main Estimates for the CNSC are \$143.8M. This represents a decrease of \$0.8M (0.6%) when compared to 2019-20 Main Estimates.

The net decrease is primarily attributable to:

- An increase of \$1.4M in voted authorities, largely as a result of funding received for the employer / employee collective agreement; and
- A decrease of \$2.2M in statutory authorities to reflect a reduction in planned spending on special projects.

CNSC Supplementary Estimates B, 2020-21

Additional funding of \$360,736 to the CNSC will allow the organization to share nuclear S&T expertise in supporting the development of knowledge, tools, processes and strategies that are essential for safeguarding Canada, its people, institutions, and infrastructure.

FINANCIAL PROFILE

Current Funding Profile (\$M)*

	2019-20	2020-21 (Mains & Supps B)	2021-22	2022-23	2023-24
Voted	39.14	40.52	40.91	40.91	40.91
Statutory	105.51	103.31	105.02	106.99	108.98
Vote 1b Program expenditures – Supps B		0.36			
Total	144.65	144.19	145.93	147.90	149.90

* Rounded to two decimals.

CONTACTS

- 1) Stéphane Cyr, CFO, CNSC, (613) 995-0104 or
- 2) Benoit St-Jean, DCFO, CNSC, (613) 995-2873
- 3) Jeannine Ritchot, ADM CPS (NRCan), (343) 292-6110

Canadian Nuclear Safety Commission

Raison d'être

The Minister of Natural Resources is responsible for this organization.

In 1946, Parliament passed the *Atomic Energy Control Act* and established the Atomic Energy Control Board, providing it with the power to regulate all nuclear activities related to the development and use of atomic energy in Canada.

More than half a century later, in May 2000, the *Nuclear Safety and Control Act* came into effect and established the Canadian Nuclear Safety Commission (CNSC) as the successor to the Atomic Energy Control Board, with responsibilities and authorities to regulate an industry that spans all segments of the nuclear fuel cycle and a wide range of industrial, medical and academic uses of nuclear substances.

Additional information can be found in the CNSC's Departmental Plan.

Organizational Estimates

	2018–19 Expenditures	2019–20		2020–21 Main Estimates
		Main Estimates	Estimates To Date	
		(dollars)		
Budgetary				
Voted				
1 Program expenditures	41,367,246	39,136,248	39,136,248	40,522,928
Total Voted	41,367,246	39,136,248	39,136,248	40,522,928
Total Statutory	107,555,860	105,508,926	105,508,926	103,312,045
Total Budgetary	148,923,106	144,645,174	144,645,174	143,834,973

2020–21 Main Estimates by Purpose

Budgetary	Operating	Capital	Transfer Payments	Revenues and other reductions	Total
			(dollars)		
Nuclear Regulation	97,486,451	.....	1,770,000	.....	99,256,451
Internal Services	44,578,522	.....	.....	.....	44,578,522
Total	142,064,973	.....	1,770,000	.....	143,834,973

Listing of the 2020–21 Transfer Payments

	2018–19 Expenditures	2019–20 Main Estimates	2020–21 Main Estimates
	(dollars)		
Grants			
Grants to enable the research, development and management of activities that contribute to the objectives of the Research and Support Program	74,600	75,000	75,000
Contributions			
Participant Funding Program	853,035	925,000	925,000
Contributions to enable the research, development and management of activities that contribute to the objectives of the Research and Support Program, and the Canadian Safeguards Support Program	1,670,998	770,000	770,000

Canadian Nuclear Safety Commission

Organization Summary

	Authorities To Date	These Supplementary Estimates		Proposed Authorities To Date
		Transfers	Adjustments	
		(dollars)		
Budgetary Voted				
1b Program expenditures	42,007,186	360,736	.....	42,367,922
Total Voted	42,007,186	360,736	.....	42,367,922
Total Statutory	103,312,045	.....	.....	103,312,045
Total Budgetary Expenditures	145,319,231	360,736	.....	145,679,967

Note: Additional details by organization are available on the Treasury Board Secretariat website – <http://www.canada.ca/en/treasury-board-secretariat.html>.

