



Business Plan

2020–21

Department of Energy and Mines


NOVA SCOTIA

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Budget 2020–21: Business Plan
Finance and Treasury Board
February 2020

ISBN: 978-1-989654-97-2

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Message from the Minister

Fighting climate change, ensuring our businesses grow and helping our communities prosper remains at the forefront of what we do at the Department of Energy and Mines. One of our main roles is to invest in Nova Scotia's cleaner energy future, while creating jobs by growing our green economy.

Renewable energy use in Nova Scotia has more than tripled over the past 10 years, and it is expected to double again by next year, further extending our national leadership in reducing greenhouse gases. With the help of initiatives like the SolarHomes Program, more Nova Scotia homeowners can now afford to add solar panels and reduce their energy bills. Our work to make all homes more energy efficient continues through our HomeWarming program, as well as the new Mi'kmaw Home Energy Retrofit program. However, our work is not done. Over the next three years, we will invest in programs that will reduce our emissions even further.

Resource development also remains an important part of what we do, and strengthening public, stakeholder and investor confidence is essential for the development of good public policy and our success as a regulator. Our mining sector continues to create jobs and opportunities in rural areas of the province, and produces commodities in demand by industry and consumers. Nova Scotia has seen an increase in mineral licenses issued, and the Mineral Resources Development Fund is an important program designed to encourage investment and responsible development in the sector.

The Department will also continue to pursue the development of Nova Scotia's offshore petroleum resources, as well as important projects like the Alton Natural Gas storage facility and the Pieridae and Bear Head LNG proposals. Our work with phase two of the Offshore Growth Strategy will create a clearer picture of our oil and gas resource potential and help attract international investment.

Supporting the development of tidal energy continues to be a priority for Energy and Mines. The marine-renewable energy permit program gives companies another way to test their technologies, while research and development continues with berth holders at FORCE.

Nova Scotia continues to be in an unprecedented period of electricity rate stability, and keeping our electricity affordable beyond 2022 remains a priority. We will continue to support sustainable electricity, buildings and transportation initiatives through Green Infrastructure projects as well as the Low Carbon Communities program and create more opportunities for young people. These are just a few of the ways we will look to create inclusive economic growth for Nova Scotians. I encourage you to read our business plan to find out more.

Sincerely,

Hon. Derek Mombourquette
Minister of Energy and Mines

Mandate

The Department of Energy and Mines serves the social, environmental, and economic interests of Nova Scotians by promoting the efficient, effective and environmentally-sound use of energy and mineral resources.

Specifically, the strategic goals of the Department are to:

- Grow an evolving economy through development of our diverse energy and mineral resources;
- Transform our energy economy, driving clean inclusive growth while minimizing impact on affordability;
- Strengthen public, stakeholder and investor confidence in energy and mineral development; and
- Invest in our staff, using our technical and business knowledge to inform development of good public policy and ensure we are a best-in-class regulator.

2020 – 2021 Departmental Initiatives: Ministerial Mandate

The 2017 Ministerial Mandate Letters¹ and platform commitment outline that achievement of the mandate is to include a series of strategic actions. In 2020 – 2021, the Department will our work on programs and initiatives intended to achieve this mandate:

1. Reduce greenhouse gas emissions
2. Develop the offshore growth strategy
3. Manage and renew the Mineral Resources Development Fund
4. Ensure electricity rate stability and reduce energy costs for low income individuals and families
5. Advance work on tidal and renewable energy
6. Enhance the non-electric, home energy efficiency program

The following initiatives are being undertaken by the Department in 2020 – 2021 in order to achieve the above objectives.

Greenhouse Gas (GHG) Emissions Mitigation

In cooperation with the Government of Canada, the Department of Energy and Mines supports strategic investments to reduce greenhouse gas (GHG) emissions, leverage private investment, and support community-led clean energy projects. Two significant areas of GHG mitigation that will be addressed in 2020 – 2021 are:

Low Carbon Programming

Low Carbon Programming is the result of a four-year funding agreement with Environment and Climate Change Canada, and additional provincial funding, that supports energy efficiency retrofits and community-driven low carbon projects through the Low Carbon Communities and Connect2 programs (more information available online at novascotia.ca/low-carbon-communities).

¹ The portions pertaining to Geoscience and Mines come from the 2017 Natural Resources Ministerial Mandate Letter whereas the remaining items come from the 2017 Energy Ministerial Mandate Letter.