Explanation of Requirements (dollars)

Budgetary

Transfers

Transfers from Other Organizations

From the Department of National Defence to various organizations to support the Canadian Safety and Security Program	Vote 1b	355,000
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From the Department of Foreign Affairs, Trade and Development to various organizations to adjust funding previously provided for departmental staff located at missions abroad	Vote 1b	5,736
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Total Transfers	360,736
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Total Budgetary	360,736
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SUPPLEMENTARY ESTIMATES (B), 2020–21

Expenditures by Program or Purpose

Budgetary	Estimates to Date	These Supplementary Estimates				Total	Revised Estimates
		Operating	Capital	Transfer Payments	Revenues and other reductions		
				(dollars)			
Canadian Nuclear Safety Commission							
Nuclear Regulation	99,256,451	360,736	.....	.....	.....	360,736	99,617,187
Programs not included in these Estimates	44,578,522	.....	.....	.....	.....	.....	44,578,522
Total	143,834,973	360,736	.....	.....	.....	360,736	144,195,709
Total Budgetary	143,834,973	360,736	.....	.....	.....	360,736	144,195,709

SUPPLEMENTARY ESTIMATES (B), 2020–21

Budgetary Expenditures by Standard Object

This table shows the forecast of total expenditures by Standard Object, which includes the types of goods or services to be acquired, or the transfer payments to be made and the funds to be credited to the vote.

Definitions of standard objects available at: <http://www.tpsgc-pwgsc.gc.ca/recgen/pceaf-gwcoa/2021/7-eng.html>

Budgetary Expenditures by Standard Object

	Personnel	Transportation and communications	Information	Professional and special services	Rentals	Purchased repair and maintenance	Utilities, materials and supplies	Acquisition of land, buildings and works	Acquisition of machinery and equipment	Transfer payments	Public debt charges	Other subsidies and payments	Less: Revenues and other reductions	Total
	1	2	3	4	5	6	7	8	9	10	11	12		
Canadian Nuclear Safety Commission	5,736	.....	.....	.....	.....	355,000	.....	.....	.....	.....	360,736
Total	5,736	.....	.....	.....	.....	355,000	.....	.....	.....	.....	360,736

Canadian Energy Regulator

Funding Profile:

- Estimated funding for the CER in 2020-2021 is \$79.6M in Main Estimates, compared to \$95.4M for 2019-2020.
- The \$15.8M decrease is primarily due to the fact that temporary funding provided to the former National Energy Board between 2015 and 2019 will sunset as of April 1, 2020.
- The government is seeking \$25.07M in funding in Supplementary Estimates B (2020-21) to stabilize the organization's operations and improve its ability to make data available to Canadians. Previously, this funding was provided on a temporary basis and this adjustment will make it permanent.
- Estimated overall funding for the CER in 2020-2021 is now \$104.6M, compared with \$79.6M identified in Main Estimates, and \$95.4M for 2019-2020.
- This funding supports the government's agenda for protecting the environment while growing the economy.

KEY MESSAGES

- **The Government of Canada is committed to protecting the environment while growing the economy.**
- **The government is proposing \$79.6 million in new and ongoing funding through the Main Estimates 2020-21 to enable the Canada Energy Regulator to support energy adjudication, safety and environmental oversight, energy information, engagement, and internal services.**
- **This \$15.8 million decrease from 2019-20 funding levels is primarily due to the expiry of some temporary funding for the CER as of April 1, 2020.**

- **As such, the government is seeking an additional \$25.07 million in funding through the Supplementary Estimates B for 2020-21 to support the effective implementation of the *Canadian Energy Regulator Act*, ensuring the regulator has the resources it needs to meet its new mandate.**
- **Funds will be used to continue programs that are a core part of the CER's mandate, including providing effective safety oversight, environmental protection, public awareness, and engagement with Indigenous peoples and other stakeholders.**
- **Previously, this funding had been provided on a temporary basis under the former National Energy Board.**
- **Approximately 99 percent of the CER's costs for the 2020-21 fiscal year will be recovered from the CER's regulated industry and has no impact on the fiscal framework.**
- **Funding for the CER contributes to the protection of Canadians, the environment, and energy infrastructure, while valuing the rights and interests of those affected by the regulator's decisions and recommendations.**

BACKGROUND

The Canada Energy Regulator is an independent federal regulator of several parts of Canada's energy industry. It regulates pipelines, energy development, and trade on behalf of Canadians in a way that protects the public and the environment while supporting efficient markets.

Main Estimates, 2020-21

The CER's 2020-21 estimated expenditures of \$79.6M in Main Estimates will support programs within its defined set of core responsibilities as follows:

Energy Adjudication (\$19.87M): CER decisions or recommendations to the Governor in Council on applications, which include impact assessments using processes that are fair, transparent, timely and accessible. These applications pertain to pipelines and related facilities, international power lines, tolls and tariffs, compensation disputes resolutions, energy exports and imports, and oil and gas exploration and drilling in certain northern and offshore areas of Canada.