Green Infrastructure Funding

In cooperation with Infrastructure Canada and the Department of Transportation and Infrastructure Renewal, the Department will support investments in infrastructure projects that reduce emissions from the largest emitting sectors in the province: electricity, transportation, and buildings.

Nova Scotia's Offshore Growth Strategy

Nova Scotia's Offshore Growth Strategy is a long-term geoscience research, investment attraction, and supplier development work designed to increase investment in offshore exploration and ensure Nova Scotians are best positioned to benefit from the development of our energy resources. In 2020 – 2021, Phase II of the Offshore Growth Strategy will guide the Department's ongoing investments in offshore geoscience, regulatory modernization, and encouraging offshore exploration as well as initiatives to further development local supplier capacity within an evolving energy landscape.

Ensure Electricity Rate Stability and Reduce Costs for Low-income Individuals and Families

Through its Electricity Plan (2015), the Province is continuing to ensure technology development and innovation are supported, power rates are predictable and stable, there is transparency and accountability, and the regulatory system is easier to understand. In addition, the Department is working towards a cleaner electricity system.

In 2020 – 2021, the Department will:

- Perform a regulatory coordination role to ensure natural gas can provide Nova Scotians with access to a lower cost, lower emitting, and reliable energy source. Natural gas can also assist in supporting the cost-effective integration of new sources of renewable electricity;
- Participate in the Integrated Resource Plan at the Utility and Review Board by undertaking analysis, reports, and other actions to ensure that our system remains affordable, and becomes cleaner for Nova Scotians;
- Participate in the Atlantic Clean Power Roadmap process with the other Atlantic provinces, Quebec and, the Federal government to explore opportunities to strengthen the regional electricity system; and
- Facilitate the advancement of the goals of Canada's Buildings Strategy, "Build Smart," to make all our buildings, appliances and equipment more efficient.

Work on Tidal and Renewable Energy

As Nova Scotia looks to incorporate increasing amounts of renewable electricity to meet our sustainable development goals, the Department will identify new opportunities for responsible renewable energy development, including wind, marine renewable, and solar energy along with energy storage.

In 2020 – 2021, the Department will continue regulating tidal energy projects with the objective of safe and environmentally-responsible deployments as well as further the development of solar energy in Nova Scotia.

In order to support the growth of this industry and provide economic benefits for Nova Scotians associated with renewable energy, the Province will develop policies, support training opportunities, and make other strategic investments while ensuring continued growth of renewable electricity does not negatively impact ratepayers.

Mineral Resources Development Fund

The Mineral Resources Development Fund (MRDF) is a multi-year funding program designed to assist prospectors, exploration companies, and researchers; employ post-secondary students; and support projects in the mining sector that attract investment, grow Nova Scotia's economy and create jobs, especially in rural areas. In 2020 – 2021, the Department will launch the third round of funding of the MRDF, for a total of \$1.5 million. More information about the fund is available online at: novascotia.ca/natr/meb/mrdp.asp

Non-electric, Home Energy Efficiency Program Enhancements

The Department will support and provide funding for Efficiency Nova Scotia and EfficiencyOne in delivery of energy efficiency programming for homes with non-electric heating systems (e.g. furnace oil, wood, propane or natural gas). This includes the HomeWarming, Affordable Multi-family Housing, and the Mi'kmaw Home Energy Retrofit programs. More information about Efficiency Nova Scotia may be found online at: www.energycyns.ca

2020 - 2021 Department Initiatives: Legislated Mandate

In addition to the responsibilities under its Ministerial Mandate, the Department will continue to provide support for the following initiatives under its legislated mandate:

- Geoscience and resource development;
- Industry and supplier development;
- Regulatory initiatives; and
- Royalties administration and audit.

Geoscience and Resource Development

The Department of Energy and Mines brings the province's experts in subsurface resources together in one department and provides opportunities to better understand the province's energy and mineral resources.

Onshore Petroleum Atlas

In 2020 – 2021, the Department will undertake ongoing geoscience research to support robust oversight of the onshore petroleum industry and produces valuable data regarding the province's onshore oil and gas resources. Open Files Reports from the Atlas may be found online at: energy.novascotia.ca/onshore-atlas-version-1-2017/onshore-atlas-open-file-reports

Resource Evaluation

The Department will keep working to understand the Province's mineral and geoheritage resources, identifying opportunities for mineral exploration and development through ongoing geoscience activities.

Environmental Geology

The Department will support the protection of public health and safety by gaining a better understanding of the quantity and quality of groundwater resources, assessing geological hazards, and assessing the vulnerability of the coastline to erosion and flooding.