Safety and Environment Oversight (\$17.88M): Setting and enforcing regulatory expectations for regulated companies over the full lifecycle – construction, operation and abandonment – of energy-related activities. These activities pertain to pipelines and related facilities, international power lines, offshore renewable energy, tolls and tariffs, energy exports and imports, and oil and gas exploration and drilling in certain northern and offshore areas of Canada.

Energy Information (\$4.46M): Collection, monitoring, analyzing and publishing information on energy markets and supply, sources of energy, and the safety and security of pipelines and international power lines.

Engagement (\$7.90M): Engaging nationally and regionally with Indigenous peoples and stakeholders through open dialogue, asking questions, sharing perspectives and collaboration. These activities pertain to all decisions and actions related to the CER's mandate, beyond engagement on specific projects.

Internal Services: (\$29.45M): Activities and resources of the distinct services that support the organization's overall program delivery.

Variation

Estimated funding for the CER in 2020-2021 is \$79.6M compared to \$95.4M for 2019-2020. This excludes any additional funding that would be associated with Budget 2020.

The \$15.8M decrease in funding is primarily due to the fact that temporary funding provided to the former National Energy Board between 2015 and 2019 is set to expire as of April 1, 2020.

Supplementary Estimates B, 2020-21

The CER's estimated expenditures of \$25.07M in Supplementary Estimates B for 2020-21 will aid in the efficient and effective implementation of the *Canadian Energy Regulator Act*; support Indigenous reconciliation and improve relationships with Indigenous peoples; make government data available digitally; and improve access to information to enhance the openness and transparency of government.

Approximately 99% of the CER expenditures are cost-recovered from industry.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-20 (NEB)	2020-21 (CER) (Mains & Supps B)	2021-22	2022-23
Vote 1 Program expenditures	86.21	71.33	71.72	67.65
Vote 1b Program expenditures – Supps B		21.26		
Statutory	9.15	8.22	8.32	7.76
Statutory – Supps B		3.81		
Total	95.35	104.62	80.04	75.41

Figures above exclude PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS:

- 1) Mark Power, Chief Financial Officer, CER (403) 299-3666
- 2) Sandy Leveque, Deputy CFO, CER (403) 389-7184
- 3) Jeannine Ritchot, ADM CPS (NRCan), (343) 292-6110

Canadian Energy Regulator

Raison d'être

The Canadian Energy Regulator is an independent federal regulator of several parts of Canada's energy industry. It regulates pipelines, energy development and trade on behalf of Canadians in a way that protects the public and the environment while supporting efficient markets. The Minister of Natural Resources is responsible for this organization.

Additional information can be found in the Canadian Energy Regulator's Departmental Plan.

Organizational Estimates

	2018–19 Expenditures	2019–20		2020–21 Main Estimates
		Main Estimates	Estimates To Date	
		(dollars)		
Budgetary				
Voted				
1 Program expenditures	2,610,546	71,327,662
Total Voted	2,610,546	71,327,662
Total Statutory	8,221,668
Total Budgetary	2,610,546	79,549,330

2020–21 Main Estimates by Purpose

Budgetary	Operating	Capital	Transfer Payments	Revenues and other reductions	Total
			(dollars)		
Internal Services	29,445,190	.....	.....	.....	29,445,190
Energy Adjudication	17,506,243	.....	2,364,067	.....	19,870,310
Safety and Environment Oversight	17,875,000	.....	.....	.....	17,875,000
Engagement	7,898,891	.....	.....	.....	7,898,891
Energy Information	4,459,939	.....	.....	.....	4,459,939
Total	77,185,263	.....	2,364,067	.....	79,549,330

Listing of the 2020–21 Transfer Payments

	2018–19 Expenditures	2019–20 Main Estimates	2020–21 Main Estimates
	(dollars)		
Contributions			
Participant Funding Program	.....	.....	2,364,067

Listing of Statutory Authorities

	2018–19 Expenditures	2019–20 Estimates To Date	2020–21 Main Estimates
	(dollars)		
Budgetary			
Contributions to employee benefit plans	.....	.....	8,221,668

Canadian Energy Regulator

Organization Summary

	Authorities To Date	These Supplementary Estimates		Proposed Authorities To Date
		Transfers	Adjustments	
		(dollars)		
Budgetary Voted				
1b Program expenditures	75,079,759	.....	21,256,163	96,335,922
Total Voted	75,079,759	.....	21,256,163	96,335,922
Total Statutory	8,221,668	.....	3,813,026	12,034,694
Total Budgetary Expenditures	83,301,427	.....	25,069,189	108,370,616

Note: Additional details by organization are available on the Treasury Board Secretariat website – <http://www.canada.ca/en/treasury-board-secretariat.html>.