Geoscience Information

The Department will continue to publish reports, maps, atlases, on-line applications and databases, and geographic information system (GIS) data products, and provide access to the Provincial Drill Core Library located in Stellarton. Access to this data will support better decision-making by government, the public, and industry.

Industry and Supplier Development

The Department will promote Nova Scotia's energy and minerals sectors by working collaboratively with partners to showcase capabilities at events and to lead trade delegations. The Department will provide training and assistance to prospectors, promoting Nova Scotia's resources, creating awareness of the industry through community engagement, and providing exploration services for the mineral resources industry.

In addition, the Department will operate two key programs to promote local skills development in the energy sector:

Energy Training Program

The Department will continue to administer the Energy Training Program, which develops the energy workforce in Nova Scotia by offering a wage subsidy to employers hiring students and new graduates from Nova Scotia universities and community colleges for term employment. Since 2002, the Energy Training Program has funded about 450 placements at more than 100 companies. Further information about the Energy Training Program may be found online at: energy.novascotia.ca/industry-development/energy-training-program

Pengrowth-Nova Scotia Energy Scholarship Program

The Department will continue to administer the Pengrowth-Nova Scotia Energy Scholarship Program, which offers funding to trades and technology, and university undergraduate and Master-level students throughout Nova Scotia to pursue energy-related studies. Since its inception in 2005, the program has supported more than 200 students and researchers with more than \$1 million in funding. Information about the Scholarship Program is available online at: novascotia.ca/energy-scholarship

Regulatory Initiatives

The Department will administer the following pieces of legislation it has authority for, such as the *Petroleum Resources Act*, *Marine Renewable-energy Act*, and *Mineral Resources Act* as well as all associated regulations. Effective administration of these pieces of legislation will ensure the socially responsible development of Nova Scotia's energy and mineral resources.

In addition, the Department will continue to jointly manage its offshore oil and gas resources with the Government of Canada through legislation, regulation, and policy to ensure exploration, development, and decommissioning activities in the offshore are done so in a responsible and sustainable manner.

The Department retains ongoing responsibility over the Registry of Mineral and Petroleum Titles, which provides global access to a secure, map-based system for mineral and petroleum rights in Nova Scotia.

Royalties Administration and Audit

The Department is responsible for monitoring energy projects to ensure appropriate economic benefits are collected from the development of offshore petroleum resources and for the administration, auditing, and assessing of royalties from onshore mineral projects. The Department ensures the province's royalty regime reflects modern best practice and strikes a balance between attracting investment and providing a fair return to Nova Scotians.

2020 – 2021 Departmental Initiatives: Departmental Priorities

Energy Transformation

A key priority for the Department in 2020 – 2021 will be identify and support innovative tools and research that will help Nova Scotian businesses and workers to enhance their capacity to participate in clean growth opportunities, including providing a clear pathway for the adoption of clean technologies. Accelerating Nova Scotia's energy transformation will help to meet the Province's sustainable development goals, provide a pathway for the Government of Canada to build and procure renewable electricity for federal buildings in Nova Scotia, improve the competitiveness of Nova Scotian businesses, and support increased energy choices for consumers.

In 2020 – 2021, the Department will continue to work with stakeholders, utilities, and regional and federal partners to investigate opportunities to lower the carbon intensity of Nova Scotia's electricity system. The Department will also work with partners to understand opportunities associated increasing electrification of our transportation, heating/cooling, and other emitting sectors.

Financial Summary

Departmental Expenses Summary			
Energy and Mines			
(\$ thousands)			
<u>Programs and Services</u>	<u>2019-2020 Estimate</u>	<u>2019-2020 Forecast</u>	<u>2020-2021 Estimate</u>
Office of the Minister / Deputy Minister	465	379	377
Administrative Services	1,181	1,317	1,186
Sustainable & Renewable Energy	2,745	2,794	1,860
Business Development & Corporate Services	3,213	3,101	3,868
Geoscience and Mines	5,529	5,523	5,569
Petroleum Resources	2,035	2,111	2,126
Canada-Nova Scotia Offshore Petroleum Board	4,305	4,305	3,933
Clean Growth and Climate Change	29,563	20,435	44,590
Total - Departmental Expenses	<u>49,036</u>	<u>39,965</u>	<u>63,509</u>
Ordinary Recoveries	27,785	23,579	31,768
<u>Funded Staff (# of FTEs)</u>			
Department Funded Staff	96.0	91.3	96.0
<u>Notes:</u>			
Ordinary Revenues: See Estimates and Supplementary Detail Book, Chapter 2			