Explanation of Requirements (dollars)

Budgetary

Voted Appropriations

Funding to stabilize the Canadian Energy Regulator's operations, and improve its ability to interpret and make data available digitally to Canadians	Vote 1b	21,256,163
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Total Voted Appropriations	21,256,163
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Total Statutory Appropriations	3,813,026
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Transfers

Internal Transfers

Internal reallocation of resources from contributions (\$250,000) to grants for the Participant Funding Program	Vote 1b
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Total Transfers
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Total Budgetary	25,069,189
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Listing of Transfer Payments

	Estimates to Date	These Supplementary Estimates	Revised Estimates
		(dollars)	
Grants			
Participant Funding Program	250,000	250,000

Listing of Statutory Authorities

	Authorities To Date	These Supplementary Estimates (dollars)	Proposed Authorities
Budgetary			
Contributions to employee benefit plans	8,221,668	3,813,026	12,034,694

Items for inclusion in the Proposed Schedule 1 to the Appropriation Bill
 (for the financial year ending March 31, 2021)

Vote No.	Items	Amount (\$)	Total (\$)
1b	CANADIAN ENERGY REGULATOR – Program expenditures – The grants listed in any of the Estimates for the fiscal year – Contributions – Authority, as referred to in paragraph 29.1(2)(a) of the <i>Financial Administration Act</i> , to expend in the fiscal year — in order to offset expenditures that it incurs in that fiscal year — revenues that it receives in that fiscal year from the provision of internal support services under section 29.2 of that Act		21,256,163
			21,256,163

SUPPLEMENTARY ESTIMATES (B), 2020–21

Statutory Forecasts

	Authorities To Date	These Supplementary Estimates (dollars)	Proposed Authorities
Budgetary			
Canadian Energy Regulator			
Contributions to employee benefit plans	8,221,668	3,813,026	12,034,694
Total Budgetary	8,221,668	3,813,026	12,034,694

SUPPLEMENTARY ESTIMATES (B), 2020–21

Budgetary Expenditures by Standard Object

This table shows the forecast of total expenditures by Standard Object, which includes the types of goods or services to be acquired, or the transfer payments to be made and the funds to be credited to the vote.

Definitions of standard objects available at: <http://www.tpsgc-pwgsc.gc.ca/recgen/pceaf-gwcoa/2021/7-eng.html>

Budgetary Expenditures by Standard Object

	Personnel	Transportation and communications	Information	Professional and special services	Rentals	Purchased repair and maintenance	Utilities, materials and supplies	Acquisition of land, buildings and works	Acquisition of machinery and equipment	Transfer payments	Public debt charges	Other subsidies and payments	Less: Revenues and other reductions	Total
	1	2	3	4	5	6	7	8	9	10	11	12		
Canadian Energy Regulator	17,935,346	1,203,294	149,293	5,045,318	186,164	377,308	172,466	.....	.....	.....	.....	.....	.....	25,069,189
Total	17,935,346	1,203,294	149,293	5,045,318	186,164	377,308	172,466	.....	.....	.....	.....	.....	.....	25,069,189

Northern Pipeline Agency

Funding Profile:

- \$1.08M in funding for 2020-21 is earmarked for the Northern Pipeline Agency (NPA), consistent with funding received in 2019-20.
- In 2019-2020, three years of contingency funding was identified for the Agency to undertake Crown consultations and capacity building with directly affected Indigenous groups should the proponent decide to seek an extension of the Canada-Foothills Yukon Easement Agreement (Easement Agreement).
- As was the case in 2019-20, the amount allotted for 2020-21 may not all be used.
- For 2020-21, this funding would enable the Agency to effectively ramp-up activities should there be a need to carry out work under the *Northern Pipeline Act*.

KEY MESSAGES

- **The Northern Pipeline Agency serves as a single window for the federal regulation of the Alaska Highway Gas Pipeline Project in Canada.**
- **Through these appropriations, the Agency would receive \$1.08 million for 2020-21. Of this amount, \$540,000 could be allocated toward contribution funding to undertake Crown consultation efforts, carried out in conjunction with capacity building components for directly-affected Indigenous groups, should Foothills Pipe Lines Ltd. request an extension of the Easement Agreement.**
- **The NPA expenses will continue to be fully cost-recovered from Foothills, which has continued to indicate that it wishes to maintain its Canadian assets related to the project.**

- **Currently, the planned NPA expenditures are focused on maintaining preparedness should the project proceed toward construction, and on fulfilling reporting obligations.**
- **A formal request from the project proponent to the NPA or Minister of Natural Resources would be needed to trigger any ramp up in activities, including Crown consultations.**

BACKGROUND

The Northern Pipeline Agency (the Agency) was created in 1978 through the passage of the *Northern Pipeline Act*. The Agency was established to oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Gas Pipeline (AHGP) project by its proponent Foothills Pipe Lines Ltd. The construction of the northern portion (Phase II) of the project was put on hold in 1982 due to economic conditions. Historically, the size and capacity of the Agency has varied according to the scope of the proponent's activities in Canada. Foothills Pipe Lines Ltd. is owned by TC Energy (formerly TransCanada Pipelines Limited).

The Canada-Foothills Yukon Easement Agreement reserves land for the exclusive use of TC Energy to construct and operate the Canadian portion of the AHGP throughout the length of the Yukon Territories. This Easement Agreement was last extended in 2012 for ten years (i.e.: to September 2022). For TC Energy to retain the authorities it currently holds under the Easement Agreement past 2022, it would need to be extended. This would require that TC Energy formally submit a request to the Northern Pipeline Agency (NPA), or the Minister, for an extension to the current agreement, in keeping with the terms laid out in the *Northern Pipeline Act*.

Should TC Energy officially request a renewal of the Easement Agreement, the Agency would be required to:

- Carry out Crown consultations in conjunction with capacity building components for directly affected Indigenous groups;
- Provide policy advice to the Minister regarding the support of an extension of the Easement Agreement; and
- Seek legal advice to inform the recommendation to the Minister and incorporate that advice into a Treasury Board Submission.

The *Northern Pipeline Act* also outlines the legislative requirements to consider Indigenous peoples' interests in the project.

FINANCIAL PROFILE

Current Funding Profile (\$M)

	2019-20	2020-21	2021-22	2022-23
Vote 1 Program Expenditures	1.06	1.06	1.20	1.20
Statutory	0.03	0.03	0.10	0.10
Total	1.08	1.08	1.31	1.31

Figures above exclude PSPC/SSC amounts.

* Rounded to 2 decimals.

CONTACTS

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Northern Pipeline Agency

Raison d'être

The Minister of Natural Resources is responsible for this organization.

The Northern Pipeline Agency (NPA) was established by the *Northern Pipeline Act* in 1978 and, in the context of the 1977 Agreement Between Canada and the United States of America on Principles Applicable to a Northern Natural Gas Pipeline. The NPA has a mandate to carry out federal responsibilities in respect of the planning and construction of the Canadian portion of the Alaska Natural Gas Pipeline. The NPA plays a key role in supporting efficient and expeditious regulatory approval while ensuring environmental protection and social and economic benefits for Canada.

Additional information can be found in the Organization's Departmental Plan.

Organizational Estimates

	2018–19 Expenditures	2019–20		2020–21 Main Estimates
		Main Estimates	Estimates To Date	
		(dollars)		
Budgetary				
Voted				
1 Program expenditures	226,882	1,055,000	1,055,000	1,055,000
Total Voted	226,882	1,055,000	1,055,000	1,055,000
Total Statutory	3,599	29,070	29,070	28,120
Total Budgetary	230,481	1,084,070	1,084,070	1,083,120

2020–21 Main Estimates by Purpose

Budgetary	Operating	Capital	Transfer Payments	Revenues and other reductions	Total
			(dollars)		
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project	543,120	.....	540,000	.....	1,083,120
Total	543,120	.....	540,000	.....	1,083,120

Listing of the 2020–21 Transfer Payments

	2018–19 Expenditures	2019–20 Main Estimates	2020–21 Main Estimates
	(dollars)		
Contributions			
Funding to conduct consultation activities, primarily with Indigenous groups who could be affected by the Alaska Highway Gas Pipeline project	.....	540,000	540,000

Listing of Statutory Authorities

	2018–19 Expenditures	2019–20 Estimates To Date	2020–21 Main Estimates
	(dollars)		
Budgetary			
Contributions to employee benefit plans	3,599	29,070	28,120